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Destinazione
A Plan to Attract
Foreign Direct Investment in Italy
Italia



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INTRODUCTION

Italy can greatly benefit from globalisation.

This is well-known by the Italian entrepreneurs and workers who have made our country Europe's second manufacturing economy, and the world's fifth. This is well-known by the consumers throughout the world who appreciate products "Made in Italy" that have created a robust and widespread "demand for Italy".

Opening up to globalisation does not just mean taking Italy to the world by exporting our products and investing in new markets. It also means bringing the world to Italy. It means attracting capital, both financial and human, with which to participate on an equal footing in the global creation of value, and in creating jobs, knowledge and growth for our citizens.

It is to meet this challenge that the Italian Government is launching *Destinazione Italia* (Destination Italy). Developed in close coordination with the economic policy priorities set out in the Economic and Financial Planning Document, *Destinazione Italia* establishes a set of measures to foster inbound investments in a cohesive and structural manner and increase Italian companies' competitiveness. These measures will be introduced to our legal system following a timescale on which the Government's agenda will be based.

In its initial version, *Destinazione Italia* consists of 50 measures whose goal is to reform a broad range of sectors, from tax to employment and civil justice to research; to enhance and build upon our assets; and to develop investment-focused policies to promote our country at the international level. The Government is committed to translating these measures into concrete provisions and laws and to begin monitoring their implementation on a weekly basis.

The Government undertakes to further analyse and implement the measures contained in *Destinazione Italia* in line with the public finance planning documents and the economic and financial framework established by the Stability Law.

Destinazione Italia is a "living document". The Government will be opening a three-week public consultation on this initial version, "mark 0.5", in which citizens, Italian and foreign business communities, business and other associations, trade unions and experts will all have their say. The outcome will be *Destinazione Italia* version 1.0.

The Prime Minister's Office will monitor the impact of *Destinazione Italia*, with the support of ISTAT (the National Institute for Statistics), the Competition Authority, Consob (the Italian securities market regulator) and the Bank of Italy, and of international organisations. Stakeholders too will be involved in this exercise, starting with foreign investors in Italy. The results will be evaluated by the Council of Ministers and then published.

A report on *Destinazione Italia* and on the state of foreign investment in Italy will be submitted to Parliament each year. The Council of Ministers will review the state of implementation each quarter, on the basis of the established timeframe, to decide which steps need to be taken to resolve any problems and to select further lines of intervention.



A COHERENT SET OF REFORMS

Destinazione Italia is designed to attract investment that will support the Italian economy by opening new enterprises and production facilities, reorganising existing businesses, capitalising and financially strengthening our companies, exploiting our assets, and creating both jobs and knowledge. *Destinazione Italia* is the expression of a coherent policy that is more than just a series of specific legislative provisions. It is policy-making that goes further and is broader in scope than law-making, since it aims to change incentives and behaviours, and not just the legal framework.

Destinazione Italia is a reform that concerns all of us: foreign investors, the Italian business community, the world of work and the world of research. Everyone wants to see an improved business environment, achieved through increased competition and competitiveness, better services, more support for innovation, less uncertainty, a more modern regulatory framework and a more effective public sector.

Attracting high quality foreign investment will enable us to support the economic recovery, now that the public debt and budgetary commitments have limited our spending capacity. It will also bring advantages in terms of know-how and research.

Destinazione Italia aims to capitalise on the regional and institutional structure of the country, in full coordination with regional and local government. More specifically, we will need to coordinate important inbound-investment initiatives adopted by the Regions with those adopted by the “country system”, by disseminating good practices and creating synergies.

It will also be important to use European structural funds as an investment catalyst, in close coordination with the newly established Cohesion Agency.

This national reform project is underpinned by a precise scope and timescale. The first major event is Expo 2015, when the world will come to Italy “in person” and we will have the opportunity to showcase our unique qualities, amenities and attractions.

Lastly, the Government is also aware of the need to safeguard national interests by activating the filters and boundaries envisaged by law to avoid any risk to the country’s development and security.

MAKING A NEW START FROM OUR STRONG POINTS

Italy is a country to invest in.

It is one of the world’s ten leading exporting nations. It continues to be competitive, and in some cases a leader, in sectors with a high growth potential: fashion, home furnishings, automobiles, capital goods, robotics, agribusiness, and biopharmaceuticals. And it has strong supply chains with which to address the fourth industrial revolution, a revolution based on sustainability, unique products and an ability to apply craftsmanship to adapt those products to any and all requirements. Italian companies are ideally placed to find their niche in the higher levels of global value chains by combining our unique district-based production model with a modern, global economic and production outlook.



Italy has more sites than any other country on UNESCO's World Heritage List. Living and investing in Italy means benefiting from this shared historic and cultural heritage, which fuels creativity, improves the quality of life, and can increase companies' added value.

Our country's urban agglomeration pattern has enabled sustainable and balanced development. It also has an important third sector which, with its extensive and far-reaching network, helps ensure strong social cohesion. And Italy has a research infrastructure network with high technological potential, well-established "production districts" characterised by close public-private sector partnerships and a cohesive system of universities and research bodies with proven experience in technology transfer.

Italians themselves must be the first asset to invest in: highly skilled human capital with world-class skills in so many sectors, including medicine, IT, engineering, architecture, mechanics, agribusiness, conservation of the cultural heritage, fashion and design. We have a broad-based business culture, as witnessed by our 4 million entrepreneurs and their continuing capacity to generate business.

In recent years, Italy has embarked on a serious path of reforms to ensure the country's future sustainability and growth. Thanks to the sacrifices made by our citizens, those reforms have enabled us to balance our budget and resolve the EU infringement procedure. We have already implemented reforms in areas such as: pensions, the labour market, civil justice, bankruptcy law, and the liberalisation of the electricity and gas sectors and of bond issues; the introduction of measures to give small and medium-sized enterprises access to business credit and help them capitalise; a policy supporting innovative start-ups; and the approval of a law to fight corruption, with the adoption of the necessary implementation measures.

To these can be added improvements to our infrastructure, lower labour costs for companies employing young people, and measures to support the education and training system (schools and universities).

TWO SYNDROMES TO COMBAT

Destinazione Italia will enable us to overcome the prejudices and overly-simplistic perspective from which the issue of foreign investment is often viewed. It will enable us, too, to avoid contagion from two conflicting syndromes.

One is the "outlet syndrome", where foreign investment is viewed as "selling off our assets cheaply to foreigners to bring in some cash". The opposite is true. In a globalised world, attracting investment means growth and is the opposite of "delocalisation". Because to prevent our "Made in Italy" businesses from taking flight and moving abroad, we need to bring the world to Italy.

The other syndrome we need to fight is the "Fort Apache" syndrome, where we say: "we're in decline, let's build a wall to keep out the world and defend what's left". But in actual fact the conditions and measures that are needed to keep investments, including Italian investments, in Italy, are the same as those needed to attract new investments abroad.



OUR AMBITIONS

At present, Italy accounts for just 1.6% of the world's total stock of inward investment. That is not enough. To attract more, we need to make things easier for foreign investors and Italian entrepreneurs throughout their investments' life cycle by providing a framework of legal and fiscal certainty and a reliable timeframe for the necessary permits. It is these conditions, much more than direct financial incentives, that companies are looking for when deciding *where* to set up a new business or plant.

Destinazione Italia will respond to these needs by giving each investor a tutor who will act as their unique contact point, and by providing a "certainty package". This will include:

- *Regulatory certainty*, for example by introducing nationwide standard procedures and forms for any permits required (Measure 3); capitalising on agreements with social partners to adapt contractual rules to the specific features of each new investment (Measure 4); and drafting a consolidated text of Italian employment law (Measure 5);
- *Timescale certainty*, for example by reforming the "conference of services" to speed up procedures and initiatives and ensure clear results (Measure 2); adopting further measures to simplify the procedures for settling employment disputes (Measure 6); streamlining court proceedings (measure 14); and increasing the interest rate on late payments (Measure 15);
- *Fiscal certainty*, for example through tax agreements between the Revenue Agency and businesses (Measure 1); and a review of the provisions governing abuse of right (Measure 8).

At the same time, we need to capitalise more on Italy's unique qualities: distinctive assets linked to the beauty of the country, its culture, quality of life, regional and geographical diversity, entrepreneurial mind set, aptitude for innovation, and a rich fabric of human relations. In short: the Made in Italy brand. Figures show that in many cases foreign investors already enjoy the fruits of that brand, as partners of Italian exporters.

But we also need to take further steps to free the country from the factors holding it back by exploiting the real estate and intangible assets controlled by the public sector. And, where appropriate, putting them on the market.

Lastly, to take part in the global talent search, Italy needs to attract not just financial but human capital, including by exploiting our global networks of fellow Italians, who should be viewed not as fugitives but as levers for our country's growth. We need to enhance and capitalise on Italian talent and create the conditions where merit and entrepreneurship are justly rewarded and recompensed. We need, therefore, to improve our capacity to welcome new talent by opening up our country, not least in cultural terms, to input from foreign experts, professionals and entrepreneurs.

This is the background to an ambitious plan that must be translated into practice without lowering our levels of social and employment protection or of safeguarding the environment and our cultural assets. And without ceasing to preserve and enrich the skills and know-how of Italian industry.

Today, through this plan to create a more favourable environment for investment, Italy can confirm to the international community that it has embarked on a new pathway and that it is capable of taking the long-term view, believing in its own resources, and seeking to connect evermore closely with the rest of the world.

The Government realises that to convince the world to invest in Italy, Italy must first be willing to invest in itself.





1. WHAT HAS ALREADY BEEN DONE

The government has acted on a variety of fronts over recent months, implementing a series of measures already directed toward making Italy more attractive to investors. Labour and business, training and culture, justice and public administration and infrastructure and energy are the spheres of action most in the forefront. A selection of related provisions already in place follows.

LABOUR

Lower taxes on the work of young people

With its 26 June 2013 “Labour Package”, the government approved measures aimed at creating jobs, mainly in the form of permanent contracts and for the younger generations. For employers who decide to hire a young person who has either been without remunerated employment for at least 6 months, or who does not have a secondary school diploma, a tax incentive is introduced equal to a one-third reduction of the gross taxable income subject to social welfare costs for a period of 18 months and for a sum of not more than 650 euros per employee.

Increased school-work alternation

The “Labour Package” also contained measures to encourage work-school alternation, rendering apprenticeships homogeneous nation-wide, encouraging training internships and instituting a special “Youth Guarantee” mission facility.

BUSINESS

Access to credit

The *Decreto del Fare* gave a boost to the *Fondo Centrale di Garanzia*, by allowing access also to professionals and social and cooperative enterprises and established a reserve for counter-guarantee operations by the *Confidi*. Moreover, a profound review of the access criteria has been launched with a view to enlarging the pool of beneficiaries to include businesses which, while grappling with the inevitable contingencies and difficulties, nevertheless remain healthy and whose future prospects are real.

Facilitated financing for businesses for investment

The *Nuova Legge Sabatini* (New Sabatini Law) encouraged SME’s investments. In particular, it offered low-yield loans to finance production-related investments: 2.5 billion – increasable to 5 billion in function of demonstrable need – for the purchase of machinery, plants and equipment, including hardware and software.

EDUCATION: SCHOOLS, UNIVERSITY and RESEARCH

Opening universities and research to young people

The government has raised the turnover for 2014 from 20% to 50%, freeing up posts for 1,500 teachers and 11,500 researchers to foster the influx of new energies and intelligence into the university system.



Simplifying residence permits for foreign students 🗣️

The *Decreto Istruzione* (Education Decree) calls for alignment of the duration of foreign students' residency permits with their courses of study or training, even for multiyear periods, in compliance with existing regulation of the certification of study and training courses, along with annual progress reports.

CULTURE

Enhanced emphasis on culture 🗣️

The government has approved the *Decreto Valore Cultura* (Value of Culture Decree), which has led to the creation of the *Unità Grande Pompei* (Great Pompei Unit), which will hold exclusive authority over the security of that archaeological area in order to ensure its maximum efficiency and international attraction. Funds are also earmarked for the New Uffizi Museum in Florence and the Museum of the Shoah in Ferrara. Young people will be given the chance to reclaim government-owned lands through cultural projects; a tax credit has been established for cinema production aimed at attracting international investors, and there will be experimentation for the first time with a tax credit on music.

JUSTICE

Clearing the courts 🗣️

The 15 June *Decreto del Fare* introduced a series of measures aimed at reducing the number of court cases by making mediation obligatory in many of them; creating training and support internships; the institution of a contingent of 400 honorary judges for the identification of disputes pending in the Court of Appeals. Over the coming 5 years, the government's decision will reduce the Court's overall caseload by 950,000 cases.

SIMPLIFICATION

Making it easier to do business 🗣️

The *Decreto del Fare* also introduced interventions favouring simplification, with estimated savings of 500 million euros on forecasted costs of 7.7 billion euros. Some of these interventions include: a single date in place of multiple deadlines, academic credentials issued in English, and shared data among public administrations. The "silence means dissent" principle in cases of permits for buildings bound by environmental, cultural and natural constraints has been eliminated.

The relationship between the State and citizens changes in as much as, when the Public Administration wastes time, it will have to pay 30 euros for each day of delay, up to a maximum of 2,000 euros.



Extending application of innovative start up norms

The *Decreto Lavoro* (Labour Decree) extends the radius of application of the norms for innovative start-ups through a broad-based and organic package of measures aimed at facilitating their creation and growth.

INFRASTRUCTURE

Incentives to private investments in large-scale infrastructure projects

To give incentives to the public-private undertaking of infrastructure projects valued at more than 200 million euros (that do not receive public funds), the holder of the contract is granted a tax credit that can be applied to IRES or IRAP, and an exemption from the royalty tax to the extent necessary to achieve a balanced economic-financial plan.

Rendering the Transport Authority operational

The Headquarters of the Authority were assigned to Turin and its board chairman and members were appointed during the 12 July 2013 Council of Ministers. Today the authority is ready to enter into full operational mode.

ENERGY

Making energy less costly

The Government also introduced the simplification of several items, along with energy bill reductions, valued at over 500 million euros, that especially target electrical power. Implementation of the National Energy Strategy has already yielded its first fruit, allowing for the alignment of Italian gas market prices with those of Europe.

Reinforcing the Ecobonus

Tax incentives for the energy efficiency of buildings have been extended, and the measure has been reinforced by raising the deduction to 65%. Likewise, the 50% deduction for building refurbishment has been extended, widening its sphere of application to several types of furnishings and home appliances.

The government enacted many other measures in its first 100 days, which are explained in full detail at <http://www.100giorni.governo.it/>.





2. ATTRACTION

This chapter describes the reforms by which the government intends to render the country more attractive to foreign investors and improve business conditions for all operators. The proposals are grouped under three headings: a country that works throughout the whole investment's life-cycle; a country that enhances its assets; and a country that attracts human capital.

2.1 A country that works throughout the whole investment's life-cycle

Investors need a transparent legal, fiscal and judiciary system in which responsibilities are clear and timeframes and response modes are reasonably predictable. At every step of the investment life-cycle, the State must equip itself to work better by: eliminating useless barriers, making procedures more linear and facilitating collaboration with economic actors. The measures illustrated in this section propose interventions aimed at making life easier for both foreign investors and the Italian business community.

- **Planning investment returns**

Business people must be capable of outlining business plans and returns on their investments on the basis of "certainties at the point of departure". These certainties must concern, not least, the taxes they will have to pay, which represent, especially in the case of large-scale investments, a major business plan item.

Measure 1:

CLOSER COLLABORATION BETWEEN REVENUE AGENCY AND INVESTORS. TAX AGREEMENTS AND DEDICATED DESK 6

Problem/opportunity: investors need a reliable, predictable system that offers a readily accessible interface capable of providing assurances based on previous agreements.

Solution: introduce, in compliance with European laws on the equal treatment of national and foreign investors and State Aid, **tax agreements for investments above a certain threshold**, through which the companies and the Revenue Agency agree on fixed tax rates over a specific period (for example, the first 5 years of the investment), thereby providing certainty regarding the tax burden to be borne by investors. The new regimen will be outlined starting with the pilot cooperative compliance project launched by the *Agenzia delle Entrate* (Revenue Agency).

A **Foreign Investors Desk** has been set up at the Agency to facilitate and speed up communication, resolve potential pre-existing interpretative issues and direct contributors toward instruments of cooperation with the Finance Ministry already provided by law, such as the filing of complaints or international rulings.

Forms of communication and strengthened cooperation are to be introduced between businesses and financial administrations, with a view to fostering large corporations' broad-based management of the risk associated with fulfilling



tax obligations. To that end, businesses must install risk management and control mechanisms and clearly attribute responsibilities within the framework of a complex system of internal controls and corporate governance. Firms that create such internal control mechanisms, may receive incentives in the form of the reduction either of the tax burden or eventual fines.

• Obtaining permits

To become operational, investments need to be granted the necessary permits from the competent authorities. The timescales and certainties regarding the issuance of such permits are crucial to making Italy attractive to foreign investments.

Measure 2:

REFORM OF “CONFERENZA DEI SERVIZI” ⌚⌚

Problem/opportunity: the “conference of services” was born of a desire for simplification, which aims to coordinate all the authorities involved in permit procedures: certain timescales must be ensured.

Solution: a reform of the conference of services, with a view to streamlining and simplifying procedures, will be based on the following criteria:

- **elimination of the obligation of presence for the authorities** issuing preliminary clearance certificates (*nulla osta preventivo*) to the authority handing the request;
- **a single session** for presentation by the various authorities involved in the permit procedure of the findings of their own completed assessment. The problem of the absence of an authority must, where legally possible, be overcome through the application of the principle “silence means consent”.
- granting an **executive status to the provision** produced by the conference, to be published on the institutional websites of the authorities involved and to be communicated to the parties involved in a timely manner;
- the conference session is to be fully **conducted online**, with the consequent elimination of the difficulties thus far encountered.

Measure 3:

STANDARDISED PERMIT PROCEDURES AND FORMS ⌚⌚

Problem/opportunity: greater nation-wide uniformity is needed in the procedures and forms for applying for permits necessary to begin a productive activity.

Solution: the approval of **standard nation-wide procedures and forms** for obtaining permits for large-scale productive activities: construction and environment (within the month of November); SUAP (“one-stop shop” for productive activities, within the month of January).



• Hiring

Once they have obtained the necessary operating permits, businesses must be able to rely on a supply of qualified human capital. In order to hire, they will have to be placed in a position to understand the laws governing the labour contract, and – another equally important aspect – must have contractual instruments at their disposal that encourage access to the job market by young and qualified personnel. Moreover, excessively high labour costs limit the attraction of investments in Italy. A determined commitment to reducing the labour tax wedge has been widely hailed in both political and social spheres, and the government intends to proceed in that direction.

Problem/opportunity: Italian labour legislation underwent deep reform in 2012; in the summer of 2013 those aspects that oversight of the new legislation had identified as problematic were improved. For example, entry flexibility was increased, tools were introduced for hiring by the small business network, and the use of apprenticeships and training internships was simplified. The reform process needs to proceed in an incisive manner.

Solutions

Measure 4:

ADAPT LABOUR CONTRACT RULES TO NEW INVESTMENTS ⌚⌚

For the purpose of encouraging new investments with an employment potential above a certain threshold, a legislative intervention is proposed that aims to **enhance agreements with management and labour to establish specific provisions on employment conditions**, intended to operate for a pre-determined period in the initial phase of the activity. This will allow management and labour, to enhance their mutual benefit while maintaining fundamental principles and criteria, to adapt the general legislation to the specific needs associated with the new activity and to the consequent generation of new jobs, affording enterprises regulatory certainty within the envisaged timeframe.

Measure 5:

CONSOLIDATE LABOUR CODE ⌚⌚⌚

The government has been charged with drafting an easily understandable and accessible **unified labour law** and ensuring its English translation. In addition to its complexity and margins of uncertainty, the current labour legislation is excessively encumbered with the multitude of integrations that have taken place over time at various legislative levels. Revision is therefore necessary, as much to allow potential investors to understand and comply with regulations, constraints and sanctions, as to clarify the possibilities offered by the law in terms of, for instance, incentives for the creation of new jobs.

Measure 6:

PROCEDURE TO HANDLE LABOUR DISPUTES ⌚⌚

The good practices currently applied in some courts need to be extended to the entire country, with a view to reducing



timeframes and offering greater certainty to disputing parties. For that reason, not least in light of overseeing the implementation of the amendment introduced by Law 92/2012 to the procedures related to cases concerning the resolution of the employment relationship and conciliation procedures, the adoption of new legislative interventions will be assessed, in addition to incentives for the application of good practices. Naturally, attention will also be given to the logistical aspects of labour dispute justice, equally key to its effectiveness.

Measure 7:

SIGN SOCIAL SECURITY INTERNATIONAL CONVENTIONS AND BILATERAL AGREEMENTS ⌚⌚

Italy has not ratified the international ILO convention on social welfare, as it has also delayed signing bilateral conventions with various countries that would ensure the reciprocal social welfare treatment of foreign workers in Italy and Italian workers abroad. This delay makes the country less competitive by reducing opportunities for multinationals to invest in Italy. The intention is to **accelerate the signing of such protocols**, beginning with the one signed with Japan, in order to ensure full reciprocity in the social welfare treatment of workers.

• Paying taxes

Once they have drawn profits from their investments, businesses must then pay taxes. But fulfillment of tax obligations must not become an obstacle to investment. What is needed are clear and non-punitive rules; our tax system needs certainty, in as much as frequent changes in fiscal law result in a negative fallout on the credibility and medium-to-long term stability of tax policy. Certainty and stability in fiscal legislation, including the interpretation of laws and jurisdictional activity, are as important to fiscal competition among States as taxation levels are.

It is also crucial to ensure our country's active participation in initiatives undertaken at international and EU levels aimed at providing an effective and coordinated response to tax evasion and avoidance. This activity will also include updating the list of countries that have ratified Conventions stipulated by Italy guaranteeing transparency standards in line with OECD recommendations.

The government mandate for a fairer, more transparent and growth-oriented tax system, currently under the scrutiny of Parliament, will allow for more certainty and stability in tax legislation through: redefinition of the abuse of right and of avoidance, extended to all taxes and accompanied by adequate procedural guarantees; improvement of relations with taxpayers in keeping with the enhanced relationship proposed by the OECD that envisages an internal system of controls and management of fiscal risk on the part of major taxpayers; revision of criminal and administrative sanctions, according to criteria proportional to the seriousness of the behaviour; and the better handling of disputes.

Implementation of the fiscal mandate envisages the following measures.

Measure 8:

REVIEW OF THE ABUSE OF LAW ⌚⌚⌚

Problem/opportunity: the concept of the abuse of law arose within the framework of the European Union as a



consequence of several Court of Justice rulings limited to the area of tax harmonisation, and subsequently developed in Italy following several appellate court rulings. It is a jurisprudential element that confuses and creates uncertainty, with major criminal repercussions, regarding the borderline between tax evasion and avoidance, and also implicates taxpayer behaviours that, while legal, aim to reap advantages not envisaged by the lawmaker. A too broad interpretation of the definition of abuse undermines the certainties necessary for adequate fiscal planning.

Solution: as recommended by the Working Group appointed by the President of the Republic, the **definition of the abuse of right** must be reviewed, aligning it with that of avoidance in keeping with EU Court of Justice case-law on the matter and with the most recent Community stances. Taxpayers may be sanctioned only if the actual evasion of tax laws or restrictions can be proven. Simple tax savings would no longer be subject to sanction. Abuse, therefore, must be defined in reference to acts lacking in adequate economic justification for the exclusive purpose of avoiding legal fiscal obligations or restrictions and obtaining tax reductions or reimbursements. Specific procedural rules are needed to guarantee an effective interface between financial administrations and businesses, safeguarding taxpayers' right to defense.

Measure 9:

REVIEW TAX SANCTIONS ⌚⌚⌚

Problem/opportunity: the current sanctioning system, both criminal and administrative, often reveals itself as disproportionate to the seriousness of the behavior being sanctioned.

Solution: review the criminal sanction system according to preordained criteria proportionate to the seriousness of the behavior, introducing the possibility of applying administrative instead of criminal sanctions, setting appropriate accountability thresholds. More in general, sanctions, including administrative ones, should be reduced in less serious cases.

Measure 10:

REVIEW TAX LITIGATION ⌚⌚⌚

Problem/opportunity: the sluggish handling of disputes contributes to undermining the certainty of the law.

Solution: review of fiscal disputes and strengthening the jurisdictional protection of taxpayers. Strengthening and rationalising the instrument of fiscal conciliation, not least with a view to deflating and resolving the dispute between the taxpayer and the administration, with particular regard to what are characterised as minor violations.

Measure 11:

REVIEW THE RULES GOVERNING TAX HAVENS “BLACK LIST” ⌚⌚⌚

Problem/opportunity: businesses are bound by too many restrictions on cross-border activities, resulting in limitations on internationalisation.



Solution: reduce excessive restrictions on business internationalization, in keeping with EU law, reviewing the taxation of crossborder operations, with particular reference to the laws governing withholdings, the deduction of commercial transaction costs borne in dealings with suppliers located in “black listed” countries, dividends from States with a loose fiscal regime and the rules for calculating the income of stable organisations.

• Paying for energy

The cost of energy is a key factor in the country’s competitiveness, especially in the case of major manufacturing plants.

Measure 12:

IMPLEMENT THE NATIONAL ENERGY STRATEGY TO LOWER ELECTRICITY AND GAS PRICES

Problem/opportunity: Italy is committed to reducing energy costs. The gas market gap has been eliminated as a result of liberalisation measures adopted over recent years, which have afforded consumers an overall annual benefit of 6 billion euros. Now it is time to reduce the electricity gap, even though major energy consumers enjoy facilitations that allow them to sustain energy costs that are entirely competitive with those of other industrialised countries.

Solution: given the complexity and scale of the problem, the solution consists of a set of interventions, partly aimed at rapid implementation and partly structural. The direction for those interventions is specified by the European Union and by the National Energy Strategy (SEN), the most important of which include the following:

- Electricity sector: the **full market coupling of the Italian with the European market**; the reinforcement and gradual rationalisation of the national electrical grid to eliminate numerous “bottlenecks”; the award of hydroelectric power concessions through competitive tenders; Businesses with high energy costs in relation to turnover will soon be subject to a **new lower tax rate for “para-fiscal” components**; also being outlined are tax breaks to stimulate the use of renewable energy through a financial instrument that spreads their costs over time;
- Fuels: **the complete liberalisation of the supply sector**, for example in the case of “ghost” plants and “non-oil” products, and greater competition in supply logistics;
- Gas: launch of the forward energy market and of “day before” alignment; **building of strategic infrastructures** (*pipelines*, terminals and storage), implemented through distribution tenders.

At the end of this process, on a 2 to 3-year horizon, we foresee a substantial alignment in fuel prices – net of taxes – and gas prices, at European level; electricity costs are also expected to line up with those of Europe. Indeed, it is expected that the final spread between Italy and Germany will be halved as of 2014/15.

• Recourse to civil and administrative justice

Companies – just as any Italian citizen – compelled to have recourse to the civil courts need the justice system to be certain and fast. Comparative international analyses by the World Bank confirm that the Italian civil justice system is the “Achilles’ tendon” of our economic system: we place 160th on a list of 185 for “resolution of trade disputes”, with an average duration of credit recovery procedures of 1,210 days, at a cost of 30% of that credit. Added to that should be the number of judgments against Italy, both domestically and in the European Union, for violation of the reasonable time limit for the duration of trials established by the Convention for the Protection of Human Rights and Fundamental Freedoms.



Measure 13:

STRENGTHENING THE BUSINESS COURT ⌚

Problem/opportunity: it is **necessary to make better use of the business court** in order to provide investors with an adequate forum for resolving disputes.

Solutions

- **Extend the court’s authority to all commercial transaction disputes**, thus creating an efficient channel of access to justice for investors;
- All disputes involving firms with their main headquarters abroad, even though they may have established representation in Italy, should be treated in under **Milan, Rome and Naples**;
- With particular regard to foreign firms, **appoint a person in charge of organisation and relations in judiciary offices**, starting off by experimenting within the offices of the business court.

Measure 14:

STREAMLINING COURT CASES ⌚

Problem/opportunity: shortening the timeframes of Italian justice is vital to attracting investments.

Solutions

- **Set further appeal limits and increase the authority of Justices of the Peace**;
- **Introduce the written grounds at the request of the parties**, and – in order not to void the sense of the provision – the attached declaration of the party intending to contest the ruling, with the consequent obligation to pay court costs;
- **Strengthen mediation incentives**: make it possible to refuse legal representation in place of mediation and raise the threshold for exemption from the registry tax for agreements reached in that setting;
- **Pursue the use of ICT in justice, strengthening the *Processo Civile Telematico (PCT)*** instrument. The programme currently allows for both paper and ICT processing, with the obligation to use only ICT technologies, from the registration of cases onward, as of June 2014. There is an immediate necessity to provide for the waiver requests that will come from less computer-ready appeals courts, and invest available training resources in the personnel and judges of those courts;
- Complete the creation of data warehouses, which will permit the more rapid and accurate assessment of measures already adopted and problems already encountered;
- Monitor, and make any minor corrections, the **application of *Codice del Processo Amministrativo (CPA)***, which contains innovative interventions such as measures for accelerating trials already identified by jurisprudence, and new measures that tend to ensure the effectiveness of judges’ rulings; reduce the relevance of formal errors in the annulment of provisions adopted by the Public Administration, rendering judges’ interventions more effective and



concrete; assign court costs more often in order to discourage unfounded or clearly manipulative claims, and use injunctions in a more rigorous manner.

Measure 15:

RAISE THE STATUTORY INTEREST RATE ⌚

Problem/opportunity: the spread between statutory interest and market interest rates spurs the parties concerned to abuse litigation in all controversies arising from the payment of any sum of money, thus converting it into a convenient form of easy credit.

Solution: raise the statutory interest rate, on the basis of legally binding EU business transaction legislation.

• Import and export of goods

Facilitating trade relations is so important that saving even one day in the comprehensive import-export process can increase the Italian trade flows by more than 10%. The timeline and costs of the import-export cycle are closely correlated with all the players in the logistics chain (manufacturing companies, container terminal operators, port authorities, air cargo and maritime carriers, customs, etc.).

Measure 16:

MAKING THE IMPORT-EXPORT CYCLE MORE EFFICIENT ⌚⌚

Problem/opportunity: The “*Single Window*” programme, launched by the Agenzia delle Dogane e dei Monopoli (the Italian Customs Administration) with a view to providing an interface enabling the filing of documents online and controlling customs clearance procedures for the 18 different State Administrations involved in the process, has already succeeded in saving a considerable amount of time and money. The “*Single Window*” now needs a further upgrade in order to complete the process in 24 hours and to also involve the other players in the logistics chain in the digitalization of data.

Solution: guarantee that customs offices provide their services **24 hours a day**; develop a real-time logistics chain monitoring system assuring complete interoperability between platforms; combine electronic document tracking with the physical location of goods (through geo-positioning).

2.2 A Country capable of optimising its assets



In order to attract foreign investments to favour Italy’s development, it is important to escort the investor effectively through the whole “investment life cycle”. However, in order to exploit the competitive edge, it is necessary to leverage the distinctive assets of Italy, optimising the country’s unique features.

• Our companies



Attracting foreign investments makes our companies stronger, because it enhances their potential to innovate, bolsters their capital stock and expands their market outlets. However, in order to make sure that our companies receive foreign investments, it is necessary to concomitantly make them stronger and bigger, keeping always in mind that they represent Italy's most extraordinary asset. It is necessary to valorise their know-how and innovation potential, also through instruments such as "industrial doctorates", promote their growth and diversify their financing procedures and sources, opening them up to private investments when required. Italian companies are considered with great interest by international investors and therefore should be helped to intercept the large quantity of liquidity on the markets in search of good investment opportunities.

Measure 17:

A PLAN OF PRIVATISATION OF STATE OWNED COMPANIES

Problem/opportunity

In order to attract investments to Italy, it is necessary to open part of the domestic economy to private investments. Up to now, much of Italy's economy has been prevalently State-owned, at national but mainly at local level. In order to achieve this, it is necessary to capitalise on State-owned real-estate properties and securities, whenever it is advisable and in compliance with EU legislation, by selling them on the market. In so doing, however, it might be of public interest to maintain the ownership of Companies that operate in particularly relevant national strategic sectors.

A privatization and divestment programme would have numerous advantages: a) boosting the development of the companies to privatise through the acquisition of new Italian and foreign capital; b) broadening share ownership by listing the companies on the stock market, which would widely distribute risk capital among savers and contribute to increase the overall capitalization of the Italian Stock Exchange; c) obtaining financial resources to reduce public debt.

Solution

By the end of the year, **the Ministry of Economy and Finance will single out the assets to be divested, directly or indirectly owned by the State.** Pursuant to Law 474 of 1994, these operations will be carried out by means of a) public tendering procedures or, b) through broad market operations addressed to institutional investors and retail traders. The operations' finalisation schedule will be quicker for companies already listed on the stock exchange whereas a longer timeline will be required for companies that need to be upgraded before being placed on the market, with a view to maximising profits by making them more appealing to investors.

An equally important contribution relatively to publicly owned companies might be given by the same local administrations that own them. Local administrations will need to take stock of the publicly owned companies operating in specific economic sectors and launch **initiatives aimed at rationalizing or divesting but, above all, at merging or integrating them with other State-owned companies.** This would optimize the use of these companies, making them large enough to be competitive and to access larger industrial and financial markets.

An important role in this process will be played by the Comitato Permanente di Consulenza Globale e di Garanzia (**Global Consulting and Guarantee Standing Committee**, for the sake of brevity called the "Privatization Committee"), which is vested with the task of providing government with technical advice so that operations can be successfully finalised, while assuring the whole process the required transparency, consistency and synchronization. The Committee is chaired by the Director General of the Treasury and is made up of two members chosen among prominent Italian academicians and professionals. The Committee is scheduled to be shortly renewed for the next two-year term.



Measure 18:

WIDENING FUNDING SOURCES FOR SMALL AND MEDIUM-SIZED ENTERPRISES

Problem/opportunity: The banks' credit crunch on enterprises is structural in nature and makes it necessary to simplify existing legislation in order to facilitate the attraction of financial resources from international capital markets. The recent liberalisation of bond issuances, also by unlisted small and medium-sized companies, gives these companies, which are potentially appealing, the opportunity to attract specialised investors, both national and international. Thanks to this measure, several Italian companies have gathered 5 billion euros of funds on international markets in only a few months. Thanks to corporate bonds and specialized investment funds, it is now possible to focus investments by qualified institutional investors (like insurance companies, pension funds, and social security funds) onto the Italian industrial sector by activating a direct intermediation circuit.

Solution: complete the liberalization process, extending to the largest possible number of SMEs the **possibility to access capital markets by issuing bonds**, thereby intercepting investors' interest, also from abroad, by aggregating "mini-bond" issuances in sufficiently large portfolios and facilitating the establishment of credit funds. At the same time, SMEs could be given indirect market access by fostering and simplifying the instrument of securitization (reviewing some aspects of Law n. 130) and by lowering indirect taxes on credit guarantees and collaterals in order to facilitate secured bond issuances by SMEs.

Measure 19:

REVITALISE THE EQUITY MARKET

Problem/opportunity: revitalising stock market trading and encouraging Italian companies to go public is essential to assure the financial soundness of Made in Italy manufacturing companies and attract foreign investments.

Solution: to launch a far-reaching project including the following initiatives:

- **Ease taxes on investments in shares or in the purchase of stakes in SMEs, either listed or pending listing, and/or in agencies specialized in investing in listed SME stock**, with a view to attracting investments onto Italian Small Caps. This approach is in line with new business start-up initiatives, in keeping with EU legislation on State aid;
- Outline a **"scaled" system of rules** promoting market access and permanence, especially of SMEs, by providing quantitatively and qualitatively scaled down obligations for newly listed or small-sized bond issuers;
- **Remove the tax on capital gains** for investors in Small Caps that commit to maintain their investments for a period of 3-5 years. This incentive could also contribute to spreading a culture promoting medium-to-long term investments in stocks;
- **Introduce a "super ACE"** for companies intending to go public through a capital increase. The approach would be the same used in the current ACE, which enhances a company's cost-effectiveness and "transparency" after listing;
- **Facilitate the establishment of SPACs (Special Purpose Acquisition Companies)** in order to give more companies an indirect access to listing, by rewording the provisions regulating the right of withdrawal.



Measure 20:

INVESTMENT TO SUPPORT MICRO, SMALL AND MEDIUM-SIZED “MADE IN ITALY” PRODUCERS



Problem/opportunity: Italy has a lot of micro and small-sized companies that, if taken together, represent the best of a production system that combines traditional farming, craftsmanship and manufacturing with high-end high-tech sectors. This production chain, integrated with innovation and research (*Research in Italy*), is essential for the manufacture of *Made in Italy* products appreciated worldwide. Many foreign investors would be interested in investing in these companies but their relatively small size hinders meeting up with foreign capital. They need an instrument enabling them, on the one hand, to overcome the obstacle of distance – and not only geographically speaking – between foreign capital and Italian companies and, on the other hand, to help international investors understand which companies are the most promising.

Solution: establish an “Invest in Made in Italy” Fund to invest in the equity of micro-enterprises, with average tickets of between 50 and 500,000 Euros. This Fund, which would complement the Italian Investment Fund in terms of financing amounts, will attract (1) public resources; (2) private resources (from banks and other institutional investors, in particular local investors like cooperative banks) and, (3) foreign institutional investors who, by relying on the expertise of the local banks, can more easily invest in the Italian system of micro and small-sized companies. In compliance with EU legislation, the Fund will be able to invest in those micro-enterprises having an adequate corporate structure, thus enabling the inflow of foreign investments and the growth and globalization of Italian SMEs, also in view of their eventual participation in the tendering procedures related to Horizon2020.

Measure 21:

ATTRACT CAPITAL AND SKILLS TO HELP START-UPS DEVELOP AND GROW

Problem/opportunity: Italy is a country blessed with “widespread creativity and entrepreneurship”, where an increasing number of people, especially the young, have recently started up innovative businesses. At the end of 2012, an organic law was passed to facilitate the start-up and development of these new businesses. It is now therefore necessary to provide innovative businesses, especially in their delicate start-up phase, with the required capital and skills. In order to achieve this goal, it is necessary to support the traditional investors in start-ups (*venture capitalists* and *business angels*). This represents a real opportunity to attract foreign capital to be invested in start-ups that, being Italian, have a natural vocation for quickly conquering international markets.

Solution: establish a “Fund of Funds” dedicated to co-investing in venture capital funds, to act as a corporate catalyst and incubator by supporting the investments of *angel investors*, as proposed in the “*Restart, Italia!*” Report by the Italian Development Ministry and reiterated in the report by the Working Group appointed by the President of the Republic. The public funds will only be activated on condition that (at least) part of the private resources are foreign.

• Tourism and culture

Italy’s vocation for culture and tourism is self-evident to anybody interested in Italian history. However, this history is doomed to fade out and become invisible unless it is made available to everybody and unless it is converted into a factor of growth and job creation.



Measure 22:

ENSURE THAT THE TOURISM SECTOR IS ABLE TO GRASP GLOBAL OPPORTUNITIES

Problem/opportunity: with about 50% of the tourists coming from abroad, the Italian tourism market offers enormous opportunities in attracting foreign capital. Tourist consumption is climbing steeply worldwide. Italy remains at the top of intended travel destinations, and must now be enabled to fully intercept the demand, by eliminating seasonal factors from tourist flows and requalifying tourist accommodation facilities, while aiming to expand the companies operating in the sector.

Solutions

- **Pass stimulus measures aimed at increasing the size of companies operating in the tourism sector and at attracting tourism *developers*:** by awarding, in compliance with European Union regulations, a 3-year period of tax and social security benefits to companies that decide to merge; bolster and expand incentives to company networks, with a special focus on companies operating in the tourism sector; awarding incentives for *greenfield* and *brownfield* tourism development investments creating new jobs;
- **Unify national legislation for the classification of hotels,** in line with European and international standards;
- **Offer economic incentives for investments exceeding a minimum threshold,** in compliance with EU regulations, with a special focus on developing select tourism hubs, especially in Southern Italy's areas currently under-exploited, where tourism can represent the best chance for economic development and jobs;
- **Measures to eliminate seasonal factors from tourism flows:** by developing a calendar of special events and creating secondary tourism itineraries, in order to segment demand, by developing targeted products and promotion campaigns, by encouraging agreements with tour operators to promote Italian health spas and thermal baths, by enhancing the wellness sector;
- **Requalify tour operator training** with the aim of giving greater appeal to the sector's professional profiles;
- Develop a **digital tourism strategy** making the Italia.it portal the common platform of reference for all regional platforms on which to communicate and perform their promotion and marketing activities. Increase the use of social networks and adopt measures aimed at promoting innovation in the tourism, both in the provision of products and services.
- **Promote tourism activities with a low environmental impact,** like cycle tourism and trekking, both of which are capable of generating sizable economic flows with limited public investment.

A large number of measures contained under different headings of this paper have a particularly strong direct impact on tourism, for example tax deals to assure certainty to investors; a streamlined authorization process and allocation of services; measures promoting investments in the real-estate sector, simplifying the change of use of buildings and increasing the number of tourist visas issued.



Measure 23:

CAPITALISE ON OUR CULTURAL HERITAGE ⌚⌚

Problem/opportunity: world demand for culture is growing exponentially. The global competition for this market share is championed by Countries with a strong historical and cultural identity. In the case of Italy, its artistic and cultural heritage gives it a natural competitive edge, a unique and universally acknowledged legacy. The adoption of innovative governance models and cultural philanthropy can contribute to safeguard and enhance the value of cultural heritage and the creation of companies in this sector. The culture industry is potentially a great catalyst for foreign investments, economic growth and the creation of jobs, but there are still too few projects able to attract private investments.

Solutions

- Promote the establishment of **private philanthropy funds** dedicated to major cultural institutions, and provide tax relief for cultural philanthropy;
- Prepare for the possibility, on an experimental basis and under appropriate State supervision, of **entrusting the management of cultural assets to private and third sector professionals**;
- **Capitalise on the assets stored in museum deposits**, currently unexploited, and use them in research initiatives aimed at promoting Italian culture around the world;
- **Promote education initiatives in the arts and in music**, with the aim of enhancing the skills in those sectors.

• Public assets

Go beyond divestments by actively drawing upon public assets and freeholds.

Measure 24:

CAPITALISE ON PUBLIC PROPERTY GRANTED IN CONCESSION ⌚⌚

Problem/opportunity: public property can be put to better use by opening up to competition.

Solution: **revise the criteria for awarding freeholds and the duration of contracts** by public tendering procedures aimed at maximizing competition between contractors and attracting international investors. In this perspective, it is necessary to revise upwards the minimum economic prerequisites for adjudication, in line with current market values.

Measure 25:

CAPITALISE ON UNEXPLOITED REAL ESTATE ⌚⌚

Problem/opportunity: **there are many** public real-estate properties left idle, but potentially of great value. It is therefore necessary to develop a credible and updatable Real-estate Use Optimization Programme.

Solution: enhance the Agenzia del Demanio's (Public Property Agency's) capability of aggregating local initiatives,



giving shape to a system through which to funnel public resources, including those coming from Europe and allocated on various accounts, towards public property, thus creating a **pipeline for operations aimed at economic and social development**, easily recognizable and appealing for different types of investors. Focus should first be placed on cultural initiatives, as laid down by Article 6 of the “Value Culture” law decree.

• Our real-estate market

Italy’s real-estate properties have an immense value. Funnelling resources to this sector, by liberalizing it and making it more appealing to investors, is essential to supporting urban requalification programmes and contributing to quell the crisis in the construction business.

Measure 26:

LIBERALISE THE RENTAL MARKET FOR LARGE NON-RESIDENTIAL BUILDINGS ⌚

Problem/opportunity: it is necessary to align current rental regulations to those of other European countries, in order to make real-estate investments more appealing.

Solution: the parties should be enabled to **negotiate the terms of contract and conditions derogating from** the current legal provisions. The legal safeguard measures presently contained in legislation will be maintained, but only to protect “weak” categories of tenants (like family-run shops, craft shops, etc.), in keeping with the original spirit of the norm. The liberalisation will instead concern rental contracts signed by more economically sound tenants. A more flexible rental market will favour foreign commercial investments (large business facilities, large hotel facilities, corporate headquarters, etc.).

Measure 27:

ENCOURAGE THE CHANGE OF USE OF REAL ESTATE ⌚⌚

Problem/opportunity: it is necessary to simplify the provisions making the intended use of a building binding, so that buildings might be put to a use different from the one originally intended, thus favouring investments to requalify and rehabilitate buildings (for example, refurbishing an old country farmhouse to convert it into a holiday farm, or turn a decommissioned hotel into a private residence).

Solution: introduce a **streamlined and gratuitous change of use procedure** for buildings, especially for those lying idle or occupied by defaulting companies, albeit in full respect of landscape protection measures and the original disposition of the masses. Facilitating the change of a building’s use will stimulate the inflow of investments towards land development and requalification projects, to the advantage of the competitiveness of the real-estate unit as well as of the real-estate and construction market at large.



Measure 28:

FACILITATE REAL-ESTATE INVESTMENTS BY DEVELOPING LISTED REAL-ESTATE INVESTMENT COMPANIES (REIC) ⌚⌚

Problem/opportunity: the efficiency of the real-estate market, especially for commercial buildings, largely depends on the presence of institutional investors. In order to develop listed Real-Estate Investment Companies (REIC), investors must be guaranteed a profitability in line with that of comparable European agencies, without intervening on the risk profile of the product.

Solution: align the tax rates applied to REICs with those applied to real-estate funds, making it fiscally neutral to opt for the one or the other instrument. It is necessary to promote the creation of REICs, providing for the possibility that, in case of investments, the same tax rates applied to REICs be extended to companies that, in their start-up phase, lack the prerequisites but commit to meet them within a set period of time. It will also be necessary to enhance flexibility in managing investments, eliminating the regulatory rigidities of current legislation, and to introduce binding tax benefits in the case in which REICs finance public works.

• Our universities, research and innovation

Research centres are the laboratories of future jobs. In today's international scenario, success depends on a consolidated virtuous cycle between universities, research centres and business in order to concentrate the focus on long-term investments, thus favourably affecting the whole production chain.

Measure 29:

TAX CREDITS FOR RESEARCH & DEVELOPMENT ⌚⌚

Problem/opportunity: it is necessary to further stimulate companies to carry out Research & Development activities, like other European countries.

Solution: introduce a **stable and automatic tax credit mechanism on companies' higher expenditure on R&D compared to the previous year.** A framework of stability and certainty enables companies to make long-term plans, with investment projects that can favour the system's competitiveness.

Measure 30:

FOSTER UNIVERSITY AND RESEARCH SPIN-OFFS ⌚⌚

Problem/opportunity: the presence of a significant public and private research network is a decisive factor to attract investments. This makes it essential to tighten connections between basic research and the production system by focusing on university spin-offs. They often represent the hidden "crown jewels" of Italy's innovation.



Solutions

- **Foster the development of academic *spin-offs* and their investment-catching potential**, by also including them in a university-business joint planning activity. Incentives should be promoted to spur large corporations to escort spin-off companies through the globalization process, by taking them “on board” in their international trade missions. Incentives should also be passed to promote the internationalisation of spin-offs by contributing to extend patent licences internationally and to participate in international trade fairs and competitions.
- **Promote greater specialization in technology transfer and international relations offices of Universities and Research Centres**, by allocating resources to offices that are stably focused on high-tech skills.

Measure 31:

INTERNATIONALISE THE EDUCATION SYSTEM

Problem/opportunity: schools and universities must be more open to the world.

Solutions

- **Establish connections between the globalization divisions of universities and research centres with Embassies’ scientific *attachés* and the network of Italian Culture Institutes**, thus favouring the development of joint internationalization strategies between them.
- In line with the actions already expedited with the “Education Decree”, **create tax incentives for private donations and sponsorships to universities** aimed at establishing teaching positions and courses capable of enhancing the quality of training and the internationalisation of the university, or at offering scholarships to deserving students;
- **Incentivize Universities to open all-English graduate courses;**
- Support school managers’ projects to **internationalize schools;**
- **Promote the recruiting of foreign teachers** for short and medium-term assignments as visiting professors, both in schools and universities;
- Promote the upgrade of post-secondary and university level courses, which were originally conceived for domestic schools, so that they may compete in the global education market, especially targeting foreign students interested in **acquiring professional skills and competences associated with *Made in Italy* products** and with Italy’s valued historical, artistic cultural and scientific heritage.

Measure 32:

INTERNATIONALISE THE RESEARCH SYSTEM

Problem/opportunity: Italian knowledge-based research networks must increasingly pursue an international vocation, thus enhancing the visibility of their activities and making them more appealing to the world of business.



Solutions

- **Map the Italian research centres of excellence**, with special focus on clusters of companies, universities, industrial districts and research institutes devoted to technological advancement and innovation;
- **Offer information in English on training in teaching, research and technology transfer** on the most relevant University websites and on the “*Research Italy*” portal, as the one-stop shop for research and technology transfer results and for international development opportunities.
- **Enhance the interaction and cross-fertilization between public research and private enterprise**, by providing forms of “intelligent support” to companies favouring corporate sponsorship of post-graduate courses and the establishment of researcher and research professor positions;
- Support **researcher internships with companies**, focusing on training contents aimed at creating an innovative business culture.

• Digitalise the Country

A country that attracts and stimulates investments is a Country that is streamlined, with a Public Administration able to cut red tape, that relies on computers to give real-time feedback to companies.

Measure 33:

INCREASE THE USE OF IT BY PUBLIC SECTOR AND CITIZENS ⌚

Problem/opportunity: The Government’s Broadband programme has catalysed 350 million euros from national, regional and European funds with the aim of bridging the digital divide in Italy in 2014. The Regions of Campania, Sicily, Molise, Calabria and Basilicata have also launched a call for bids for the Ultra-Fast Broadband Plan (worth almost 550 million euros, connecting over 4 million users). The spread of broadband transmission in Italy is a development opportunity attracting new investments that cannot be missed.

Solution: within the framework of the Digital Agenda, implement priority actions **to upstep the digitalisation of Italy’s economy and improve the relationship between citizens, companies and the Public Administration**. More specifically, it is necessary to put in place a new national civil registry of Italian citizens, provide them with a digital identity and implement electronic invoicing regulations. These actions would set in motion the modernization of the Public Administration, enhance the demand for Internet services and increase Internet access.

• Relaunch industrial facilities

As of 2008, the Italian Government has set up at the Ministry of Economic Development a crisis-management centre that organises consultation tables for companies in distress, with the aim of safeguarding Italy’s production capacity and employment, by proposing interventions like industrial reconversion, reorganising production facilities, consolidating companies, etc. It often deals with companies endowed with a high level of knowledge and professional skills that, if adequately exploited, can represent an attraction for national and foreign investors. With the worsening of the economic crisis, this centre has become a privileged observatory of the developments in the Country’s production system, of its difficulties and growth potentials. In August 2013, the dispute-handling consultation tables were over 150, especially in the sectors of ICT, chemicals, car components, electrical household appliances, textiles and clothing and steel.



Measure 34:

RAPID-RESPONSE MECHANISM TO TACKLE INDUSTRIAL CRISES

Problem/opportunity: companies' reorganisation plans to solve their excessive debts are often difficult to implement because of the lack of financial resources. In this case, institutional investors should be encouraged to intervene.

Solution: set up a **rapid-response mechanism**, in compliance with EU legislation, with the aim of investing in Italian businesses in financial distress but with good industrial and economic perspectives. The resources contained in this mechanism are to be provided by private businesses – and possibly also by the *Cassa Depositi e Prestiti* – as well as by large Italian banks and other domestic and international institutional investors and are to be used, in a non-speculative market approach, to inject the capital necessary for companies to reduce their debt and proceed to the turnaround phase. In order to better attract investors, the invested amounts will be made pre-deductible in case of insolvency procedures and will not be subjected to stringent constraints as to the interest rates applied.

Measure 35:

FACILITATE ENVIRONMENTAL RECOVERY PROJECTS

Problem/opportunity: in order to promote production site re-industrialization or reconversion, with a view to jumpstarting local economies, it is often necessary to solve critical environmental situations.

Solution: **simplify land reclamation procedures** for sites of national interest (SIN), better specifying responsibilities in the different reclamation phases and developing tax relief measures. Some of the provisions included in the “Simplification” bill tackled problems connected to site safety and reclamation with the dual end of safeguarding the environment and of reclaiming land areas for production purposes. Said provisions are estimated to have a great impact on generating additional investments and industrial reconversion projects.

• Our infrastructures

The commitment that Italy is putting into bridging the infrastructure gap with our European competitors offers great opportunities to national and foreign investors. Measures have already been passed, and others are currently under study, to favour the inflow of private capital in investments on infrastructures, thus enhancing foreign investment opportunities in the construction of ports and airports.

Measure 36:

ATTRACT PRIVATE CAPITAL TO MAJOR INFRASTRUCTURE PROJECTS

Problem/opportunity: with a view to encouraging PPPs (Public-Private Partnerships) Italy has recently launched innovative instruments like *project bonds*, availability contracts and significant tax relief for infrastructure projects worth over 200 million euros receiving no public funding. It is essential to guarantee that the timeline set for the closing of PPP-funding contracts is met.



Solution: increase private capital inflows in the following strategic areas:

- improving **High Speed and High Capacity rail systems;**
- applying **measures offsetting taxes on private new highway sections;**
- **refinancing rail and road maintenance programmes;**
- **requalifying urban areas;**
- **local public transportation.**

Limited public finances make it necessary to exempt the resources allocated to feasible construction projects by Regions and local administrations from the *Stability Pact* provisions.

Measure 37:

DEVELOP PUBLIC-PRIVATE PARTNERSHIPS (PPP) IN SMALL AND MEDIUM-SIZED INFRASTRUCTURE PROJECTS

Problem/opportunity: five strategic infrastructure sectors on which economic recovery depends –require sizable investments: school buildings, penitentiary buildings, hospital buildings, energy-efficiency in public administration buildings, and cultural heritage buildings. Limited public finances make it necessary to resort to alternative procedures to traditional procurement systems, as with the PPP model that, by attracting international investors, makes it possible to maximize the efficiency of infrastructure design, construction and management.

Solution: pass a new **provision to regulate PPPs**, separated from public contract legislation, comprising concise, clear and stable rules; apply “*Eurostat compliant* legal-economic models to avoid complex structured financial operations from subsequently having to be reclassified to fit Maastricht parameters; allocate *ad hoc* resources to finance feasibility studies for the works to be constructed by Public Administrations, which otherwise would not dispose of the necessary human and financial resources; increase the value of single procurement contracts, by grouping together similar projects and not launching calls for bids on single works; concentrate the handling of procurement contracts, by creating a single management unit with specific skills and facilitating access to it by Public Administrations through special measures; develop a standard benchmark for calls for bids, tendering procedures and contract adjudication; favour the inflow of foreign investments for ongoing PPP projects, enabling national industries to launch new projects.

Measure 38:

REFORM THE PORTS SYSTEM

Problem/opportunity: Europe’s new *core transport network* provides for all corridors to begin and/or end in a maritime port, thus guaranteeing maximum merchandise fluidity between European markets and the rest of the world. This is particularly relevant for Italy, considering that over 85% of the Country’s import-export passes through Italian ports.

Solution: The Italian Ministry of Infrastructures and Transport is currently plotting a new port system in which the ports of the High Tyrrhenian and High Adriatic form part of the Genoa-Rotterdam, Adriatic-Baltic and Mediterranean corridors, and where the ports in the regions of Campania, Apulia, Calabria and Sicily are included in the Helsinki-La Valletta corridor. This new set-up requires a legislative update on the following core points:



- **port governance.** The authorities managing the principal Italian ports are required to have a business plan in order to access public funds. The ports mainly handling long-haul freight traffic will have to be managed by subjects capable of finalising agreements with large freight operators and be conferred adequate legal and financial instruments, also through continuous relations with the Central Administration. These legal instruments could include: simplifying technical and administrative procedures for dredging activities and the capability of adjusting upwards or downwards the port fees paid by cargo ships and merchandise harboured in our ports;
- **reduce the overall incidence of bureaucratic costs;**
- **promote investments in technology upgrades,** in port logistics and in the ports' ways of access.

In the perspective of re-launching ports, it is also important to focus on pleasure boating. Article 23 of Legislative Decree n. 69/2013, in addition to equating the purchase of a boat to the purchase of a holiday home, also provides that boats up to 14 meters long be exempt from paying the property tax and those from 14 to 20 meters to pay only half the rate. Moreover, in its September 19 2013 meeting, the Cabinet adopted a bill to reform the recreational boating nautical code.

Measure 39:

A PLAN FOR AIRPORTS

Problem/opportunity: Italy's airport must be fully competitive with its European partners, by reducing dispersion and fragmentation.

Solution: Most of the largest national airports have recently signed a Public-Private Partnership agreement with ENAC, indispensable to acquire certainty on fees and investments. It is now urgent to:

- **map the airports** within the relevant traffic areas to justify their functional classification and diversification in order to maximize economies of scale, also through the optimization of a unique management approach;
- put in place all the measures need to facilitate **the inflow of private investments – both Italian and foreign – in the construction and management of airport facilities.**

• Our territory

Attracting foreign investments is first and foremost a way to develop our national territories. It is necessary for investments, especially if sizable, to be harmoniously integrated into the territory. In order to achieve this, it is necessary to assure, on the one hand, that investments have positive spin-offs on the territory; on the other hand, local communities and autonomous authorities should take the responsibility to welcome, and not reject, these investments.

Measure 40:

INVESTMENT TO BENEFIT THE REGIONAL AND LOCAL LEVELS

Problem/opportunity: it is necessary to put in place a mechanism whereby: a) local territories might effectively and



constructively voice their opinions, avoiding the arising of disputes capable of blocking investment implementation procedures and negatively impacting their costs and implementation timescales; b) investments are assured to represent an effective development opportunity at local level, by engendering growth and improving the inhabitants' living conditions.

Solutions

- As also indicated in the Report of the Working Group nominated by the President of the Republic, it is necessary to introduce the **Public Debate** model for infrastructure and public works projects of national strategic relevance, as well as for works requiring an investment of at least 100 million euros in areas with not less than 250,000 inhabitants. To achieve this aim, a **National Public Debate Commission is established**, which is envisaged to receive from the proposer a draft project clearly indicating: the intervention project's main objectives and characteristics, its location, the estimated environmental impact, implementation times and costs and expected benefits for the relevant territory. The debate will then occur according to the established procedures and timescales (in any case, not more than six months from the first meetings), assuring citizens ample transparency and participation, simultaneously guaranteeing investors an established timeframe for discussion and assuring the Public Administration a greater effectiveness throughout the process.
- In order to make sure that the investment turns out to be a real development tool for the relevant territories, it is necessary to include a **“territorial development clause”** that may be binding for investments exceeding a certain threshold made in a given territory, obliging investors to allocate part of the profit derived from the investment to development projects to be agreed with the local communities. Moreover, it is also advisable to extend to other types of investments the provisions recently passed in relation to the inland extraction of hydrocarbons, requiring make a contribution to the “Fund for Infrastructure Works in Territories Involved in Hydrocarbon Exploration and Production” proportionate to the revenue received;
- As indicated in the Report of the Working Group nominated by the President of the Republic, it is necessary to reform Title V of the Constitution to include **competition between the general principles underpinning the economic system** (as already outlined by the Constitutional Court). The reform is aimed at guaranteeing **territorial homogeneity** to the provisions regulating competition and at making pro-competition reforms more effective at national level;
- In order to fully highlight territorial diversities, it will be necessary to put forth and coordinate **regional initiatives** aimed at attracting foreign investments, by generalizing best practices and building synergies to maximize results.
- Institute a **unified technical commission** to deal with Environmental Impact Assessment (EIA), Strategic Environmental Assessment (SEA) and Integrated Environmental Assessment (IEA), with a view to simplifying environmental impact assessment and authorization granting procedures.

• Hydrocarbons and mineral resources

Italy disposes of significant gas and oil reserves, the largest in Europe after the Nordic Countries. Exploiting these resources offers benefits in terms of job creation and economic growth in a sector in which Italy boasts considerable capabilities. In addition to hydrocarbons, Italy also has a considerable development potential in the field of mineral resources and valuable chemical elements (such as antimony, gold, manganese, mercury) and stone materials (marble and stones of various types).



Measure 41:

DOMESTIC PRODUCTION OF HYDROCARBONS AND MINERAL RESOURCES ⌚

Problem/opportunity: The doubling of domestic oil and gas production envisaged in the National Energy Strategy (NES) offers new and interesting investment opportunities in Italy. Said development is envisaged to reduce the comprehensive number of inland and offshore infrastructures (oil wells and platforms) by optimizing project design and using advanced technologies. The inflow of international skills and investments is a necessary contribution to this strategy (already now, Italy counts on a large presence of global primary operators).

Solution: in order to **enhance hydrocarbon production** while overcoming contingent difficulties, the NES lays down several interventions: ranging from a positive fallout on the local economy and employment (a provision was recently adopted that envisages allocating part of the revenue originating from inland extraction projects in favour of local development), to opening new exploration areas (a significant example is the marine areas west of Sardinia), to aligning the authorization process to European standards, to making technical data relative to past explorations available to the public. The exploitation of quarries and mines is exclusively regulated at regional level although it is possible to envisage a guidance and facilitating role to be played by the State, thanks to a law currently being drafted, aimed at reorganizing and homogenizing local legislation.

- **Green economy**

Measure 42:

INVESTMENTS IN ENERGY EFFICIENCY ⌚

Problem/opportunity: Energy efficiency represents a great opportunity for Italy insofar as it concomitantly contributes to achieving energy cost-reduction targets, abating emissions and environmental impact and improving energy supply security and autonomy. In this aspect, Italy has achieved a good level of performance, although there is still considerable room for investment and development. By 2020, it could be possible to reduce consumption by about 24% by avoiding the emission of approximately 55 million tons of CO₂ a year and by saving roughly 8 billion euros in fossil fuel imports.

Solution: the NES gives utmost priority to energy efficiency, and outlines a broad range of possible interventions in this field:

- **Enhancing the “White Certificate” (or Energy Saving Certificates – ESC) mechanism**, prevalently applied to the industrial and service sectors, and promoting infrastructure energy saving in sectors that have been neglected up to now (ITC, water distribution network, transports).
- Extending **tax deductions**, prevalently to the civil refurbishment sector. The 55% deductibility rate was recently extended and increased to 65%.
- Introducing **direct incentives for interventions by Public Administrations** – which cannot have access to the tax deduction mechanism – by means of the recently passed so-called “Thermal Account”.



- Enhancing energy-saving **minimum standards** and legal provisions, especially in the construction sector (for new buildings or major refurbishing work), as well as in the transport sector (also by transposing European legislation) and for the range of products falling under the scope of the EU Ecodesign Directive.

Measure 43:

INVESTMENTS IN THE GREEN ECONOMY

Problem/opportunity: there is still ample space for investing in the *green economy* sectors, especially in the exploitation of renewable energy sources and the optimization of water resources and waste.

Solution: specific interventions aim at attracting investments to the following sectors:

- **Renewable Energy Sources.** The development of renewable electricity sources incurred high costs in Italy: it is fundamental to have a profitable return from the **international development** of these technologies, betting on distinctive skills in developing complex photovoltaic projects, smart grids and concentrated solar power plants. In addition to the field of renewable electricity sources, **renewable thermal sources** have experienced a non-subsidized spontaneous boom during the past few years. The mechanism designed for national development (Thermal Account) will also boost Italy's placement on international markets. Equal importance is to be given to **biofuels and green chemistry**, a sector in which Italy can boast globally renowned centres of excellence.
- **Optimization of Waste.** In Italy, especially in the centre-south, landfills are still widely used. Inadequate organizational skills, an insufficient awareness-raising effort on recycling and the difficulty in building consensus on waste incineration plants have so far hindered progress in this field. It is therefore of utmost importance to accelerate the rate of progress by launching a structured **action plan** focused on establishing a tight coordination at national level with the aim of guaranteeing a homogeneous approach and meeting set objectives and timelines.
- **Water Distribution Services.** Italy's water distribution sector has a negative record in terms of grid leaks and sewage and water treatment efficiency. This infrastructure requires enormous investments, especially in southern Italy, where water management must be made more efficient by means of larger, more professional and more efficient water companies. It is necessary to overcome the stalemate and expedite interventions to modernize the sector.

2.3 A Country that attracts human capital



Knowledge-based economy is grounded on the the nations' capacity to attract talents, in universities, in research and in skilled labor. This is why *Destinazione Italia* not aims to attract financial capital but also qualified human resources capable of boosting the level of innovation of Italy's economy.

Measure 44:

VISAS AS AN ATTRACTION TOOL

Problem/opportunity: visas represent a strategic tool to attract and retain talents and innovation and should be used as an incentive for the inflow of investors, students, researchers and, more in general, highly skilled workers. Streamlining visa issuing procedures is a priority, especially in compliance with the Schengen Agreement, with a view to converting Italy into a country that welcomes inflows of skilled workers. Also tourist visas offer an extraordinary potential in terms of promoting and developing relations, with a beneficial impact at regional level. This potential must be developed through consular services capable of meeting the strongly increasing demand, especially in view of the upcoming Milan EXPO 2015.

Solutions: *fast-track* procedures for specific classes of applicants

- **“Start-up Visa”** for anyone choosing to start up an innovative business in Italy, providing he/she has a business plan and a minimum availability of funds (venture capital, angel investors, self-financing capability etc.); the fast track status can also be awarded by collaborating with business incubators.
- **Visas for investors making a sizable investment** in an Italian business, capable of sustaining or increasing employment levels. A “sizable” investment can be defined according to jobs created or minimum investment criteria (for example 500,000 euros).
- **Visas for people making a consistent philanthropic donation** in a relevant sector for the Italian economy (culture, tourism, recovery of cultural heritage, science, etc.);
- Student Visas, in compliance with European Directives, **for graduate and post-graduate students and researchers selected by the competent Institutions** (universities, research institutes).

Simplification and optimal use of existing legislation

- **Meeting established timelines in the issue of clearance certificates by Italy's Unified Immigration Desk**, introducing the principle of “silence is consent” in case deadlines are not met;
- **Simplification and flexibility in regularizing prolonged stays** (D-type visa for stays of over 90 days). Offer foreigners two options: 1) apply for the visa before making entry into Italy, with no obligation to subsequently apply for a residence permit which, could eventually be replaced with a simpler “statement of presence” to be presented at Police Headquarters. 2) Visa-exempted entries (with a business or tourist visa, in case the applicant's nationality requires a visa) and on-site regularization after entry.



- **With a view to simplifying the life of foreign students in Italy:** extend the effectiveness of the Inter-ministerial Decree establishing entry quotas for foreign university students from the current one year to three years; abolish the system of entry quotas for foreign university students, which currently provides for the approval of an ad hoc Inflow Decree; as already envisaged by the “Education Decree”, align the duration of students’ residence permits with the duration of their University or training courses, even if multi-annual, in compliance with the current regulation of study and training course certificates, save for the right to perform an annual check on their academic achievement; concede an extension period to students concluding their study programmes in Italy to enable them to seek a job or start an activity (for example, for an extra 6-12 months);
- **In order to attract non-EU highly skilled labour:** immediately enforce the EU Blue Card Directive;
- **Enhance the visa-issuing capacity,** especially in connection to tourist visas: fully enforce Article 41 bis of the 2012 “Development Decree”, providing for the annual re-allocation of part of the revenues from the issue of visas (Consular Revenues) to the Ministry of Foreign Affairs for the purpose of enhancing consular services.

Measure 45:

TRAIN THE INVESTORS OF THE FUTURE ⌘⌘

Problem/opportunity: Italy must bolster its relations with the ruling classes of countries deemed to be strategic for its international vision, starting with the Mediterranean Basin. To educate the future elites of these countries means assuring future investors with a special inclination to invest in Italy.

Solution: create a dedicated instrument to attract and educate in Italy **future representatives of the new *élites***, starting from the Mediterranean countries, by offering ad hoc scholarships and field exchange programmes between Public Administrations.

Streamline and accelerate accounting procedures for **grants offered to foreign students by the Italian Ministry of Foreign Affairs**, overcoming the timeframe mismatch between the financial year and the academic year, which hampers the awarding of the grant to the recipient in due time.

Incentivize research projects, cultural programmes and joint research doctorates as well as **scientific collaboration between Universities and research centres of Mediterranean Countries**.





3. PROMOTION

Promoting the investment opportunities offered by Italy abroad and seeking potential investors are complementary to improving the *business environment* in Italy. The network of Italian Embassies, Consulates, ICE (Foreign Trade Commission) offices and Italian Culture Institutes already promote activities targeted on attracting foreign investments, although it is not endowed with dedicated instruments. It is necessary to increase the incisiveness of economic and cultural diplomacy and systemize best practices in Embassies and Consulates.

Measure 46:

DESTINAZIONE ITALIA CAMPAIGN

Problem/opportunity: The *Destinazione Italia* Programme needs to boost the Government's international profile, with a view to achieving a positive fallout on the long term. Therefore, it is necessary to launch a world campaign on *Destinazione Italia*.

Solutions

- A **Road show to present *Destinazione Italia* in the world's financial capitals** by the Italian Prime Minister, Foreign Minister, Minister of Economic Development, Minister of Economy and Finance and other Cabinet members;
- Promote and sustain, at regional level, **initiatives organized to illustrate the *Destinazione Italia* Programme to local foreign communities**, in order to enable them to disseminate it in their Countries of origin.

Measure 47:

ATTRACTING INVESTMENTS THROUGH A CONTINUOUS ENGAGEMENT: MARKETS, PEOPLE AND TOOLS

Problem/opportunity: Promotion and foreign investment attracting activities are at present conducted by Italian Embassies, Consulates and ICE (Foreign Trade Commission) offices, mostly through the organization of single events (*road shows*, missions, etc.). The aim is to systematically put in place an early detection system for potential investors.

Solutions

- Institute ***Destinazione Italia* offices in the world's most important financial centres** (starting with London, Moscow, Sao Paolo, New York, Istanbul, the Gulf, Shanghai, Tokyo, Hong Kong, Singapore, Mexico City, and Johannesburg), staffed with skilled professionals, fully integrated into the diplomatic and consular network.
- Institute, in the major centres of attraction of foreign investments, **Economic Councils** to be periodically convened by Embassies or Consulates, with the task of delivering a presentation on *Destinazione Italia*, to be followed by



regular briefings on the “state of Italy” (economic performance, reforms, etc.);

- Enhance the scouting capacities and the promotion of Italian investment opportunities abroad, in the framework of the ongoing process of re-directing the diplomatic network’s focus from “saturated” to emerging markets. This will be done also by offering foreign investors **“customized” investment proposals and “packages”, prepared by Destinazione Italia SpA** (for the sale of public property, to help particularly representative companies of Made in Italy in need of a capital injection and to assist companies “in distress”) and by providing ad hoc training for diplomats and commercial attachés.
- **Promoting events favouring direct contacts between big investors and top managers of multinational corporations with representatives of the Government, of Institutions and of Regional Authorities**, for example by hosting at the beginning of 2014 the IBAC (*International Business Advisory Council*), grouping the top executives of the world’s leading international multinational corporations, and organizing in Spring of 2014 a pilot-event similar to the *Investment Summit “Select USA”* in which to present Italy’s *assets*, opportunities and regulatory framework. These events will represent an opportunity in which to establish closer relations with multinationals and investors in emerging Countries.

Measure 48:

BUILD A BETTER INTERNATIONAL REPUTATION ⌚⌚

Problem/opportunity: Like large enterprises use tools to detect their brand perception, the State must develop a system to monitor Italy’s reputation, in order to better plan its promotion policies and act to correct eventual misconceptions.

Solutions

- Develop a **national brand Strategy** (as recently implemented in France), also with a view to the contents of the upcoming Milan EXPO 2015;
- **“Establish, within the Ministry of Foreign Affairs, a “Permanent Forum on the International Reputation of Italy”**, with the task of analysing and synthetizing the survey results on Italy’s reputation conducted by the main companies, banks and national research centres. This will allow to regularly monitor Italy’s reputation on the news media and social media worldwide and to contribute to drafting and implementing a branding strategy. The Forum shall draft an annual Report to be presented during the “Day of Italy’s Reputation in the World” event.

Measure 49:

MOBILISE ITALIANS WORLDWIDE ⌚⌚

Problem/opportunity: Italians who work, teach and study abroad are the first “Ambassadors of Italy in the World” and, as such, can contribute to finding a new way of narrating Italy abroad and effectively implementing the Italy’s *branding* strategy. Especially Italians who left the country more recently – the new “global Italians” – are an asset that can be immediately mobilised and “tuned up” to our modernization effort.



Solutions

- **Track and engage Italians abroad in promoting Brand Italy and in attracting investments** (multinationals, banks, investment funds, universities, research centres of large associations and *think tanks*), also by updating and giving full access to databanks and digital platforms.
- **Develop services targeted to “global Italians”**, encouraging them to register with the Registry of Italian Residents Abroad (A.I.R.E.);
- Activate the **“VIP-Volunteer for Italy’s Promotion”**, to raise the awareness of students and researchers leaving to go abroad on their role of “Ambassadors of Italy in the World”. The program will be launched in collaboration with schools, universities and student exchange organizations and will also engage representatives of foreign in Italy communities who return to their Countries of origin.

Measure 50:

USE CULTURE AND SPORTS AS LEVERS FOR A “DIPLOMACY OF ATTRACTION” ⌚

Problem/opportunity: Including Italy in global value chains is a cultural, and not only an economic operation. Italy’s historic, artistic and cultural heritage can help to generate attention, relations and connections between Italy and the rest of the world. Cultural diplomacy must be more focused on “fidelizing” people to Italy’s brand.

Solutions

- **Optimize the non-displayed works of art stored in Italian museums and the points of excellence of Italy’s museum, restoration and archaeology sectors through “cultural diplomacy actions”** focused on countries with a high concentration of potential investors and a high demand for Italy’s brand. The possible action plan may include: temporarily conceding works of art to foreign institutions on a free loan, with the commitment to turn the exhibition into an opportunity to promote research; offer technological assistance programs in the fields of archaeology, museums and restoration;
- **Promote the Italian language around the world**, also by supporting Italian schools abroad and the institutions dedicated to the promotion of the Italian language, and by engaging foreign elites who have studied and know Italian;
- **Enhance the appeal of Italian sports**, especially football, to support economic diplomacy targets: sign an umbrella agreement with C.O.N.I., the Italian National Olympic Committee, and finalise bilateral agreements with target countries for the exchange of technology and professional skills.

Follow-up



The *governance* approach of *Destinazione Italia* will be defined by the Government after the consultation results, in order to assure a coordinated and focused follow-up of the plan's implementation.



IMPLEMENTATION SCHEDULE



MEASURES	DONE	QUICK	SHORT TERM	MEDIUM TERM
– Lower taxes on labour for young people	👍			
– More opportunities to move between school and work	👍			
– Boost to the Central Guarantee Fund for loans to business	👍			
– Low-interest loans to business for investment	👍			
– More opportunities for young researchers	👍			
– Simplified residence permits for foreign students	👍			
– More investment in culture	👍			
– Reduced backlog of pending judicial cases	👍			
– Simplified procedures for start ups	👍			
– Extended simplification rules beyond start-ups	👍			
– Incentivised private sector participation in major infrastructure projects	👍			
– Transport regulatory authority to become operational	👍			
– Reduced costs in energy bills	👍			
– Boosted “Ecobonus” on renovation and energy-efficiency projects	👍			



IMPLEMENTATION SCHEDULE

MEASURES	DONE	QUICK	SHORT TERM	MEDIUM TERM
• CLOSER COLLABORATION BETWEEN REVENUE AGENCY AND INVESTORS. TAX AGREEMENTS AND DEDICATED DESK		⌚		
• STRENGTHEN THE BUSINESS COURTS		⌚		
• RAISE THE STATUTORY INTEREST RATE		⌚		
• A PLAN OF PRIVATISATION OF STATE OWNED COMPANIES		⌚		
• WIDENING FUNDING SOURCES FOR SMEs		⌚		
• LIBERALISE THE RENTAL MARKET FOR LARGE NON-RESIDENTIAL BUILDINGS		⌚		
• VISAS AS AN ATTRACTION TOOL		⌚		
• DESTINAZIONE ITALIA CAMPAIGN		⌚		
• ATTRACTING INVESTMENTS THROUGH A CONTINUOUS ENGAGEMENT: MARKETS, PEOPLE AND TOOLS		⌚		
• REFORM OF “CONFERENZA DEI SERVIZI”			⌚⌚	
• STANDARDISED PERMIT PROCEDURES AND FORMS			⌚⌚	
• PROCEDURE TO HANDLE LABOUR DISPUTES			⌚⌚	
• SIGN SOCIAL SECURITY INTERNATIONAL CONVENTIONS AND BILATERAL AGREEMENTS			⌚⌚	



IMPLEMENTATION SCHEDULE

MEASURES	DONE	QUICK	SHORT TERM	MEDIUM TERM
• IMPLEMENT THE NATIONAL ENERGY STRATEGY TO LOWER ELECTRICITY AND GAS PRICES			⌚⌚	
• STREAMLINE COURT CASES			⌚⌚	
• MAKING THE IMPORT/EXPORT CYCLE MORE EFFICIENT			⌚⌚	
• REVITALISE THE EQUITY MARKET			⌚⌚	
• INVESTMENTS TO SUPPORT MICRO-, SMALL AND MEDIUM-SIZED “MADE IN ITALY” COMPANIES			⌚⌚	
• ATTRACT CAPITAL AND SKILLS TO HELP START-UPS DEVELOP AND GROW			⌚⌚	
• ENSURE THAT THE TOURISM SECTOR IS ABLE TO GRASP GLOBAL OPPORTUNITIES			⌚⌚	
• CAPITALISE ON OUR CULTURAL HERITAGE			⌚⌚	
• CAPITALISE ON PUBLIC PROPERTY GRANTED IN CONCESSION			⌚⌚	
• CAPITALISE ON UNEXPLOITED REAL ESTATE			⌚⌚	
• ENCOURAGE THE CHANGE OF USE OF REAL ESTATE			⌚⌚	
• FACILITATE REAL ESTATE INVESTMENT BY DEVELOPING LISTED REAL-ESTATE INVESTMENT COMPANIES (REIC)			⌚⌚	
• TAX CREDITS FOR RESEARCH AND DEVELOPMENT			⌚⌚	
• FOSTER UNIVERSITY AND RESEARCH SPIN-OFFS			⌚⌚	



IMPLEMENTATION SCHEDULE

MEASURES	DONE	QUICK	SHORT TERM	MEDIUM TERM
• INTERNATIONALISE THE EDUCATION SYSTEM			⌚⌚	
• INTERNATIONALISE THE RESEARCH SYSTEM			⌚⌚	
• INCREASE THE USE OF IT BY PUBLIC SECTOR AND CITIZENS			⌚⌚	
• RAPID-RESPONSE MECHANISM TO TACKLE INDUSTRIAL CRISES			⌚⌚	
• FACILITATE ENVIRONMENTAL RECOVERY PROJECTS			⌚⌚	
• INVOLVE PRIVATE CAPITAL IN MAJOR INFRASTRUCTURE WORKS			⌚⌚	
• DEVELOP PUBLIC-PRIVATE PARTNERSHIPS (PPP) IN SMALL AND MEDIUM-SIZED INFRASTRUCTURE PROJECTS			⌚⌚	
• REFORM THE PORTS SYSTEM			⌚⌚	
• DOMESTIC PRODUCTION OF HYDROCARBONS AND MINERAL RESOURCES			⌚⌚	
• INVESTMENTS IN ENERGY EFFICIENCY			⌚⌚	
• INVESTMENTS IN THE GREEN ECONOMY			⌚⌚	
• TRAIN THE INVESTORS OF THE FUTURE			⌚⌚	
• BUILD A BETTER INTERNATIONAL REPUTATION			⌚⌚	
• MOBILISE ITALIANS WORLDWIDE			⌚⌚	



IMPLEMENTATION SCHEDULE

MEASURES	DONE	QUICK	SHORT TERM	MEDIUM TERM
• USE CULTURE AND SPORT AS LEVERS FOR A “DIPLOMACY OF ATTRACTION”			⌚⌚	
• REVIEW OF THE ABUSE OF LAW				⌚⌚⌚
• REVIEW TAX SANCTIONS				⌚⌚⌚
• REVIEW TAX LITIGATION				⌚⌚⌚
• REVIEW THE RULES GOVERNING TAX HAVENS “BLACK LIST”				⌚⌚⌚
• ADAPT LABOUR CONTRACT RULES TO NEW INVESTMENTS				⌚⌚⌚
• CONSOLIDATE LABOUR CODE				⌚⌚⌚
• INVESTMENT TO BENEFIT THE REGIONAL AND LOCAL LEVELS				⌚⌚⌚





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