

INVEST IN ITALY: Right Time, Right Place

ITA®
ITALIAN TRADE AGENCY


Ministero dello Sviluppo Economico

INVEST
IN ITALY





Italy

The Perfect Platform for Information Communication Tech

- January, 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

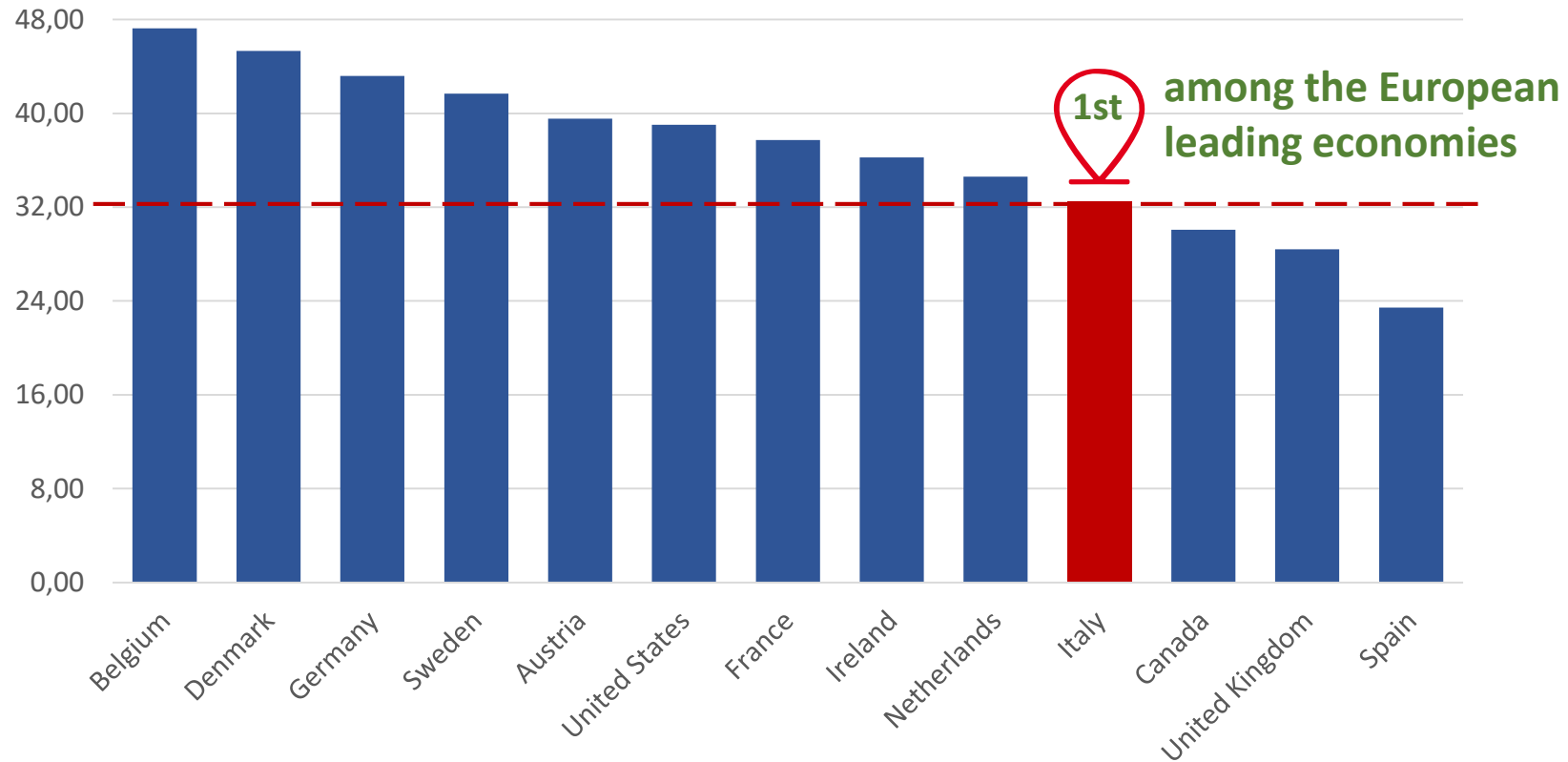


Competitive location
for investment.
Cheaper than USA and
many Western
European competitors





Labour cost (manufacturing hourly compensation costs; US Dollar)



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**, 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





ICT Industry





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
IT & Consumer electronics	44	31	6	9	50	45	48	49
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



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



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

Sectors	ITALY	UNITED STATES	CHINA	REP. OF KOREA	GERMANY	FRANCE	UNITED KINGDOM	JAPAN
IT & Consumer electronics	44	48	6	9	31	45	49	50
Electronic components	2	54	50	17	1	32	61	4
Miscellaneous manufacturing	2	61	4	25	1	49	46	7
Transport equipment	2	48	26	6	1	13	33	14
Textiles	2	56	1	8	3	45	57	22
Leather products	1	108	2	87	60	35	82	126
Clothing	1	114	2	86	68	69	82	113

Italy is not so far from leading Countries and
has got the means to improve



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



Strengths

FACULTY OF
ENGINEERING

ENGINEERING UNIVERSITIES



CINECA - INTERUNIVERSITY ASSOCIATION

<https://www.cineca.it/>



FONDAZIONE MONDO DIGITALE

<http://www.mondodigitale.org/it>



SIE – SOCIETA' ITALIANA DI ELETTRONICA

<http://associazionege.it>



ISTITUTO
ITALIANO DI
TECNOLOGIA

ISTITUTO ITALIANO DI TECNOLOGIA

<https://www.iit.it/it/home>





● Scientific and technological Parks (23)

PST della Sardegna - Porto Conte
POINT POLO INnovazione Tecnologica provincia di Bergamo
Polaris - PST della Sardegna - Pula
Parco Scientifico e Tecnologico della Sicilia - Catania
Consorzio PST Multisetoriale Magna Graecia
Pa.L.Mer
Parco Scientifico biotecnologico San Raffaele
Parco Tecnologico Padano
Parco Scientifico e Tecnologico Galileo
Parco Scientifico e Tecnologico della Sicilia - Palermo
CERFITT
Tecnopolo Tiburtino
Tecnopolo di Castel Romano
Fondazione Toscana Life Sciences
Parco Scientifico e Tecnologico Kilometro Rosso
Sviluppumbria
3A Parco Tecnologico Agroalimentare dell'Umbria
AREA Science Park
Polo ICT
Environment Park
Bioindustry Park Silvano Fumero S.p.A.
Friuli Innovazione - Centro ricerca e trasferimento tecnologico
VEGA Venice Gateway for Science and Technology

● Tech Districts (17)

Distretto H-BIO Puglia
Medis – Distretto mecatronico
Di.T.N.E. - Distretto Tecnologico Nazionale sull'Energia
ComoNext
Distretto Agro-alimentare Regionale D.A.Re. Scarl
DHITECH Scarl - Distretto Tecnologico High Tech
Tecnopolo di Mirandola
Imast S.c.a.r.l.
Atcoroglio
Polo Tecnologico di Pavia
Polo tecnologico di Navacchio
Sardegna DistrICT - DT Biomedicina-Tecnologie Salute
Sardegna DistrICT - DT Tecnologie e Comunicazioni
DTA - Distretto Tecnologico Aerospaziale
Habitech Distretto Tecnologico Trentino
Fondazione Torino Wireless
Centro di Biomedicina Molecolare (CBM)
● Other Centres
Aster
C.R.M.P.A. Centro Ricerca Matematica Pura Applicata
CUSSMAC
Tis Innovation Park
Tecnogrande
Tecnopolis



Ministry of Education, University and Research



MINISTERO DELL' ISTRUZIONE, DELL'UNIVERSITÀ E DELLA RICERCA

• 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

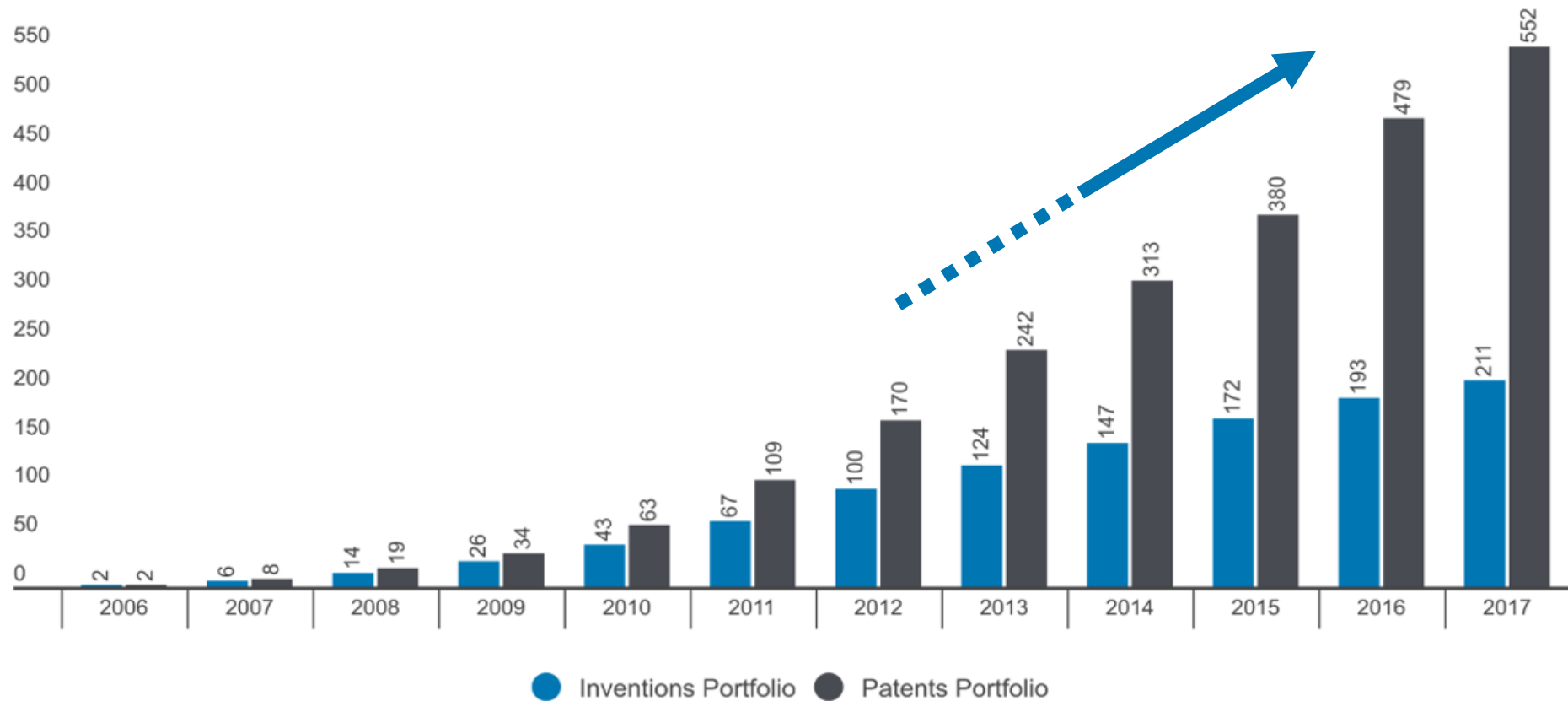


Source: <https://multimedia.iit.it/asset-bank/assetfile/9590.pdf>



**Strong
Points**

TECHNOLOGY TRANSFER (Inventions and Patents)



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



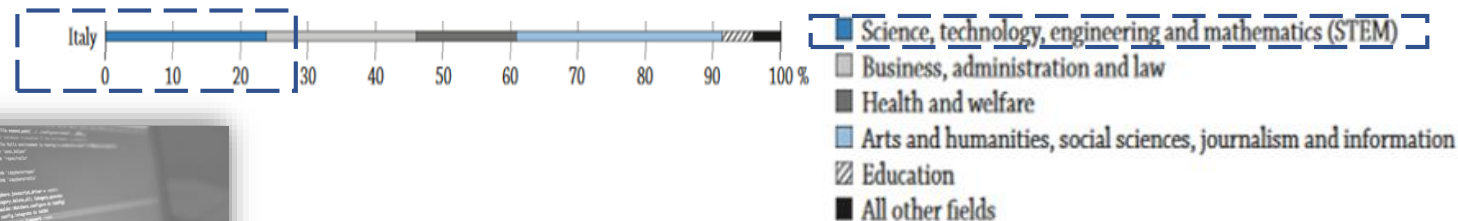
Politecnico
di Bari



POLITECNICO
DI TORINO

And much more.

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



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



Companies Associations:



<http://anie.it/>



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



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



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



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



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



ITALIAN INNOVATION DAYS, ASIA AND...



NORTH AMERICA



BIAT Sections
Aerospace
Environment
Biotechnologies
Greentech
ICT



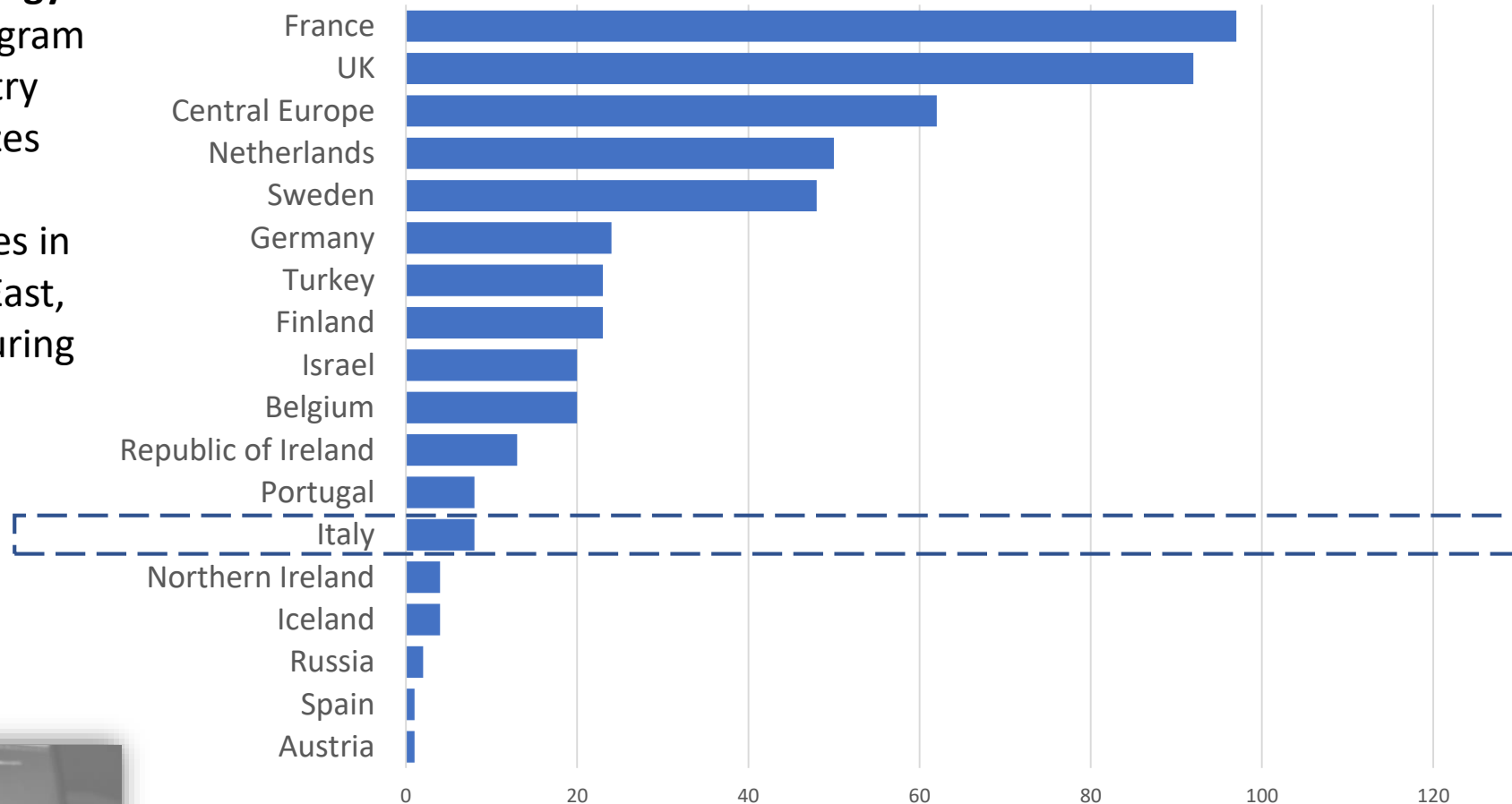
Nanotechnologies
New materials
Mechatronics
Smart Communities technologies





Deloitte 2017 Technology Fast 500 Europe, Middle East & Africa ranking

The **Deloitte Technology Fast 500™** EMEA program is an objective industry ranking that recognizes the fastest-growing technology companies in Europe, the Middle East, and Africa (EMEA) during the past four years.



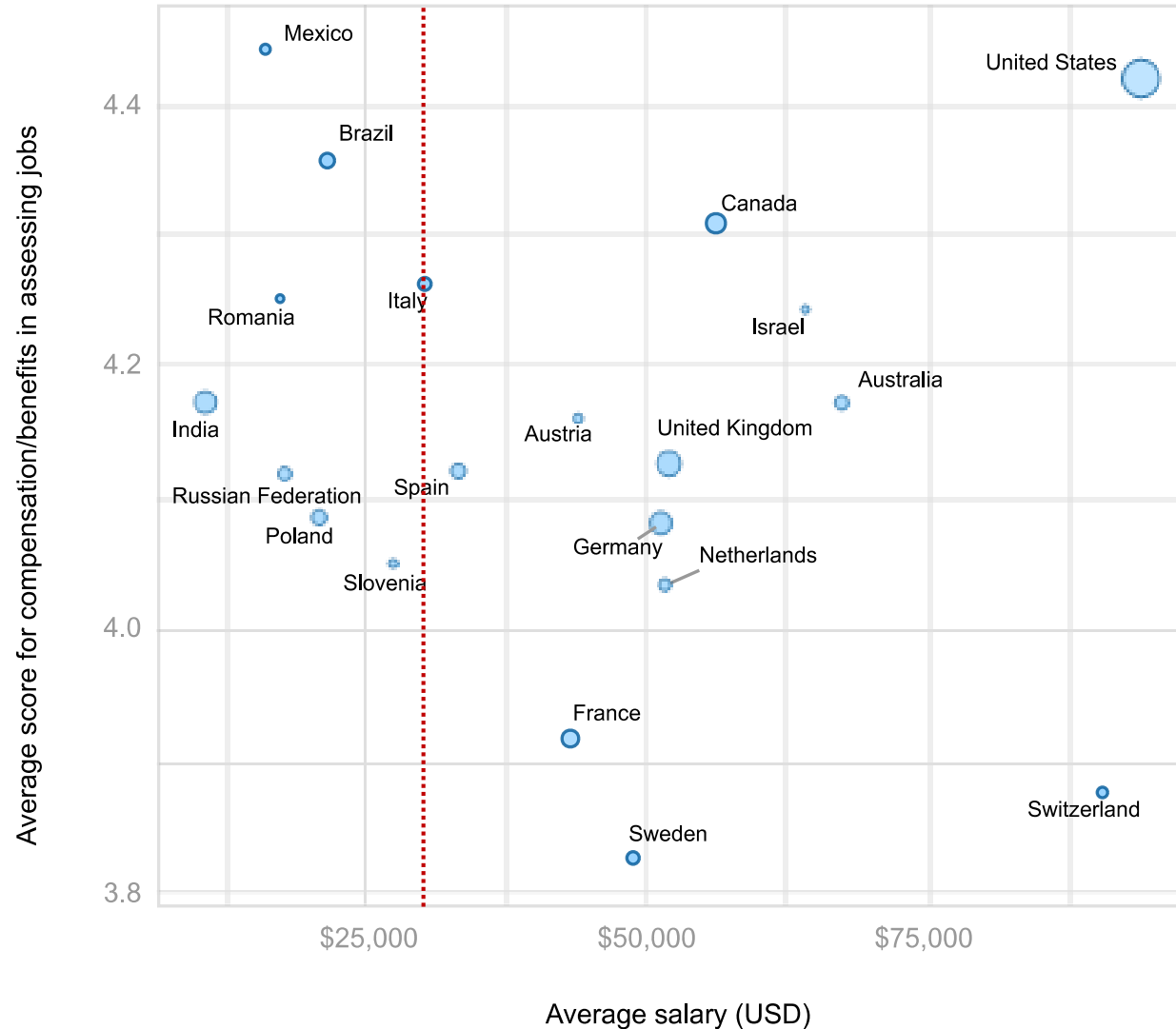
Tech Tour, in conjunction with the International Venture Club and Silverpeak Technology Investment Bank, has identified a list of 50 of Europe's fastest growing pre-exit investor backed companies. Two of those are from Italy.





DATA CENTER in Italy, why:

- Italian developers have lower salaries (around 33,000€ vs EU average around 50,000 according “Il Sole 24 ore”) and place a high importance on pay
- Italy is at the crossroads of the submarine cables connecting Europe with India, Africa, the Middle East and Far East: the perfect position to connect the northern and southern hemispheres



- **MIX** – Milan Internet Exchange (Italy’s largest internet exchange)

Number of respondents

- 500
- 1000
- 1500

- **Open Hub Med** – Palermo (neutral facility connecting southern submarine cables to the MIX in Milan)





Information Communication Technology

Next trade shows and events:





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00144 Roma
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www.ice.it

**Thank you for
your attention**