

A shipping man of letters



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Not many in shipping can claim to be published authors. But Elias Kulukundis has a story to tell.

Liz Shuker New York

Elias Kulukundis comes from a long line of shipowners but for him, buying and selling ships became a way to support his other passion -- writing.

New York-based Kulukundis may be the only person to combine the twin careers of shipping investor and published author.

He has hit the headlines for both in the last two years.

In mid-2001 Kulukundis sold two products tankers to OMI Corp in a deal reported in TradeWinds as "a huge asset play".

More recently he has received coverage in the general press for the re-print of his 1967 novel "The Feasts of Memory: Stories of a Greek Family".

The colourful tale has garnered plaudits for its "chronicle of one of the great Greek shipping dynasties".

Kulukundis, 65, jokes that when it comes to being a member of a famous shipping clan, it is true that "a heritage cannot be acquired. It must be conquered."

It is 20 years since Kulukundis bought his first ship, the 37,000-dwt products tanker Pegasus, on behalf of family company Rethymnis & Kulukundis (R&K), set up by his grandfather Elias and uncle Manuel in 1921. Three years later he set up Kulukundis Shipping Investments.

"In 1984 ship values were descending by the day. It was possible to lose 40% equity in a fortnight. After that I vowed I never again wanted to be on the rollercoaster going

down. In order to do that I needed to be my own boss," he said.

Kulukundis Shipping Investments has made a small number of well timed purchases in the 17 years since then.

Kulukundis has often identified the deals, bringing in other shipowning and lending partners.

He says his input has been to seal deals fast once acquisition targets have been identified -- something an owner may not be able to do.

Kulukundis Shipping Investments is currently without assets. Its chief says he is looking for new investments but is in no rush. Something in the dry-bulk industry is most likely, he says.

Kulukundis has been in the US since the age of three. His father Michael literally pulled the short straw when he and his brothers drew lots for responsibility for R&K's US office after the Second World War.

Elias says he is at home in the US and has no plans to leave. But his fascination with Greek culture remains, as evidenced by the subject matter of his upcoming book, to be published next year (see opposite page).

Kulukundis says his mother always urged him to go into shipping to fund his writing. However, he said: "The penny didn't drop for a long time." Now he combines both and was set to leave for a writing course in St Petersburg after his interview with TradeWinds.

The name Kulukundis has two possible meanings in Greek -- "the man to whom all things come" and "the little dog".

Kulukundis says he has definitely felt like both at various times in his career. But between the OMI deal and the publication of his next book, it would seem the former is the more appropriate right now.



Larger-than-life Kasos family

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Elias Kulukundis's book "The Feasts of Memory" is best described as part novel, part travel book and part autobiography.

A love letter to the Aegean island of Kasos, where the Kulukundis grandfathers were born, the book captures the vivid and often eccentric characters and customs that ran through the family's life.

Written in 1967, the book was updated and re-published last month. A new chapter on shipping was added called "Vacations Afloat". Elias says the response to the book has been even better than the first time around, perhaps benefitting from a surge of interest in Greek culture created in part by the movie "My Big Fat Greek Wedding".

So far he has given several radio interviews and has had good reviews in the New Yorker and London's Spectator.

Ironically, he has no recollection of Europe and says his first memory is of the golf course in Westchester County, Connecticut.

However, his family always spoke Greek at home and there were unique social aspects that were part and parcel of being a Greek family in the US.

"I felt I needed to write the book to learn about myself," he said.

Elias was blessed to have a wealth of larger-than-life family characters to call upon.

One of the family's tales also forms the basis of an opera written by Kulukundis.

"Three Brides for Kasos" tells the story of honey-tongued bachelor Dr Nikolakis, who inadvertently becomes engaged to two women on the same day.

Kulukundis's uncles Manuel and George -- both cornerstones of Rethymnis & Kulukundis (R&K) - - also feature heavily in his memoirs.

New-York based Johnny Kulukundis of ShippingBabes.com and second cousin to Elias, had this to say about Elias's book: "Elias Kulukundis's 'The Feasts of Memory' is a book for anyone who

has left their familial roots and history to set up new ones thousands of miles away. While the stories are unique to the Kulukundis family, leaving one's homeland to pursue a career in international shipping is an experience shared by many to this very day.

"Through his narrative, Elias singlehandedly invalidates the myth that 'You can never go home' while at the same time vitalising history, illuminating reality and stirring imagination."

Kulukundis is now writing another book entitled "The Amorgos Conspiracy", which tells the story of the daring boat adventure Kulukundis made to rescue his first father-in-law from the island of Amorgos after he was arrested and exiled by the Greek military dictatorship in 1968.

Proving that shipping and writing can be counter-cyclical, Elias says he started the new book in 1995 "after the dry-bulk market turned" but took a breather from the quill "when I went into the tanker business in 1999".

The book is due to be published next year. It also includes memories from his childhood in Westchester County.

Elias freely admits he was something of a rebel when young and he enjoyed confronting authority.

As well as the rescue of his father-in-law, he journeyed to the Soviet Union in the 1960s to meet secretly with author Viktor Nekrasov, whose book he was translating and who was then under attack by Krushchev.

He also travelled to Cyprus immediately after the Turkish invasion to make a documentary about the crisis.

The tradition of bravado runs in the family. Grandfather Elias was taken as a slave sailor by the Egyptians after they invaded Kasos in 1832 but he managed to escape.

(Prospective readers may visit www.thefeastsofmemory.com for more information.)

Products-tanker pair moored 'on the doorstep' go to OMI

The image shows a newspaper clipping. The main headline is "A shipping man of letters" in large, bold, black font. Below it, a sub-headline reads "Products-tanker pair moored 'on the doorstep' go to OMI". To the left of the main headline is a small portrait of a man with a beard and glasses. To the right is a photograph of a coastline with a beach and turquoise water. Below the main headline, there are several columns of text. At the bottom of the clipping, there are several advertisements, including one for SHIMIZU and another for OMI (Ocean Marine Insurance). The date "04.07.2003" is visible at the bottom left of the clipping.

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The first ships Elias Kulukundis pursued for his own investment company were literally on his doorstep.

Living in Westport, Connecticut, each morning he would leave the house and see two Aframax tankers moored offshore awaiting a buyer.

Kulukundis knew them to be a good deal. Owned by Sanko and the banks, the 10-year-old pair were going for \$3.5m each.

Although he tracked them for several months, investors were reluctant to back secondhand tonnage with such volatile values.

The duo were the first of many potential and completed deals.

Kulukundis's most recent deal has perhaps been his most successful.

In early 2001 he sold two 35,000-dwt products tankers to OMI Corp, booking "a very nice profit" in the process.

The Daedong-built Prospero (built 2000) and Rachel (built 2001) were originally destined for Denmark's Norden but the company's board refused to sign off on them. A broker subsequently approached Kulukundis, asking if he wanted to pick up the contract.

He was given a week to make a decision and told he could not make any changes to the terms and conditions. The price: a knockdown \$20.5m for the first ship and \$21.5m for the second.

Kulukundis says he had to overcome his ego and accept a deal that had been negotiated by someone else. But two years later he was handsomely rewarded.

OMI bought the Prospero for \$29m for a combination of cash and shares, but not before Kulukundis had traded it for six months at the top of the market. It subsequently took the Rachel for \$31.8m. The ships are on charter to TotalFinaElf.

Kulukundis says he believes there is still room in shipping for the individual investor who can make quick decisions, something a ship's operator is often unable to do.

There have also been some near-misses. Kulukundis was poised for a possible deal with Denmark's Torm in the late 1980s after identifying options for two \$18.5m products tankers at Hyundai Heavy Industries. However, the banks involved demanded a higher equity stake in the project than originally planned and Torm ended up taking both vessels. The owner almost doubled its money when the vessels were sold three years later.

Products carriers have been a speciality for Kulukundis, a hangover from his Rethymnis & Kulukundis (R&K) days.

In 1992 he bought a 37,000-dwt bulk carrier that was operated in the Ahrenkiel Star pool. He sold it in 1995. In 1994 he returned to products tankers with a 37,000-dwt ship that he owned jointly with Tschudi & Eitzen of Norway and chartered to Statoil. The vessel was sold to Statoil in 1995.

Kulukundis says a key lesson was not to hang onto tonnage for too long. "You don't want to be in the market all the time," he said. "It's vital that after you make a good deal you don't make a bad one. It's always the danger, you feel you have 'the touch'."

He is keeping an eye open for new projects but admits his priorities have changed with age.

"I'm not so keen on asset play these days. I've grown up. I want to settle down. Something that would pay its bills in a market that prevails would be nice," he joked.

True to his Greek roots, perhaps, he shies away from stocks and other indirect investments. "I like some steel to be involved so I can still exert some control," he said.

Growing up in Connecticut could be precarious



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Growing up in a traditional Greek family was an experience not to be missed for Elias Kulukundis, although he admits it could be a little precarious at times.

Elias and his brother Stathe were very aware that the family's prosperity ebbed and flowed depending on the latest sale-and-purchase (S&P) deal.

"Sometimes we felt we were living life on the edge," he said.

Although Elias says his own daughter had a more conventional US upbringing, this was also true in his own case -- sometimes.

In his book, Elias relates how the family had to reduce its equity stake in a prospective venture with Torm to 10% "as 11% would have included the value of our piano and silverware, which my wife was loathe to part with".

There was clearly a pattern in the family. Kulukundis's grandmother pledged her jewelry as collateral for his grandfather's first-ever steamship, the Leni, as far back in 1898.

Kulukundis never met his famous grandfather Captain Elias but says he agrees with his philosophy "that to do nothing is more risky than taking a step".

Elias also speaks fondly of his five uncles and says part of the reason for updating his book 'The Feast of Memory' was to include more about his uncle Manuel, who started Rethymnis & Kulukundis (R&K) with his grandfather.

Manuel, a real asset player, urged the young Elias to sit tight and wait for his first sale-and-purchase deal when he joined R&K.

"He told me to spend the time writing and painting. And this was a real deal because if you hadn't bought a ship at the company, you were nobody," said Kulukundis.

Elias has one daughter, Delia, 20. His English wife Lucy was an accountant and took a keen interest in his shipping interests before her death in 1990.

Delia is at university studying political science, although she has already proved her shipping streak by asking him how to evaluate a shipping investment, Elias says.