

Fincantieri gets suppliers better credit

ITALIAN state shipbuilder **Fincantieri** has tied up a deal with Crédit Agricole subsidiaries Eurofactor Italia and Banca Popolare Friuladria "to facilitate and reduce the cost of access to credit" for its suppliers, writes *John McLaughlin*.

Under the terms of the deal, **Fincantieri** said its roughly 5,000 suppliers, which share in €2bn (\$2.7bn) in procurement of materials and work from **Fincantieri** every year, would secure "preferential access to credit at competitive costs".

As the shipbuilding crisis has deepened, with a sharp drop in demand prompting waves of layoffs at **Fincantieri** and other major shipyards worldwide, the Trieste-based company has become increasingly concerned at the impact of the demand drought on its suppliers.

President **Corrado Antonini** and chief executive **Giuseppe Romo** have argued repeatedly, both to **Fincantieri**'s customers and to the Berlusconi government, that the demand drought risks destroying a dense network of suppliers and subcontractors that is one of its trump cards in competing internationally for high-value-added work, particularly on cruiseships and megayachts.

This latest credit arrangement sees the company acting in concrete terms to address the pressures weighing on its suppliers. As the company described it: "Given the context of the current economic crisis with increasingly selective credit access, the agreement will provide small and medium-sized enterprises in the supply chain with a highly important instrument to support and maintain production activities."

