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Chairman's Commentary



The pervading conventional wisdom is that the freight markets will remain depressed for another 1-2 years—in both the dry and wet sectors. The key word may be "survival" rather than "growth" and how our industry weathers this storm may provide lessons for future generations.

One of the aspects that is different from previous industry depressions is the amount of capital that is on the sidelines and ready to invest in the industry. The maritime world has not hitherto been a lightning rod to outside capital but we are poised now on a threshold of aggressive investor interest.

The recent turnout at Marine Money in New York - over 1,000 delegates- was testimony to the interest in the space shown by non-traditional investors.

Transactional creativity will be critical for many companies going forward and New York will continue to be the breeding ground for fresh capital and fresh ideas of how to deploy such funds.

So while we sit and wait for a market turnaround let us be mindful that the strength of the New York maritime cluster goes right to the heart of the most pressing needs of ship owners and operators...

NYMAR Interviews Jeanne Cardona—ASBA's Guardian Angel for Ship Brokers and Agents



[Jeanne Cardona is the Executive Director of ASBA—the Association of Ship Brokers & Agents, located in Englewood, NJ]

NYMAR: **How are brokers and agents faring in this recessionary market cycle?**

ASBA: These are indeed tough times for our members. Rates are depressed and competition is fierce with more tonnage than cargoes in both tanker and dry cargo markets. As is the case with any recessionary market cycle, the strong will survive and I believe that ASBA members are indeed among the strongest ship broker and agency companies.

NYMAR: **What do they see are the prospects for the future?**

ASBA: As our President, Tom Roberts, has noted, the large quantity of newbuildings on the horizon means more business for member ship brokers and agents. We all recognize the importance of the maritime industry and that is here to stay. Member ship brokers are full service. They provide valuable market information to their principals to ensure that the "price is right" for their fixture, generate the charter party and monitor the fixture via their operations department. Member ship agents have "raised the bar" for agency in the US and Canada by supporting a self-imposed annual certification process through ASBA. The Federation of National Associations of Ship Brokers and Agents (FONASBA) recognized the value of ASBA's Agent Member Certification and adopted a similar standard for their members worldwide. Quality, full service ship brokers and agents will be around to enjoy the next market up tick.

NYMAR: **How as ASBA supported its members during these difficult times?**

ASBA: Our Association's focus and services have not really changed given the difficult times. ASBA members use the association as their vehicle to commune with their industry counterparts and customers. ASBA members enjoy networking at several "free" social events each year, our Annual General Meeting and the ASBA/Baltic Reception hosted at the CMA Shipping Conference. For brokers and agents, relationships are critical. Members use our social events and Annual Cargo Conference, Sept. 28-30 at the Eden Roc in Miami Beach, to maintain these relationships which are especially important when times are tough. Our member companies also take advantage of discounts offered on our maritime education courses and seminars. Introductory courses are used to train member new hires while our live seminars benefit both the novice and more experienced brokers and agents. Our annual dues are inexpensive when compared to other industry associations and have not been increased for over 5 years. ASBA's primary source of income is from our maritime courses and seminars, not dues.

NYMAR: **How is the broker/agent world changing?**

ASBA: I believe that consolidation is one of the biggest challenges facing member companies. We have seen consolidation at all levels; the principals (ship owners and charterers) to member ship brokers and agents. Certainly one of the major changes is technology and the abundance of information now available via the internet and email. Member brokers are inundated with emails which they must interpret and assess to monitor the market for their principals.

NYMAR: **Why is ASBA located in the New York Maritime Cluster?**

ASBA: It all started in New York City, for ASBA in 1934. The majority of our members are still located in the tri-state area; however, technology has enabled companies to leave downtown Manhattan. Many member companies have left the area to set up shop closer to their principals, as is the case with Houston. ASBA is centrally located in Englewood Cliffs, NJ. From the office, it takes less than an hour to drive to the offices of most of my members.

NYMAR: **What are the attractive features for brokers and agents of being in this region?**

ASBA: This region provides members with an extensive maritime community. Member brokers and agents recognize the importance of building relationships which can easily be accomplished in this region. Maritime is still a people business; ASBA strives to host member events that facilitate maintaining these relationships.