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 Feature

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Show New York the money

Relationships are particularly important in the shipbroking sector. But financial acumen is increasingly the main ingredient that keeps all wheels greased

In New York, it's all about the money. Shipbrokers in the Big Apple, as in other maritime hubs, range from one-man shops to large, full-service outfits. New York City was once a marketplace for charterers. But the ranks of owners are bolstered today by a crop of financially minded players joining adept shipowners. And where principals go, the intermediaries are sure to follow. The Association of Shipbrokers & Agents (ASBA) includes dozens of small shops. Dry cargo stalwarts such as Dillon and Peraco, two of the first shops to move to Connecticut, have adapted to growth in their sectors. And MID-Ship Marine has moved beyond deepsea shipping and created an active inland logistics business. The tanker side includes a range of small offices handling specialties such as Jones Act vessels or industrial chemicals. Where principals have consolidated dramatically, tanker broking continues to be dominated by a handful of large companies. These offer information-hungry oil companies and traders profitable ancillary services, such as economic research, consulting and project finance, all blended with deal-making.

James Ford is a UK transplant who is a director at Connecticut's Charles R Weber, one of the oldest and largest of US tanker brokers. Ford, who worked at Seascope and John I Jacobs in London, is also the current ASBA president. Ford tells Fairplay how carefully nurtured growth planned in the 1990s has imbued Weber "with multiple skill sets that go way beyond fixing the ships". Ford, a Sandhurst military academy graduate, describes Weber's Compass-Watch Service, which was implemented after internal planning on how best to offer services to a demanding international client base. "A central part of the delivery mechanism is Weber's team-centric approach," Ford declares. Weber, like peer companies, has a research team offering detailed analysis of the tanker markets. This team, directed by John Kulukundis, produces quarterly overview reports and publications that highlight sectors and client-specific analysis. Kulukundis, an accomplished artist and graphic designer who has reworked Weber's online presence at www.crweber.com, tells Fairplay: "Our innovative approach to not only our report writing style but also the layout and extensive use of graphical images and graphs benefits our readership by clarifying and enhancing understanding of the underlying numbers." In New Jersey, across the Hudson River from New York City, is based the sale and purchase specialist Compass Maritime, which took on its present form in 2000. Tom Roberts, Compass director (and also an officer of ASBA), tells Fairplay: "We are S&P brokers, yes, but it's our relationship with the financial community that really sets us apart from others."

Compass is well known as a Baltic Exchange panel member for ship and demolition prices. "We have five brokers, and we work closely with major US oil companies and the owners who are based here," Roberts explains. "Since we started, we have sold several hundred ships." Compass has recently recruited Basil Karatzas to develop the financial aspects of a 'typical' S&P transaction. He emphasizes research and competitive analysis to provide projects, finance and business development for clients, whether shipowners, financial institutions or investment groups. When asked about current deals, Karatzas says Compass strives to use its "shipping markets expertise to create projects that offer a unique selling proposition and deliver value". Compass does this by offering "sale and lease-back transactions, securing vessels on the back of long-term employment or hedging in the derivatives markets to secure a better deal", he adds. Recently, Weber and Compass announced a venture that set up shop in Piraeus in early April. Bobby Mitropoulos, who

moved over from Compass, will run its S&P desk, while Weber's MD, tanker veteran Basil G Mavroleon, will oversee the tanker chartering desk from Greece and the US. The venture marks a return to Greece for Mavroleon, whose shipping family hails from the Greek island of Kasos.

Lunches of wine & roses

Flying lessons

Two tanker brokers went for a long lunch. Their office's stairwell extended from the stone-floored basement up to the fifth floor. It had a wooden banister meant to prevent accidents. Still, one of the men lurched against the banister and overbalanced, falling about 5m to the stone floor. He suffered multiple broken bones, including skull and cheekbones. They were both fired.

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