

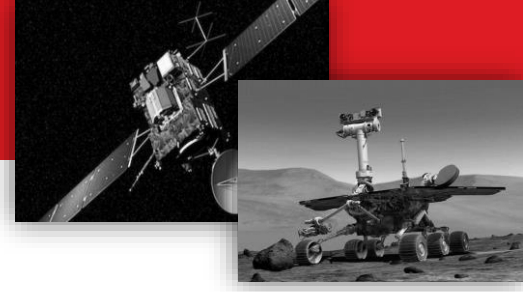
INVEST IN ITALY: Right Time, Right Place

INVEST
IN ITALY

ITA
ITALIAN TRADE AGENCY


Ministero dello Sviluppo Economico



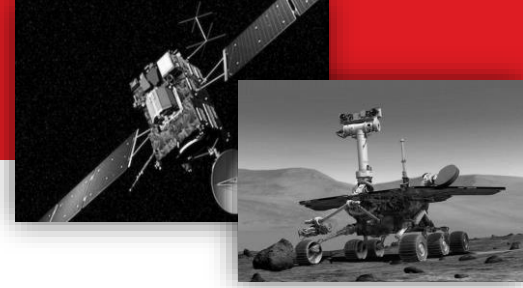


Italy

The Perfect Platform for Aerospace

- June, 2018 •





3rd largest economy in the Eurozone

Italy is open to **Technology** and 4.0 **manufacturing**

Italy has a large & skilled **workforce**

Italy has among the lowest **labour costs** in Western Europe

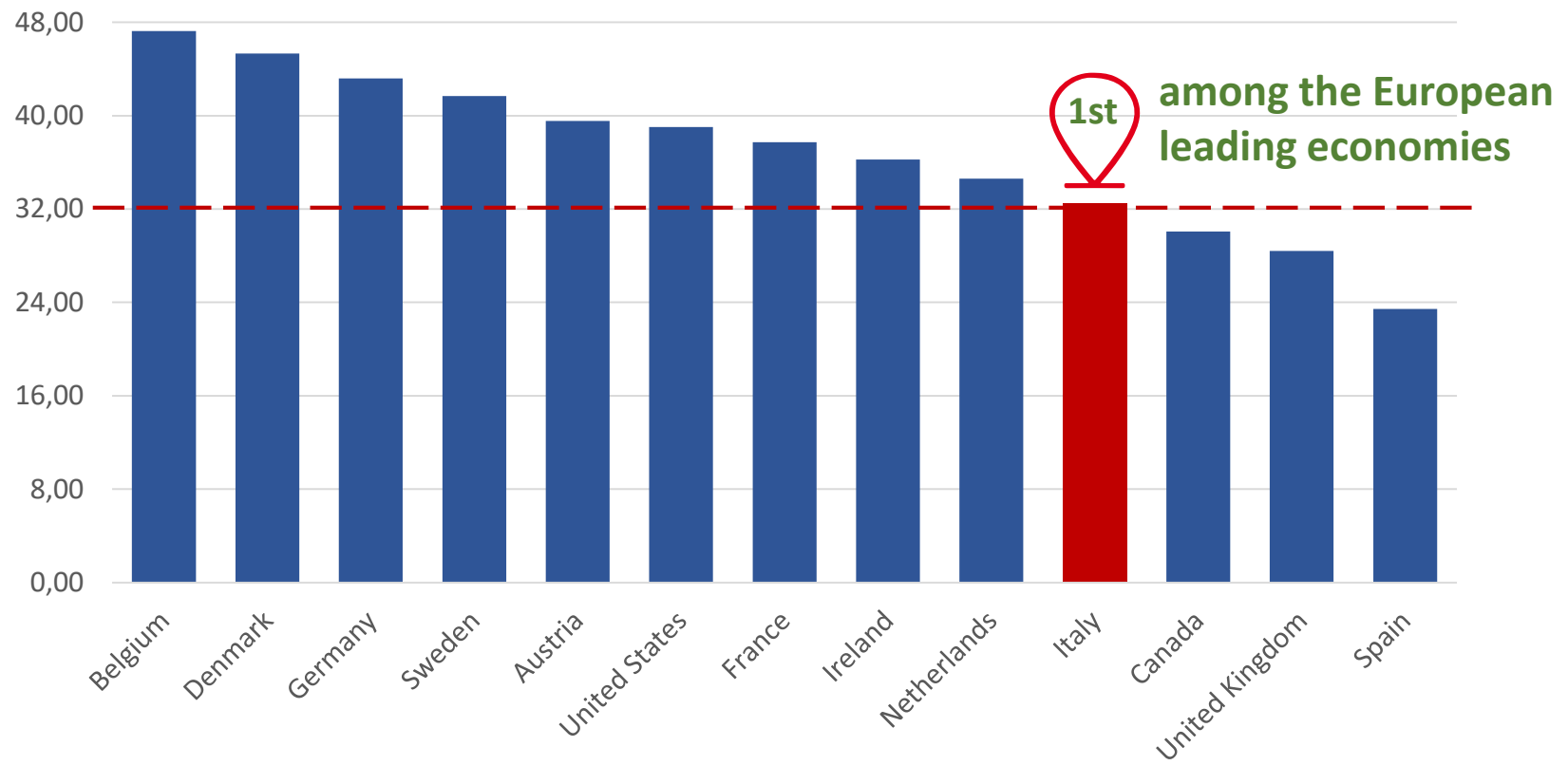


Competitive location for investment. Cheaper than USA and many Western European competitors



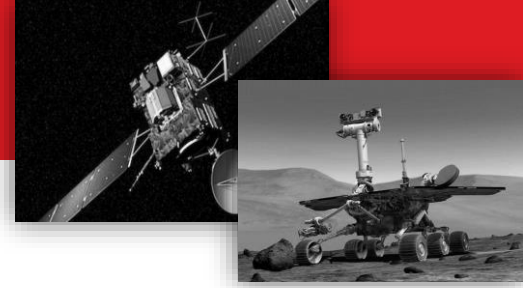


Labour cost (manufacturing hourly compensation costs; US Dollar)



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Source: Conference Board, International Labor Comparisons (2017 – data 2016)



Economic Outlook

GDP growth of 1.5% in 2017 is forecast for **1.4%** for 2018

Unemployment rate fell by 0,5% between 2016/2017

Export increased by 7.4% between 2016-2017

Investors' confidence index (2018) grows: +3 than 2017.

Italy ranks **10th** in 2018 for FDI attractiveness, +8 than in 2015

Italy is the **9th** economy in the world, based on strong export





The Italian Government is successfully promoting a number of reforms that are revitalizing the Italian economy.

Labour Regulation Reform

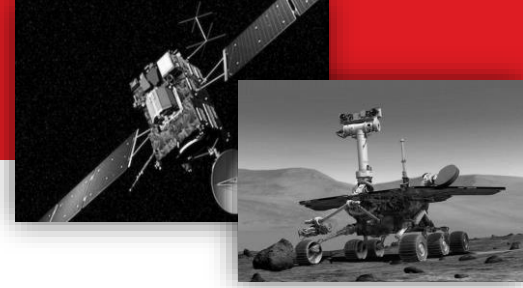
The "**Jobs Act**", i.e. the 2015 labour market reform, is aimed at making the Italian work environment more aligned to the **flexibility** that is needed in today's economic global landscape with the urgency of a reinforced attractiveness of the country.

The Jobs Act's key points are:

- **deregulation of dismissal regime** (i.e. indemnity for wrongful dismissal in lieu of the reinstatement)
- **deregulation of fixed-term contracts**
- significant **tax/social security contribution breaks** for employers that offer **permanent job contracts**
- promotion of **firm-level collective bargaining**
- job seekers re-allocation by improving private and public labour market institutions

❖ **New incentives** for hiring **young workers** have been introduced **since 2017**





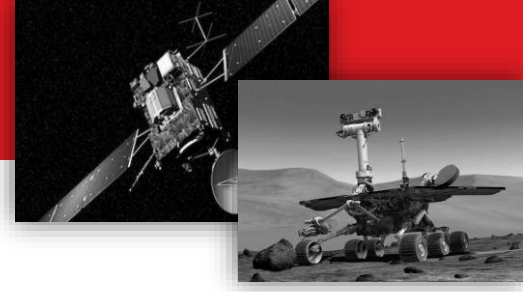
Corporate Taxation Reform

In the last years the Italian Parliament approved new legislation, including tax incentives, specifically aimed at making Italy an attractive location for investment in manufacturing and R&D.

Among those specific tax incentives, the following are particularly relevant:

- **Patent box**
 - a 5 year-elective regime will grant a **partial tax exemption** on **income** derived from qualifying **intangible assets** (patents, know-how, trademarks) as long as the Italian company performs R&D activities
- **New R&D tax credit**
 - enhanced for 2015-2019, with the elimination of any access limitation based on turnover and a doubled cap amount (from 2.5M to 5M euro per year)
- **Tax credits/incentives** for the **purchase of machinery & industrial equipment**
- **Full deductibility** from the **IRAP** (regional tax) of labour cost for **employees** hired on a **permanent basis**





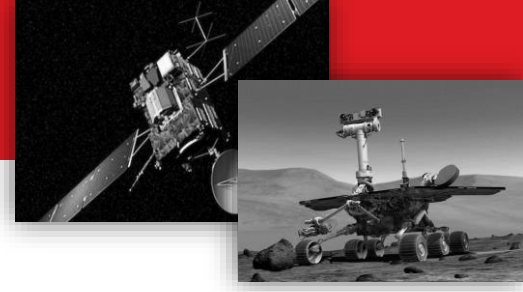
Corporate Taxation Reform

Other tax incentives are:

The “**Destination Italy**” Decree

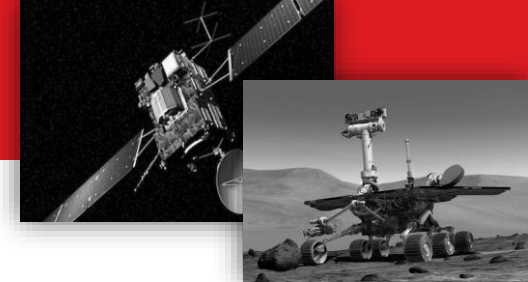
- created a specific and dedicated **desk** of the **Revenue Agency** (*Agenzia delle Entrate*) in order to help and provide information **to foreign investors**
- enhanced the **tax ruling** procedures, by extending the validity period of the preventive rulings from 3 to 5 years and including also the existence of Italian permanent establishments of foreign companies





Aerospace Industry





ITALIAN AEROSPACE INDUSTRY

Fourth Aerospace Industry in Europe, Seventh in the world
...for You, **thousands of companies, SME and ancillary firms** active in the Sector

Strenghts

- **15,2 blns €** turnover
- **8,5 blns €** turnover from export
- **1,5 blns €** in research&development
- More than **50.000** employees



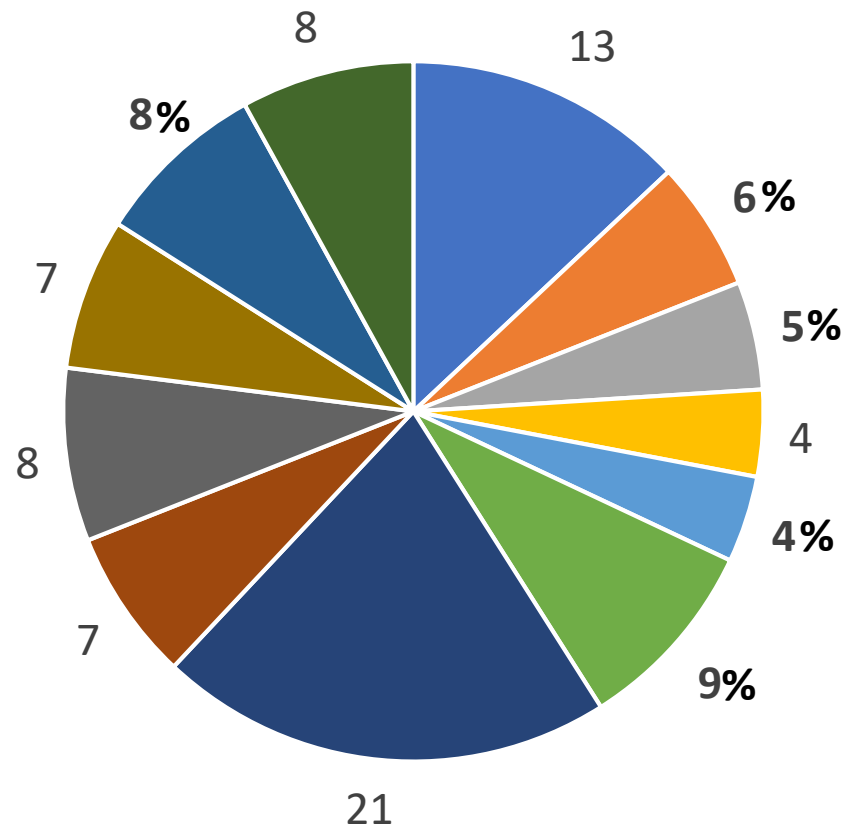
Big players
In Italy and
abroad





ELECTROTECHNICAL AND ELECTRONICS TURNOVER

Aerospace relevant Industry sector (%) - 2016



- Renewable energies production & network
- Renewable energy
- Wires
- Elevators and escalators
- Security and Automation
- Components and Systems
- White goods
- Professional appliances and Mass Catering
- Lighting
- Rail and cable transport
- Electronics
- Factory automation





The Ranking of competitiveness of the Trade Performance Index (sectors/worldwide)

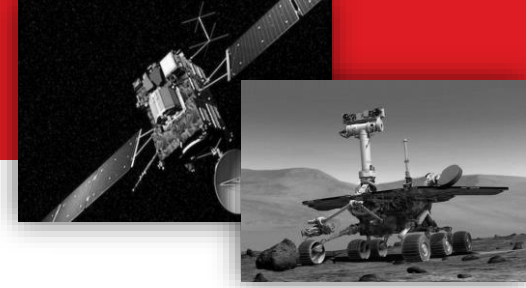
Sectors	ITALY	GERMANY	CHINA	REP. OF KOREA	JAPAN	FRANCE	UNITED STATES	UNITED KINGDOM
Electronic components	2	1	50	14	4	32	54	61
Miscellaneous manufacturing	2	1	4	25	7	49	61	46
Transport equipment	2	1	26	6	14	13	48	33
Textiles	2	3	1	8	22	45	56	57
Leather products	1	60	2	87	126	35	108	82
Clothing	1	68	2	86	113	69	114	82

Italy is already leader



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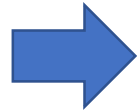
Source: International Trade Centre UNCTAD/WTO, Trade performance Index figures, (<http://tradecompetitivenessmap.intracen.org/TPIC.aspx2016> ; "Average Index")



Ministry of Education, University and Research



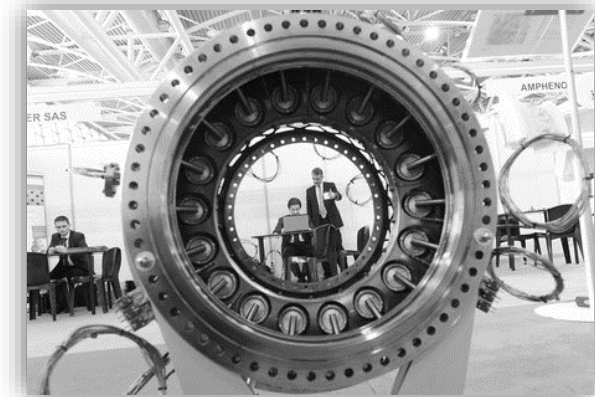
MINISTRY OF EDUCATION, UNIVERSITY AND RESEARCH



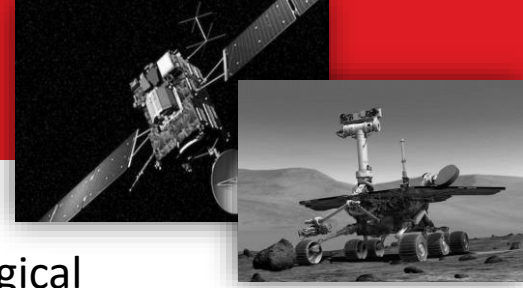
• AEROSPACE TECHNOLOGY	ROME	http://www.ctna.it/
• AGRIFOOD	ROME	http://www.clusteragrifood.it/en/
• GREEN CHEMISTRY	MILAN	http://www.clusterspring.it/home/
• INTELLIGENT FACTORIES	BOLOGNA	http://www.fabbricaintelligente.it/en/
• CLUSTER TRASPORTI	ROME	http://www.clustertrasporti.it/
• LIFE SCIENCE	MILAN	http://www.clusteralisei.it/en/
• SMART LIVING TECHNOLOGIES	ANCONA	http://www.smartlivingtech.it/en
• SMART COMMUNITIES TECH	TURIN	http://www.smartcommunitiestech.it/en/

What's coming next...

- HERITAGE TECH
- DESIGN, MADE IN ITALY
- SEA ECONOMICS
- ENERGY



Source: <http://www.miur.gov.it/cluster>



National Foundation financed by the State to conduct scientific research for the purpose of technological development. IIT aims to promote excellence in basic and applied research and to promote the development of the national economy.

IIT's production includes **8569 publications**, over **150 European projects** and **17 ERC** (European Research Council) **projects**, more than **500 active patent applications**, **17 established start-ups** and 26 under due diligence.

Since 2009, the Institute's scientific activity has been further strengthened with **the creation of eleven IIT research centres in Italy** (in Turin, two in Milan, Trento, Rome, two in Pisa, Naples, Lecce, Ferrara) and **two outstations located abroad** (MIT and Harvard in the US)

11 scientific programs of three types:

Technology Programs, primarily imed at developing High tech research in collaboration with external entities and industries:
Portable Energy, Robotic Rehabilitation, Graphene

Core Programs, dedicated to the basic research activities traditionally developed by IIT :
Brain Science, Robotics, New Materials, Materials Chemistry

Cross Disciplinary Programs, primarily devoted to high risk-high return research both basic or applied:
Interaction, Health Technologies, Nano-Bio Photonics, Computation



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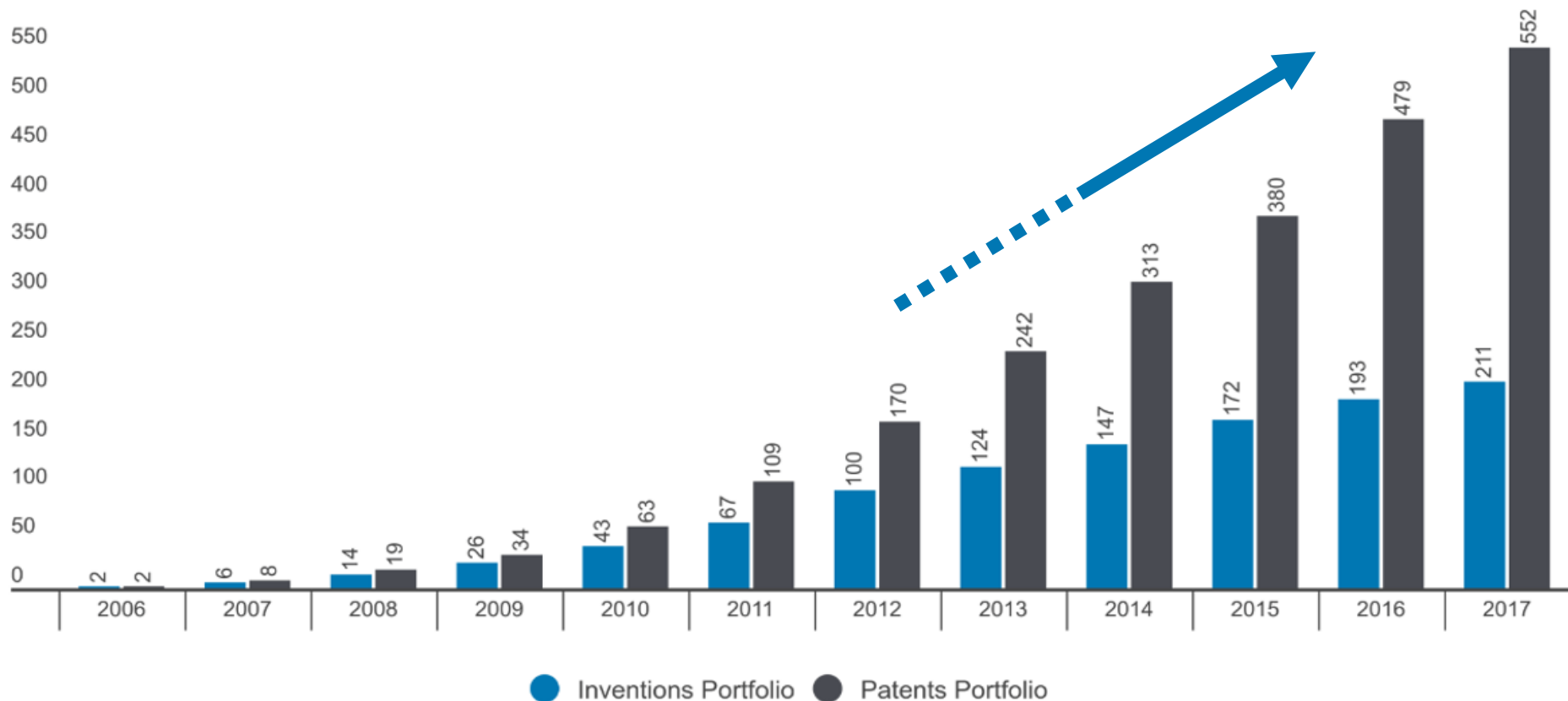
Source: <https://multimedia.iit.it/asset-bank/assetfile/9590.pdf>





TECHNOLOGY TRANSFER (Inventions and Patents)

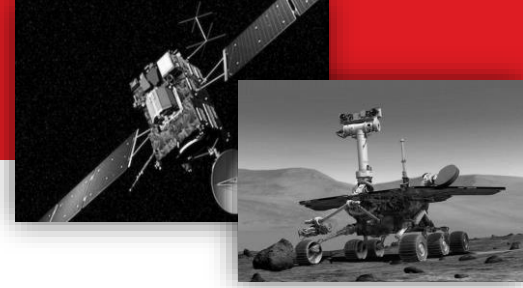
**Strong
Points**



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Source: <https://multimedia.iit.it/asset-bank/assetfile/9590.pdf>



Abundant and Skilled Workforce

Italy has some of the world's best engineering universities. Indeed, engineering is the 2nd highest course for enrolment in the country – **225,619** currently studying an engineering discipline.¹

The engineering sector currently employs around 417,000 people in Italy.³

Mainstay

The Technological Departments of the Italian Universities annually produce a pool of graduates with the knowledge and industry experience to immediately enter the work force.



POLITECNICO MILANO



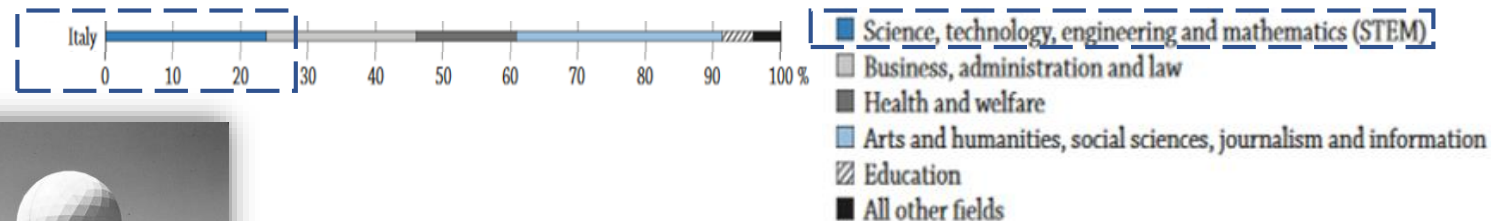
Politecnico di Bari



POLITECNICO DI TORINO

And much more.

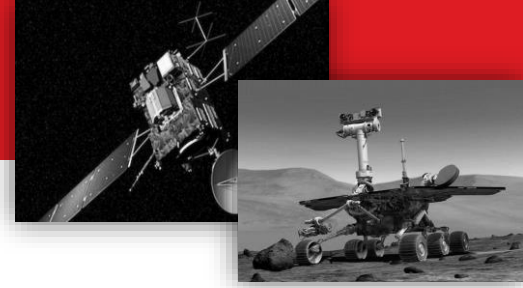
Tertiary-educated 25-64 years old (2016) – Fields of study



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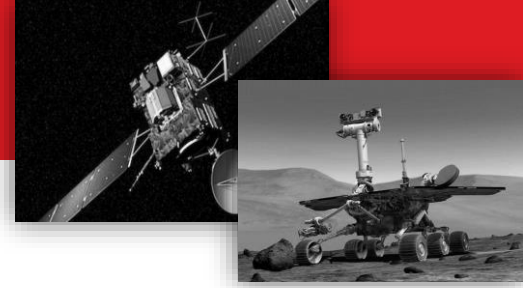
Source: ¹Ministry of Education ²AlmaLaurea ³La Repubblica; OECD ILibrary (<http://www.oecd-ilibrary.org/education/education-at-a-glance-2017>)



DISTRICTS ●

Lombardia Aerospace Cluster	http://www.aerospacelombardia.it	MILANO/ VARESE	
TPA Flytech	https://www.tpaflytech.com/en	TORINO	
Distretto tecnologico aerospaziale		ROMA	
Distretto aerospaziale campano	http://www.daccampania.com/	CAPUA	
Distretto aerospaziale pugliese	http://www.apulianaerospace.it/	BRINDISI	
DASS-Aerospaziale Sardegna	http://www.dassardegna.eu/contatti/	CAGLIARI	
Umbria aerospace cluster	http://umbriaerospace.com/	PERUGIA	
And... Telespazio - Avezzano, Egeos - Matera			





ITALIAN INNOVATION DAYS, ASIA AND...

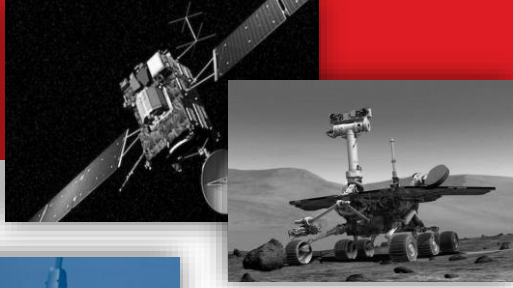


NORTH AMERICA



- BIAT Sections*
- Aerospace**
 - Environment*
 - Biotechnologies*
 - Greentech*
 - ICT*
 - Nanotechnologies*
 - New materials**
 - Mechatronics*
 - Smart Communities technologies*





LEONARDO
AIRBORNE RADAR
Integrated in
modern avionic
suites

Everyday life, from NASA Puffin single cabin project to Volocopter 'Taxi drone', active in Dubai soon



ITALIAN AIRCRAFT RESEARCH AREAS

HELICOPTERS : Noise and vibration reduction

AIRCRAFT: More comfortable and spaceful

ENGINE: Electric/hybrid propulsion

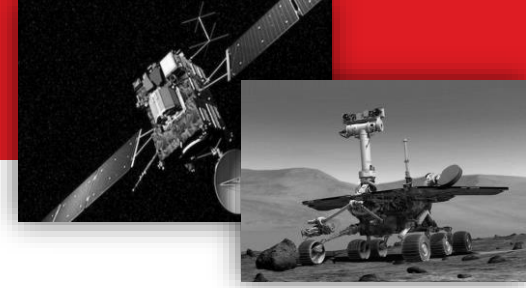


Agusta Westland **PROJECT ZERO**



Made public in March 2014, it's a working prototype all-electric-propelled tiltrotor aircraft powered from rechargeable batteries





Let's talk about Space economy

Main role of Italian Space Industry

Best practice



December 2016, Telespazio manages the European satellite navigation and localization program Galileo, a **1.5 bln €** contract

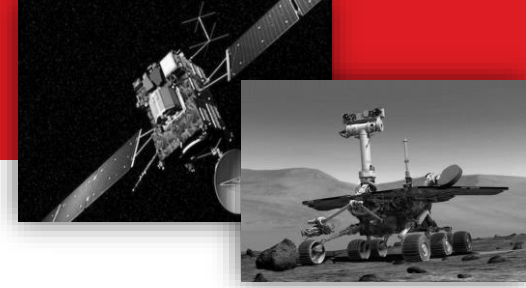


Leader in Space launcher and spacecraft propulsion sector for missions in LEO (Low Earth Orbit): demand exceeded supply, **5 blns €** business



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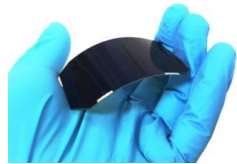




Same size, less fuel



PrandtlPlane Project, University of Pisa



CESI, CTJ30-
thin solar cell



Transportation

Space, Launch and Re-entry systems

Telecommunications systems

Earth observation systems

Satellite Navigations Systems

Integrated applications and services, Security

Observing the universe, Science and Robotic exploration

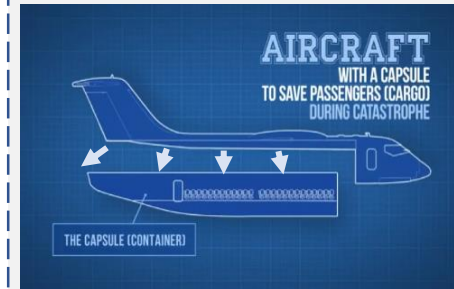
Human exploration, Space station, Capsule manned

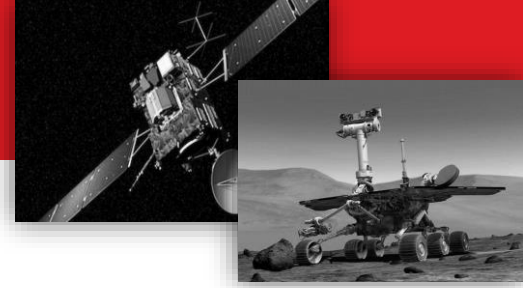


Athena-Fidus, Italy once again has its own satellite telecommunication system in Ka Band



Also new ideas from Russia could be easily developed in the Italian market





Strengths

Remotely piloted aircraft systems



Piaggio P.1HH HammerHead



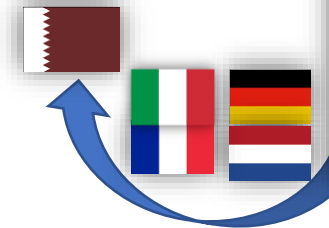
Active in the European cooperation:

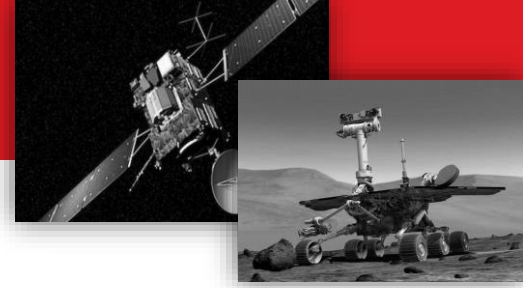
European Project **MALE-RPAS**



and **NH90**

...Since 1914 (Macchi Parasol)





Companies Associations:



<http://www.aiad.it/en/homepage.wp>



<http://www.confindustriadigitale.it/>



<http://www.anitec-assinform.it/>



<http://www.confindustriasi.it/fed/sezione19.html>

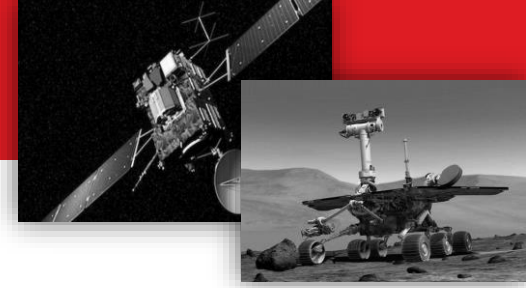


<http://www.aipas.it/>



www.asaspazio.it





Aerospace

Industry trade shows and events:





Italian Trade Agency
Via Liszt, 21
00144 Roma
Relazioni.esterne@ice.it
www.ice.it

**Thank you for
your attention**