

**OSLO SHIPPING FORUM  
-Plotting the Course-**

**(Oslo, June 13, 2007)**

**Where are our shipping companies headed for?**

**The Greek Experience -Our Strategies  
Professor John Tzoannos  
Secretary General  
Ministry of Mercantile Marine**

There has been extensive discussion in the recent years on the role of maritime clusters both in terms of their impact on the respective national economies as well as their role in the allocation of resources in a globalised context.

From a Greek perspective shipping has traditionally been the most important export industry providing services primarily in cross-trades between third countries.

The need to survive without the safety net of national or colonial captive markets in seaborne trade has on one hand contributed to efficiency and high quality and on the other to a worldwide diaspora of Greeks involved in maritime activity.

In fact long before the Greek economy became an open one, as result of its integration into the EU or it became fashionable to talk about “globalisation” the Greek shipping industry was fully globalised.

Given the international nature of the Greek shipping industry all Greek governments have consistently supported the principle of free and fair competition in maritime transport and opposed protectionist measures which hamper the unimpeded flow of seaborne trade.

At the same time our strategy has focused on the need to improve the links of the ocean going merchant fleet with the national economy. To bring the Greek shipping diaspora close home.

One of the early measures adopted was the adoption of a stable legal framework with constitutional guarantees concerning the registration of ships as well as the tonnage tax system.

The latter's main advantage is fiscal security and low compliance costs both for the shipowner and the state.

Legal and fiscal certainty reduce uncertainty which is a critical instrument in developing the maritime clusters, especially taking account the high degree of volatility of maritime activity.

As a result of the above measures, over 1200 ship management companies are in operation today, the overwhelming majority of them being situated in Piraeus. These companies provide direct employment to more than 12.000 people and are the driving force of various shipping related economic activities.

Greek shipping through its global character and strength has a very positive impact on the country's image and financial stability and brings considerable benefits to our national income. In particular, the inflow of

shipping generated foreign exchange -which for the year 2006 exceeded 14 billion euro - helps in the reduction of the endemic deficit of our balance of payment and the consequently improves the macroeconomic indices of the Greek economy.

It is estimated that shipping and shipping related activities give employment directly or indirectly to more than 200.000 people. Moreover the number of seafarers employed on board ships of the Greek controlled fleet exceeds 40.000, while an even larger the number of people are employed in shore-based jobs generated by main shipping activities and ancillary services.

The spectrum of these activities covers financial services, legal services, marine insurance, chartering, shipbuilding, ship-repairing, towage and salvage, ship broking, ship supplying, marine engine and equipment manufacturing and repairing, ship classification etc.

I believe that it becomes clear from the above that Greece has succeeded in attracting a considerable part of shipping and shipping related business back home. At this point though I think we should also ask ourselves what could be done at policy level in order to enhance and further boost business activities and also promote shipping in general.

First of all the competitiveness of the shipping industry should be of highest priority. In this respect and in order to achieve a holistic approach, we believe that the impact of all the factors that affect competitiveness should be analysed in relation to horizontal regulatory initiatives especially at EU level so as to avoid negative side effects. This is compatible with the Lisbon Agenda of the EU.

An important element for consideration should be the preservation and continuous promotion of quality shipping.

It goes without saying that the most vital factor, an asset of immeasurable value, is the human resources employed on ships and the shore based related activities. One could not imagine the existence of the shipping industry without its valuable workforce, the seafarers.

Employment opportunities for seafarers should be emphasised and particularly the importance of attracting young people to the maritime professions. The key element for that is the improvement of image of shipping through continued positive measures at all levels national, European and international.

While it has been widely accepted that the human factor is essential for quality shipping and that it is necessary to preserve and further develop high level of maritime and shipping expertise at European level. The small numbers of qualified European seafarers, especially officers, continue to raise serious concerns for all those involved in the maritime transport sector, despite the efforts already undertaken by member states. The BIMCO/ISF study on the future supply of qualified seafarers reminds us of the need for immediate joint action.

It is clear that the issues of attracting young people to the maritime profession and improving the image of shipping are common to all national maritime clusters.

This is an area of cooperation for national clusters and joint action, for the promotion of their common interest.

In fact we should address together the common challenges to shipping presented by the globalised economy and the need to protect the environment.

We believe that given the international nature of maritime activity we should cooperate for global regulations adopted at the appropriate for a, namely the IMO and the ILO in its area of competence.

Cooperation could take the form of sharing expertise so as to produce knowledge- based proposals that lead to efficient regulation.

Undoubtedly it is not easy to strike a balance between all related interests and players involved in the various aspects of shipping but nevertheless I believe that there is a key word which could apply in several ways and various occasions , **sustainability**.

Sustainability of a qualitative and competitive shipping industry and maritime expertise, sustainability of the marine environment and its resources, to the benefit of societies and future generations.

Greece believes that the best way to ensure sustainability of all related interests would be through the implementation of the existing international regime prescribed by UNCLOS and other international conventions dealing with maritime safety, environmental protection, security and maritime labour standards.

Through their cooperation to this end we will produce synergies to the benefit of all national maritime clusters

Thank you for your attention