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Marinakis tackles politics

Greek owner speaks out
on elections, football club
ownership and shipping

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Gillian Whittaker finds a new side to the Capital boss as they talk politics, football and, yes, a little shipping

Marinakis.

The man

behind

The Legend

○ With a new Greek government battling it out in the EU corridors of power, and potentially big social and economic changes in the wind, Piraeus city councillor Vangelis Marinakis hopes the new administration can achieve more than its predecessors.

“At this time political parties don’t matter. What matters is our country. What matters is if the country will exist in Europe, in the eurozone,” the chairman and chief executive of Capital Maritime & Trading argues passionately.

Whoever loves Greece hopes the new government will succeed in negotiations about the terms of its economic bailout, even if he or she is a supporter of the centre-right New Democracy (the previous government’s majority party), Marinakis adds. “I cannot invest in the catastrophe of Greece. The catastrophe of Greece would be to be out of the eurozone, out of Europe.”

He is convinced the repayment period for Greece’s more than \$300bn debt should be extended — and a compromise on the debt itself found, to enable the country to recover economically.

Apart from shipping, he has two other passions. One is Olympiacos — the football club known as “The Legend”, or “the Red and Whites” — of which he has been majority owner and president since mid-2010. The other is the city of Piraeus.

It is in the context of his election to the city council on an independent ticket headed by former Olympiacos deputy president Yannis Moralis that Marinakis brings up the new government’s plan to axe the idea of selling a 67% stake of the Piraeus Port Authority.

The council has made it clear that it wants the country’s largest port to become a locomotive force for creating jobs, not only within the municipality but for the whole of Greece. The new council’s electoral campaign included a call to stop the port privatisation, and even proposed that the municipality could take over its operation, Marinakis says.

“Of course the private sector will have an active and crucial role and participation in

01 Vangelis Marinakis says a Greek exit from the eurozone would be a catastrophe (Photograph: Helen Sotiriadis)

Get ready for an interesting year

As Vangelis Marinakis spoke to *TW+*, the Baltic dry index had dropped to record lows, and he argues that shipping markets are suffering from structural problems that call for careful consideration before making predictions.

"There is simply excess shipyard capacity that makes the shipping cycles shorter and more prone to lengthy depressions," he says.

The combination of new money pouring into shipping due to excess global liquidity, together with a surplus of shipyard capacity, predominantly in China, means supply has become an issue for the dry bulk sector.

"We have seen some positive signs with increased demolition of older ships and cancellation or conversion of dry bulk orders. But the process of demand and supply balancing out might take longer, and we need to see solid demand return to the market before we can talk about recovery," he says.

Marinakis is "quite positive" about the crude side of the wet market. However, he notes that while the products tanker market is driven by excellent industry fundamentals, such as increased US oil production and a greater tonne-mile ratio caused by refinery dislocation from west to east, he feels 2015 is going to be an interesting year as the delivery of newly built products tankers will peak.

Looking at Capital's third area of activity, he says the idle containership fleet has been reduced to its lowest level for four years and there has been increased activity in all segments, particularly panamax and post-panamax. "On the other hand, this continues to be a market that has a long way to go before charter rates and asset prices normalise. We have re-entered the container space with careful steps, building up our own in-house commercial, operational and technical team."

As head of a group that has sought its financing in the public markets, having raised more than \$650m in equity in the past five years, Marinakis throws in a word of caution regarding the growing presence of private equity funds in the industry.

"We should not forget that P/E money requires a different return on equity, has a shorter-term horizon and might be affected by a number of unrelated events, such as unsuccessful investments in other segments or companies. It will be interesting to see whether their presence in our market will be for the long term," he muses.

01 Yannis Moralis acknowledges his supporters after being elected as mayor of Piraeus last year. Vangelis Marinakis, left, was also voted on to the city council on a ticket led by Moralis (Photograph: imago/ANE Edition/Newscom)



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that plan, but without a monopoly," he adds. That is hardly the approach one might expect to hear from a hard-nosed businessman whose personal fortune is estimated at \$750m by *Forbes*. But business aside, Marinakis loves the city of his birth and says his ultimate ambition is to serve the citizens who have placed their trust in him.

He would like to see Piraeus become a city with a human face, a city that can provide its citizens with benefits.

"Of course... in the middle of the biggest crisis in Greece, it's obvious that the money is not there. The Greek economy is suffering and there are not many things the local council can do on its own."

So, in typical Marinakis fashion, he metaphorically rolled up his sleeves and

"decided I would do a few things myself for Piraeus". At his own cost, he says he has set in train the construction of squares, parks, children's playgrounds and sports facilities, while Olympiacos has funded a book called *Piraeus as a Destination*, aimed at attracting tourists to spend at least part of their time in the port city.

Interestingly, the ticket on which Marinakis ran was competing not only with the incumbent New Democracy team, but also with one headed by Theodoris Dritsas, who became the alternate minister in charge of the shipping portfolio. "From his new position I'm sure he will try to help Piraeus, and as far as shipping is concerned, he will be reasonable," says Marinakis.

Given his high profile as a shipowner and



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football club owner, Marinakis' venture into local politics might appear unusual in a country where the wealthy tend to stay behind the scenes.

Calling that stance "Paleolithic logic", Marinakis says he can see no reason why someone with a strong record in business cannot get into politics.

"I am not involved in any business within Greece, which is very important — that's why I'm also not afraid to be involved in politics, because I have no business with the Greek state and I will never have any business, because I'm not interested," he stresses.

"No business in Greece" does not include his involvement with Olympiacos, who have won the past four league championships.

"When I took over Olympiacos in 2010, I didn't hide myself. I became the president and the main shareholder, and since 2010 I have been responsible to all authorities for Olympiacos," he says.

"For Piraeus, Olympiacos is more than just a club but part of the fabric of the city," a journalist wrote last year, adding that the club inspires a loyalty bordering on fanaticism for many of its supporters, "who would change political allegiances sooner than they would their sports team".

But besides the adoration of the fans, his presidency has led to Marinakis making

negative headlines in connection with charges and allegations of match fixing and other irregularities.

In February he was acquitted for the second time of a charge of entering the referee's rooms at a Greek Cup final in 2012 and allegedly complaining about decisions. "I was acquitted two times, but of course you don't see it in the papers. You see it in the small print," he remarks with a trace of bitterness.

An ongoing football corruption investigation launched in 2011 named Marinakis, among others. Names have not been released in a second investigation started at the end of last year but there is a widespread belief that again the owner is included.

"First of all, I have done nothing wrong. I have no involvement whatsoever in anything that is illegal and I declare this without any second thoughts," he responds.

Marinakis also claims that "when your opponent is an owner of media, of a TV channel, of newspapers, of radio stations, of websites, he has a valid interest to promote the worst possible publicity for the owner of Olympiacos and Olympiacos itself".

His statement paints a clear picture of Yannis Alafouzos, himself in shipping, and president of arch-rival Panathinaikos FC, who is also head of the Skai radio and

+ **Capital Products Partners'** fleet comprises one capesize bulk carrier, four suezmax tankers, 18 medium-range (MR) chemical tankers and seven post-panamax containerships, giving it diversified revenues. In 2014 its products tankers accounted for 42% of revenues, containerships 36%, suezmaxes 17% and the sole bulker 5%.

The company has agreed to acquire three 9,000-teu eco-flex containerships with five-year charters to CMA CGM, as well as two eco MR tankers with two-year charters in place that will be delivered this year.

02 Marinakis and his Olympiacos players celebrate winning the Greek football championship — something the club has done more than all the league's other teams put together (Photograph: Lato Klodian)

Empire of the son

Vangelis Marinakis has grown his shipping empire from the small company he took over from his father, which controlled seven bulk carriers.

In December, Marinakis stepped down as chairman of Nasdaq-listed master limited partnership (MLP) Capital Products Partners LP (CPLP). But he remains chairman and chief executive of Capital Maritime & Trading Corp (CMTC), sole owner of CPLP's general partner, and is strongly committed to the partnership.

CPLP has grown from eight vessels of 350,000 dwt at its 2007 IPO to 30 vessels and 2.1 million dwt today. It will take in three 9,000-teu containerships and two medium-range (MR) tankers this year and has first right of refusal on six eco MR tankers at Samsung, while CMTC has two VLCCs and five 9,000-teu boxships on order.

Two years after launching CPLP, Marinakis took Crude Carriers to market and then surprised everyone in 2011 by merging the two public companies.

Capital Ship Management (CSM) lists 59 vessels in its managed fleet and Marinakis says growth opportunities for years to come would be created by dropping a number of modern eco and semi-eco VLCCs down into CPLP. There has been talk of his taking its 17 containerships under house colours separately into the public sector.

"The long-term nature of the container period market fits the MLP structure quite nicely, as it gives our investors cash-flow visibility," he says, which suggests that such a move is being contemplated.

A return to dry bulk might also be on the cards. CSM operated 15 bulk carriers until 2006-7, when most were sold to take advantage of good secondhand prices. Its exposure now is just the one capesize in CPLP and two handysize bulkers. "This is a space we are following very closely and where I think we will see interesting opportunities and may expand further in the future," he says.

Despite the high cost of market entry into LNG, he is open to this possibility too. Marinakis says Capital Maritime has good relations with all oil majors, having done repeat spot and period tanker charters with most of them.

"The LNG market is, to a certain extent, dominated by the same players but with different rules," he comments, admitting he has looked at the sector. "If we see a commercial opportunity, be it on the asset or company side, we are prepared to look at it and we can build on our existing relationships."



television network and whose family owns one of the country's most respected daily newspapers, *Kathimerini*.

Relations between the presidents of the major football teams are, to say the least, bitter. Dimitri Melissanidis, boss of the third big team in the Athens/Piraeus area, AEK, has also made inflammatory statements about Marinakis, especially in a press conference last November.

Marinakis counters by bringing up Alafouzos' history of defaults with Romanian state shipping company Petromin in the 1990s; a default on bonds issued in the US by Alafouzos-controlled entities; and even a five-year suspended prison sentence in 2001 over debts to the state.

"The first thing I did when I took over Olympiacos was to invest — €60m [\$68m]. This is a fact. All this money went into Olympiacos's balance sheet," Marinakis points out.

He says he has brought in good coaches and players and spent a lot of time organising the team to perform not only in Greece but in European competition. "And I can tell you that I have no regrets for anything I have done in Olympiacos and I will continue with the same faith and

strength. I have done nothing wrong, I have done nothing illegal and I have done nothing to be ashamed of.

"In shipping we are a small society, not only in Greece — worldwide — so we know each other," he continues, noting that bankers know exactly who is performing and who is not. The same applies to charterers, shipbrokers, suppliers, insurance companies and so on, and everybody has a written history, he notes.

"Even people that criticise me, maybe about my character — they don't like what I'm saying or the way I express myself — nobody can tell you that Marinakis has defaulted, or any of his companies has ever defaulted, on one dollar, one euro, in any business — in a bank, in a supplier, a P&I Club, insurance or charterer," he stresses.

"We have built a solid reputation and an immaculate track record."

Marinakis claims he has no plans to get involved in national politics for now.

"If I decide to do so, I will not hide it. But I am very happy. I am very busy with what I am doing now in my business, in my team and with the local council. So I'm fulfilled and content. And very busy," he says with a rare smile. ☒



particularly the citizens of Piraeus — the picture is different. For them, Vangelis is two things.

First, he is “the President” — the term refers to his role as majority owner and president of Olympiacos Football Club.

Secondly, he became a member of the Piraeus City Council last year.

A big personality and a forceful man, Marinakis seems to have no problems juggling his three hats. He frequently equates how he would deal with a situation in one area of activity with a similar situation in another sector. Yet, while he is unquestionably a newsmaker, he has only ever granted interviews regarding his shipping activities to *TradeWinds*.

So who is Vangelis Marinakis?

He is the Piraeus-born son of a man for whom he shows unlimited respect and whose career choices he has in a way echoed.

Miltiadis Marinakis started out with a small shiprepair business. He later became a shipowner, and served as a board member of Olympiacos FC for a number of years. He was also a Piraeus councillor before going into national politics as a Member of Parliament with the conservative New Democracy party.

After spending the first 15 years of his life in Greece, Vangelis moved to the UK, where he completed his schooling and went to

Love or hate him, you can't ignore 'the President'

— Gillian Whittaker

○ Evangelos Marinakis, as his name appears in official documents, or Vangelis as he is known by all and sundry in Greece, is a complex mix. He has detractors as well as supporters. He is among the top tier of

shipowners as chairman and chief executive of Capital Maritime & Trading, a company that is sole owner of the general partner of Capital Products Partners LP (CPLP). For Greeks, however —

01 Vangelis Marinakis inspires fierce loyalty from his admirers, but as he admits, 'I have a strong opinion and I have never been afraid to express it when I believe I'm correct and I'm saying the truth — whatever the cost' (Photograph: Helen Sotiriadis)

university. He then started working as a trainee S&P broker, before setting up his own company at the age of 23.

After his father passed away in 1999, Marinakis split his time between Greece and England.

Married, with a son and two daughters, the 47-year-old would rather keep his private life private. Indeed, he generally seems to prefer talking about anything but himself.

One of the elements he keeps relatively quiet about is his huge contribution to various charitable causes.

Some of these contributions are made by Olympiacos FC, some are personal. They have included an auction of a large number of artworks from his private collection to raise money for children's charities; a €100,000 (\$113,000) contribution from Olympiacos for the Japan earthquake and tsunami relief fund in 2011; a €500,000 donation to help restore schools on the Greek island of Cephalonia after a major earthquake last year; and the repurchasing of some of the national debt by offering money on behalf of the club's 55 Greek players and employees.

Olympiacos players wear shirts bearing the logo of

Unicef, with which the club launched a partnership to immunise children, with a target of raising €2m in two years. And for many years Marinakis has been behind a programme administered by one of the Piraeus churches that feeds up to 1,000 people a day.

"Since I took over Olympiacos, for example, what we have done in the local community and in Greece is over €10m. But it's better to do it without mentioning it," he says briefly.

Others' opinions of Marinakis vary widely. Friend, lawyer and CPLP director Vangelis Bairactaris describes him as a charismatic businessman, "unpredictable" and "irrationally talented".

"But his best quality and his worst derive from the same point, which is that he is stubborn," Bairactaris adds. "While he will push to the end whatever his goal, the negative side is that he will never compromise and will not stop if he thinks that he is right.

"This sometimes works against him, in the sense that he attracts bad publicity."

Marinakis readily concedes this. "I have a strong opinion and I have never been afraid to express it when I believe I'm

correct and I'm saying the truth — whatever the cost. So far this has worked. I'm not saying that I didn't lose money; maybe I had bad publicity, but overall I'm happy. I'm satisfied with this approach," he says firmly.

CPLP director and chief operating officer Jerry Kalogiratos, 37, has been with Capital for 10 years and is clearly appreciative of the trust put in him and other young staff members.

"He gave us authority and at the same time he drove us — often beyond our expectations," he says.

Kalogiratos admires how quickly Marinakis can get to grips with a problem, but on the flip side says that time pressure and the multitude of activities in which Marinakis is involved does sometimes mean he fails to focus sufficiently, or is impatient about understanding all aspects of an issue.

People outside the Capital organisation paint Marinakis as anything from a demi-god to the devil incarnate, depending on their allegiances in football, politics or business.

One thing is for sure. For as long as Marinakis is involved in politics, football and tankers, he will be in the news. ☒



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01 Jerry Kalogiratos admires how quickly his boss can get to grips with a problem (Photograph courtesy of Evangelos Marinakis)



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