



INSIGHTS INTO ITALY

DECEMBER 2017

Advanced Manufacturing

Agribusiness

Energy

Finance

ICT

Life Sciences

MARKET SNAPSHOT

Italy has a population of 60 million, approximately 12 per cent of the total population of the 28 member European Union (EU). Italy is the third largest economy in the Eurozone and the eighth in the world by GDP. Italy is also Europe's second largest manufacturer of goods and the sixth-largest in the world .

Italy's economy is predominantly driven by the northern regions of the country: 62.8 per cent of added-value is generated by companies located in Northern Italy; 20.6 per cent in Central Italy and 16.6 per cent in Southern Italy. The bulk of Italy's economic activity is found in the northern regions of Lombardia, Piedmont, Liguria and Veneto. Milan is the financial heart of the country while Rome, Florence and Naples are all important industrial clusters. Italy has the second-largest manufacturing economy in Europe, after Germany. The services sector make up over 75 per cent of the economy, and the manufacturing industry accounts for over 23 per cent of Italy's GDP. Overall 10 per cent of Italian companies are manufacturers, employing 25.5 per cent of total workers.

Italy has global expertise across all five of the Australian Government's investment priorities (infrastructure, resources and energy, tourism infrastructure, agribusiness and food, and advanced manufacturing, technology and services). Consequently, Italy holds potential as a key investment partner and is regarded as an important market for investment into Australia. Sectors of particular interest to Italian investors include major infrastructure, agribusiness, life sciences, and advanced transportation manufacturing (eg automotive, aerospace and marine).

Austrade's Milan office has responsibility for the markets of Italy, Cyprus and Israel.

Austrade is in regular contact with key Italian companies and hidden champions, including: Leonardo, Fincantieri, CNH, Enel, Eni, Barilla, Ferrero, and IntesaSanPaolo.



Australian Government

Australian Trade and Investment Commission



ITALY–AUSTRALIA RELATIONSHIP

Australian companies active in Italy include: Ansett Aviation Training and Monash University (education), Australian Wool Innovation (Apparel) Cochlear (medtech), Computershare (ICT), Lend Lease (infrastructure and construction), Macquarie Group (energy), QBE (financial services), and Westfield (retail). **Italian companies active in Australia include:** AgustaWestland (transport), Barilla and Ferrero (agribusiness), ENI and Enel (energy), Saipem (engineering), Fincantieri (shipbuilding and defence) Ghella, Rizzani de Eccher and Salini-Impregilo (infrastructure), Intesa Sanpaolo (financial services), Luxottica (eyewear), Mapei (construction materials), and Prysmian (cables).

OPPORTUNITIES AND HIGHLIGHTS

Milan, Rome, Turin, Vicenza, Genoa, and Naples are the main centres of business in Italy.

ENEL is one of the world's largest energy companies, with over 60 million domestic and international customers. It is also one of the largest and most innovative renewable energy providers globally. In light of Australia's renewable energy framework, ENEL – principally through ENEL Green Power – is actively seeking to invest in renewable energy projects (wind and solar) in Australia. Because of ENEL's significant experience in grid management and smart grid technology, including in the renewable context, there is a major potential gain for Australia through this investment, and there is opportunity of innovation and research partnerships with Australian institutions.

Macquarie Group has invested in the energy sector in Italy. The most important assets Macquarie has acquired are: Sorgenia's wind energy division; Società Gasdotti Italia, a mid-size natural gas distributor, owner of over 1,550km of gas pipelines; hydroelectric energy in Northern Italy, in partnership with Dolomiti Energia.

Westfield is investing €1.4bn in a new shopping centre near Milan. Westfield Milan will be Europe's biggest shopping centre and Westfield's first real estate investment in Continental Europe, creating over 44,000 jobs and driving important infrastructure and construction projects in Milan. Salini-Impregilo is working on flagship projects such as Sydney's North West Rail Link and Perth's Forresterfield Airport Link.

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NUMBERS AT A GLANCE

\$6.6 BILLION

Italy is Australia's 16th largest import-export destination, worth a total of A\$6.6 billion in 2016.

73,000 VISITORS

In 2015, 73,000 Italian visitors arrived in Australia. This made Italy Australia's 18th largest inbound market for visitor arrivals and 17th largest market for total visitor spend and for visitor nights.

HOME OF OVER 80 UNIVERSITIES

There are over 80 universities in Italy. The University of Bologna holds the claim to being the world's first university, founded in 1088.

9 FORTUNE GLOBAL 500 COMPANIES

As of 2016, Italy has nine companies in the Fortune Global 500 2016: EXOR Group; Assicurazioni Generali; ENI; Enel; Intesa Sanpaolo; UniCredit Group; Poste Italiane; Telecom Italia; and Unipol Group.

8TH LARGEST MANUFACTURER

Italy is the world's 8th largest manufacturer, the 2nd largest manufacturer in Europe and the 3rd largest economy in the Eurozone, according to Invest in Italy.