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MARCHIONNE: "THE RENZI AGENDA IS UNIQUE IN EUROPE, LISTEN TO HIM"

Marchionne was to be found first in the audience at the Auditorium listening to Renzi, and then on stage at the Teatro Sociale, saying that he hopes that "Renzi will be listened to, because his agenda is the only one we have in Europe". With Sergio Marchionne's account of the Fiat-Chrysler operation, the "odd couple" of the Festival would seem to wish to conclude discussion of what type of ruling class is needed today in our country and what should be understood by the common good, in the context of the most important Italian manufacturing industry, but not limited to this. Starting from the analysis of Giorgio Barba Navaretti and Gianmarco Ottaviano in their book "Made in Torino? Fiat Chrysler Automobiles e il futuro dell'industria", and answering the "too complicated" questions of Roberto Napoletano, Editor of Il Sole 24 Ore, the MD of the FCA group inaugurated the first day of his eleventh year at the head of the Italo-American multinational company by looking back at the alliance with the Detroit carmaker ("If we had not gone ahead with this, then Fiat would no longer exist"), promising to make German car manufacturers see a clean pair of heels.-

Barba Navaretti and Ottaviano's book tells the story of a group, a multinational Italian company becoming a group to be evaluated for what it is: a successful company story that represents a metaphor for many of the challenges that this country still has to face openly, a signal to move into action. So how and why did the Chrysler operation take place?

"Today it is easy to congratulate oneself", replied Marchionne "but in 2009 nobody believed it, not even many in America. If it had not been for Obama I do not think that Fiat would have completed the operation. After 5 years we can now say that the Chrysler's story is today more convincing than that of General Motors. In solving the problem it had with General Motors and the bankers who have sunk the automobile markets, Fiat found itself at that time with slump in demand and a continuing fall in the sale of cars within Europe. So we tried to find a rational way of coming out of this situation at European level, without success. We waited for Brussels to make a move, but it did not do so, while in the meantime Fiat did not request state intervention or the support of the Italian banking system. If I had listened to all the criticism, I would have taken the books to court in 2012. After having saved the company in 2004, we were back on the edge of a crisis. The solution we found was to use the Italian system to obtain space and credibility at international level. We made specific requests to Monti and the Minister of Economic Affairs at the time, Passera, to facilitate exports, but absolutely nothing was done. Now we are here and we have not solved the problem: the market continues to be hit by problems which will take it towards another crisis in the next 4-5 years. I need American cash to fund activities in Europe. We are all in the same situation: the Italians, the French and part of the German industry, but today we are no longer victims. We have backed out of this war. The real problem is that German competition has now become truly ruthless. The alliance with Chrysler was an opportunity that we were able to grasp thanks to our audacity in presenting ourselves to Obama in Detroit, an opportunity which will never again be repeated".

What would you like to change in Europe?
"I would like what Renzi has said to happen: the objective is to create jobs, the rest no longer counts. Renzi's agenda is the only one we have in Europe and I hope that they will listen to him".

To what extent can the research and innovation capital typical of Fiat still be influential?
"We were lucky enough to have inherited a series of completed things at Fiat: Ferrari, which we hope will start winning again; Maserati, who was started up again from nothing; and then we have Alfa Romeo, a trademark of international value, which when it comes out will be the true essence of what a car should be. Outside Italy, the Italian identity has a value. Our objective is to get rid of the gaps we had with the Germans from a technical point of view. I had to create credibility for myself outside Italy in order to be able to return. By 2018 we will be selling half a million jeeps in China. The only commitment is that until 2018 we will not construct the Alfa outside Italy, if it is then successful it may be built outside, but only following my mandate".

Somebody in the audience, a retired metalworker, asked Marchionne why the Lancia trademark had been allowed to die. "For ten years we tried to place Lancia on the markets of Club Med countries and we never succeeded in doing so", replied Marchionne. We had to choose, as Cervi did with his sons, between Lancia and Alfa Romeo. In times of crisis it necessary to make choices, the alliance with Chrysler allowed us to free Fiat from a dead weight".

Will you stay in Confindustria?
"We have tried to change the rules within Confindustria, which has not shown itself willing to cooperate. We needed tranquil trade union relations, and so we have continued with the trade unions signing the agreements; those who remain within Confindustria today do so for other reasons, that is all. At the moment Fiat does not need Confindustria".

How would you explain the fact that both Volkswagen and BMW have given bonuses to their workers?
"We have done the same in America and I would also like to do so in Italy. However, if we look at the operating margins of the Volkswagen trademark one can see that most of the profit comes from Audi, which Volkswagen uses at global level to save itself, while now it is also using Porsche in the same way. If we look at Opel and Ford they are both in deep water ".

The secretary of the CGIL, Susanna Camusso has asked you to also normalise relations with the FIOM.
"The contract is open. CGIL and FIOM can join whenever they want. Most of our workers have chosen the contract, period".

Today Renzi mentioned company crises, including Termini Imerese. Does Fiat intend to collaborate?
"We have made ourselves available to all the governments who have decided to sort out the problems at Termini Imerese, but the factory continues not to be usable by Fiat. It was created as a result of a development plan for southern Italy, but while Fiat received a subsidy for Termini Imerese it has paid for it heavily; 1,500-1,600 euro lost for each car made there ".

Since you have been at Fiat would you say that you have made any mistakes?
"No and I am not willing to discuss it in public".

Managers' and workers' pay, what is the limit for this relationship?
"It is difficult to answer: in any case it is not the market that can provide an answer".

The ecological car?
"If Brussels has done anything it is the creation of standards that are impossible to respect. At European level the automobile industry is certainly not the main cause of pollution".

How would it have ended if Opel had also come into the Chrysler operation?
"I prefer not think about it. One of the things we have succeeded in doing is reducing the dependence of Fiat on the Italian banking system to zero. We could no longer depend on a system that if we look at it today, would not have saved Fiat. However, today I am not ashamed of asking for money from anyone".
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