

Rome, 19 September 2013



Destinazione  
Italia



## Summary



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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 inward investment 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 first version, *Destinazione Italia* consists of 50 measures whose goal is to reform a broad range of sectors, from tax to employment and from 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 Italian Government is committed to translate shortly these measures into concrete provisions, legislative and otherwise and to begin monitoring their implementation on a weekly basis.

Italy's 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, the 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 achieved 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, also through the Conferenza Unificata. More specifically, we will need to coordinate important inward-investment initiatives adopted by the Regions with those adopted by the “country system”, by disseminating good practice 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 timescales. The first major event is Expo 2015, when the world will arrive in 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 the national interest 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, biopharmaceuticals, shipbuilding, defense and security. 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 implementing measures. To these can be added improvements to our infrastructure, lower labour costs for companies employing young people, and measures to support the education, training and research system.

## TWO SYNDROMES TO COMBAT

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

One is the "outlet syndrome", where inward 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 into 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 investment, including Italian investment, in Italy, are the same as those needed to attract new investment from 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 investment's 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 the 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 “conferenza dei servizi” to speed up procedures and initiatives and ensure clear results (Measure 2); adopting further measures to simplify the procedures for handling 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 rich tapestry of human relations. In short: the *Made in Italy* brand. The figures show that in many cases foreign investors already enjoy the fruits of that brand, as partners of Italian exporters.

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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 also 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.



## MEASURES AND IMPLEMENTATION TIMEFRAME



TIMESCALE	IMPLEMENTED	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	👍			



MEASURES AND IMPLEMENTATION TIMEFRAME

TIMESCALE	IMPLEMENTED	QUICK	SHORT TERM	MEDIUM TERM
<ul style="list-style-type: none"> <li>CLOSER COLLABORATION BETWEEN THE TAX AUTHORITIES AND INVESTORS. TAX AGREEMENTS AND DEDICATED HELP-DESK</li> </ul>		⌚		
<ul style="list-style-type: none"> <li>WIDEN BUSINESS COURTS' JURISDICTION</li> </ul>		⌚		
<ul style="list-style-type: none"> <li>INCREASE THE INTEREST RATE ON LATE PAYMENTS</li> </ul>		⌚		
<ul style="list-style-type: none"> <li>A PLAN OF PRIVATISATION OF STATE OWNED COMPANIES</li> </ul>		⌚		
<ul style="list-style-type: none"> <li>EXPAND FUNDING SOURCES FOR SMEs</li> </ul>		⌚		
<ul style="list-style-type: none"> <li>LIBERALISE RENTAL MARKET FOR LARGE NON-RESIDENTIAL BUILDINGS</li> </ul>		⌚		
<ul style="list-style-type: none"> <li>VISAS AS A MEANS OF ATTRACTION</li> </ul>		⌚		
<ul style="list-style-type: none"> <li>DESTINAZIONE ITALIA ROADSHOW</li> </ul>		⌚		
<ul style="list-style-type: none"> <li>TOOLS TO ATTRACT: MARKETS, PEOPLE AND OFFICES</li> </ul>		⌚		
<ul style="list-style-type: none"> <li>REFORM OF "CONFERENZA DEI SERVIZI"</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>STANDARD FORMS AND PROCEDURES FOR PERMIT APPLICATIONS</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>PROCEDURE TO HANDLE LABOUR DISPUTES</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>SIGN SOCIAL SECURITY INTERNATIONAL CONVENTIONS AND BILATERAL AGREEMENTS</li> </ul>			⌚⌚	





MEASURES AND IMPLEMENTATION TIMEFRAME

TIMESCALE	IMPLEMENTED	QUICK	SHORT TERM	MEDIUM TERM
<ul style="list-style-type: none"> <li>IMPLEMENT THE NATIONAL ENERGY STRATEGY TO LOWER ELECTRICITY AND GAS PRICES</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>SIMPLIFY AND REDUCE THE NUMBER OF COURT CASES</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>IMPROVE THE EFFICIENCY OF THE IMPORT/EXPORT CYCLE</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>REVITALISE THE EQUITY MARKET</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>INVESTMENTS TO SUPPORT MICRO-, SMALL AND MEDIUM-SIZED “MADE IN ITALY” COMPANIES</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>ATTRACT CAPITAL AND SKILLS TO HELP START-UPS DEVELOP AND GROW</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>ENSURE THAT TOURISM SECTOR IS ABLE TO GRASP GLOBAL OPPORTUNITIES</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>CAPITALISE ON OUR CULTURAL HERITAGE</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>CAPITALISE ON PUBLIC PROPERTY GRANTED IN CONCESSION</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>CAPITALISE ON UNEXPLOITED REAL ESTATE</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>ENCOURAGE USE CHANGE FOR REAL ESTATE</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>FACILITATE REAL ESTATE INVESTMENT BY DEVELOPING LISTED PROPERTY-INVESTMENT COMPANIES (SIIQ)</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>TAX CREDITS FOR RESEARCH AND DEVELOPMENT</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>FOSTER UNIVERSITY AND RESEARCH SPIN-OFFS</li> </ul>			⌚⌚	



MEASURES AND IMPLEMENTATION TIMEFRAME

TIMESCALE	IMPLEMENTED	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			⌚⌚	
• A PLAN FOR AIRPORTS			⌚⌚	
• 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			⌚⌚	



## MEASURES AND IMPLEMENTATION TIMEFRAME

TIMESCALE	IMPLEMENTED	QUICK	SHORT TERM	MEDIUM TERM
<ul style="list-style-type: none"> <li>USE CULTURE AND SPORT AS LEVERS FOR A “DIPLOMACY OF ATTRACTION”</li> </ul>			⌚⌚	
<ul style="list-style-type: none"> <li>REVIEW THE PROVISIONS GOVERNING ABUSE OF LAW</li> </ul>				⌚⌚⌚
<ul style="list-style-type: none"> <li>REVIEW TAX PENALTIES</li> </ul>				⌚⌚⌚
<ul style="list-style-type: none"> <li>REVIEW TAX LITIGATION</li> </ul>				⌚⌚⌚
<ul style="list-style-type: none"> <li>REVIEW THE RULES GOVERNING TAX HAVENS “BLACK LIST”</li> </ul>				⌚⌚⌚
<ul style="list-style-type: none"> <li>ADAPT LABOUR CONTRACTS TO THE SPECIFIC CIRCUMSTANCES OF NEW INVESTMENTS</li> </ul>				⌚⌚⌚
<ul style="list-style-type: none"> <li>CONSOLIDATE LABOUR CODE</li> </ul>				⌚⌚⌚
<ul style="list-style-type: none"> <li>INVESTMENT TO BENEFIT THE REGIONAL AND LOCAL LEVELS</li> </ul>				⌚⌚⌚





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