



Pleiades' 2005-built panamax *Xanthos*, trading in the Star Tankers pool.

The plunge into pools continues

Market volatility and low spot rates increase attractions of pool participation

GREEK participation in tanker pools has grown over the past year or so against a background of poor spot rates in various tanker trades.

Preceding the recent flurry of activity, shipowner George Economou almost two years ago acquired a 49% stake in leading pool operator Heidmar, making his group an equal shareholder with merchant bank Morgan Stanley.

His Cardiff Marine-run fleet is a mainstay of two of Heidmar's four directly managed pools, with 16 tankers in the Sigma Aframax pool and six vessels in the Blue Fin pool for suezmaxes, which was created just three years ago. Cardiff also has one vessel in the Dorado product tanker pool.

"Very little, if anything, has changed" in the management of Star Tankers, Heidmar's oldest pool, since the change in ownership, according to Constantinos Peraticos, chairman of member company Pleiades Shipping Agents.

Pleiades was co-founder in 1998 of what was initially called the Heidmar-Pleiades Pool, before it adopted the Star Tankers name a year later to reflect an expansion of membership. Pleiades has six modern panamax tankers in the pool.

"It is relatively easy to have an axiomatic and fair formula for panamaxes, as

the ships do not differ too much and you can have a relatively fair distribution of earnings," said Mr Peraticos. "That is of paramount importance in a pool — it has to be operated in a fair and open manner."

He added: "A certain mass of tonnage is a prerequisite for making any sort of headway in this market, but in terms of world scale, you get what the market gets. You do not get extra points, but you increase your efficiency by being able to get better utilisation and hence you limit your dead time."

"It becomes more apparent when the market is bad. When the market is good it is not so important, but when the market is down it can mean the difference between having your head above or below water."

Several other leading Greek owners participate in Heidmar's pools, including Tsakos Shipping & Trading, which has four tankers in the Star pool and another quartet in Dorado.

Last year, the Hamburg and Piraeus-based Hellepont group launched a pool for modern IMO II chemical/product tankers of 10,000 dwt-20,000 dwt built since 2000. The Seatrap Intermediate Tanker Pool started with three Hellepont-operated 13,000 dwt vessels, with a series of 17,000 dwt newbuildings set to join the pool through to 2011, with additional partners being canvassed.

The year also saw Almi Tankers pop up alongside Teekay to form the Taurus Tankers pool for modern long range two product tankers, while fellow Greece-based Roxana Shipping partnered Searland Ship Management to launch the Global Tanker Pool for long range ones.

Alex Papachristis-Bove, chairman and managing director of Hellepont's Greek management arm, Hellepont Steamship Corp, extols the virtues of pooling but says

Greek interest is not a new trend. "I am very positive on pools. It spreads market coverage but pools also increase quality. The point is not to erase competition but to make the market more efficient," he said.

"When you have too many competitors

and the market is over-fragmented, as shipping is, you can be forgotten. People just do not want to deal with 100 companies. The client base is only going to talk to four or five people and that means each one of you is going to get a shot if you have a ship in position. This increases efficiency in the

competitive process." Mr Papachristis-Bove added: "Owners in Greece have always been open to different structures. They have run the entire gamut of structures. But pools are particularly beneficial and a force for quality when markets threaten to create losses."

