

# Dublin welcomes Marine Money

*Event Report: 1<sup>st</sup> Annual Marine Money Dublin Ship Finance & Investment Forum, 31 October 2007*

***Not only is Ireland a net exporter of shipping services and that foreign shipping companies are setting up shop in Ireland, but Marine Money has arrived with the ensuing publicity and exposure for shipping and shipping finance.***

In the beautiful city of Dublin and the wonderful setting of the **Four Seasons Hotel** Marine Money Wednesday hosted the inaugural Marine Money Dublin Ship Finance & Investment Forum with **Anchor Sponsor Bank of Ireland**. Over 110 attended to hear the two pronged rationale for the conference. Firstly, in co-operation with **IMDO (Irish Maritime Development Office)**, to promote Ireland as a venue for foreign shipping companies to establish their corporate headquarters and secondly to educate the Irish investment dollars (or euro) about shipping investment opportunities and how those investments can be monitored and managed.

The day began with a keynote address by **Mr John Lumsden, Assistant Secretary General and Head of Maritime Transport** at the Irish Department of Transport. Mr Lumsden noted that Ireland is home to leasing companies owning 1,600 aircraft valued at \$100 billion. It may take some time for shipping to catch up but the framework is in place with an enhanced business environment for shipping services and activities. Ireland is now a net exporter of shipping services and has 20 companies availing of the Irish tonnage tax and several more in the pipeline.

The first session was entitled setting the scene. **Fred Doll** of Dollship presented on the importance of shipping to world trade. **Dr Dan**



**McLaughlin** of the Bank of Ireland gave a presentation entitled the “Irish Economic Miracle” and amply demonstrated the healthy growth of the Irish economy – growth year on year of over 9% in the 1990’s and just below 6% today. Current growth is mainly due to increases in household income caused by increasing employment (much of which is migrant labour) and accordingly increased consumer spending. **Kevin Oates** of Teviot Consultancy Inc presented on shipping as a place to invest and crystallise successful investment returns.

The second session discussed private equity and shipping investments and particularly saw two talks by **Ness, Risan & Partners** and **NRP Asset Management** indicating how the inexperienced investor can feel safe investing in shipping and how private equity can successfully be raised for shipping investments. Also **Marie Hunt of CB Richard Ellis** gave a discussion about the fundamentals of property investment. Property is an area where Irish investors are comfortable and indeed where





most of the investment equity has been invested over the past few years. What was interesting about the panel was the consensus amongst the panelists that property and shipping have similar investment criteria – high value assets, manageable revenue stream, benchmarked residual values. Even **Marie Hunt**, a novice to shipping, agreed that there is no reason why some of the Irish investment equity should not be allocated to shipping investments, provided the counter parties in the transaction are well experienced and with track record.

After lunch **Paul Packard of Bank of Ireland** moderated a corporate finance panel. Ireland has also become a well respected financial center with benefits for complex structured finance products. **PJ Henehan of Ernst and Young** discussed a major Eurobond issue for Royal Caribbean Cruises Limited and **Bertrand Pignault of BNP** discussed a major securitization issue for CMA CGM, both of which had structural and legal links to Ireland. **Jefferies & Co** gave an update on the capital markets for shipping and how this market is flourishing and **Pat O'Brien of KPMG Tax Advisors** discussed why Ireland is a center of excellence for aircraft leasing. Again the similarities of aircraft leasing and shipping finance were compared in terms of capital



intensive industries with manageable revenue streams.

The final session of the day was entitled “The case for shipping and shipping investment in Ireland. The experts are here.” The session was moderated by **Helen Noble of Mason, Hayes & Curran**. **Glenn Murphy of IMDO** opened by stating that five years ago some acorns were planted that are now bearing fruit. Not only is Ireland a net exporter of shipping services and that foreign shipping companies are setting up shop in Ireland, but Marine Money has arrived with the ensuing publicity and exposure for shipping and shipping finance. Next **Enio Spurio, CFO of d’Amico International SA** which has set up corporate headquarters in Ireland, advised that the pulling power of Ireland was not only the beer and the music, but also the qualified personnel and expertise, the beneficial tax regime and, not least, the language, natural English speakers. **Pat Corcoran, Financial Director of Arklow Shipping Limited** which has weathered storms in Ireland but is now a healthy company of 39 owned and chartered vessels, told us why they will never move from Ireland as their corporate base; **Paul Packard, Head of Marine Industries at Bank of Ireland**, a bank with a shipping portfolio of some \$1.3 billion gave an





insight into debt finance; **Jim Healy of KPMG Tax Advisors** advised about setting up the legal structure to take advantage of Ireland's tonnage tax benefits; and **Mark Avery of Chemstar Tankers Ltd**, Ireland which is a fully owned subsidiary of a Turkish shipping company and seeking Irish private equity to acquire a fleet of chemical tankers.

We believe that we passed across the dual messages to our delegates. Ireland is indeed a potential venue for certain shipping companies looking for a place with corporate governance, tax incentives, experienced labour force and



attractive location. At least one major Italian company, d'Amico, have already set up their corporate offices here and our intelligence tells us that there are up to six more transactions in the pipeline from within and outwith Europe. And we believe that our presenters gave convincing arguments for shipping investments.

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**Final List of Participants Registered is available at:**

[http://www.marine-marketing.gr/marinemoney/pdf/DublinSF07\\_participants.pdf](http://www.marine-marketing.gr/marinemoney/pdf/DublinSF07_participants.pdf)

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**See you in Dublin again next year at the  
2<sup>nd</sup> Annual Marine Money Dublin Ship Finance & Investment Forum**