

Protecting our Lifeline

Written by Chris Robertshaw
Monday, 29 November 2010 00:00

Who would be best able to protect our ferry lifeline?



Protecting our ferry lifeline is not the same thing as protecting the interests of the current owners any more than it is about pretending that the user agreement has served us well. Protecting our lifeline is simply about ensuring the Isle of Man has a good quality, value for money reliable service that serves our various needs well. In the heat of the current debate it would be very easy to lose sight of this important principle.

As a result of the arrival of a limited amount of competition in Douglas harbour the current owners have been responsible for the orchestration of some quite extra ordinary outbursts of late.

They first lashed out at some of their biggest customers only later to return with an apology. Then they proclaimed that if their freight customer base was threatened, this would result in passengers having to pay more. Next in line were the staff who have been deeply unsettled by events and, I believe, have been used in a quite cynical fashion to promote the selfish interests of the owners. Finally we hear vague rumblings of cuts in services sure to unsettle anyone not already upset by the whole episode.

All this begs the question – so, given the choice, who really would be best able to protect our lifeline if push came to shove?

In the blue corner we have the current owners of our ferry service who are not based on the Isle of Man and have no affinity or loyalty to the Island and no identifiable supporting asset base outside of the ferry company itself. They are not a professional shipping company by occupation but rather, at the outset at least, were bankers and international financiers, who, in their over enthusiasm to get their hands on what they must have seen as a monopoly supplier, massively

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overpaid for our ferry company using borrowed monies. Like many purchases at the height of the boom this was a rash and foolish act but one they remain determined the people of the Isle of Man will continue to pay for. The debt is so significant, at a figure somewhere well north of two hundred million pounds when last reported, common sense tells you that it cripples the ability of the company to do all the things it needs to do including servicing the interest on the loan, produce a margin above that to furnish the investors with a dividend, commence payment down of the loan capital, reinvest in the business and provide a reserve or margin to respond to any market challenges. Their extremely petulant response to the challenge now presented not only shows that they did not understand the agreement they signed and therefore how a challenge could be mounted but they did not have the ability to face up to the quite modest challenge when it finally appeared.

In the red corner we have the new owners of Mezeron who have deep roots and a commitment to the Isle of Man in the form of Dohle who are themselves part of a successful, very substantial and highly respected international group majoring in shipping and a whole range of shipping services. This group is not subject to market vagaries as they are not a public limited company and display all the indicators of being a very solid and financial sound organisation. They have chosen the Isle of Man as one of their major centres and, by all accounts, have excellent conditions of employment for their Manx based staff.

So on the face of it who do you think would be best suited and able to protect our lifeline if push really did come to shove?

Chris Robertshaw MHK

(Chris Robertshaw has no association, interest or involvement with Mezeron, Dohle or any associated companies nor a close relationship with anyone who has)