

Every link in the chain

With a history of marine finance dating back to 1720, ABN AMRO is perhaps among the banks in the world best qualified to spy good investments along the entire maritime value chain.

“We finance ships and ports, the supply industry, yards, inland waterways, global shipping and offshore equipment,” says director of global transportation investment at ABN AMRO Gust Biesbroeck, in an emphatic confirmation of their broad maritime reach.

Not restricting their scope to operations and technology, ABN AMRO also deals in commodity financing, for example funding not just tankers, but their cargo.

“We try to understand how the whole maritime value chain works,” Biesbroeck explains. “It’s a fairly unusual strategy, but it gives us some advantages. By investing along the entire chain we gain access to more activities, and are better able to assess the risk.”

Though not uncalculated risk. In kind with the mariners they have financed over the centuries, ABN AMRO embarks on their global journey emboldened by sound competence built up on their home territory. “Being strong in our home market is the foundation for our global mandate,” Biesbroeck maintains.

And going global requires its own mindset: “We have offices in all the relevant maritime cities around the world. Keeping a global team connected requires special measures, not just technologically, but with an eye to the human side, making sure that people meet, and get to know and trust each other.”

It all adds up

Reflecting their slogan, ‘A better bank for a better world’, ABN AMRO sees sustainability as an integral part of their strategy. “We try to use our capabilities to accelerate the transition to a more sustainable economy,” Biesbroeck explains, adding that this has proven to be sound business practice.

“Sustainability is completely essential to long-term wealth creation in the world,” he maintains. “We are convinced that the maritime companies who get this right will be tomorrow’s winners.”

Though they have proven their dedication to financing cleaner, greener newbuilds, ABN AMRO is also willing to invest in cleaning up today’s outdated ships by financing

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green retrofits. A founding member of the Sustainable Shipping Initiative, a ‘coalition of the willing’ aiming to achieve successfully sustainable shipping by 2040, they participate actively in the organisation’s three pillars of a green foundation for shipping: dialog, sustainable recycling, and retrofitting.

Their financing of Grieg Green, a sustainable ship recycling enterprise in Norway’s Grieg Group, is one recent example of putting their money where their mouth is. “It was slow in the beginning, but now we see their growth is accelerating.”

Riding the green wave, ABN AMRO recently issued their first green bond to fund a sustainable real estate portfolio. Now they are employing the same methodology to investments in shipping. “We are looking for proven technology that creates additional cash flow from other savings. The key is to start seeing a ship not as a separate entity, but as part of the logistic value chain.”

Heading for a revolution

After 25-plus years in the maritime finance business, Gust Biesbroeck can still be inspired by the newest comers to the industry: “I recently attended the annual dinner at the Port of Rotterdam, where they presented around 20 startups from their new incubator.

The companies each had 90 seconds to pitch their ideas, and I was very encouraged by the innovative concepts they presented.”

Focusing on digital technology and connectivity to drive improvements and rectify inefficiencies in the value chain, the startups are targeting that sweet spot that ABN AMRO looks for in sustainable investments. “Improved efficiency means better performance, and that makes any company a better risk client,” Biesbroeck confirms.

“In my years as a banker, I have seen relatively little technological innovation in shipping, but I believe the next generation will be revolutionary.” More than just ‘ships full of chips,’ Biesbroeck explains, the innovations to come will be more disruptive by making ships more efficient, and thus more attractive as investment objects.

“It could shorten the life of ships, making them obsolete much quicker than we have seen up to now, or they could force more new ships out on the market.” Either way, the revolution will have the same effect: out with the old, in with the new.

The bad brings out the good

Though they stand apart in their approach to the maritime value chain, ABN AMRO is in the same boat as



Gust Biesbroeck



The Anthony Veder

nearly all other players on the maritime market in 2016: Times are hard, and they're not getting better soon. "Shipyards are running out of orders," Biesbroeck acknowledges. "Those who survive the current downturn will have to come up with something new. The next wave of innovation will be driven by companies with clear targets for improving logistics."

He cites a major Dutch conglomerate as an example, though there are many with the same approach. "Cargo owners demand green ships for green products." In turn, carriers put the same demands to their chosen shipbuilders: "Investment funds are moving away from anything that pollutes, and that will trigger reactions up the value chain."

In a down cycle, any innovation that conserves resources is welcome, Biesbroeck believes, because reduced consumption means reduced costs. "Honestly, a downturn will often be good for the banks, simply because it puts us in a stronger bargaining position. The upside for society is that

it makes it easier for us to present stronger demands for sustainability to our clients. As a bank with green goals, we can use the down time to leverage more sustainable shipping."

ABN AMRO recently conducted a study to quantify the risk associated with going green. "We found a high correlation between the best run and the most sustainable businesses," Biesbroeck reports. "The best run companies are also the most sustainable, and they proved to be the best credit risks. Running a clean ship works in every way."

A strong link

Here Gust Biesbroeck may be on the trail of the answer to shipping's modern riddle: How to be perceived as part of the solution for society, instead of being blamed for the problems.

"In many of my presentations I try to make my audiences more aware of the role shipping has in their lives – the coffee you drink, the clothes you wear, the car you drive, your TV, your phone, all those things have come to you on

ships, and that's a good thing, also for the environment. But most people know very little about shipping unless they hear about an accident of some kind."

So how to change the image of the industry? "Many in shipping feel that it doesn't matter what the general public thinks about us as long as we do our job, but I disagree. I believe we need to help people understand that shipping is completely vital to the life that we live. We are living in a connected world, and that is our business. Connecting people with the things they need to live. I believe the way to help people understand this is really just to keep telling the good stories," Biesbroeck concludes.

With 300 years in one of the oldest and most well-respected maritime communities in the world, now helping the industry to meet their most pressing modern challenges, ABN AMRO is certainly in a strong position to keep spreading the good word.



APM Terminal, Port of Rotterdam



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