

THE BIG INTERVIEW

Sailing into calmer waters

BY PETER ELSON



CONTINUED FROM PAGE 17

ATLANTIC Container Line took a risk when it appointed the relatively inexperienced Ian Higby to be managing director.

Yet their trust has been rewarded, as 15 years later he is still successfully steering this Liverpool shipping company, now celebrating its 40th anniversary.

Asking the 55-year-old former Cunard Line management trainee if he was regarded from an early age as a high-flyer induces the deepest embarrassment.

"Any success is not about me, it's about the whole team," he said.

His business heroes are clearly those "sons of Liverpool who have stuck by the place" and are committed to its long-term prosperity.

This is particularly apparent in his other role as chairman of Mersey Maritime, formed to promote all maritime activity in the area.

Interestingly, like so many who have done much for this great city, Higby was not born here, but in Sussex.

The son of a building surveyor, his parents moved to Heswall when he was aged eight.

Although his parents have since moved away, he and his wife, Rosie, remain in the Wirral town.

You could say the same stolid attitude applies to Atlantic Container Line.

The company runs a liner freight service, with fixed sailing dates no matter what the loadings or weather.

"We decided that the ships would keep sailing to schedule through the recession," says Higby.

"Our reputation is based on the reliability and predictability of our five ships on their 35-day round trips linking Europe and North America.

"To make that happen means an awful lot of work, but we don't now advertise schedules – our customers already know the timetable."

It helps that ACL owns outright its five container ships and is not bedevilled by complex charter arrangements which has seen 25% of the world's shipping laid-up.

"We understand that to maximise profitability, manufacturers have to keep stock on the move," says Higby.

"Therefore, the demand is on us to become more reliable, which in turn helps us as we're helping the manufacturer.

"Counting on our reliability takes one crucial variable out of manufacturers' concerns."

Higby is quietly confident about the UK finally moving out of recession.

"There has been an upturn in the market. January is normally quiet, with nobody working or shipping in the first week after New Year.

"Then it starts to pick up in February, but this year, from the second week in January, we've been really busy with exports and imports with all classes of goods, which has been highly encouraging.

"We've not yet delved into the why and wherefore, but we're really grateful for the volume.

"There will be ups and downs, but the market is off the bottom and going up again.

"Over the last year, the problem has been the lack of credit, not people unwilling to do things.

"Credit is now starting to become available and people can buy stock again.

"The recession made a lot of big manufacturers realise they were overstocked, so from the end of 2008 and through last year they burned off stock as much as possible."



Ian Higby – has been at the helm of Atlantic Container Line for 15 years, and is still there as the Liverpool container ship company is celebrating

Now firms are manufacturing again, whereas, for example, some car makers stopped production in early 2009.

Restarting production means that they drag their supply chains with them, including shipping.

"Although companies have taken a hammering and their margins have been squeezed, we want them to be sure of our value," he says.

Shipping is prone to the vagaries

of the weather. ACL's 17-knot, G3-class vessels are designed for keeping to schedule in heavy seas.

Their timetable includes leeway for avoiding storms or icebergs drifting farther south.

"The Atlantic storm season is February to March with deeper depressions," says Higby.

"To conserve fuel, our ships don't run at full speed across the Atlantic, so they can make up time.

"In transit from Liverpool around Europe, we can speed up the schedule by dropping a port.

"Instead of double-calling north and southbound at, say, Antwerp or New York, we can do one visit.

"You can be hit by any number of factors causing port delays, but the benefit of a liner service is building very good relationships at ports.

"In Liverpool, Peel Ports know what we need and *vice versa*, with us

having worked with them and Mersey Docks for 40 years."

Higby, a Sheffield University geography and economics graduate joined Cunard in 1978, just before the line became one of six ACL founding partners.

ACL was bought by the Italian line Grimaldi in 2000, which led to benefits like its newly-dedicated, shared port facilities in Hamburg.

ACL in Liverpool also acts as



Higby is quietly confident about the UK finally moving out of recession



An ACL container ship leaves the Mersey for a transatlantic crossing

its 40th anniversary

Grimaldi's UK documentation agency and northern customer service centre.

For this, ACL recruited a further 30 staff locally, making a headcount of 105 at its UK headquarters and what Higby describes as a "fantastic team".

ACL's Princes Parade office, overlooking the new Cruise Liner Terminal, has inspiring panoramic views of the Mersey.

If the markets continue to be buoyant, by early 2011 ACL will make a decision on its ship rebuilding programme.

This entails five G4-class ships which will be 40% bigger than the current fleet of 57,000-ton vessels.

Incredibly, they will still be able to squeeze into Gladstone Lock – a deciding factor on size.

"We're determined to stay in Liverpool, as it's right in the middle

of the UK industrial area," says Higby. Peel's plans for a river landing stage at Seaforth, to avoid locking-in to the docks, is irrelevant to ACL.

"As our ships also have a specialised roll-on/roll-off vehicle capacity, a tidal floating berth rising and falling is no good to us," he said.

Already, ACL crews, pilots and tug crews have experienced handling the proposed G4 ships on John Moores University's Lairdside simulator.

It also aids the G4 design with data about the tricky Mersey conditions.

Higby believes one of the growth markets will be the green economies.

He said: "The big prize in rebalancing the UK economy is in manufacturing.

"Merseyside can score in manufacturing green goods, such as wind turbines. The best place to do this is to be at a port, or near to one.

"Ships have the lowest carbon

transport emissions because of the volumes they carry.

"This is a real opportunity for Liverpool to become a manufacturing hub.

"We've got the port, the river, the Manchester Ship Canal and the related services.

"There are so many different ways of moving goods around here on water with the lowest carbon footprint possible."

Like any transport concern, shipping is fraught with numerous and diverse obstacles.

One industry issue is the sudden increase in light dues, to pay for UK lighthouses and buoys.

Over the last year, ACL's light due bill rocketed from £260,000 to £400,000 for its 104 annual UK calls.

"Next April, that will rise again, which is a heck of a jump," he said.

"Somebody has to pay for this tax, either out of profits or passing it onto customers.

"Bizarrely, we pay the UK for Irish lights, although Ireland is an independent country.

"The funding formula dates from pre-partition in the 1920s, and we're paying for an inefficient organisation.

"There are no light dues on the Continent, so the net effect will be fewer UK calls as ships go abroad."

Higby, as Mersey Maritime chairman, and its chief executive Jim Teasdale, are also lobbying against the ports rate.

Without warning, the Valuation Office Agency issued non-domestic rate bills to port-based businesses in 2007-2008, back-dated to 2005.

As a result, some Merseyside firms went bust and others are struggling.

Previously, this tax was paid in a lump sum by the port authority.

"The result is a misguided tax on jobs by the Valuation Office Agency, which has failed to do its job properly," said Higby.

"As I've said, we should be encouraging port-based jobs, not discouraging them.

"I've been very impressed by the way local industry, local authorities and MPs, like Louise Ellman, have worked together to mitigate this.

"But, whichever way you cut it, firms must pay this crippling rate."

Mersey Maritime was created around 2003 using European Regional Development Fund Objective One cash.

"People realised there was money to help revitalise the Merseyside maritime sector," said Higby.

"We were the first port to get everyone together to promote regional excellence in maritime-related activities.

"It's also about creating jobs so young people here can get off the streets and have careers.

"This is good for them individually and for society."

The local trade body now includes more than 1,000 businesses employing 26,000 people with a turnover of £2.5bn.

"Typically for this area, we had so many enthusiastic people who helped get it off the ground.

"These included John Mutch, Princes Food ex-chairman, Chris Fisher, Mark Lang of Sefton Council, Michael Bibby of Bibby Line Group and John Syvret, of Cammell Laird.

"The enthusiasm for everything maritime permeates people's DNA on Merseyside," said Higby.

The Higbys love travelling and have two grown-up children living in Stockholm and Sydney.

But it is equally important that work is "fun". He said: "I always wanted to work in Liverpool in something with roots – and I haven't been rumbled yet!"