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KEEP IT IN
THE FAMILY
—Global

Preface

The sea is a vast and volatile place for families to thrive but these six global shipping dynasties have wind in their sails and show no signs of slowing down.

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For the uninitiated, shipping can seem a complicated, vague and even oddly opaque industry. The companies involved rarely face the public, dealing instead with their counterparts in government and industry. The work they do is also – perhaps surprisingly, considering how vital it is for the global economy – conducted totally out of sight in little-known port towns and in the middle of vast expanses of open ocean. An extra layer of obscurity is added by the fact that many of these shipping behemoths are still run by families – they are closed shops that eschew publishing data and soliciting publicity.

As our commentator Nicola Good explains within the following pages, there are myriad reasons why the family structure is still predominant and thriving in the shipping industry. It's partly down to the fact that shipping companies require singularly long-term investment and the precise vision that a dynasty can often provide. Family businesses are good at looking beyond the next earnings report and on to the next year, decade and generation.

In this report we examine six families, including the Grimaldis (with roots going back to the 14th century), Wan Hai Lines (a big player set up by a Taiwanese paper tycoon) and Vafias Group (the new upstart from Greece). Let's meet the global shipping dynasties. — (M)

THE EXPERT VIEW:

Nicola Good

Who: Prior to joining IHS Fairplay as executive editor, Good worked for Lloyd's List where she edited its annual 'Top 100 Most Influential People in Shipping' and 'Next Generation' publications.

Shipping is a long-term proposition. While the odd fortune is made from short-term asset plays, the cyclical nature of the sector and its expensive hardware mean that investors must have the fortitude to tough it out during bad times and the savvy to plan ahead when times are good.

Shipping is a business built on trust. It is therefore not surprising that the family-owned company thrives when in many other industries it has all but disappeared. Some of the most recognisable names in the business – Livanos, Chandris and Angelicoussis – belong to families and while the Greeks are best known for sticking with that structure, they are not alone.

Family-owned shipping entities exist the world over, from the German port city of Hamburg – and names such as Oetker and Oldendorff – to Denmark, home of the world's biggest shipping company AP Moller-Maersk Group. Hong Kong and Singapore have notable shipping families too, from the Sohmen Pao clan of BW Group to the Tung family behind Orient Overseas Container Line. Fabrikant and Pathy are just a couple of the family

names behind US and Canadian firms.

For those involved, shipping becomes a lifestyle, not just a business. Shipping heirs are raised while deals are discussed over dinner and festive occasions are used as opportunities to entertain clients. They hang out at ports, shipyards or on ships, learning the ropes (literally) by doing menial jobs during school holidays, hopefully winning respect from colleagues that they might one day manage.

For some, succession is certain and they are groomed. Diego Aponte of Mediterranean Shipping Company, who recently took over from his father Gianluigi, is a case in point. He may have had to prove himself – shipping parents are said to be notorious taskmasters – but there was little doubt that he would one day take over.

For others, earning a place can be more difficult. Heirs may have to jockey with siblings and cousins – and the rivalry can be intense. The death of Chang Yung-Fa this year, the founder of Taiwanese container line Evergreen, sparked a bitter succession battle among his four sons.

There have been some legendary impasses between siblings but there are also many cases where shipping offspring work in harmony. Brothers Gianluca and Emanuele Grimaldi of Grimaldi Lines happily share an office. Their united approach has seen them expand the business founded by their father Guido back in 1947.



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REPORT
Shipping families



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Grimaldi
Italy

Gianluca Grimaldi,
brother Chairman

Emanuele Grimaldi,
brother Managing director

Diego Pacella, brother-in-law
Managing director

The **Grimaldi** clan is no stranger to the sea. Based in Naples, the family's seafaring roots stretch back to the 14th century when three brothers secured a charter from the monarch. Moving goods is still in the family's blood and today's business, the **Grimaldi Group**, which was founded in 1947, operates more than 100 ships.

Led by two brothers, the business specialises in carrying merchandise that moves under its own power once in port – it operates passenger ferries, roll-on/roll-off ships and carriers that move cars and lorries to 130 destinations worldwide. **Grimaldi** vessels can hold lorries that, on land, would stretch upwards of 10km if lined up bumper to bumper. The passenger service is split into three: **Finnlines** covers the Baltic with routes that include a link between Sweden and Finland; **Minoan Lines** operates in the Adriatic and Crete; and **Grimaldi Lines** focuses on the western Mediterranean, helping travellers from Spain and Italy to reach Sardinian beaches in the summertime as well as shuttling people back and forth between Morocco, Tunisia and Greece.

Containers and four-wheel cargo move between



Eurocargo Genova Class: RoRo vessel



Grande Africa Class: Container ship



Finn breeze Class: RoRo vessel

ports as far apart as New York and Luanda, and interest in west African ports has increased of late. Moreover, **Grimaldi** enjoys a decades-old relationship with carmakers; it penned orders for 10 more auto transports in 2015 as brands such as Fiat Chrysler look to ship models from Europe to North America. The group has even been called in to assist governments with logistics, transporting tanks

and other military vehicles for Nato exercises.

Still, its owners haven't overlooked the needs of those sending goods in standard shipping containers. **Grimaldi** recently took delivery of the first of five new Danish-designed ships that are the world's largest hybrid roll-on/roll-off cargo vessels, each able to carry 3,800 containers and 1,300 cars at a time. — IC
grimaldi.napoli.it

SIZE OF FLEET 110	NUMBER OF ROUTES 130	GLOBAL EMPLOYEES 10,000
HQ: Naples, Italy Longest route: Galveston, Texas, to Monrovia (about 60 days round trip) Flags that ships sail under: Italy, Greece, Finland, Sweden, Malta, UK Annual revenue: €2.6bn		