

## MIDEAST SHIPPING &amp; TRADING

The ship-recycling business is moving into a new era and one cash buyer intends to lead from the front.

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London

Steve Wansell has the same high-energy approach to his job in the ship-recycling business as he demonstrated while running the London Marathon last year.

He finished the race in a creditable three hours and 45 minutes and raised £17,500 (\$27,258) for the British Lung Foundation. At Mideast Shipping & Trading Ltd, he has left the starting blocks with an equally clear vision of where he wants to go.

After pacing himself for 24 years in the banking industry, Wansell's sprint to the job of general manager with cash buyer Mideast Shipping seems, on the surface, an unusual move. But dig a little deeper and it makes more sense and maybe flags up the way the industry is moving.

Well groomed and wearing a pin-stripe suit, Wansell is certainly not the kind of figure you would expect to be trading end-of-life tonnage bound for the beaches of Alang or Gandani at the dirty end of shipping.

But the cash-buying business is changing and Wansell may be blazing a trail toward respectability that others are already starting to follow. Not so long ago he was deputy general manager in the UK for Bank Mandiri but says he saw a career opportunity and seized it.

"Life to me is about opportunities," said Wansell. "They don't always come up but if they do, go for it."

Cash buyers are the middlemen, the oil in the recycling chain between the shipowners selling superannuated ships and the breakers situated mainly in the Indian subcontinent or China.

Typically, they are of Indian, Pakistan or Bangladesh origin, which immediately sets Wansell apart from the pack. But he is no stranger to the business.

# New face of the scrap trade



His former employer, Jakarta-based Bank Mandiri, pioneered the funding of scrapping deals and it remains at the forefront.

Dubai and Sharjah-based Mideast Shipping is headed up by Indian managing director Shabbir Baig, who has been in the business for more than 20 years — over 12 as a cash buyer with Mideast.

Historically, the company has owned smaller, older trading vessels and currently has a number of tugs on its books to assist with dead vessels it may be recycling or that are chartered out to an Indian corporate or the Pakistani

government for port duties.

Today, its core cash-buyer activity accounts for an average of 75 ships per year, placing it among the leading half-dozen companies of around 20 involved regularly in the business.

Wansell says a lot of local recycling tonnage is picked up in the Middle East where business is still often conducted in a very traditional way. "You can meet someone in the morning, strike a deal in the afternoon, pay your deposit and you have a signed contract," he said.

"That regular business provides us with a platform to then be com-

petitive in the world marketplace."

Recent negotiations have also involved, for example, tonnage in South America, and Mideast Shipping's reach is set to increase.

The company has been expanding during the past four or five years, including setting up a London operation and "it probably won't stop there", says Wansell.

The UK is probably the biggest place for purchasing recycled vessels and "the City [of London] offers everything" — brokers, banks, lawyers and insurance companies, all vital links in the demolition chain, he says.

But now, Mideast Shipping is turning its attention to establishing a presence in the Far East in order to spread its purchasing net.

"We don't expect to make millions overnight but what we are looking to do is make Mideast [Shipping] a global operation," said Wansell. "If you get global coverage right, like any other business you take a fair share of the pie."

Wansell believes that within the next three or four years, five or six cash buyers will control a majority of the market.

He says owners are becoming more fussy about who they sell to, not only because of environmental

**Steve Wansell: "Shipowners in today's market want a hassle-free way of selling. That is what I have come in to do. There are even more vessels to be purchased if you can market your brand. It isn't rocket science."**

## Solid banking experience will help effort to change recycling's image

Twenty-four years' experience in banking is what Steve Wansell says he brought to Mideast Shipping & Trading.

He has worked for American, French, German and most recently Indonesian employers in the form of Bank Mandiri. For years he has specialised in demolition.

"I had an opportunity for a career change and do something I have a massive passion for," he said.

It seems that Mideast Shipping approached Wansell but interestingly it was not the only cash buyer to offer him a job, which is perhaps a sign of how a sector in the twilight zone of shipping is seeking to throw off its often shady, cut-throat image.

"This is my image," said Wansell. "I am a City worker with good principles and a significant amount of experience dealing with people in many different industries."

He concedes that recycling is the dirty end of the industry but increasingly it is about presentation. Cleaning up the demolition market's image isn't such a bad thing.

"I'll be the mouthpiece for the group. We'll be doing more travelling around the globe and spreading the name," he said.

"I'll be working hard to position ourselves so that we get the utmost respect from brokers, financiers and underwriters because this is a big industry."

Most ships are sold through brokerage channels but some business is done directly with owners and it is here that Wansell's track record as a banker in demolition has already opened doors, he says.

"Even small things like dealing with an underwriter means you can explain the risk and maybe provide more information on a specific vessel," said Wansell. "You have the ability to sit across a table and explain a deal and if you get it right, you get the vessel insured and maybe at a more competitive price. If they want information you have to provide it. No point ignoring it."

Wansell worked originally for US securities house EF Hutton as a foreign-exchange trader, before

moving to Bayerische Vereinsbank and then Banque Worms, working with shipping and general trade clients.

When his general manager left the French merchant bank to join Bank Mandiri, as it is today, he followed. "I left on extremely good terms and still have facilities there," Wansell is quick to stress.

At the time, Bank Mandiri was the first to really lend to the ship-recycling business, he says. Wansell remembers in detail those early deals.

At Mideast Shipping, boss Shabbir Baig, 43, is described by his lieutenant as being hard working and successful but without an ego. "He's very level-headed, doesn't get excited and knows

when to pass on a deal. I think we complement each other well."

Surrounding them are what he describes as a good team including operations manager Moazam Shah and in-house superintendent Peer Mohammad.

Wansell, who hails from Hertford in the UK and is a keen fan of Tottenham Hotspur football club, says as a family man he wouldn't have given up a career in banking if he had not been convinced it was the right move.

Certainly he is keeping fit for the task ahead. Wansell will be running the London marathon again this year.

Willing him on will be his wife of 20 years, Sarah, as well as son James, 15, and daughter Ella, 9.