

...s put the question to Hamburg Shipbrokers' (VHSS) board members Jan Bartels, Christoph Peter Eckhardt at their annual meeting in Hamburg.

#### PETER ECKHARDT

"It's not getting easier, there's no doubt about it," said Eckhardt, a 20-year veteran of the German boxship scene who as managing director of chartering oversees the chartering of containerships. "It's hard to distinguish between who is more [partnership]-driven and who's a traditional owner." In his view, Martini is fortunate to market three traditional German owners — Daulesberg and Leonhardt & Blum — each have more than a century of experience and are more likely to stay in the market although they are bidding their time being patient and waiting for the right moment, especially at the owners of KG tonnage where the market is different. "The question is what will happen with the tonnage that is being sold," said Eckhardt. "In the long run, it's not very likely that these people can reinvest in the market."

"I'm not looking for new management ships and they are coming from the banks. The question is whether its really long-lasting and can really build your company on that?" Eckhardt has seen the plug pulled on many ships in the Martini fleet, most recently a 13-year-old and 14-year-old panamax vessels, including the 4,389-teu *Philadelphos* (D2), that were sold for recycling. "It's a dilemma facing owners of old vessels where it makes little sense to invest more cash in the hope of a re-sale in the market. It's better to sell now because hope is a bad strategy."

"Probably the way forward for many companies in the market, says Eckhardt. "To have a market like this, you need a contraction. You need fewer ships in the market. You need some scrapping," he says. "The statements are a tacit admission that the market on the owning side of the business needs to alter the market. As part of a first wave of consolidation in 2013 when Laeisz and L&B teamed up to charter 70 boxships from 1,100 teu up to 20,000 teu charterers. It has also been a popular exit strategy for a handful of vessels owned by Herm."

"Consolidation is not that easy in this fragmented market," said Eckhardt. "The key for people to achieve is good access to the market. Making sure that ships are best presented to charterers and tell our owners what is going on in the market. "If they were using different brokers to charter — so it seemed a good idea to have an in-house broker." Eckhardt believes other measures might help the development of pools in Germany. "It's not a real pool — no competition between parents. If its one where every company has its own marketing, you don't get what you want to achieve with a pool."

#### CHRISTOPH BRUHN

Sale-and-purchase (S&P) specialist Bruhn argues that the encroachment of foreign bro-



Peter Eckhardt,  
managing  
director of  
Martini  
Chartering.  
Photo: IAN  
LEWIS



Christoph Bruhn,  
S&P specialist.  
Photo: IAN LEWIS



...ected Clarksons as its preferred sales advisor — much to the chagrin of local brokers.

Such concerns are likely to feature in the coming months when billions of dollars of distressed tonnage is expected to be offloaded by banks including HSH Nordbank and Norddeutsche Landesbank (Nord/LB).

The concern of German brokers is that their smaller shops cannot match the big players, such as research or financial services, relating to the sale of loan portfolios. Often, Bruhn believes the choice of broker by banks is more simplistic.

"The banks have to give their department bosses a clear explanation why they have chosen one particular broker.

"The easiest way is to choose the biggest one," said Bruhn.

Together with the encroachment of foreign brokers onto German soil — usually by taking on teams from other shops — Bruhn says that some owners have opened up their own in-house shops, so the share of business being handled by brokers has fallen," he said.

But he believes that brokers who have been able to fight their way into the market for bank sales can benefit from the change in the market.

Others in Hamburg circles cite the success of Howe Robinson, which has been the most aggressive in advising on the sale of German-owned tonnage by banks and insolvency administrators, whereas German brokers say its harder for them to push for sales because of personal connections with the managing owners.

Such changes in the market present a daunting challenge, especially for smaller brokers who have retreated to work specialised markets for coastal vessels below 10,000 dwt where there is less competition.

Yet Bruhn says the German market holds a position for niche players.

"I am still of the belief that a small competent, specialised broker has a future," he said. "This market has always worked as a balance between the big brokers and the small brokers."

The question, he believes, is what will happen to the medium-size brokers that fall between those extremes.

#### JAN BARTELS

Hamburg Shipbrokers' Association (VHSS) vice-chairman Bartels argues that German brokers need "a more international approach".

That is necessary at a time when a growing number of containerships are being sold out of Germany.

"The German shipbroking community is losing a lot of that tonnage," said Bartels, who is also managing director of Hansa Chartering.

"What needs to be done by brokers to rectify that — because we have the knowledge here — is to have a more international approach as to how they handle their business."

Bartel's own business interests have shown ways in which this might play out after teaming up with a Greek company that has been buying up German tonnage.

His family's Conmar Shipping is working with Nikolas Pateras' Contship 700 Management of Greece, with 25 feederships between them of 700 teu to 1,000 teu.

Bartels describes the partnership as "a loose joint venture", which brings benefits to both sides. Pooling of fleets and knowledge brings operational benefits, while the Greek partners obtain hands-on-knowledge of the worlds biggest container market.

"We have the local knowledge," said Bartels. "We understand, for example, how German insolvency administrators work — that may be difficult for a Greek."

Neither is it a one way street, with other Greek owners increasingly recognising the importance of the German shipbroking community.

The most recent to set up shop was Costamare, which has established an office in Hamburg to have its ear to the ground in the German market.

"That's a good sign," said Bartels.