

INDUSTRY

HELLESPONT CHAIRMAN ON GRADUATION CEREMONY: EMERGING ECONOMIES CHANGE SHIPPING INDUSTRY

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"There will be a transformation in the shipping industry through changes in market structure. China, India and Brazil have become the advanced economies and Africa is near the frontiers of economic growth. Exchanges in Shanghai, Bombay and Sao Paulo will become more and more important. Shipping will remain the lifeline to the world economy, and it will become your challenge to response on economic growth, the aspirations of developing countries, well-being of seafarers and other developments." Those were the words of Chairman Dr Basil Papachristidis of the Hellepont Group to the Class of 2006 MSc in Maritime Economics and Logistics (MEL) at the Graduation Ceremony at the Erasmus University in Rotterdam.

Director of MEL professor Hercules Haralambides of the Erasmus University Rotterdam invited Dr Papachristidis as guest of honour and keynote speaker to elaborate on the topic of the changing shipping industry. Papachristidis sees a couple of threats affecting the world order lying ahead; that of energy shortage, political instability, global trade confrontations, global warming, pandemics and persistent economic imbalances. He also foresees transformation in the shipping industry through altered expectations of end users, mobilisation of resources and the transportation industry becoming proactive.

When Dr Papachristidis focuses on environmental affairs – and on energy sources in particular – he knows what he is talking about. The family owned tanker and dry bulk company, established by his father in 1946, became big in ULCCs (Ultra Large Crude Carriers). In the mid seventies, this market collapsed when shipowners and shippers stopped using the ULCCs out of fear that such huge vessels could cause environmental disasters. On top of that, a number of ports denied ULCCs access.

The Greek shipowner was certainly aware of that, when he sold the fleet of four high-grade ULCCs (442,000 dwt) to Belgium-based Euronav. He and his joint partner Loews Corp made enough money with this transaction to invest in a new state-of-the-art fleet, when needed. But he still believes that carrying massive volumes of crude oil is not a risky business, provided vessels and crew are of high quality and comply to rules set.

At the graduation ceremony Dr Papachristidis made the graduates aware of the problems they have to tackle in their sector of the maritime industry. A future energy crisis will obviously lead to

changes in mobility and rationalisation in energy consumption. He warned that emerging economies, such as those in Africa will not allow blockades of economic growth for ecological reasons. "In a growth of world trade in developing economies a redefinition of social values is required. We will see a relocation of production centres in the world."



In such a concept shipping lines are definitely 'the lifeline' to the world economy, as Papachristidis put it. At the ceremony he posed the idea of God as a shipowner. Whoever He may be, he has to have his answer to political instability, global trade confrontations, persistent economic imbalances of the 'haves and the have not' and even global warming. Papachristidis observes that the mega mergers of oil and steel companies have broken their mantra of 'economies of scale and low costs' by aiming to be 'best in practice'.

"This world was mesmerised by the petrol and oil reserves, but they have become less. The political and industrial implications are many. Research has to be done to advanced technologies in exploration of coal, gas and LNG and bio fuels. The demand for energy, however, will not be met without nuclear energy."

Papachristidis certainly represents a shipping line with a message for younger people to take up. The Hellepont Group poses itself as a group of Mariners with a Mission, but does not explain which mission it has.

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Pictured:
Chairman Dr Basil
Papachristidis of the
Hellepont Group

Pictured right:
Director of MEL
professor Hercules
Haralambides