

Italy's elite powers full steam ahead on a fantastic journey

'All of Europe is interested in our experiment'

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This is an Italian dream machine: low-slung on its wheels, with a ferocious barracuda nose, designer interior styling and a top speed of 360km/h. Of course, the colour is haemoglobin red — and, best of all, you can chatter endlessly to your friends in the seats behind you without fear of wrapping the car round an olive tree.

Because it is not a car. It is a train (see graphic), the AGV (Automotrice à Grande Vitesse), the latest Alstom super-fast loco — and the French don't even have one. Italy is launching this train, not Trenitalia, the state railway, but Nuovo Trasporto Viaggiatori (NTV), a new company set up by a handful of Italy's business elite with the help of Generali, the insurer, and Intesa Sanpaolo, the investment bank.

Within two years, NTV will be running 25 trains, branded italo, between Turin and Naples, serving cities such as Milan, Bologna and Venice to the east, as well as Florence, Rome, Naples and Salerno to the south. Together, these centres account for more than half of the Italian economy and the italo, competing with Trenitalia's own high-speed services, will shorten the journey time from Milan to Rome to three hours, quick enough to obliterate Alitalia's service.

That is not the point, according to Giuseppe Sciarone, NTV's chief executive, who insists, diplomatically, that high-speed rail will only take 15 per cent of the airline market but will generate huge amounts of new traffic with a €60-€70 fare from Milan to Rome.

Backing Mr Sciarone is Italy's business elite, including Luca di Montezemolo, the president of Fiat, Diego Della Valle, owner of the Tod's brand, Alberto Bombassei, chairman of Brembo brakes, Intesa Sanpaolo and Generali.

NTV has even secured the ultimate European seal of rail approval — a 20 per cent investment by SNCF. The French national railway company may see NTV as a useful back door into an early incursion into the Italian market, before the planned link between Lyons and Turin via a trans-alpine tunnel.

According to Mr Sciarone, NTV was made possible after a €40 billion state investment in high-speed track and an Italian government decision to open the domestic market to competition next year, well ahead of the European Union deadline in 2015.

"It's a difficult but fantastic project," Mr Sciarone said. The partners are investing €1 billion, including €650 million for the trains. He hopes that the business will begin to show a return in the third year of operation, assuming that the Italian economy begins to recover in 2010. "All of Europe is interested in our experiment," he said.

