

Fairplay

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# Big beasts circling Tirrenia

Emanuele Grimaldi tells why he backs a bid for Italian ferry operator

Of all the companies interested in bidding for Italian state ferry operator Tirrenia, the greatest publicity surrounds Compagnia Italiana di Navigazione, set up by Gianluigi Aponte, Vincenzo Onorato and Emanuele Grimaldi – the driving forces behind MSC, Moby and Grimaldi Lines.

In a joint statement, the three shipowners say the aim is to set up an independently run company that draws on the expertise of its backers, without being controlled by any of them, to offer profitable ferry services. The parties involved in the privatisation of Tirrenia should welcome this initiative, the statement concludes.

Grimaldi insisted to Fairplay that the new venture would be “unmistakably the best solution” to get Tirrenia out of its current woes. The alternative, in which several small companies take over a larger player – as has happened to airline Alitalia – stands little chance of success, he claimed.

“Three large companies would take over a smaller one: Tirrenia covers less than one-tenth of Grimaldi’s turnover; very much less than that in the case of MSC Group.

“We would just be shareholders and as soon as [new chief exec-

economies of scale, making use of shareholders’ experience to improve operating procedures, and agreeing new contracts with suppliers. It would be a new Tirrenia, he promised.

Grimaldi recounted how

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| Photo: Angelo Scorza |

utive] Ettore Morace is appointed to replace [state commissioner Giancarlo] D’Andrea the company will be run like any other private business,” said Grimaldi. This will mean harnessing the benefits of

his thinking on the future of Tirrenia corresponded with that of Onorato, and both were in line with Aponte. “We know the problems [Naples] faces,” Grimaldi said. “That’s why

we were reluctant to relocate Tirrenia’s employees to Sicily.”

He believes it would not be in the best competitive interest for any one owner to control the ferry operator – he supports a solution that incorporates three distinct shareholders. Further, Grimaldi would like to stop the practice of heavily subsidising Tirrenia.

Tirrenia’s debt stands at €600M [\$812M]. State money should only be paid out to cover an operating shortfall on mandatory services, he argued, acknowledging that “subsidies distort free competition. I wrote to the government asking them to gradually reduce funding, until a break-even point was reached.”

Grimaldi is armed with reports that underline the fragmented nature of Mediterranean cabotage: the top 10 companies control only 20-30% of the market. That meant, he argued, it was much harder for smaller companies to survive, while non-maritime investors would damage the sector.

Grimaldi, Onorato and Aponte are hoping to take Tirrenia for €400-500M. “That’s not a proper market price and doesn’t value the company’s assets fully,” he concluded, “but there is no real alternative”. ■