

The Business History of 22 Greek-Owned Shipping Companies: The Explanations Given by Management

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How to cite this paper: Goulielmos, A. M. (2025). The Business History of 22 Greek-Owned Shipping Companies: The Explanations Given by Management. *Modern Economy*, 16, 499-521.

<https://doi.org/10.4236/me.2025.163024>

Received: December 27, 2024

Accepted: March 28, 2025

Published: March 31, 2025

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Abstract

We have re-told the business history of 22 Greek-owned family shipping companies by summarizing their published CVs, since steam-period, and till recently (2009). The business nucleus here was the “island maritime family”, round a dominant father, and Captain, with...up to 5 sons. The Sea was the extension of their...land, and the place where a profession, or rather a *way of life*, had to be done. A strong *tradition*, and stronger among relatives, and with people from the same place, over many decades, predesigned the professional way that a man was about to follow. Marriages, and partnerships, among members of the shipping families, increased the power of the shipping companies. The *split-ups*, being in the Greek DNA, multiplied their number, so that more than 1200 international shipping companies belonged to a nation of only 8 - 10 m people. Greeks established their maritime supremacy first by being worldwide Merchants, and founders of colonies. Shipping was the alter ego of Trade at its beginning. When this twin combination ceased due to specialization, Greek shipowners applied, effectively and efficiently the “public relations”. The example of Onassis taking over the transport of Saudi Arabia’s oil, is one of the many and well-recognized, acts of public relations. Also, the Greek shipowner who took over the oil transport of Mexico is another example of “public relations” with country’s President. Niarchos S, is an additional example of applying public relations to businesses with Fiat and Ford, and by marrying...5 wives. Thanks to certain Greek shipowners and Onassis, it has been realized that the “rapid growth strategy” of a shipping company is only possible through newbuildings. With a growth financed mainly by the banks, plus economies of scale, and a co-operation with the oil companies, Greek-owned shipping became *great*. Greek shipowners were only defeated by two enemies: 1) the deaths, and 2) the depressions, especially that of 1981-1987. In addition, the

Greek-owned shipping was supported heavily by the 107 Liberty ships “lent-leased” by USA (1947). But, Greek shipowners found ways to gain advantages out of the frequent depressions by applying only two simple principles: a) economies of scale and b) economies of lower age, by buying/selling at the right time of the shipping cycle, in an industry, where to know what the next day will bring, is entirely impossible.

Keywords

The Business History of 22 Greek-Owned Shipping Companies Since Steam Period and till 2009, The Explanations Which Can Be Given by the Modern Global Management, The 107 USA Liberty Ships “Sold” to Greeks in 1946, The Split-Up Syndrome among the Greeks, The Corporate Growth Strategies Applied, The Game of Assets

1. Introduction

The World Shipping Industry was expected to spend more than \$130b by 2024 to order new ships. The lion’s share in orders is held by containerships, with a share, in money, of 31.5%, or \$41.2b. This is followed by Gas Carriers with 29%, tankers 22.5%, bulk carriers 13% and “VC-car carriers, RoRo & OSV” with 4% (=100%). The way funds have been cast shows that world economy was towards expansion, despite the 2008-2018 crisis, the 2019 pandemic and the Russia-Ukraine and Palestine-Israel Wars.

Moreover, the 295 containerships on order indicated indirectly that certain countries, like e.g. China, accelerated their development in 2024. In addition, the Chinese shipyard “Qingdao Beihai” was able to build a 163,000 dwt tanker at *the price* of a Suezmax (=\$82 m), and to obtain the first worldwide yard position in 2024, vis-à-vis S Korea. China has undertaken Japan’s role in global shipbuilding where ship’s low price does not go hand in hand with ship’s hull quality.

Shipbuilding is the silent partner of shipping, but as well...the antagonist of it. But the innovations in shipping come from shipping via shipbuilding, as certain Greek shipowners have done so far, and have also been decorated by the Japanese yards for this.

As far as the Greek-owned shipping is concerned the 11 prime shipping international personal companies owned by Greeks in 2024 were as follows (**Table 1**).

2. Aim, Structure & Contribution of This Work

This work aims at analyzing the business history of 22, or so, Greek-owned family shipping companies, since their steam period, by summarizing their published CVs. In fact, we were able to reveal the growth patterns, and not only, of the shipping companies presented, and the main reasons of their failure or success.

The paper is cast in 7 parts, and 8 appendices, as follows: Part I, dealt with the

Table 1. The 11 protagonist Greek shipowners in 2024, out of 100, according to Lloyd's list.

Name	Company	World Position (out of 100)
Mrs. M. Angelicoussis	"Angelicoussis Shipping Group"	12 th
Mr. V. Marinakis	"Capital Group"	16 th
Mr. G. Prokopiou	"Dynacom/Dynagas/Seatraders"	20 th
Mrs. A. Fragou	"Navios Group"	24 th
Mr. G. Economou	"TMS Group"	33 rd
Mr. C. Constantakopoulos	"Costamare"-containeriships	36 th
Mr. P. Pappas	"Star Bulk"	37 th
Mr. P. Livanos	"GasLog/DryLog"	49 th
Mr. G. Logothetis	"Libra Group"	63 rd
Mr. N. Tsakos	"TEN"	76 th
Mrs. S. Paliou	"Diana Shipping"	87 th

Source: From the annual list of Lloyd's List of "the most active Greek shipowners".

major drivers of change in the world during the last 15 years; Part II, dealt with the first 12 Greek-owned shipping family companies; Part III, dealt with additional 10 Greek-owned shipping family companies; Part IV, dealt with the failure of 3 Greek-owned shipping companies, 1973-1995; Part V, dealt with the impact of certain external factor; Part VI, dealt with the role of the Greek Government; Part VII, dealt with Succession Planning in the Greek-owned shipping industry; Appendix 1, dealt with the corporate growth strategies; Appendix 2, dealt with the combination carriers; Appendix 3, dealt with the Game of Assets; Appendix 4, dealt with the 107 Liberties "sold" to Greeks by USA; Appendix 5, dealt with the role played by the major Oil companies mainly till 1974; Appendix 6, dealt with the double, hulled tankers in 1986; Appendix 7, dealt with the vertical integration strategy; Appendix 8, dealt with the analysis of a decision of a major Greek-owned family shipping company to sell, in 1986, its almost entire fleet to face the 1981-1987 depression. Finally, we concluded.

Here we re-told the business history of 22, or so, Greek-owned shipping family companies by recording their main actions, repeated by many companies, indicating this way a pattern of a rather success in practice. Moreover, the appendices provided the theoretical justification for the strategies followed. Given that Greeks are the pioneering enterprises in maritime endeavors, studying their entrepreneurial style, only an empirical-theoretical benefit can be obtained, we believe.

3. Literature Review

Worth-mentioning is the fact that Keynes (1936) gave an accurate description of

the style in enterprises¹...of the Greek shipowners: “in the former times, when enterprises were mainly owned by those who undertook them², or by their friends, and by their associates, *investment* depended on a sufficient supply of individuals of sanguine temperament and of constructive impulses”. “These were also who embarked on business as a *way of life*, not really relying on a precise calculation of the prospective profit” (p. 150) (italics added).

“The above affair was partly a *lottery*, where the ultimate result largely governed by whether the abilities, and the character, of the managers, were above or below average”. “Apparently, some would fail and some would succeed”. “Business men thus played then, (and even today for the unlisted companies), a mixed game of *skill* and *chance*, the average results of which were and are, not known (commas; italics and phrases in parentheses added)”.

The Onassis case (Goulielmos, 2021a, 2021b) sounds more familiar after reading the above Keynes’ description. The human nature, for Keynes, accepts the temptation of taking a chance, from which, on top of the profit, it will derive an amount of satisfaction. And this, in particular, from irrevocable (investment) decisions like: the construction of a factory, of a railway, of a mine or a farm, (or building an ultra large tanker, we may add), no matter what the cold calculations of the “marginal efficiency of investment” indicated.

So, the risk-taking attitude of the human nature is held responsible for the growth of the enterprises for Keynes. Greek shipowners, however, did even better than that suggested by Keynes by minimizing the risk in doing maritime businesses by adopting “win-win” strategies, which we did not stop to outline in all our works.

Stopford (2009) (Chapter, 8) quoted Sir W. Churchill saying: “the pessimist sees difficulty in every opportunity, while the optimist sees opportunity in every difficulty”. Stopford also mentioned that, in the early 1950s, Onassis conceived a plan to take-over the transport of the S. Arabian oil...On 20/01/1954 Onassis signed, the so called “Jiddah Agreement”, with the S. Arabia’s Finance Minister, forming also the SAMCO shipping Oil Company.

The idea was, for Onassis, to supply to S. Arabia 1/2 m dwt of tankers. Thus the ARAMCO’s fleet, the US controlled S. Arabia oil concession-would have become...redundant. In May 1954, the King Saud ratified the treaty and Onassis launched, in Germany, the first tanker named after him.

Of course, the reactions of the oil companies, the USA government and ARAMCO as well...FBI, were massive towards cancelling the above agreement. As a result, Onassis suddenly found his fleet to be laid-up in the summer of 1956. He

¹Keynes applied this term to the “activity of forecasting the prospective yield of assets over their whole life”. This was indeed the first step for those who wanted to embark on a business, called enterprisers, even when the expected yield, according to theory, is not sufficient, and the risks sound formidable. In fact, the entrepreneurs, at the times before stock exchanges, in a way, “married” their companies and were unable to...divorce them, like being in a state of a Catholic marriage...Only in a stock exchange an entrepreneur can get rid of an investment for whatever reasons. This is one facility that stock exchanges offered.

²Meaning the times when Stock Exchanges were absent.

was, however, saved by the “25th July 1956” occurring nationalization/blockade of the Suez Canal by Egypt, and by the “October 1956 Israel-UK & France” war against Egypt. Then the Middle East oil had to travel via the “Good Hope Cape” mainly with the...Onassis’, free of charters-tankers.

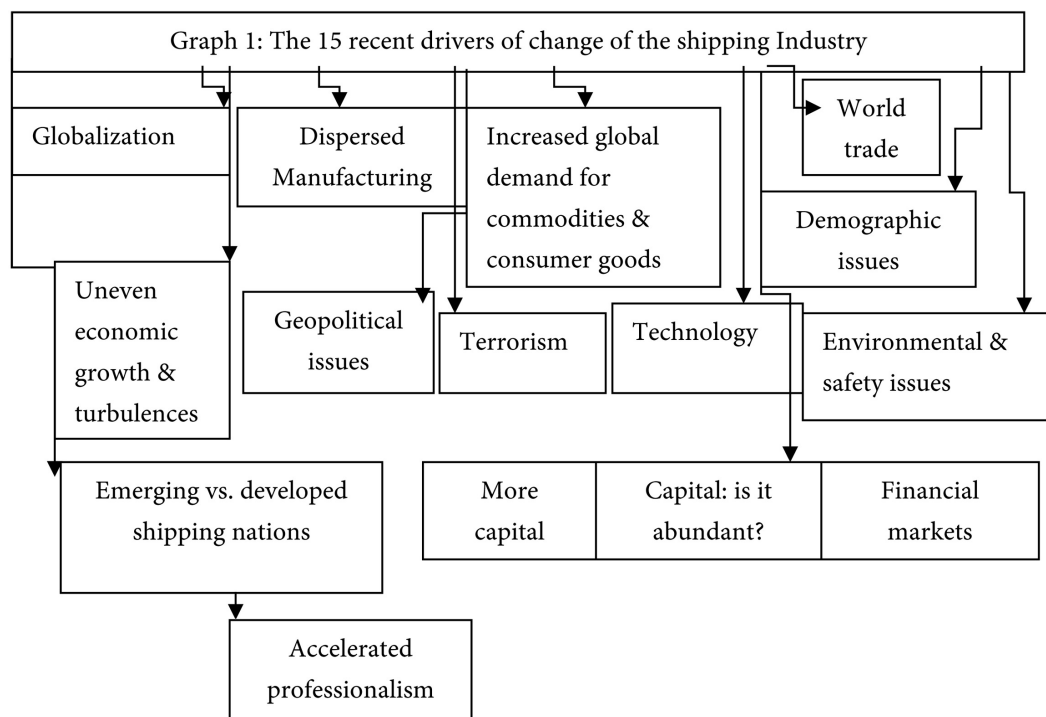
The tanker rates rose then from \$4/ton to over \$60, while Onassis derived \$160 m profit within 12 months (or \$1.5b in 2005 prices). This is a rare case-study, when a serious unfortunate event is followed by a major fortunate one, verified the ancient Greek proverb saying: “no unlucky event comes alone without a lucky consequence”. [Stopford \(2009: p. 320\)](#) argued that not only Onassis, but also additional³ 10 shipowners have made fortunes from shipowning.

[Lorange \(2009\)](#) argued that the traditional shipping companies are those who combined various aspects of shipping *under one organizational roof*. The trend for Lorange for shipping companies, by 2009, was towards more specialization, more strategic clarity and more managerial focus.

4. Part I: The Worldwide Drivers of Change Affecting the Shipping Industry

These were ([Graph 1](#)).

As shown, the first and most important change in international economics was, and still is, globalization, where, as a result, homogeneous trading blocs created like EU, NAFTA and ASEAN. Globalization had as a target to demolish tariffs, as well other trade obstacles, with a view to lower *CIF prices*. Today, the above target



Graph 1. The 15 recent drivers of change of the shipping Industry. Source: Inspired by [Lorange \(2009\)](#).

³Livanos; Pao; Tung; Bergesen; Reonati; Niarchos; Lemos; Haji-ioannou; Ofe and Fredriksen.

is at risk, because the 2025 USA administration, instead of diminishing its national costs of production, decided to impose a 10% tariffs on the Chinese products and to consider, in a month's time, to impose 25% tariffs on products imported from Mexico and Canada.

Economists long ago stated the so called "law of demand", where a rise in prices, means a fall in the quantity demanded, and thus in seaborne trade, and finally in demand for shipping services. Globalization indeed tried to make the world, consisting of 238 exporting & 239 importing nations, villages, to trade *as one village*, where the markets had to be opened-up. World exported goods valued, in 2022, \$25,807,100 m and imported good valued \$24,380,475 m. Thus seaborne trade is not something to be considered, and/or treated, as negligible.

China exported \$3,555,775 m of goods and services vis-à-vis \$2,025,180 m exported by USA, thus it is obvious the advantage that the Chinese products/services had in 2022 over the USA ones...Moreover, Germany exported \$1,523,055 m; Japan \$848,098 m and Korea S. \$786,597 m.

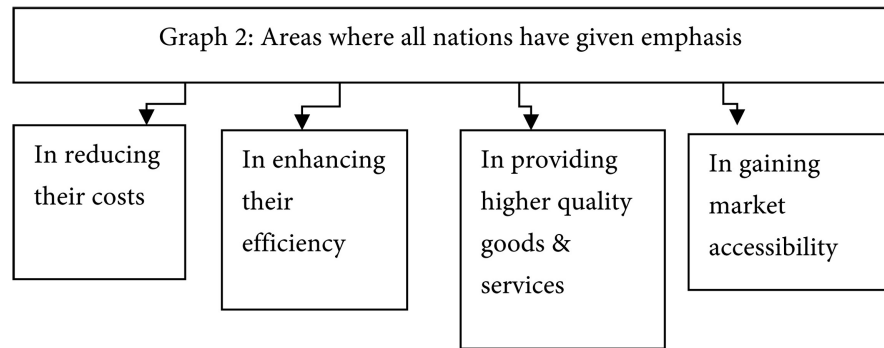
It is important to talk about the so-called "world manufacturer"-MOW, meaning the nation which manufactures goods in a low cost. In the past, many durable consumer goods were made in Japan, (now being in the 4th position followed by S. Korea). Then, regions like Taiwan Region (China) and S Korea took over. China, eventually, became the "manufacturer of the world", where 33% of the world container shipping was, by 2009, going to and from it. It seems that the next manufacturer of the world will be either Vietnam or Mexico or both. Maritime economists have argued long ago that containerships reflect the economic development of the trading nations given the kind of goods which they carry, adding to them gas, oil, ore and steel, cement, and the raw materials, especially those used by AI.

Here we have to admit an economic fact: countries will export less, and import more, as time goes-by. One solution is to impose tariffs. What is clear, however, is that economic development requires 3 main inputs at least: "ore, steel and energy". US administration understood the above truth and decided to: "extract-extract-extract" oil, no matter the deteriorated condition of the climate...

Certain nations, however, have not only to export goods and services, but also...to export their excessive labor (the unemployed). And labor is today heavily centered especially in India, China, and S. E. Asia. Countries lacking agricultural and hotel personnel, like Greece-have welcome the above. Also countries having a serious deficit in their balance of Trade-like Greece-but having places, and monuments, to attract tourists, also welcome to see better-off people in the heavy populated nations. Greece receives \$22b at least p. a. from the tourists. In what all nations pay attention?

All nations pursue the following four policies (**Graph 2**).

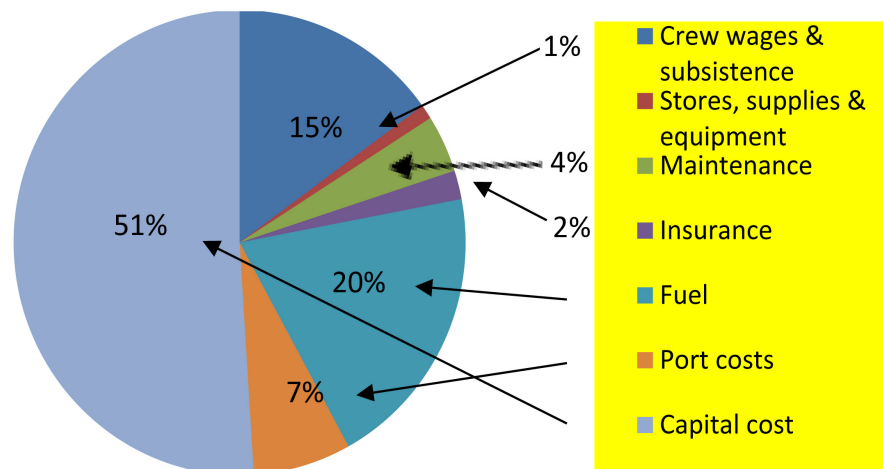
Shipping is (was) an entrepreneurial and complex international industry, which opened-up multiple opportunities, but one must be capable to see the options early before they become obvious to everyone. This industry needs professionals of international level, and executives comfortable with a raft of changes in many



Graph 2. Areas where all nations have given emphasis. Source: inspired by Lorange (2009).

areas like: technology, environment, legislation, logistics, and by having the skill of being competent in the financial management. This last property is very important given the huge capital cost that today's modern very large ships require, say of about \$200 - \$250 m per unit. The best Greek example, in the area of shipping finance, is Mrs A. Frangou.

As mentioned above, the reduction in total cost is the basis of success in shipping businesses, starting from the important items like capital cost, covering the 51%, and fuel cost, covering the 20% of total (**Graph 3**).



Graph 3. The total annual cost of a tanker, newly built, trading between USA ports. Source: data from Buckley (2008: p. 369).

Maritime managers, with a limited time-have to manage carefully at least their bigger items of costs, as shown in **Graph 3**-like the capital cost, which is determined by the price that the vessel had as newly-built, (as in this case), over a 20-yearly trading life, at say a 16% profit p.a. The crew cost of course depends on the nationality of it, and the wages prevailing in its country of origin, but one has to respect also the international conventions of ILO.

The fuel cost depends on the world prices of oil, controlled by OPEC, and on the volume discounts. The management of it, however, can save very little for the shipping company. For the insurance cost, there are certain strategies to reduce

somehow this cost and also to manage properly company's insurance claims.

Efficient shipping companies know how⁴ to reduce their entire costs, which the vessel creates, and also they have been obliged to apply it during the 1981-1987 depression. Maintenance, being a rather respectful %, can be, and frequently is, postponed for better-more profitable-times, at least by the Greeks, having especially large companies, adopted long ago-the "planned maintenance system". As a famous manager has written: "walking around any company, (or on board any vessel, I will add), I am able to reduce its cost by at least 20%".

E.g. the Greek-owned company "Danaos" grew by following the potential of the "lease-inspired" shipowning niche, and in fact, established itself firmly. It diversified its portfolio strategy so that to include the ownership of conventional bulk carriers and even a state-of-art-info. technology services to shipowners and to their vessels.

Logistics may become increasingly a critical competence for the industry and perhaps even another first mover advantage. The first mover is a company that brings first a product, or service, innovation to the market or the first to use a new process innovation. Greeks lack the first mover reputation as they have been afraid of all major technological innovations⁵ so far.

Let us see now how 22 Greek-owned family shipping companies have escaped from the 1981-1987 depression.

5. Part II: A Brief Historical Account of 12 Greek-Owned Shipping Family Companies

All shipping companies presented next are family ones.

1) This Peloponnesus company established by a Captain (in 1960s), with a partner, starting with a small number of Mediterranean ships. By 1975, the company owned, some larger ships, totaling 162,000 dwt (8 units). In 1979, one partner split-up, owning a small number of Panamax & Handymax. The other partner – with his brother in law-established a company managing, by 1981, 132,000 dwt (9 units) & 3 new-buildings (built in Russia). By the 1990s & in 2000, company's fleet reduced to 1 vessel. A low corporate growth strategy (Appendix 1).

2) This company established in 1922 by family's father, a merchant of wool, coming from Constantinople, with offices in Marseilles, London & Trieste, having also 6 sons. The 4 sons, (about 1917), dealt with shipping. In 1951, 2 of the brothers, together with 3 other persons, plus 1 partner, bought 5 ships, plus 2 new-

⁴A cost element e.g. is the number of tugs to be used by the vessel in a port. Another cost element comes from where to repatriate/sign-on the crew. Another cost element comes from ship's energy needs in fuel oil, diesel and electricity as well in lubricants and fresh water. The boiler also creates costs and the external laundry as well. The Captain, as well the Chief Engineer, and the Cook, and not only, have to face the ship as their home, where economy is considered natural. Important is also to carry-out repairs on board by the crew as far as possible, or by special teams coming from the office. The zero off-hire time for repairs is always the target, and also used to be the competitive advantage of the Greek crew. The dry-docking cost and time of course cannot be avoided every 4 years, but only postponed, and a cheap country for it has to be selected.

⁵"Sails" versus steam; "steam" versus oil; "oil" versus new fuel not yet known.

buildings (built in Italy). One brother established a tanker company in London, managing, by 1970, 200,000 dwt (10 units) & moving also to Piraeus. By 1981, the company owned/managed 1/2 m dwt. *During the 1980s depression*, the company replaced its tankers with OBOs⁶ (4 units, carrying oil, bulks, and ore) (Appendix 2). By 1990s, the company owned also tankers (8 units). By 2000, the company managed 450,000 dwt (7 units) with offices in London & Trieste. The 3rd generation, of 3 brothers, joined in about 1943, while a nephew joined in 1970 in Piraeus office. A low growth strategy.

3) This island company established in about 1900. The father had 2 sons. The older son, in 1946, bought 1 small vessel & in 1947 another one, together with his brother, and established also a London office (till 1964-when he died). In 1966, the 2nd brother established 2 shipping companies. In 1974, the older son, from the 2nd generation, split-up. The 2nd son died in 1994. By the end of the 1980s, the 3rd generation (2 sons) undertook company's management, inclined towards *a more rapid growth* than hitherto. The company from 64,000 dwt arrived at 1.4 m dwt (by 1990)...By 2002, new-buildings added (built in Japan, Korea & China; total 7 units), (plus 1 chemical tanker). The company dealt with particular emphasis on the *play of company's assets*, involving about 100 vessels (1985-1992)... (Appendix 3). By the end of the 1990s most of the companies transferred to Greece.

4) This company established by a chief Engineer (Peloponnesus), in 1960, by opening a Piraeus office. In 1965, managed 1 small dry cargo ship & by 1970 another 3 & by 1975 a total of 60,000 dwt (7 units). By 1990 owned/managed 70,000 dwt & 100,000 dwt by 2000. The 2nd generation, of 2 sons, took over in 1981-when the father died. A low growth strategy.

5) This company established by 2 brothers from Syra, in 1965, owning 7 ships, & by 1975 250,000 dwt (11 units) & by 1981 750,000 dwt. The company in 1981 owned also "refrigerator-ships", while in 1983 added 2 newly-built bulk carriers (built in Korea S). In the end of the 1980s, the brothers split-up: 1 dealt with the refrigerator ships, owning 150,000 dwt (15 units), & 100,000 dwt (5 dry cargos); one owning 250,000 dwt (13 units) & by 2000 more than 370,000 dwt (17 units), building also-in Korea S-4 Panama bulk carriers of 75,000 dwt each. The company built 6 product carriers, 47,000 dwt each, 2 handy-max bulk carriers of 53,000 dwt each, & 2 container ships of 5000 TEU each. A rapid growth strategy by the 2nd company & a low one by the 1st.

6) This company comes from a town in Asia Minor, formed-up by 2 brothers. The 1 brother had 2 sons, & after 1946, he owned a small fleet. In the 1960s, the 2nd generation joined & company's fleet arrived at 163,000 dwt (8 units), while 2 ships ordered in Japan. In 1985, the company ceased *due to the 1980s shipping depression* (Goulielmos, 2025). A low growth strategy.

7) This company from Andros formed since about 1890, established by a captain, having 2 sons. In the 1950s, the 2 brothers managed 15 ships from the London & Piraeus offices, & by 1965, 100,000 dwt (8 units) & by 1975, 300,000 dwt.

⁶They carry oil, bulk & ore in 3 separate compartments.

After the 2nd WW, the 3rd generation joined, having 2 sons. By 1975, they owned 820,000 dwt (15 units)...Then, the 4th generation joined. By 1981 the company owned 1.4 m dwt (12 units) & by 1990 1.2 m dwt, while by 2000 the fleet reduced to 800,000 dwt (5 units). A rapid growth strategy. The 2nd generation, with 1 member from the 3rd generation, (i.e. an adopted daughter), established a company with 1/2 m dwt by 2000. A medium growth strategy.

8) This traditional company, from Kasos, made-up by...5 generations, made links and bonds with...6 other families, through marriages. Exceptionally for the epoch, the above was educated in Paris & Newcastle, in England & in USA. There were 2 family branches: 1) with the father-Captain, who mobilized 5 sons & grandsons, since about 1878; 2) with the other father-again a Captain, who mobilized his grand-sons & great-grandsons, in about 1870. The 5 sons married 6 brides...from traditional shipping families, since about 1922. In 1921, one family member, with his friend, established a London office, where 2 sons & 1 cousin employed. By 1938, it managed 64 ships owned by 4 families.

9) One of the above sons, in 1940, established a NY office & involved in the sale to Greeks of the 107 Liberty ships (Appendix 4), but also in the 14 Liberties⁷ managed by Greeks, in 1944, together with 2 other Greek shipowners. The company established 4 offices: London (1960), Montreal (1946), NY (1939) & Piraeus, where in charge were the 4 sons, who were responsible for one office each, but also for the other 3 offices, through travelling. One son died in 1988. In 1948, the brothers, with a partner, established a new London tanker company & office, which did not belong to an “oil company” (Appendix 5), listed also in the London SE –stock exchange (1951). In 1976, a new Piraeus office established⁸. By 1947, the group managed more than 200,000 dwt (1947) & by 1958 1 m dwt (~70 units), while in 1970 managed ships of 1.3 m dwt (61 units). The 1980s depression obliged the company to sell most of its ships, but it succeeded to be listed in NYSE (stock exchange) & to build *double-hull* Suez-max tankers (1990) (Appendix 6). This company sold finally to Norwegians in end-1990s.

10) The sons...of 5 sons took part in the 1970s in this company, where 6 brothers took-over the London office. Another son ran the NY office, together with a son from the 3rd generation. Further generations continued the shipping tradition (since about 1933; & since 1942). One member of the above families used to suggest (acting as a “Nestor”⁹) to other Greek shipowner what to do, saying among other things that: “Greek shipowners know how to manage ships, but they do not know how to manage money”.

11) This company established by an industrialist from Sparta, having 4 sons,

⁷The Greek Government undertook the operation of 15 Liberty ships during WW2 under the US Lend-Lease program. The 15th named “Freedom”/“Eleftheria” sank during the war.

⁸The brothers in 1950s considered as being among the 5 so called “Golden Greeks of the NY”.

⁹He was the son of Neleus (King of Pylos). Nestor (in Greek mythology) lived in a great age and acquired much wisdom, which he often voiced it. In recent times, except the late Manolis Kulukundis, also Mr. George Prokopiou, is a Nestor in recent Greek shipping, in our opinion, advising Greek ship-owners when...to invest.

and by buying 2 ships in 1932 to serve their “flour industry” (1905) (vertical integration, Appendix 7). This activity undertaken by one of the sons & by a nephew named Stavros Niarchos (Goulielmos, 2021c). By 1940, this family owned 5 dry cargo ships. One son married the daughter of a Greek shipowner, obtaining 2 sons, who married bribes from other shipowning families (from Kasos & Andros). This family bought 2 of the 107 Liberties, & established, in 1948, a NY office, where in charge was, in 1958, another Greek shipowner, who built ships in Japan (1956) (2 units of 15,000 dwt each). In 1970, the company managed 125,000 dwt (6 units), & by the beginning of the 1970s, opened a Piraeus office, arriving at over 210,000 dwt (8 units) (1975). In 1980-1985, the 2nd generation took-over, (since about 1942), which was inclined towards a *substantial shipbuilding program*, (i.e. 800,000 dwt for 21 units) in addition to company’s fleet of 900,000 dwt (1981: 20 units) (serving the Nigeria’s trade & its flour-mills)! The 4th generation joined in 1995, having a fleet of over 1/2 m dwt (15 units) & by 2002 23 units...A medium growth strategy.

12) This company established by an industrialist in 1963, buying a vessel with partner, managing 3 units by 1965-6. By 1970, he split-up, when the company managed, by 1975, 35,000 dwt (5 units). By 1980-84, the company renewed its fleet by obtaining multipurpose sister dry cargo ships of 22,300 dwt each (3 units). The 2nd generation joined in 1986. By the 1990s, the company specialized in *containerships*¹⁰, owning 7 ships by 2700 TEU each; in 2000, owned 17 units of about 42,350 each (a 720,000 dwt total) & more than 34 units by 2003. By 2003 ordered 2 large containerships of 8100 TEU in Korea. A rapid growth strategy.

Concluding this part, we saw that the majority of the companies came from a *non island*, (6/10 of the companies), & 8/10 of the companies were not traditional¹¹. It seems that the people of the Continental Greece copied their island compatriots, especially from infertile mountainous places, like the Peloponnesus. Greeks had to survive & moreover to provide...a dowry to their unmarried sisters.

Moreover, Greece had no serious national trade, & maritime people had to open an office in London &/or NY, where in addition, in 1946, 107 Liberty ships sold to them. Greek shipowners used to establish offices in places where major, mostly Greeks, merchants were acting abroad.

However, no Greek shipowner could by-pass his/her death, and none has worked plans of what to be done after his death...As Keynes (1936: p. 162) wrote: “*the thought of the ultimate loss, which often overtakes pioneers (in enterprises), as experience undoubtedly tells us and them, is put aside as a healthy man puts aside the expectation of (his) death*” (*italics added*).

Moreover, no Greek shipowner was ever prepared to face a coming depression,

¹⁰This type of ships is not as simple as the so called “tramps”, and given their multiple difficulties, Greeks avoided owning such vessels vis-à-vis the tankers and the bulk carriers. The same has also happened with Cruise ships, where also few Greek exceptions have been recorded to deal with.

¹¹The tradition, in our opinion, is a property of the families, having more than one generation, where certain business principles are set by the previous generations and applied also by the generations that have followed.

and this is why in almost all of our works, we have provided suggestions of how to follow a “win-win” strategy in growth and in fleet renewal.

The above 12 companies established 14 offices at least, mainly in London, NY & Piraeus, & 3/10 of the companies had partners. Two families used to make marriages with other shipowners, & 4 split-up & 2, only, have ordered new-buildings. Three companies started with a prior small industry. One company played heavily with company’s assets, while 2 companies obtained Liberties from the 107. To invest in shipping was advantageous because there were no taxes and profits were higher. As a result many manufacturers bought shares, or established a shipping company.

One company mobilized 5 generations; one 4, one 3 & two, 2 generations. Five companies had a low growth strategy, 1 a medium one & 4 a rapid one. As it is shown, some members, of few shipping families, followed studies at university level abroad. The shipping know-how mainly obtained through learning by doing, till universities established maritime departments.

The plethora of the interfamily partnerships, & marriages, however, is something worth-noting, *all over the other characteristics*. Moreover, families tried to obtain as many sons as possible (maximum 6). This, together with the split-up, made them to multiply the (personal) Greek-owned shipowning/shipmanagement companies...This is the secret of the supremacy of the Greek-owned shipping, no matter the flag.

The tradition of the Greek shipowners to avoid new-buildings, because they bear a greater risk, however, continued, as shown from companies’ history above. 4/10 of the companies decided only to follow a rapid growth strategy, through new buildings. Worth noting is that the *rapid* growth of a shipping company comes exclusively from its newbuildings (Onassis), as these (newbuildings) were the ones to make the Greek shipping great (Goulielmos, 2017).

We cannot say that the pioneering shipowners, in fond of newbuildings, were careless, because the risks they undertook were well-calculated, and they could agree long term chartering contracts 15 - 20 years with the 7 oil companies. These contracts were profitable because Greeks were able to achieve a *lower cost*, lower than that of the oil companies-using economies of scale and a Greek crew.

6. Part III: A Brief Historical Account of Additional 10 Greek-Owned Shipping Companies

All shipping companies presented here are family ones.

1) This company, from Constantinople, established in 1913, owned 1 vessel, while by 1919, one Captain, from the 2nd generation, took-over & opened an office in Marseilles. The 3rd generation joined in 1965, managing 4 chemical tankers & 1 ship which specialized in the transport of pitch. By 1981, the company owned a fleet of 12 *parcel tankers* and by 1986 one of over 440,000 dwt (16 units), specialized in the transport of chemical tankers & edible oils. By 1977, it served almost 1/2 of the world sea transport needs in the above trade, involved also in their pro-

duction in Indonesia & Philippines. By 2000, it owned over 1 m dwt (17 tankers; most sisters). In 1980, owned also *product carriers*, while since 1992 concentrated in the transport of crude oil (using Aframax, VLCCs, & ULCCs). The company decided to undertake a substantial shipbuilding program of 12 tankers (in Korea S). The company followed an integration strategy, as well a rapid growth one.

2) This company, from Andros, established by a Captain, who owned 1 ship (1927). He had 4 children, since 1924, & when he died, his wife took-over. The 2nd generation took-over, moving to Piraeus, one of them being a Captain, while the company owned 4 ships (1956). The 1958 shipping crisis destroyed¹², however, this company. In 1968, one brother split-up, & with his brother, established a shipping company. Beginning the 1990s, the other brothers split-up. In 1991, the next generation, (educated in maritime studies in UK), with one from the previous generation, took-over, with vertical integration in Tourism.

3) This company established in 1968, using funds coming from the construction of buildings. The owners decided to own only *newly-built ships*, opening an office in NY, appointing in charge their nephew, from the 2nd generation. The company built 1 bulk carrier (in Japan). In 1973, a Piraeus office opened. After the death of the father, in 1973, his 2 daughters took-over together with their husbands. By 1983, the company built 13 ships (in Germany, Japan & Yugoslavia). In 1983, a new Piraeus office opened. The partners, in 1985, split-up. In 2001, the 3rd generation joined, while the fleet arrived at about 420,000 dwt (7 units). A medium growth strategy.

4) In this case-study, 4 island-families created 6 shipping companies. They started in 1905, in partnership with 2 other families, by owning 1 vessel. They mainly grew in the 1930s, by opening a London office. Having offices, or using Greek offices, in NY & Piraeus, established more than 10 companies, by split-ups, as follows:

- This company established in 1909, when the 2nd generation joined (3 sons). The older son was a captain & owned 3 units by 1913 & similarly the other son owned a number of ships after the 2nd WW.
- One son from the 3rd generation destined to be the most famous, since about 1930, being a captain, who in 1937 established a London office, with his 2 cousins. He died in 1995. During the 2nd WW, he moved to NY, where he managed the 14 US Liberties mentioned above. In 1946, he obtained 1 of the 107 Liberties. He had the *exclusive strategy* to build¹³ ships massively in the 1950s (in Japanese¹⁴, USA & European shipyards) (13 units), using funds from the US banks, a la Onassis. By 1965, he owned over 1 m dwt from 50,000 in 1954...By 1970, he built 46 units. By 1975, he owned 2.3 m dwt, (50 units), including 17 OBO & OOC (“oil, ore, coal”)...He also introduced the horizontal steel separation in ships’ holds. In 1981, he owned 2 m GRT (33 units). Very interesting

¹²Its time-charterer also bankrupted.

¹³He was one of the shipowners to modify ship’s plans. He asked Japanese to move ship’s bridge backwards (in stern).

¹⁴The Japanese decorated him for his programs in their shipyards.

is his decision to face the 1980s depression by *selling-out most of his fleet* (28 units; 1.6 m GRT in 1986). In Appendix 8, we talked about the rightness of this decision as far as timing is concerned. By 2000, the company owned 525,000 GRT (7 units), while building 7 units (in Japan). A medium growth strategy.

- This generation had 3 children. One followed the integration strategy. One son joined, in about 1937, who became a shipowner after the 2nd WW, while in 1984, he built 1 handy ship (in Japan). His son, in 1990, established a shipping company with partners.
- This made-up by one of the brothers, since about 1887, being a captain, when in the company took part his 3 sons, since about 1927. He established a London office in 1937. In 1947, the company bought 1 of the 107 Liberties. In 1952 opened offices in Piraeus, NY and London. In the 1970s, the company managed 6 - 7 dry cargo units & in 1954, ordered 1 dry cargo unit in Japan. In 1965-1970, the 2nd generation managed 130,000 dwt (11 units). In 1972, one partner split-up, opening a London office. In 1976, the company managed 300,000 dwt (10 units). In the 1980s depression, the fleet *reduced* to 2 units. His shipbuilding program consisted of 13 units (1970-1990). One partner died in 1989. His 4 children took-over, since 1968. In 1996, one son split-up opening a Piraeus office managing 225,000 dwt (5 units). The other son was in charge of the London office. In 2000, the wife took-over, when the 2nd & the 3rd generations joined, ordering 2 units in Japan. A low growth strategy.
- In charge of this company was a captain, who obtained his 1st unit in 1907 & his 2nd one, in 1913, while the 4th generation joined, consisting of 4 sons, since 1884 (3 Captains and 1 Chief Engineer). These opened a London office in 1937, together with their 3 sons. In 1947, they bought 4 of the 107 Liberties, as well others from the market. In 1951, the family split-up. In 1955, it ordered ships of 39,000 dwt (3 units) in Germany. In 1959, opened a Piraeus office. By 1970, they managed 200,000 dwt (14 units). The 5th generation took-over, in 1970, consisting of 3 sons, who were in favor of fewer, but larger, units. By 1976, the fleet consisted of 1/4 m dwt (10 units) plus 2 Suezmax by 1982. In 1983, one family member split-up, managing by 1993, from Piraeus-10 units & 4 on order, arriving at a total of 2.4 m dwt. The prime shipowner died in 1986. A rapid growth strategy.
- This family branch had a captain in charge, since about 1850, having 1 son (b. 1860) & 6 grand-sons, all captains. In 1965, a London office opened by one of the grand-sons (b. 1891), having 2 sons (1925-27) & by 1924 they split-up. Two sons from the 2nd generation joined. One of the grand-sons, since about 1913, opened a London office, together with his children & his brother in law. The 3rd generation joined in 1928-1930, plus daughter's husband & their children. By 1975, the fleet consisted of over 300,000 dwt (12 units, most newly-built) & by 1990 owned over 600,000 dwt (14 units). The 5th & 6th generations joined owning over 800,000 dwt (12 units)...A rapid growth strategy.

Concluding this part, we saw, first of all, that 1 shipping family established 6

additional companies, (red dots above) where the split-up was frequent (7/10 of the companies). Seventeen offices opened by the 10 companies in Marseilles, NY, London & Piraeus.

One company had 2 generations, five companies had 3 generations, one company had 4 generations & 1 six. 6/10 of the companies came from an island. 5/10 of the companies undertook a serious shipbuilding program. 3/10 of the companies adopted a vertical integration strategy & 2/10 of the companies at least bought 5 Liberty ships from the 107. 1/10 of the companies established a small industry prior to shipping. 2/10 of the companies had a rapid growth strategy, 2/10 a medium & 2/10 a low.

It is worth-noting the fact also, in this group, of the frequent partnerships & marriages made among persons born in the same island. Moreover, all shipping companies opened offices in London &/or NY. This means that Greeks realized, since very early, that their small country, with limited seaborne trade, would be unable to support them in their endeavor, no matter how efficient & effective, as seamen, were.

Greeks looked forward in having sons, as many as possible, to secure not only a succession, but also a profitable profession, or rather a way of life, & in providing...a dowry to their unmarried sisters. Ship owning/ship management was a profession from the father to the first-born son for all generations. Greek ship-owners-Captains used to call their family members (children) on board to visit the 2nd home of their father (the so-called “owner’s cabin”).

7. Part III: The Failure of Certain Greek-Owned Shipping Companies, 1973-1995

To avoid giving the impression that Greek shipowners did not have any significant failures, or crises, except of the 1981-1987 depression, we will mention 3 case-studies. 1) The Greek entrepreneur Mr. Minos Colocotronis built an empire, growing by using the so-called cash-flow financing. In a typical Greek style, he used to purchase relatively cheap ships, find a period business for them, and finance them on the basis of mortgage security plus the assignment of the charterparty a la a Hong Kong SAR style of operations. But crucial was that Colocotronis made one huge error of judgment (Stokes, 1997: pp. 43-44) by ordering 2 ships far more costly than any others in his fleet, namely 2 ULCCs, ordered in Dec. 1972 in Germany for a reported \$100m, when the tanker market soon after delivery collapsed (1976). 2) “Hellenic lines”, too, had difficulties from a \$320m capital expenditure in 1981, so that to have a modern fleet of containerships to serve mainly the ME market. However, this market failed to respond to the expectations of the owner. Thereafter, Group’s cash flow was unable to support the above massive expenditure. The company dashed for growth. There were, however, the downside risks which were not analyzed. 3) “Adriatic Tankers” is another case-study of a collapse of a Greek-owned shipping company, along with the 1995 collapse of the “Regency Cruises” (Mr. Lelakis A). The former has been accused

for failing to analyze risks (Stokes, 1997: pp. 113-115; Couper, 1999: pp. 62-94).

8. Part IV: The Impact of the External Factors

As it is derived from our preceding analysis, the global shipping regulations affected the Greek-owned shipping companies, and especially that of the Oil pollution Act in 1990 legislated by USA. Certain large Greek-owned shipping companies, especially those listed etc., complied even certain years prior to the Act, by building “double-hulled-double-bottomed” tankers surely at higher prices. Greeks do not hesitate to adopt the global shipping regulations, though do not rush to it, provided their competitors do the same. Greeks respect deeply the IMO, more than the EU, in regulating global shipping. However, the majority of the regulations has been the product of the impact of a major marine accident, failing, in general, to be proactive. Greeks also complied with the ISM and ISPS codes, some at a degree of 100%. The rise of the oil price also affected Greek shipping, which obliged the companies to adopt the new energy-saving main engines. As shown in **Graph 3** fuel covers the 20% of total cost of even a newly-built tanker. But what has affected most the Greek-owned shipping companies, and there we have paid attention, was the depressions, caused especially by the 2 closures of the Suez Canal, the 2 energy crises and the Pandemic in 2019.

9. Part V: The Role of the Greek Government

The Greek government acted to the benefit of Greek-owned shipping at times, and for its harm at other times, depending on the degree of understanding this industry. The situation is: “Small Country, large shipping industry”, where no subsidies were ever possible, as by other countries, and where even the national labor fell short of the needs, especially in quality. Greek Governments only tried to supply properly-educated crews by their means are slim, despite the financial help from Greek shipowners. This is the most acute problem of nowadays in Greek-owned shipping: i.e. “the adequate supply of well-trained efficient and effective crews of Greek nationality”. This lack threatens indeed the future of Greek-owned shipping. To be fair, Greek Governments provided an excellent “legal framework” for the ship companies and their ships registered in the Greek Registry (Goulielmos, 2018). Greek-owned shipping, apart from its tradition and its know-how, owes its growth to the finance provided by Greek and especially international banks, which have been attracted to Athens-Piraeus area, like the bees are attracted by the flowers. Given that finance is the “necessary but not the sufficient condition for a shipping company to grow”. Stock exchanges have contributed to the growth of Greek-owned shipping in a lesser degree, and especially after 2005.

10. Part VI: Succession Planning in the Greek Shipping Industry

We do not believe to be planning. What we believe is that Greek shipowners try to have as many as possible children, originally sons and latter also daughters,

which after their studies, are welcome to father's shipping company. The father has also provided a proper maritime education, especially in the complex ship finance, and also the learning by doing the ship-owning and ship-managing businesses. Of course some children are going to reject the profession and some also to fail. There is, however, the possibility to marry a shipowner-man or a woman, or even to have partners, as the need may be. As mentioned, even wives stepped-down to take-over the company of the deceased husband. But this is improvisation rather than planning.

Appendix 1: The Corporate Growth strategies (Robbins & Coulter, 2018)

As mentioned, Greek shipowners showed different styles as far as risk-taking is concerned. Traditionally, Greek-owned shipping Companies have experienced bankruptcies by investing in new-buildings, when they followed by a fall in the market upon their delivery. Greeks were used to believe that money invested in new buildings was "venture capital", and it had to be avoided, till the case of Onassis, who believed, and proved, that their policy was very conservative one for a rapid growth.

We distinguished arbitrarily 3 strategies involving growth: the low, targeting at ½ m dwt maximum; the medium, targeting at 1m dwt maximum and the rapid targeting at 1m dwt and over. Apparently, the shipowners investing in a rapid growth strategy are the most desirable for the growth of the national fleet.

Appendix 2: The Combination carriers (OBO etc.)

Shipowners used to build ships, pursuing their flexibility, if these ships were able to carry oil, and a full cargo of bulk in return, called Combination Carriers. For Stopford (2009: p. 603), in practice, the reward of flexibility was, however, slim. The alternative cargo for a return journey from oil was common since 1920s. The greater success of the combination carriers, however, was in 1950-1970, starting with oil/ore, and then with OBOs (oil-bulk-ore) (mid-1960s), making handsome profits in 1967, 1970 and 1973. The OBOs reached the 49 m dwt mark in mid-1970s. In 2007, however, there were only 8 m dwt of them. The idea of the flexibility was sound, but the cost of it was quite high.

Appendix 3: Play with company's assets – The Game of Assets

The play with company's assets is a game that applied by certain shipping companies at a time where the price of selling an owned vessel was adequately higher—including her accumulated depreciation, than her purchasing price. This means that the greater the difference between the two prices, plus depreciation, the stronger the motive of her owner to sell her.

The asset play can be applied not only to the 2nd hand ships, but also to the new-buildings, where companies frequently order vessels in option, having as a purpose to sell the option, as the case may be, given the market conditions, at her delivery time (after say 1.5 - 2 years since she has been ordered). The maximum success of the entire game of an asset play depends on the ability of the shipowner to time-in a perfect way-his/her purchases and sales (Goulielmos, 2021d).

In **Figure 1**, the prices of 3 newly-built tankers are shown.

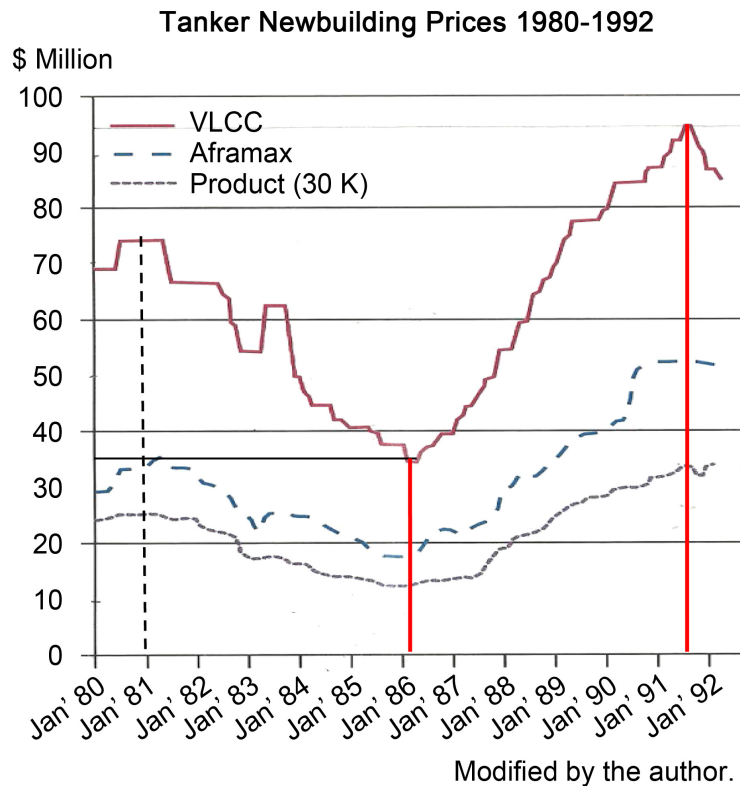


Figure 1. The Prices of 3 newly-built tankers, 1980-1992, in million \$.

As shown, a VLCC could be built in 1986, at \$35 m, while if she was going to be built in 1991, it would cost \$95 m, enjoying (in 1986), a capital saving of \$60 m (plus the accumulated depreciation of \$1.75 m p.a. over 20 years). The impact of the size of the vessel on her price is clear... As mentioned, one Greek-owned company sold 100 vessels in a continuous game of playing with company's assets.

Appendix 4: the 107 Liberties

One hundred & seven ships (107), built in 17 US shipyards, during the 2nd WW, played a prominent role in the recovery of the Greek fleet (built between 27/09/1941 and 30/10/1945). The US built 2770 ships of about 10,800 dwt each, at a cost of about \$2 m (speed 10 - 11 n; 5 holds).

After the 2nd WW, the Greek sailors remained without jobs, on land, in USA, Canada and UK ports. In recognition of the sacrifices of the Greek commercial shipping during the war, US decided to grant to Greek shipowners, through a low-interest loan, with the guarantee of the Greek Government, 100 freighters of Liberty type ships and 7 oil tankers of the same type¹⁵.

The Liberty carrier was replaced in 1967-8, (present also till 1973), by the S.D. 14, and the Freedoms, which were larger, and faster, of 15,000 dwt. The Liberty had a "single twin deck" adaptable to accept both bulk and package cargoes, having a disproportionately large hatch. Moreover, the enormous advantage of the

¹⁵Report of the American Bureau of Shipping based on national Archives, Washington D.C., written by B. E. Comans, ABS Record section, 07/01/1947.

Liberty was her almost rectangular hull, making efficient use of all spaces in the holds (Buckley, 2008: p. 373).

The Greeks, apart from the 107 Liberties, lent-leased by the US Government, bought...851 units of them, where 339 had a Greek flag and 619 had a foreign flag, in addition to those under USA and UK flags (Naftika Chronica, 01/03/1993, p. 11-27). The Greek fleet in 1945, at the end of the war¹⁶, had 508,000 GRT (121 units) and by adding the 958 Liberties, it reached 7.5 m (958 × 7300 GRT each). This was a great leap forward made by the Greek-owned shipping.

Appendix 5: The oil companies as tanker-shipowners versus the private, independent, Greek tanker ones

The oil companies, apart from their activities in the discovery of new oil reserves, and the extraction of crude oil, and the sale (marketing) of it, they dealt also with its *transport*, mainly before 1973. When Greeks learned the oil trade from the Norwegians, (e.g. the Onassis case), they served the 7 oil companies, the sisters as used to be called, by signing long term charter parties with them, on newly-built, or to be built, tankers. In addition, Greeks offered a freight rate, out of negotiations, which presumably was lower than that achieved by the fleet of the Oil companies.

Moreover, oil companies tried to boost the supply of tankers, where by this way they were reducing their future freight rates, which they had to pay to transport their crude oil to refineries. This happened when they had to charter ships beyond their own fleet, covering the 33% only of their supply. The oil companies were afraid of the substantial sudden increases in tanker freight rates, and this is why they maintained a fleet, at an effective % so that to *act as oligopoly*, in the tanker supply, and as an *oligopsony*, in the transport of oil...

Moreover, the oil transport caused certain major marine accidents that oil companies wished to have never realized (e.g. the Alaska accident, of the “Exxon Valdez”). Given also the fact that the oil trade requires substantial, and rather expensive funds, oil companies welcome the appearance of the Greek private independent tanker owners, who after all they were serving also their long term interests, acting in fact as partners, but with opposing interests. Greeks apparently produced a lower operating cost per ton of oil than oil companies so that to make a profit out of the freight rate determined by supply and demand, and after tough negotiations with oil companies.

The above outcome was achieved, however, by economies of scale, and by the Greek competitive crew and a capable management. The co-operation of the Greek shipowners with the 7 Oil companies was no doubt another substantial cause for the rapid development of the Greek-owned tanker fleet.

Appendix 6: The tankers with the double hull

The double-hull tankers were a reaction, in 1986, to the tanker disasters, and

¹⁶In September, 1939, the Greek flag had 466 units of 1.69 m GRT, and after the war it had, in 1945, 121 (26%) units of a total of 508,000 GRT (30%). The Greek shipping had in 1939 (July?), 1.78 m GRT, holding the 9th world position; UK+ had 31% and USA 17% (68.5 m GRT was the world total).

the subsequent pollution of the sea environment. In these marine accidents, the cargo tanks were ruptured and millions of tons of oil spilled on coastal beaches and estuarine waters. These disasters challenged the till the moment apathy, and caused the reaction, of the legislative bodies, insurance companies and oil industry.

Thus the addition of an extra inner hull of 10 feet inside the outer hull, thought to be able to prevent the marine pollution, especially in cases of groundings. The “Eleo Maersk” of 299,381 dwt was the first tanker to have a double hull after the specific law, but the Greeks, as we have mentioned, adopted the double hulls before the law.

Appendix 7: The vertical integration strategy

This is a growth strategy. This is distinguished in forward, backward or both (Robbins & Coulter, 2018, p. 321). A company can become its own supplier (backward integration) or its own distributor (forward integration). In shipping industry growth can be achieved by buying, and/or building, ships, or involving *larger* ships than those sold, or scrapped, or lost in marine accidents.

Moreover, the qualitative renewal is when older ships are sold and younger ones are obtained, even if the fleet remains the same, in dwt terms, or increases. The “growth strategy” is, however, different than the “efficiency strategy”. The “efficiency strategy” is when a shipping company can achieve a lower *average cost* than its competitors, as well a minimum off-hire production time. This can be done by achieving higher economic speeds, or minimum port times, or shorter canal transits, in ballast.

Appendix 8: The sale of the majority of the fleet in 1986 by a Greek shipping company: was it right?

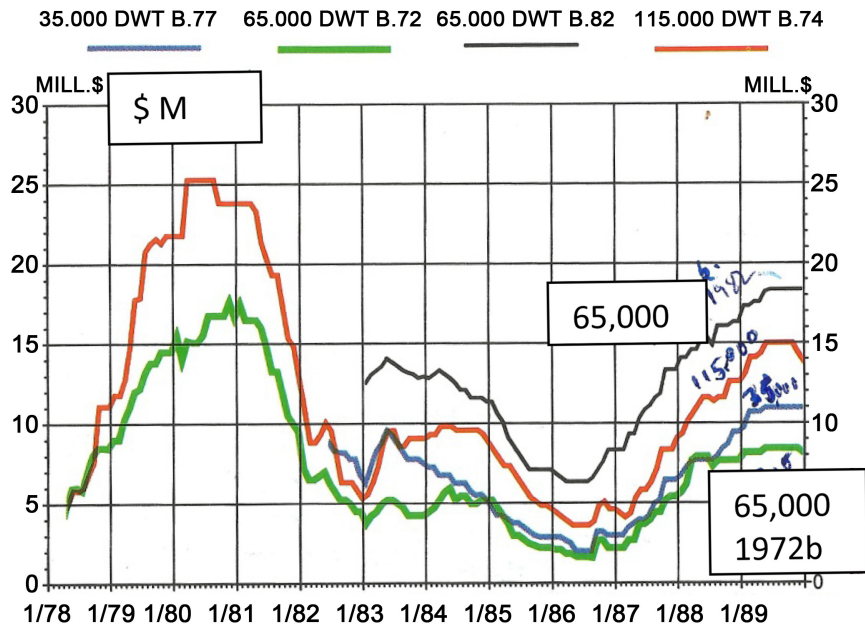
As mentioned, one pioneer Greek-owned company decided to sell its almost entire fleet, in 1986, and to keep just only 3 units, in order to face the 1980s shipping depression...But...as we showed in **Figure 1**, the 1986 was the year to *order (buy)*, not to sell. The year to sell was 1981, as well the years 1991-1992. The VLCC then lost \$40 m from her value, by 1981-86; the Aframax lost \$15 m and the Product carrier lost \$13 m.

Ships obtain prices which depend on the gross profits which will provide to its owners (volume & time). These prices are first determined by supply & 2^{ndly} by the total seaborne trade, which has to be carried-out, given its volumes & its distances. Worth noting is the fact that the asset play can provide up to 3 yearly operating profits, with one timely sale.

The asset play can be expressed in symbols: One has there to maximize: $P_sX - P_bX + \text{depreciation}$ [1], where P_bX is the *buying* price of vessel X & P_sX is her selling price. The asset play applies to all types of ships during their whole time of businesses, & this is valid par excellence in ships of higher value, having the larger deviation between their buying & selling price (**Figure 2**).

As shown, 1981, was the proper year to sell, when the 115,000 dwt vessel priced

MARKET VALUES OF BULK CARRIERS
(ESTIMATED)



Source: modified from that in "Platou 1990 report"

Figure 2. The market value of 4 bulk carriers (estimated), in million \$, 1978-1990 (January).

\$25.1 m; alternative situation, was the Jan. 1990, when the vessel priced \$15 m. The time in mid-1986 was the most unfavorable time to sell ships, in general, as prices were at their rock bottom...

Table 2 describes what we had to do with the 115,000 dwt case playing with her asset.

Table 2. The results of playing with a 115,000 dwt asset, in 1978-80 & in 1986-89.

Year to buy	Price in m \$	Year to sell	Price in m \$	Depreciation over 20 years	Profit m \$
1978	4	1980	25.5	\$400,000 for 2 years	21.9
1986	3	1989	15.0	\$450,000 for 3 years	12.45
Total profit					34.35

Source: Figure 2.

Thus, the Greek-owned company, which did the massive sales, committed a mistake by selecting the wrong time to sell. In fact, we were indeed surprised from this action, because it has also broken the "win-win" policy of the Greek shipowners, i.e. to buy, at rock-bottom prices, larger and newer ships and sell at top prices

older and smaller units.

We saw shipowners of course to select the wrong time to invest, under their urge to obtain, e.g. one large ship *of their dreams*, as soon as a good, but not final, fall in her price took place. Once e.g. a Cape priced \$70 m, and at a certain time her price fell to \$40 m, then a young Greek shipowner, ex Sup. Engineer, rushed to buy her, but in 2 months her price fell to \$20 m...Waiting sometimes brings a considerable profit.

11. Conclusion

All the Greek-owned shipping companies, presented in this work, failed to face successfully the major depression in 1981-1987. They confirmed, by their actions, that they were unable to forecast the future freight markets, and especially we saw a famous Greek shipowner to fail to sell his almost entire fleet at the right time.

Moreover, the Greek-owned shipping companies failed to face the sudden, or even expected, death of their main owner, something difficult, as no one ever believed in his coming death, as mentioned by Lord Keynes in 1936.

Strange, however, was that these companies did not follow the policy of certain of their predecessors which was: "sell older and smaller ships at their top prices, and buy, before, an equal or greater number of younger and larger ships, at their rock bottom prices". "Avoid newbuildings unless employment is secured for the entire ships' useful life".

One may wonder how a small country of 8 - 11 m people, like Greece, with no substantial foreign trade, having only a major number of islands, and the sea to circle its infertile land, from 3 sides, established so many international shipping companies...so that to be today in the first worldwide position. The answer is simple: "if you are a son of a Captain, in an island, your dreams, and your learning, or even your studies, are round his profession".

But being a Greek, a number of things in the family company, you would certainly make them different than e.g. the father...Thus the inherent split-up created the plethora of companies we saw, and every son, or latter, every daughter, dreamed to establish his/her shipping company, or even to decide to marry another shipowner, as economic *strength can be increased by adding two properties to the one*.

Obtaining the 107 Liberties, was crucial, no doubt, not only because these ships obtained at the right moment, and at favorable terms, but also because they led Greeks to buy hundreds of them from the market thereafter. Of course, the great number of ships cannot create a major shipping industry, but the *efficient* and the *effective* management of them, as this happened with the Japanese shipping, which collapsed during the 1981-1987 depression.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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