

Putting the salt back in the Big Apple



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When I was growing up on Manhattan's West Side, the North River piers were filled every day with the great passenger liners that plied the Atlantic to Europe, and the piers across the river in Hoboken and Jersey City were packed with freighters that sailed the seven seas carrying what we now call breakbulk cargo.

By 1973, when I started working for *The Journal of Commerce* at 99 Wall St., the passenger liners had all but disappeared, and those freighters had evolved into what are by today's standards small container ships that had moved to Port Elizabeth and Port Newark in New Jersey. But the offices of most of the world's major shipping lines were still within walking distance on lower Broadway and Bowling Green. Everyone in the shipping community knew each other and lunched and drank (lots) together at the Whitehall Club or the India House.

That world is long gone as all the lines except Mediterranean Shipping Co. and International Shipholding Corp. have moved their East Coast offices across the Hudson or elsewhere on the East Coast. Now, however, a group of lawyers, financiers and insurance executives is trying to woo some of that lost shipping business back to Manhattan.

NYMAR, which stands for New York Maritime Inc., is not trying to bring back the offices or the ships, but to tap into the millions of dollars of legal, financial and insurance services that New York can provide to the industry. NYMAR was started by a group of maritime lawyers five years

ago. It has launched a campaign this year to reach out beyond just the legal community.

Its new chairman, Peter Shaerf, is revving up the new branding campaign. Under his leadership, NYMAR is trying to brand New York as a critical maritime cluster and recapture some of the maritime business that has been frittered away over the years, mostly to London.

Just as Shaerf assumed the chair of NYMAR in January, London gave its campaign a jump-start in the form of an announcement by the U.K. Treasury that it planned to impose a 35,000-pounds tax on overseas shipowners living in the U.K.

The tax created a stir among the Greek shipowners living in London and handed NYMAR the tag line for its branding campaign: "New York, the Capital for Shipping."

Shaerf, who is also managing partner of AMA Capital Partners, an investment bank that specializes in maritime deals, wrote an open letter to the Greek shipping community in London listing the 10 reasons they should relocate their business to New York: its abundance of capital; abundance of liquidity; the two largest stock exchanges in the world; a prosperous private equity community; its 250 shipping companies; 100 law firms; 20 leading investment banks; its abundance of maritime professionals; its port; and finally, "the best pizza in the world."

NYMAR is trying to harness the power of New York's maritime cluster. Just as Hamburg has its cluster of container ship owners and Miami has its cruise ship cluster, New York has the cluster for access to

capital. The market capitalization of the public shipping stocks (including cruise lines, but excluding offshore oil rigs and shipyards) listed on the New York Stock Exchange and the NASDAQ is about \$89 billion, or a quarter of the \$350 billion value of all the shipping stocks listed on all the world's exchanges.

The value of the shipping shares traded on the New York exchanges in the first half of this year was \$180 billion, or nearly half of the \$368 billion in shipping stocks traded on all the world's exchanges in that period.

"These are powerful figures," Shaerf said. He said more of the world's shipping lines, especially dry and liquid bulk lines, are listing their stock in New York, rather than London, because "the markets are beginning to recognize shipping as a legitimate public investment."

Eighteen dry bulk companies are listed on New York exchanges now, compared with just two in May 2001, and 24 tanker companies are listed. "Any business we attract to New York benefits a significant number of people in the maritime food chain," Shaerf said. "If it's an IPO that comes to New York, investment bankers benefit, lawyers benefit, brokers benefit, and there's a genuine community benefit."

NYMAR may not be able to bring all those passenger ships back to Manhattan, nor the liner offices, but it's off to a good start in helping the city recapture its maritime heritage.

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