

Greek economy kept afloat by shipping trade



MONDAY COMMENT
NICK ANSTEE

MANY of the headlines about the UK and Greek economies have, perhaps understandably, painted a bleak picture of harsh financial realities in both countries.

Clearly the UK Government and the Greek administration face a peri-

od of painful fiscal tightening as they balance the books and reassure international investors.

Therefore, in this challenging period, the top performing industries in both countries must help drive recovery forward and safeguard future prosperity.

Taking Greece first (I am in Athens today, leading a City business delegation), it is shipping that has long been the globally-competitive jewel in the Greek crown. It contributed 5.7 per cent of GDP in 2009 and Greece's fleet totals around 4,000 vessels – more than 16 per cent of the world's carrying capacity.

Here in the UK, the City's financial and professional services will be cru-

cial to our economic prospects as part of a wider recovery over the coming years.

At first glance there seem to be little overlap between these two industries. But as an island state with a long seafaring history, it should come as little surprise that the UK is a world leader in maritime-related services.

The City is a one-stop shop for maritime services, able to provide all the specialist financing needs required by ship owners and operators.

In 2009, UK-based banks lent the Greek shipping sector more than \$13bn, around a fifth of its total lending requirements, while the UK marine insurance sector pulled in

\$4.7bn in premiums and an additional \$1.6bn in gross P&I premiums and ship-broking income.

It is not just finance that provides the basis for this partnership. Lloyd's Register classifies 28 per cent of the Greek fleet and the country is currently the fourth largest market for London's legal community.

But despite our position as the leading provider of maritime services to Greece, we can not afford to be complacent. That is why I am here at the international Posidonia shipping conference in Athens, working to strengthen links with the Greek ship-owning community and ensure key industry figures continue to see London as a second home.

I am also scheduled to hold discussions with the Greek Prime Minister, Finance Minister, and the Minister of Economy, Shipping and Competitiveness.

Even in these difficult times, Greece remains a key partner for the UK with bilateral trade currently worth nearly \$3bn each year.

With both ends of this relationship facing significant economic challenges, it is in all our interests that policy makers and practitioners in both countries work together even harder to maximise trading opportunities and open doors to two-way businesses.

Nick Anstee is Lord Mayor of the City of London.

FSA approvals taking longer

REGULATION

By MARION DAKERS

THE Financial Services Authority (FSA) has been criticised for the long delays in its corporate approval process, in a fresh blow to the City regulator.

Companies now wait 19.5 weeks on average for an FSA decision on whether to authorise financial services work, according to figures obtained under the Freedom of Information Act by City law firm Reynolds Porter Chamberlain (RPC).

Waiting times have increased by 71 per cent in the last year, and have more than doubled since the start of the credit crunch when the average wait was 7.5 weeks.

The news comes at a bad time for the FSA, whose future is under scrutiny by the new government. The chan-

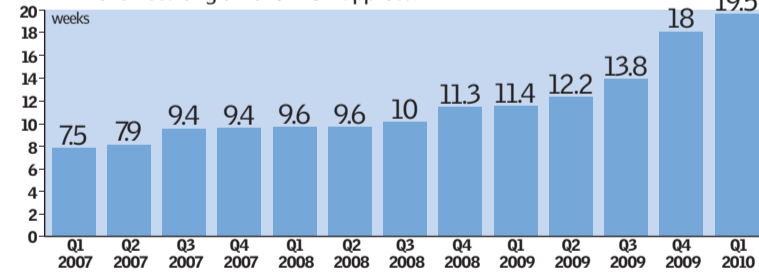
cellor, George Osborne, is said to be keen to hand over many of the FSA's powers to the Bank of England, but has stopped short of moving to abolish the regulator as part of the coalition agreement.

Jonathan Davies, regulatory partner at RPC, said: "Delays in authorising new entrants into the financial services market damage consumers by reducing competition. They also damage Britain's competitiveness."

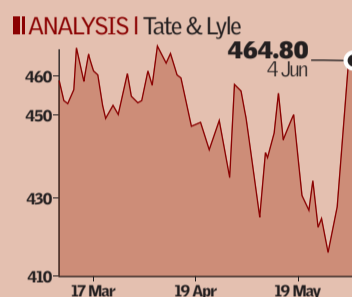
"If the FSA does not have the capacity to process applications properly then it should say so," he said.

The FSA said in a statement: "We have increased the intensity with which we scrutinise companies. The time scale varies between firms. "We aim to conclude investigations within six months for completed applications, and publish how we perform on our website."

ANALYSIS | Waiting time for FSA approval

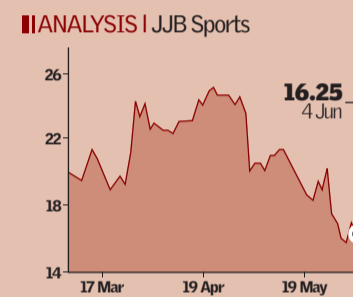


BEST OF THE BROKERS



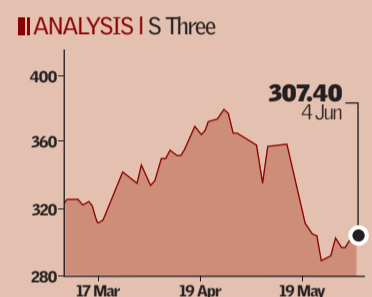
TATE & LYLE

Evolution Securities maintains a "buy" recommendation for Tate & Lyle and has upped its target price to 560p. Evo said Tate is a compelling long term turnaround story and that new boss Javed Ahmed appears to have all the credentials to tackle Tate's issues. Evo said the added spice is that Tate could be a bid target for Bunge.



JJB SPORTS

Panmure Gordon repeated its "buy" recommendation on the sportswear chain, citing clear evidence of a recovery in operational performance. It said the start of the World Cup this week is likely to be the catalyst that the share price needs. The 2012 Olympics and plans for inward investment make for an attractive long-term prospect.



S THREE

Collins Stewart has a cautious outlook on recruitment company SThree, but maintains its "buy" recommendation with a target price of 350p. Growth remains below expectations due to a subdued jobs market, and Collins is also reviewing its profit forecasts following the recent uncertainty over new public sector jobs.

To appear in Best of the Brokers email your research to notes@cityam.com

Dispute numbers up in recession fallout

LEGAL

THE NUMBER of commercial disputes held before international arbitral institutions were up by 16 per cent last year, according to new research, suggesting the recession was one of the main contributors to the rise.

Figures from law firm Hogan Lovells' arbitration practice showed that arbitration bodies across the globe saw a flurry of commercial dis-

putes last year.

Furthermore, in the fallout from the recession, the number of arbitrations held in London climbed by 30 per cent in 2009, putting the capital at the top of the list for the highest number of cases heard as compared to a number of other countries.

Hogan Lovells said the rise in arbitration numbers is evidence that governmental bodies and businesses are increasingly turning to alternative

means of dispute resolution, as well as traditional litigation, to resolve contentious matters.

"Given the increases across the board, there can be little doubt that more disputes are filtering through following the global economic downturn, and that this trend is evident across industry sectors and geographies," said Michael Davison, co-head of the international arbitration practice at Hogan Lovells.

CITY MOVES | WHO'S SWITCHING JOBS

Edited by Marion Dakers



London Stock Exchange

The exchange has hired Gay Huey Evans and Paul Heiden as non-executive directors and made Raffaele Jerusalmi an executive director.

Huey Evans, pictured, is vice chair of investment banking and investment management at Barclays.

Heiden is executive chairman of Talaris Topco and a non-executive at United Utilities, while Jerusalmi is director of capital markets at the LSE and chief executive of Borsa Italiana.

Jupiter

The asset manager has appointed Miles Geldard and Lee Manzi to run global convertible and global multi-asset strategies.

Geldard and Manzi first worked together at JP Morgan Asset Management, where Geldard was chief investment officer and head of the global multi-asset and strategy teams and Manzi worked in the fixed income,

global portfolios and multi-asset groups. They subsequently worked together at RWC Partners (formerly MPC Investors).

Towry

The wealth advisory firm has appointed Robert Dawkins as its new chief investment officer.

Dawkins was previously head of multi-manager at Aberdeen Asset Managers and has also held roles as managing director of RBS Asset Management and as head of alternative investment management at Coutts, the RBS group's private bank.

Earlier in his career, he spent stints with LCF Edmond de Rothschild and John Govett.

He is expected to start in his new role in September.

Westhouse Holdings

The corporate finance and broking house has hired Dermot McKechnie as a consultant, focusing on developing the firm's M&A, wider corporate finance and corporate broking activities.

McKechnie is a qualified chartered accountant and became a partner at Cazenove in 2000, later taking up the position of director of corporate finance at JP Morgan Cazenove.

The appointment follows that of Rupert Stevenson last week as a director of Westhouse Securities, responsible for establishing an investment funds team.

Dechert

The law firm has announced its leadership succession plans, which will see current chairman and chief executive Barton Winokur step down by the middle of 2011. He will continue as a full-time partner following the transition.

Succeeding him as chief executive is Daniel O'Donnell, who has been with the firm since 1976. He specializes in advising private equity fund sponsors, corporations and financial institutions on M&A, corporate restructurings and corporate governance matters.

Andrew Levander has been named chairman. He is a former assistant US attorney in the securities and commodities fraud unit in the Southern District of New York.