



Tristar: banks and shipping must align goals

At the 3rd Annual Maritime Standard Ship Finance & Trade conference that took place in Abu Dhabi, Chris Peters, CEO of Emirates Ship Investment Company (Eships), part of Tristar Group, spoke about the economic factors changing the face of shipping finance.

He was one of the speakers at the session on Shipping and Ports – How will politico-economic factors shape future opportunities and challenges?

According to Chris Peters, “In 2015 the average tanker rate was over \$36k/d whereas the oil price had slumped back to average only \$44/bbl. In 2016 the rate was falling and again in 2017 the fall continued for tankers, whereas the oil price had been stable until a few months ago and now is trending upwards currently mid-high \$50’s. The markets are unpredictable but we must adapt to the change. Banks must be more transparent about their position so that shipping companies can work with them to ensure proper financing is available for business growth.”

He pointed out that historically the banks have held on to their RaRoc models to protect themselves from competition.

“I think this is where the banks now need to move on,” Peters added. “If the clients understand the position of the bank then they can adapt themselves to work with the bank rather than against them.”

Shipping companies should not act like they are victims of economic and political changes. Instead, they must adapt to the changing environment they are in. He also said that banks have a duty to explain their existing and potential requirements so that customers can prepare themselves the best way possible to have a mutually beneficial partnership.

The conference brought together experts from the fields of shipping, ports, banking, finance, trade and maritime law, among others, to discuss and debate the key issues and trends in the Middle East and Subcontinent. The conference highlighted the main challenges, as well as key opportunities that exist in this region for financing to stimulate trade and shipping activity.