

THE COUNCIL FOR THE UNITED STATES AND ITALY

THE TRANSATLANTIC AGENDA FOR 2012

**Address from Sergio Marchionne,
Chairman/CEO of Chrysler Group and CEO of Fiat**

Washington, DC - 30 November 2011 - 1:30 p.m.

[SM introduced by C. Fred Bergsten, Director, The Peterson Institute]



Thank you very much, Fred.

Ladies and gentlemen, good afternoon.

I want to start by thanking the Peterson Institute for International Economics and the Brookings Institution for their collaboration in setting up and hosting the seminars for this program.

It is a much needed and welcome sign of cooperation and understanding between the United States and Europe at a time when the very nature and form of Europe is being discussed and debated ad nauseam.

I hope my placement on today's agenda is simply fortuitous.

I've been wedged between political and economic issues which, to put it bluntly, puts me somewhere between "the devil and the deep blue sea."



I thought long and hard about what to talk to you about today.

Given the events of the last hours, or perhaps I should say of the last few years, and the uncertainty hanging over the global economy, it is a daunting if not impossible task to provide some meaningful, but more importantly reliable insight into what the future holds in store.

I am neither a political scientist nor an economist.

My calling is much more humble.

I am a simple metal basher.

And even after going on a diet, I do not possess the qualities of a tightrope walker who doesn't lean one-way or the other.

I have a tendency to speak in a very direct manner, which I assure you is not a good way to win a popularity contest.



What I can do this afternoon is give you the perspective of someone who is involved in the running of two large industrial groups – Fiat/Chrysler and Fiat Industrial - with more than 250,000 employees around the world and who is actively engaged in the reshaping of European industrial reality, and in particular, of Fiat's significant presence in Italy with more than 80,000 people on its payrolls.



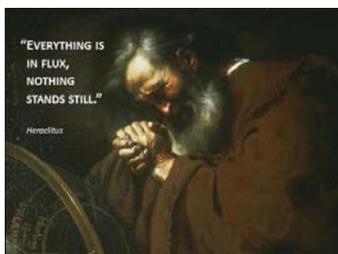
The set of issues that accompany such an undertaking are often overlooked.

In fact the discussions this morning, and I suspect the exchange of views reserved for this afternoon, attempt to identify issues and potential solutions from a political or macro-economic standpoint.

This is all fine and good, but there are very practical matters that require resolution if the grander solutions have any chance at all of being effective in the longer term.

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Heraclitus, some 2,500 years ago, said that “Everything is in flux, nothing stands still.”



This has never been truer than now.

All the so-called certainties and points of reference that we had been able to accumulate since the end of the Second World War have been swept away by the improper, or at best incomplete, execution of two large experiments.

The first, clearly driven by the United States, had as a clear objective the de-regulation and liberalization of financial markets.

The second, concocted in Europe by Europeans, proposed the Single Market and the Single Currency as **the** solution to the politically unstable conditions which had characterized European history for hundreds of years, and which had its final ugly manifestation in WWII.

The first experiment brought us to close to Armageddon.



The second has the potential to finish the job.



Despite the fact that Europe as a community is facing one of the most difficult periods since formation of the European Union, the current priority of the majority of member states is resolving their own internal issues.

Until just recently, the Greek crisis seemed to be the biggest problem in Europe.



Today, it is unfortunately only a minor concern considering the pressure of events in Italy.



We all know that the default of a country the size of Italy would be too dangerous to even contemplate.

It would be indigestible and would put the entire European banking system in serious jeopardy, not to mention causing the almost inevitable disappearance of the euro.



It would be naïve to think that such an outcome would not have serious consequences for the rest of the world, including North America.

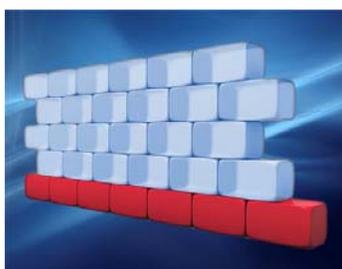
In addition to creating a phenomenal disruption in trade flows, it would also entail potentially huge losses for all the banks that hold Italian government bonds.

Fred Bergsten and I have sparred from time to time on the reliability of the euro as a currency and its value as a unifying instrument, but “the train has left the stations” on this point.

We cannot and must not accept this catastrophic scenario.

And to this end, we need a strong and joint effort by both Italy and Europe.

Italy must show determination and rigor to restore its public accounts, and make structural reforms of its pension and labor markets, building the basis on which the country can once again, at some point in time, start to grow.



Italy urgently needs to respond now with facts instead of announcements and promises.

The ethical obligation imposed today is to take action.

A few weeks ago, when plans were outlined to respond to the national emergency with the appointment of a technical Government, the most important Italian financial newspaper chose to run a front-page headline written in capital and large letters, “*FATE PRESTO*”, Hurry Up.



Deliberately, these were the same words that another newspaper chose more than thirty years ago, in response to the earthquake that devastated the Irpinia Region in Southern Italy in November 1980.

The intensity of these words is striking, and reflects the severity of the situation.

Unfortunately, Italy is experiencing a financial earthquake that is shaking its foundations and can potentially undermine its economic and social pillars, turning the hard work and savings of all Italians into rubble.

Never more than now, we need hope and courage.



We do need action.

The best chapters of Italian history have been written by men who knew how to weave intelligence and vision, who were able to fight for change, instead of protecting the status quo.

I have a great deal of confidence that Mario Monti, the new Italian Prime Minister, can be counted among those people. He has all the qualities and the international credibility to do what needs to be done.

From its side, the European Union must put in place, whether alone or with the IMF, a substantial increase in the size of the firepower of the European financial stabilization facility.



And most importantly, Europe must decide what its future will be.

We have always known that failure to manage the economy at the European-wide level would eventually render the single currency both incomplete and vulnerable.



We knew that the prohibitions and sanctions contained in the Maastricht Treaty and Stability Pact provided insufficient safeguards against certain nations deviating from agreed objectives and committing grave errors.

We knew that the powers granted to the European Central Bank were too limited and that functioning merely as a watchdog over inflation would be insufficient, if not outright dangerous.

The current crisis has brought Europe to a critical crossroad, obliging all member states to reflect seriously on the purpose and nature of the Union and decide whether they are willing to recommit to a European future.

At issue is whether monetary union is possible if not underpinned by fiscal and even political union.



The task before the Europeans is to understand whether the time is right and whether they truly have the will to strengthen the fabric of the Union.

This would require members to overcome national oppositions, break down the fences that surround the European credit market, give up some of their national sovereignty to make a stronger Union, and agree to follow a common way to manage the economy.

I think this would be the only path to exit the EU's "age of incompleteness" and evolve to a more mature nature.

* * *

The prescription is clear, but it would be foolish for us to ignore that difficult times lie ahead in Europe, especially for South Europe.

There are many countries whose problems cannot be solved by simply sorting out the budget.



Sound public finances, domestic fiscal measures and support from the ECB all play their part and allow the time necessary to implement reforms.

But, by themselves, they don't resolve the problems of growth and unemployment.

This area will require a great deal of sacrifices from its citizens that will translate in a period of austerity, in order to restore its financial stability and approve several much needed reforms.

This is an issue that needs to be addressed at the national level, with courage, decisiveness, a sound economic policy and a renewed sense of responsibility toward the other members of the Union.

This is the time of action and hope.



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For a number of reasons, mostly historic, in taking action, Fiat and Fiat Industrial have become the focal point of debates, arguments and the taking of sides across Italy: from unions to politicians to industrialists.



The only ones that, this time, have stayed out of the debate are those who run the financial system.

But I am sure that even they would have taken part, if they didn't have other more pressing issues to deal with.

I am not here to give lessons to anyone, simply to share some of my thoughts on what has happened in the global automotive sector in the wide sense of term over the past 10 years and, even more specifically, in the last 3 or 4.



Historic changes have taken place that have had a fundamental and lasting impact on Fiat's strategies and that forced a group – which has been a major protagonist in Italian industrial development for more than 112 years – to change plans, objectives and tactics in order to survive.



Despite the financial and industrial crises, the effects of which we are still dealing with, Fiat has remained true to several core principles that – precisely because of its history and sense of belonging to the nation in which it was founded – have remained unchanged.

Back in what appears now a very distant 2006, I had the opportunity to address a meeting in Turin of the rather powerful employers' association, Confindustria.

It was my first public appearance dealing with something other than automotive architectures and powertrains.

I said then that:

“If a free society is to endure, then it has an interest in supporting those affected by changes caused by movements in the market.

This is based on the fundamental premise that there are factors outside of our individual control and responsibility that can cause suffering and extremely challenging circumstances.

Those individuals need support to find new work and continue to have an active role in society.

An entire range of potential solutions is available, all of which are perfectly compatible with an open, free society with a market economy.

Europe can and must distinguish itself in the creation and management of free markets, recognizing and dealing efficiently and fairly with consequences on its citizens.”

Those words set the scene for a much broader discussion.

Our Group wasn't basing its turnaround on the bloodletting that the financial markets seemed so eagerly to want, but had determined that the causes of its enormous operating losses lay elsewhere.

The Fiat crisis of 2004 was entirely down to internal problems.



Fiat was self-referential, isolated and, in a certain sense, even protected within the safe confines of Italy. It had lost contact with reality and with the market.



Back then, what it failed to realize was that its survival simply depended on its ability to compete.

Management seemed trapped in a vertical, hierarchical structure, where decision-making processes were slow and the management model only added complexity to an already difficult business.

We dismantled that rigid structure, making it flatter and more agile.

We placed customers and products back at the center of our strategy.

But most importantly, all of these activities were centered around a new concept of leadership – the key element in managing people and change.



This enabled us to set out on a new course of extraordinary growth that saw Fiat keeping pace with the market, gaining market share and turning out profits.



So much so that in 2008 we achieved the highest trading profit in what then was the Group's 109-year history.

From losses in excess of €2 million per day in 2004, weekends included, by 2008 we were achieving about €10 million in profit per day, weekends included.



What emerged from this experience was that the true cause of Fiat's operating losses was not the cost of labor, which accounted for 6-7% of the total product costs.

The causes lay elsewhere.

This process was enough to pigeonhole me as a social democrat, someone who, by European political standards, is aligned with labor.

The classification is irrelevant, but it says a lot about how Europeans view social actors: they must all have a political stripe, an ideological home which guides their behavior and relationships.

Almost everyone forgot that at the same time, in 2006, I also said that:

***“This does not mean we should diminish or abandon our commitment to increasing the productivity and flexibility of our industrial activities to make them the most competitive.*”**

This commitment is essential to ensure industrial growth based not only on investment from within Italy, but also foreign inward investment, something our nation has never been able to achieve in any consistent way.”

I wanted to read from that speech today to reaffirm one very simple fact.

Fiat's position has not changed since then.

In fact, I wouldn't change even one comma from that speech.

Everything Fiat has done in the last nearly 8 years is entirely consistent with that underlying conviction.

It is not by simply laying people off that an organization becomes more efficient.

It is not the cost of labor *per se* that makes a difference between a competitive organization and one that is relegated to the side lines.



But neither can the cost of labor be viewed in absolute terms, in isolation from all other factors.

It becomes a problem when the market for our products is subjected to permanent, structural changes.

It becomes a problem when it is decoupled from indicators of productivity or capacity utilization.

* * *

Fiat's path to rehabilitation and growth initiated in 2004 came to an abrupt halt with the outbreak of the global crisis.



In 2008, Fiat, like everyone else, had to come to terms with a world that had been completely turned on its head.

The principal assumptions upon which our plans were based had been swept away overnight.

Markets were turned on their heads.

The effects of the financial storm that started in the U.S. put a stranglehold on the entire industrial world.

As Lev Tolstoy wrote in the opening lines of his novel Anna Karenina:

“Every happy family is alike, but every unhappy family is unhappy in their own way.”



And every one of our international competitors has been through hell in its own way.

I'll give you some examples.

In 2005, General Motors was the largest automotive group in the world, a group which could afford to pay \$2 billion NOT to buy Fiat's automobiles business.

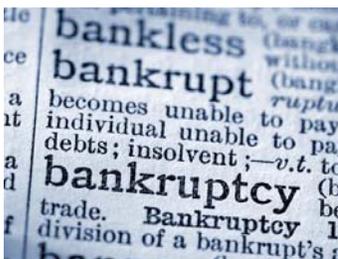
In 2008, Fiat bought advertising space in a special edition of Automotive News, to congratulate GM on its first 100 years.



Chrysler, whose own centenary was still a few years away, also sent best wishes.

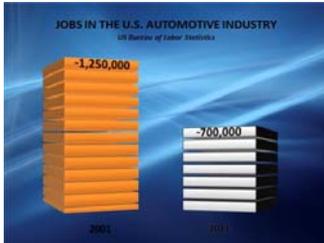


Less than 12 months later, both General Motors and Chrysler had filed for bankruptcy.



But the process of restructuring the U.S. auto industry, which culminated in Chapter 11 for two large domestic automakers, had already begun at the beginning of the decade.

Of the 1,250,000 jobs in the automotive industry in 2001, 550,000 have been lost.



At Detroit's Big 3 alone, membership of the United Auto Workers – which, unlike in Italy, is the only trade union present at factories and represents all blue collar workers – fell by around 50% between 2005 and 2011, from over 225,000 to 113,000.



There are of course emerging markets such as Asia and Latin America, which have experienced and continue to enjoy periods of growth, but both North America and Europe are mature, saturated markets.

And these are, in fact, the main problems for an industry that suffers from production overcapacity.

Installed production capacity worldwide is over 95 million vehicles per year, representing excess capacity of 20 to 25 million units – much of that in Europe.



Under the leadership of President Obama, America had the courage to force a restructuring of the industry, ensuring that what emerged from the bankruptcy of two major US manufacturers would provide the foundations on which a new process of growth and development could be built.



In Europe, they did exactly the opposite.

All around us, we have seen billions being made available to our competitors.



Almost everyone in Europe has benefited from some form of direct and indirect aid, which prevented many plants from shutting down.

But not us.

We chose to go it alone.

We initiated a series of drastic cost containment actions.

We rethought our plans to take the crisis into account.

Even during such a period, we succeeded in keeping up with our best competitors. So much so that, in 2009, we recorded the highest trading margin in the sector.

What didn't help then and is not helping now is the condition of the Italian market.

Without some kind of incentive scheme, which for years had masked the real demand for cars, demand has stabilized at just above 1,700,000 vehicles for 2011, turning the clock back on more than 15 years of growth.

For Fiat, in particular, this fact has great significance given its 30% share of the Italian market.



The rest of the industrial sector in Italy was also hit very hard.

A case in point is the truck and construction equipment sector, where global demand nearly halved during 2008 and 2009, and it will take years to return to pre-crisis levels.

All the choices we have made, both in response to the internal crisis of 2004 and the external crisis of 2008, had the same objective: to ensure that Fiat stays in tune with reality and the market – to ensure its survival.

It exhibited a courageous and resolute determination to resist: to resist decline, to refuse death.

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The methods used by Fiat to manage the crisis in 2004 and in 2008 have much in common: the same effort to find an equilibrium between industrial logic and social responsibility, the same conviction that the company could be made more competitive, while at the same time protecting workers.



Faced with these dramatic circumstances, we did everything in our power to minimize the impact on our people.

We used all of the temporary labor mechanisms at our disposal.

Not even when we were in the very midst of the 2008 crisis, did we resort to permanent redundancies.

Nor did we use the weapon of possible layoffs in exchange for something else, despite the fact that we saw others take this very path.

To avoid permanent layoffs, in 2009 we utilized 30 million hours under temporary layoff schemes.

Even in the direst circumstances we avoided radical choices and worked to reallocate personnel, instead.

There are three well-known cases, where, having assessed every alternative, we realized it was no longer possible to continue our industrial activity.

Three plants, two of which are in the southern part of Italy, are being dismissed by Fiat and the facilities transferred to another operator, without compensation, something that, as far as I am aware, no other manufacturer has ever done before.



On other occasions, where industrial and social considerations have permitted, Fiat has stepped in to lend a helping hand to suppliers in difficulty, including some quite large enterprises.

In some cases, we offered financial assistance.

In other more severe cases, we chose to buy the company out, making it part of the Group.



This was no small undertaking, financially or otherwise.

We are talking about over €1 billion, mostly spent prior to 2007, at a particularly difficult time for the group.

Our intervention made it possible to save structurally weak companies, but more importantly allowed us to save over 11,000 jobs that were seriously at risk.

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The other effect of the 2008 crisis is that it forced us to accelerate a rethink of our business model.



Fiat was too small, too tied to the small car segments and too dependent on the European market to have any chance of survival.

It was imperative that we find new ways of sharing costs and expanding the product range, as well as finding new opportunities and reaching new markets.

And that was when we seized an opportunity the likes of which we will probably never see again: the alliance with Chrysler.



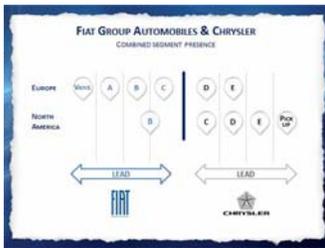
In 2008, the US auto industry had been laid to waste by the financial tidal wave and a managerial class that had poorly managed the need for change.

It provided Fiat an opportunity to gain recognition for its technological know-how and commitment to sustainable mobility, as well as its ability to bring fuel efficient engine technologies and architectures to the United States, and its experience in managing a turnaround.

The alliance allowed us to achieve a dual goal.

On one hand, it meant being part of the rebirth of the American car industry, encouraged by President Obama, and saving a company like Chrysler that was at times losing almost \$1 billion a month in early 2009.

On the other, it gave Fiat the opportunity to access the US market and expand its product portfolio into the medium-large segment, which historically has always been one of its weakest areas.



This partnership between two perfectly complementary companies was the salvation of both.

Together we will sell around 4.2 million vehicles this year, becoming the fifth largest carmaker in the world.

By 2014, we expect to increase that figure to 5.9 million units.



It may be too early to appreciate the full potential of this alliance, beyond the strategic value of forcing us to converge architectures and components and providing us access to the NAFTA market.

Let me just give you one figure that speaks for itself.

A while ago I told you that in 2008 Fiat – which then included both Fiat and Fiat Industrial – had achieved the highest trading profit in its 109 years of history.

Based on the guidance already given, we are confident that Fiat and Fiat Industrial will together break this record in 2011.



We will achieve this even though Chrysler's results will only be consolidated for 7 months, and despite the fact that the extremely competitive European car market is focusing on segments that are not, for the moment, Fiat's forte.

To survive the crisis, Fiat adopted a non-linear strategy that was unpredictable to its competitors and whose clear purpose was to dramatically alter the group's structure.

It put its reputation, and later its financial resources, on the line.

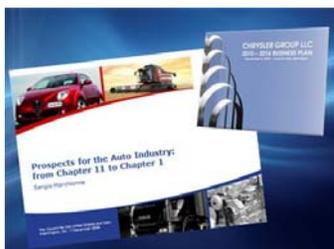
Instead of closing in on itself, it focused on becoming stronger, while others remained on the defensive.

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Those of you who were in the audience when I spoke at this seminar two years ago heard me describe how Chrysler's new life after bankruptcy enabled a restructuring and the forging of a new global alliance with Fiat.



At that time, I referred to our journey “From Chapter 11 to Chapter 1”, which was the title of the relaunch plan presented on November 2009, as it represented a new beginning for Chrysler.



Since then, we have undertaken a profound transformation of our organization, introducing a new culture, based on meritocracy and accountability.

The people at Chrysler have embraced change and the challenge of competition.

It is a mindset that has produced results.

In just 19 months, Chrysler brought 16 all-new or significantly refreshed products to the market.



Positive customer reception has enabled us to post major gains in sales and market share, and to begin once more to turn a profit.

Last May, we paid back, with interest, every dollar received in loans from the U.S. and Canadian Governments – and six years ahead of schedule.



That day marked a new “Chapter I” in our history.

Chrysler was back on its own two feet again, free to chart its own destiny as part of the alliance with Fiat.

From that moment, all the conditions were in place for us to accelerate and consolidate the industrial integration of our two groups, to put in place our project to create a global automaker determined to position itself as a leader in the industry.

Our ultimate goal is to have one global car company that will be managed in a very multi-national, multi-ethnic manner but it will have no stripe in terms of nationality.



It can't have one.

The partnership will succeed if Fiat and Chrysler people can humbly work alongside each other, listening, sharing experiences, exchanging knowledge and ideas, and expanding their horizons.

Any attempt to dominate the culture of another organization would stifle creativity.

Fiat didn't come to America to conquer or dominate Chrysler.

If we had tried to impose a Fiat view of the world on Chrysler, we would have failed abysmally.

The reason we have succeeded thus far is that we recognize what Fiat and Chrysler are in their essence.



Chrysler is first and foremost an American car company and its character needs to be preserved.

In the same way, Fiat is an Italian company whose roots need to be enshrined.

We are working to align the two organizations without discarding the strengths of two different cultures.

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This alliance is intended to have a positive impact on our plants in Italy.

Due to the weakness of the domestic market, production overcapacity in Europe and the extremely competitive market conditions, for years the level of productivity at these plants has been too low to be competitive.

If Fiat were to have invested alone, the risks would have been enormous: large expenditures that are not shared, insufficient volumes and high unit costs.

Through this alliance, Fiat has a great opportunity to be global once more, benefiting from the opportunity to export to markets outside Europe and to share the development costs for architectures that have a parallel application in America.

When the time came to decide how to best leverage the production capacity of both organizations, we never neglected the Italian plants.

It is a strategic direction that Fiat intends to continue, whose purpose is to show our commitment to resolving the issues affecting our plants in Italy and contributing to the development of Italy's industrial potential.

Fiat has always made it extremely clear that achievement of this result depends on the contribution of all parties involved to ensuring the governability of production sites and the implementation of agreements reached with the trade unions and, ultimately, the necessary operational flexibility.

Fabbrica Italia, when it was launched in the spring of 2010, was quite simply a declaration of intent, an undertaking of our own making to demonstrate Fiat's commitment to Italy at a time when the Group was beginning to take on an increasingly global dimension.

Unfortunately, it continues to be intentionally misunderstood and misinterpreted.

We had to stop making reference to it because we were being continuously asked to provide a level of specificity that no broad statement of strategic intent can possibly contain.



We have done and are doing everything necessary to be more efficient and to free ourselves from those constraints, which in a market economy are nothing other than useless brakes.

Fiat is engaged in building a major international group and, as a result of the agreements reached with the unions and the majority of our workers, together with Article 8 approved by the Italian parliament at the urging of the ECB, we can now operate in a more certain environment with conditions similar to those that exist elsewhere in the world.

The sole objective of our actions is to make the group more efficient, ensuring solid and long-lasting prospects and create positive social conditions in the local communities in which we operate.



But notwithstanding all this, Fiat, and I in particular, are accused of being anti-Italian.

These accusations are simply absurd.

Fiat, like any other industrial enterprise in the world, needs to be able to rely on the minimum conditions of competitiveness, those by which we measure ourselves against our competitors.

The agreements we signed with the majority of unions and employees are necessary to ensure those conditions.



Their purpose is solely to ensure our plants work better and efficiently, not to infringe on any rights, to remove politics and ideology from the shop floor.

The true problem is that from the very beginning – when we began negotiations for a new organization with 18 shifts, to discuss overtime, the system of breaks and sharing of responsibility with the unions in relation to complying with the rules – we have had to deal with a particular union counterpart who never actually addressed the issues on the table.

FIOM's position, the leftist trade union, has always been biased, out-of-date, starting from a position of antagonism, and more concerned with protecting its own power than the collective interests.

It has always been more of a political than a union organization.

Even when the agreements reached with the other trade unions were voted and approved by the majority of workers themselves, not only was there no respect for the will freely expressed – which is sacrosanct – but they even instigated a series of lawsuits against us.

The offensive thing about all this is that we are living a period of tyranny by a minority.

Masked as an expression of democratic dissent, this position, if not checked, could threaten the integrity of the entire production process, a prerequisite that has always existed, but that has become even more important in an organization that is staking its future on a policy of expansion in markets outside Europe.

A trade union to which only around 12% of our workers belong, little more than 1 out of 10, continues to refuse to accept the clear will of the majority and to indiscriminately attack Fiat, its business activities and its products.

It wants to retain the *Contratto Collettivo Nazionale di Lavoro*, a generic national labor contract that dates back to 1927, a document crafted in the fascist era, that attempted to deal with class struggle and workers' rights, an antidote to the problems raised by 19th century European industrialization.

As useful as it may have been since its inception, it has evolved slowly and incompletely.

Its adequacy for an organization such as Fiat is questionable.

It does not allow for the flexibility required by a capital-intensive business, where capital commitments are large and long ranging in time. It allows for a singular trade union to effectively block the express will of the majority.

Fiat isn't facing anything like this outside of Italy.

Historically, in Italy, to appease everyone we have always accepted compromise and mediation, and we have emphasized organizational structures that minimize change.

It is this attitude that has held Italy back from becoming a competitive country.

It is this attitude that has caused foreign investment in Italy to be so low.

It is this attitude that, at least in part, keeps Italy on the defensive and embarrassed in front of the rest of Europe, as we saw so strikingly in the last few weeks.

I don't want to make inappropriate comparisons, but we have just arrived from a long negotiation with the American trade union, the UAW, to renew the contract with Chrysler.

We reached agreement on October 12th of this year.

I won't pretend it wasn't difficult.

But throughout the negotiations, the tone was always tough but honest.

Everyone at the table understood perfectly that we couldn't repeat the errors of the past, the errors that caused the company to fail.

Everyone was working for the same objective: to create a system that would reward the workers for the success of the business and, at the same time, guarantee Chrysler remains competitive.

I am giving this example simply to demonstrate that in the U.S. the need for Chrysler to change was recognized and addressed seriously, and a mutually acceptable solution was achieved.



I believed it was also understood in Italy.

I was wrong.

Unfortunately, many in Italy – beginning with certain politicians, unions and members of the press – don't understand, or rather, don't want to understand the scope of the change that took place at Fiat and the experience we gained.

A change that has brought us to address challenges in a different way than we did in the past.

Unfortunately, many still look at our company through the lens of the old model, which no longer exists.



* * *

Fiat and Chrysler come from two different pasts, but they have something very strong in common.

Both have been to hell and back.

Both have lived through the experience of being sentenced to death: by the press, the financial world and the public at large.

Fiat lived it in 2004 and Chrysler just two and a half years ago.

Both found the strength and courage to challenge destiny and change it.

Those who are put to such a test, who survive, will never be as before.

Those who survive, who find the strength and courage to stand and fight, will never be as before.



Survivors are different people, special people.

My colleagues and I are survivors.

We have learned to look at the future in a different way than before, in a different way than others.



We all gain strength from the experience of overcoming adversity.

We don't shy away from making tough decisions, and we are able to adapt to challenges.

The decisions we make today at Fiat-Chrysler are informed by the experience of near-extinction and a resolve to never again get so perilously close to demise.

Everyone at Fiat and Chrysler has gained an appreciation of each moment in this new life that has been granted us.

We treasure what the experience has given us, which has changed us for good.

Because now we all know that that ultimately, regardless of circumstances, we have the power to refuse our consent.

We have the power and a moral obligation to refuse our consent to decay, to industrial neglect, to wasteful activities, to disengage from competition – because ultimately, consenting to all these things would not only be a denial of our own right to life, but also of our duty to protect the welfare of our people.

When Chrysler launched the new Jeep Grand Cherokee in the summer of 2010, just 12 months after it officially exited Chapter 11, it used the following tag line as the basis for its campaign.

THE THINGS WE MAKE MAKE US



Simple and direct words that contain the simple truth upon which the rebirth of Chrysler was built.

Affirmation of the simple concept that we need to go back to doing and doing those things well. Because this is what defines us, what makes us unique.

They are simple concepts, far from politics and grand ideologies.

They are, in my opinion, the only concepts that can lead Italy toward industrialization and growth.

Because this is the Italy that the world wants to see.

* * *

I would like to conclude with a note of optimism.

They say that human beings can live 40 days without food, 4 days without water and 4 minutes without air. But nobody can live 4 seconds without hope.



We all have a duty to remind ourselves what is important and what we want to leave our children.

Among those things is a nation that needs to rediscover the values on which it was founded that, even with the thousands of difficulties of the present, needs to show solidarity and support to those in need and look to the future with the optimism of those who don't wait for things to happen but take responsibility for making them reality.

My hope for Italy is rooted in recalling how the country reacted in the most difficult moments of its recent history – in 1992 with the devaluation of the Lira when it was close to default and in 1996 with huge efforts to join the Euro.

When the country was cornered, it brought out its best energies and its resolve to take action.

I am convinced that what we are currently living through is also offering us a great opportunity.

The opportunity to show what Italy can do, the energy and abilities it is capable of mustering, the goals it can accomplish.

This moment in history is a type of proving period for Italy and for all of us.

It requires courage and clarity of purpose.

It requires that we understand the road will be hard and long, but not impossible.

Often in life, it is the difficult moments that force us to bring out the best in ourselves.

We know that the world is watching us, and often it doesn't like what it sees.

We can't allow ourselves to waste time by putting off the problems or with endless debate.

Neither our history nor we deserve it.

We need to look forward and begin to take action – without delay.

If we are capable of imagining a better future, then we also have the responsibility of constructing it.



Now is the moment to show we are up to it and that we are worthy of our history.

What gives me hope is knowing that Fiat has a clear path in front of it.

We know the road won't be easy but, because of the alliance with Chrysler, we have the opportunity to build an organization that is capable of succeeding.

We hold all the necessary cards to show that we are up to it.

Our alliance provides a solid ground on which to create the mosaic of the future organization.

A mosaic where every piece gets its strength from understanding the contribution it can make to the whole and from recognizing the value of the contribution of the other pieces.

Italy can be a key piece in this mosaic.

My hope is that the desire to give this opportunity to the nation is stronger than anything else.

This is the Italy we and the rest of the world want to see.

Thank you again.

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