

Family firepower

By Janet Porter

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Jacques Saadé: rejected several potential investors in CMA CGM until the right partner came along.

If CMA CGM or several of the other global container lines that ran into financial difficulties in 2009 were stock market listed rather than family-owned, would they still be around today?

A hypothetical question, of course, particularly as all the major ocean carriers emerged from the industry's worst downturn to date largely unscathed. That surprised many commentators, but in retrospect, was perhaps to be expected. It would have made no sense for banks, governments or other stakeholders to let one of the big players go bankrupt at the time. What financial institution would have wanted responsibility for the supply chain chaos that would have followed the collapse of a containership operator? What political party would have wanted the added problem of thousands of job losses?

The situation is somewhat different now, with the possibility of some changes at the top. Hapag-Lloyd is one line that could change hands, although whether a foreign buyer would ever be accepted after the resistance to Neptune Orient Lines' approach in 2008 remains debatable. But what is clear, now that the industry can look back over the past three years with the benefit of hindsight, is the underlying strength of family concerns; not necessarily or always the financial muscle, but the sheer devotion, passion and commitment to a business that has been built up from scratch by their patriarchs.

That is certainly the case for both Mediterranean Shipping Co and CMA CGM, the world's second- and third-biggest lines in terms of fleet capacity. Gianluigi Aponte and Jacques Saadé, their respective founders and chairmen, are both in their seventies but show no interest in retirement. With the support of a strong family network, they each stood their ground during the industry crash, fending off creditors, juggling orderbooks and fleet deployment and, in the case of CMA CGM, having the nerve to reject several potential investors until the right partner came along that would not interfere with the way the business was run.

Many outsiders thought CMA CGM could go under as its losses mounted two years ago, but Mr Saadé says he always knew his company would survive. In shipping, it is the force and unswerving dedication of the family that often makes the difference between success and failure.

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