

IHS Maritime Fairplay
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decision-maker

Grimaldi to the rescue

Jem Newton meets an expert in taking full advantage of the recent global crisis



> **Naples-based Grimaldi Group** contrasts starkly with the general feebleness of the Italian economy, with its huge government debt and negligible growth.

A multinational ship operator that is highly successful in several industry sectors, **Grimaldi** is one of the largest ro-ro/ro-pax market players in the world. It has acquired several European companies in the past decade, including Finnlines and Greece's Minoan Lines.

Managing director **Emanuele Grimaldi** embodies this success, having turned round both these companies since they were acquired just before the global recession hit. "Grimaldi has never experienced even a single quarter of losses, mostly because we have been extremely profitable during the good times and are well organised, with the best ships and the best hardware," he tells *IHS Maritime* in Rome. This prudence extends to not becoming overexposed, and being careful with investments and expenses, he adds.

"Twice I have had to take charge of Finnlines. The first time [was in 2009] when the company was sustaining heavy losses. Within three months I was able to return the company to external management. For the past three or four years we have broken

Photo: Confindustria



Emanuele Grimaldi decision-maker

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even without making a profit," he says. After taking control of Finnlines again in November 2013, he has been working to turn a situation of breaking even into one of positive growth.

Like many Mediterranean shipping concerns, Grimaldi is dynastical, run by the sons of founder Guido Grimaldi. "Responsibility for the group lies with my brother Gianluca and myself. My brother-in-law Diego Pacella takes charge of financial issues. Some of the companies are of course listed, [such as] Atlantic Container Line [ACL], but even there we take the decisions together with the best professionals and other board members," he adds.

One of his guiding business principles is never to repeat what he did in the past. "You have to change and improve. For example, I would never build the same ship I built five years ago. My brother and I have been looking at the new deepsea vessels. A lot of things contribute to making a better vessel, but we will ensure it will also be cheaper, carry more cargo, and be more fuel efficient. We have already invested for the next 30 years."

The company's success is partly because it understands international markets and did not 'waste a good crisis'. "As well as building better vessels, they were cheaper because we identified the bottom of the recession and placed our orders when we were able to get the best prices," he says.

The group has bought six cruise ferries in the Pacific basin, five large container vessels for ACL to be built in Shanghai, and six South Korean con-ros, all ordered in the deepest part of the recession. "Of course it was a huge investment, but it will pay off," Grimaldi adds.

All the investments were made thanks to international financing. Grimaldi believes Italian banks have been too cautious in supporting shipping, which he believes has been more deserving of investment than real estate during the recession. "Unlike

buildings, you can move a ship elsewhere to ensure it makes a profit. Ships retain value better so I believe shipping should be regarded in Italy as a privileged investment and be better treated by banks," he says.

"This is a contradiction because, as a good owner who has never been in financial difficulties, I think the Italian banks should be lining up for my business. If foreign banks are lending us money, what stops Italian banks from doing the same?"

Grimaldi now spends part of his time at the Rome headquarters of Italian shipowners body Confitarma, after being elected president last October. As a past president and vice-president of the European Community Shipowners' Associations (ECSA), Confitarma's EU counterpart, the new job holds no fears. "The most important decisions for owners in the past 20 years have been taken in Brussels rather than Rome and past Confitarma presidents have delegated to me the task of representing Italy in ECSA, so for me it is not a new role.

"I was asked to do this job. I didn't put my name forward, since I have enough concerns with my own companies but thankfully Confitarma has a very good structure, delegating tasks to a director-general and sector managers. Presidents like me come and go, but this structure has worked well and made Confitarma a success."

"It is the job of the president and board to address matters of policy and give a strong lead to the managers. We need to make sure the

Italian flag and owners remain competitive. This is my mandate and if we succeed in this I will be happy. The Italian shipping sector is not weak but it faces threats, particularly because the market is bad.

"We need government support for the shipping industry and an understanding of the importance of shipping.

"Italy has two huge and extremely important islands, Sicily and Sardinia, that are bigger than many European states. Sicily has a population similar in size to Finland.

"It is also a country of transformation – we import most of the raw materials and we export finished products. So we need an efficient fleet and we need politicians who understand how important that is to the economy."

He is already looking far ahead to the time when he can hand control to the next generation of the Grimaldi dynasty. "I am very happy to see that my sons and nephews are equally committed. It's difficult for a family business if the next generation has a different approach to life and work. I think the concept of a family business is extremely important, with the right degree of humility and dedication to hard work."

Although based in his native Naples, Grimaldi has a house on the outskirts of Rome. "I enjoy that house very much and the countryside where I keep horses, so I am very happy to be in Rome," he says, while leaving to attend his next meeting. □

> Emanuele Grimaldi

Key decision: Using his business expertise to turn around loss-making Baltic operator Finnlines

Age: 57

Born: Naples

Current positions: President of Italian ship-owners body Confitarma

Grimaldi: Group co-managing director and MD, chairman of Atlantica, president and CEO of Finnlines, president of Mirroan Lines

Past: President, European Community Shipowners Associations

Education: Nunziatella Military School, Naples

Economics and commerce degree, Naples University, 1980

Family: Married, three sons

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'Never repeat yourself. You have to **change** and **improve**'

Confitarma president Emanuele Grimaldi



GRIMALDI GROUP