



*Interview with the  
Chief Executive Officer  
of the Grimaldi Group  
Emanuele Grimaldi*

SRM has interviewed Emanuel Grimaldi, “at the helm” of one of Italy’s outstanding ship-owning groups.

Established in 1947, the Grimaldi Group began its shipping activity in a number of sectors, including bulk carriers, oil tankers, and ferries, covering both European and Atlantic routes. Expansion in the RO/RO segment, and more specifically in the shipping of vehicles, began in 1969, when the Group launched a regular service between Italy and the United Kingdom.

The Grimaldi Group is a full-fledged multinational company active in the logistics sector, specialised in roll-on/roll-off vessels, car carriers, cruises, and ferries. It supplies integrated logistics services, based on maritime transport, to the most important vehicle manufacturers. Every year, the ships of the Grimaldi fleet call at over 120 ports in 50 countries of the Mediterranean, North Europe, West Africa, and North and South America.

Since the mid 1990s, the Grimaldi Group has pursued a strategy geared to the expansion of maritime services, with investments in the renewal and expansion of the fleet, which between the year 2000 and today, considering both directly owned ships and those belonging to subsidiaries, has grown consistently, from 36 vessels to over 100.

## **ECONOMIC SCENARIO**

*In relation to the persistent economic crisis that is affecting Europe and Italy, what was the Grimaldi Group's most immediate "reaction" (more investments, more training, cost rationalisation, etc.)? Do you think the economic situation is set to improve?*

The economic crisis being experienced by the global economy, and by Europe in particular, has been considered by our Group as an opportunity to offer even more efficient and innovative transport services. We have strengthened our fleet with ships with a larger load capacity, and with better performances in terms of their fuel consumption and environmental impact.

The crisis will last at length, but we are already starting to see the light at the end of the tunnel. Once the recovery begins, our sector will be much more efficient, and the acceleration of the concentration process currently under way will result in a reduction in the number of players on the marketplace.

*In your view, what are the main factors of competitiveness that a port should have to attract a major operator, such as Grimaldi (availability of wharfs, quality dry port services, connection infrastructures)?*

Ports play a role of fundamental importance. As the load capacity of ships increases consistently, port infrastructures must adapt accordingly, in terms of depth, wharfs, warehousing areas, and connections with the hinterland.

The availability of port areas is of major importance for ship-owning companies such as ours, which focuses on land/sea and rail/sea intermodal shipping. To be competitive, a port must be fully integrated with the other modes of transport. An example is our terminal at the Antwerp port, which covers a surface of one million square metres, has a 1.6 kilometre wharf, and is connected by sea, rail, road, as well as by an internal navigation system.

*Which are the main problems marring the shipping sector that you think need to be most urgently resolved? More specifically, what does Italy lack compared to some competing countries?*

The shipping business in Italy is probably competitive even if it is experiencing an unfavourable economic situation, made worse by a lack of liquidity and credit from the financial sector. There is the problem of port and dry port infrastructures, particularly topical in Italy, where ports are in many cases historically located in the heart of the cities.

***Major carriers are embracing the trend towards “naval gigantism”, and intense M&A activity; do you think this will continue, or has the crisis imposed different strategies?***

Naval gigantism is a natural evolution of the sea shipping sector, which stems from operators trying to increase their load capacity, creating economies of scale and scope that allow them to more effectively take on the challenges posed by the market. On the M&A front, there is undoubtedly a tendency towards concentration, that is evident in many other sectors of the economy as well.

## **STRATEGIES**

***Can you tell us which main business areas the Grimaldi Group is active in, the main routes served, and the main categories of goods transported?***

The Grimaldi Group is a full-fledged multinational company active in the logistics sector, specialised in roll-on/roll-off vessels, car carriers, cruises, and ferries. It supplies integrated logistics services, based on maritime transport, to the most important vehicle manufacturers. It serves many maritime routes: every year, the ships of the Grimaldi fleet call at over 120 ports in 50 countries of the Mediterranean, North Europe, West Africa, and North and South America. The main categories of goods transported include rolling stock (cars, vans, trucks, etc.), containers, palletised and refrigerated goods, and project cargos, as well as passengers.

***Briefly, what are the most important objectives achieved by the Group, and the most significant projects completed and being implemented?***

The Grimaldi Group was established in 1947 and began its shipping activity in a number of sectors, including bulk carriers, oil tankers, and ferries, covering both European and Atlantic routes. Expansion in the RO/RO segment, and more specifically in the shipping of vehicles, began in 1969, when the Group launched a regular service between Italy and the United Kingdom.

Since the mid 1990s, the Grimaldi Group has pursued a strategy geared to the expansion of its maritime services, investing heavily in the renewal and expansion of its fleet. Since 2000, considering both directly owned ships and those belonging to subsidiaries, the fleet has grown consistently, from 36 vessels to over 100.

As part of a broader plan geared to offering logistics services combined with maritime transport on a global scale, the Group has invested in port terminals in the Mediterranean, in North Europe, and in West Africa, and has created land transport

companies for the door-to-door distribution of vehicles in some European countries. At present, the Grimaldi Group has around 20 port terminals, with an aggregate surface of over five million square metres. The latest investment in port facilities was completed with the inauguration (in July 2013) of the new Grimaldi terminal at the port of Barcelona, which covers a surface of around 60,000 square metres, and in which the company invested around 20 million euros.

Lastly, in recent years the Group has made several strategic acquisitions, purchasing leading shipping sector companies such as ACL, Finnlines, and Minoan Lines, with the aim strengthening its leadership in the RO/RO business, while at the same time creating a dense network of Motorways of the Sea in Europe, crossing both the Mediterranean and the Baltic Sea, in line with the European Union's goal of transferring goods from the congested road system to more environment-friendly means of transport.

We have received several awards for our commitment to offer outstanding logistics services. Clients such as General Motors, Honda, Ford, and Fiat, have been rewarding us for over 10 years as their best supplier of logistics. The latest award we received was the prestigious Fiat-Chrysler Qualitas Award 2013.

### *Have you invested in research and technological innovation, and of what kind?*

The safeguarding of the environment, and the search for efficient and environmentally sustainable transport solutions, are mainstays of the Grimaldi Group's mission. We are involved in numerous European and national projects geared to the reduction of polluting emissions, and to seek alternative energy sources. In the design phase of the group's new naval units, great care is devoted to the reduction of the environmental impact they may have. The Grimaldi fleet flagships, the Cruise Roma and Cruise Barcelona, built in 2008, are an example, and have obtained the "Green Star" certification from Registro Navale Italiano (RINA). These vessels were designed and built in such a way as to reduce their environmental impact to the minimum. The "Clean Air" and "Clean Sea" commendations confirm that these ships release no liquid or solid residues in the sea.

The research and studies carried out by the Corporate Energy Savings department prompted investments last year worth 10 million euros, in silicone-based paint for 17 ships, resulting in 10% savings on bunker consumption. Given the new IMO regulations, that will impose the use of fuel with a sulphur content of 0.1% in ECA areas, our dedicated department is already working on alternative solutions, such as the use of cutting-edge scrubbers, and is involving the most important European engine manufacturers in analysing the different options.

Another important investment, made with the Rolls Royce group, concerned pro-

pellers, to identify the best solutions possible for the technical-economic speed of the ship. Investments have already been made with excellent results on Minoan and Grimaldi ships; we are now working on upgrading a further four vessels.

***What are the Grimaldi Group's most ambitious projects for the medium and long term, and what goals does it intend to achieve?***

Between the end of 2013 and 2015, the Group intends to invest around 700 million euros to further renew its fleet. Eleven new post-Panamax flagships, the largest ships in the world in their individual niche markets, much more efficient than the previous generation in terms of consumption and performance, and therefore less polluting in terms of harmful and prohibited emissions, under construction in Chinese and Korean shipyards.

As regards ports, new dry-port investments are planned in Nigeria (one of the fastest-growing African economies), near Lagos, where land has been purchased to organise logistics activities dedicated to the transport of motor vehicles and containers, and to specific projects. Also, a flatboat transport service between the terminal operated by the company at the Lagos port, and the hinterland, is already active.

***Which Italian ports does Grimaldi work most, and with which other ports does it intend to work in the future?***

Grimaldi Group services touch all the main ports of Italy and the Italian Isles. The port of Salerno may be considered as the group's hub, as it serves numerous links with North Europe, North and West Africa, and the East Mediterranean. Thanks to the presence of a dry port area of over 85,000 square metres, the port also acts as a hub for motor vehicle imports and exports in Southern Italy.

The main ports served by the Motorways of the Sea network operated by the Grimaldi Group are:

- On the Tyrrhenian shore: Savona, Livorno, Civitavecchia (these three mostly for links with Spain), Genoa, Port Torres, Cagliari, Palermo, and Catania;
- On the Adriatic shore: Trieste, Ancona (these two through the subsidiary Minoan Lines), Monfalcone, Venice, Ravenna, and Brindisi.

***Do you think the countries of the Mediterranean (in North Africa in particular) may represent an opportunity for shipping, and in what terms?***

North Africa is without doubt a region of high potential for maritime transport. Thanks to the demand for products driven by a young and growing population, import-export trade has intensified between this area of the Mediterranean and the

Northern shore, and a number of production facilities have been opened in some countries of the region (for instance the Renault factory in Tangiers). However, the development of shipping is being held back by political instability, which is a problem in almost all the countries of the area, in addition to hazy local legislation, which discourages foreign investments.

***How can SSS in Italy be re-launched? What measures can be put in place?***

The first thing to do is to enhance port infrastructures and connections with the hinterland. Also, the development of the Motorways of the Sea should be further encouraged, with the introduction of measures such as the “Ecobonus” at the European level. This is an entirely Italian best practice that has met with great success among hauliers, the direct beneficiaries, who can decide how to use the incentives, opting for the vessel or maritime line that is most convenient for them.

Indiscriminate aid, or incentives given along specific lines, produce a distortion of competition, whereas the Ecobonus is an excellent process accelerator, with neutral effects on competition.