Fincantieri listing gets government go ahead

John McLaughlin

THE Italian government yesterday gave its final approval to the public listing of state-owned shipbuilder Fincantieri following a meeting with company and union representatives in Rome.

The decision confirms the government's statement of intent of several months ago, and comes with the backing of two of the big three metalworkers' unions.

The third union is opposed to the move because it fears that the sale of shares in the company is a prelude to full privatisation and a subsequent downgrading of the Italian yards and workforce.

Yesterday, the government reiterated that it had no intention of ceding control, and that it would retain a 51% stake in the Trieste-based company.

It also sought once again to reassure Fincantieri's Italian workers that while the company would push through its plans for investment beyond its home base, Italian jobs and yards would not be sacrificed.

Rather, it described the rationale of the share sale as an effort to raise critical investment funds that would allow the company to be competitive far into the future.

Fincantieri's industrial plan forsees investments of €800m over the next five years, the bulk of it in upgrading its Italian yards.

Management has argued that it would be unable to raise such a sum itself, while a cash-strapped goverment has proved reluctant to make up the shortfall.

At the same time, a sizeable portion — up to €300m — of the planned investment is targeted at acquisition and expansion outside Italy.

The company's plans include the purchase of a majority stake in Lloyd Werft, a takeover of the Grand Bahama repair yard, expansion in military shipbuilding and components, the nurturing of its growing presence in the superyacht market, and an investment in an overseas yard, most likely in Eastern Europe, in a bid to break into the offshore segment.

Though the number and price of the shares to be sold on the open market has yet to be determined, the government did suggest that the operation was likely to take place next spring rather than this autumn as had recently been anticipated.