

# Round Table Discussion

As part of our pledge to provide cutting edge comment, we assembled five of Greece's brightest and most dynamic young shipowners round a board room table to debate key issues affecting their industry.

The participants are all presidents or chief executive officers of their shipping companies and they share the distinction of having recently floated their businesses on the Nasdaq stock market. They bring a fresh and confident approach to the business of owning and managing ships.

Chaired by SMI Editorial Director [Sean Moloney](#), the panellists included [Harry Vafias](#), CEO of StealthGas Inc; [Ion Varouxakis](#), CEO of FreeSeas Inc; [George Kassiotis](#), President and CEO of Omega Navigation Enterprises Inc; [Stamatis Molaris](#), President and CEO of Quintana Maritime Inc; and [Evangelos Pistiolis](#), President and CEO of Top Tankers Inc.

*If any of our readers have comments to make on the issues under discussion or the panellists' replies then please email them to [editorial@shipmanagementinternational.com](mailto:editorial@shipmanagementinternational.com) and we will include them in future issues.*



**Sean Moloney**

It was reported that the Laliotis group is hoping to raise \$200m of private equity in the US to fund the purchase of products tankers. But is Private Investment in Public Equity (PIPE) the preferred financing route for shipowners at the moment? What are your views?

**Evangelos Pistiolis**

Public equity has been explored quite a bit as we all know over the past two years but it's not an easy route to go down unless you have a different story to tell and I think that newbuildings in the shipping industry are definitely not a new story.

**Stamatis Molaris**

I can add a few things because I completed probably the biggest PIPE ever done in shipping. You need to review the circumstances under which the company is trying to raise money. As Evangelos said, you need to have a very good story, a damn good story before you approach investors. If you decide to go down the PIPE path, circumstances will force you to do so because that basically means you need to move very, very fast as was the case with our company. And you have to make sure that you need to move very swiftly and with confidence.

**Harry Vafias**

Of course Stamatis knows better than anyone because he not only built one of the biggest PIPES ever done but he did it in record time and in a market which was not very strong. It was at the end of April right before the summer when everybody was waiting for a weaker market for dry bulk carriers. Stamatis was congratulated at the time because the ships now are worth far more than what he paid for and secondly because the market is far stronger than what everybody else was expecting. I don't know what Mr Laliotis is doing but it's not a matter of whether investors like private equity or PIPES, I think it's the matter of the deal. If the deal is good, if it's well researched, and if it is different from all the other deals out there it will be done.

Quintana's deal was good because they were good ships and they were good charters with a fantastic name behind them. If the ships were 20 years old or if a charterer was not reputable or if the market wasn't that strong then maybe it wouldn't have happened. The point is it did. I don't know Mr Laliotis's deal but I do know that newbuildings are a very difficult thing to sell because you're raising money which you are investing two or three years forward and maybe in two years time these ships will be worth 20% less. So it's a big risk but I wish him the best of luck.

## Is Private Investment in Public Equity (PIPE) the preferred financing route for shipowners at the moment?

**George Kassiotis**

What matters at the end of the day is the quality of the deal we present to investors and why this is different and better than any other deal they have in front of them. That was the case in our transaction because I should remind everyone here that the environment for shipping IPOs was difficult when we launched our deal and effectively what we sense from people is that they want to hear and invest in a good story, a story that is transparent, a story that has financial merits.

Even though newbuildings with forward delivery in two to three years ahead are not really attractive today because of the lack of earnings potential from the first day, in the long run I believe that

“My personal choice would be for long term steady growth but I wouldn't mind it if I can make 10% or 20% in six months, I wouldn't complain”



public companies

should bring in their fleets very modern ships and/or prompt newbuildings for a whole number of reasons such as safety in operations, lower running costs, access to higher quality charterers and longer useful life for the younger vessel. But when it comes to PIPES I think as Stamatis covered, they are a quicker way to have access to money than a follow on offering. You don't need to go through a very big roadshow, you don't need to file with the SEC. Private equity is another trend, it's more expensive and these people are asking for a higher return than the investors of the public equities. There is no need to go through the SEC process and it is less costly to raise private money. Some investors will be less active shareholders than others. But you need to ask the questions: what is their exit strategy; how long do they want to stay with you and what is the main idea behind their involvement.

At the end of the day it all depends on the Company's needs and plans for future financing.

**Harry Vafias**

Look at what Evangelos did: what was his share price in the beginning, what was his share price six months later and what was the dividend he gave. The return was amazing for people who had bought in at the IPO so I don't think that shipping is necessarily only a long-term investment. I think that if you have your eyes and ears open you can always find opportunities for a quick buck as they say. Some people don't like that because some people want a long term steady return which I appreciate. Some people want a gamble you know to go in, maybe make 10% or maybe lose 10%. My personal choice would be for long term steady growth but I wouldn't mind it if I can make 10% or 20% in six months, I wouldn't complain.

**Ion Varouxakis**

At this point in time there is probably more interest in PIPES than pure equity instruments and also it is a security that is more interesting for the small-to-medium size enterprises. So in our case for example, ⇒



being the smallest listed company around this table, a PIPE would be much more appropriate than going for a fully-fledged IPO that would cost a lot of money. For a larger company such as Quintana I would suppose such an instrument was chosen because it was a deal-specific case with specific income and specific vessels but for a large company maybe PIPES are not appropriate. They are appropriate for small companies, as you can negotiate very quickly, you can make them deal specific and they have many advantages.

#### Sean Moloney

I suppose if you've got good long-term charters for your vessels and good guaranteed income coming in you can in some ways guarantee a certain return on investment for your investors, can't you?

#### Evangelos Pistiolis

You can although investors in the US are not necessarily looking at things the way they should do if you ask me. So that's why you often see the share price going up or down irrespective of what the market is doing. We have been seeing that throughout 2006 when the tanker rates have been really strong, unexpectedly strong for one more year.

Every year they say that the next year is going to be the end of the world and then suddenly that year is better than the previous one so I think certain things can be guaranteed for a company and its investors. I've been one of the first guys to go fully into that with my MRs - going down the time charter with profit share route.



“Every year they say that the next year is going to be the end of the world and then suddenly that year is better than the previous one”

#### Stamatis Molaris

Five years ago in early 2001 when you talked to investors about time charters they didn't know what you were talking about because they were very, very familiar with Teekay, OMI and other companies that were all operating in the spot. So when the market really went through the roof in 2000 these guys were making a huge amount of money, \$50K, \$60K and \$70K a deal on VLCCs and Aframaxes.

There's no doubt about that during periods of peak rates, companies were making huge amounts of money in terms of cash flow, they traded better while steady Eddie companies like those with long-term time charter strategies were trading at a discount. The trading strategy is a company's decision. This is company imposed discipline not a capital market imposed discipline. Companies have to operate for the sake of their own benefit and not what the capital markets want them to do.

I think that the investors in the shipping sector have become better educated - let's not forget that investors made a lot of money. They made a lot of money especially those that participated in IPOs in 2001, 2002 and 2003 and even when Evangelos did his IPO they made a lot of money and now I think they are asking themselves 'how good can it get?'

But are we missing something because there's clearly a disconnection between the freight rate environment and what we see in our businesses and the way the stock prices are performing because investors believe this is not going to last forever and they are better off taking their money and seeking cover and getting back in the market when the

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stocks have dipped further. They have adopted this wait and see attitude but I think they are making a big mistake because for the dry bulk business we are seeing some very, very positive fundamentals and the market keeps on surprising everybody.

### Ion Varouxakis

What is very interesting is that the amount of companies listed has really boomed so there is now a shipping sector that did not previously exist in the equities market. Obviously the tanker sector has an advantage compared to dry in the sense that it is linked to the oil sector and there's a lot of coverage but I think that pretty soon the investors will be able to realise the value.

### George Kassiotis

Shipping is a volatile business, that part is clear. In my view a way to reward shareholders is to pay them a steady dividend irrespective of whether this is low, high or very high or very low. I think that's a way of giving some money back to the investors and you can afford to do that if you have low debt. I don't think investors today are investing in shipping in order to speculate. I think today's investors are mature and they understand that the market has its ups and downs but they're looking for a return which will come either from income i.e. dividends or from growth and I think the new challenge in our industry is how you can combine both. How you can grow your company as the same time you are paying dividends to the investors is the dilemma.

### Sean Moloney

But what constraints is the market going to put on you as shipowners because you've got to bring new tonnage into your fleets as your shareholders don't want accidents and they don't want vessel detentions?

### George Kassiotis

This is true. There is definitely preferential treatment for modern tonnage and you can see that since oil majors do not charter non-double hull tankers for period business. The reason is obvious. Nobody can afford today another "Prestige" and just imagine what anything like that would do to the stock price.

### Harry Vafias

I feel that the most pressure is being put on the gas side, then the tankers but I wouldn't say that pressure isn't exerted on the bulkers. Stamatis and the other guys can correct me if I'm wrong but the big charterers on

the dry side are starting to vet the ships they take more stringently. The larger panamaxes and capes are finding it more difficult to trade to certain ports if the ships have not been inspected and if they have not been found in a good condition.

I can tell you from my own experience because we started in dry. We could easily operate 15 or 20 year old panamaxes and capes, trade everywhere with no problems, but the likes of BHP and Billiton are in some cases more stricter than the oil companies when it comes to assessing the quality of the tonnage they charter. Of course the pressure is more on me as a gas tanker owner and on Evangelos because he has tankers but I think the pressure is on everyone because investors do not know the pros and cons of say a newbuilding versus a 10 year old ship or a 20 year old ship. When Evangelos started his public company he said 'I will not buy brand new ships, I will buy second-hand double hulls' and correct me if I am wrong but he said 'why should I pay \$Xm for a one year old ship where I can buy a 10 year old double hull for a discount of lets say 20% and still earn the same money'. And it worked.

### Evangelos Pistiolis

That's correct and I was the first guy to tell them to their face because everybody went there and wanted this nice story of how I'm going to build all brand new ships but I asked them: 'are you going on a cruise with your ship or are you going to make money with your ship?' If they wanted to make money, the only

“In my view a way to reward shareholders is to pay them a steady dividend irrespective of whether this is low, high or very high or very low”

way to do this is to buy second-hand ships. If you buy a new ship you will make money probably in this market but you'll not make as much. I agree with Harry. I don't have that much experience in the dry trades although the only big difference there is that there are more charterers in dry than there are in the wet trades. If you mess up in the wet trades you are pretty much done. Ships need to pass vettings when it comes to being chartered by the big dry bulk players but at least you can trade your ship somehow.

Well if the shit hits the fan you're not going to get paid from them anyway, not even from the big names. So even the big, big, big names have renegotiated at some point in time so that's what I'm just adding for fun, that even the big names in the dry trades are not necessarily as stringent as the likes of BP. ⇨



**Stamatis Molaris**

I think the pressure for new tonnage is irrespective of sectors. The difference between dry and wet is that the wet market is highly regulated so you know that the regulator is going to visit. He's going to tell you it's 23 years old, it's not double hull, it's going to have to go. It's not the same pressure on the dry side. This environment keeps on changing every day and it starts with the big ships, the capes and it filters all the way through to the panamaxes so don't be surprised if in a short while we start witnessing a vetting inspection regime by the big boys in the dry bulk industry because they want to have reliability. If you have a 25 year old cape or a 25 year old panamax you do not have reliability especially in today's logistical constraints. Today the cape size goes to Brazil and loads 160,000 tonnes in a day – something that is quite contradictory to the loading sequences that the ship has to observe, but that's the pressure.

**Sean Moloney**

It's not necessarily down to the charterers, is it? It's also down to the fact that if you've got an older bulker that's badly maintained then you will have issues with port state control.

“Don't be surprised if in a short while we start witnessing a vetting inspection regime by the big boys in the dry bulk industry because they want to have reliability”

**Ion Varouxakis**

I don't agree with you. I don't agree. There's a big difference. We operate 22 year old vessels and the returns we make on these vessels cannot be matched by any of the modern vessels.

**Stamatis Molaris**

They're smaller aren't they?

**Ion Varouxakis**

They're handies.

**Stamatis Molaris**

That's a different environment.

**Ion Varouxakis**

So the handy sizes of course have a longer life; they're easier to maintain in the sense that the amount of steel they require and the time needed to survey them is less but the returns we're making on these vessels is much more than if we owned more modern vessels. The difference is that on the older vessels you need to have a 'hands-on' management and this has to do also with the other question I think you want to ask, these older vessels are much harder to give to third party managers not only on the technical side but also on the commercial side.

We have to ask certain questions. Which ports are you going to visit? Should they go to the US a month before they are due for survey? So there's a lot of time required for the management to manage these vessels and to produce returns. From our perspective, we have not incurred even one PSC detention in the last five to six years: we have never had days off because of poor management. On more modern tonnage you do have the flexibility of expanding quickly, of giving the tonnage to third party managers and you probably have a more stable return than on the other vessels but I wouldn't say that we should totally rule out old vessels although we do like the rest of the industry want to renew the fleet and we're really focusing on more modern vessels now.

**Harry Vafias**

Between the five of us here, we control about a hundred ships of all different kinds and ages and there is no correct answer about the perfect size, or perfect age. If you do your job right and your timing is right you will make millions even if you buy a 25 year old handy or if you buy a brand new cape. I can give you one good example of this.

We bought a 1,000 tonnes gas carrier which we appropriately named Gas Tiny for \$1 million 18 months ago and we have recently received a Euro4m offer for the ship. So it's not a matter of age or market segment. If you are good at what you do and you're concentrated and focused and you're hands on because a hands on approach is very important, you can make money: you can also give rewards to your shareholders. So I wouldn't say that a new ship will make money or that a very old ship will not make money. No.

Also it doesn't mean that a new ship is fantastic and an old ship is shit, not that either. We have seen two year old ships from Japan and their steel is paper thin. Paper thin, and if you go and load it with 160,000 tonnes of iron ore in Brazil it will break into a hundred pieces. But we have seen cape sizes that are 24 years old and their hulls are like bullet proof walls. So it's not a matter of age, it's a matter of maintenance, a matter of condition, a matter of how often you inspect the ship with your own people in order to have a good understanding of the vessel.

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#### Sean Moloney

That brings us nicely on to this whole issue of third party management of vessels. Everyone seems to be trying to break into the Greek market because they feel they can bring positive economies of scale and the necessary expertise. What are your views?

#### Stamatis Molaris

My head tells me that when you have an asset you might as well take care of that asset. The reason I'm saying that is because if you start outsourcing significant parts of your operation like the commercial and technical management then you end up being a close end fund which happens to invest in ships. That's not my approach but I think that's probably the case with most of the Greek-based shipping companies and that's why the third party technical managers will have a problem expanding in this part of the market.

Having said that it does not necessarily mean they are not good third party technical managers. I think they probably need to concentrate on niche markets. If I was to start let's say a gas company that doesn't have any expertise, then building up my own team would take many, many years and also many, many years to win the recognition and trust of the charterers. So in that situation, you have to go down the third party management path, there's no doubt about that. But in industries that are quite easy for Greek shipping to develop expertise in and find very good resources for, like the wet and dry trades, then third party managers will have a difficult time penetrating this market.

#### Sean Moloney

So what you're saying is that for a specialised sector like the gas carrier market, then third party managers can have a chance but if you're looking at traditional bulk and tanker operations you guys have got enough expertise to do it yourselves and you prefer to do it yourselves.

#### Stamatis Molaris

It's very hard because it goes back to the size of the company. I mean if that's your strategy, if you want to have everybody in the organisation from the master of the ship all the way down to the receptionist picking up the phones, concentrating in the bottom line then it's very, very hard

to outsource 40% of your expenditure to the hands of a third party manager. And if he messes up I can fire him but I'm going to have to carry the baby.

#### Evangelos Pistiolis

Well I wouldn't agree exactly because if he f\*\*\*\* up in a pollution situation then you aren't left holding the baby and that's exactly the point. So in principle and in the old days Stamatis was absolutely right, I think that times have changed a lot. In my opinion Frontline is the most successful shipping company in the world and its vessels are fully outsourced so from my point of view I think that they are doing a very good job. I have outsourced but the only thing outsourced in Top Tankers is the day-to-day technical and crewing. Nothing else.

#### Sean Moloney

Who do you use?

#### Evangelos Pistiolis

V.Ships and Hanseatic. They only do the day to day technical and crewing. Now coming to that point when I went public, I had 12 to 15 guys in the office, now I have 85. That is one of the most rapid expansions of any shipping company and that happened eight months down the road. That's not that easy especially in this market. I think everybody will agree that finding personnel is not easy today in Greece. Keeping them is another thing. It was not that hard before because over the past five years most Greek shipping companies have expanded. There is a big fight if you want, not in the sense of a fight but there is competition and everybody's holding on. That's why salaries have risen dramatically, because demand is huge and supply is limited. So from that point of view if you want to expand rapidly and safely which is very important for me having tankers at least, I think the best way to do that is to give the crewing and the day-to-day outsourcing to a third party manager. Because you can look and you can take your vessels back if you are not happy. We currently have six ships under management. I don't think we're going to go all the way because there is no need to. The situation we have today is better because my staff are more alert because I can compare them with the third party managers I am using. →



The crewing situation is bad around the world, we all know that. We are also facing the same problems with vetting. I want to hear a tanker guy honestly say there is no problem with vetting while the crew forgets that the window is open while the vetting guy is onboard or leaves his cell phone on the deck while the vetting guy is onboard. I agree that its always at the back of your mind to manage your own fleet but I think just giving out that small part might benefit you from pollution issues or pollution-related liability.

#### Harry Vafias

StealthGas grew from a three ship fleet in Christmas 2004 to 28 ships today excluding newbuildings and we could not manage them in-house for two reasons. First of all we did not have 50 people experienced in gas, where can we find them? There are no gas companies in Greece anyway, even if there were we would have to go and steal the the whole office. So we said fine, we don't know V.Ships and we don't know Hanseatic nor do we know Tesma. We hired them all with a view that after six or nine months we would sit down and assess the results. We would assess the condition of the ships to see who is the best and that's the exercise we did. What happened was we had four outsourced technical managers and we had some ships managed in-house as well. So we had a very effective comparison that enabled to say that V.Ships did this, Hanseatic did that, Tesma did this, Swan did that and our in-house people did this. So after nine months what was the result? The result was that the smaller the company is the better the results because if you're a big customer of a small company you get more attention. It also counts if the management company is specialised. For example if we have a management company like V.Ships that manages tankers, bulk carriers, cruise ships, luxury yachts and reefer ships, they know a bit about everything. When you have a management company like Swan which most people here don't know because it's a specialised gas carrier management company, and they manage only small gas carriers - they don't know dry, they don't know tankers, but they know the small gas carriers very well.

So again I would say that the middle solution is always the best. Like Evangelos said, whether you have 10 ships or 50 ships, if half your fleet is managed in-house so you can train your people and the other half in one or two serious third party managers then you will have the best of both worlds because you can compare. I would like to say in general that third party managers are not doing a very good job, that is a general comment.

#### Sean Moloney

Is it because they don't own the assets?

#### Ion Varouxakis

There is no doubt that it's good to manage your own vessels but obviously under certain circumstances such as with rapid expansion or when you own specialised vessels there's no better solution than going to third party managers.

#### Harry Vafias

I would never suggest to keep them in-house.

#### Ion Varouxakis

No but I don't totally agree with your comment that if you manage your ships on your own you don't have enough time as an entrepreneur to look at deals, that's purely a question of organisation.

#### Evangelos Pistiolis

No I don't agree exactly.

#### Ion Varouxakis

Instead of relying on another company you're relying on people in your company, it's the same principle. It's the same as the third party managers.

Really the reason we have the third party managers is that we don't have any Greek seafarers any more, they don't really exist so we don't have people coming from sea to work in our offices.

“The real reason we have the third party managers is that we don't have any Greek seafarers any more, they don't really exist so we don't have people coming from sea to work in our offices”

**Evangelos Pistiolis**

The problem is not in the office, the problem is at the sea.

**Ion Varouxakis**

Yes but in a few years time there will be no Greeks with seafaring experience in our offices. It is an important element if you want to do your own ship management.

**Harry Vafias**

I'm not a lover of nationalities, I'm a lover of good people so I may have a Greek captain in the office that's fantastic, I may have a Greek captain in the office that is bored and plays with his Gameboy every day. As we all know very well there are good people and there are bad people in all nationalities but a lot depends on the position you are talking about. When it comes to vetting, I would like my vetting guy to have sea experience.

Experience is very important. There's always exceptions in the rule. If you have a good guy with a great degree and he has seafaring experience he is the ideal I suppose. If we had a machine churning out people an ideal would be somebody with fantastic studies and seafaring experience but this does not exist. You hire them and then Stamatis comes and says 'I'm Quintana, I have a \$1bn market capitalisation, I will give you Euro2,000 more' and I take him.

**Evangelos Pistiolis**

And then he keeps the money.

**Ion Varouxakis**

The days where you knew your captain personally are gone forever. There are still some owners who are obsessed about having a guy onboard who's sometimes a lower level crew but tells them every day about what's going on, I think there are a couple of people in Piraeus like that but I don't think it makes any difference whether a third party manager hires a seafarer or whether you hire him through a manning agency.

## What have you learned from the traditional Greek ship owning practice of your fathers and grandfathers and what can you teach them in return?

**George Kassiotis**

I hear what everyone says about third party managers versus management in-house but I have a different opinion and mainly about the seafarers. In our case even though we have outsourced the technical management for our tankers to V.Ships and to Eurasia also for liability issues in a trade that is becoming more and more regulated, we continue to supervise the third party manager and are active in the way the management is being carried out. I don't think that any shipping company can be totally passive as if it was an investor sitting in Bermuda collecting hire and ignoring what is happening on board.

The ships don't run by themselves, you need people and good people to run the ship properly. All captains and engineers that we have it is important that they get briefed also in the office and we have taken several measures to make sure that the crew gets the feeling that they are working for us. And that's the challenge. Their employer is not V.Ships or Eurasia but us. This will help us to be able to have the same people rotating in our ships and not having to worry about finding competent crew to run the ships.

**Evangelos Pistiolis**

Get yourself acquainted with not having your own crew and get on with your business of making money and forget all that stuff okay? That's a dying breed, it does not exist any more, that's my opinion, it does not exist. Especially in today's shipping and especially talking from a position of a large private company private or even better a large public company. From that point of view you don't care about that and frankly speaking at the end of the day even if you think you have your own crew you're not going to have your own training facilities right?

**Ion Varouxakis**

What amazes me is these huge ships, your assets that are worth millions, are controlled by a guy you've never seen before and that's a reality.

**Sean Moloney**

We have round the table here five young representatives of the Greek ship owning industry. What have you learned from the traditional Greek ship owning practice of your fathers and grandfathers and what can you teach them in return?

**Harry Vafias**

Sean everybody has to answer separately because not all have ship owning families.

**Evangelos Pistiolis**

Greek family ship owning practice has changed a lot over the years. I think it has changed to the better in my own opinion not because the previous ways of operating a shipping company were bad: they were very good. But if we didn't adapt to a new system if you want, to a new practice we will die as a shipowning and operating nation. This happened with the English when they used to control 55% of the world fleet, not 20% as we do. They now control 0% of the world fleet. That has happened because they were stuck in their own way of doing things, a previously successful way but suddenly times changed. You have to adapt to the new systems. Greek shipping has adapted to many things very very quickly. It has adapted to new regulations starting with ISM in the 1990s which everybody thought would spell the end of Greek shipping. Greeks are quick to organise themselves if they have to. They can work with the Chinese, they can work with astronauts, they can work with anyone or anything they need to work with in order to do what they have to do. If what it takes is going public then you're going to see IPOs. If what it takes is being private then you're going to suddenly see companies going private. So I think that adaptability is what it's all about. ⇨



**Harry Vafias**

Greeks are the best adaptive breed in shipping. We're not saying that because we're Greek but because it's proved.

**Evangelos Pistiolis**

It's proved many times, many times.

**Ion Varouxakis**

There's no traditional shipping. Greek Shipowners are the most modern ship managers in the world.

**Evangelos Pistiolis**

I think that that's part of what I was saying before when we were talking about the outsourcing philosophy.

**Ion Varouxakis**

I've met young people who want to know their captain and they're stuck with one ship all their lives with no expansion

**Evangelos Pistiolis**

You want to end your life crying about something that was nice? It was very nice I mean we didn't live it but at the end it was so hard work it was great you know everybody who was coming to the office, you knew their wives. Some other companies still have that today but they don't have the quality they had before.

**Ion Varouxakis**

And the other thing, if you notice, ships used to have the names of the wives or the daughters. Times change so this is really a measure of how traditional shipping is shrinking.

**Harry Vafias**

I am from a shipping family but I suppose we have to hear from George, his uncle was running one of the best privately held companies.

**George Kassiotis**

I think that we can in fact learn from the past and I believe that Greek shipping has been very successful so far with the old model of the privately held companies. Decades ago

people were making calculations on a piece of paper without computers waiting two days for a telex to come through and still they made a lot of money. We have all the facilities and information and this is a global business now. I think what we can learn is that shipping has had bad days and good days and I think this is something for all of us to keep in mind. Shipping will have difficult days, the rainy days. And when they come you need to be able to survive. Today, companies can merge and they can enter into joint ventures together, we're heading to corporate structures and consolidation, which in the past was unthinkable and I think the most important issue is what we have today. Today we are five people here talking. 20 years ago you know this would never have happened because nobody was cooperating with the other. I think today our generation has nothing to hide. I can call any of these guys and learn something and they can call me. We are more open.

**Ion Varouxakis**

There is only one lesson we should take and that is that there will always be bad times.

**Harry Vafias**

Sure we have not seen bad times, it would be very interesting to do another round table when the bad times come because it will be interesting to hear everybody's opinion then.

**Stamatis Molaris**

This is a very interesting point that Harry has made. This is the challenge of the Greek shipping community at large because rainy days will come, no doubt. People made a lot of money but the sad thing for me is that the biggest shipping companies in the world are not based in Greece and that's something I think we have to look at and open the eyes.

**Harry Vafias**

If there was communication, if we had good communication and good cooperation we would have by far the biggest companies in the world. Biggest than Frontline, Teekay bigger even than AP Moller

**Sean Moloney**

Gentlemen, thank you for your participation.

