Ankara, 21st November 2017

Countries and Opportunities

ITALY

Luigi Gentile
Head of the Economic and Commercial Section
Italian Embassy to Turkey
SISTEMA PAESE

• Economic and Commercial Office in Ankara

  • Italian Trade Agency in Istanbul
    • Investment Attraction Desk

• SACE (IT Export Credit Agency) in Istanbul

• Turkish-Italian Chambers of commerce:
  • Istanbul
  • Izmir
Italy and Turkey

Italian presence in the past ...

- Italian companies were among the first ones to invest in Turkey
- In 1960 Pirelli opened the first tyre factory in the Country and was one of the first foreign companies to believe in the industrial and economic potential of the country
- In the late sixties the Agnelli family, owner of FIAT cars, helped creating Tofaş which is now a major car manufacturer
… and today

- 1.369 Italian companies
- EUR 4,9 billion Direct Investment
- Italy main foreign beneficiary of public tenders:
  Yavuz Sultan Selim Bosphorus bridge, Gebze-Izmir Highway, Ankara Etlik PPP hospital…
<table>
<thead>
<tr>
<th>TURKEY / ITALY</th>
<th>January – September</th>
<th>2016</th>
<th>2017</th>
<th>Var%</th>
<th>Quota</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPORT</td>
<td></td>
<td>7,588,146</td>
<td>8,123,394</td>
<td>7,1%</td>
<td>4,8%</td>
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<tr>
<td>EXPORT</td>
<td></td>
<td>5,422,686</td>
<td>6,123,949</td>
<td>12,9%</td>
<td>5,3%</td>
</tr>
<tr>
<td>TRADE VOLUME</td>
<td></td>
<td>13,010,832</td>
<td>14,247,343</td>
<td>9,5%</td>
<td>5,0%</td>
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<tr>
<td>BALANCE</td>
<td></td>
<td>-2,165,460</td>
<td>-1,999,445</td>
<td>-7,7%</td>
<td></td>
</tr>
</tbody>
</table>
ITALY: BACK TO GROWTH

NOVEMBER 2017 : +1,8%

OCTOBER 2017
Industrial production index : + 2,2%

THIRD TRIMESTER 2017
+120.000 jobs

DEFICIT/GDP: 2,4% (in the first semester of 2017)

PUBLIC DEBT/GDP: 131,6%

INFLATION: 1,1% (september)
# Why Italy is attractive for investment: 10 Reasons

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<tr>
<td>GDP $2.1 Trillion, 60 Million People, GDP per Capita $36K, Low consumer debt</td>
<td>EU Gateway for 500 Million consumers, Ports linking to central and northern EU</td>
<td>2nd Manufacturer in Europe, 7th in the World, ~€100B manufactured goods trade surplus</td>
<td>Recognized leader in machinery, foods, fashion, design</td>
<td>Hourly labor cost at 82% of France, 90% of Germany, 300K graduates p.a., Top 20 Universities in Top 500</td>
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<td>Long tradition of excellence and scientific productivity, High ranking in articles published and citations</td>
<td>50 Million international tourists p.a., 50 UNESCO sites, 3rd highest country brand</td>
<td>Tax credits for R&amp;D (25%), capital goods investment (15%), employment incentives…</td>
<td>Simplification, education, justice system, job act, FDI attraction</td>
<td>Highest growth of FDI in Europe (%56), Easier to start a business vs. Germany</td>
</tr>
</tbody>
</table>
WHY NOW?

Reform strategy

Jobs Act
Justice
Taxation
Industry 4.0

New Governance
CDP - Group
Access - VISA

#InvestInItaly

Direzione Generale Sistema Paese – Uff III Investimenti Esteri in Italia
Jobs Act

A simpler, more stable more flexible labour market

A new employment contract with increasing protection depending upon employee seniority
Taxation

Corporate tax rate reduced to 24% (lower in some cases)

140% super depreciation for investments in new capital goods

250% hyper depreciation for high-tech machinery and equipment (Industry 4.0)
Industry 4.0

- **Flexibility**: Higher flexibility given by small batches production with the economies of scale of mass production.
- **Speed**: Higher speed from prototyping to mass production using innovative technologies.
- **Productivity**: Increased productivity thanks to lower set-up time and reduced downtimes.
- **Quality**: Improved quality and scrap reduction thanks to real time production monitoring through advanced sensors.
- **Product Competitiveness**: Higher competitiveness of products thanks to additional functionalities enabled by Internet Of Things.
New Governance
Inter-ministerial Committee for FDI

- Ministry of Economic Development
- Ministry of Foreign Affairs and International Cooperation
- Ministry of Economy
- Ministry of Public Administration
- Committee of Regions
- Others
126 Embassies, 80 Consulates, 79 ITA Offices + 9 FDI Desks (Italian Trade Agency)
Visa Policy

- Business Visa issued in 72 hours
- Start Up Visa
- Investor Visa

Directorate General for Country Promotion – Division III FDI
FDI Confidex INDEX, A.T. Karney 2017: Italy ranks 13\textsuperscript{th} overall in 2017 (16\textsuperscript{th} in 2016)

+ 20 "Digital Tax Index 2017: Locational Tax Attractiveness for Digital Business Models"

+ 62 % EY Attractiveness Survey 2017 (2\textdegree best performance after Sweden)
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