

- Vale's grand ambitions: is big really beautiful?
- Kuehne+Nagel targets sea freight expansion
- Efthimos Mitropoulos MEPC opening speech
- Peel Ports extends Mersey IT investment
- Lidinsky raises concern over capacity commitments

Profile

Taking off to Asia gave rise to top-flight career

Known for his decisiveness under fire, Pacific Basin's David Turnbull has no regrets about heading east



ANNA HEALY FENTON

AS HE sat on the roof of his rapidly submerging Toyota Corolla, watching the Jakarta flood waters rise around him, David Turnbull reflected wryly that though he was soaked, he was at least warm.

Anyway, it was eminently preferable to driving a Ford Cortina through the bleak British midlands flogging Mars bars.

Such were the career choices open to a bright Cambridge graduate in 1977. He could have followed his father, a commanding officer in the Household Cavalry, into the British army — or done as he did and tried his luck out east.

So the Kenya-raised Newcastle native filled in a Swire application form. This required an essay on Japanese development post-1950, which he copied out of a book.

The young Mr Turnbull was impressed when John Swire himself conducted the interview, "and not some ghastly human resources manager". After a three-month induction in Hong Kong, a year in Jakarta followed. "It really was the wild west back then, no rules," he recalls.

Mr Turnbull was always interested in aviation, but had no idea he would end up running Cathay for eight years, first as chief executive, then chairman in 2005, when he also chaired Swire Pacific. It was a turbulent time. He weathered pilot disruptions, the Asian economic crisis, September 11, bird flu and Sars.



Turnbull: Pacific Basin stands out as a company with real assets.

"During Sars we were sometimes flying with only one passenger on board. With September 11 you knew it was finite, but with Sars we had no idea how long it would last," he recalls. "Had it gone on, we would have run out of money in 18 months."

Thank goodness, he says, that Swire was a conservative company. "We lived by mother's rules — save for a rainy day. It's the same here," he says, referring to Pacific Basin, which he joined as chairman in 2006.

It would be unsurprising if senior Cathay pilots, who suffered pay cuts under Mr Turnbull, still resented him today. But even the most begrudging look on him with respect for his decisiveness under fire. One remembers an occasion when Mr Turnbull was being criticised for making a wrong call. Mr Turnbull, he

"With September 11 you knew it was finite, but with Sars we had no idea... Had it gone on, we would have run out of money in 18 months"

says, conceded it was a fair comment, but stood his ground. He said that of the many decisions he had to make, most turned out to be right, and that was the best he could realistically hope for.

So, pilots apart, what would Mr Turnbull, 55, like his friends to say about him? He laughs and thinks long and hard. "That I'm not a complete bastard."

He misses aviation but is still involved through the New York-based investment advisory company Seabury and its aerospace consultancy.

While best known as a bulk carrier operator, with 125 ships, Pacific Basin has acquired other non-core businesses, including a ro-ro ferry operation in Europe, with one ship fixed out on charter and two more on order. But this sector is looking difficult.

"When we ordered the vessels there was a big move to get freight off trucks and onto ships, but then governments' attention was diverted by the financial crisis in 2008, and the impetus was lost and traffic volumes have declined," he says. "It's coming back, but it will take another couple of years."

Pacific Basin's other diversifications, which include towage services in Australia and the

Middle East, are going well, he says, though he admits there are downsides to diversifying. "We are good at moving dry bulk cargoes. Our reputation is very good and we are looking to invest more there.

"We are not yet as strong in the other areas. I'm in favour of diversification, but also keeping the core business strong and investing in it, and if it comes to a choice, making the core the priority." It's only because Pacific Basin is in such a good financial position that it can afford the luxury of diversification at all, he adds.

The differences between running an airline and a bulk shipping company are many, with respect to asset values and freight rates. Also, a shipping company has fewer personnel issues. Shipping crews are on contract with few employed directly. "We had six to eight complete crews per aircraft, all on the payroll at Cathay," he recalls. Commercial shipping can be more of a rollercoaster. Airline rates never slump like freight rates did in late 2008.

Asset values of ships are another area of difference. The value of a ship can rise 50% in a year or two, whereas an aircraft depreciates steadily over 25 years, he says.

Mr Turnbull is full of admiration for Chris Buttery, the driving force behind Pacific Basin and still an adviser to the company. "Many people come to Hong Kong and make money, but Chris stands out for having founded a company with real assets."

So if he was following in the footsteps of Chris Buttery and Paul Over, would he start Pacific Basin all over again? "Yes, the model still works today. Equity is always safest."

Mr Turnbull goes for his daily run round the Hong Kong coastline, listening to 1970s rock on his iPod. "The good thing about running is that you can do it solo and anywhere," he says. Does he ever feel a twinge of regret that he forsook a life in uniform for the helter skelter of Hong Kong? "Not for one moment." ■

The Last Word...

lastword@lloydslist.com

Proud tradition revived

WITH Propeller Clubs emerging in port cities around the world, it is easy to forget that the first one was founded in 1927 in what then was an authentic maritime town, New York.

There used to be a Propeller Club in New York until a few years ago. However, vicissitudes of various sorts, which collectively mirrored the overall exodus of shipping out of the Big Apple, meant that the largest port on the US east coast, and the birthplace of the Propeller Club, was eventually left without one.

With organisational matters taken in hand by Carleen Lyden-Kluss, and a board of directors pieced together from among the maritime cognoscenti, this lacuna was rectified at the beginning of 2009 and the Propeller Club chapter for the Port of New York and New Jersey was reborn.

That chapter last week celebrated its first Taste of New York-New Jersey evening at Chelsea Piers Lighthouse, a serene waterside venue that had the occasional local barge steaming by.

For a debutant event it attracted a respectable crowd, which enjoyed typical local fare such as hot-dogs and knish, topped off with New York ice cream — and of course a liberal choice of libation available alongside.

Worthy beneficiary

A WORTHY sidelight of the evening was the fact that proceeds were earmarked to benefit the Urban Assembly New York Harbor School.

This is a special time for the high school. After spending seven years in the anonymous environs of Bushwick, a Brooklyn neighbourhood, the school as of this academic year — which commenced a few weeks ago — has been relocated to Governors Island.

Governors Island, a 70 ha dot of land about half a mile or a 10-minute ferry commute from the southern tip of Manhattan, was a major US Coast Guard outpost from the 1960s until about 1996, but has been essentially abandoned since then.

The Harbor School is one of the first new entrants, as attempts get under way to revive it.



Fisher: school funding is critical.

Murray Fisher, co-founder of the Harbor School, told Propeller Club attendees that as the school embarks on a new life, funding to fulfil its maritime education aspirations is a critical need.

The stuff of visions

THE Harbor School is part of the city public school network, but is the only maritime-themed high school in New York. An effort indeed has been made for the curricula for Grades nine through to 12 to reflect marine science and maritime ingredients.

Nonetheless, out of the three batches of graduates to have emerged so far since it opened its doors in Bushwick in 2002, only a handful have ended up in college education streams that involve genuine onboard work.

Fisher attributes this partly to the fact that the intake of students so far has been overwhelmingly from Bushwick.

He hopes the move to the romantic and uninhabited Governors Island, plus the lure of a ferry ride to school each day, will attract students from all over the city.

A sprinkling of spiffy-looking youngsters was at hand at Chelsea Piers Lighthouse, mingling with the workaday types, and imbibing what Fisher described as "pure" maritime culture.

It is now up to these students to fulfil Fisher's vision of more future school graduates enrolling in Fort Schuyler or Kings Point, the two merchant marine institutions in New York, or in the US Coast Guard Academy. ■

Companies featured

BRITANNY Ferries	2	ABP	3
P&O Ferries	2	PSA International	3
Hamburg Süd	2	Transnet	3
TDM Carriers	2	Danaos	3
Tilbury Container Services	3	AP Moller-Maersk	4
CMA CGM	3	Euronav	4
DP World	3	Frontline	4
Forth Ports	3	OOCL	4

Neptune Orient Lines	4
Jiangsu Rongsheng Heavy	5
Vale	5
Hyundai Merchant Marine	5
Hyundai Engineering & Construction	5
V. Ships	6
Intertanko	7
Hapag-Lloyd	7

AP Moller-Maersk	7
Diana Shipping	8
Cardiff Marine	8
East Sunrise Group	8
D'Amato di Navigazione	8
MSI Ship Management	8
Dynamar	8
Blystad Shipping	9

Wah Kwong Shipping	9
Clarksons	9
Galbraith's	9
Hartmann Group	9
Donnelly Tanker Management	9
ST Shipping	9
Ardmore Shipping	9
Lauritzen Kosen	9

lloydslist.com

bringing you maritime news as it happens

Lloyd's List Intelligence

Dry Bulk: Analysis, insight and tracking for the global dry bulk carrier market

To request a personalised demonstration please email lli.enquiries@informa.com

or call +44 (0)20 7017 4482 quoting: ICDB 013A

an **informa** business

Dry Bulk Fleet Statistics

Dry Bulk fleet statistics including: age and size of the live fleet; casualty numbers by age, size, flags and casualty type; fleet status, order book by country of build, yard or owner; scrapped fleet and vessels laid up

Major Dry Bulk Export Commodity Sailings

Shows sailings for vessels from key coal, iron ore, grain and phosphate load ports with details of main vessels characteristics, sailing date, next ports of call and country

Latest Movements

Expected future movements. Geographic vessel and/or fleet position from AIS and conventional movement sources. Full vessel characteristics and latest vessel arrivals/departures



Analysis & Market Commentary

Weekly insight and opinion from Lloyd's List plus Market Outlooks from our team of experts on the dry bulk market

Vessel Reports

Dry bulk carrier specific reports covering: casualties, charter fixtures, dead vessels, deliveries, demolitions, detentions, inactive vessels, live fleet, on order, places and PSC inspection deficiencies

Ask the Analyst

Time based access to our analyst team. This enables you to explore the implications of research, clarify data sets and extract maximum value from your subscription

NEW

Lloyd's List single copy prices worldwide - please see inside this issue for our annual subscription rate

UK	£4.80	Italy	€6.80
Bermuda	\$8.00	Kuwait	Dinars4.50
Cyprus	€6.80	Malta	€6.80
Denmark	Kr45	Neth	€6.80
Gibraltar	€6.80	Spain	€6.80
Greece	€6.80	UAE	AED 35.00