

We use cookies to improve our website and your experience when using it. Cookies used for the essential operation of the site have already been set. To find out more about the cookies we use and how to delete them, see our [privacy policy](#).

I accept cookies from this site. Agree

- -
- The rise of alternative capital for shipping



The rise of alternative capital for shipping



By [Barry Parker](#) from New York

With lending by commercial banks, traditionally the mainstay of funds providers for shipping, severely curtailed in recent years alternative capital was in

focus at the Marine Money event in New York on Tuesday.

Session chairman was Arthur Regan, Operating Partner at Apollo Global Management, a funds provider and packager with 10 years of experience in providing multiple flavors of capital. Regan, an industry veteran, who spent many years in the Stena organisation, and then headed up Arlington Tankers, before moving to Apollo, recounted previous iterations of Marine Money conferences, circa 2007 and 2008, where “Alternative Capital” offered little appeal to shipowners awash in cheap bank debt with very owner-friendly terms and covenants.

The constraints on available bank debt, in conjunction with shipping’s difficulties in the equity markets, have brought about a situation where Regan sees Alternative Capital being a more sustained part of shipping’s balance sheets.

Another speaker, Andrew Horrocks, from Credit Suisse Securities (USA) described that markets as “shallow”, with defensive investors, who are favouring certainly and predictability, while undervaluing growth. He suggested that investors in the public markets are looking at short investment time horizons contrasted with the longer time frames considered by alternative capital providers, or by family run businesses, as noted by Leon Patitsas, ceo of tanker owner Atlas Maritime.

We use cookies to improve our website and your experience when using it. Cookies used for the essential operation of the site have already been set. To find out more about the cookies we use and how to delete them, see our [privacy policy](#).

I accept cookies from this site. Agree

Another speaker Peter Fenner, CEO of Conroy Line Navigation Company, a US based owner of bulk carriers, on a roundtable panel, who stressed that capital providers need to strive for “an alignment of interests...and the right fit”, phrased differently by Patitsas, who said that company managements need to have “skin in the game”. Patitsas also reiterated a concern voiced early by Regan that alternative capital needs to have a clear exit strategy when embarking upon an investment.

One ongoing deal discussed on the opening afternoon was “V4”- a transaction where Bob Burke’s Ridgebury Tankers purchased four second hand VLCCs just as the tanker segment was starting to boom. Investor Rob Flowers, a Partner in Atalaya Capital Management explained how this deal, brought to them by DNB Markets, met all of their criteria- including the backing of serious sponsor - in this case, Riverstone - and management’s significant co-investment the “skin in the game” alluded to by Patitsas.

Published in [Americas](#), [Dry Cargo](#), [Finance & Insurance](#), [Tankers](#), [Dispatches](#), [News Emails](#)

© Copyright 2016 Seatrade. Replication or redistribution in whole or in part is expressly prohibited without the prior written consent of Seatrade.

Wednesday, 22 June 2016 05:17

[Back to News](#)

[Social Sharing](#)

[Tweet](#)

[Send to a friend](#)

[back to top](#)

Seatrade Maritime Review

Regional reporting from around the world, features on maritime markets and analysis, regulations, innovations, ship operations and offshore marine, the publication delivers an in-depth view of everything taking place in and around the global maritime community.

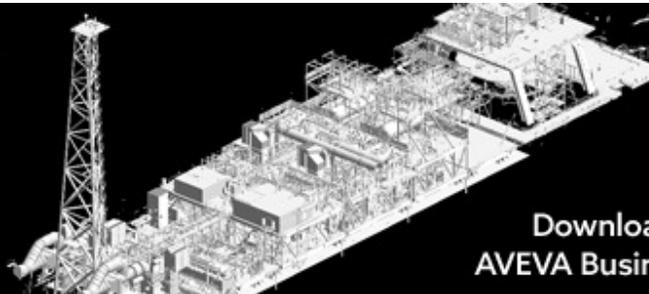
[Download FREE Sample Copy](#)



Panamax redefined
Jorge Quijano oversees \$5.5bn expansion

Diversification - the technical aspects

AVEVA™





Download the free
AVEVA Business Paper

We use cookies to improve our website and your experience when using it. Cookies used for the essential operation of the site have already been set. To find out more about the cookies we use and how to delete them, see our [privacy policy](#).

I accept cookies from this site. Agree

[UPDATED: Merchant fleet remain on Red Sea alert despite piracy raise alarm](#)

[Seacor hit by first half loss of \\$82m](#)

[International Shipholding Corp voluntarily files for bankruptcy protection](#)

[240 foreign tankers call at Iranian oil terminal in wake of nuclear deal](#)

[US Great Lakes and vessel discharges...a complicated mix](#)

[DP World wins lease agreement in Saint John, Canada](#)

[Bahrain's 'Project Stack' pilot scheme to be rolled out across APM Terminals](#)

[Nakilat-Keppel and McDermott combine for Qatar offshore projects](#)

[World Fuel Services posts flat bunker sales in H1, marine earnings dip](#)

[SapuraKencana upbeat on Brazil contracts, new prospects](#)

[Seaspan stands firm on not cutting Hanjin charter rates](#)

[SapuraKencana wins second Pemex contract worth \\$113m](#)

[Suez Canal offers second toll sweetener to VLCC operators](#)

[First transit of a LNG vessel through the expanded Panama Canal](#)

[Houston Ship Channel re-opens following sulphur dioxide leak](#)

Page: 1 / 5



SeatradeCruise News