

GREECE

London Greeks return home

Greek shipowners were once a mainstay of London's business community. But generous incentives from the Greek government have depleted their numbers

After 180 years of playing a significant role on London's maritime stage, Greek shipowners seem to have vanished from Britain's capital. The nine blue and white stripes of the Greek flag may still fly outside the Baltic Exchange building on St Mary Axe in the City, hundreds of Greek nationals may be working for almost every international shipping organisation headquartered in London, but Greek shipowners previously based in the UK capital have slowly but steadily moved their homes and offices to Greece. Only a few discrete individuals, controlling primarily small fleets, continue to be based full-time in London.

"London Greeks were essential in helping create a strong Square Mile and constituted the backbone of London as a maritime centre," London-born salvor, Nicolas Tsaviliris, told *Fairplay*. His shipowner father, Alexander, was in London during the 1940s and 1950s, before moving to Piraeus in the 1960s. "However, changes in the UK fiscal regime and attitude – primarily in terms of taxation – triggered the exodus."

In 2007, the British government introduced an annual

6
percentage of
£2M+ homes in
London sold by
wealthy Greeks

£30,000 (\$43,600) charge for non-domiciles residing in the UK for more than seven years.

It is thought to net the UK government £500M a year, but it speeded up the flight of Greek shipowners from London, a phenomenon that has been gathering pace since the fall of the Greek dictatorship in 1974, when Greece's government lured them back to Piraeus. In addition, following Greece's entry into the Eurozone in 2001, many Greek owners transferred their accounts to Greek banks, which had never been the case before.

According to Tsaviliris, improvements in business infrastructure in Athens and Piraeus from the 1970s onwards, combined with the creation of a virtually tax-free landscape, made Greece very attractive as a business environment. But as a result of Greece's current financial woes, he noted, the Greek fiscal regime has become aggressive and this, combined with civil commotion and increased criminality, is discouraging shipping people from staying. "Several are already moving abroad. Some families are even considering far off places such as Vancouver, Singapore

Greek shipowners gather in midtown NYC

New York's Greek shipping community is very much alive. In an attention-driven US economy, the spotlight continues to move towards the activities of companies with listed shares. And subtly, the axis has shifted back towards Manhattan, where many private investors are based.

Geography matters. An earlier incarnation of the Navios group of companies had spearheaded the move up to Connecticut in the early 1980s. Connecticut has held onto some well-known names, but, for Greek shipping, the focus has moved south. After three decades in Connecticut, Navios has moved back to New York. In early May, it opened its new

office on Third Avenue at 50th Street, three blocks east of Eagle Bulk's perch on Madison Avenue. Both offices are near Peter Georgiopoulos's outpost on Park Avenue (on a stretch known as Hedge Fund Alley) at 48th Street.

Yes, shipping companies can be anywhere, but financiers like the midtown hub. For example, amid much talk of private equity, two private funds that have committed to invest alongside the listed company Euroseas in shipping deals are nearby. Rhone Capital is in Rockefeller Center on Fifth Avenue at 50th Street, and Eton Park Capital is on Park Avenue at 52nd Street. The proximity to such movers and shakers in the financial

world is reversing the tide of the 1980s; the midtown scene is a powerful siren. Fittingly, the Olympic Tower on Fifth Avenue provides a locus for much of the activity.

Around midtown, the most visible groupings are the Peter Georgiopoulos constellation of General Maritime (tankers), Genco Shipping and Trading (dry bulk), Baltic Trading Ltd (spot dry bulk) and Aegean Marine Petroleum (fuels). Angeliki Frangou's (see p40) triad of companies consists of Navios Maritime Holdings, Navios Maritime Partners and Navios Maritime Acquisition Corp. Eagle Bulk has not yet hatched offspring; indications suggest a greater spot market presence in the offing.

In spite of the celebrity of shipping's new generation, some older names, still private, are interspersed with these behemoths. Elka Shipping (Karnessis) and Southern Star (Coumantaros) both have agency offices in midtown. Downtown, in New York's traditional shipping district, Tsakos Shipping maintains a small agency office, as do Orion & Global (NJ Goulandris) and Brokerage & Management (Gregory Callimanopoulos), involved in the energy services aspects of shipping. A few well-known shipping families maintain offices around town; though their businesses have shifted to finance, real estate and commodity trades. **F**