



Greek Shipping Industry, One Belt, One Road (OBOR) and the Greek – Chinese Relations

Athens, 30 March 2016

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Greece-China Relations in the past

- o Typical relations of geographically distant countries
- o Occasional visits
- o Respect of the two civilizations and cultures
- o Various agreements without serious outputs

Indicative list of agreements

Agreement on Trade Actions Payment	1973
Open Shipping Agreement	1973 & 1995
Intercultural Cooperation and Exchanges Agreement	1978
Cooperation on Tourism Agreement	1988
Cooperation on Public Safety Agreement	1995
Agreement on the Avoidance of Double Taxation	2002
MoU on Cooperation in the Agricultural Sector	2002
Water Resources Memorandum of Cooperation	2003

Indicative List of Official Visits

- 1979: Kon/nos Karamanlis (first visit of Greek PM to China)
- 1986: Andreas Papandreou
- 2000: Jiang Zemin
- 2002: Kostas Simitis

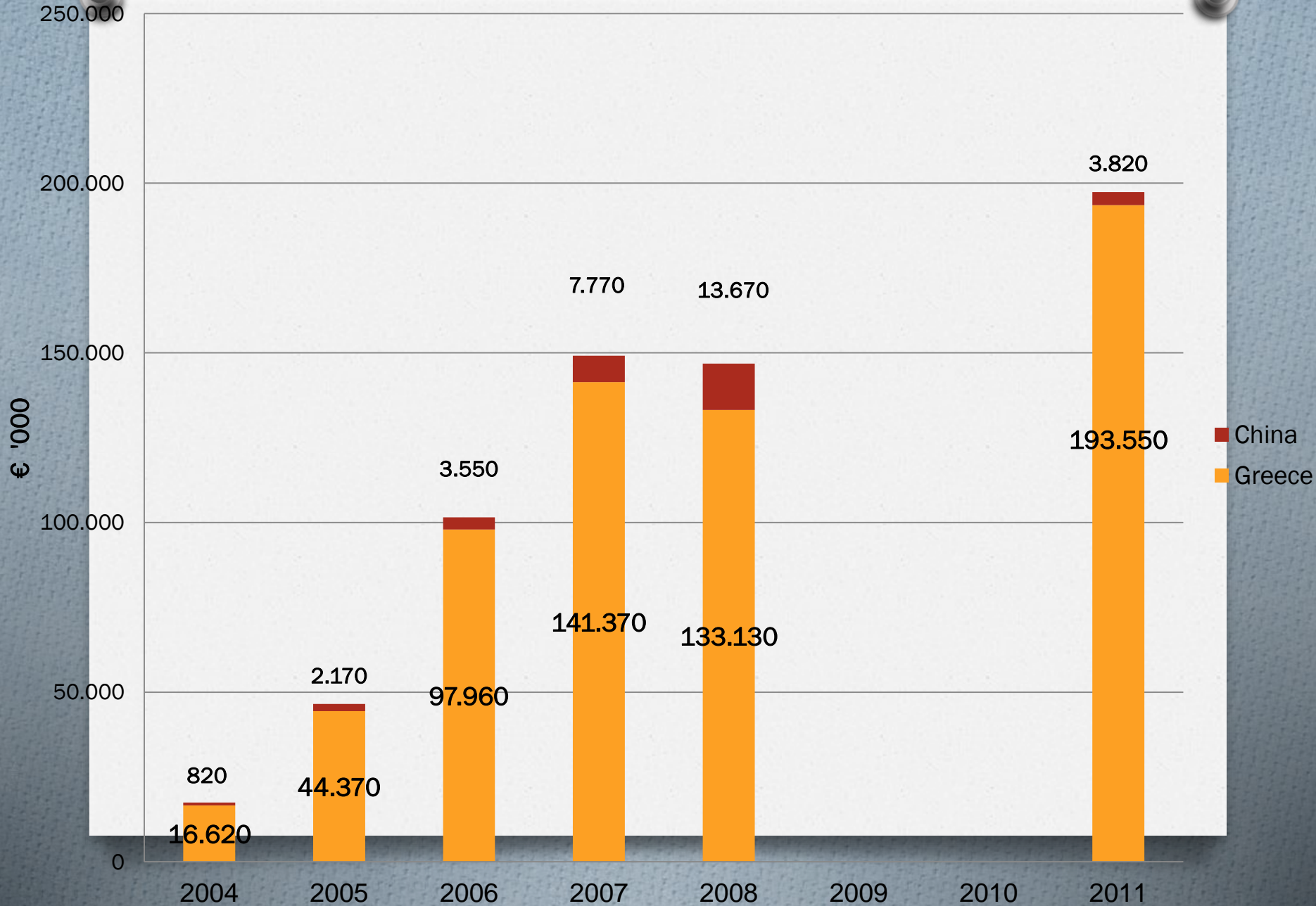


The New Era

- o 2006: Kostas Karamanlis
- o 2008: Karolos Papoulias
- o 2008: Hu Jindao
- o 2010: Wen Jiabao
- o 2011: Jia Quinglin
- o 2013: Antonis Samaras
- o 2014: Li Keqiang
- o 2015: New government reaches China



Shipping Services





Lean van Duivendijk



Events

2005: Vassilis Constantakopoulos criticises the Greek Government for not facilitating investments

5 April 2005: Vassilis Constantakopoulos meets with Greek prime minister Karamanlis

19-21 January 2006: Greek prime minister Karamanlis visits China

A **Comprehensive Strategic Partnership** is signed

Karamanlis meets with COSCO's President Captain Wei Jiafu

Among other, the **two countries decide to further co-operate in the field of sea transport** (

26 July 2006: Greek prime minister Karamanlis meets with COSCO President

27 July 2006: Greek prime minister Karamanlis participates in the christening of Cosco Hellas owned by Vassilis Constantakopoulos

March 2007: Meeting between China's Commerce minister Bo Xilai and Greek Financial minister George Alogoskoufis, minister Bo said '*China was ready to intensify trade and economic co-operation with Greece, **especially in the shipping sector***'

June 2008: Greek President Karolos Papoulias visits China. In his talks he underlines that 60 percent of the Chinese maritime import trade is conducted by Greek-ownership cargo ships, pointing out that Chinese shipyards have undertaken to build a large number of Greek-owned ships (Greek Embassy 2008)


November 2008: Chinese President Hu Jintao visits Greece. In his meeting with Greek prime minister Karamanlis he proposes giving priority to co-operation on marine transportation (2nd point of co-operation)

25 November 2008: COSCO signs concession agreement for operating and developing Piers 2 and 3 of the port of Piraeus in Greece

Fleet List

Print 

(As of January 27, 2016)

Vessel Name 		Charterer	Year Built	Capacity (TEU)	Time Charter Term	Earliest Expiration of Charter
1	COSCO GUANGZHOU	COSCO	2006	9,469	12 years	December 2017
2	COSCO NINGBO	COSCO	2006	9,469	12 years	January 2018
3	COSCO YANTIAN	COSCO	2006	9,469	12 years	February 2018
4	COSCO BEIJING	COSCO	2006	9,469	12 years	April 2018
5	COSCO HELLAS	COSCO	2006	9,469	12 years	May 2018



Οι 11 επιχειρηματικές συμφωνίες

- 1.** ΟΤΕ με την Huawei Technologies στον τομέα των τηλεπικοινωνιών.
- 2.** Συμφωνία Cosco - Αεροδρόμιο Σπάτων για εμπορευματικές μεταφορές.
- 3.** Chinese Export Import Bank με τον Ομιλο Αγγελικούση για δάνεια 111 εκατ. δολαρίων, προκειμένου να ναυπηγηθούν πλοία (ναυτιλιακός τομέας).
- 4.** Συμφωνία Cardiff Marine με την Chinese Export Import Bank για δάνεια ύψους 74 εκατ. δολαρίων, προκειμένου να ναυπηγηθούν πλοία (ναυτιλιακός τομέας).
- 5.** Συμφωνία της Chinese Export Import Bank με τη ναυτιλιακή Diana Shipping για δάνεια ύψους 82 εκατ. δολ., προκειμένου να ναυπηγηθούν πλοία (ναυτιλιακός τομέας).
- 6.** Συμφωνία ανάμεσα στην Cardiff Marine και στον Κινεζικό Νηογνώμονα.
- 7.** Cosco με την εταιρεία Διακίνηση Α.Ε. logistics του ομίλου ΕΛΓΕΚΑ (για φορτοεκφορτώσεις εμπορευμάτων στην προβλήτα II του Πειραιά).
- 8.** Δωρεά της ZTE Corporation στο Πανεπιστήμιο Αθηνών για το Ινστιτούτο Κομφούκιος.
- 9.** China Artex Corporation με την εταιρεία Ικτίνας Hellas στον κλάδο των μαρμάρων.
- 10.** Χορηγία της Cosco στους Special Olympics.
- 11.** Συμφωνία για την κατασκευή του εμπορικού και ξενοδοχειακού συγκροτήματος Piraeus Plaza στον Πειραιά ανάμεσα στην BCEGI Group και την Helios Plaza.

- A MoU for bilateral cooperation in the field of investments between the Chinese Ministry of Trade and the Hellenic Ministry of Rural Development & Competitiveness
- An administrative program for cultural exchanges between the governments of Greece and China for the 2011-2013 period
- An agreement to construct the Piraeus Plaza between the Chinese group BCEGI and the Greek company Helios Plaza S.A.
- A loan agreement for construction of infrastructure worth \$74,165,000 by the Development Bank of China to Cardiff Marine Inc.
- A framework agreement between Cardiff Marine, Inc. and the China Classification Society
- A contract for a foreign office and WIFI connection between Huawei Technologies Co. Ltd. and On Target Earnings (OTE)
- An agreement to purchase marble on behalf of the Chinese company ARTEX Corporation Fujian
- A sponsorship–financing agreement between the Piraeus Container Terminal and the Special Olympics World Summer Games in Athens in 2011
- The donation of teleconferencing materials by the company ZTE to the Confucius Institute in Athens
- An infrastructure loan agreement worth \$111 million between the Export-Import of China and DNB NOR Bank ASA guaranteed by Angelicoussis Shipping Inc.
- An infrastructure loan agreement worth \$82.6 million between the Export-Import of China and DNB NOR Bank ASA guaranteed by Diana Shipping Inc.

Shipping

- 2010: creation of special Greek-Chinese Fund with \$5 bn earmarked
- 2014: Posidonia – the chinese presence was the 2nd largest
- 2014: China Development Bank – Special Fund for financing Greek Shipping
- 2015: “Year for Maritime Cooperation between Greece and China”

Sectoral Breakdown June '14 Business Agreements

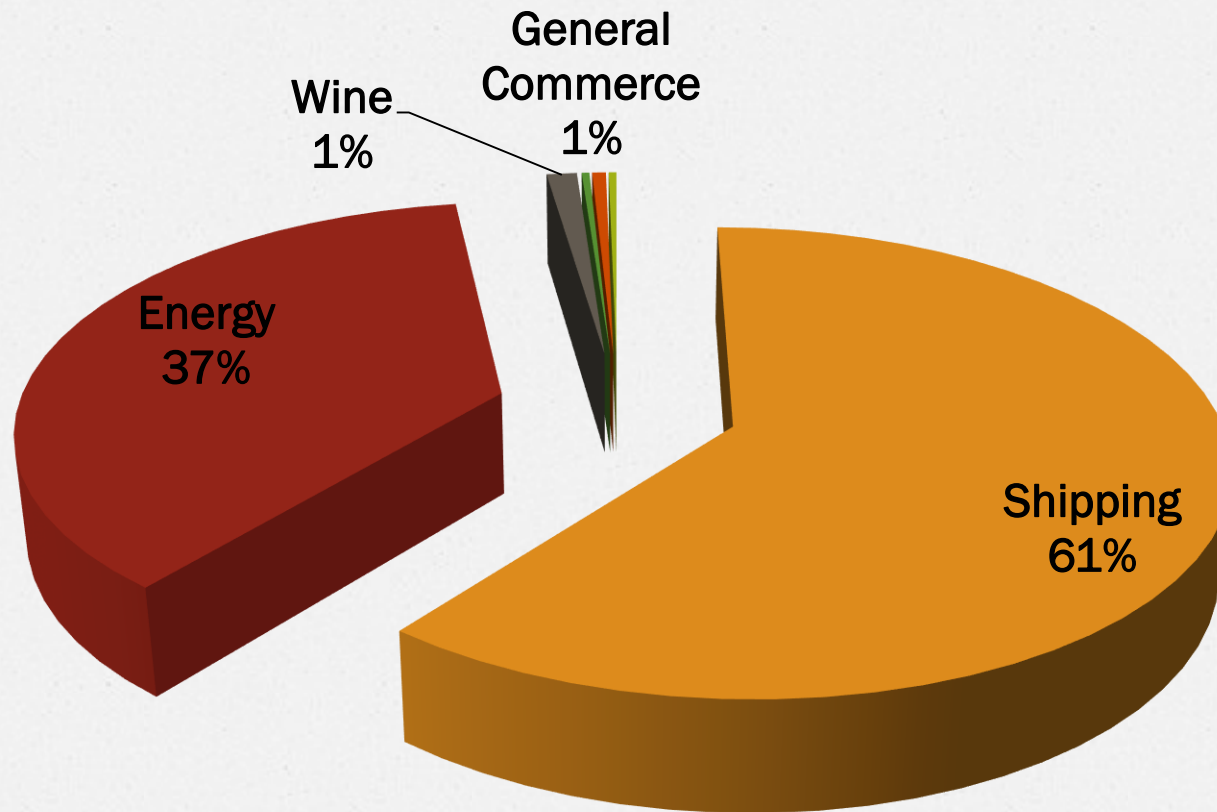


Table 2.3. Ownership of the world fleet, as of 1 January 2015 (dwt)

Rank (dwt)	Number of vessels				Dead-weight tonnage				
	Country/territory of ownership	National flag	Foreign flag	Total	National flag	Foreign flag	Total	Foreign flag as a % of total	Total as a % of world
1	Greece	796	3 221	4 017	70 425 265	209 004 526	279 429 790	74.80%	16.11%
2	Japan	769	3 217	3 986	19 497 605	211 177 574	230 675 179	91.55%	13.30%
3	China	2 970	1 996	4 966	73 810 769	83 746 441	157 557 210	53.15%	9.08%
4	Germany	283	3 249	3 532	12 543 258	109 492 374	122 035 632	89.72%	7.04%
5	Singapore	1 336	1 020	2 356	48 983 688	35 038 564	84 022 252	41.70%	4.84%

Chinese Shipbuilding Industry

- Chinese shipyards have become a crucial global player
- It is estimated that 2.300+ contracts are currently in place in Chinese shipyards
- A 91 bn \$ industry

Table 2.8. Deliveries of newbuildings, major vessel types and countries where built (2014, thousands of GT)

	China	Republic of Korea	Japan	Philippines	Rest of world	World total
Oil tankers	2 896	4 781	891		466	9 034
Bulk carriers	13 304	1 588	10 791	869	167	26 719
General cargo	585	329	199		372	1 485
Container ships	4 986	9 135	188	995	735	16 039
Gas carriers	119	3 528	666		14	4 328
Chemical tankers	113	185	188		57	543
Offshore	714	1 485	51		956	3 206
Ferries and passenger ships	92	5	27		767	892
Other	42	835	391		147	1 415
Total	22 851	21 872	13 392	1 865	3 682	63 662

Chinese shipbuilding orders sink 62% amid commodity slump

BY ASIA UNHEDGED on DECEMBER 7, 2015 in ASIA UNHEDGED, CHINA

The Chinese shipbuilding industry took a big hit this year and will continue to shrink amid a decline in global orders and overcapacity, said an official from the Ministry of Industry and Information Technology, which oversees the sector.

The industry is plagued by excess capacity, said Huai Jinpeng, a vice minister from the regulator, even after many large private ship makers have gone bankrupt or stopped production, [reported](#) Chinese news agency Caixin.

For the first 10 months of 2015, Chinese ship builders saw orders for new vessels plunge 62% from to same period last year, for a total of 20.3 million tons, according to data from the China Association of the National Shipbuilding Industry (CANS). Next year, China will build ships with a total carrying capacity of 80 million tons about equal to the projected increase in total global demand, according to ministry estimates.

The tumbling commodity market is blamed as a big reason for

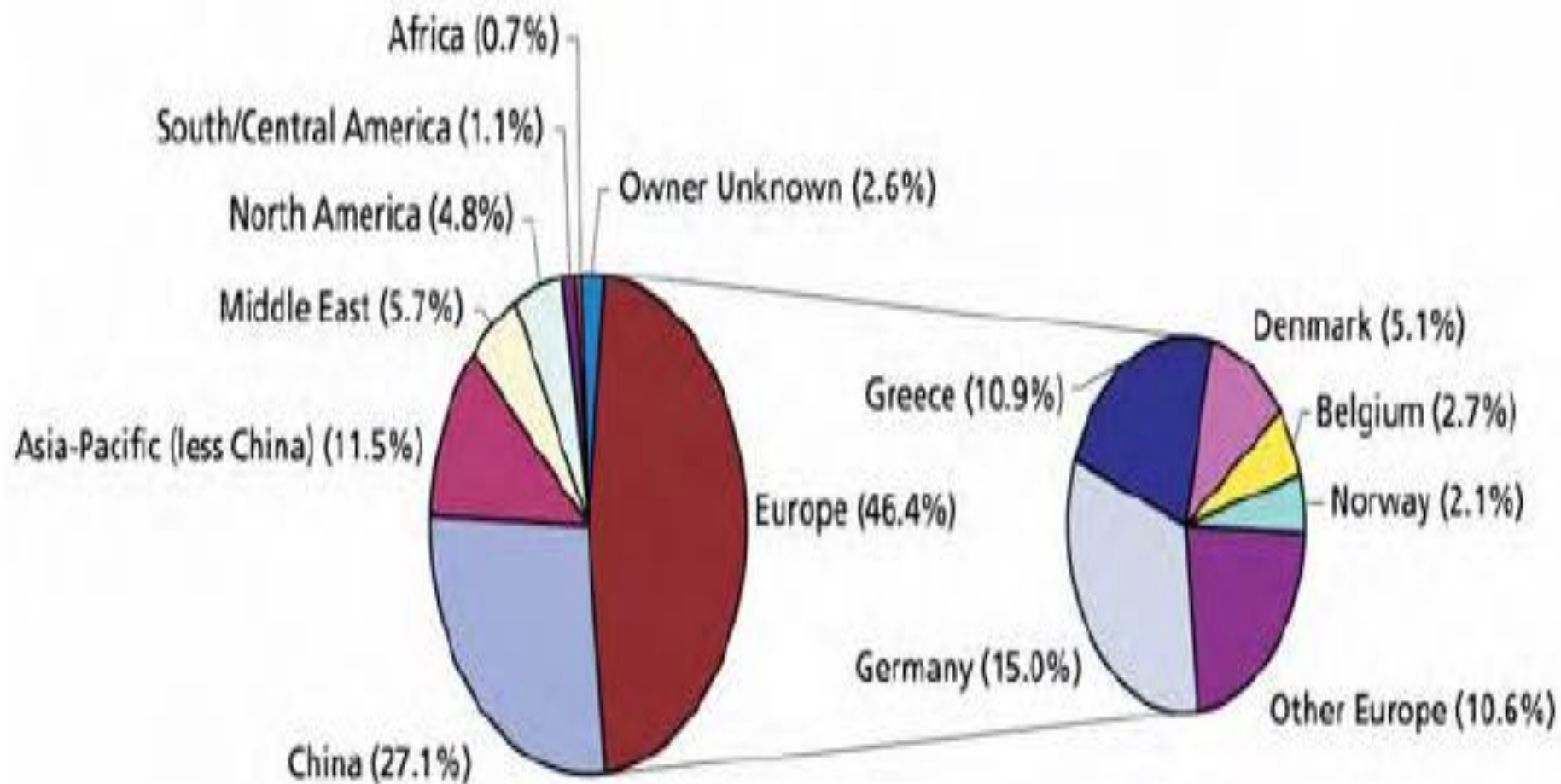


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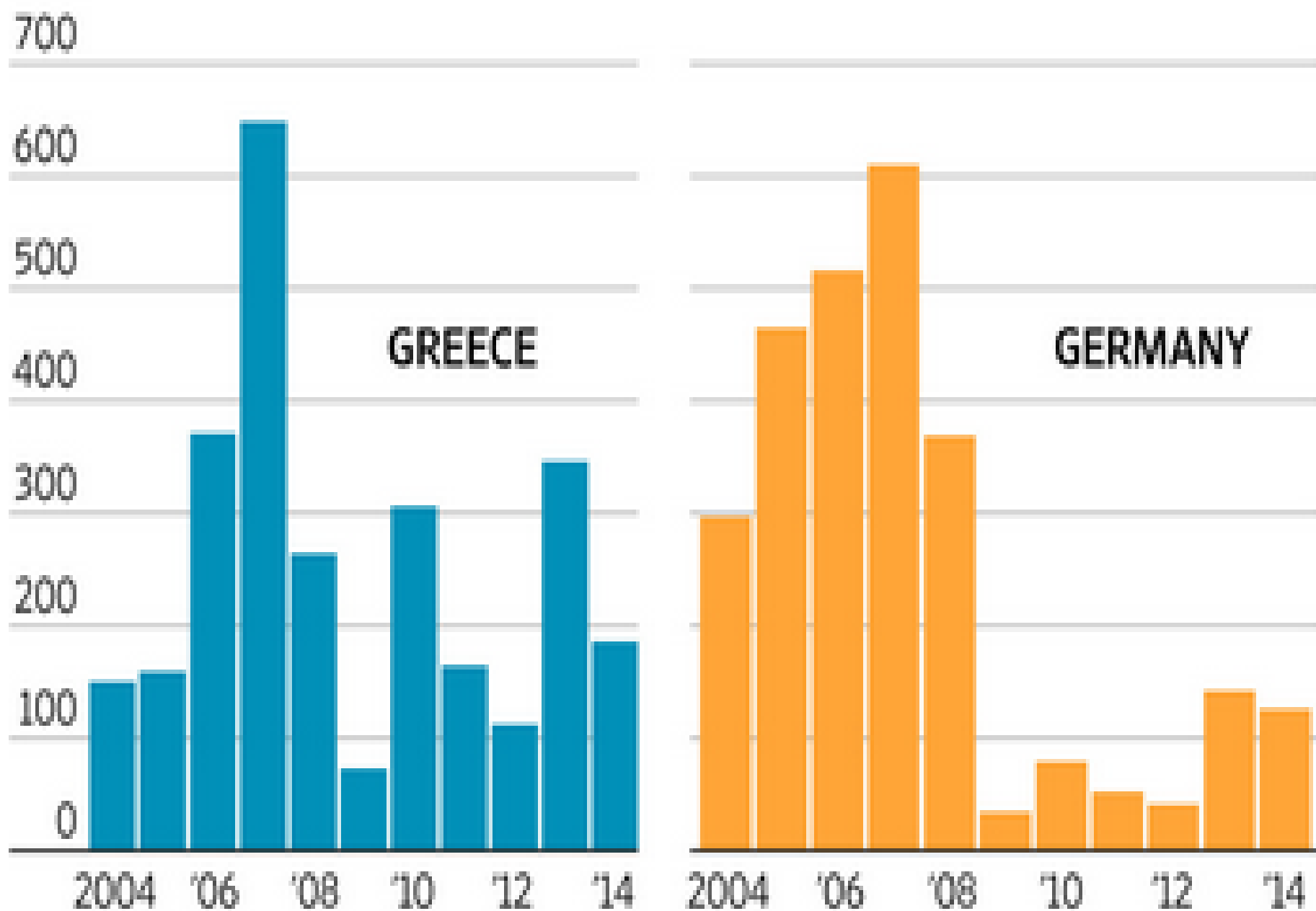
China newbuilding orders drop 75% year on year for January-February period

CHINESE shipyards continued to to be hit by dwindling activity as the industry faces a glut in vessels and weak demand amid the global

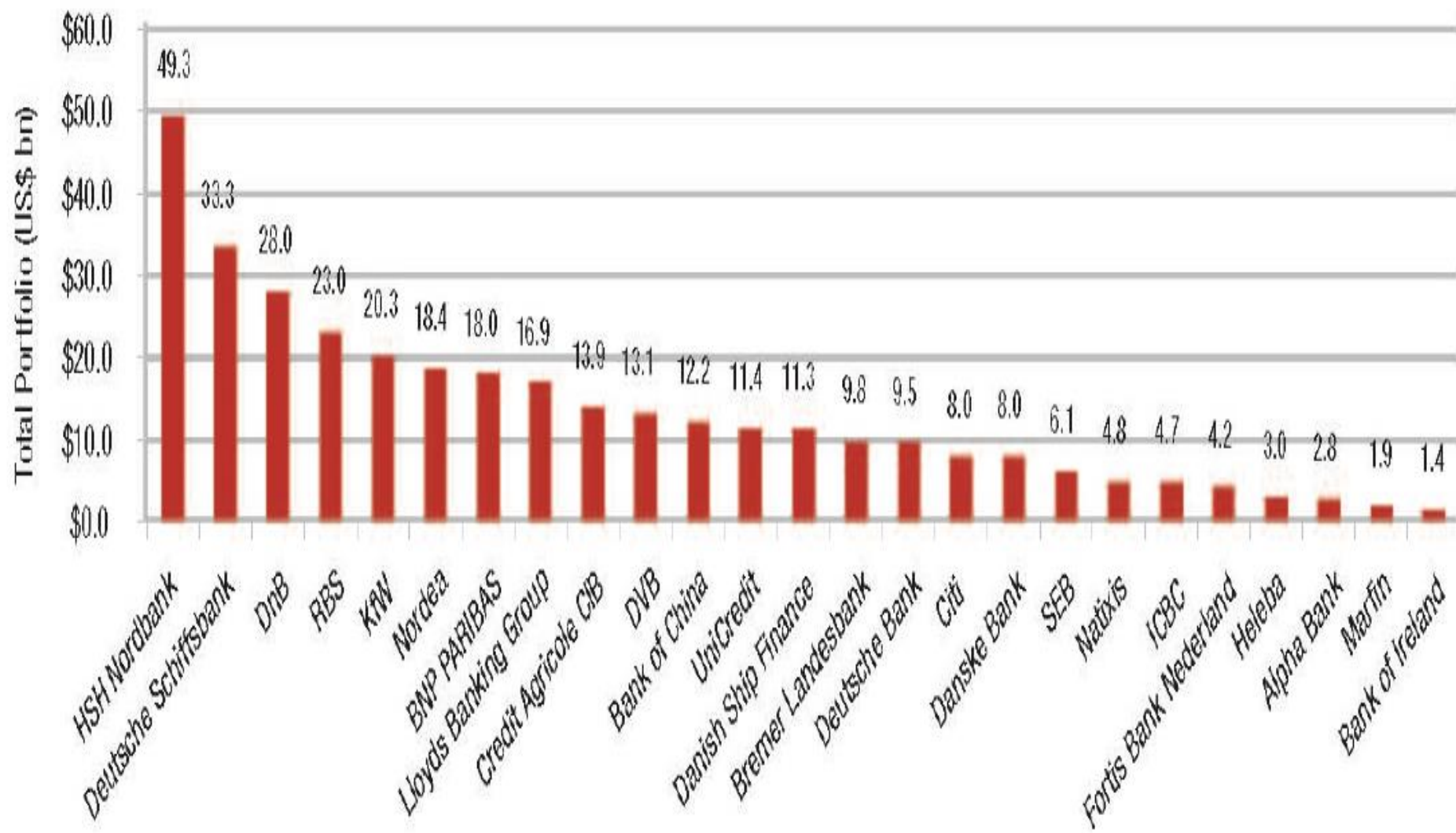
Lloyd's List, 28 Mar 2016



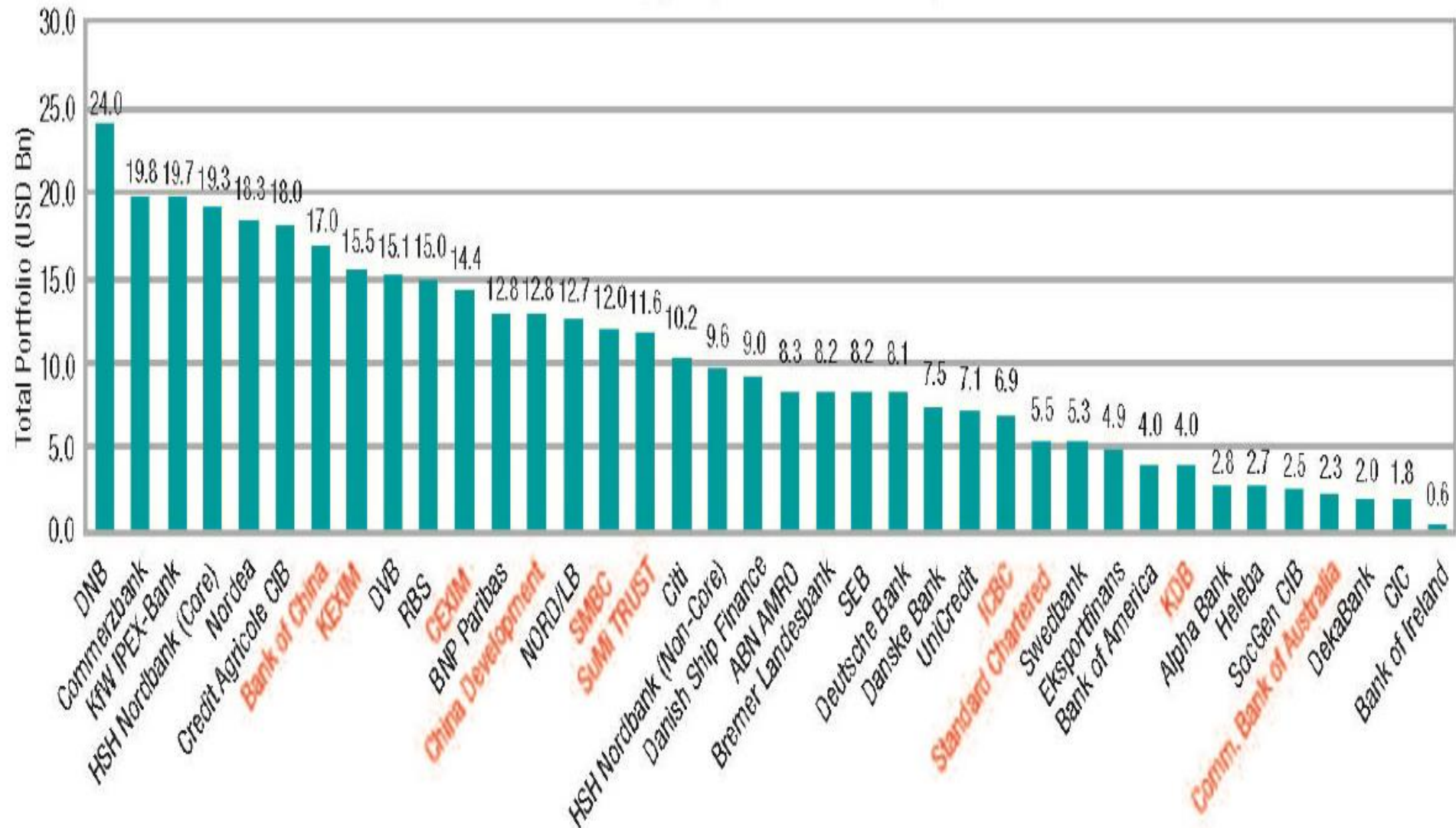
...and recently have had more new-ship orders than Germany.



2009 Shipping Portfolio League Table



2013 Shipping Portfolio League Table



The OBOR Catalyst (?)

- Continuation of “as is” environment
 - 60-65% of crude oil and 50% of commodities trade
- Increased interest to pass more freights through Piraeus and other Greek ports
- Further enhancement of the “Door to Europe” potential

Table 1.7. Estimated containerized cargo flows on major East–West container trade routes, 2009–2014 (million TEUs and percentage annual change)

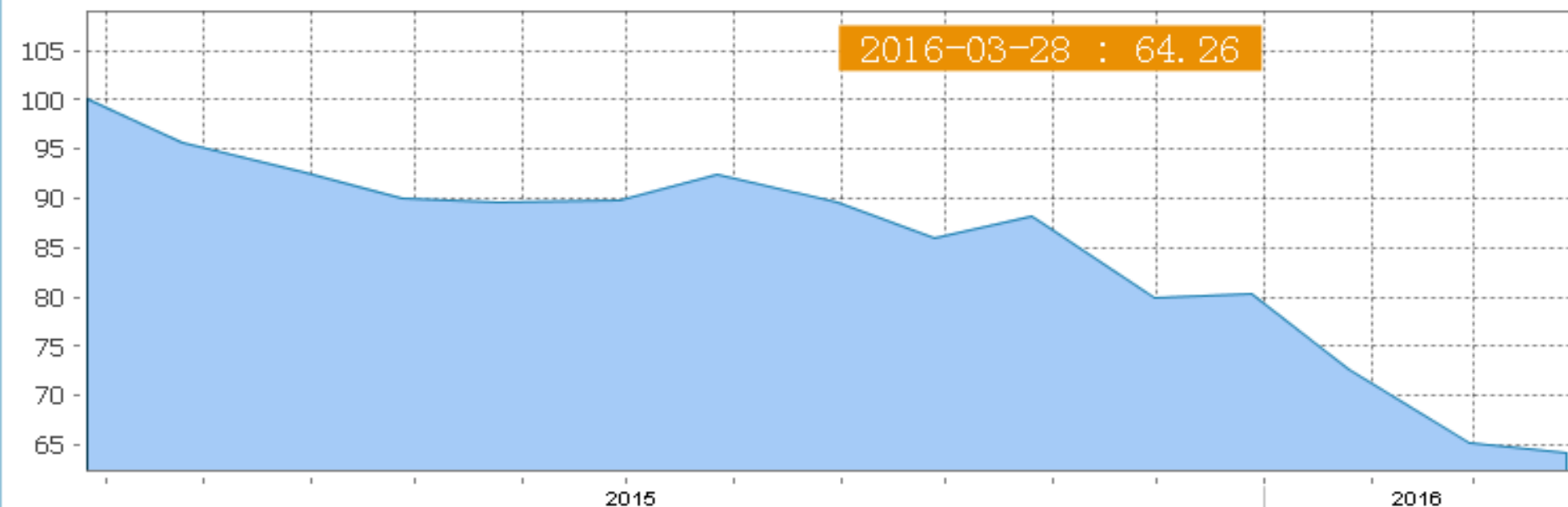
	<i>Transpacific</i>		<i>Europe Asia</i>		<i>Transatlantic</i>	
	Asia–North America	North America–Asia	Asia–Europe	Europe–Asia	Europe–North America	North America–Europe
2009	10.6	6.1	11.5	5.5	2.8	2.5
2010	12.3	6.5	13.3	5.7	3.2	2.7
2011	12.4	6.6	14.1	6.2	3.4	2.8
2012	13.1	6.9	13.7	6.3	3.6	2.7
2013	13.8	7.9	14.3	6.9	3.6	2.7
2014	14.7	7.5	15.4	7.0	3.9	2.7
Percentage change 2013–2014	6.3	-4.5	7.5	1.3	8.3	0.0

Maritime Silk Road Freight Index trial run

Item		Weighting	Previous Index 2016-02-29	Current Index 2016-03-28	Monthly Growth (%)
Composite Index			65.11	64.26	-1.3
Sub-indices	Maritime Silk Road Import Container Freight Index	15%	82.50	77.90	-5.6
	Maritime Silk Road Export Container Freight Index	35%	66.33	58.39	-12.0
	Maritime Silk Road Import Dry Bulk Freight Index	35%	56.14	59.82	6.6
	Maritime Silk Road Import Tanker Freight Index	15%	65.79	74.72	13.6

Issued by SSE

Trend of Maritime Silk Road Freight Index (trial run)



The OBOR Catalyst (?)

- Greek ships mainly consist of bulk carriers and tankers
- Change towards containerships
- Everything is connected to OBOR and the CEE route – with railroad infrastructure setting the pace of development

A preliminary conclusion

- o Greek shipping has acted as mediator between the two countries
- o Bilateral ties are stronger than before – frequent visits, direct contacts
- o Nevertheless, the need for third parties pushing an agenda or bringing attention to economic opportunities for both sides will be handy at times