

Unlikely partners focus on dry bulk

New entity ACM ICON is taking a boutique approach with a focus on small to medium-size charterers.

Jonathan Boonzaier

Dubai

It is an unlikely partnership that has raised more than a few eyebrows.

ACM, a large, London-based tanker broker going into partnership with ICON Chartering, a small, recently formed Dubai-based dry-bulk and project-cargo shop. What on earth were they thinking?

ACM ICON, as the 50:50 partnership is called, opened its doors for business on 1 March. TradeWinds spoke to the lead men, ICON's Rohan Shetty and ACM's Mark Jewell, to find out what the market can expect from the new entity.

Both Shetty and Jewell have strong backgrounds in dry bulk, so it is no surprise that ACM ICON will have a strong focus on that sector. The two partners say that,

unlike other broking majors that have set up dry-bulk desks in the region, theirs will not focus on mainline dry-bulk clients who already have a long line of brokers knocking on their door.

ACM ICON, with a team of six brokers, is positioning itself as a boutique shop that will work mostly on behalf of charterers based in East Africa, the Middle East and Indian subcontinent.

Quite frequently its clients are small to medium-size operations that lack familiarity with shipping and have hitherto not been aggressive charterers. "In this part of the world it is different to normal dry-bulk broking, where brokers churn out fixtures. Here you need to hold your client's hand and walk them through the process. You have to become their shipping face," Shetty explained.

Most of the clients are industrial



DUBAI: Mark Jewell (left) and Rohan Shetty of ACM ICON

Photo: Jonathan Boonzaier

companies. "The large traders are well covered, so there is not much point in targeting them," Shetty said. Many of these clients are existing ones that Shetty has been working with for years. "We have relationships with the primary players as well, and if they come to us that will be great," he added.

Smaller clients sometimes require cargoes to be consolidated

with other small cargo lots in order to fill a ship — something that Shetty has considerable experience in from his project-cargo days.

Jewell tackles the conventional dry-bulk trade, where he says handymax and supramax bulkers are the name of the game in the Middle East. The Indian market requires larger tonnage, with panamax and capesize bulkers in

greatest demand. Meanwhile, Shetty is focussing on the projects sector. "It's what I like the most," he said.

Both Shetty and Jewell say they much prefer the boutique approach they are taking with ACM ICON, claiming it is far more challenging, interesting and rewarding than beating the well-trodden path.

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ACM switches initial aim as better opportunities spotted

When London-listed broker ACM sent Mark Jewell to establish its Dubai presence in September 2011, the expectation was that it would target the tanker markets. It therefore came as a something of a surprise when the company announced it was teaming up with Rohan Shetty's ICON Chartering to target the dry-bulk sector.

Jewell, who joined ACM last year after a stint at the helm of LPG-carrier operator MC Shipping but whose lengthy shipping career has mostly been in dry-bulk broking, says ACM had an open mind about how to proceed in Dubai. While the initial aim was to enter the wet side, he quickly reached the conclusion that better opportunities were available in dry.

"ACM has a big customer base in the Middle East, mainly on the tanker side, with the likes of Vela, National Shipping Co of Saudi Arabia (NSCSA), Gulf Energy Maritime, Shell and other big names in the oil industry. These old tank-

er companies are not going to change. They will continue to use London for their broking requirements," said Jewell.

ACM made its first foray into the dry-bulk markets in 2010 and has since gone on to establish desks in the UK, China, Australia and Singapore. After a chance meeting with Shetty shortly after

his arrival in Dubai, Jewell became increasingly interested in ICON, which Shetty had launched in 2010.

ICON is the culmination of Shetty's 24 years in the shipping, broking and logistics fields. The company is part of Kellet & Singleton Investments (K&S), Shetty's multi-faceted business empire that

has interests that extend to aviation, logistics, manufacturing, agriculture, commodities trading and even hospitality management.

"He [Shetty] has been here for many years and has a lot of local knowledge and good contacts. This gives ACM a leg-up in a region where relationships are a key factor in business, and it fits in

well with ACM's global network," said Jewell.

Shetty, who started his shipping career with Barbers as a broker in Dubai and for many years ran a joint venture out of Dubai with project-cargo specialist Scan Trans, saw a partnership with ACM as a good way to expand ICON.

"I don't like to be a loner in business. I always run my businesses as collaborations with other partners," he said. "We have the local knowledge, they have the global resources so why try reinvent the wheel?"

ICON's local knowledge and contact base was a clear attraction for ACM but Jewell admits he also liked the company's business model. Shetty, on the other hand, says that while he was not actively looking for a partner, he liked what he saw in ACM. "What I liked best about them is that they are good old brokers. I didn't want to work with corporate types or investment bankers," he concluded.



KELLET & SINGLETON: The Rohan Shetty-led group's other shipping interests include shipping agents Nielsen & Kilbourne

Photo: Nielsen & Kilbourne