

INVEST IN ITALY: Right Time, Right Place

ITA®
ITALIAN TRADE AGENCY


Ministero dello Sviluppo Economico

INVEST
IN ITALY





Italy

The Perfect Platform for Automotive

• May, 2018 •





3rd largest economy in
the Eurozone

Italy is open to
Technology and 4.0
manufacturing

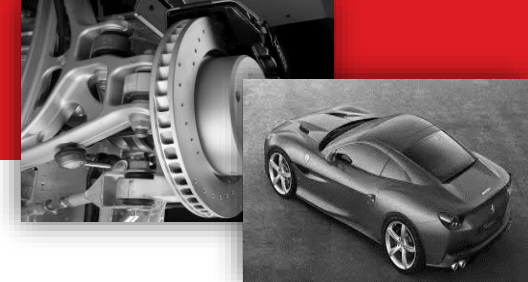
Italy has a
large & skilled
workforce

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

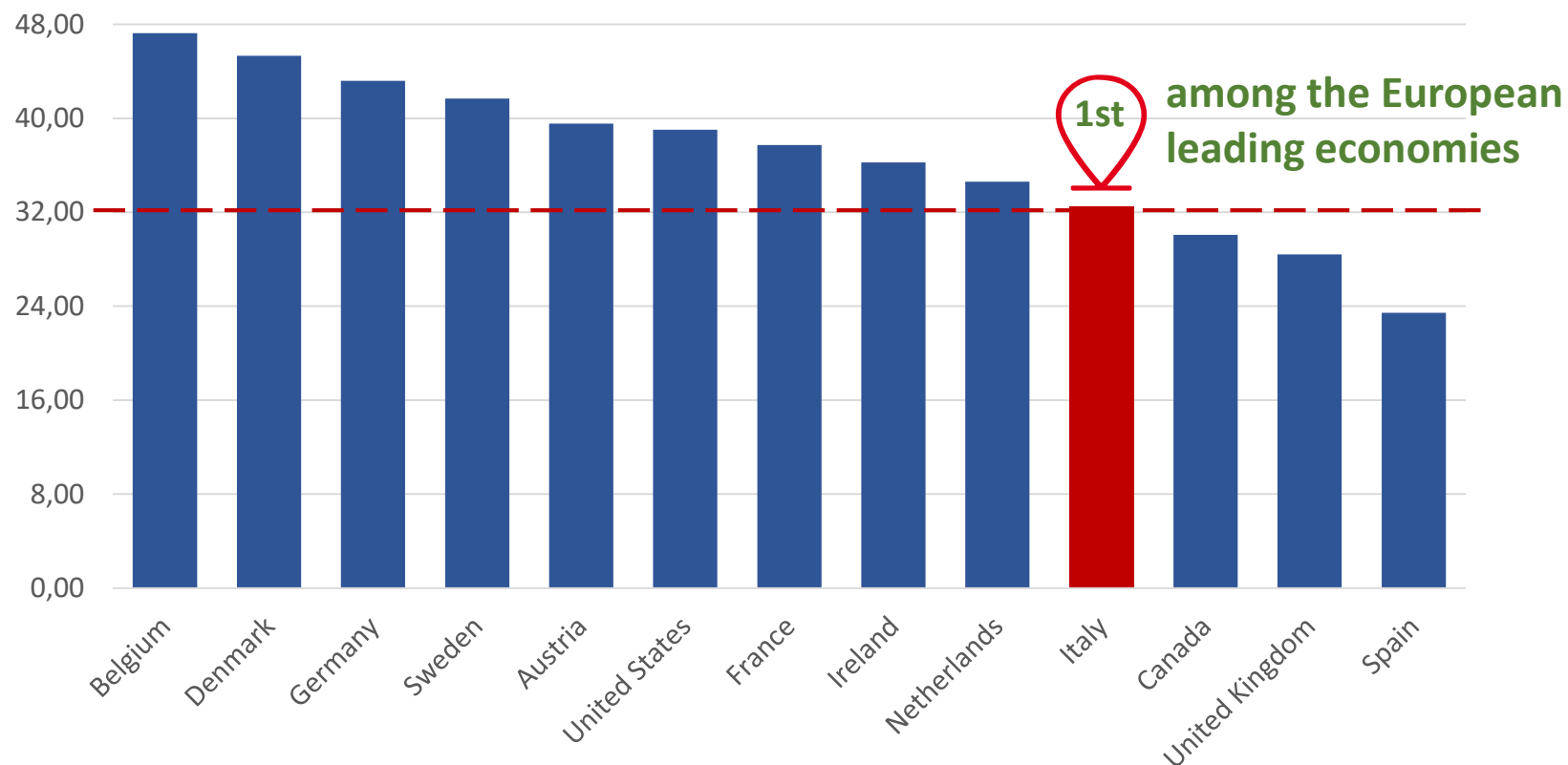


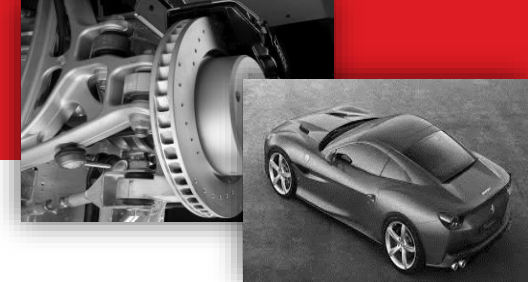
Competitive location
for investment.
Cheaper than USA and
many Western
European competitors





Labour cost (manufacturing hourly compensation costs; US Dollar)





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**





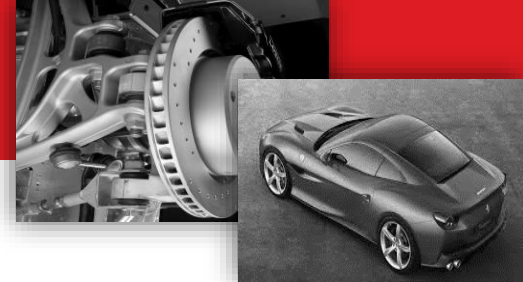
Corporate Taxation Reform

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**, and
- 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





Automotive Industry



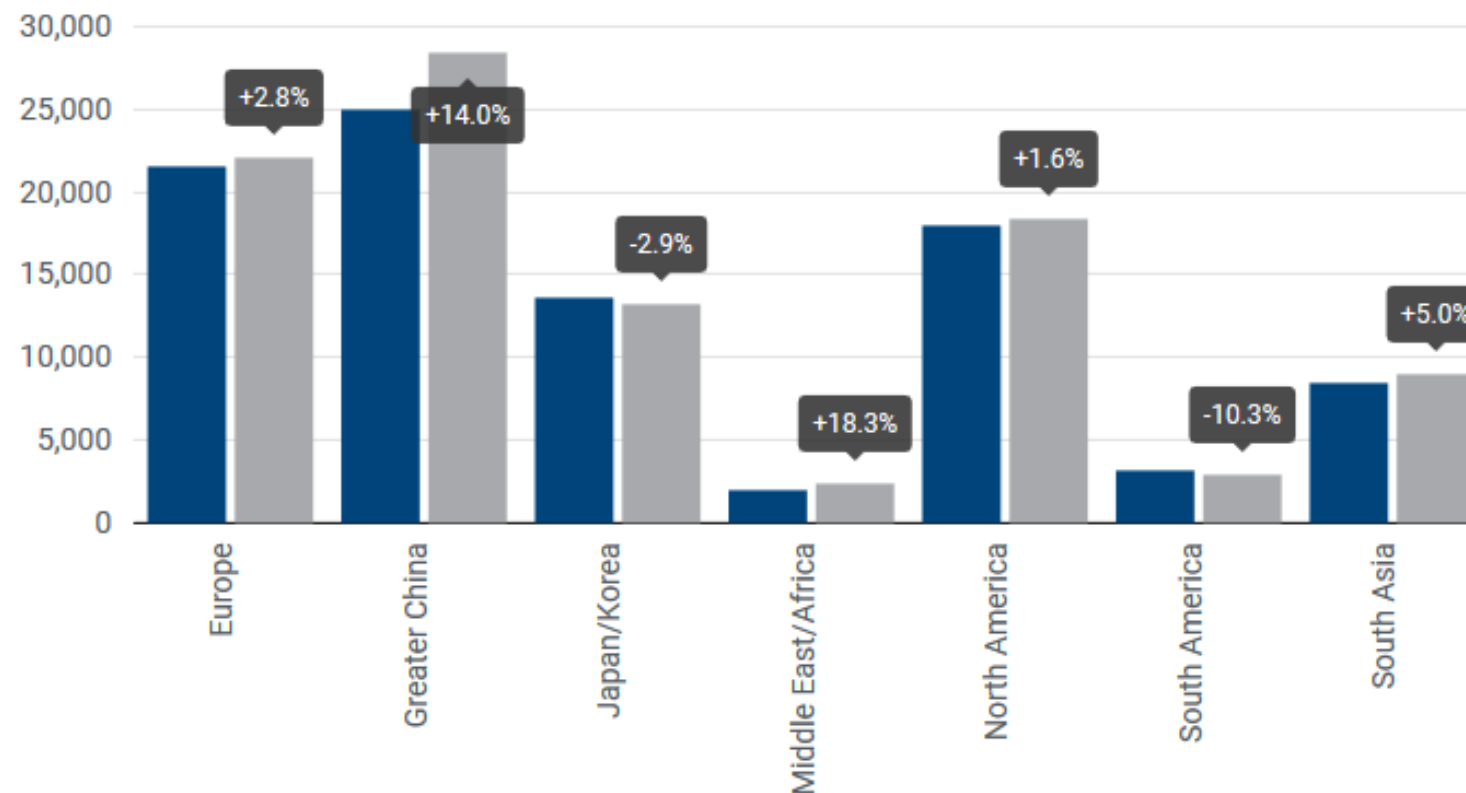


96.1 million
motor vehicles
were produced
globally in 2016

World motor vehicle production

in 1,000 units

■ 2015 ■ 2016



European
Automobile
Manufacturers
Association





ITALIAN AUTOMOTIVE INDUSTRY

Sixth Industry in Europe, Brands envied around the world
...for You, **hundreds of companies, SME** and **ancillary firms** active in the Sector. First in Europe for number of vehicles/inhabitants (706/1000)

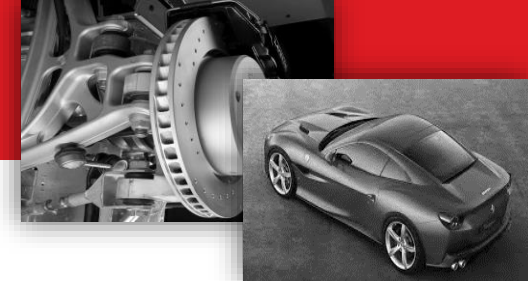
Big players
In Italy and
abroad



Strenghts

- **82 blns €** turnover
- **64%** production exported
- **1,75 blns €** in research&development
- More than **252.000** employees





2016, 6th vehicles manufacturer in Europe including

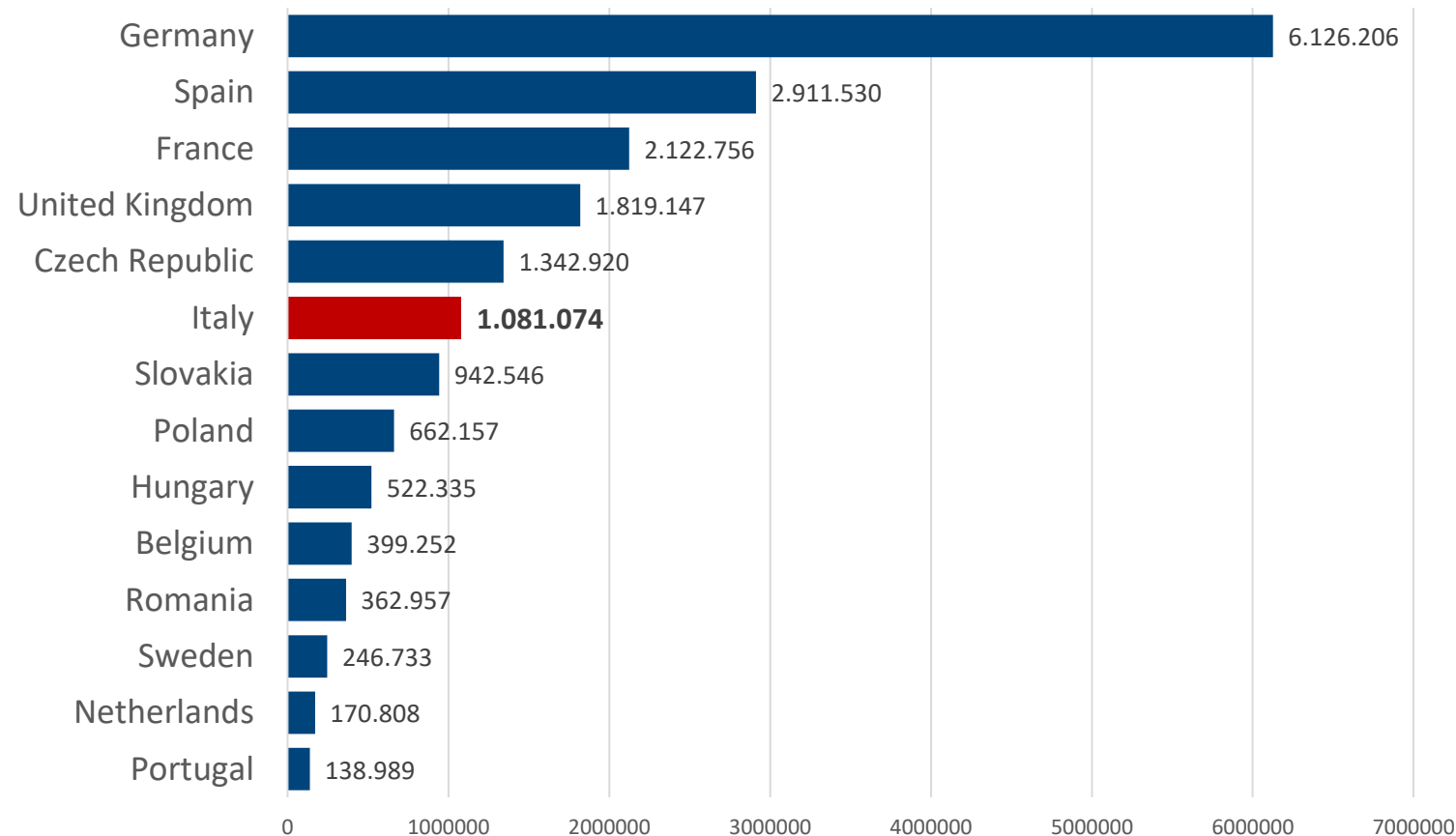
Light commercial vehicles
310.728

Medium commercial vehicles
34.832

Heavy commercial vehicles
6.810



All vehicles

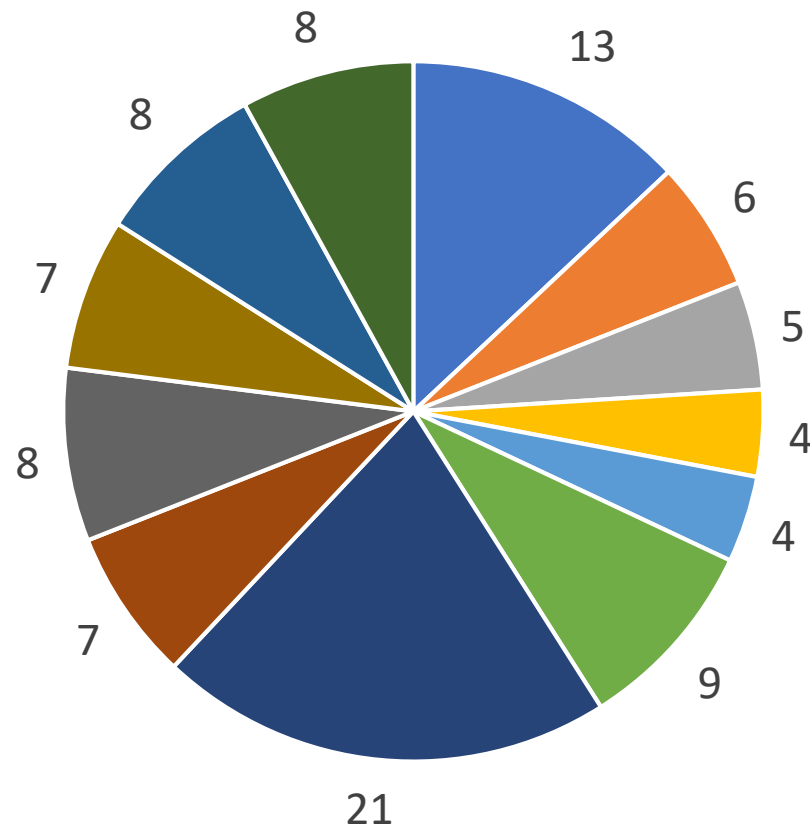


Source: <http://www.acea.be/statistics/tag/category/eu-production>; www.anfia.it; Press



ELECTROTECHNICAL AND ELECTRONICS TURNOVER

Automotive 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



Source: Osservatorio sul mercato delle tecnologie ANIE, October 2017



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

Sectors	ITALY	GERMANY	CHINA	REP. OF KOREA	JAPAN	FRANCE	UNITED STATES	UNITED KINGDOM
Transport equipment	2	1	26	6	14	13	48	33
Electronic components	2	1	50	14	4	32	54	61
Miscellaneous manufacturing	2	1	4	25	7	49	61	46
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



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





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**

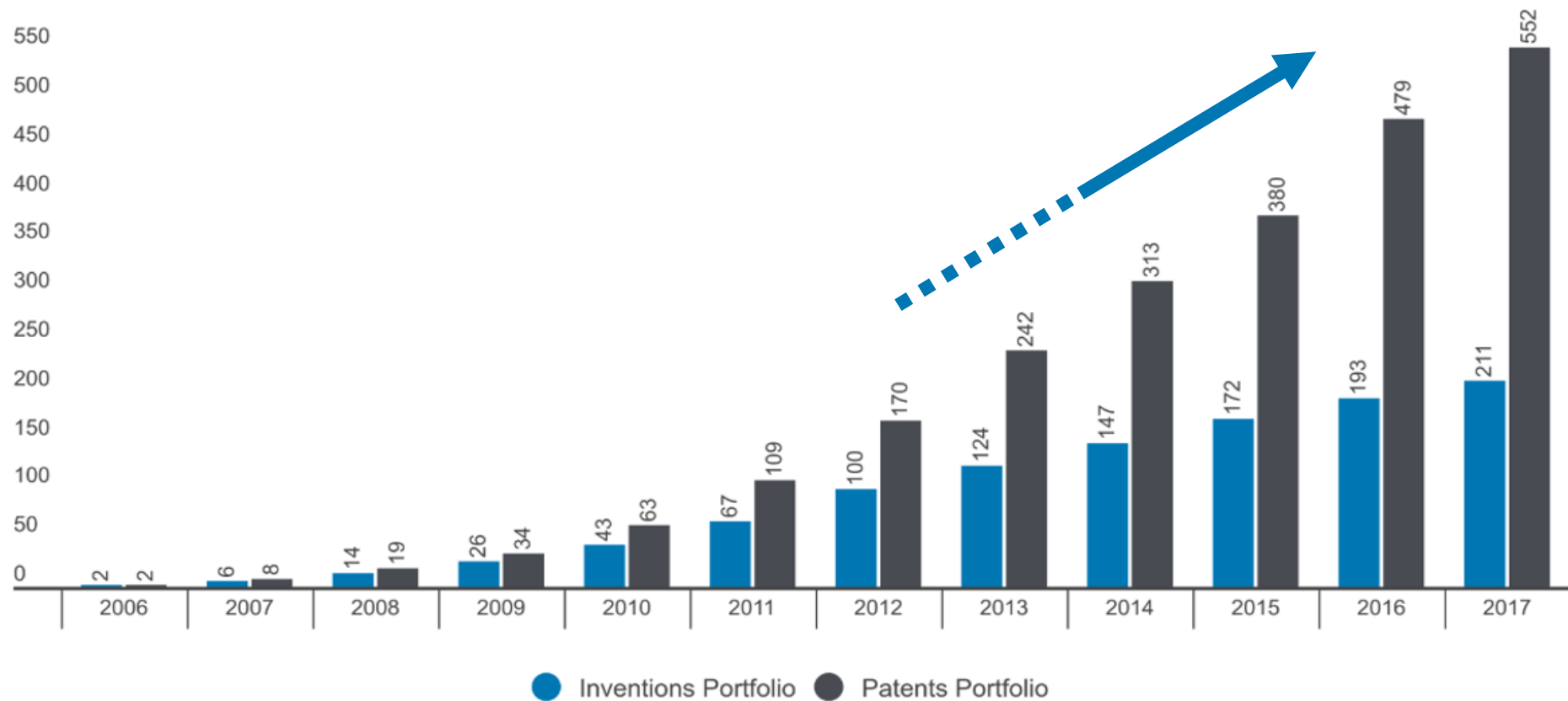


Source: <https://multimedia.iit.it/asset-bank/assetfile/9590.pdf>



TECHNOLOGY TRANSFER (Inventions and Patents)

**Strong
Points**





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.



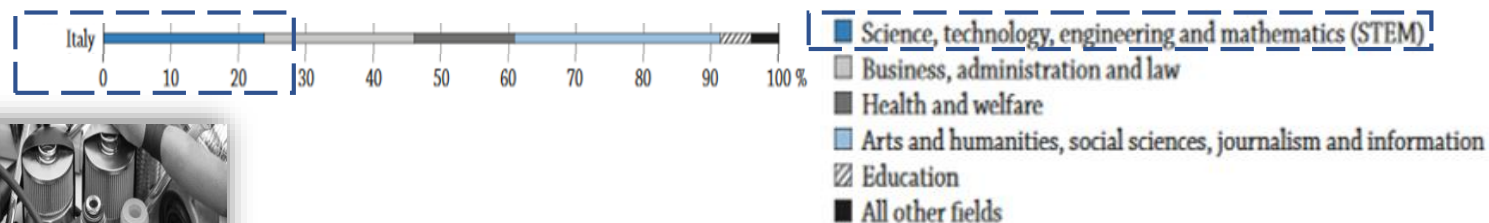
POLITECNICO
MILANO



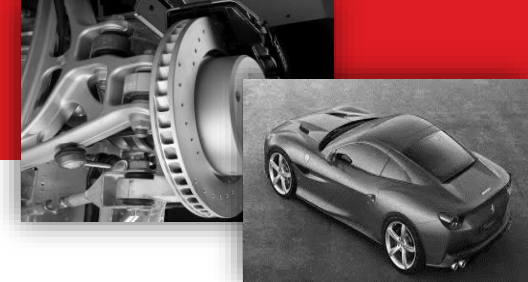
POLITECNICO
DI TORINO

And much more.

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



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



● DISTRICTS

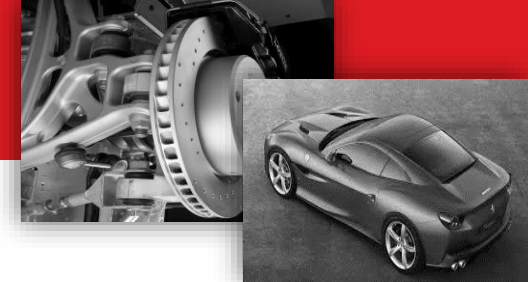
Vehicles produced

Melfi	364.700
Pomigliano	207.000
Cassino	4.300
Torino (Mirafiori)	3.800
Grugliasco	1.749
Modena	4.802



Hundreds of
thousands cars
produced each year
and exported all over
the world





ITALIAN INNOVATION DAYS, ASIA AND...



NORTH AMERICA



BIAT Sections
Aerospace
Environment
Biotechnologies
Greentech



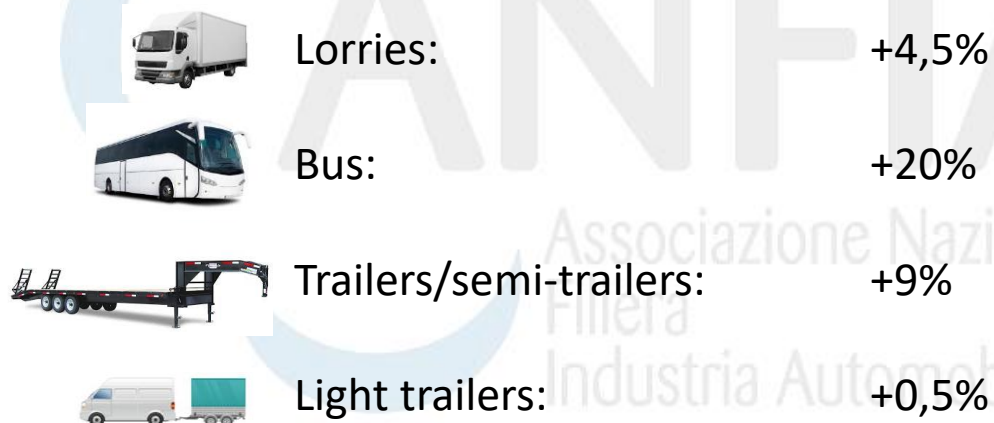
ICT
Nanotechnologies
New materials
Mechatronics
Smart Communities technologies





More than 700.000 cars produced

 **Turnover +8%** vs 2016



Export



20%



14%



12%

Garage Equipment Manufacturers

Production concentrated in Emilia Romagna, Veneto, Lombardy and Tuscany: 80% of the domestic turnover

Total turnover: **3 billions €**

 **Export +7%** vs 2016

81% (61% towards Europe)



Of course,
that's just
a taste

Automotive Design School

IAAD

istituto d'arte applicata e design

Chris Bangle, Strategic
Director

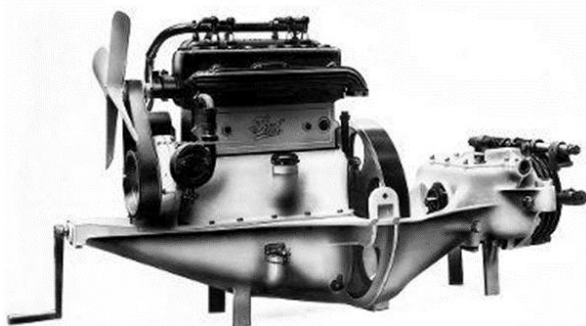


GENEVA
INTERNATIONAL
MOTOR
SHOW
8-18 MARCH 2018



A long tradition in automotive

From this, 1903...



To this...



And this...

Electric automotive



Marine Engine
Automotive in Italy
is not just cars.
New speed world
record with an FTP
industrial engine
for motorboat

Since the beginning of the Industry

Source: <http://www.clustertrasporti.it/news/>; Press





Project coordinator:



MiLEDI project will merge nanotechnology and photonics, key issues of the project that will bring at the realisation of a micro-display then integrated to create a rear projector for automotive interior



Head-up Display



And nextly

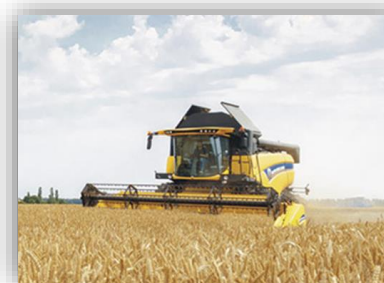
**Driver
indentifier ...**

Car unlocker

Connected and automated vehicles



Smart Farm machinery based on IoT



Source: www.industriaitaliana.it; <https://www.miledi-h2020.eu/>; Press



Companies Associations:



www.anfia.it/



https://www.asso-aica.it/index_en.php



CONFINDUSTRIA ANCMA
Associazione Nazionale Ciclo Motociclo Accessori

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



CONFINDUSTRIA SERVIZI
INNOVATIVI E TECNOLOGICI

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



Automobile Club d'Italia

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



POLO INNOVAZIONE
AUTOMOTIVE

 **autopromotec**





Automotive

Industry trade shows and events:

**BEYOND
THE MOTOR
TMS**
TOKYO MOTOR SHOW 2017
2017.10.27-11.5 TOKYO BIG SIGHT


AUTO SHANGHAI

 NORTH AMERICAN INTERNATIONAL
AUTO SHOW
CES2018

**SALONE
dell'AUTO
TORINO** *Since 1900*
 PARCO VALENTINO

GENEVA
INTERNATIONAL
**MOTOR
SHOW**
8-18 MARCH 2018

**MOTOR
SHOW**
autopromotec
BIOLOGNA, ITALIA
12-18 MARZO 2017
www.autopromotec.com





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**Thank you for
your attention**