

When less means more

lloydlist.maritimeintelligence.informa.com/LL1122616/When-less-means-more

May 30, 2018



Source: viewgene/Shutterstock.com It is expected the Greek fleet will continue growing 'unabated, certainly over the next few years'

An extensive reshuffle is taking place in Greek shipping, with the emergence of fewer but larger companies operating bigger fleets

IN AN era when uncertainty has become ingrained for the majority of maritime sectors, there has been a measured but palpable uptick of confidence in world shipping in recent months.

Greeks set sail for top spot in LNG sector

By [Nigel Lowry](#) 29 May 2018

Greek-backed companies on the cusp of challenging Japanese owners to leadership of LNG carrier ownership with control of 16% of the world LNG fleet and 29% of the orderbook

[Read the full article here](#)

The mood in the majority of Greek shipping offices is no exception — although if anything has been learned in the past decade of difficult-to-disastrous shipping markets, it is that there are no longer sure things when it comes to market predictions.

What has set Greek shipping apart has been that it has continued growing in terms of capacity throughout the tough times, incentivised during the period by historically low ship prices offered in one or another sector of the market.

With a hint of market improvement ahead, the pace has picked up, too.

According to Lloyd's List Intelligence data, at end-April, the Greek-owned fleet stood at 5,144 vessels of an aggregate 331.1m dwt. That marked an increase of 136 ships and 13.6m dwt more than a year earlier. In dwt terms, that was a 4.3% increase over the 12-month period.

LLI data suggests the Greek-owned share of the world cargo-carrying fleet, including dry bulk carriers, tankers, containerships and gas carriers, has remained at a steady 14%.

During the year to April 2018, the Greek-owned fleet of bulk carriers — as might be expected amid widespread expectations of recovery — grew by a net 51 vessels and 4.6m dwt.

The most significant increase in tonnage, however, has been in the tanker fleet, which added 44 vessels and 7.8m dwt.

The marked acceleration of investment in tankers is compelling additional evidence of the countercyclical culture that has helped sustain Greek shipping over many decades and has been evident ever since the global financial crisis erupted in 2008.

'Exhibit A' for the Greek community's adaptability to new demands on shipowners lies in the liquefied natural gas shipping sector, where they had no presence just a decade and a half ago but now are pushing Japanese owners for the ranking of leading nation in the sector.

Likewise, Greece has also seen an impressive rise in containerships in recent years, although this appears to have stalled in the past couple of years.

In 2016-2017, LLI data showed a small decrease in fleet capacity. In the past year, Greeks have added a net 17 vessels to the aggregate fleet, yet overall it has been a flat spell for their advance in the boxship ownership business.

While Greek owners control 19.9% of world dry bulk capacity, with a few notable exceptions, they have preferred to expand through secondhand purchases rather than newbuildings. LLI calculates their share of the total orderbook for bulkers at 8.3%.

During the first four months of 2018, Greek owners splashed \$564m on 59 secondhand acquisitions, slightly behind Chinese rivals in terms of the amount of investment, according to deals noted by Allied Shipbroking.

Star Bulk to add 18 ships to fleet

By [Inderpreet Walia](#) 15 May 2018

New York-listed Star Bulk says the acquisitions are expected to provide it with economies of scale

[Read the full article here](#)

Those numbers, however, did not include the spree seen in recent weeks by Star Bulk Carriers of 34 secondhand and resale acquisitions, much of which is being paid for in stock.

In the tanker business, Greeks — who are especially prevalent in crude carriers — own 20.4% of world tanker tonnage and are keeping up in terms of new tanker-building with 21.5% of the total orderbook.

But they also lead the secondhand buying league table this year so far, with Allied reporting 20 acquisitions for \$469m up to the start of May, ahead of Norwegian owners in second place, with \$362m spent on six tankers.

Continuing growth in the capacity of the Greek-owned fleet does not, however, mean little has changed for Greek owners.

The community has had to be at its most efficient and pragmatic to weather the squalls of recent years and, inevitably, a minority has fallen by the wayside — at least temporarily.

The number of distinguishable Greek owners has dipped below 700 for the first time in decades, a recent study found.

“Consolidation has progressed more this year than in any other in the past 20 years,” said Petrofin Research managing director and study author Ted Petropoulos.

During 2017, the number of Greek shipping companies fell by 6.4% to 597 — which may signify considerable strength in depth but pales by comparison with the 926 companies plying their trade 20 years ago.

The shrinkage by 41 companies could be accounted for by consolidation as well as some owners withdrawing, according to Petrofin.

The highest-profile Greek casualty of harsh markets recently has been the Callimanopulos group of tankers, bulkers and offshore support vessels.

Not surprisingly, though, most of the thinning out came in the band of smallest owners, with three-quarters of the lost companies having previously had a fleet of only one or two vessels.

Shipping consolidation 2.0

By [Lambros Papaeconomou](#) 15 May 2018

Mergers and acquisitions have picked up pace since 2017, with six major deals valued at \$4.7bn

[Read the full article here](#)

Mr Petropoulos identified an “extensive internal reshuffle” taking place in Greek shipping, with the emergence of fewer but larger companies operating bigger fleets.

“A mood of confidence is prevailing in Greek shipping that the huge investment decisions and commitment in shipping will bear fruit in the next few years,” he said.

As such, it was expected the fleet will continue growing “unabated, certainly over the next few years”.

Despite this, Greek owners faced a host of technological, regulatory, compliance and financial challenges.

“However, the key to meeting these challenges and continuing with the remarkable growth and quality story lies in the performance of the shipping markets,” he said.