

Big fish become ... more big whoppers

Breakaways breed more of the same in the maritime broking sector.

Andrew Lansdale tells why the itch to ditch arrives so quickly

Clarkson's swims around like a shark gobbling up smaller companies down below on the food chain.

This year Clarkson's bought the small tanker, chemical and gas broker Genchem. It also had departments that concentrated on dry cargo and heavy-lift chartering.

Genchem was founded as the house broker for the chemical giant ICI but was granted independence in 1969; it is independent no longer.

Clarkson's had whetted its appetite last year when it took over the established company JO Plowright. It was incorporated in 1948 by its founder John Oliver Plowright and expanded from bunker broking into dry cargo and tankers.

In the 1980s, it was the subject of a walkout by three of its brokers – called Amato, Clough and Morton – who

formed ACM, known in some quarters as Acme Chartering.

But for Clarkson's it hasn't all been about expansion. Having already considered the birth of ACM, the analogy of the shark should perhaps be replaced by that of the amoeba.

Rapacious eaters

The amoeba doesn't gobble up its victim. It is a rapacious eater like the shark, but it embraces its prey, it breaks down its tissue and absorbs it. In this way it grows.

But after a period of eating and growing, it gets too large to support itself and splits in two.

In 1983, Clarkson's split into two. A large number of Clarkson's tanker brokers left and opened their own broking house, Braemar. It was not the first time that such a walkout had happened.

Other shipbroking amoebae had

previously split. Shipbrokers Stewart Wrightson and Galbraith Pembroke had gobbled each other up in the 1960s to become Galbraith Wrightson.

In 1972, that company split when some of its brokers left to form Seascope – which itself became a publicly quoted company in 1997 and merged with Braemar in 2001.

Then last year, BraemarSeascope had an exodus. A group of brokers left to form Genesis. A similar departure also occurred this year when two sales and purchase brokers left BraemarSeascope to join Clarkson's.

Repeated regeneration

And so the wheel turns full circle, the old amoeba embracing a new one.

But there are also wheels within wheels. Arrow was set up by former Clarkson's personnel in 1991. Similarly, Thurlstone Shipping was set up in 2004 by two breakaway Clarkson's brokers who specialised in Capesize bulkers. It expanded to 10 brokers within a year. The growing cycle has thus started.

There have also been breakaways, joined by more breakaways. Capital was set up in the 1980s by ex-John I Jacobs personnel. It attracted breakaways from the S&P broker Cleeves.

SSY lost people last year, who opened Trafalgar Shipping & Trading. The departees might be pleased with their move: apart from selling many bulk carriers, TST was also involved with two newbuilding LNG carriers.

Nice work if you can get it.

Photo: Jim Wilson

Clarkson's last year took over JO Plowright – where a major split-off of three brokers created what is jocularly known as Acme Chartering

Lunches of wine & roses

Revolver

The imposing entrance to the Royal Automobile Club in London has a revolving glass door. In walked a London shipbroker, followed by the tanker representative.

Their lunch had already been extensive.

The broker stopped suddenly and jammed his heels against the moving door. With an enormous crash the tanker rep – who also played in the second row of the scrum for Esher Rugby – hit the door's glass partition.

It shattered and the two men were left up to their ankles in glass particles. Protesting incoherently about unsafe fittings, the tanker man received a formal letter of apology.



Lunches of wine & roses Cowboys and Indians

A tanker broker was staggering back from a heavy lunch to his office near the Strand in London. A noisy demonstration was going on outside the Indian Embassy. The thin blue line was trying to keep the demonstrators back.

Objecting to the way the police were behaving, the broker took issue with the nearest constable. When told to move on, he became aggressive and swung a punch at the officer. Being intoxicated, his aim was rather wide and did not connect.

Still, he was promptly arrested, and a large group of policemen bundled him into a Black Maria. At West End Central Police Station, he was charged with assaulting a police officer.

One of the largest walkouts in recent times came in April, when nine brokers and one staff member left Gibson's to set up their own Ocean Broking, which has just started trading.

Such churn is not restricted to London. Pond life also exists in Norway.

Walking out to form SeaLeague

Oslo broking house Bassoe had a walkout last year when MD Einar Danbolt left with four colleagues to set up SeaLeague. They lured the shipowner Polyar Tankers, which has close links to Polys Haji-Ioannou.

So why do staff members so often become disaffected and strike out on their own? Mainly, financial or promo-

tional prospects are lacking, but add to this the need to shake off the yoke and become master of their own destiny.

Sometimes moves are extremely successful. BraemarSeascope, Capital, ACM, Thurlstone, Essex and Trafalgar are all tributes to this entrepreneurial spirit.

Some of the old shipbroking powerhouses of the post-war period are still up and running. Others lost staff, surrendered market share and folded. Still others have moved down a division.

Amoebae live, split, grow – but they also die. Howard Houlder ran into stormy weather. Its staff left to other broking shops. Some started Essex Shipping, a successful tanker broking

company. Howard Houlder is now a shadow of its former self.

Davies & Newman was the most successful Shell broking business in the 1960s. Now it has gone.

Disappeared from the ranks

John I Jacobs was the main BP broker in the 1960s and 1970s. It has disappeared from the broking ranks.

Cambridge Tankers was a highly respected name in the 1960s. It has also gone.

So every dog has his day, and some have already had it. Who will be next?

Only by carefully studying the broking pond can one see how the amoebae are behaving. **TE**

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