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PROFILE

Navigating choppy waters

Chanwit Anakkul's Prima Marine seeks to make a splash in a transport sector dominated regionally by Singaporean operators. **By Yuthana Praiwan**

After more than 30 years' experience in oil and petrochemical fleet marine, Chanwit Anakkul had an ambitious goal for Prima Marine Plc (PRM) to list on the stock market and become one of the leading fleet marine operators in Southeast Asia.

Now 60, Mr Chanwit is PRM's chief executive and also one of the founders.

He says marine transport for liquid petroleum and petrochemicals in the region has been dominated by Singapore's marine operators over the past several decades, while Hong Kong and Japan are much stronger at the Asia-Pacific level.

"PRM is only a medium-size fleet operator, so to become the leader at home and have a regional outlook, we have to work harder than other large operators," he says.

After graduating from the Royal Thai Naval Academy and starting work in marine logistics at Thaioil, the country's largest oil refiner, Mr Chanwit felt that the sector had plenty of room to grow in the long run.

Most shipment of liquid petroleum and petrochemicals in the country has served businesses of the PTT group since the days when the national energy firm was known as the Petroleum Authority of Thailand.

Mr Chanwit says Thailand for a long time lacked knowledge of marine management and the full support of tools from economic policymakers.

The government set about developing the

industrial and energy sectors in the 1970s, but marine business was missing in the initial plan.

Moreover, marine logistics for oil and petrochemicals was seen as far beyond the competency of Thai companies to become strong competitors in Southeast Asia.

Mr Chanwit says the government's flagship Eastern Economic Corridor scheme is being implemented and 10 targeted industries specified, but fleet marine for oil and petrochemicals remains on the sidelines.

"From my experience, marine transport is so crucial for the country's industrial sector, but we are low in competitiveness in the regional picture," he says.

Each year, liquid petrochemical products are exported from Thailand in a combined volume of 5 billion litres. Of the total, 4.5 billion litres is handled by overseas operators. Thai companies, including PRM, represent 500 million litres.

After witnessing the potential room for expansion in the sector, Mr Chanwit restructured PRM for listing on the Stock Exchange of Thailand as a first step to strengthen the business.

"PRM had its organic growth from each marine asset before listing on the SET, then after financing funds from the initial public offering, PRM now has the full equipment to compete with other larger marine companies," he says. "It is like we are in a battlefield and we should prepare a full weapon to fight with other rivals, otherwise we cannot win in this game."

PRM's IPO in the third quarter of 2017 raised capital of about 5.2 billion baht. The company received a warm welcome from investors, particularly institutional investors.

CHANWIT

PRM was started by the Parnboonom family as a low-profile local business in 1987 by providing land transport for PTT under the name Nathalin Group, then diversified into other marine services by grouping several subsidiary units into one in 2013.

Nathalin was renamed Prima Marine in 2015 before the IPO programme took shape.

Several analyst houses believe that PRM has made a big step for growth during 2017-19 because the cash gained from the IPO can go to expanding fleet capacity in all segments of services: liquid petroleum and petrochemical marine transport, floating storage marine, ship transport service for exploration and production platforms, and marine fleet management.

Kasikorn Securities, PRM's financial adviser on the IPO, says Thailand has room for more liquid transport services because the market has high demand each year and is mainly controlled by foreign operators.

A partial budget for capital investment during 2017-19 of 14.2 billion baht includes construction of eight new units for the liquid fleet at a size of 3,000-10,000 deadweight tonnes (DWT) for 2.11 billion baht and 11 new units for the big-size liquid fleet for 6.89 billion baht.

Further capital spending will go to build four floating storage units of extra large size for 4.2 billion baht and two units for ship services for exploration and production for 1.09 billion baht.

Mr Chanwit says that to reach the top 10 of liquid vessel service operators, PRM should have a total fleet tonnage of 4 million DWT, up from 2.6 million at present.

"Within five years, we aim to achieve top-10 status in this sector, but we do not care which ranking PRM will be," he says. "The rank is less important than service quality, which requires improvement in human resources."

Mr Chanwit says he believes in his capability and long work experience to make PRM competitive and effectively manage human resources.

He says recruiting good people is more vital than hiring highly talented workers, as those with good behaviour will match up with PRM's aim of creating teamwork in marine services.

"I am trying to synchronise PRM's workplace," Mr Chanwit says. "We should communicate vertically from top to bottom and bottom to top, so lower-positioned workers can respond against their boss."

He underscores that his work style is not as a dictator and that he wants all upper employees to follow suit.

Navigation of a marine vessel is not as simple as driving a car or piloting an aircraft; it requires skilled manpower. Safety is a top priority because oil and petrochemical transport involves ignitable substances.



"The space between vessel and port or vessel and seashore cannot be navigated with an automatic control system, particularly for a heavy load ship, which requires high skill and experience, so working as a team is important," Mr Chanwit says.

"In my opinion, highly talented workers will be an obstacle for the team because of their ego, so PRM needs ordinary workers who are good enough to grow further."

Mr Chanwit says the worker who perseveres may have a higher quality of work than a more talented one.

"When I was young and worked in a ship operations job, I learned nothing about legalities or the environment, but I took such a long time and started learning until I knew all parts of administration before becoming a high executive."

Marine management is a service of PRM that generates limited revenue (less than 10%), but PRM plans to emphasise the high-potential segment in the future once the human resources are fully qualified.

SET listings in the marine business were scarce on the stock market during the last two decades, so once PRM made its IPO, questions arose as to whether investors should buy PRM shares.

Mr Chanwit says PRM's staff and service quality reflect



enough value that investors can be assured of a strong return on the investment.

Becoming a top liquid marine transport operator in Southeast Asia means networking and integration. Mr Chanwit says any business rivals in the industry could potentially turn into strategic partners, which is also his working style.

He says the partnership strategy is the faster way to grow stronger and keep a regional outlook. Marine services require a huge capital investment, so when PRM receives a heavy-volume service order, the company needs a large fleet ready to go.

"Our strategic partners can sometimes help us to fulfil service provision," he says.

Mr Chanwit expects marine service business in 2018 to bottom out, thanks to a global economy that is climbing and demand for petroleum and petrochemical products in Asia-Pacific that is projected to grow by 4-5% each year.

He forecasts PRM's 2018 revenue to grow by 10% from 5 billion baht in 2017, with fleet tonnage increasing by 430,000 as eight units are added to the current 25. Capital spending will total 5.12 billion baht.

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CHANWIT ANAKKUL

CHIEF EXECUTIVE, PRIMA MARINE PLC

MAINE
P A N Y E D



BIODATA

Chanwit Anakkul

Age: 60



Education

1982: Bachelor of Science, electrical engineering, Royal Thai Naval Academy



Career

2017-present: Chief executive, Prima Marine Plc

2013-15: Executive vice-president for marketing and commercial, Nathalin Co

2009-12: Managing director, Nathalin Wellstar Energy Co

2003-08: Managing director, Kanchana Marine Co

1998-2002: Assistant managing director, Thairoil Marine Co

1988-97: Tanker operation officer, Thairoil Co

1982-88: Second officer, Thairoil Transport Co



Family

Father of two daughters

BANGKOK POST GRAPHICS

Mr Chanwit restructured PRM for listing on the Stock Exchange of Thailand, launching the IPO in the third quarter of 2017.

RIGHT
**Mr Chanwit
aims for PRM
to reach the
top 10 of liquid
vessel service
operators
within five
years.**

BELOW
**PRM's fleet
provides
transport and
storage of
crude oil and
petroleum
products.**



PHOTO: SOMCHAI POONLARD

