

Finmeccanica should be closed

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"**Finmeccanica** should be closed because it's of no use in this world." This judgement was made at the end of a conference organised by the trade union **FIOM CGIL**, in **Samarate**, the heart of Lombardy's aerospace district, home to the **AgustaWestland** factories. The judgement was expressed by **Emilio Esposito**, a lecturer in industrial engineering at the "**Federico II**" **University, in Naples**, who has been studying the sector for 40 years.

Finmeccanica is in a difficult spot, from which it is unlikely to escape unscathed. The introduction by **Nino Cartosio**, of the provincial office of FIOM, contains the reason for the Neapolitan lecturer's judgment. "During **Agusta's** great crisis in the 1990's, when the company was on the verge of bankruptcy, the industrial policy of the government of the day, was crucial," the unionist said. "Today, the new CEO, Mauro **Moretti**, has announced the need to have more proprietary products, but this won't be possible without a vision and the necessary investments."

Finmeccanica has drained, and continues to drain, important resources, without generating any added value.

The data shows that the Group is among those that invest more than the EU average in R&D, but from these investments, which are made with the money of the contributors, the Group receives much less in return than its competitors. For example, the Canadian company **Bombardier**, which invests about half as much as the Italian group, has a **ROI** (return on investment) of 5.89%, against the 0.65% of **Finmeccanica**, and a **ROE** (return on equity) of 15.04%, compared to 2.01%. Thus, the system of the government's holding company has a rather big flaw.

"The group doesn't achieve the expected results," Esposito explained, "because the management is inadequate, and because there's no industrial and economic policy worthy of this name. The strategies should be implemented at the sector level, and it certainly can't be Finmeccanica who does this."

So, it is necessary to recreate a new industrial base, and immediately, because, on the one hand, the **barriers** in this sector (long times, high development costs, complexity of the technology and of the market), and, on the other hand, the change of the global scene, in which there has been a passage from a dominant duopoly to an oligopoly, will encourage strong **groupings** to the detriment of the weakest, including Italian companies.

“If we don’t want to be cut out of this scenario,” the lecturer continued, “production needs to be organised on an international scale, with strategic alliances, making future competitors grow, changing the vertical relations and continuing to innovate.”

The **traditional industrial districts** will have to become **innovative ecosystems**, where, by becoming associations, consortiums and networks, the smallest companies will keep production local, reversing the highly dependent relationship with the large company, which is currently the real obstacle to the coherent development of small and medium-sized businesses, which are the weak link in the system.

So, the system should be supported, with the **awareness** that a plane is no longer a mechanical box, but an electronic one, that requires **new specialisation** of businesses and personnel, new intelligences, and above all, a vision, a direction. "We must do it now," Esposito concluded, "because tomorrow will already be too late. Let’s not forget that, where there is an industrial base, there is democracy, everyone benefits, and socially, it’s an opportunity."

Unfortunately, the history of the Italian aeronautical sector is **full of missed opportunities**, including the absence, albeit justified, due to causes beyond control, of the two directors of **AgustaWestland and Alenia Aermacchi** from the conference in Samarate. It would have been a nice confrontation.

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