

SHIPPING RELATED RESEARCH

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Greece has always been strongest when it embraced the sea

Greece is a Maritime nation. Except for its central land mass Greece is a sea strewn with islands. Shipping is in our DNA.

Because of the size of its fleet, Greek shipping knowledge and know how is second to no-ones'.

Other than ship management companies, Greece has little shipping infrastructure.

A SHIPPING OVERVIEW

Shipping transports over 90% of world trade.

Shipping has always been the most environmentally friendly mode of transport emitting only 2.7% of the world's Green House Gases and contributing only 12% to marine pollution.

The Greek controlled fleet comprises of 3.325 ships (greater than 1.000 gt) and represents about 15% of the world's total transport capacity. 2.109 of these ships are less than 10 years old. Ocean going shipping supports about 50.000 direct and 250.000 indirect jobs in Greece and represents about 7% of Greek GDP.

Of the above ships, 103 are Greek passenger ferries. The Greek Passenger fleet is among the youngest and fastest of the European Union. It performs about 2.9 billion passenger kilometers and transports about 570.000 trucks and 1.600.000 cars a year (2011).

Shipping in all its forms conforms to:

- **The laws of nature**, which are well thought through and consistent.
- **Manmade regulations** which, not being as inspired, some times create more problems than they solve, despite the fact that knowledge and experience is ever expanding.

IMO is the primary source of maritime regulations although the U.S., the E.U. and others try to promote regional regulations. To be effective, shipping regulations must be well thought through and applicable world wide.

To make better regulations that affect Shipping and the Maritime economy it is important that Greece supports research which enhances understanding of the industry and helps optimize solutions and regulations through timely submissions to the IMO and other fora.

SHIPPING RESEARCH

- Shipping research needs cooperation between Shipping and Universities. Academic analysis without input from the real world is not really relevant. Universities should seek and encourage discussions with industry.
- Greek universities are good in attracting foreign R&D funding. National funding is necessary to support research in projects that concern Shipping and the Maritime economy because of their importance to Greece.
- The Shipping industry already has good working relations with the National Technical University of Athens, Athens University, University of Piraeus, the University of the Aegean and others.

Shipping research should be proactive and focus on the following categories:

- **Technical matters:**

Matters concerning ship construction and energy efficiency, safety, ship behavior in a seaway and in congested waters, the effect of wind and waves on a ship's performance. Good accident investigation capability is also necessary. So is R&D in equipment to satisfy requirements of new regulations. This would be good for the Greek economy.

- **Financial matters:**

How economic stimuli and regulations affect the performance of Shipping and Greece's Maritime economy.

These two subjects cannot be viewed in isolation. For example the impact of environmental regulations on i.e. emissions should be developed in a win-win fashion, otherwise they will fail.

Technical matters:

Greece designs and builds few ships. Therefore research of new energy efficient ships and engineering systems is primarily of academic interest.

- **More relevant to the Greek economy would be to focus research with a view of improving the performance of existing ships, all of which represent older technology, through retrofitting.** Changes in the bow shapes of existing ships, resistance reducing technology such as bubbles on the ship's bottom, propellers, propeller ducts, rudder improvements etc., if properly designed can reduce fuel consumption. **All presently available systems have been designed by others.** Developing such technologies would help create new jobs ashore. Greek shipping market penetration would be easy for such products.
- The creation of credible models to simulate and evaluate the effect on a ship's performance of wind, wave and current factors in order to rebuff arbitrary and mostly unsupported speed and performance claims by charterers. To be useful the credibility of these models should be established.
- The research of accidents and the creation of credible expertise in accident investigation would be good for substantiating or defending claims.
- Analysis and evaluation of the performance of various products that are on the market and said to improve the performance of ships would be of great assistance. As it is now we are deluged by what appears to be unrealistic information.
- Academic support would prove valuable in analyzing and suggesting improvements to regulatory initiatives.

Financial matters:

- Shipping regulations should be such as to ensure competitiveness in a globalized world. Systems should be as streamlined as possible. This is constantly being done by our competitors. In Greece they are not.
- Shipping and the Maritime economy have complicated interactions influenced by many parameters. All of them have economic repercussions. The HCS, with the studies it undertakes, attempts to highlight and correct ineffective legislation with regard to shipping.
- All initiatives and measures must be evaluated by a cost-benefit analysis so as to project their effect. These analyses should not be superficial but should go to enough depth to evaluate the inevitable feedback loops. The aim would be to correct regulations to create win-win situations, free from ideological bias. Only in this way can Greece prosper.
- Transport cost, logistics and modal shifts should be evaluated. This will support the idea of Greece as the transport hub of the Eastern Mediterranean.

Examples of ineffective regulations:

Cruise ships:

Greek companies were among the first to have cruise ships. In the '70s the Greek cruise ships fleet was the largest in the Mediterranean and cruised in the Caribbean, Alaska, Baltic. Now there are none. From 2004 the HCS lobbied to change the cabotage law in order to allow homeporting of foreign flag cruise ships. Legislation changed in February 2012. Over the years, the loss to Greece was about 11.500 jobs and €1+ billion per annum.

Passenger Ferries:

Cost per N.M. is among the highest in Europe because of Greek legislation's unrealistic requirements. This reduces island tourism and growth. Manning for a certain high speed ship in Europe is 17, in Greece 31. Manning for a certain conventional ferry in Europe is 32, in Greece 52. Ship and personnel must be employed for 10 months/year. HCS has been lobbying for years for changes to align legislation with EU and SOLAS regulations. Operational flexibility is also important. The industry has been counting losses for 3 years. Soon there will be fewer ships.

Yachting:

Yachts over 25 m create about 38.57 direct and indirect jobs. Yachts over 15m create about 12.5 jobs. Legislation enacted in 2009 resulted in about 2000 such boats leaving Greece, thus reducing employment by about 25.000 people (preliminary figures of HCS study with Piraeus University).

Registering ships under Greek flag requires 32 signatures and months. Malta requires 1 signature and 24 hours!

Greece is in the present mess because we appear to be incapable of contemporary economic thinking. The concept of productivity, competitiveness and cost is not part of Greek culture. Everyone wants protection for jobs of low productivity. We must learn to be effective.

CONCLUDING REMARKS

The proposal of any regulation is not idealistic. It is a battle of interests with each country trying to assist its industries. Greece and Greek Shipping supports free and fair competition in international seaborne trade. Other nations may have a different view point and plan their regulatory proposals accordingly. **Sometimes we need research on short notice to evaluate and counteract proposals by others.**

Research should focus on improving the competitiveness of the Greek controlled fleet and Greece's Maritime economy.

All research projects should be made in close cooperation with Shipping industry organizations and Shipping companies. Shipping organizations encapsulate the vast knowledge of the Greece Shipping industry, knowledge which is not readily available in the academic sphere. They are best suited to give guidance on necessary research projects.

Research projects supported by industry organizations should be approved without delay. Bureaucratic complications kill all prospects of progress and success.

Thank you

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