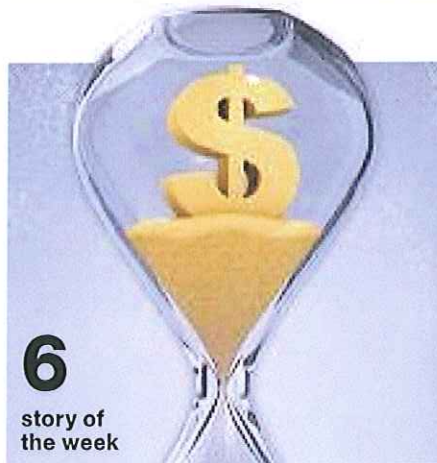


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# Family pride

Italian shipowner believes family businesses must keep clear of 'blind' patronage. **Jem Newton** meets him

**> Paolo d'Amico is at the helm of**

Italian shipowners association Confitarma at a critical moment in its 110-year history.

Owners face problems similar to the rest of Italian industry: difficulties in obtaining credit for investment and a transport infrastructure and bureaucracy in dire need of modernisation. As elsewhere in Europe, how to recover economic growth is their major preoccupation.

D'Amico, has been involved in the family business d'Amico Società di Navigazione, which now specialises in product tankers and dry bulk, for about 40 years. This has armed him with experience enough to steer Confitarma through stormy economic times and provide *Fairplay* with an insight into how decisions are reached in Italian family businesses.

As company chairman, he is fortunate to have a good working relationship with his cousin, CEO Cesare d'Amico. "We work in a very easy way because we are a family company run by two guys – me and my cousin. My cousin talks to me and we take the decisions," Paolo d'Amico explained.

When asked how much help comes from external specialists, he acknowledges that the senior team knows its limits. "Certainly when we have an idea, we examine its limitations with various specialists, fiscal, financial and so on. When it comes to taking a decision, it's a question of looking at each other and saying: 'Do we do it or not?'"

Although as a model of decision-making it seems to an outsider unsystematic and almost too casual, d'Amico pointed out that more than half of the world's shipping companies are dynastic and certainly most big companies in Greece and Italy, excluding Costa.

"In the final analysis, this is the way my

cousin and I are accustomed to working," he reflected.

He is the first to admit that family decision-making has its pluses and minuses. "On the plus side, decisions can be taken swiftly if the family isn't too large; if there were too many people involved, it would probably be better to go public and bring in directors from outside. On the negative side, in families you fight as much as you do in other businesses and sometimes more," he commented.

Patronage can be a problem. D'Amico named no names but cited an Italian example of a family business where the rule was that all members of a huge family should have a job in the firm no matter how incompetent or ill-suited they were. "Gradually the business lost money and finally the company had to be sold to an outsider," he recalled.

D'Amico Società di Navigazione has dabbled in more modern business practices but these have yet to become second nature to the cousins. "We listed a part of our tanker company and, of course, that way of doing business is different since there are strict rules and regulations and you are required to convene the board and discuss decisions – even when certain decisions, although not taken, are clear in your mind," he said.

"My cousin and I have been placed in a different world and we have had to work our way through it for ourselves, even if it was not so obvious for us, because the teachers in our business school were our fathers," he said.

D'Amico says the Confitarma committee were very generous when they appointed him chairman, "but afterwards they present

you with the bill and you have to deliver. Confitarma has to be number one in my thinking," he explained. "I'm fortunate to have a cousin who handles the company very well but I try to do as much as I can. So it's 50% Confitarma and 50% d'Amico; everything else comes second," he said.

D'Amico Società di Navigazione was launched in 1953 as a liner service but now specialises in two sectors. "Bulkers and product tankers have always been in our fleet but we are much more limited now as we also had crude carriers in the old days. It's true that having a diversified business makes sense sometimes, but not always, because often both the product and bulker sectors are performing badly at the same time."

Unsurprisingly, neither sector is currently doing particularly well. "On the product side we are struggling in tough times because what we need is [a healthy] America. On the dry side we are lucky

**> In the spot light:  
Paolo d'Amico**

Paolo d'Amico joined d'Amico Società di Navigazione in 1971, being appointed director in 1981 with particular focus on the product tanker sector.

He is currently chairman of the company and of d'Amico International Shipping, as well as being a director of a number of companies in the d'Amico Group.

He is involved in a number of non-group companies, including as director of Milano Finanziaria Immobiliare.

He is chairman of Italian owners' association Confitarma, member of the Intertanko council.

D'Amico obtained a degree in economics and finance from Rome University La Sapienza in 1978.

He lives in Rome.

enough to have China, without which the problems would be far larger.”

Paolo d'Amico has strong international links. This cannot be said of all Italian owners. Apart from having business interests in at least four other countries, he is a member of the Intertanko council. “An international dimension is important to me for two reasons. Our first master is not the Italian government but the IMO in terms of technical and policy matters. Secondly our work is global – only one contract in several hundred is with an Italian company. We are based in Rome because we like it here but we might do better in Singapore,” he admitted.

D'Amico Società di Navigazione sold most of its container interests over the past 20 years but has retained what d'Amico describes as a cross between a liner service and a feeder service for other lines. Damighreb operates between Italy and Morocco with calls in Spain and Tunisia.

If the Arab Spring consolidates, d'Amico sees huge potential in north Africa. “We have ‘another China’ on the other side of the Mediterranean. There is huge potential in north Africa and I think it will be a great opportunity for Europe,” he predicted. ■

**‘We are based in Rome because we like it here but we might do better in Singapore’**



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