THE EFFECT OF THE ECONOMICAL CRISIS OF 2007 TO THE CONTAINER LINERSHIPPING IN SPAIN, TURKEY AND GREECE

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Abstract

The present paper brings into sharp relief that how the economical crisis of 2007 affected maritime sector A-Z particularly in Container shipping in Spain- Greece – Turkey and how the butterfly effect of economical crisis is spreading the container shipping in nowadays. It further argues that it is possible to theorize and analyze resilience within real data. The paper presents data from different investigation organizations regarding the development of maritime sector as of 2000 until 2007 and the stagnation period of container shipping by comprising the situation in each of the countries Spain- Turkey – Greece during the crisis period.

This article discusses particularly Spain - Greece - Turkey due to the fact that similar economic structure among the countries. The realization of the analysis will be done through publications, online publications, authorities' statistics and statistics of the sector's data base.

It is estimated that the normalization process of the shipping market could take two or perhaps even four years as of today 2014. The related companies in three countries were dropping out of the market in 2009 therefore it was the worst economic and financial recession over the decades in the sector; it is important to state that there had been dramatic drop over 4.5% in 2009 in container business and the most affected by the crisis.

The overall conclusion is growth period which shall be the increase of import and export trade volumes, unemployment rate, increasing production and the GDP of each country. In this so called revival period, the economy and trade volumes are expected to grow both within EU and in world trade. Economic indicators (unemployment rate, GDP/capita) shall move in a positive direction along with consumer confidence. The policymakers should be aware of a possible overheating.

Keywords

Crisis, Economy, Maritime, Effect of the crisis on shipping business, Container Shipping
1. INTRODUCTION

“The main mode of transport is the maritime one, since more than 90% of the total commerce is moved by sea” (United Nations Conference on trade and Development, 2010). This percentage of preference of the shipment or transportation of the cargo is not ignorable. However, being said this, it is important to also focus on the real reasons of this rate.

“Given the importance of freight, we can say that the development of a nation may depend largely on logistics. The supply chain is a major source of income for the economies of countries and companies involved therein.” (Jesus Martinez, 2011) The details of what is the impact of transport and maritime business on countries economy will be discussed in further chapters.

First of all, the production is the main lode of the shipping world. It should be known that the supply = demand ratio of world business directly affects the shipping business. If there is no demand to supply a X product to carry from A point to B point, then there is no sense of seaborne business. The manufacturing industry in global supply chains depends on maritime transport services. “Therefore, shipping is a vital component in global supply chain management “ (Siu Lee Lam, 2011). The bigger volumes that can be carried on sea more than air transport, road transport and rail transport regardless the distance and consequent non-connectivity of the A point to B point. The seaborne business is the most common when it is compared cost and benefit. Therefore in this case, when a production supply chain and transportation fails, this causes big problem. “But shipping alone is not sufficient, as is known, it is necessary for interconnection with other modes of transport to carry the goods to the final customer or end consumer sites, hence the importance of strengthening the supply chain.” (Jesus Martinez, 2011)

Second important core point is that import and export volume of the countries are main determining factor for shipping lines. Some countries have more import than export or some has more export than import percentages shaping with the policies of the governments for the sustainable development. Below you will find some important points before touching down the analysis of the economical crisis of 2007 to the container shipping in Spain, Turkey and Greece.

“The USA has traditionally been the EU’s major trading partner but its relative significance has declined in recent years, in particular in exports. Between 2006 and 2011 the US proportion of total EU exports fell from 23 % to 17 %. Nevertheless, from 2009 the surplus with the USA has been increasing, and in 2011 it reached a record level since 2008” (Eurostat Pocket book, 2013)

2. EU PERSPECTIVE & COMPETITIVENESS

Transport sector is recognized by world authorities as UN, EU & OECD as vital feeder nutritious vein of a country's economy and for country's sustainable development. “The EU being a main global trading entity this is, of course, also valid for the global economy and trade:” (ECSA,2009)

It is important to emphasize the competitiveness of the maritime sector within and extra EU countries. Hence agreements on cooperation are a mutual touchstone of maritime transport markets. “Considering that these agreements may be entered into by actual or
potential competitors and may adversely affect the parameters of competition, undertakings must take special care to ensure that they comply with the competition rules. In service markets, such as maritime transport, the following elements are particularly relevant for the assessment of the effect an agreement may have in the relevant market: prices, costs, quality, frequency and differentiation of the service provided, innovation, marketing and commercialization of the service.” (Official Journal of European Union, 2008) As it is stated previously the competition should be fair whilst short-sea shipping carries 40% of intra-European freight.

During last decade, the huge volume of the merchandise flow has created an immense demand for seaborne business. Merely, the effect of global financial crisis of 2007 has been flew dramatically at the end of 2008 ~ beginning of 2009. Soon effects on Turkey, Greece and Spain will be analyzed with statistical data. After all the statistical analysis it will merge that urgent precautions should be taken.

According to European Commission Directorate General for Energy And Transport, an appropriate policy approach is needed in order to ensure the continuous performance of the EU maritime transport system and its contribution to the recovery of the world economy. Beyond the current conjuncture, this policy approach should ensure that Europe retains a core human and technological know-how serving the sustainability and competitiveness of current and future shipping operations.

3. FUNDAMENTAL FACTORS

Fundamental facts which draw a nation and a country's economy is GDP, Unemployment rate, import & export rates, resource productivity, research material consumption. This section draws attention of these fundamental factors and their analysis.

The structure of imports has slightly changed in recent years within EU. Between 2006 and 2011, the share of primary products increased from 35 % to 39 % while the respective share of manufactured goods declined. The main reason behind this is the rapid growth of imports of energy products. (Eurostat Pocket book, 2013)

**Figure 1.1 - EU-27 exports by products group, 2011 (%)**
On the table of import, the greater percentage number of imports with 60 % is manufactured goods. Also the case is same for export. Top export destinations from European Union are as following USA, Russia, Switzerland and Japan with 13 % of share.

**Figure 1.3 - Unemployment rates in January 2014 - EU**

![Unemployment rates in January 2014, seasonally adjusted](source: Eurostat News Release 30/2014)
The highest in **Greece** (28.0% in November 2013) and **Spain** (25.8%). Greece increased compare to 2012 (26.3% to 28.0% between November 2012 and November 2013).

**Figure 1.4 - Unemployment rates in January 2014 - Turkey**

Whereas, in Turkey unemployment rate is 9.9 % according to November 2013 data of Turkish Statistical Institute.

For Turkish Statistical Institute, number of employed persons increased by 152 thousand persons compared to the same period of the previous year and has reached to 25 million 443 thousand persons in the period of November 2013. Agricultural employment decreased by 299 thousand persons and non-agricultural employment increased by 451 thousand persons in this period.

Distribution of the employments according to the sectors is as following: in November 2013; 22.5% was employed in agriculture, 19.4% was employed in industry, 7.4% was employed in construction and 50.7% was employed in services.

According to Turkish Statistical Institute, employment in services increased by 0.7 percentage point, industry increased by 0.4 percentage point and construction increased by 0.2 percentage point while that of agriculture decreased by 1.3 percentage point.
Above chart indicates that Spain has improved its export from 2006 to 2011 whereas Greece remained same without any growth on exports. In Turkey's statistics 5.6 million euros of growth is observed during 5 years.

Here below resource productivity table for Greece, Turkey and Spain. Turkish data for latest year 2011 does not exist. “Resource productivity is GDP divided by domestic material consumption (DMC). DMC measures the total amount of materials directly used by an economy. It is defined as the annual quantity of raw materials extracted from
the domestic territory of the focal economy, plus all physical imports minus all physical exports. It is important to note that the term "consumption" as used in DMC denotes apparent consumption and not final consumption. DMC does not include upstream flows related to imports and exports of raw materials and products originating outside of the focal economy. When examining resource productivity trends over time in a single geographic region, the GDP that should be used is in units of Euros in chain-linked volumes to the reference year 2005 at 2005 exchange rates.” (Eurostat, 2014)

Figure 1.6 - Resource Productivity

Resource productivity

Euro per Kilogram (Euro: chain-linked volumes, reference year 2005, at 2005 exchange rates)

source: Eurostat (online code tsdpc100)

“The indicator Domestic Material Consumption (DMC) is defined as the total amount of material directly used in an economy. DMC equals Direct Material Input (DMI) minus exports. DMI measures the direct input of materials for the use in the economy. DMI equals Domestic Extraction (DE) plus imports.” (Eurostat, 2014) Therefore according to the below table market has been slowed down 2013 due to financial crisis although it was partially growing.
Below one may find estimated Import rates out of thousands of tones. Greece import rate seems to decrease early, for Spain and Turkey although there had been fluctuations between years, total imports have been slightly slow down.

In the year 2009 there is a drop of the export rate in Spain and Greece, but unlike Turkey, where the economy and the export rate have been growing chronologically.
Figure 1.9 - Total Export - 1 000 tonnes

UNIT: Thousands of tonnes MATERIAL: Total INDIC_NV: Total Exports

<table>
<thead>
<tr>
<th>GEO</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>21,463</td>
<td>21,672</td>
<td>22,983</td>
<td>21,259</td>
<td>21,860</td>
<td>21,036</td>
</tr>
<tr>
<td>Spain</td>
<td>111,690</td>
<td>116,994</td>
<td>124,182</td>
<td>117,022</td>
<td>128,208</td>
<td>137,576</td>
</tr>
<tr>
<td>Turkey</td>
<td>69,077</td>
<td>74,558</td>
<td>85,841</td>
<td>86,294</td>
<td>94,055</td>
<td></td>
</tr>
</tbody>
</table>

S : Eurostat estimate
source: Eurostat (online code tsdpc220)

Figure 2 - Maritime manufacturing sector by main activities

Value added of maritime manufacturing sector by main activities, 2010, for countries over 500 EUR million of value added
Source: Eurostat (sbs_na_ind_r2)

Figure 2.1 - Production of the EU maritime manufacturing sectors by main activities, 2008-2011

source: Eurostat - Prodcom
In most countries, the building of ships and floating structures was the largest sector among the maritime manufacturing sectors in terms of value added, as shown in figures 2 and 3.

From 2008 and 2011 because of the financial crisis, the amount of maritime manufacturing sector has been decreased % 25. “In contrast, repair and maintenance followed a different trend, with the value of production in this sector decreasing steadily by 27 % between 2008 and 2010 and then increasing by 8 % between 2010 and 2011.” (Eurostat, 2014)

In 2011, in the maritime manufacturing sectors 50% of production in the EU has been accounted for by the building of ships and floating structure, 27% by the building of pleasure and sporting boats and 23% by the repair and maintenance of ships and boats.

4. PORT ANALYSIS

SPAIN

Undoubtedly crisis has been felt dramatically in Spanish ports. Barcelona Container Terminals are waiting for cargo to handle. In Valencia TCV, Noatum and MSC terminals, the situation is not very different. Msc is filling up the terminal proportionally and the overload cargo is being handled by Noatum. Recently JP Morgan bought Noatum terminal. This is the reason, comparing previous years the situation in Noatum is getting better. As last, TCV is using half of its capacity. Beyond any doubt, terminal non fullness is a good opportunity for Shipping Line Companies to adjust tariff rates.

On the other hand, Algeciras terminal is a transshipment port considering its geographical position. The majority of the volume around 93 % handling in Algeciras port is derives from transshipment cargo. 7 % remains as local volume export and import of Algeciras. “Hence, the position of Algeciras (and Malaga) is at risk, while MSC, the largest customer of Valencia, also holds an interest in one of the current Tangier-Med terminals” (Dynamar 2012). Therefore It is important to note that due to the nature of shipping business, transshipment volume can swap any port if needed.

**Figure 2.2 - Spain-Med / Overall capacity, throughput and occupancy forecast**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupancy 100%</td>
<td>65%</td>
<td>64%</td>
<td>64%</td>
<td>61%</td>
<td>57%</td>
<td>58%</td>
<td>59%</td>
<td>60%</td>
<td>58%</td>
<td>59%</td>
</tr>
<tr>
<td>Occupancy 75%</td>
<td>87%</td>
<td>86%</td>
<td>86%</td>
<td>82%</td>
<td>76%</td>
<td>77%</td>
<td>79%</td>
<td>80%</td>
<td>77%</td>
<td>78%</td>
</tr>
</tbody>
</table>

source: Dynamar 2012

GREECE

“Greece is in a state of financial and economic flux. Following the severe sovereign debt crisis emerging in 2010, the Euro zone almost imploded in 2011. Only by the end
of the year, Greece, the worst hit after allegedly having lived over the means since it joined the EU looked to be moving towards a solution of sorts. The bailout packages from the EU and the IMF, allotted under extremely strict conditions, include draconian austerity measures, which the country's population will feel for many years to come. It may take the country ten years, at least, before it emerges from its worst ever economic crisis.” (Dynamar, 2012) Greece is the country where the most butterfly effect of crisis has been felt. Cosco has bought one of the terminals in Piraeus due to privatization. The intention of this port is to become a transshipment hub port.

**Figure 2.3 - Greece / Overall capacity, throughput and occupancy forecast**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity</th>
<th>Throughput</th>
<th>Occupancy 100%</th>
<th>Occupancy 75%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3,600</td>
<td>3,360</td>
<td>93%</td>
<td>124%</td>
</tr>
<tr>
<td>2013</td>
<td>4,500</td>
<td>3,392</td>
<td>75%</td>
<td>100%</td>
</tr>
<tr>
<td>2014</td>
<td>4,500</td>
<td>3,423</td>
<td>76%</td>
<td>101%</td>
</tr>
<tr>
<td>2015</td>
<td>4,850</td>
<td>3,456</td>
<td>71%</td>
<td>95%</td>
</tr>
<tr>
<td>2016</td>
<td>4,850</td>
<td>3,488</td>
<td>71%</td>
<td>96%</td>
</tr>
<tr>
<td>2017</td>
<td>4,850</td>
<td>3,521</td>
<td>72%</td>
<td>97%</td>
</tr>
<tr>
<td>2018</td>
<td>4,850</td>
<td>3,554</td>
<td>73%</td>
<td>98%</td>
</tr>
<tr>
<td>2019</td>
<td>4,850</td>
<td>3,625</td>
<td>73%</td>
<td>100%</td>
</tr>
<tr>
<td>2020</td>
<td>4,850</td>
<td>3,698</td>
<td>75%</td>
<td>102%</td>
</tr>
<tr>
<td>2021</td>
<td>4,850</td>
<td>3,772</td>
<td>76%</td>
<td>104%</td>
</tr>
</tbody>
</table>

source: Dynamar 2012

**TURKEY**

According to Ministry of Maritime Affairs, in 2011, the value of Turkish exports was estimated at USD 135 billion, of which around 45% to the European Union. The government aims at growing this to USD 500 billion by 2023 when the Turkish Republic is to celebrate its 100-year existence. Nearly 80% of Turkish foreign trade goes by sea.

**Figure 2.4 : Turkey / Overall capacity, throughput and occupancy forecast**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capacity</th>
<th>Throughput</th>
<th>Occupancy 100%</th>
<th>Occupancy 75%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>9,634</td>
<td>7,090</td>
<td>74%</td>
<td>98%</td>
</tr>
<tr>
<td>2013</td>
<td>12,899</td>
<td>7,700</td>
<td>60%</td>
<td>80%</td>
</tr>
<tr>
<td>2014</td>
<td>14,379</td>
<td>8,362</td>
<td>58%</td>
<td>78%</td>
</tr>
<tr>
<td>2015</td>
<td>15,799</td>
<td>9,081</td>
<td>57%</td>
<td>77%</td>
</tr>
<tr>
<td>2016</td>
<td>17,179</td>
<td>9,862</td>
<td>57%</td>
<td>77%</td>
</tr>
<tr>
<td>2017</td>
<td>18,149</td>
<td>10,710</td>
<td>59%</td>
<td>79%</td>
</tr>
<tr>
<td>2018</td>
<td>18,999</td>
<td>11,631</td>
<td>61%</td>
<td>82%</td>
</tr>
<tr>
<td>2019</td>
<td>19,699</td>
<td>12,794</td>
<td>65%</td>
<td>87%</td>
</tr>
<tr>
<td>2020</td>
<td>19,949</td>
<td>14,073</td>
<td>71%</td>
<td>94%</td>
</tr>
<tr>
<td>2021</td>
<td>19,949</td>
<td>15,481</td>
<td>78%</td>
<td>103%</td>
</tr>
</tbody>
</table>

source: Dynamar 2012

When Turkey is compared with Europe, it can be said that the effect of financial crisis is limited. That is to say Turkey hasn't been effected by crisis as Europe did. However it is still alarming to have too many on going terminal projects. In upcoming recent years, overcapacity problem can be experienced. In Marmara, besides existing terminals such as Kumport, Mardas, Marport, Haydarpasa, DP World (Project) , Yilport, Beldeport (Project) , Evyapport, Limas, Gemport, Yilport, Borusan, Rodaport, Akport, Asyaport (Project)

In Aegean side there are TCDD/Izmir, Nemport, TCEEge, APMT/Maersk (Project). The government is constructing a port in Candarli with the capacity of 10 million teus. This terminal couldn't be sold in last year during tender period. In South Mersin/MIP terminal is increasing its volume. Turkish Government has a plan to construct a very big port in Mersin still in project process. Due to Syria war situation, Terminal of
Iskenderun / Limak is quite empty. If the country's situation is better things could change.

Because of the extremely dynamic development of container terminals in Turkey, by means of exception, all present container handling facilities and projects are done in the Mediterranean’s currently fastest growing economy. However, the risk of overcapacity remains.

The Greek case

The Greek economy has been based in construction for the past decades and this has affected also the container business. Since 2008 when the crisis started the construction has been approx. 60% down in 6 years affecting almost 60 professions living around this sector. The last Greek ship owner in container liner business was Sarlis who has been bankrupted in 2006 prior of the crisis for different reasons. The Greek ship-owners mainly operate under other than Greek flag the vessels since taxation was very high. They maintain the offices in Greece under a special law that was passed through during 1989, this being the reason of calling it “law 89 company”, having special taxation for the income. The financial crisis of 2007 affected the income of the people through reductions on wages or even loss of jobs. Unemployment increased dramatically in 5 years to approx. 1,5 million people almost tripled.

This affected the consumption which in turn affected the imports and therefore the container movement. There are no official statistical data but the estimation for 2007 was total throughput of Piraeus port to be at 750000 teus local cargo while officially from Piraeus Container Terminal the outcome for 2013 was 334.000 teus.

Greek ship owners seem to be investing into container vessels lately which they charter into other liner companies.

The Turkish case

The production has been brutally affected by global economic crisis. It is to say that import rate of raw materials have been decreased. Due to dramatic export decrease or non realization of intermediate and last product’s production, trade among states has been slowed down. Actually if it is observed, even the movement of the commodities has been stopped. Therefore, one of the supply chain instruments of logistics world “container shipping “reasonably is being influenced.

Furthermore, the liner shipping company's and ship-owners started to seek new untouched lands to call their services and in existing markets, ship owners of the liner container shipping companies have started to lower prices due to competition. Also hire of ships decreased parallel to sea freight.

This is the reason that income of the liner companies has been decreased. Agencies of the line companies have had serious paying problems with import and export firms. Shipping companies had to realize risk analysis and secret information from banks.

Another impact of crisis in Turkey also, due to degradation of order amount FCL – FCL shipments started to be LCL-LCL. Since the shipping agencies wasn't performing partial shipments, all companies in trade shifted to forwarders.
The effect over the long term is that freight forwarders started to develop trade relations with direct clients and taking them from shipping agents. The liner companies and ship owners was playing the role of reluctant seller before crisis of 2007, after 2007 it has been showed to the customers, forwarders or feeder companies how lower can be sea freight rate level.

The Spanish case

According to Mr Miguel Fernández Ordóñez, Governor of the Bank of Spain, during the years of crisis, Spain has seen its exports outgrow those of France, Italy and even Germany, and this situation should not worsen in the coming years. And not only has there been an improvement in exports, but the decline in imports has been greater than the fall in domestic demand, which also shows gains in the share of sales of Spanish products at home.

“The crisis is also affecting immigration policy. Several industrialized country governments have taken steps to limit immigration, giving rise to what has been called “people protectionism” (The Economist, 2009). “Although demographic dynamics mean that the population reaching retirement age in 2015 will exceed the number of young people entering the labor market, the major economies have recorded steep drops in the hiring of immigrants, both in absolute terms and as a percentage of occupied posts. The pace of the changes and reforms adopted by this country in recent years has to continue steadily. Several countries have reduced the number of immigrants admitted under official program. Spain, for example, reduced the quota of foreign recruits under its voluntary return program from 15,731 in 2008 to 901 in 2009.”(Miguel Fernández Ordóñez, 2012)

To conclude, the analysis confirms the higher vulnerability of youth employment to the crisis in Spain due to financial crisis. “Nevertheless, it is important to indicate that despite this general trend young people are not a homogenous group, and face different situations according to their relation with economic activity, their level of education and training, or the different school to work transitions.” (Miguel Fernández Ordóñez, 2012)

As it is emphasized by the International Labor Organization, it is crucial to bear in mind while forming policies to youth and young people.

It should be noted that cost competitiveness is still an important issue. This is especially valid for countries used to have largest current account deficits. Spain’s external sustainability should be secured. In the case of Spain, the European Commission underlines that a crucial improvement has taken place over the last years and that on current trends imbalances would continue to bring away with time.

CONCLUSIONS

During this recuperation period of financial crisis in Greece, Turkey & Spain in these limited Mediterranean waters, the priority of the Liner Shipping Companies is to full up the vessels that they are running and unfortunately matching in order to compete with the rates. The effected variable of each liner container shipping company is changing such as the vessels capacity (teus/tonnage basis), running cost, depending on this slot rate, service frequency, transit time & rotation. This is the reason that sea freights are
going down thus profitability of the liner companies are discussible since the priority is to full up the vessel and lower running cost of the fleet at least far from having positive contribution margin.

In terms of international arena as it is mentioned above, measures are discussed to be taken both within EU and in worldwide arena. Measures such as increasing production, export and import rates, GDP level, decreasing unemployment rate in the maritime sector. Recent financial crisis urges and somehow requires to compel Container Liner Shipping Companies to sell slots to Feeder companies in order to guarantee a part of running cost within Mediterranean.

According to Turkish union of chambers and commodity exchanges, it is forecasted that shipping sector will rise up in 2014. The regeneration in 2013 is the indication of enlargement. The reason of this enlargement will be decrease of vessel supply- The supply and demand imbalance of merchant fleet which has started in 2010 and had reached to peak level, started to decrease again in 2013. There had been 2.5 times reduction in vessel demand. While 2012, 168 million DTW of new vessel accessed to the market, this rate has been lowered in 2013 to 70 million DWT. Moreover precisely in container shipping this proportion has been reached to 100 %.

Since there is no big change in cargo market and company's economy, the only important element which will regenerate the market is the decrease of vessel supply. According to the Piri Reis University Prof. Dr. Oral Erdogan underlines that Global income (Total GDP in the world) has been arrived to 72 trillion dollars compare to crisis period, the situation is recovered.

Correspondingly, during 2009 crisis period, after the global trade has been dropped off to 13 trillion dollars, for consecutive 4 years it has crucially arrived to 18 trillion dollars( per annum). The economy in USA is in revival period, EU too. China and other Asian countries sometimes work for local market and sometimes foreign market in order to continue sustainable development. It is not needed to have problems in real economy for 2014. Always fake pricing in markets causes negative effects. A global demand in shipping business is increasing with certain straight line trend. This means there is no big problem regarding demand side. The problem is with supply. Developments in shipbuilding bring various, fast production opportunity and capacity. A little bit positive movement in the market brings along the growth in shipbuilding order. Delivery time in order is not as before in nowadays, it doesn't take long. Under the present circumstances, yearly 18 trillion dollars of cargo's 90 % of it, with 47 trillion tons miles carriage is done via shipping business. Sea freights, vessel hires and vessel costs are far from satisfying maritime sector employers. Increasing freight level does not seem very rational and level cannot go further down from rock bottom price either. However, the situation is of course subject to the exceptions. The recommendation is that shipping lines shall be in cooperation with other lines to have cooperation like g6 or P3. Lines should focus on cost savings as much as they can. The reality is market in Mediterranean is small and limited ones and fighting to get more customers with lower sea freights will not make the company’s profitability.

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