New York cluster builds its brand around money

The new president is steering the New York Maritime Association in a new direction, stressing the Big Apple's capital access as the cluster's lure

By Greg Miller, Americas Editor

Financier Peter Shaerf, MD at AMA Capital Partners, affirmed that "there's more competition for the maritime dollar."

The Big Apple must more aggressively promote its benefits to shipping given competing pushes by clusters in London, Dubai and Singapore, he told *Fairplay*.

NYMAR began life in 2003 with a membership almost exclusively of lawyers, but both the membership mix – and the basic message of the group – is changing under Shaerf.

"When you look at shipping clusters around the world, everybody has a bit of everything, but when you think of Hamburg, you think container ships. When you think of Piraeus, you think tanker and bulk owners. In London it's overall shipping services. In Miami it's cruise," Shaerf explained.

"When you think of New York, we have plenty of shipbroking and owners and lawyers and everything else, but the one big draw here in New York City is the money."

"There is more money and more focus on money here than anywhere else, so it makes sense for NYMAR to build a brand around that."

The dollar value of shipping stocks traded through New York exchanges exceeded $300Bn last year, estimated Shaerf. On top of that, the city's hedge funds and private equity firms are increasingly investing in the sector.

The key draw for shipping is New York's liquidity, he continued. "It's all very well being on the London Stock Exchange, but if you can't trade your shares in reasonable volumes, you're not going to get the valuation you want. You look for liquidity to help get the valuations, " he emphasised.

Every shipping cluster boasts of its various sector benefits but this often comes down to a matter of opinion. "The lawyers will tell you why they're better, as will arbitrators and bankers and brokers. Every sector is going to trumpet its strengths," said Shaerf.

But when it comes to liquidity, there's no arguing with New York's numbers versus any other global exchange venue, he maintained.

Concerns have arisen in recent years on the cost of corporate governance in New York as a result of America's Sarbanes-Oxley Act, yet Shaerf discounted this.

"You're not seeing a flight of top-quality shipping companies away from New York because of governance. Some people might argue that Sarbanes-Oxley creates higher costs, but I would say it has helped raise the profile of governance to a significant degree," he said.

Explaining how business trickles from New York capital markets down to the entire cluster, he pointed out: "You can't walk off the plane at JFK and say 'give me the money'. You need advisors."

For example, he noted that his own firm, AMA, is "constantly involved in the public and private markets and we're in a position to manufacture business that goes to brokers, lawyers, insurance companies, surveyors – everyone down that maritime food chain."

Current market volatility notwithstanding, Shaerf remains confident that New York capital markets' hunger for shipping is far from satiated. "There's tremendous growth ahead," he said, implying parallel expansion for the support sectors that cater to capital deals.

Shaerf hopes to significantly expand NYMAR's membership, and then appeal for government financial support. "If we continue to increase the visibility of New York as a capital market centre, investment in the sector will increase, liquidity will increase, and more business will spin off to everyone else," he affirmed. F

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