



#investinitaly

The Perfect Platform for **Aerospace**

February, 2019



Agenda



INVEST
IN ITALY



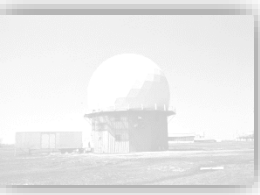
1. Country overview

2. Industry overview





KEY FACTS



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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

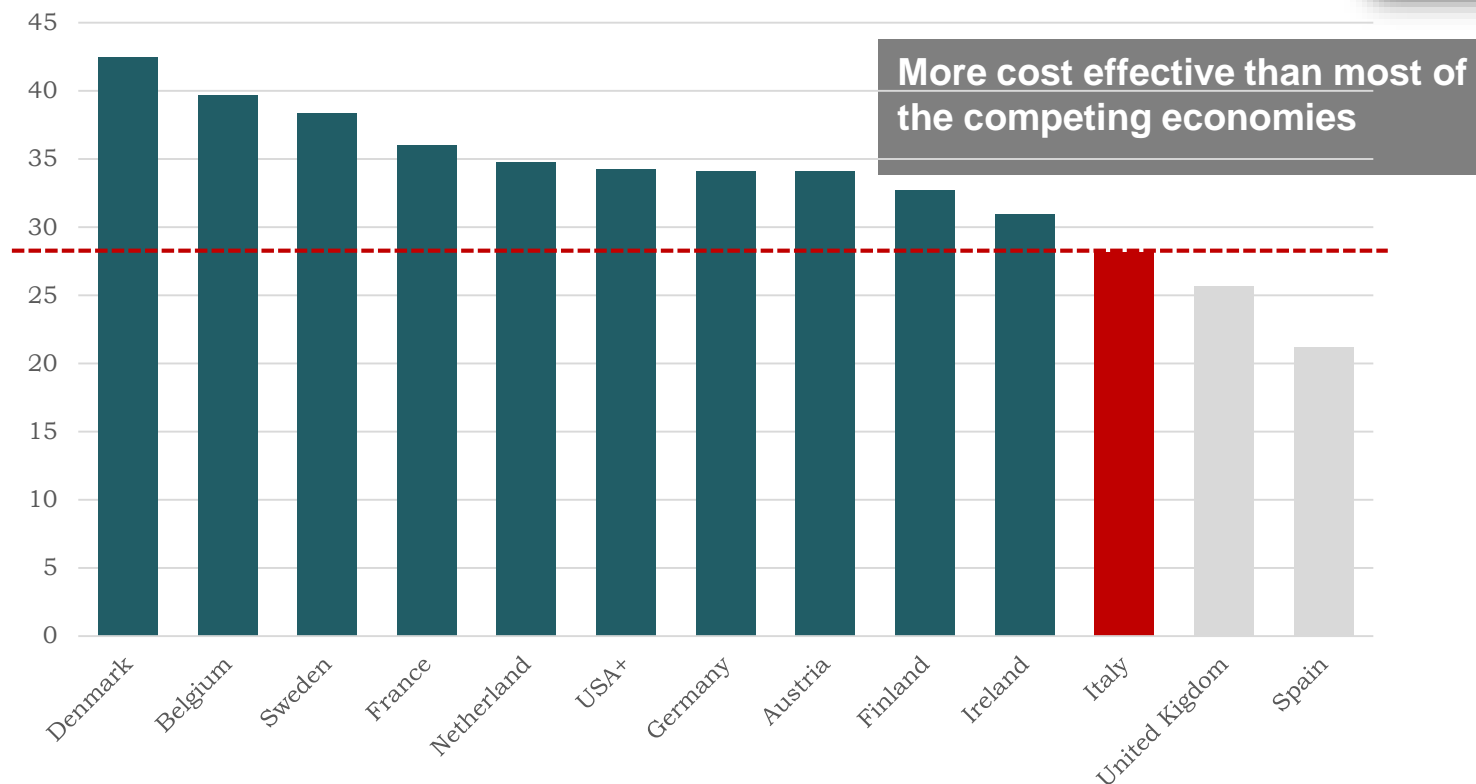


Competitive location for
investment. Cheaper
than USA and many
Western European
competitors





Labour cost (manufacturing hourly compensation costs; UE €)



Source: Eurostat 2018 (2017 data); Conference Board, International Labor Comparisons (2017 – data 2016)



ITALY IS BACK



Economic Outlook



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1% GDP growth
forecast for 2019
(2018 German GDP
0,6%)

New employment
policies IoT based

Export increased
by 3.5% between
2017-2018

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





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 digital machinery & industrial equipment** (iper depreciation 250%-200%-150%)
- **Full deductibility** from the **IRAP** (regional tax) of labour cost for **employees** hired on a **permanent basis**





Corporate Taxation Reform



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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

Incentives

Soon available a new single website portal for incentives to invest





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Aerospace Industry





AEROSPACE IN ITALY



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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



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

Strengths

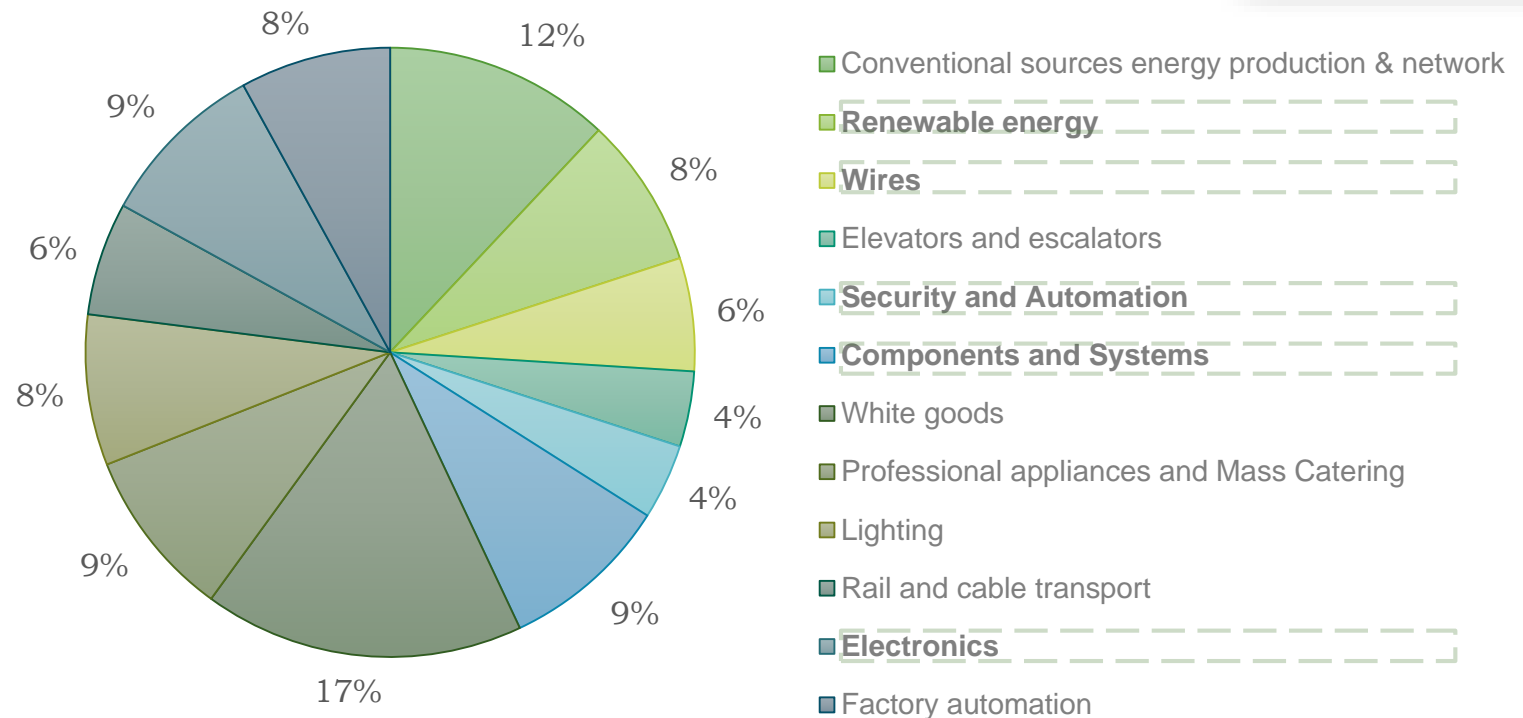
2017 Air traffic growth: **7,6%**
(according last Airbus Report)



ITALIAN ELECTRO-TECHTRONICS

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ELECTROTECHNICAL AND ELECTRONICS TURNOVER (%) - 2017



Aerospace relevant Industry sector

Source: Osservatorio sul mercato delle tecnologie ANIE, July 2018





COMPETITIVENESS



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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



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



NATIONAL TECH CLUSTERS



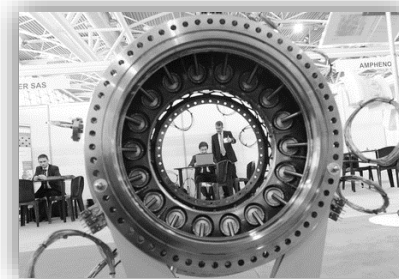
MINISTRY OF EDUCATION, UNIVERSITY AND RESEARCH



• 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/

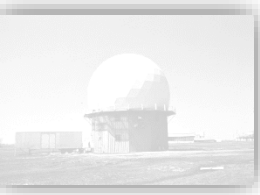
What's coming next...

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





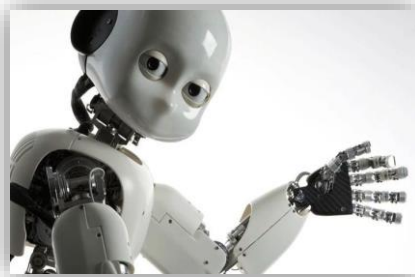
ITALIAN TECHNOLOGY INSTITUTE



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 aimed 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





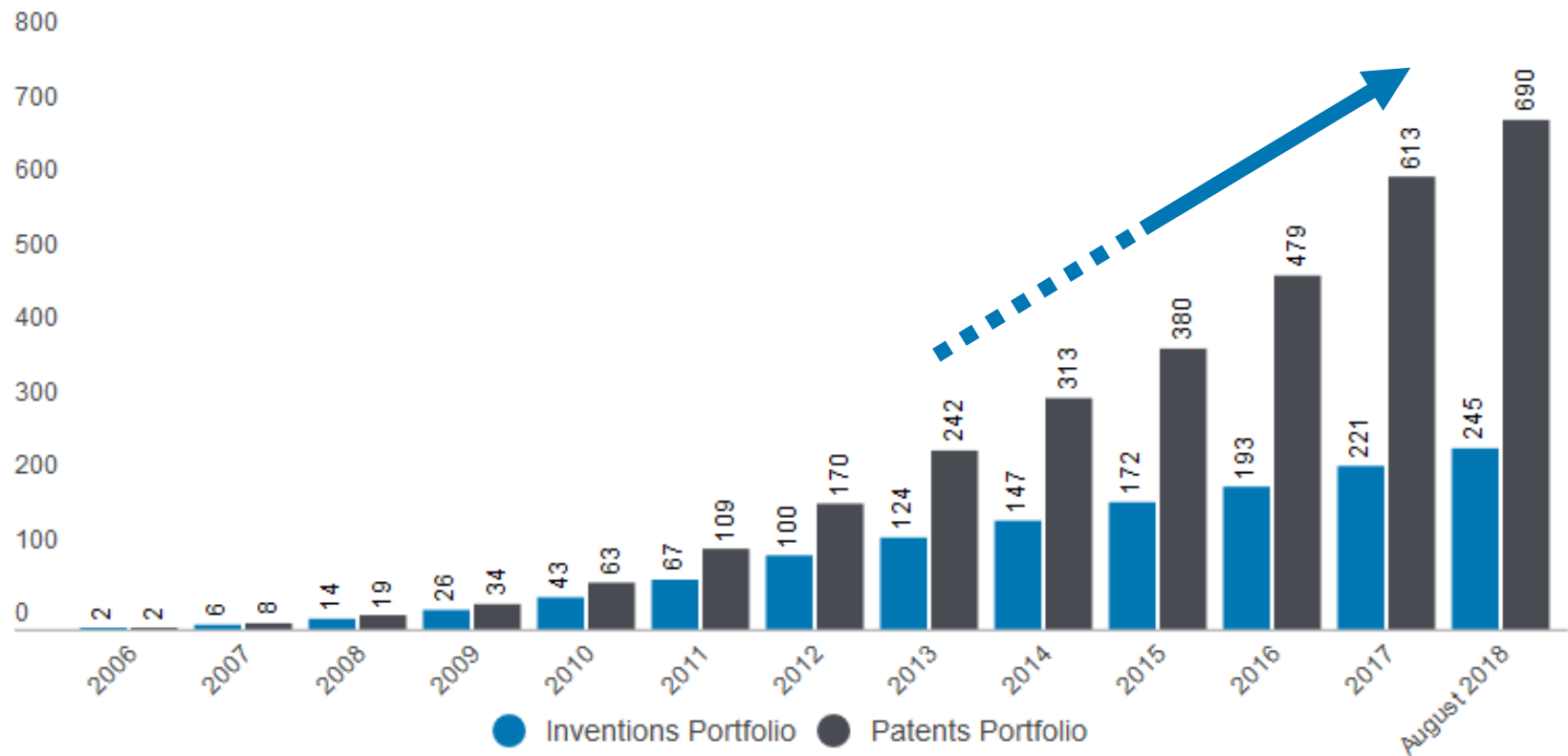
ITALIAN TECHNOLOGY INSTITUTE



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TECHNOLOGY TRANSFER (Inventions and Patents)



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





ITALY'S GOT TALENT



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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 – **261,361** currently studying an engineering discipline (14.5% on total new students).¹

The engineering sector currently employs around 417,000 people in Italy.²

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



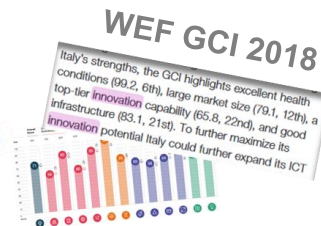
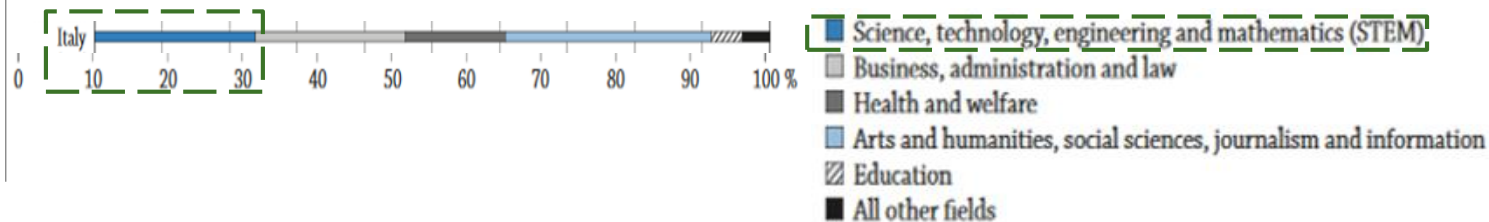
Università degli Studi di Napoli
FEDERICO II



POLITECNICO
DI TORINO

And much more.

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



Source: ¹Ministry of Education ²Press





INDUSTRIAL DISTRICTS



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DISTRICTS ●



Lombardia Aerospace Cluster	http://www.aerospacelombardia.it	MILANO/ VARESE
TPA Flytech	https://www.tpaflytech.com/en	TORINO
Distretto tecnologico aerospaziale	http://www.aerospace.lazio.it	ROMA
Distretto aerospaziale campano	http://www.daccampania.com/	CAPUA
Distretto aerospaziale pugliese	https://www.dtascarl.org/en/	BRINDISI
DASS-Aerospaziale Sardegna	http://www.dassardegna.eu/contatti/	CAGLIARI
Umbria aerospace cluster	http://umbriaaerospace.com/	PERUGIA
And... Telespazio - Avezzano, Egeos – Matera (and Tuscany, Emilia Romagna...)		

distretto
aerospaziale
lombardo

TORINO PIEMONTE
Aerospace
flytech

dta
Distretto
tecnologico aerospaziale

DAC
Distretto Aerospaziale
Stella Campana

distretto
aerospaziale
pugliese

distretto
aerospaziale
sardo

UMBRIA AEROSPACE CLUSTER



Source: <http://www.osservatoriodistretti.org/>; Press

INVEST IN ITALIAN TECH

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ITALIAN INNOVATION DAYS, ASIA AND...



NORTH AMERICA



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





WHAT'S NEW



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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



Source: www.industriaitaliana.it; Press



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



BEYOND THE LAND AND SKY

Let's talk about Space economy

Best practice

 **TELESPAZIO**
a LEONARDO and THALES company



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 exceed supply, **5 blns €** business

Source: <http://www.leonardocompany.com/en/-/telespazio-spaceopal-galileo>; www.ansa.it; Press





ITALIAN AEROSPACE APPLICATION DOMAINS



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Transportation

Same size, less fuel



PrandtlPlane Project, University of Pisa

Space, Launch and Re-entry systems

Telecommunications systems

Earth observation systems

Satellite Navigations Systems

Integrated applications and services, Security

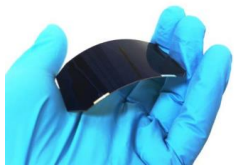
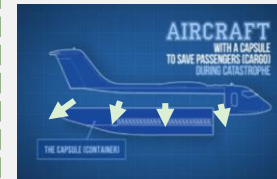
Observing the universe, Science and Robotic exploration

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

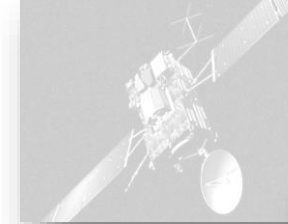


CESI,
CTJ30-thin
solar cell





SKILLED IN DEVELOPING NEW TECHNIQUES...



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Strengths

Remotely piloted aircraft systems



Piaggio P.1HH
HammerHead



AW 139 



CR 929



PIAGGIO
AEROSPACE

LEONARDO



CH149



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





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Aerospace

Industry trade shows and events:

SPACECOM
SPACE COMMERCE CONFERENCE AND EXPOSITION

EBACE
21-23 MAY 2019 | GENEVA

FARNBOROUGH
INTERNATIONAL
AIRSHOW
16-22 JULY 2018

AEROSPACE
& DEFENSE
MEETINGS TORINO

SINGAPORE
AIRSHOW

global
aerospace summit
AEROSPACE | AVIATION | DEFENCE | SPACE
DUBAI
AIRSHOW

ILA Berlin Air Show

AIRTEC
INTERNATIONAL AEROSPACE
SUPPLY FAIR

MAKS 2019 МЕЖДУНАРОДНЫЙ
АВИАЦИОННО-КОСМИЧЕСКИЙ
САЛОН

AEROMART
MONTREAL
JEC
WORLD
2018 The Leading
International
Composites
Show
Paris, France
March 6-7-8, 2018

INTERNATIONAL
PARIS AIR SHOW
Paris • Le Bourget

