

THE DREAMSHIP BUILDER

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Telos: The roots of shipbuilding run deep into the past. A centuries-old tradition now fuelled by orders from the cruise industry. What is the relationship between the MSC Cruises and Italian industry?

Pierfrancesco Vago: Our Group has a very close, and highly virtuous, relationship not only with the shipbuilding industry, but with the entire shipping sector in general – where we are undisputed leaders in Italy and worldwide – and with the Italian economy in general. Here are a few figures, just to get an idea. We have been operating on the Peninsula for over 50 years, where we have about 15,000 active employees in the sectors of cruise ships, ferries, cargo ships, terminals, on-board supplies, logistics and high-tech. Our direct expenditures amount to about 3.5 billion euros a year, with an economic impact on the territory of over 10 billion. We are also one of the main clients of the Italian shipbuilding industry through Fincantieri, who we have ordered eight ships from since 2014, three of which have already been delivered, the last being MSC Seashore, the largest and most technologically advanced ship ever built in Italy, launched at the end of July. So, our overall investment is about 6 billion euros, which, according to the figures released by Fincantieri, generates an impact of roughly 27 billion euros on the Italian economy. As for the other sectors, we have restructured the ferry company GNV – now a leader on numerous routes in the Mediterranean – and we have invested over 100 million in relaunching the Gioia Tauro port, which has become the main port of call for containers in the Mediterranean. What is more, we have built and are building, in partnership with other operators, new cruise ship terminals in many cities, including Civitavecchia, La Spezia, Palermo and Ancona. Finally, in Turin last year we inaugurated the European offices of MSC Technology, an important technological division of the Group, while in Cortenuova, in the Bergamo province, we are creating one of the main Italian logistical hubs.

One of the main criticisms addressed to the cruise industry is that it has a significant environmental impact. What are you doing to reduce emissions and improve energy efficiency to protect air quality?

In terms of environmental impact, what I would like to say is, if we look objectively at the data, things are a little different. The shipping industry is actually only responsible for 3% of CO₂ emissions at the global level and the cruise ship industry accounts for barely 3% of overall emissions in the shipping sector. So, there are sectors that have a far greater environmental impact than ours. But it is true that the cruise ship industry is one of the most advanced in the world in terms of environmental impact, as well as one of the main global investors in technology to combat pollution. For example, MSC Cruises is investing over 3 billion in building ships fuelled by liquefied natural gas (LNG), the cleanest fossil fuel in the world that can cut 99% of sulphur dioxide emissions, 85% of nitric oxide emissions and 25% of CO₂ emissions. All our ships are also equipped with highly advanced systems for emissions treatment, waste-water treatment, paper, plastic and glass recycling and have electric-power supply systems for when ships at berth. But mainly the cruise ship industry is a powerful incubator for technology and experiments with solutions that are meant to be implemented on a large scale inside and outside the shipping sector. I'll just give you one example, which is revolutionary in some ways and capable of opening up new frontiers. At the end of July, we announced our partnership with Fincantieri and SNAM to build the first zero-emission cruise ship. It is a hydrogen-powered ship. And it will be built in Italy. Another important first for our Country!

The impact of the Covid-19 pandemic was fatal for tourism. Yet the cruise industry reacted swiftly and strongly, enabling it to restart as early as August 2020. Can you give us the highlights of your "On-board safety" protocol that convinced the Institutions to allow you to return to sailing?

One thing Italy can be proud of, in addition to its millenary marine tradition, is that it was the first Country in the world to relaunch, in complete safety, the cruise sector. And, not surprisingly, with our cruise line. This also jumpstarted a very important economic-tourism-industrial machine that guarantees thousands of jobs throughout the Peninsula. In order to get back onto the sea, along with the Italian authorities – who I again thank for their skill, awareness and willingness to help – we developed a "Health and Safety Protocol" that is currently unsurpassed and that has proven to be the best in the world, serving as a model even outside the tourism sector. The main measures are: a reduction in the number of passengers to ensure adequate social distancing; sanitisation of all surfaces several times a day and saturation and spraying of the environment using hospital-grade products; air-conditioning, without recirculation, using UV-C filters; Covid-testing for all passengers before boarding, during and at the end of their cruise; Covid-testing once or several times a week for all crew members, who must self-isolate for 14 days before going on duty as a precaution and do further tests; immediate isolation of people who test positive and their close contacts in specific areas on the ship, followed by their "protected" disembarkation according to local

and national regulations, and hospitalisation in participating healthcare facilities at the company's expense, if necessary; contact-tracing using a smart bracelet developed by MSC allowing passenger movements to be monitored for the duration of the cruise; finally, "protected" excursions organised only for our passengers that guarantee that they are kept in the same "bubble" on land as they are on-board using transportation (buses, hydrofoils, etc.) that have been sanitised prior to each excursion and with tour guides and drivers who have always been Covid tested.

You started your career in a family transport business. Then you joined MSC, where you held various positions, from ferries to cargo ships, until 2004 when you joined the cruise division. Since 2013 you have been the Executive Chairman and have followed the company's growth step by step. You also believe in the importance of the role of the industrial associations and today you are the first European – and the first Italian – to serve as Global Chairman of the CLIA after being the president of CLIA Europe in 2014. Based on your extensive experience, what do you think about the relationship between companies, Institutions and politics? Can you give us any anecdotes?

More than an anecdote, I would rather answer by going back to the topic of environmental challenges, which is rather emblematic in terms of relations and the collaboration that should be established between the public and private sector. Most of these initiatives – and the hydrogen ship project confirms this – are very complex and must balance significant industrial, infrastructural, financial, energetic and technological factors, in addition to environmental factors. So, to achieve them, private investment, albeit considerable, is not enough. You need an overall vision and public direction, which can only be guaranteed by the Country-System. And don't forget the essential contribution that Europe must provide. Paradoxically, actually, the huge efforts of shipbuilders to create more ecologically friendly ships risk being in vain if at port there isn't shore electricity and if they can't fuel up with LNG or hydrogen. And the rest of the Country lacks the proper infrastructure to produce, transport and store green fuel.

Marco Sonsini

Editorial

"*The class struggle is over*". We have read and heard this phrase in TV monologues and in the columns of many *political analysts*. But Piero Ignazi is a *political scientist* and adds an oft-neglected note: "*and the workers lost it.*" This is something that needs to be pointed out because it reverses the meaning of its premise: the class struggle is *over*, but not simply because, in the transition from an industrial society to a post-industrial society, the conditions for the reproduction of the conflict between the classes have lapsed, but because Western deindustrialisation has led to the *defeat* of one of the two participants in it. This result is epoch-making and has jeopardised not only the historic social and wage conquests of European workers, but their very survival as wage labourers simply because factories throughout the world have moved elsewhere and in Europe either there is no work or people can't live off their work (i.e. their wages). If we look at the last 40 years, it is hard to deny that the end of the class struggle and the crisis of the political parties are two sides of the same process of decline, where the European socialist parties seem to be the main victims.

Yet these parties were the first, at the dawn of the 20th century, to oppose their adversaries' cliques by forming a political party in the modern sense of the term, with its mechanisms, ideological cohesion and cooperation with the workers' movement.

However, we must also acknowledge that socialist parties' failure to protect the working classes, as they were supposed to do, is an integral part of any non-consoling explanation for the historic defeat of both of them. In the early '80s, French socialist François Mitterrand sacrificed the plan that got him elected prime minister for the fixed exchange rate and free movement of capital – the economic dogma European integration is based on – and embraced austerity, allowing discontent to spread like wildfire and giving rise to the first big success of the National Front. Devoted to the imperative of competition, in the early 2000s German Social Democrat Chancellor Gerhard Schröder embraced wage deflation by providing legal coverage for underpaid work through the infamous "*mini-jobs*", rendering the SPD, which today rejoices over a very shaky 25%, totally irrelevant.

Meanwhile, wracked by internal conflict over income policy, union relations and participation in the single market, weakened by its split from the moderate, Europeanist part of the party, British labour was unable to withstand neoliberal hegemony and, in the end, embraced its agenda under Tony Blair, though later it was left with neither reason nor remedy when the model it had accepted as inevitable began to break down. But was there really no alternative? Sure, for the socialists, accepting an international economic regime based on the movement of capital and (therefore) on fiscal competition and low wages meant agreeing to "*do the dirty work*", with perhaps some collective concessions for the oldest workers, hoping to be able to contain the cost when it would be time to the elections. But that's not what happened, and the European Left is now on the brink of extinction.

Ignazi notes that the contribution of the thinking, lay, progressive middle class is no longer enough to stop the haemorrhaging of popular votes. We should also add that, given the state of things, the European left-wing parties have come to a crossroads: they can either restore meaning and substance to the age-old battle for the dignity of work or follow the American democrats on their adventure in *identity politics*, making them the party of naturalised immigrants and shoulder the responsibility of importing the American model of consensus building founded on the duality of natives vs. newcomers. In this case, the result would be to definitively liquidate democracy as we came to know and conquer it in the 20th century.

Again, on the October cover of PRIMOPIANOSCALA we feature a white page torn to reveal a portion of the interview in Italian and English, with an insect looking up at the words. For Ignazi, we have chosen the **Praying Mantis**, which got its name from the Greek μάντις, which means prophet or seer. Its name refers to the unique position of its front legs, which make it look like a person praying. This is why it is seen as bringing deep inner peace and as a symbol of meditation practices. It is the only insect that can see the world in 3D and has special stereovision that helps it capture moving objects. Jean-Henri Fabre, the father of entomology, argued that other insects can only see, but the mantis can observe!

Mariella Palazzolo



Pierfrancesco Vago has been the Executive Chairman of MSC Cruises since 2013. He started his career in the '80s as the General Manager of Franco Vago SpA, a family business and leader in the transport sector. After this, he gained international experience by working for many years as the Managing Director of African Transport Pty in Johannesburg. In 2000 he joined the Mediterranean Shipping Company, a cargo company in the MSC group, and in 2001 became the Line Manager of MSC Cargo for the USA, Mexico and Canada. In 2004 he was appointed CEO of MSC Cruises, until 2013 when he was appointed Executive Chairman. He is also the President of the Executive Committee of the MSC Foundation, which sponsors various charitable initiatives in areas ranging from environmental conservation to humanitarian and cultural projects. In 2010 he was appointed Vice President of the Cruise Lines International Association (CLIA) Europe, which brings together the leading cruise lines in Europe, and from 2014 to 2016 he served as its President. In January 2021 he was appointed CLIA Global Chairman. Vago holds a Degree in Economics from Cambridge University, St. Catharine's College. His collaborators call him *PFV* and his friends call him *Chicco*. He is a fan of the Milan football club, adores sailing and is in love with South Africa, where he lived for many years. He lives in Geneva, but he is originally from Ancona. He is married to Alexa Aponte and has two children.

Marco Sonsini