

(inside) marine

Agriculture & Energy Carriers (AEC)

For a summary of AEC's current activities, please enjoy this preview article which is to appear in the upcoming edition of Inside Marine magazine.





AGRICULTURAL & ENERGY CARRIERS | PROFILE

ATOP THE WAVE OF CHANGE

Agriculture & Energy Carriers (AEC) has enjoyed a steady rise in fortunes since its foundation in 2011. The Nassau based dry bulk cargo shipping company has weathered the many storms of a constrained market over the years, and in 2018 is poised to continue enjoying both an uptick of market demand and a promising foundation from which to enter the 2020s. CEO Lars-Peter Madsen recapped the most recent of the company's achievements, and outlined the path ahead. Tony White reports.





From its headquarters in the Bahamas, supplemented by the activities of its representations in Brazil, Switzerland and England, Agriculture & Energy Carriers (AEC) continues to enjoy one of the more remarkable success stories of the world's younger dry bulk cargo firms.

Established in 2011, AEC is a dry bulk shipping business operating with a lean staff complement, but with IT and digital integration to render the business more than capable of charting its course across the globe.

Steel, coking coal, grains, fertilisers and general cargo of all kinds have each found safe conveyance through the company's fleet in the past, and as CEO Lars-Peter Madsen explained, one of the secrets to AEC's success has been cost control.

"We continue to run a very lean organisation, based on modern ways of working and operating and with constant focus on our overheads," he stated. "As of today, AEC owns three high quality and well-maintained Japanese open-hatch semi-box shaped larger Handysize vessels, with 32,250, 33,550 and 37,500 DWT. The balance of our fleet about 25 vessels are short to long time-charter ships."

A year of progress

AEC has swept from 2017 to 2018 with confidence, balancing a highly busy period of activity with a number of growth incentives set to position the firm for 2019 and beyond.

"We have expanded our activities and had a very active year," Mr Madsen recapped. "More period vessels have been active in the fleet as a natural result of the improving dry cargo market, and we have even attended our clients' needs for vessels up to Kamsarmax size – of about 83,000 DWT."

This ability to move with clients' needs and remain the partner of choice to their endeavours is a signature means of doing business for AEC.

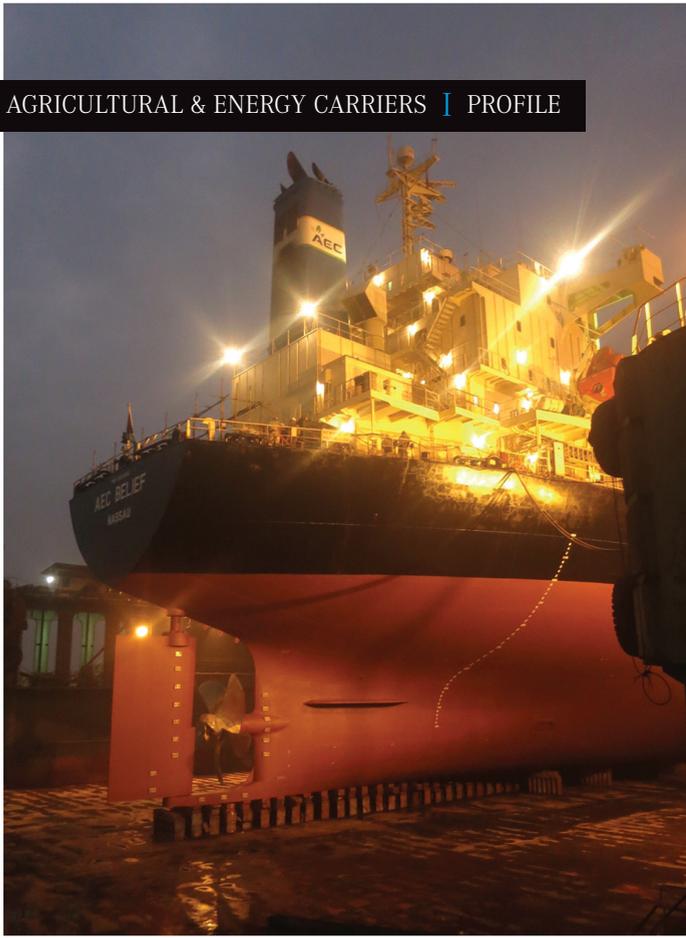
"As far as demographics go, we have expanded in the Handysize segment, but also carried more into the larger segments," Mr Madsen continued. "Should investor interest continue to prove strong, we foresee ourselves becoming ever more active in the Supramax to Ultramax and Panamax to Kamsarmax segments."

Primarily, AEC has continued to leverage its distinguished reputation in the seas surrounding the Americas, with a reputation won in Atlantic trading especially. That said, the focus of the business is a global



Lars-Peter Madsen is an active sailor in the Bahamas and its surroundings, racing everything from Laser dinghies, Brenta 30 to 50 footer yachts.

AGRICULTURAL & ENERGY CARRIERS | PROFILE



one, and moving ahead, AEC anticipates far more activity in areas such as the Baltic, the Mediterranean and the waters surrounding Continental Europe.

Atop all this rest AEC's niche specialisms – the company is renowned as a trusted carrier of more select, challenging and specific cargo.

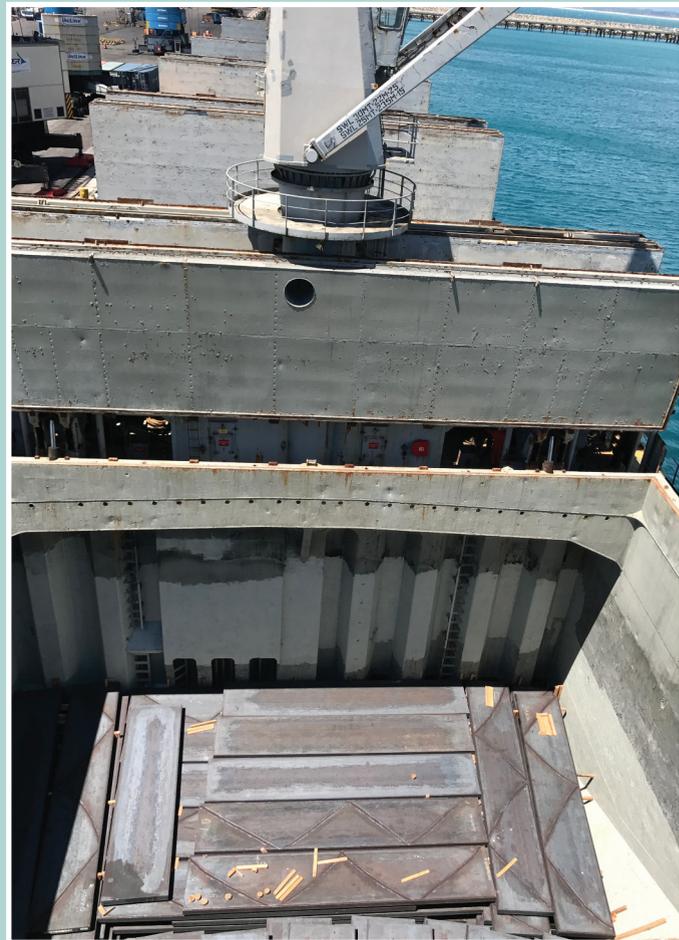
“Our constant developments in our core markets have been gratifying, as has the fact that we are a preferred carrier in the project cargo segment,” Mr Madsen noted. “Specialised cargoes, such as bagged cargoes and steel products, are areas where we have worked hard to see our fleet recognised for their capabilities and service.”

Cool heads in choppy waters

Although the dry bulk cargo market recovery that Mr Madsen alluded to in his previous discussion with Inside Marine back in 2017 has proven fortunate for his business – and welcomed worldwide – AEC balances its ambition with the understanding of the challenges of our age.

In terms of competition, the business remains distinct enough to hold its own though, as Mr Madsen observed.

“Competition in this industry has always been severe,” he said. “In many respects that is a good thing, keeping us all on our toes. That said, despite our modern means of operating, we still adhere to what one might call the ‘old principles’ of solid, personable relationships, based on integrity. We couple that with first class service and solutions that separate us from the pack, to the extent that I would regard us as among the top 10% in this industry on that front.”





In terms of the more practical questions of today, AEC has proven pre-emptive to ballast water treatment (BWT) regulations as they have come online.

“On our newbuilds, we decided to install BWT technology from the get-go, and it turned out that our evaluation process worked, insofar as we managed to install systems that were actually later approved,” Mr Madsen highlighted.

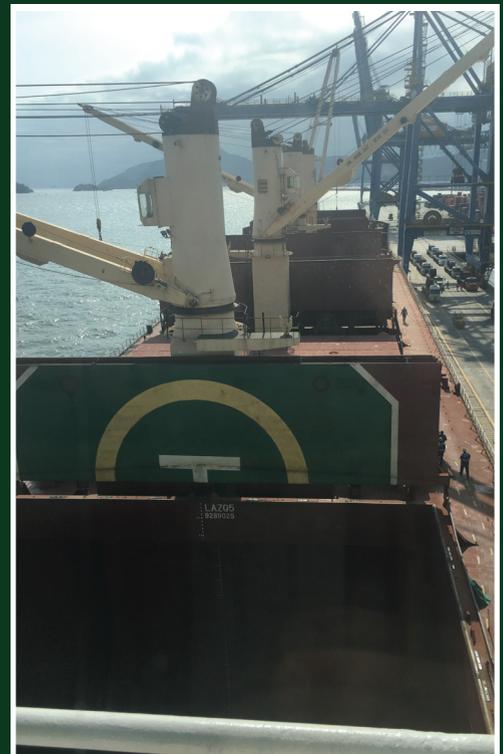
“The other issue of shipping today – the ultra-low sulphur fuel regulations entering play in 2020 – are a foggier issue. While the huge changes have rattled our industry, my opinion is that in the rush to comply, many companies are wasting multimillion amounts, not least since the best course of action does not seem as straightforward as anyone hoped. That said, I have faith that we at AEC will handle the change well.”

The coming dawn

By this time next year, AEC intends to function as a US\$150 million turnover business. Beyond that, the business is already planning the movements it will make in the 2020s – a big part of that will relate to the tonnage in the market, and the growth of dry bulk shipping overall.

“Aside from consistent business development, AEC’s next phase will be one focused on the company’s investor base,” Mr Madsen outlined. “If the economic fundamentals we are seeing remain on track, next year could again outpace 2018 for the dry cargo market.

“However, it has still been a bit slower recovery than many had foreseen – and we must remain on top of sustainability potential, which itself leans on the number of newbuilds on order and how these numbers develop. Nonetheless, we are in good shape, and have plans to take our business into the 2020s in great form.” ■



Get your business
seen.

(inside) marine

(inside) industry

(inside) energy

(inside) food & drink

Your Media Partner

Inside Marine, Inside Energy, Inside Industry and Inside Food & Drink report on the latest technologies, acquisitions, mergers and appointments across each magazine's relevant industry sectors. The magazines provide comprehensive media services to help companies connect to new opportunities.

Printed & Digital Media Services

- Magazine
- Articles
- Advertising
- News
- Brochures
- Marketing Packages
- Design Service
- Web Advertising

(inside) food & drink

t: +44 (0) 1502 576953
t: +44 (0) 1502 533030
e: sales@insidefoodanddrink.com
w: www.insidefoodanddrink.com

(inside) marine

t: +44 (0) 1502 576953
t: +44 (0) 1502 533030
e: sales@insidemarine.com
w: www.insidemarine.com

(inside) industry

t: +44 (0) 1502 566216
t: +44 (0) 1502 533052
e: sales@insideindustry.com
w: www.insideindustry.com

(inside) energy

t: +44 (0) 1502 566216
t: +44 (0) 1502 533052
e: sales@insideenergymagazine.com
w: www.insideenergymagazine.com