



Embassy of Italy  
New Delhi

# ITALY IN INDIA

## Webinar

“Italian Institutions & Companies  
faced with the current health  
emergency”

15 April 2020



# Where were we before Covid-19...

## Business Conclave 28 February 2020



# Italy – India Partnership

## Bilateral trade

- 2016 - 2019 → +18% (ISTAT)
- Italian Exports to India to grow **+20%** between 2016-2019 (Istat)

**GOAL** → reach **+30%** in 2025

## Investments

- Important Indian investments in Italy (Mittal, Mahindra, Jindal)
- Italian investments in India → €6.4Bn

## Tourism

- The average Indian tourist spends approx. \$1800 and \$2500 per week in Italy

# Italy – India Partnership 2020-2025 · Sectors

Pursuing the “Granular approach” focused on **4 main sectors**

## 1) Green and Circular Economy

→ Renewable energies and clean-tech

## 2) Infrastructure

→ Railways

## 3) Food processing

## 4) Make in India

## 5) Lifestyle



## Italy – India Partnership 2020-2025. The objectives are the same but...postponed!

**State Visit of PM Modi to Rome** (originally scheduled in May)

**Comprehensive Business Delegation led by the Minister of Foreign Affairs** (originally scheduled in October 2020)

**Conclusion of MoUs in several fields** (from double taxation to environment...)



# The Lockdown and its implications...

- Closing of both public offices, commercial and industrial establishments with the exception of essential commodities.
- Core domains of production activities allowed:
  - Pharmaceutical/Medical Equipment
  - Food
- Measures to be adopted by operational productive plants:
  - Social distancing.
  - Regular sanitization.
  - 20% to 25% capacity in single shift as a start (for big companies in electronic manufacturing, textiles, automobiles).
  - “Phase two” to be rolled-out **district-wise** based on the evolution of the contagion.
- Suspension of all transport services air, rail, roadways with the exception of transportation for essential goods.



## Impact of the lockdown on the Indian Economy at Macro Level

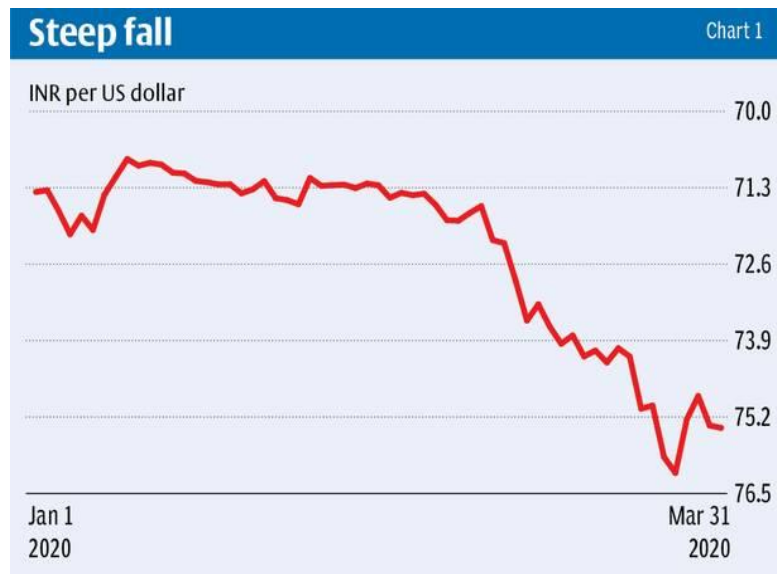


- **Government spending** to grow at **15%** in FY21 compared to 9.8% in FY20 due to fiscal stimulus.
- Expected **slow-down in personal consumption, trade (both imports and exports) and capital investments.**



# Impact of the lockdown on the Indian Economy at Macro Level

- **Inflation**, that has been high before the spread of Covid-19 (hitting a 7.6% high in January) is **expected to go down** as oil prices dwindle (\$23 bpd).

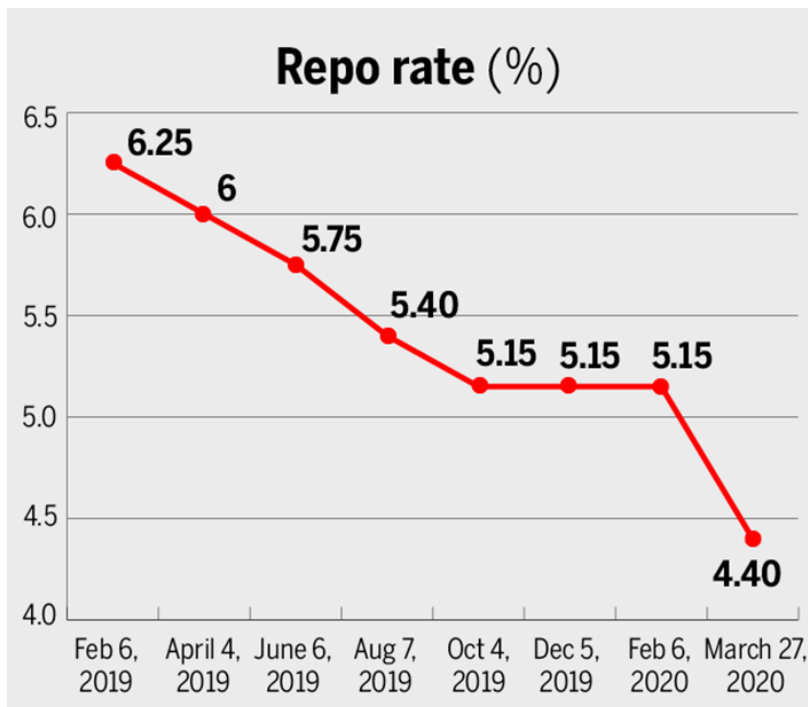


- **Rupee** has been **depreciating** (record low of 76.55 against the dollar last week).



## Fiscal and Monetary measures taken by GOI

- India announced a **\$22.6 billion economic stimulus plan (=0,8% GDP)** providing direct cash transfers and food security measures.



- The RBI cut **repo rate to 4.40%**, the lowest in at least 15 years.
- The **reverse repo rate was cut by 90 bps to 4%**, thus creating the so-called “asymmetrical corridor”.

## What we are working on...

- **Survey** in cooperation with the IICC
- **Financial tools to support Italian investments in India. Role of SACE & SIMEST.**
- **Economic and Commercial Task-force** to support the companies in tackling critical issues stemming from the lockdown (also in coordination with the EU)
- **Resumption of international flights and subsequent resumption of visas services** in cooperation with the Indian Embassy in Rome and MEA.
- **Organization of a series of webinars:**
  - **15th April, in cooperation with IICC**, for Italian Companies already established in India.
  - **28th April, in cooperation with ITA**, for Italian Companies in Italy wishing to explore the Indian market.
  - **More to come:** with Sector-wise and State-wise insights.



## PIANO STRAORDINARIO PER IL MADE IN ITALY



In the 2020 ITA budget, € **134 MLN** are allocated for:

- Communication
- E-Commerce

The **Curitalia decree** also foresees additional funds to strengthen the ITA communication strategy.



**Insieme ce la faremo!**  
**Together we shall overcome!**

**#MadeinItaly**



**#ItalyIndiaTogether**

**#StayingResilient**

**#DontStopThinkingAboutTheFuture**

