

Guy Platten speech to British Ports Association conference

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Well good afternoon everybody. It's a great pleasure to speak to you today as the Chief Executive of the UK Chamber of Shipping.

Having forged my career as a Master Mariner, and most recently as Chief Executive of Caledonian Maritime Assets, I know first-hand of the important relationship between our two sectors.

So let's start with something obvious. Ships need ports. And ports need ships.

We are effectively in the same business. Moving trade and people from source to destination.

Together, we deliver for the United Kingdom. We talk often of how 95% of the UK's international trade is moved by sea. But rarely do we reflect on what that means. It means not only do we create jobs in our own sectors, but we ensure jobs can be created in almost every other sector of the economy.

Yes our work is commercial – in the sense that we facilitate and defend the free movement of trade. But also patriotic – because we recognise the United Kingdom would never have become the country it is without skilled exploitation of the sea. We should be proud of that.

But we should also recognise the cold hard facts of life.

For centuries we faced little or no major competition from economies around the world. Noone could come close to us on our skills and expertise.

But things have changed. Global business is moving eastwards. Seatrade is expected to double by 2033, not solely because of the strength of western economies, but because of the emergence of new, previously under-developed economies too.

Put simply, if the UK is to remain a global maritime power, we have to fight back.

To do that, shipping companies are investing – in new ships and new technology. Ports are investing too – in new infrastructure and capability. But we have to do more.

And to do that, we need joined up thinking.

That is why the Maritime UK coalition – of which the UK Chamber and BPA are founding members – is so important.

It exists because we recognise that there is a huge amount that unites us.

We know instinctively that to do our job properly, we both need a strong economy, a stable business climate and a talented workforce.

Collectively, we take pride in our independence. Unlike rival transport sectors, we do not heavily rely on government funding – but we do rely on government support.

That means that shipping, ports AND government need to work more closely than ever before.

In turn, that means new thinking, new energy.

And we've made a good start. Last year, Maritime UK partners entered into the first ever Government-industry strategic partnership for shipping and ports that has deepened industry influence not just in the Department for Transport, but the Ministry of Defence, Home Office, Treasury, Department for Business and others.

And if you think it's difficult getting shipping and ports to agree on anything, now imagine getting 5 Government departments to agree.

Nevertheless, as a result, we now have in place a strategy for competitiveness and growth that has already produced tangible results.

But we have to go further.

We are working with Government to undertake a full review of the UK's maritime competitiveness – looking at all areas of our maritime offering including the MCA and the UK flag.

It will be a root and branch review, leaving no stone unturned. The Secretary of State, Patrick McLoughlin, said last year that he wanted the UK to be the most

attractive country in the world for maritime business. This is our chance, and we must make it work.

But we have to think bigger still. We constantly hear about the importance of inward investment. And it is important. Many of the UK's leading shipping and ports companies are foreign owned, but choose to come here and contribute to our economy. That is a good thing. But if we spend all our time chasing inward investment, our economic destiny becomes entirely beholden to decisions made abroad.

We still have a number of UK-born shipping companies, but we do not have enough. We need a more balanced approach.

If you look elsewhere in the world, entrepreneurs are giving it a go. They are buying their first ships, planning for more in years to come. They are the major shipowners of tomorrow, but so far precious few of them are British.

We have to find what is stopping them and remove those barriers. Since the recession, hundreds of thousands of new British businesses have been set up – but how many of them are in maritime services? Virtually none.

That provides a clear long term threat to the UK industry and it must be resolved.

So these are strategic issues. But we all know there are pressing matters affecting us in the here and now. Our relationship with the UK Government is strong. They are listening and learning from us.

But I'm afraid I'm not sure we can say the same for the European Commission.

Whether it is the Port Services Regulations, or the gold-plating of new sulphur rules, our industries face major concerns that are simply not being listened to.

New environmental regulations will cost the shipping industry more than half a trillion dollars over the next decade. I think that figure alone gives us the right to a fair hearing in Brussels. And make no mistake, that has an impact on your business too. If the costs of doing business in our waters becomes too high, ports will lose custom.

Make no mistake. The shipping industry is most carbon efficient mode of freight transportation. By far. The industry has taken huge strides in the past decade to

improve the efficiency of its ships, to reduce fuel consumption and reduce its impact on the environment. We can and we must go further – but environmental regulations must be pragmatic, and lawmakers must listen to those with the required expertise.

Current regulations working their way through the system cover carbon, SOX, NOX, particulates, ship recycling, ballast water, invasive species, noise, black water, grey water, wash water and more.

There are common themes amongst them. The first is that they are well intentioned, but often cack handed in their implementation. The second is that often solve one problem in one part of the world, but simply exacerbate problems elsewhere. The third is that they cost a huge amount of money.

But so too, time and again, do we see new regulations purporting to be pro-environment, that will actually damage the environment. To create enough low-sulphur fuel to meet the requirements of the European rules – 12 million additional tonnes of carbon will be emitted into our atmosphere every year.

These new rules are forcing fuel prices up, and are already closing routes down. This affects my members, and they affect you too.

So too, the opposition of UK ports to Ports Services Regulations are well known, and to an extent shared by the shipping industry who, frankly, have enough regulations to be dealing with. UK Ports are already commercially focused and incentivised for future investment. The European model appears to offer no advantages: more bureaucracy for you and no benefit for us.

These concerns bind us. They unite us.

But there are issues where we remain separate.

You probably know what's coming – port charges.

Shipowners, just like commercial ports, are in business to make money – and expect to negotiate with their suppliers in order to secure a good service at a competitive price. Some UK ports are effective monopolies – and I reveal no confidences when I say that there are concerns that this results in them treating shipowners as captive customers.

The charges levied by ports comprise a significant element of UK shipping's cost base. And, as we look ahead to the forthcoming competitiveness review, we will be looking at all elements of that cost base. We believe in a free market, and you won't hear us arguing for controlled prices – but we have little confidence in the statutory safeguard against potentially excessive charges. We believe in customer choice.

But, in parts of the ports industry, it doesn't exist – and, realistically, it is never going to. And in those circumstances, your customers need protection. Scotland has taken the first steps towards a mediation process. But this process needs to have teeth, and it must be implemented across the whole of the UK.

Something to think about!

But above all, Maritime services has to raise its voice. We have to fight harder in a more modern way – not just with Government officials, but with the media and politicians too.

People often say to me, from right across our sectors, that we must have a higher profile. They are right. Not just for its own sake, but to reap the rewards that come with it.

I've heard it said that we must constantly tell people of our importance to the economy. That's not quite right.

Imagine condensing our industry down to one person – and that person comes to you and says 'Hello, I'm important, you must listen to me'. What will you do? You'll probably ignore them – nobody who is genuinely important has to go round telling everyone.

Instead, we must act important. It is no use saying we're important to the economy if we do not engage in the wider economic debate. There is no point saying membership of the European Union matters to us, if we don't express an opinion about what it is doing. And there is no point in saying political policies have an impact on us, if we don't engage with politicians publicly and openly.

In the recent debate in Scotland, we were one of the few bodies who vocally engaged on the detail. We pushed the Scottish Government for answers on what

independence looked like for our industry, and we spoke loudly in the media about what its impact would be. This won us respect on both sides of the argument, and stronger and more productive relationships as a result.

We were able to shape significant aspects of that national debate, to raise the profile of the issues that affect us and provide leadership on it. That stands us in good stead for the next stage of the UK's constitutional future.

You must do the same on the macropolitical issues. They affect you. And if they affect you, they affect us.

With all the strategic issues we face, there is no greater threat to our commercial success than timidity and outdated lobbying strategies. We are important industries with major concerns. It's time to rise to the challenge.