

Italy launches private high-speed train

April 22 2012, by Ljubomir Milasin



An Italo train run by NTV (New Passenger Transport) at Rome's Tiburtina station. Italy launched Europe's first private high-speed train service this week, in competition with state network Trenitalia.

Italy launched Europe's first private high-speed train service this week, as the country looks towards the more liberal economy that Prime Minister Mario Monti wants to put on the rails.

The dark-red bullet-shaped "Italo" trains are run by NTV, a company headed by Ferrari boss Luca di Montezemolo who wants to take a

quarter of the market from state rail network Trenitalia, the biggest employer in the country.

"Italo has arrived, the competition has kicked off," NTV told its first passengers on an inaugural trip from Rome to Naples as they admired interiors that included a cinema carriage, leather seats and panoramic windows.

The project is one example of the new ambitions of the eurozone's third largest economy under Monti, a former EU competition commissioner who plans to shake up a sluggish economy heavily influenced by protectionist traditions.

Economics professor Monti came to power in November replacing Silvio Berlusconi and has said he wants to take on "vested interests" as well as calling for large-scale privatisations.

"We're talking a lot about growth. This is real growth for the country by someone who invests and takes a risk," Montezemolo told reporters, pointing out that the company had invested one billion euros (\$1.3 billion).

"We should be proud of being the first in Europe with a private [high-speed train](#) company," said the entrepreneur, who has struggled for years to get the project up and running, condemning Trenitalia for its obstructionism.

"This is a day that shows we have confidence in our country," he said.

France's national rail company SNCF owns a 20-percent stake in NTV but the majority is held by a consortium of Italian businessmen including Montezemolo and Diego Della Valle, the billionaire head of luxury shoemaker Tod's.

The carriages are produced by French company Alstom.

"Our aim is to take a 20-25 percent stake of the market by 2014," transporting nine million passengers within three years, Montezemolo said, adding that the company would operate 25 trains by January 2013.

"Consumers have already benefited from the beginning of competition. Trenitalia has lowered its ticket prices and improved the service," Marco Ponti, a professor of transport economics in Milan, told AFP.

"Italo" hopes to gain a competitive advantage with a system offering passengers cut-price tickets by booking early or travelling at off-peak times.

But Ponti warned that the nascent competition may be too "uneven."

"This is a dwarf against a giant. Trenitalia owns the railway, the stations, the waiting rooms, everything," he said.

"The economy is not very favourable with the crisis," he said, adding: "Montezemolo can go bankrupt, Trenitalia can't. It's a state company."

Italy's economy entered recession in the second half of last year and the government this week warned that the situation will worsen, with a forecast contraction in gross domestic product (GDP) of 1.2 percent this year.

Ponti warned that the economic outlook could bring Trenitalia and NTV together with a deal "that would destroy healthy competition."

"What we need is a third player," he said.

The head of Trenitalia, Mauro Moretti, played down talk of a bitter

rivalry saying this was "a new, unique challenge ... in the interests of our clients."

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