

Business leaders look for rapid reforms

By Adrian Michaels in Milan

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Some of Italy's business leaders expressed the hope yesterday that the next government would be able quickly to implement desperately needed reforms. Two of their top priorities are introducing greater competitiveness and formulating a long-term energy policy.

"The new government will face a series of tough challenges," said Alberto Quadrino, chief executive of Edison, the utility company. "But there is a feeling that liberalisation of the markets will not be enough. In the energy sector we need a long-term programme."

Businesses have said the country's lack of nuclear power and limited coal supplies expose it to the full extent of swings in the oil price. Italy was left in a state of near-emergency this winter when gas supplies from Russia were drastically reduced.

Mr Quadrino also joined other business leaders in calling for continued privatisation. "There has been a tendency to stop the process particularly at a municipal level. We need to sell some of the country's assets to help reduce the public debt."

Some people told the FT they were pleased that there seemed likely to be a change of government.

"Finally we can get started on addressing the key points to restore the Italian economy," said Roberto Crapelli, regional head of consultants Roland Berger. "I have confidence because of the urgency. The health of the country depends on the wealth of the economy and there is no more room for subsidies, for increases in debt."

Mr Crapelli called for measures to cut local bureaucracy - "More than 20 government have tried to fix this over 30 years" - and to create strong banks and insurers that are not entangled with politics.

Last year's banking scandals in Italy exposed the deep ties that some financial services groups have to politicians, although another round of consolidation among banks is expected to produce larger and stronger groups less in the thrall of local interests.

The new government should support those banks and other groups in providing stronger services for Italian exporters, said Arturo Artom, a well-known venture capitalist whose interests range from satellite broadband to design and technology. Mr Artom has expressed support for Mr Prodi's centre-left.

"The next government has to focus on the companies that are growing. When I go to China I want help from the [chamber of commerce]. The government should help the chamber to advertise its services better."

Mr Artom is optimistic that some Italian companies are already thriving and boosting growth. Zero economic growth in 2005 was only achieved because some companies grew very fast. Otherwise, he said, the economy would have shrunk by four or five per cent.

Italy's financial markets rose modestly as the election results started to emerge yesterday with the major indices up about 1 per cent. A clear win for the centre-left would be welcomed by investors and ratings agencies.