

Employment trends in all sectors related to the sea or using sea resources

Greece



European Commission
DG Fisheries and Maritime Affairs

An exhaustive analysis of employment trends in all sectors related to sea or using sea resources

Country report – Greece

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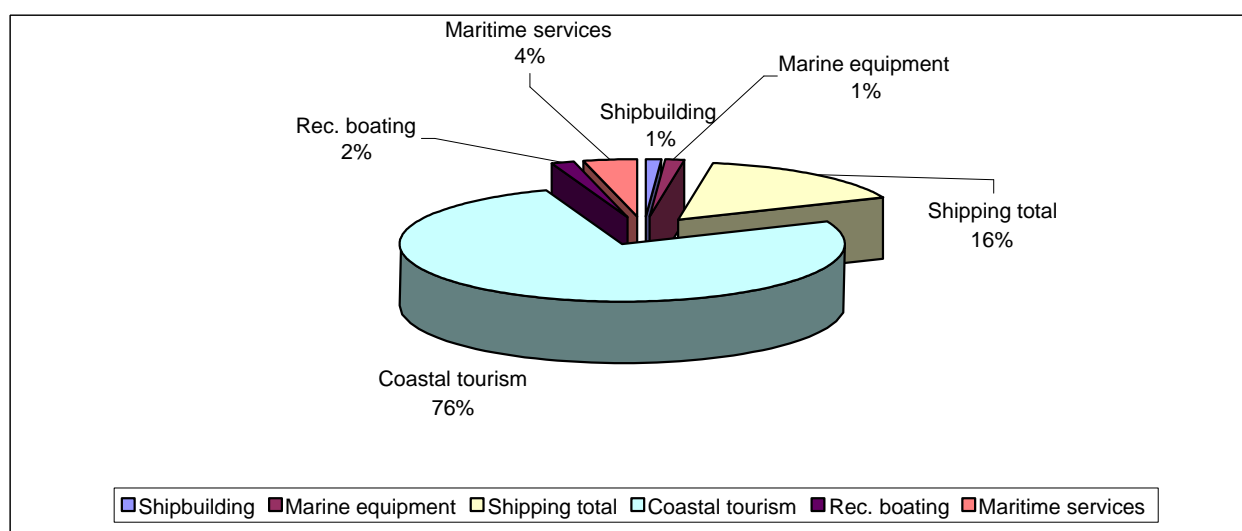
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1.0 Summary¹

The sea related sectors in Greece generated 258,000 jobs in 2004. If coastal tourism employment is excluded, then the total direct employment amounted to 63,000. Shipping is by far the largest employer from the traditional maritime sectors making up 16% of the total cluster employment with nearly 42,000 jobs on the sea and ashore. And the shipping industry constitutes two thirds of employment in the traditional maritime sectors. Coastal tourism generates more employment than all the other maritime sectors put together.

Figure 1.1 Share (%) of employment in different sub-sectors, 2004



Both the shipping and shipbuilding sectors have seen significant job losses over the past decade, whilst coastal tourism sector has created over 30,000 new jobs between 1998 and 2005. However, further studies to assess the extent of employment in recreational boating, marine equipment, ports and coastal tourism sectors are recommended in order to create a more accurate projection of employment in sea related activities in Greece.

Table 1.1 Employment in the maritime sectors, 1995-2005

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Shipbuilding	5,582	4,251	3,615	3,600	3,380	3,280	3,000	3,000	2,350	3,174	-
Marine equipment	-	-	-	-	-	-	-	-	-	3,281	-
Shipping	39,122	36,766	-	33,669	-	29,385	-	32,926	-	30,920	-
Shipping - onshore	-	-	-	-	-	-	-	-	-	11,041	-

¹ This study excludes employment related to fishing.

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Rec. boating	-	-	-	-	-	-	-	-	-	4,270	-
Maritime services	-	-	-	-	-	-	-	-	-	9,961	-
Coastal tourism	-	-	-	181,658	187,518	190,937	194,053	205,752	208,551	195,739	212,878

Source: ECOTEC Research & Consulting, 2006

2.0 Shipbuilding

Shipbuilding in Greece includes construction, repair and conservation of steel vessels as well as large steel land constructions such as fluid fuel storage tanks and steel bridges. The modern shipbuilding activities started in Greece in 1965 when the Hellenic Shipyards (Skaramagka) were established, followed by the creation of the Iefsinia Shipyards, the Chalksi Shipyards and the NEORION-Siros Shipyards. The shipyards were privately established, then went under public control and have now been privatised again.

In the past shipbuilding and ship repair were among the most important sectors of the Greek economy, in terms of turnover and employment. The crisis in the sector started in the 1980s with the international marine crisis, but was enhanced by poor management and a lack of restructuring and investment. In the meantime, shipbuilding expertise advanced in the countries of South East Asia and the Greek ship-owners started to build their vessels there. The situation got worse by the competition from Italy, Malta and Spain due to higher labour and operational costs in Greece and later by the emerging markets from the Eastern block.

Between 2001 and 2003 the value of the sector fell from €99 million to €57 million and in terms of the value of completions and orders Greece ranks in the lowest position in Europe along with Portugal. The main problems of the sector are low productivity, high labour costs (compared to the main competitors), inability to deliver within deadlines and outdated technological capability and machinery.

2.1 Employment trends

The total number of companies operating in shipbuilding / ship-repair/ marine equipment sectors is 996, with a total turnover of € 538.70 million. However, there are only three large shipyards in Greece; Hellenic Shipyards, Elefsis Shipyards and Neorion Syros. These shipyards employed a total 3,174 individuals in 2004. The rest of the businesses are small,

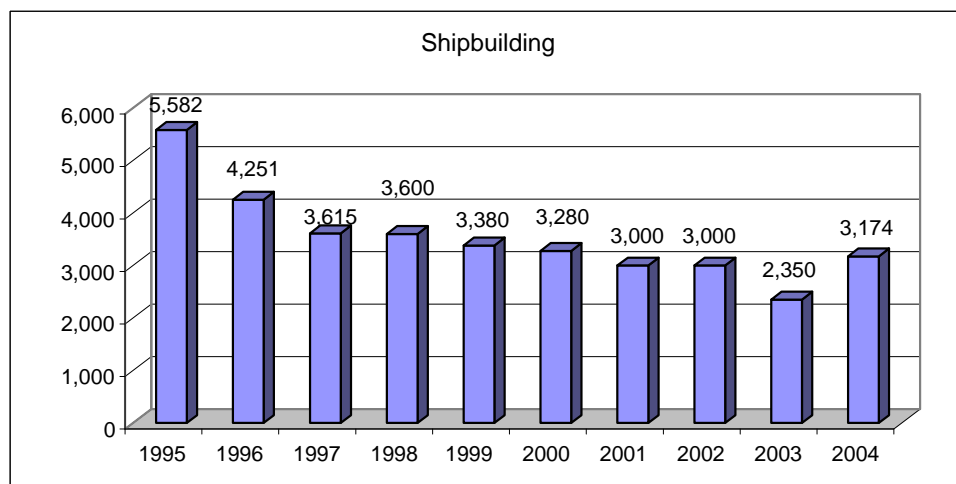
family-owned businesses with very few or no employees at all and can be classified as suppliers to the shipyards.

Table 2.1 Employment in the shipbuilding sector, 1995-2004

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
5,582	4,251	3,615	3,600	3,380	3,280	3,000	3,000	2,350	3,174

Source: CESA, 2006

Figure 2.1 Employment trend in the shipbuilding sector, 1995-2004



The statistics in table 2.1 and the graph above illustrate that the main employment trend in the sector has been one of decline. The sector lost 2,400 jobs between 1995 and 2004. Over the past 25-30 years, the number of workers in the Hellenic Shipyards fell from 3,200 to 1,400 employees and in Elefsis Shipyards from 2,100 to 800 employees.¹ The decline has been attributed to the following factors^{II}:

- The implementation of the Common Maritime Policy in 1986 triggered off a major restructuring, after which the sector entered a period of a continuous and rapid decline.
- The emergence of new players from low cost countries, in the late 1990s (Turkey, Romania, Korean and China).
- The exclusion of the shipbuilding industry from State subsidies, in line with the EU Regulation 1540/98.
- The depreciation of the dollar compared to the Euro; and
- The privatisation.

^I See Odigitis, 2004. However, union officials estimate the current number of workers in the Zone to only about 2000.

^{II} Representative Study of Employers and Trade Union Organisations in the Shipbuilding and Ship Repairing, National Centre for Social Research, September 2005

2.2 Employment projections

The future of the Greek shipyards is not a positive one. A trend from the past decade is that of decline (-43%) and the future does not look positive as most orders even from Greece go to the South East Asian shipyards. For example, some 350 Greek owned vessels are being constructed at the moment but none of them are built in Greece.

Sectoral trade unions have suggested the following in order to maintain jobs in the Greek shipbuilding industry:

- The only way to make the Greek shipbuilding more competitive is through reorganisation and restructuring of the sector and technological improvements – as there is no way of lowering labour costs. There are many ongoing programmes dealing with technology transfers, but these are yet to be completed.
- Research & development in the sector needs substantially more investment.
- Adjustments and changes are necessary in order to speed up planning, ordering, construction, tests and delivery.
- Provision of incentives and better HR policy for the recruitment and training of new employees is necessary alongside overall better management of the yards.
- Technological modernisation and establishment of national programmes for the development of high tech vessels are essential for the sector.
- More appropriate planning and matching of skills and human resources to job profiles in the yards is necessary.
- State support for marketing in specific countries is recommended.

2.3 Skills and training

According to the industry representative, the Greek shipbuilding workforce is skilled and no labour shortages have been experienced to date, apart from some specialised skill shortages in niche segments. A Centre for Vocational Training has been set up to prepare the workforce for the adoption of new technologies.

3.0 Marine equipment

The National Centre for Social Research ran a study¹ on the shipbuilding sector in 2005 and according to this study and CESA data, the number of workers in the Greek shipyards stood at 3,174 in 2004.

¹ Representative Study of Employers and Trade Union Organisations in the Shipbuilding and Ship Repairing, National Centre for Social Research, September 2005

However, at the same time it was reported that the shipbuilding/ship repair/marine equipment sector provided 6,455 jobs in total in 2004^I. The difference of 3,281 employees can therefore be assumed to constitute employment in suppliers to the shipyards and companies active in the marine equipment sector.

The Greek stakeholders have confirmed that this figure can potentially be used to describe the level of employment in the marine equipment sector, but further studies to calculate real employment impact of the sector are strongly recommended.

4.0 Shipping

The shipping sector is very important for the Greek economy and alongside tourism underpins the national economy. The Greek merchant fleet is the largest in the European Union representing 23.48% of the EU fleet expressed in gross tons.^{II} The Greek owned merchant fleet, flying national and other flags, is the largest in the world, comprising of approximately 15.5% of the world's total tonnage^{III}.

The fleet registered under the Greek flag comprises of 1,540 ships, while the Greek owned fleet (including vessels registered under the Greek flag) is made up of 3,338 vessels. The Greek interests now control 14.1% of the world fleet expressed in gross tons, or 16.5% of the world fleet dead-weight. According to the Ministry of Economy and Finance, the Greek commercial fleet solely contributed more than €12bn to the Greek economy in 2004.^{IV}

4.1 Employment trends

It is estimated that shipping and shipping related activities provide employment for a total of 200,000 people – both directly and indirectly. According to available data, the number of seafarers employed on board ships of the Greek controlled fleet just exceeds 30,000, while a much larger number of people are employed in shore-based jobs generated by main shipping activities and ancillary services.

According to the National Statistical Service (see table below), the number of Greek nationals and foreign seamen registered in Greek owned commercial vessels of 100 GT declined from 39,122 in 1994 to 30,920 in 2004. A representative of the Pan-Hellenic Seamen's Federation stated that the decline in the number of seafarers is due to the rising

^I Representative Study of Employers and Trade Union Organisations in the Shipbuilding and Ship Repairing, National Centre for Social Research, September 2005

^{II} Maritime Policy Task Force, Annex 1- Questionnaire, Greece

^{III} Southampton Solent University, 2004.

^{IV} Ministry of economy and Finance, Fact Sheet on the Prospects of the Greek Economy, February 2006

labour costs of Greek seamen as there is a supply of cheaper, skilled labour from South East Asian and Eastern European countries.

Table 4.1 The number of seafarers, 1994-2004

	Total	Greek nationals	Foreign nationals
Total			
1994	39,122	25,842	13,280
1996	36,766	23,992	12,774
1998	33,669	20,505	13,164
2000	29,385	18,450	10,935
2002	32,926	18,747	14,179
2004	30,920	17,897	13,023
Under Greek flag			
1994	33,373	24,190	9,183
1996	30,749	22,556	8,193
1998	26,507	18,856	7,651
2000	24,365	17,202	7,163
2002	24,974	17,786	7,188
2004	24,596	16,672	7,924

Source: Greek statistical service, 2006

These statistics also show that the share of foreign seafarers of all seafarers has significantly increased during the ten-year period of 1994-2004. The number of Greek seafarers has declined by 8,000 but the number of foreign seafarers has remained stable.

Traditionally in Greece seafaring has been a long term career with many seafarers retiring directly from seafaring. And other former seafarers have tended to return home to set up own businesses (often tourism related).

It is also worth mentioning that 1,075 foreign shipping companies operate in Greece and they do not only offer direct employment to over 11,000 individuals, (9,753 Greeks and 1,288 foreigners) but also have an impact on an array of shipping related economic activities¹. This brings the total number of people employed directly in the shipping sector to 41,961.

¹ Maritime Policy Task Force, Annex 1- Questionnaire, Greece

4.2 Employment projections

The longer term employment trend is that of decline and the trend is further fuelled by the fact that Greek labour is not cheap and the sector is not seen as an attractive one by young people in Greece. This puts pressure on the industry to motivate young people to choose maritime related education. A number of issues have been identified as root causes for the low attractiveness of the sector. These include¹

- Shipping mainly attracts criticism and negative publicity from the mass media.
- There is a lack of information regarding maritime education and training or even of the existence and/or of the size of the shipping industry (especially in non-traditional shipping communities). This information shortage concerns the placement of the maritime jobs in the labour market, their individual characteristics and the training requirements of the MET institutes.
- People today consider the maritime profession as tough, old-fashioned and therefore unattractive.
- People believe that the maritime labour market suffers from saturation.
- A job as a seafarer does not look attractive because it includes remoteness, loneliness and long periods away from friends and family.

Another report indicates that despite the negative image of seafaring, employment prospects are improving, with better financial rewards and conditions of service for seafarers. For the relatively small number of people who wish to take up a profession as a seafarer, the future career prospects are good.

Even though the number of seafarers is going down, the year 2004 proved very prosperous for the Greek shipping industry. The direct contribution of merchant shipping to the GDP was 4.8% and in June 2005 the maritime exchange inflow reached €1.202 million, representing an increase of 4.38%.

4.3 Skills and training

In order to meet the requirements of the fleet in quantity and quality the Greek Ministry of Mercantile Maritime has built an extensive maritime education and training system. Greek cadet officers follow training courses provided by the Merchant Marine Academies (MMA) operating in nine locations across Greece - under the supervision of the Seafarers'

¹ The Greek Ministry of Mercantile contribution on the Green Paper on Future Maritime Policy of the EU

Training Directorate of the Ministry of Mercantile Marine^I. There are not tuition fees to attend this training and accommodation is provided free of charge.

Even if the low attractiveness of the sector has been identified as one of the key problems, the number of graduates from Merchant Marine Officers Schools more than doubled between 1990 and 1996; from 1,454 to 3,527 graduates^{II}. The number of student has continued to increase during 5 years as a result of an intense and costly advertisement campaign by the Ministry of Mercantile Marine^{III}.

Many of those who graduate from maritime schools find jobs in areas related to shipping, i.e. seafaring, agencies or classification. However, at the same time an unemployment rate of 10% among graduates from maritime studies has been reported by trade unions.

5.0 Seaports

Despite extensive consultations with stakeholders from the Greek port sector, neither actual figures nor estimations were found on port sector employment in Greece. As a result of this study the Ministry of Mercantile sent out a questionnaire to all the major Greek seaports to obtain employment data but no meaningful information was received.

6.0 Maritime services

No studies have been carried out on maritime service employment. For the purpose of this study, the Ministry of Mercantile Marine was able to provide information on maritime education and training, estimations were received on the number of coast guards and information was also obtained on the number of workers in ship brokerage, maritime law and classification. A total number of employees in these sub-sectors of the maritime service sector reached 9,961. But further studies are recommended to establish the exact number of employees in this sector.

Table 6.1 Employment in the maritime service sector, 2004/2006

Table header	Employment
Maritime education and training ^{IV}	676
Coast guard	7,000

^I Seafarers' Training Directorate of the Ministry of Mercantile Marine.

^{II} NSSG.

^{III} Seafarers' Training Directorate of the Ministry of Mercantile Marine.

^{IV} Data refers to 10marine academies, 3 post training centres (for deck, engine officers and radio operators), 2 fire fighting and rescue schools and the school of vocational training for ships stewards.

Shipbrokers	285
Maritime law	1,800
Classification societies	200
Total	9,961

Sources: Hellenic Ministry of Mercantile Marine, Southampton Solent University and ECOTEC Research & Consulting

7.0 Recreational boating

According to the European Overview 2004 on marine leisure industry, jobs in the recreating boating sector reached 4,270 in 2004. Of the total number of jobs 430 were in boatbuilding, 540 in marine equipment manufacturing and 3,300 in trade and services.

8.0 Coastal tourism

Tourism is of vital importance for the Greek economy. Greece is ranked 15th worldwide as a tourist destination and the economic impact of the sector doubled between 1981 and 2001. Due to the climate as well as existence of long coast lines, coastal tourism is the key tourism sub-sector in the country. However, tourism employment is characterised by a high level of seasonal employment.

8.1 Employment trends

A wide range of stakeholders were consulted to obtain more detailed information on the level of coastal tourism employment in Greece. However, regardless of great economic importance of the sector, no studies have been carried out so far to assess seaside related tourism employment. Researchers were provided statistical data on hotel and restaurant employment from the national statistics office, as well as study on Tourism employment by the Federation of Greek Tourism Enterprises. Stakeholders provided estimations on the share of coastal tourism employment and these estimations varied from 60-70% of total tourism employment.

According to the data from the national statistics office some 304,000 workers were active in the hotel and restaurant sector in 2005, whilst the study by the Federation of Greek Tourism Industry stated that in 2000 there were 808,000 people employed in the wider tourist industry constituting 18% of total employment - 1 in 5 employees. Of these 800,000 jobs 171,000 were in hotels, 19,000 in travel agencies, 29,000 in transportation and 35,000 in other occupations related to tourism. Indirect employment stood at 464,000.

Tourism Satellite Accounting by the WTTC states that the Greek travel & tourism industry generated 295,000 jobs in 2006 and the wider travel and tourism industry generated some 699,000 jobs in the same year.

For the purpose of the trend analysis and relatively close link to the figures from the Tourism Satellite Accounting, this study uses the figures from the national statistics office. According to this data, coastal tourism employment reached all time high with 212,878 workers in 2005. Tourism, and coastal tourism in particular, has been one of the fastest growing sectors in Greece over the past 10-20 years.

Table 8.1 Employment in the hotel and restaurant sector, 1998-2005

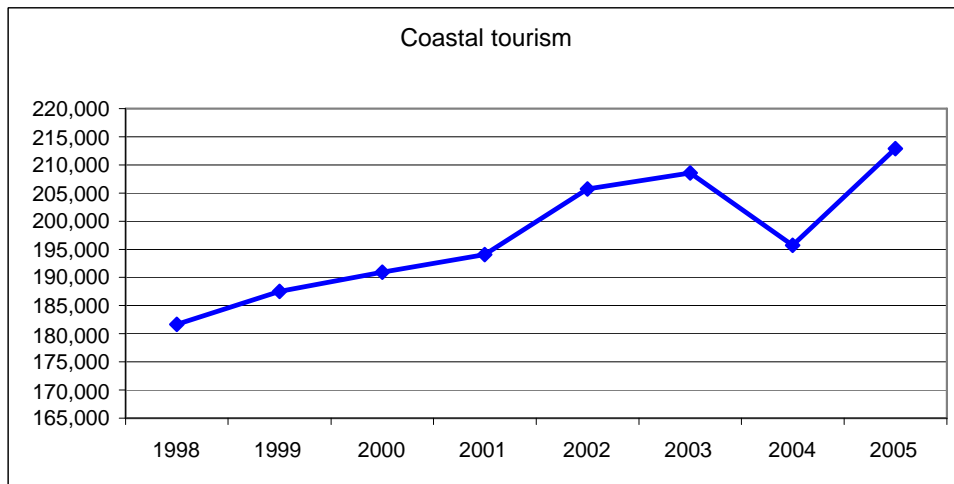
	Self employed with personnel	Self employed without personnel	Employed	Assistant to family business	Total	Coastal tourism total ^{xv}
1998	31,328	55,664	133,656	38,861	259,511	181,658
1999	34,013	51,004	144,356	38,508	267,882	187,518
2000	37,327	52,859	146,305	36,275	272,767	190,937
2001	33,327	46,259	165,268	32,363	277,218	194,053
2002	33,173	57,667	170,628	32,461	293,931	205,752
2003	41,733	53,548	170,514	32,134	297,930	208,551
2004	37,042	52,123	162,044	28,415	279,627	195,739
2005	42,381	52,920	177,581	31,227	304,111	212,878

Source: Greek Statistical Service

As the following graph displays, employment during this 8 year period increased by over 31,000 jobs – demonstrating a growth rate of 17% over this period. In recent years the tourism has been positively affected by new infrastructural developments implemented as a result of the Olympic Games in Athens.

^{xv} Based on an estimation that 70% of all tourism is coastal or within 50km from the sea. No scientific evidence to support this, only based on estimations from tourism industry stakeholders.

Figure 8.1 Coastal tourism employment trends, 1998-2005



Source: ECOTEC alteration on the basis of data from the Greek Statistical Service.

Quality of employment is one of the concerns for the industry. The sector is characterised by seasonal employment. Labour shortages are common in the industry, as identified by a survey of EEO Group Kantor which showed that the sector is experiencing a shortage of middle and upper managers and directors in hotels, marketing personnel, personnel with good IT skills, chefs and catering staff, entertainers, receptionists, guards, HR directors and lifeguards. Travel agencies have reported a shortage of conference organisers. Tour operators and airlines have a particular demand for bi-lingual guides and other multi-lingual staff, IT experts, reservation and ticket agents and marketing personnel.

Job seekers are more likely to find a job through personal family "connections" or through newspaper advertisements than through Job Centres. Entrepreneurs often do not register their vacancies because they wish to employ the same personnel for more than one season.

8.2 Employment projections

According to the employment study run by the Federation of Greek Tourism Industry, tourism industry has the potential to create further to 150,000 new posts between 2003 and 2010. Tourism Satellite Accounting forecasts a growth of 9% in travel & tourism industry employment between 2006 and 2016 – and an impressive 15.7% growth in the wider tourism economy.

Tourism industry stakeholders view that there is a great need for the development of new tourism products and services. They also emphasise that work could be done to limit the effects of seasonality. Opportunities have been identified in alternative forms of tourism, such as health and eco tourism.

8.3 Skills and training

The demand for graduates from tourism schools is the greatest in Athens, Thessaloniki and the holiday resorts (Crete, Aegean and Ionian island, Chalkidiki etc). The tourism industry is characterised by a high number of workers with no tourism industry training. As earlier mentioned, there are skill shortages in many different areas of the sector. The EEP Group Kantor report concludes that the percentage of people working in the sector that speak a foreign language is currently too low.