

“I grew up amid Manchester’s smokestacks. I want to put the factories back”

Jim Ratcliffe

Britain’s most successful postwar industrialist

You may not have heard of Jim Ratcliffe, but he’s in your life from the moment you wake up until you go to sleep. He’s responsible for the plastic cap on your toothpaste tube and the chlorine that cleans the water you use to brush your teeth. Anything you use during the day that uses chemicals, “we’ve had a hand in”, he says with a smile. This includes our clothes, our cars, our furniture and the packages our food and medicines come in. Sometimes the medicines themselves. If you fill up with fuel in a forecourt in the north of England or Scotland, Ratcliffe will have refined the petrol.

Ratcliffe, 64, runs Ineos, one of the world’s biggest chemical companies, which employs 18,600 people worldwide, 4,000 of them in Britain. If the name of his firm (if not its founder) sounds familiar, that’s because it has hit the headlines lately. First, Ineos fought and won a bitter dispute with the unions over pay and pensions at its Grangemouth refinery in Scotland. Second, it has pledged to build a successor to the utilitarian Land Rover Defender now that Land Rover has stopped making the car and is replacing it with something Ratcliffe thinks is far too damn comfortable.

Britain’s most successful postwar industrialist doesn’t do comfortable. He has trekked to both poles. He runs 55-mile uphill races — for fun. He regularly motorcycles across Africa — once despite having a broken leg. “F***** hell! I get quite a kick out of doing physical stuff,” he tells me in his office, which is —

incongruously — in one of the most comfortable places in London. It overlooks Harrods.

He makes investments that are uncomfortable, too. Take fracking — the extraction of natural gas from rocks up to two miles below ground by drilling down and pumping in water to force the gas out. Many people oppose the idea on environmental grounds, and trying to get permission to start drilling is tough. But Ratcliffe is determined to become the UK’s leading fracker because he thinks it will transform our economy. He has already set aside £600m to develop wells and hopes to invest many hundreds of millions more, mainly in the north of England.

He points to the US to demonstrate the importance of fracking. There, he claims, it has cut the price of gas by 75% and the price of electricity generated by burning gas by 50%, while also reducing carbon-dioxide emissions because fracking reduces the need to burn coal. “Energy prices are almost as good as those in the Middle East,” he says. The result has been hundreds of billions of dollars of fresh investment in manufacturing.

Acquiring new sources of cheap energy is the most important issue facing Britain today, because it will spur the investment in manufacturing that we so desperately need, he argues. “If you go back 20 years, manufacturing in the UK was the same as Germany, at about 23 to 24% of GDP. Germany today is the same level, but the UK is at 9.2%. We’re at the bottom of the list among the major economies. The decline in manufacturing has most severely affected the



LOW-VIS BOSS
Jim Ratcliffe (above, centre), founder of Ineos, at its refinery in Grangemouth

north of England, where I come from. Dewsbury, Mansfield, Doncaster or Sheffield — those places are not in great shape.”

The UK has a decent skills base and low corporation taxes, but we have very expensive energy. “Cut the cost and industries will come — even some of those under pressure, such as steelmaking. It’s the light at the end of the tunnel.”

He dismisses environmental fears. “The most litigious society with the toughest regulations on earth is America,” he says. “They’ve sunk more than a million wells and not really had any major incidents. People who are anti-fracking really need to do their homework. They need to be careful they don’t deprive people in the north of England of jobs.”

He is doing his bit to revive UK manufacturing by recreating the Defender. He describes his “spiritual successor” to the icon as “a boy’s toy, with no frills. No nappa leather.” He’s angry at Land Rover’s decision to stop making the classic, biff-about model last year. “It’s the most comfortable off-road vehicle bar none,” he says. I point out that the old model could not meet modern safety and environmental standards and will be replaced by a newer, safer, greener model. What’s wrong with that? “If I speak now I’ll be in real trouble,”

he grimaces. He wants to say the new version will be too Victoria Beckham and not Bear Grylls enough, but instead settles on: “We don’t believe they’re going to stick to the spirit of the original.”

He has hired a design and engineering team to build the car and is looking for a factory, ideally in the UK. He has not come up with a name yet, but says the price will be lower than £35,000, which is enough to make money. “It’s not a nostalgia project.”

Revving up manufacturing and becoming “less fragile, less dependent on services and with less economic power concentrated in the southeast” is the way the UK will trade its way into a bright future post-Brexit. Ratcliffe voted to leave the EU. “The United States of Europe will never work. The Brits are better off in charge of their own destiny,” he says. He has certainly thrived being in charge of his. Ineos has grown so fast that it is now the largest private firm in Britain and he is worth £5.75bn, up £2.55bn in the past year alone.

Ratcliffe was inspired to forge a career in industry when he looked out of the windows of the council house where he grew up in Failsworth, Greater Manchester, and began counting the factory smokestacks. Most have gone now. He’d like to put them back. “There’s nothing wrong with manufacturing,” he smiles ■

THE RICH LIST INTERVIEW
JOHN ARLIDGE

