

SPONSORED SUPPLEMENT: GREECE - SHIPPING AND LOGISTICS

Celebrating 40 years of diplomatic relations

Greece has long been a formidable maritime nation. The country's culture and mythology are intrinsically tied to the sea and shipping remains a key strength of the modern nation.

"We've always been a seafaring nation and our contributions to shipping are extremely important to the world," says George Gratsos, president of the Hellenic Chamber of Shipping.

The country's modern shipping industry started taking shape after the second world war when shipowners, such as Aristotle Onassis, purchased Liberty cargo ships from the United States to rebuild fleets destroyed during the war.

Today, Greece maintains the world's largest merchant fleet consisting of 3,185 vessels greater than 1,000 gross tonnage

— well over 200 million dead-weight tonnes (dwt). This figure represents almost 15 per cent of the world dwt market.

Greek owners control about 22 per cent of the world's tanker fleet and 16 per cent of the world's bulk carrier fleet in terms of dwt.

At the end of 2010, the overall capital invested in new building orders by Greek shipowners amounted to 10 per cent of the entire global order book. These orders place Greece in the number one position internationally with 8.7 per cent of the world's fleet by units and 13.5 per cent by capacity.



George Gratsos, president, Hellenic Chamber of Shipping



Greece's rich maritime history in photos. The country continues to strengthen its position within the global shipping industry through its close commercial ties with China.

Since 2000, Greek ship owners have ordered nearly 500 vessels from China's shipyards with 267 under construction. "Greek shipowners have good relations with Chinese shipyards and I expect relations to strengthen as Chinese shipbuilders focus on more energy efficient vessels," Gratsos says.

While Greece is at the centre of the European sovereign debt crisis, the country's economic woes have had little impact on the powerful Greek shipping industry. From 2000-2010, the shipping industry contributed €140 billion (HK\$1.37 trillion) in foreign exchange earnings to the Greek economy and today shipping accounts for 6 per cent of Greece's gross domestic product.

"Shipping is different from the rest of the Greek economy because we operate internationally," says John Pachoulis, president of the Hellenic Shipbrokers Association. "We are affected by events in the global economy rather than our local economy."

As Greece and China celebrate 40 years of diplomatic relations today, the maritime cluster remains one of the most important pillars of co-operation. China's investment in Greece's largest port, Piraeus, is a flagship project for the two nations. Cosco operates two of the three container terminals at Piraeus and employs about 600 Greek workers.

"We enjoy doing business with the Chinese and would like to facilitate more

exchanges. Once the Chinese start investing in Greece, they will quickly enjoy the benefits of working with us," Pachoulis says.

The strength of the Greek shipping industry will be celebrated at the "Posidonia" maritime trade fair which continues until Friday.

"The 'Posidonia' Exhibition reveals the dynamism and resilience of the Greek shipping industry," says Theodore Veniamis, president of the Union of Greek Shipowners. "Despite concerns about the world economy and the difficult times Greece is facing, we will maintain our international shipping reputation and overcome the challenges of the future."



John Pachoulis, president, Hellenic Shipbrokers Association

Developing lasting Chinese partnerships



Karos Shipping & Brokerage Co. Ltd.

Since 1985, Ikaros Shipping & Brokerage Co (ISBC) has focused on a strategic growth path. Active in the dry bulk segment, its fleet of Japanese built Handysize, Handymax and Supramax are among some of the most modern vessels in the industry. With an eighth new-build scheduled for delivery in September, ISBC is building a reputation for development within the international shipping community.

ISBC's expertise is founded on high standards of safety and delivery of quality services. Working with leading charterers such as Cargill, Daeyang Shipping, Canpotax and NYK, the company handles commodities such as coal, alumina, fertiliser, grain, sugar, wheat and steel. In recent years, ISBC has successfully developed its business with Chinese charterers.

"As of today, 70 per cent of our chartering business is with Chinese companies," says Panagiotis Christodoulatos, managing director of ISBC. "We enjoy strong relations with Sinochart and Eastern Ocean with three of our ships chartered with them. They have been very professional with regard to our business relationship."

ISBC's Supramax and Handymax vessels are equipped with cranes and grabs which ensure maximum flexibility for "self-handling" of cargoes in areas where port facilities are insufficient. "We often have repairs and maintenance work carried out in Chinese dry-docks and have been impressed by our partners' fast turnaround, quality of workmanship and high standards of service. I've been equally pleased by the Chinese made equipment such as grabs that are fitted into our vessels," Christodoulatos says.



Panagiotis Christodoulatos, managing director

ISBC is well positioned to strengthen its relationship with Chinese charterers. "China is a barometer for worldwide trade," Christodoulatos says. "We expect the country to continue to play an important role in the development of our industry. We have always followed a certain path with the people we work alongside in China and with the companies we have dealt with. When it comes to developing our chartering business we intend to build on the relationships we have developed and continue working closely with our Chinese counterparts."

www.isbc.gr

Mainland's role in company's growth

The past 20 years have seen the movement of seaborne goods grow dramatically. Globalisation, increased international trade in finished and semi-finished goods and just-in-time delivery demands continue to drive developments in the international transportation of goods.

As an international provider of seaborne transport services, Danaos Corporation has developed into one of the world's largest container charter owners. Celebrating its 40th anniversary this year, Danaos is continuing to stay the course in terms of business development and is building on its international reputation as a leader in global shipping.

Established by Dimitri Coustas, an experienced shipping investor, John Coustas, his son, took over as president and CEO in 1987. Since that time the company's fleet has grown from three multipurpose vessels to 62 container ships. Today, the company is listed on the New York Stock Exchange and John Coustas is confident of the company's future.

"With Danaos' large containership fleet, we are now well established in the international shipping industry. Since the 1980s, our direct strategy has focused on our strengths and today we benefit from having a significant competitive



John Coustas, president and CEO

advantage. We use the latest design innovations and have developed a reputation for safety and reliability within the industry," Coustas says.

The company's hi-tech information systems were developed by Danaos' affiliate software house; Danaos Management Consultants, a recognised world leader in information technology solutions for shipping applications.

Danaos' ability to exploit market opportunities during periods of reduced demand and prices has led to profitable growth throughout the shipping cycle. Danaos has continuously chartered vessels to Maersk, CMA-CGM, Yang Ming, Hanjin, ZIM,

MSC, SCI and Hyundai Merchant Marine, and to China Shipping Group and TS Lines.

With two new orders to be delivered this month, the fleet is expected to comprise of 65 containerships, placing the company among the world's top 10 containership charter owners.

Danaos has developed strong ties with China and the region. The company's recent deliveries of the CMA CGM *Melissande* and CMA CGM *Attila*, both built at Shanghai Jiangnan Changxing Heavy Industry have a carrying capacity of 8,530 TEU, are 335 metres long, 42.8 metres wide and each have a speed of 25.8 knots. The latter, post panamax vessel is the largest container ship built in China and symbolises Danaos' commitment to strengthening its ties with China while continuing to forge ahead within the global shipping industry.

"China continues to play an important role in our company from a shipbuilding, chartering and financing point of view. As China continues to develop as a competitive shipbuilding nation, we would like our co-operation with them to extend to building new designs which are eco-friendly and geared towards Green shipping," Coustas says.

www.danaos.com

A partnership built on friendship

While South Korea and Japan were the dominant players in the global shipbuilding and ship-repair industries in the early 1990s, China has since developed into a leading player and is expected to overtake South Korea as the largest shipbuilding nation by gross tonnage in the near future.

"My first business trip to China took place in 1991," says Dimitris Vranopoulos, managing director of Marine Plus.

"Our first repair of a Greek vessel in a Chinese yard was conducted a year later and I realised then that China would become a major centre for ship repairs. China has potentially unlimited manpower capacity and competitive labor costs — these two factors play key roles in labor intensive activities such as ship repair."

Marine Plus is engaged in repairs, conversions and new-building services for the Greek shipping community. The company's loyal customer base consists of more than 130 companies and today 80 per cent of repairs and conversions are carried out in Chinese ship repair yards.

"Our official role is to represent ship yards in China within the Greek market. We also



Dimitris Vranopoulos, managing director

facilitate information, ideas and technology exchange between our team and our Chinese principals and it has become imperative for partners to find new ways of offering more attractive packages for our Greek clientele," he says.

Marine Plus repairs around 100 ships annually in China and the company is the main agent for CSSC Chengxi shipyard, Chengxi (Xinrong) Shipyard, Shanhaiguang Shipbuilding Industry and Guangzhou Dockyards in

addition to its role as the exclusive agent for Yiu Lian Dockyards in Hong Kong.

"We have become involved in new-building activity in China through our co-operation with several state-owned yards. We will be more active with our partners in China over the next few years," says Vranopoulos.

Marine Plus recently opened a branch office in Istanbul and strengthened its position in the Far East by establishing a branch office in Singapore last April.

Considered a trailblazer in Sino-Greek relations, Vranopoulos is proud of his connections with China.

"The Chinese and Hong Kong shipping fraternity should continue exploring co-operation opportunities at all levels within the Greek shipping industry. At a time when Greece as a nation does not seem to have many friends, at least on the European front, it is comforting to know that we are true friends with the world's second largest economy and that we understand each other and enjoy doing business together," he says.

www.marineplus.gr

Pursuing Far East growth opportunities

To fully understand the wealth of opportunities in Asia, there is a need for companies to have a presence in the region.

China continues to be a growth driver in the dry bulk sector and successful international businesses understand the significance of developing close relationships within the mainland.

With more than four decades of experience in the shipping industry, Seenergy Maritime Holdings' chairman and CEO Dale Ploughman understands the importance of engaging with China. "We wanted a position in Asia and by having an office 'on the ground' and close to China, we are able to see what is happening and respond more effectively to our customers' needs," he says.

Nasdaq-listed Seenergy Maritime Holdings has expanded significantly since its establishment in 2008. The company virtually tripled its number of vessels by 2010 through the acquisition of Hong Kong-based Maritime Capital Shipping (MCS), a leading provider of international dry-bulk transportation services. Today, the company's fleet comprises 19 dry-bulk carriers (four Capesize, three Panamax, two Supramax, and 10 Handysize vessels) with a capacity of about 1.2 million dead weight tonnes.



Dale Ploughman, chairman and CEO

Seenergy's major charterers include Clipper Bulk, MUR Shipping, South African Marine Corporation and Oldendorff Carriers. "Fifty per cent of our vessels are trading into China," Ploughman says. "We recognise how important it is for companies such as ours to pursue growth opportunities in the Far East."

Seenergy is committed to expanding its fleet through newly-built vessels, the acquisition of secondhand vessels and is focused on developing long-term partnerships in China.

"When we first entered the market as a public company, we positioned ourselves as a company focused on growth. We have tripled the size of the company in a comparatively short period of time and we intend to continue implementing our growth strategy. While the market is relatively soft at the moment, we are well positioned to take advantage of the anticipated improved market situation and look forward to working ever more closely with China in the future," Ploughman says.

www.seenergy.com

Maritime security vital to counter threat of piracy

Piracy remains a continuing threat to seafarers around the world. In the waters off the Somali coast, between the Red Sea and Indian Ocean and in the Strait of Malacca between the Malay Peninsula and the island of Sumatra in Indonesia, piracy is on the increase.

It is estimated that US\$15 billion is lost each year due to piracy and the risks to seafarers remain high.

Last year, there were more than 430 pirate attacks and 45 merchant vessels hijacked worldwide with close to 50 per cent (237 attacks and 28 hijackings) occurring in the Gulf of Aden, off the coast of Somalia.

With Somali pirates potentially earning almost 150 times their country's national average wage, reports suggest that piracy is an emerging industry in the region in its own right.

As ship owners recognise the need to employ security personal and defence products aboard their vessels, companies are turning towards Aspida Maritime Security, a leading



Panos Moraitis, CEO

maritime security firm.

"Coming from a maritime nation we have a deep understanding of the shipping industry and its complexities," says Panos Moraitis, CEO of Aspida Maritime Security. "We offer a range of cost-effective maritime security services and products designed for all types of vessels, cargo and distances."

In the majority of cases, pirates abort an attack when a visible security presence is identified.

Aspida's security teams comprise highly experienced Greek and British operatives who have dealt with various incidents aboard Aspida guarded vessels.

While Greek shipping companies account for 50 per cent of Aspida's client base, half of the company's customers are international.

"We have developed a reputation for providing a quality service and we are now considering entering the Chinese market having seen success with our clients in countries such

as South Korea," Moraitis says. "We are looking for local contacts and partners in China to facilitate communication between us and Chinese shipowners."

"With China's high trade volumes, security is essential to ensure that crews, vessels and cargo reach their destinations safely. Aspida remains one of the few security companies in the world built from the ground up to serve the maritime industry. We intend to continue to successfully protect our international clients, their crew and their maritime investments."

www.aspida.org

Specialists build on experience and knowledge

In the 1950s, the late Konstantinos Diamantis was one of the first Greek shipowners to establish a close working relationship with leading international oil companies such as Shell and Indonesia's Pertamina.

Hellenic Carriers management team prides itself in its former tanker experience, efficiency and safety record.

With a shift in focus to the dry-bulk market, the company has chartered vessels to Sinochart, Cosco Bulk and other leading AAA charterers from around the world.



"Given the highly specialised nature of the tanker industry, we were able to use our experience and knowledge to successfully enter the dry bulk segment in 2000," says Fotini Karamanli, CEO of Hellenic Carriers, a company listed on AIM, the London

Stock Exchange's international market for smaller, growing companies, and a third-generation descendant of Diamantis.

"We feel the dry bulk shipping industry has tremendous potential considering the growth of urbanisation in the Far East."

The company operates a diverse fleet of two Panamax vessels, one Handymax and one Supramax.

Next year will see the company take delivery of two 82,000-tonne Kamsarmax vessels from Zhejiang Ouhua Shipbuilding yard in China.

The large Kamsarmax vessels will be capable of loading cargo at the world's largest bauxite port, Port Kamsar in Equatorial Guinea. Following the delivery of the two Kamsarmax vessels, the company will have a total



Fotini Karamanli, CEO

carrying capacity of approximately 398,550 dwt and a weighted average fleet age of 11 1/2 years.

"Our plans are to continue with our expansion strategy and fleet renewal programme," Karamanli says.

"We understand that all aspects of our industry are shifting towards Asia — from shipbuilding, chartering and even financing," she says.

"As we move to capitalise on the changes taking place in our industry, we will continue to view China as an integral part of our business."

www.hellenic-carriers.com

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Supporting a pillar of the Greek economy

As one of the "Big Four" professional services firms, the member firms of Deloitte Touche Tohmatsu play an important role in each of the 150-plus markets in which the firms operate. Deloitte Greece employs 450 professionals with offices in both Athens and Thessaloniki.

Deloitte Greece has provided professional services to the major Greek industries throughout the country for more than three decades. With Greece's legendary maritime history and the country today possessing the world's largest merchant fleet, Deloitte Greece has developed a deep understanding of the

shipping industry and continues to build on its expertise.

"Shipping is a pillar of the Greek economy," says George Cambanis, Deloitte's global shipping and ports leader. "We provide professional services to many of the Greek shipping companies that are listed on the New York Stock Exchange and the Nasdaq. Greek companies represent 18 per cent of the European companies listed in the United States, second only to Britain at 24 per cent. Of all shipping companies listed in the US, 52 per cent are Greek. These facts are a testament to the valuable knowledge base that has been built within the Greek shipping

industry. We have a community of shipping executives with a deep understanding of the capital markets."

From Athens, Cambanis leads a global shipping and ports network of more than 500 professionals who serve the industry around the world.

"Considering that five of the world's busiest container ports are in Asia and the Far East continues to be the growth driver for shipping, we expect our Asia-Pacific network of 136 professionals to grow significantly in the coming years," he says.

While traditional European lenders are saddled with enormous portfolios of shipping loans, Cambanis believes

that Sino-Greek relations will continue to strengthen through the growth of Deloitte's network in Asia and further collaboration within ship financing between China and Greece.

"Current values provide Chinese financial institutions with an opportunity to grow their business with Greek shipowners at a time when the industry nears the trough of this down cycle. It is a business we understand and one which Deloitte Greece and our Asia-Pacific member firms will continue to support as we look towards the future," he says.



George Cambanis, global shipping and ports leader

www.deloitte.gr