Shipping the World’s Goods

PETER LIVANOS ‘81

Though pirates in the Indian Ocean continue to hijack ships, and demand ransoms as high as $6 million, shipping executive Peter Livanos refuses to place armed guards on his vessels.

Livanos, chairman of Ceres Shipping Ltd., the holding company that oversees his family’s ventures in the transport of oil, liquid natural gas, and commodities, says that arming the boats could escalate confrontations, with possible injuries to crews or the massive ships that they steer around the globe.

He has urged a greater international response to make the seas safer for ships that conduct international commerce in the open seas.

“So far, the pirates have been very careful, as they simply use the hijacked ships as a ransom tool, with certain exceptions,” says Livanos, who lives in Gstaad, Switzerland, with his wife, Lara, and their four children, ages three to nine. “If you start having armed guards, you risk provoking the pirates to take more drastic action.”

The safety concerns on the Indian Ocean are one of many that Livanos faces as his companies navigate the stormy world of international commerce, which is affected by both the winds of political change and disasters caused by the natural world.

The devastation to Japan this March by the earthquake and tsunami may affect the demand for liquid natural gas, LNG, which his company ships from Qatar on 18 tankers. As Japanese officials review Japan’s dependence on nuclear energy in the wake of the crippled Fukushima Daiichi nuclear complex, Livanos says the nation, already the world’s largest LNG consumer, may turn increasingly to LNG for its electricity needs. His company currently has six LNG tankers under construction in South Korea.

“They will go through their review and determine what happens in the future.”

The Livanos family has a long history in the shipping industry, with Peter’s great-grandfather establishing the family business in the 19th century. His father, Georges, founded the Ceres Hellenic Shipping Enterprises in the late 1940s. And Peter Livanos has managed the family business as it prospers in the 21st century.

Livanos’ company occasionally works with Angeliki Frangou M’S88, CEO of the Greek shipping firm Navios Holdings (see story on page 12). His company has sold ships to Navios, and Livanos now rents one of Navios’ new ships for his dry-cargo business, which transports iron ore, coal, and other commodities.

These arrangements are part of the high-stakes shipping industry, in which multimillion dollar assets are bought, sold, and chartered.

The Livanos chemical tanker fleet that transported chemicals around the globe merged with the Norwegian firm Odfjell ASA in 2000. The Livanos ships that carry crude oil are now under the control of Euronav, a publicly traded company from Belgium listed on the Euronext exchange. Livanos serves on its board as vice-chairman.

“Through self-regulation and outside regulation, our business has gone through the biggest evolution,” he says. “Shipping has really focused on cleaning up its act.”