

ALLIANCES

United with Campania

Italian regions are joining forces in a co-operative in a bid to beat recession and compete on the world stage

AIMEE TURNER NAPLES

About 20 million people purchased tickets for Italy's national lottery, the SuperEnalotto, in October. The game had not posted a winner since late April and in recent weeks, Italians spent €480 million (\$776 million) hoping to win the jackpot.

But even the world's most lucrative lottery cannot save a G8 economy in freefall. If Italy's economy shrinks 0.5% in 2009, as projected, the country will find itself neck-deep in its fourth recession of the past 10 years.

Months before the recent plunge of the Milan stock market, indicating that business confidence was at a 15-year low, Campania's

aerospace community got together with its counterparts in the northern Piedmont region and its neighbouring Puglia in a bid to join forces to compete more effectively on the world market. The effort was to be focused on streamlining the supply chain of the small and medium-size businesses resident within those areas and match making their activities with the deep expertise of Italy's research centres and universities in those regions.

In Campania alone, the region boasts polymer and composite centre IMAST at Portici, which provides the industrial meeting point for heavyweights such as Alenia Aeronautica, national research institution CNR and the Federico II University, not to mention Italian aerospace research centre CIRA, which rallies the SME effort within the Campania grouping.

While the aerospace cluster in Puglia is relatively young, the combined industrial strength of Piedmont and Campania's pres-

ence is impressive, home to 500 businesses and 20,000 personnel, representing 36% of Italy's aerospace sector and a hefty €3.1 billion in annual turnover.

META DISTRICT

Campania itself numbers 29 headquartered companies and 19 manufacturing facilities with roughly 8,100 employees in addition to another 100 SMEs employing a further 2,000. Together they generate combined sales of €1.3 billion, €600 million in exports. "This 'meta-district' will attempt to emulate a US-style environment where research starts from a basis of agreed industrial objectives rather than an ivory tower wishlist of nice-to-haves," says Nicola MazzoCCA, Campania's regional minister for universities and research activities.

In Campania, he believes, the vibrant SME presence should be able to pick the research ball and run far more swiftly than other Italian regions such as Lazio, where although R&D spend is much higher, the groves of academe are exactly that – groves with few industrial players to carry innovation through to market.

Andrea Cozzolino, Campania regional minister of industrial production, says the meta-district is the first time three different regions

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have come together in this way in the history of Italian aerospace industry, although he adds that the joining of forces had its genesis long before the current economic crisis hit.

"Why? Simply because individual regions were no longer able to continue to implement policies of SME growth and innovation and so it was necessary to establish a system through which we can present ourselves as a fully fledged player at a decision-making level."

So what will the added value of this network be? "Synergies, essentially. It will be a way to tackle some of the current problem through analysing the synergies. For example, Puglia is a lot younger in terms of industrial maturity and needs research and development capacity. Campania is a lot more mature and has precisely the research centres and university Puglia needs."

At regional level, the current Framework Research Programme pays for – outside Euro-

"When we talk about research here, we're basically talking about applied research"

PAOLO BELLOMIA

Dema vice-president of strategic marketing

Paolo Bellomia, vice-president of strategic marketing at aerostructures specialist Dema, agrees. He believes the meta-district will give all involved a competitive advantage through the joining of risk-sharing forces, north and south. "When we talk about research here, we're basically talking about applied research. When we see a laboratory, it must translate its efforts into a product opportunity. That is why we collaborate with CIRA so closely."

He says collaboration between the three regions will be critical. "There will be no starred region, each will be expected to make the

moving into a new plant at Pomigliano. "We are simply matching global growth trends in air travel and the evolution of new materials such as composites in new aircraft types. It is really an automatic phenomenon, which for us means it's all a question of planning and organising for that forecast growth," he says.

Alfonso Sodano heads Naples-based Magnaghi – one of three divisions of the Invesco Group – which designs, develops, tests, certifies and supports landing gear systems.

INVESTMENT PROGRAMME

While its largest single customer within an impressive aerospace client roster is Messier-Dowty, producing its landing gear system for the ATR 72/42, its strategy is anchored in an ambitious investment programme centred on human resources, R&D and supply chain management, something that means a substantial planned investment in the overhaul of existing and new facilities and the development of technologies.

It sees the meta-district as a vehicle through which it can continue to enhance its role as a system integrator in the first tier of an airframer's supply chain fulfilling the primes' increasing requirement to source whole systems from one contractor. "Essentially we expect better integration. In terms of co-operation, we have to integrate our special offerings – to bring increased added value."

This is important at a time when new programmes include the development of the Alenia C-27 Spartan JCA landing gear system for the US Air Force, landing gear components for the Sukhoi Superjet 100 and the Piaggio P1 XX, where Magnaghi is bidding for the complete landing gear system.

Sodano believes it difficult to predict what effects the global banking crisis will have because its business is made of "product". "It's something tangible. We don't work on the basis of a virtual economy. For us, it's all about the real economy, but like everything we must have access to banking support."

Raffaele Russo is Magnaghi's general manager. He outlines the current R&D programme which features resin infusion techniques, advanced acoustic comfort, advanced composite lay-up and autoclave free technologies.

"Development is the most exciting part of our business. It's what makes Magnaghi different, precisely because we have that capability. We want to be able to develop and support full landing gear systems including all the necessary system technology such as wheel and brakes, to become increasingly the prime contractor for whole systems. We would then like to integrate that system that we have produced into the aircraft. That requires additional know-how and the creation of a meta-district may well represent the key to that door." ■

CAMPANIA'S AEROSPACE SECTOR

Aerospace market value

The European market is estimated to be worth €188 billion, €68 billion of which is generated by its aeronautics sector. Italy contributes about €6 billion (8.1% of the European market) to the total market. The Campania region contributes at least €1 billion (16.7% of the Italian market).

- ▶ Campania is one of the five aerospace poles in Italy, the others being Lombardia, Lazio, Piemonte and Puglia.
- ▶ Around 1,000 SMEs, large enterprises and research centres are involved in the regional aerospace sector, accounting for more than 7% of aerospace enterprises nationally.
- ▶ Over 10,000 employees account for around 9% of national aerospace employment.
- ▶ With a turnover of around €1 billion a year (42% generated from SMEs), the aeronautics sector is the main sector, with a strong presence of manufacturing businesses such as Alenia Aeronautica, Avio, Europea Microfusioni Aerospaziali, Magnaghi Aeronautica, Selen and maintenance and passenger/cargo conversion enterprises such as Altech and Officine Aeronavali.
- ▶ Ten SME consortia include SAM (Mediterranean Aerospace), Artema, ALI, SFERA, Technova (Innovation Politecnico Consortium), In.Tec.Na., Antares, Tecnocasaerta and Aerocampania.



pean Union-funded programmes – most industrial policy, training and R&D activities through packages that are offered to SMEs.

COMMON PROJECTS

Cozzolino says results will not be immediate as all the stakeholders after the 3 November official launch of activities will need to sit down and examine how they can work together, particularly in common projects in research and development.

Cozzolino believes this is not a pipedream and that the level of dialogue with the industry is high. "You cannot establish a policy without a dialogue with the top. If you have their co-operation, success is guaranteed both at a national level and at a regional level. It's fair to say that this mega cluster would never have happened without the support of the top management of Finmeccanica and Alenia. But SME involvement will be just as important and their role in the ongoing reorganisation of the supply chain by the primes will be critical."

same effort and each will be expected to make the same contribution in terms of effort made," he says.

And despite the global financial crisis – which Bellomia says provides a salutary tale for all governments that have allowed virtual dollars to run the show instead of the real economic proposition of actually making things – the real results of the initiative will be demonstrated by the continued strength of Italy's aerospace primes.

"The common factor to all three regions is, of course, the presence of Alenia, which has plants in all three regions, so Alenia will be able to translate that strength of co-operation within its SME network," says Bellomia.

Established in 1993 Dema has experienced stunning growth during the last three years where turnover has rocketed from €4 million to €27 million last year, which is expected to reach €35 million this year.

It has similarly seen employment shoot from 60 people to 550 and is in the process of



AIR TRAFFIC MANAGEMENT

Towering ambition

European Union aid is providing a much-needed impetus to air traffic infrastructure in the poorer parts of southern Italy

AIMEE TURNER NAPLES

A local saying "Cristo si è fermato a Eboli" or "Christ stopped at Eboli" was used by writer Carlo Levi as the title of a book, referring to the horrendous poverty in the south of Italy at the start of the 20th century.

No surprise then that little over a century later Campania remains eligible for vital Objective One funding – one of three European Union programmes set up to help reduce differences in social and economic conditions within the European Union.

Of the three programmes, Objective One is the highest priority designation for aid and is targeted at areas where prosperity, measured in gross value added per head of population, is 75% or less of the European average.

Dr Pasquale Schiano of Italian aerospace research centre CIRA says that this reality has provided the germ of an innovative regional economic initiative to enhance and upgrade the infrastructure that allows vital air traffic links throughout southern Italy.

What CIRA is proposing with the small and medium-sized businesses in Campania and Puglia is to kickstart research activities with the aid of Objective One funds to establish a network of "virtual towers" to enhance air traffic management at minor airports in southern Italy with the concomitant heavy costs of constructing physical structures.

Schiano says that in this way CIRA is strengthening its participation in the Single European Sky joint technology initiative aimed at overhauling Europe's creaking patchwork of air traffic fiefdoms while avoiding duplication, as this effort will be an attempt by Italian in-

dustry, together with research centres and academics, to pioneer something exclusively for domestic application.

"We originally started with a round table discussion with all these stakeholders in an effort to determine what CIRA and other research centres should and could focus on. Our remit was to look closely at specific issues that are not covered by other Italian players."

VIRTUAL TOWERS

One example was the virtual tower, applying virtual reality techniques to existing air traffic infrastructure to allow minor airports in southern Italy to increase substantially their technological offering without the onerous capital outlay. As Schiano says: "We cannot provide a physical air traffic control tower for each airport, but the idea is to support these minor airports by using virtual towers using high-speed communication and virtual reality tools, etc."

He adds: "The main objective here is to improve interregional mobility because, for example, in Italy we have several major airports – but if you want to travel from Naples to the south in Apulia or Calabria we really need to be talking about improvements in general aviation infrastructure."

Thanks largely to Campania's leadership position in general aviation manufacturing terms, the virtual tower initiative will partner other funding efforts focused on improving the 10- to 20-seat aircraft and small helicopter segment, further improving regional mobility.

"In this framework CIRA is proposing a joint Campania-Apulia initiative," says Schiano. Both regions are eligible for Objective One funding and with the addition of regional funding could total a research initiative of the order of €50 million (\$62.5 million). ■

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