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A COUNTRY THAT RANKS AMONG THE WORLD'S TOP ECONOMIES AND MARKETS

Italy is the **3rd largest economy of the Eurozone** and the **8th largest in the world**, with a GDP of more than **2.1 trillion dollars** (IMF, 2014), bigger than India or Russia.

The domestic market offers many opportunities, with a population of more than **60 million** and a **per capita GDP of 36,000 dollars** (IMF, 2014).

The net wealth of Italian households is 8 times their disposable income (a higher ratio than US, Germany and Canada) and their **indebtedness remains relatively low** (82% of disposable income) (Bank of Italy, 2013).

2

STRATEGIC LOGISTIC HUB

Italy represents a **strategic gateway to 500 million consumers** across the European Union and to **270 million** in northern Africa and the Middle East, and is **the main thoroughfare linking southern Europe to central and eastern Europe**.

Transport networks include **6,800 km of motorways** (Aiscat, 2014); **926 km of high-speed rail** with a top speed of over 300 km/h (190 mph), in addition to nearly 200 km under construction (RFI, 2015); strategic **ports for maritime freight and transshipment** along the Italian coast and islands.

3

KEY WORLD PLAYER IN MANUFACTURING AND INTERNATIONAL TRADE

For over 30 years, Italy has been the **2nd largest manufacturing economy in Europe** after Germany, and the **6th - 7th top world manufacturer** (World Bank, 2015).

Italian manufacturing **trade surplus is the 5th amongst G-20 countries**, exclusive of energy and mining, with a value of **96 billion euros** in 2014 (WTO, 2015).

Italy holds leadership positions for trade surplus in 935 products out of 5,117 marketed goods (the most detailed breakdown of world trade by industry): **1st in 235 products, 2nd in 377 products and 3rd in 323 products** (Fondazione Edison, 2012).

4

PROVEN GLOBAL COMPETITIVENESS IN MACHINERY AND 'MADE IN ITALY' SECTORS

Investing in Italy means **having access** to unique export **know-how in leading sectors**, such as **machinery and automation, fashion, design, and food**.

Companies investing in Italy can also rely on extensive **networks of SMEs** and many **industrial clusters** throughout the country, able to supply **high-quality intermediate products** specifically tailored to meet customers' needs.

Since the middle class in the BRICs will increase by 800 million people by 2020 (Goldman Sachs, 2010), so **global demand for 'Made in Italy' goods is expected to increase** in the coming years, with the attendant increase in tourist arrivals.

5

COMPETITIVE AND SKILLED WORKFORCE

Italian **hourly labour costs are below the Eurozone average**: they are only 82% compared to the cost in France, and 90% to Germany (Eurostat, 2015).

More than 20 Italian universities are ranked in the top 500 academic institutions in the world (Academic Ranking of World Universities, 2014), with **about 300,000 graduates per year** (MIUR, 2014).

6

EXCELLENCE IN R&D AND INNOVATION

Research and innovation are widely integrated into industrial processes with a long tradition of excellence in many fields of life sciences (e.g. neurosciences), physics and engineering (e.g. robotics), and social sciences and humanities (e.g. high tech archaeology).

Italian researchers, internationally recognized as highly productive in terms of articles and citations, **actively participate and/or lead R&D European networks**, such as the CERN physics laboratory, and top level research infrastructures of transnational interest in sectors such as aerospace, earth observation, system biology, nanobiotech, marine and maritime research in the Mediterranean area and beyond.

7

UNPARALLELED QUALITY OF LIFE AND CULTURAL OFFER

Italian cities are overflowing with ancient monuments and treasures, and this – combined with its world-famous art, culture, music, food, and quality goods – gives Italy **an unparalleled quality of life**, which is the envy of the world. Italy is ranked **1st worldwide for UNESCO World Heritage** (50 sites as of end 2014).

As a result, **international tourist arrivals to Italy are nearly 50 million annually**, placing Italy **5th among the world's top destinations** (UNWTO, 2014).

As the **3rd top global country brand** relating to 'experience' (Country Brand Index, 2014), Italy inspires passion and interest the world over in its heritage & culture, tourism and 'Made in Italy' goods. The 'Made in Italy' factor makes every brand unique and attractive.

8

TAX MEASURES AND INCENTIVES TO IMPROVE COMPETITIVENESS

Tax credit schemes support companies to improve their competitiveness: 25% tax credit for **private investments in R&D** (50% for projects with universities or research centres), 15% tax credit for **investments in machinery and capital goods**. Employing **researchers in technical and scientific fields** also attracts tax credits. Further public incentives support **new investments in manufacturing and R&D**, especially in southern Regions.

9

ON GOING REFORMS: PRO-BUSINESS AND PRO-GROWTH

A fast and comprehensive reform strategy is in place to build a more friendly business climate, **simplifying** and adapting bureaucracy, improving **education and justice**.

Many of these reforms will make Italy a **more attractive economy to invest in**, such as new **labour legislation**, more flexibility to conclude tax agreements with the tax **authorities**, simplified procedures to access and exploit **oil and gas resources**, new financial tools for **Real Estate**, dedicated business courts to resolve disputes **involving foreign investors**.

10

OPEN TO FOREIGN INVESTMENT: RIGHT PLACE, RIGHT TIME

Strong performance of Multinational companies: industrial foreign affiliates employ 11% of total workers, produce more than 20% of domestic turnover, and export 26% of national exported goods (ISTAT, 2014). The presence of foreign affiliates is significantly higher in **high-tech sectors, high-level services, and among the largest companies**.

According to the **FDI Confidence Index**, Italy ranks **12th overall in 2015**, up from 20th in 2014 (A.T. Kearney, 2015). Thanks to recent regulatory reform, there is much greater flexibility in setting up a new business for start-ups: **Italy now precedes Germany in the 'starting a business' ranking** (Doing Business, 2015).

In 2014, Italy had the **highest growth rate** among European countries **of inward greenfield FDI projects** (+31%) (fDi Report, 2015).



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