
Shipping families, private equity and the future



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Multi-generation shipping panel

In New York, early February is the time of the annual Shipping Conference, hosted by the Hellenic American and the Norwegian American Chambers of Commerce. This year's theme was "Today's Vision and Tomorrow's Reality", and the many permutations of the future.

This year was special because it marked the 20th such gathering; poignant remarks at the luncheon honored the late Marlene Daniels, a noted maritime lawyer who was credited for initiating the event in the mid-1990s.

The luncheon keynote slot, following the tribute, was shared by George Wells, a top executive overseeing derivatives and asset activities at Cargill Ocean Transportation, and Peter Georgiopoulos, the well known shipping magnate who runs multiple companies across the tanker and drybulk spectrum. Both offered their own perspectives on managing risk, including portfolio strategies and careful vetting of counterparties.

As always, conference topics are timely, and speakers are informative. This year saw a different twist, with the session on "Generational Shipping Families" – moderated by Oivind Lorentzen III, who spent many years guiding his family's long-time shipping business into new areas prior to becoming the ceo of Seacor Holdings. The actual panel included three pairs of fathers and sons, Peter Klopfer, one of the deans of the S & P community and his son Jason Klopfer, of Navig8, Phil Shapiro, president and ceo of Liberty Maritime, and his son Josh, also at Liberty, and Bob Pierot, from a multi-generational S & P shop and his son George now a banker in CIT's burgeoning ship finance practice.

The panel tied together other aspects of the conference; in each case, the sons (and their fathers) talked about bringing new methods of doing business into their enterprises, for example financial modeling and courting new investors. Peter Klopfer shared reminiscences of his younger days working with the Pierot shop, bringing in an early and highly successful Private Equity (PE) investor- the Tisch family, into what was then a severely depressed tanker market in the mid 1980's.

Discussions of PE also featured in a finance panel- which included Citigroup's Michael Parker and Jefferies' Jeff Pribor. Parker, based in London, made the point that: "Shipping has really changed; it's now an asset for investors." Acknowledging that these new participants in the market – PE and hedge funds, with lines frequently blurred – may have brought something different but permanent to shipping balance sheets, he added: "If they are the new owners, then I need to bring my ship lending business up to date."

Pribor, who has returned to investment banking after a long stint on the owning side, with Peter Georgiopoulos's General Maritime Corp, told the audience that capital markets have opened up for shipping in the past year, and that with the attitude for shipping getting brighter, "...there will be access to public markets."

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