

# Elektrans teams up with CST in global quest



**GATEWAY:** Elektrans Shipping can help Chemikalien Seetransport into the Indian market. Photo: ELEKTRANS

A joint-venture tie-up with Germany's Chemikalien Seetransport has spearheaded Indian tanker operator Elektrans Shipping's attempts to become an international player

Jonathan Boonzaier **Singapore**

Newly launched joint venture Chemtrans India has given German Chemikalien Seetransport (CST) a door into the protected Indian market while allowing Elektrans Shipping to tap CST's extensive expertise in the international tanker trades and gas sector.

TradeWinds sat down with Elektrans group chief executive Michael Elwert to discuss what the joint venture entails, and what other plans the company has for the future.

Elwert was recruited in April this year, bringing with him more than three decades of shipping experience that included senior roles at Maersk and shipmanager Thome Group. Based permanently in Singapore, his task is to spearhead the company's growth into the international shipping markets. The CST venture was one of the first projects he tackled.

"A lot of companies want to go into India, and we see ourselves as providing the gateway. There are a lot of synergies to be derived with Chemtrans," he said.

"CST has an excellent reputation in the tanker segment and a very strong consultancy arm called Marine Service (MS).

"At the end of the day a partnership is all about trust and chemistry and both parties feeling comfortable doing business with each other," Elwert added.

He stresses that the partnership was not just about giving CST a means get its ships into India.

"The goal is for us to pursue business opportunities that both parties feel will benefit themselves and each other. We see the possibility of co-investments on tanker tonnage under the Indian and other flags. The partnership is not just India-focused," he said.

Chemtrans India has a strong interest in the gas sector. "Gas as a fuel gives us a lot of potential possibilities. There is strong interest in gas in India. CST and MS are not

new to this. They have a wealth of expertise and in India and a German brand is held in high regard.

"For us it is all about taking a long-term view to position ourselves to tap into this growth market. We will look for projects and grow a consortium around them," Elwert said.

Chemtrans, he reveals, is now looking at what he describes as a very concrete project in Sri Lanka that would involve providing LNG power to the country's national grid.

"This project would cover the whole logistics chain. We are coming up with a concept to bring in the LNG, transfer it to a floating storage regasification unit, and then use it in a power plant that will either be onshore or on a barge," he said.

#### DECADES OF EXPERIENCE

Elektrans is no stranger to working with foreign partners. The company was founded in 2001 by its current executive chairman, Daniel Chopra, as a shipmanagement company called Danautic.

Five years later the Peter Doehle Group bought a significant equity stake in the company, which was rebranded as Doehle Danautic India (DDI), and expanded into freight forwarding, coastal shipping, and marine-crew travel services.

Elektrans also has a joint venture with Singapore-based Thome Shipmanagement involved in crewing. That is where Elwert and Chopra first came in contact with each other.

"I liked what I saw in the company, and after nine years in shipmanagement I saw it as a good opportunity to come back to the commercial side," Elwert said.

DDI was re-invented as Elektrans Shipping after Chopra

bought back Peter Doehle's equity stake in 2015.

It then branched into shipowning, acquiring in quick succession an aframax tanker, a suezmax tanker, a medium-range (MR) products tanker and a chemical tanker. All are Indian flagged and are out on long-term charter contracts.

In addition, a very large gas carrier (VLGC), the 75,800-cbm *Sharpor* (built 1979), is co-owned with foreign investors.

#### TIMING IS THE ESSENCE

Earlier this year Chopra told TradeWinds that Elektrans had set its sights on increasing its fleet to 20 ships over the next two years, including the acquisition of MR tankers and VLCCs.

However, Elwert injects a strong note of caution to these plans.

"We won't just go out and buy a whole lot of tankers just for the sake of amassing a large fleet.

"Every deal will be looked at on a case-by-case basis. Asset plays are about timing. It is about acquiring them at the right moment, and equally as important, knowing when to offload at the right time.

"We are relatively asset-light, which puts us in a good position to go into segments that look promising," he said.

Future acquisitions will be both Indian and foreign flagged as Elektrans seeks to expand its sphere of operations to become an international tanker player.

Elwert says there are plans underway to make Singapore a corporate headquarters and he

hints that it may also own ships out of Singapore in the future.

As for financing the company's ambitious growth plans, Elwert admits that it is perhaps not the best time to talk to traditional shipping banks. Instead, he points to a lot of funds, including private equity and venture capitalists, coming back into the shipping markets.

"Our job is to present them with a project they feel comfortable investing in. You have to go a little bit away from the mainstream and do something that adds value, such as putting together a specific project.

"The markets might be terrible but there are opportunities out there that still present a good business case," he said.

When asked to sum up what his overall goals are as chief executive, Elwert states that he wants to build up a diversified business portfolio that works together in an anti-cyclical manner.

"That is what keeps you sustainable and why I will expand by going into different business verticals. It is important that the company does not grow by focusing on just one market segment," he concluded.

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**MICHAEL ELWERT:**  
Elektrans Shipping  
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