

**INVEST IN
LOMBARDY**

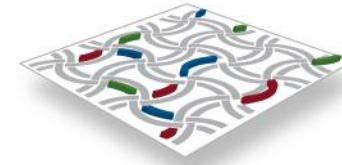


INVEST IN LOMBARDY:
*the main Italian gateway,
a bridge between Europe and the
Mediterranean*

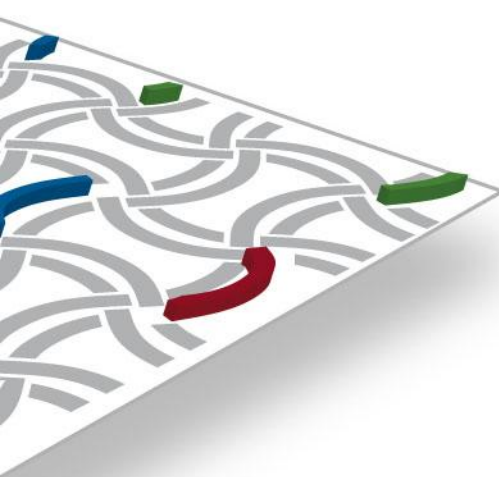
Tel Aviv, 30th January 2013



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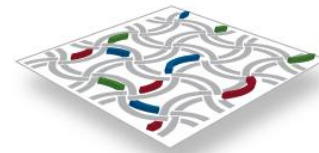
**INVEST IN
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6 GOOD REASONS TO INVEST IN LOMBARDY...NOW



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**INVEST IN
LOMBARDY**

1. BUSINESS ENVIRONMENT

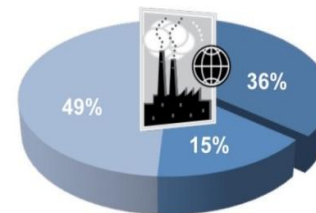
Key words: efficiency, internationality

- ✓ Main Italian region for business: **almost 16% of Italian enterprises**
- ✓ Almost **one quarter of Italy's total GDP**
- ✓ One of the **four European economic engines**
- ✓ Highest **GDP per capita in Italy**: 32.400 € (vs Italian average= 25.365 €)
- ✓ **Low Unemployment rate** compared to the national level: **II quarter 2012** Milan 6.9%, Lombardy 7.4 vs. 10.5 % national level
- ✓ One of the **top ten World Economic Centers** (According to Standard & Poor's)
- ✓ The **second largest exhibition pole in Europe** (**100 events** and around **4.5 million** visitors per year)
- ✓ Milan ranks **2nd** - after New York - for **number of consulates**
- ✓ **Over 60% of foreign investment inflow** coming to Italy



LOMBARDY
Population: 9.917.714 inhabitants (2011)
GDP: € 333 billion (2011)
Surface area: 24,000 sq Km

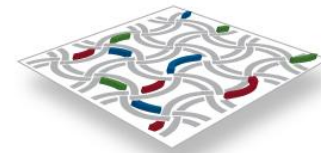
Foreign held companies



Foreign stock investments



Milan ■
Lombardy (without Milan) ■
Italy (without Lombardy) ■



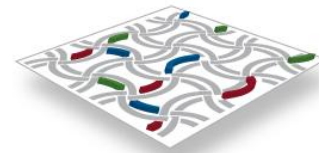
2. POTENTIAL MARKET

Key words: strong relations, connectivity

- ✓ **Lombardy's per capita nominal GDP**
 - + 28% of the per capita Italian GDP
 - + 23% of the average per capita European GDP
- ✓ Milan and Lombardy are the main Italian gateway, **a bridge between Europe and the Mediterranean**: dealing with Europe, North Africa and Middle-East as domestic market

Italy: 60 million consumers
Europe: 440 million consumers
North Africa – Middle East: 340 million consumers

780 million consumers potential market



2. POTENTIAL MARKET

Key words: strong relations, connectivity

3 airports within a range of 50 km from the city

- ✓ Over 30,000,000 passengers travel through Milan airports every year
- ✓ 200 destinations and 594 direct flights

Extended and efficient railway system

- ✓ 6 large train stations
- ✓ Heart of a network linking all major Italian cities with main European centres

Efficient public transportation

- ✓ 4 subway lines (88 kilometres and 94 underground stations)
- ✓ 2 new metro lines under construction, opening in the next few years



3. HR & INNOVATION

Key words: high education, creativity

- ✓ Chosen by foreign enterprises because of the **high-skilled workforce** and the wide offer of **human capital**
- ✓ Main location for **headquarters and R&D activities** (but also for manufacturing industries)
- ✓ Some top universities and higher schools (*Bocconi, Politecnico, San Raffaele, IED, Marangoni,...*)
- ✓ Milan is the second largest city in Europe for number of organizations promoting innovation and links between scientific research and production

Top global universities:

Bocconi University

Financial Times: *top 20 global business schools*
Wall Street Journal: *top 30 global schools*

San Raffaele

Italian Education Ministry: *1st Italian medical school*

Politecnico di Milano

Financial Times: *top 40 world engineering and architecture schools*

Top postgraduate schools:

Marangoni School

Financial Times, Forbes, The Economist: *first higher school of fashion in the world*

IED

Top higher school of design and multimedia in Italy, Spain, Brazil and Japan



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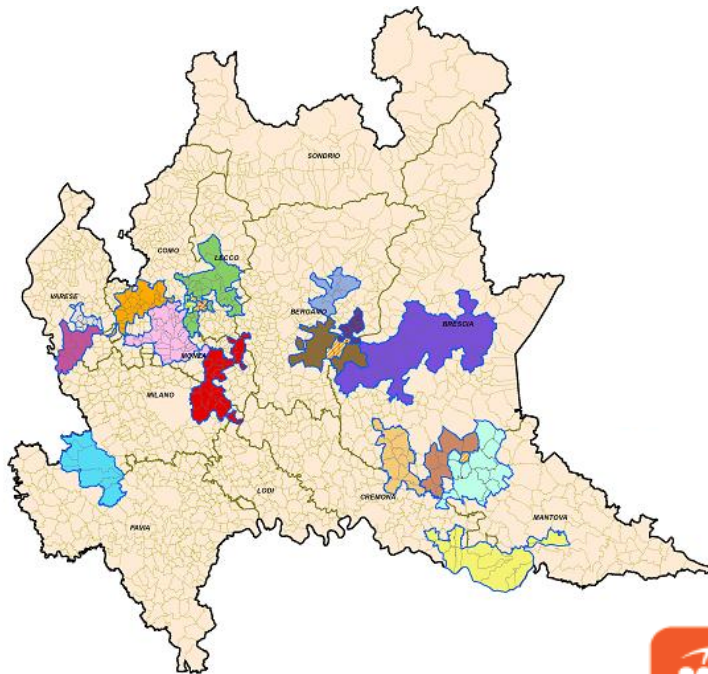
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4. BUSINESS SECTORS

Key words: wide range, excellence

16 Cluster + 6 Metacluster

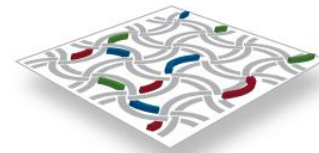
characterized by a high concentration of small and medium enterprises and a strong attitude to export



- ✓ Metalwork and Metal production
- ✓ Textile
- ✓ Footwear and clothing industries
- ✓ Furniture, Furnish and Wood
- ✓ Biotech and Green Biotech
- ✓ Design and Fashion
- ✓ ICT
- ✓ Materials
- ✓ Renewable energies

...and more & more leading sectors





4. BUSINESS SECTORS

Key words: wide range, excellence



Life Science & Chemical industry

- ✓ Milan hosts **26% of Italian companies** operating in biotechnology
- ✓ Application in three major areas: **healthcare, food and environment**
- ✓ **One third of Italian chemical local units** and 40% of the sector work force are located in Lombardy
- ✓ **First region in Europe for the number of chemical employees**
- ✓ Manufacture of rubber and plastic products offer ROE higher than average returns obtained from foreign subsidiaries in the main European regions
- ✓ More than 83% of chemical companies involved in research and development activities make **product innovation**



Engineering

- ✓ **4 districts** specialized in **engineering and mechanical sector**
- ✓ Weight of mechanical sector on **regional export** is always more than 20%
- ✓ The engineering industry in Lombardy has **7.064 local units** for a total of 279.377 employees



ICT & Multimedia

- ✓ **Milan most wired** city in Italy and one of the most wired in Europe
- ✓ **11,709 companies** (**10% of total Italian ICT enterprises**)
- ✓ **Technology parks** of international significance (e.g. Kilometro Rosso, ComoNext)

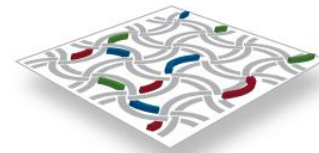


Design & Fashion Industry

- ✓ **542 companies** specialized in **design** (11.7% of total Italian design sector)
- ✓ **61% of the Italian turnover** produced in the Province of Milan
- ✓ **17 specialized institutes**
- ✓ Hosting **Salone Internazionale del Mobile**
- ✓ More than **15,000 fashion companies** with 45,000 employees
- ✓ **13 trade fairs** dedicated to fashion and accessories
- ✓ **140,000** buyers and industry professionals during fashion trade shows



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5. COMPETITIVENESS

Key words: low costs, high productivity

*Starting a business in Milan is faster than in **Germany or USA!***

- ✓ **Business Costs in Milan are lower than in Paris, Frankfurt, Berlin, London** (according to KPMG, Competitive Alternatives 2012)

Hourly compensation costs

(all employees in manufacturing):

Germany: 46 UDS

France: 40 USD

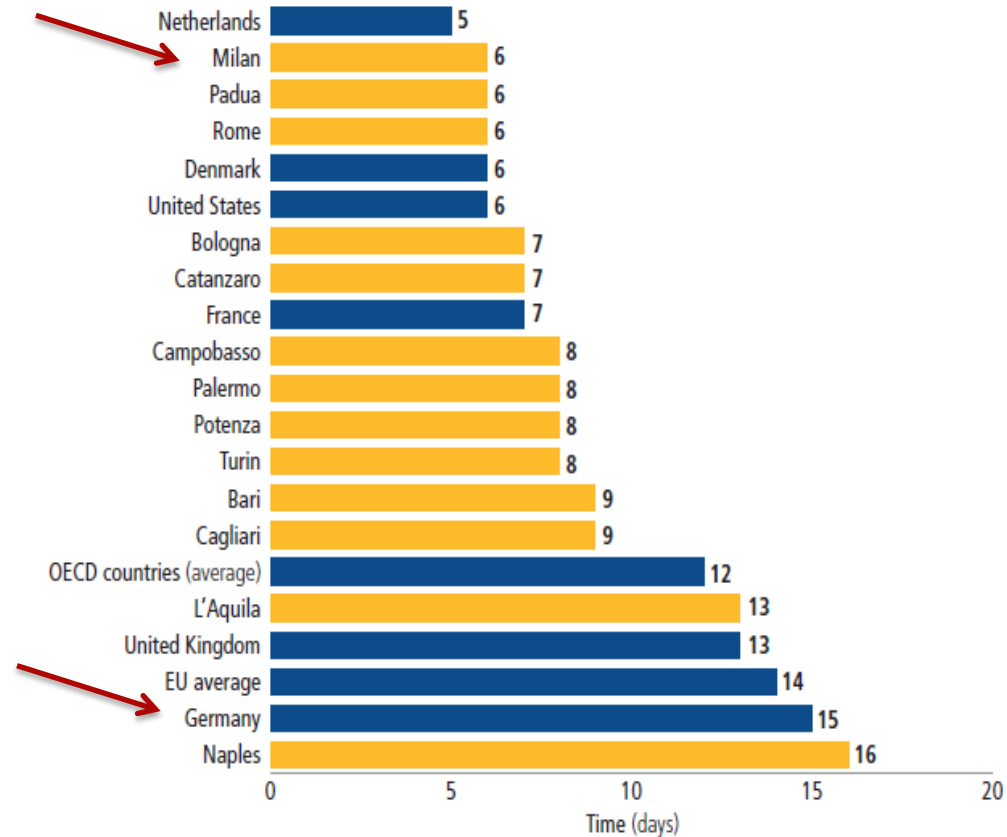
Italy: 35 USD

(Source: according to ILO - International Labour Organization report)

- ✓ **An excellence business environment: starting a new business takes 6 working days**

- ✓ Firms have **higher marginal returns of one additional unit of capital invested (ROI – return on investment)**, in particular in best-performer sectors: manufacturing of wearing apparel, manufacturing of wood and related products, scientific activities and research

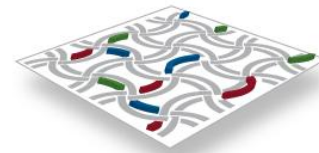
(Bocconi University report, 2012)



Source: Doing Business database.

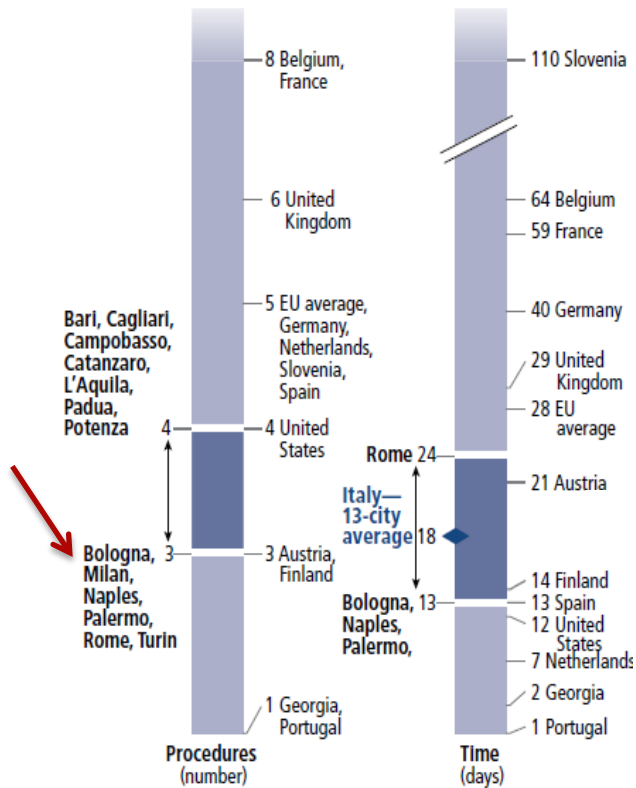


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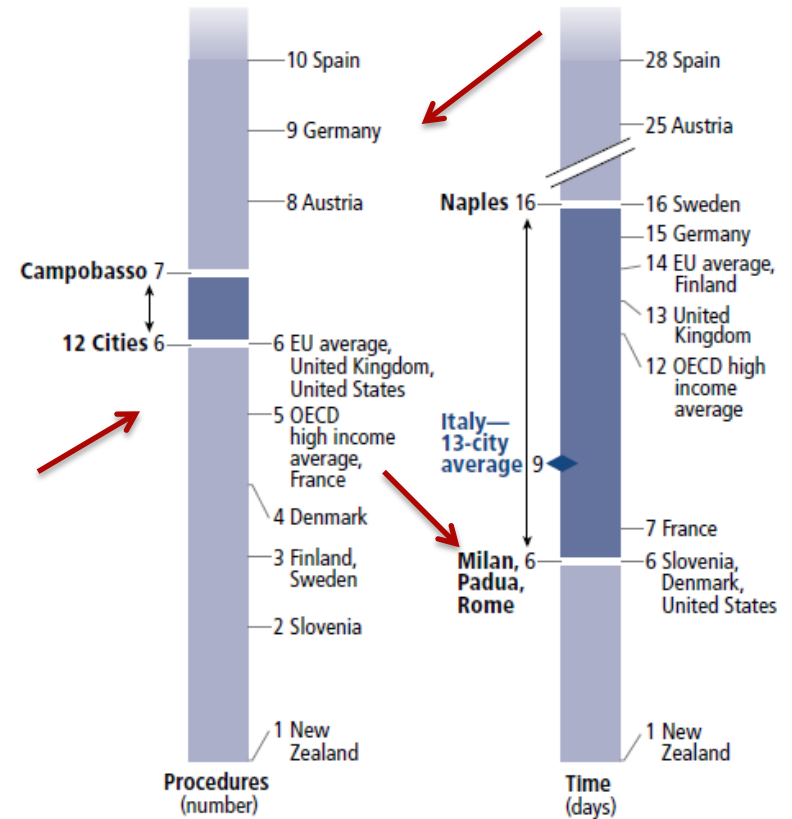
Registering property in Milan is faster and less expensive than in many EU economies!



Source: Doing Business database.

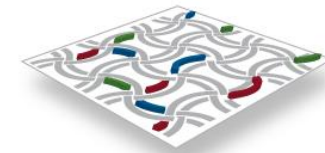
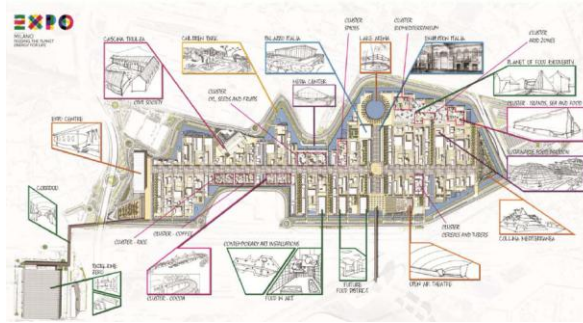
5. COMPETITIVENESS

Key words: low costs, high productivity



Source: Doing Business database.

Start a new business in Milan is fast!



6. EXPO 2015

Key words: visibility, strategic alliances

Milan will also host **EXPO 2015: “Feeding the planet, energy for life”** (May 1st - October 31st)

- ✓ Significant expected flow of visitors (around **21 millions**, of which 73% Italians and 27% foreigners)
- ✓ A great opportunity for corporate programs!

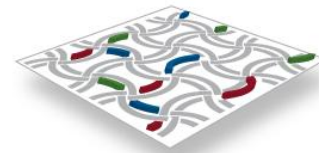
Expo Milano 2015 is a unique opportunity for companies to:

- ✓ **Showcase leadership, innovations and solutions** in a global forum
- ✓ **Attract the attention** of institutions, governments and consumers
- ✓ **Build future strategic alliances** and business opportunities

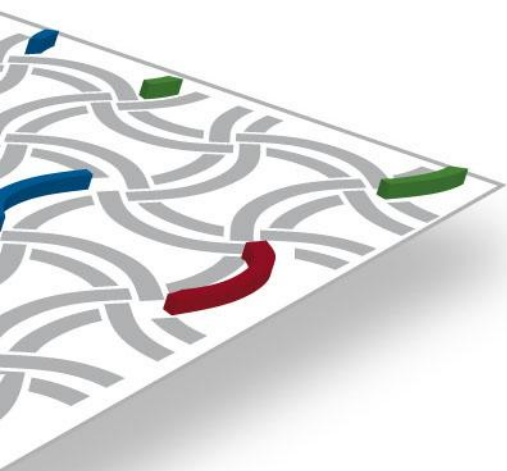




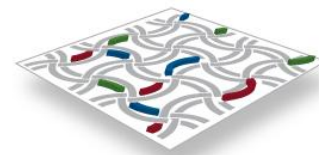
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FOCUS: Green & High Tech Sector



THE POTENTIAL MARKET

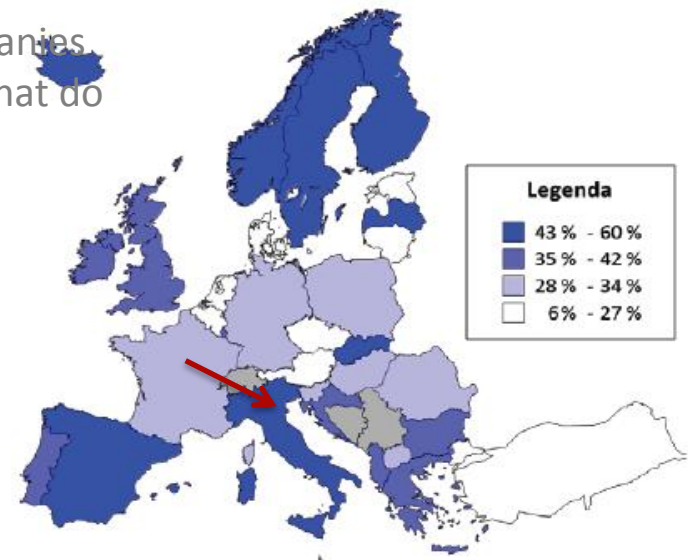
In Italy there is a **green revolution!**

- ✓ **23.6% of enterprises** (industrial and service) between 2009 and 2012 have invested in green technologies and products
- ✓ **37.9% of companies investing in eco-sustainability innovations** introduced **new product or service** in 2011 vs 18.3% of companies that do not invest green
- ✓ More internationalized businesses: 37.4% of green companies has presence in foreign markets vs 22.2% of companies that do not invest in the environment

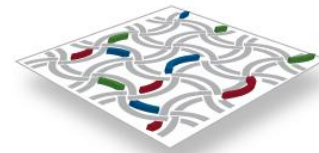
**THE ITALIAN
CONTEXT**

Source: Green Italy 2012 – Unioncamere

SMEs that employ at least one green jobs in 2014



Source: UE Commission, Eurobarometer Survey 2012



THE LOMBARDY CONTEXT

Lombardy is the **first Italian region** in terms of numbers of **green companies**

THE POTENTIAL MARKET

Regional ranking by number of companies that have invested or will invest between 2009 and 2012 in **green products and technologies** *

Province ranking by number of companies that have invested or will invest between 2009 and 2012 in **green products and technologies** *

ITALIAN REGION	N. of companies that invest in the sector	% / total number of companies
1 Lombardia	69.150	25,0
2 Veneto	33.900	24,0
3 Lazio	33.030	24,5
4 Emilia Romagna	29.170	23,4
5 Campania	26.310	23,2
6 Toscana	24.300	21,4
7 Piemonte	23.180	21,6
8 Sicilia	22.450	22,6
9 Puglia	21.180	23,5
10 Marche	10.430	22,6
11 Sardegna	10.140	24,6
12 Liguria	9.000	20,4
13 Calabria	8.910	24,5
14 Abruzzo	8.800	25,3
15 Trentino Alto Adige	8.210	26,1
16 Friuli Venezia Giulia	7.500	23,2
17 Umbria	6.690	27,6
18 Basilicata	2.720	22,5
19 Molise	1.750	23,9
20 Valle d'Aosta	970	23,2
ITALIA	357.780	23,6

PROVINCE	N. of companies that invest in the sector	% / total number of companies
1 MILANO	28.984	24,4
2 ROMA	23.756	24,2
3 NAPOLI	13.071	22,8
4 TORINO	11.030	20,5
5 BRESCIA	9.055	24,2
6 BARI	8.967	22,8
7 BERGAMO	8.192	26,9
8 PADOVA	6.966	25,1
9 TREVISO	6.570	26,4
10 BOLOGNA	6.486	23,3
11 VICENZA	6.082	24,3
12 FIRENZE	5.899	19,3
13 VARESE	5.822	24,9
14 VERONA	5.781	22,1
15 SALERNO	5.666	23,7
16 VENEZIA	5.658	22,8
17 CATANIA	5.104	23,6
18 PERUGIA	5.104	27,6
19 PALERMO	4.737	22,3
20 MODENA	4.709	23,3

Absolute values rounded to the nearest tens. Source: Centre for Studies Unioncamere



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RENEWABLE ENERGIES



**POTENTIAL
MARKET**

WATER TECHNOLOGIES

GREEN BUILDING

RENEWABLE ENERGIES

Lombardy produces **20% of Italy's renewable energy**

➤ Photovoltaic and solar

- ✓ Lombardy is **first in terms of number of plants** (67.394 at the end of 2012), while it is **second in terms of power produced** (1.788.246 kW at the end of 2012)
- ✓ Considering the main areas of application of photovoltaic technology, it is possible to predict a very **promising growth potential in Lombardy of almost 7 GW by 2020**

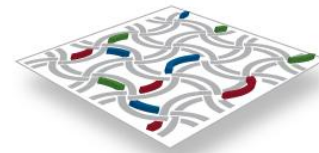
➤ Hydroelectric energy

- ✓ Lombardy **produces over a quarter of Italy's hydroelectric energy**
- ✓ The hydroelectric energy sector indubitably boasts the most consolidated electricity generation technology among the various renewable energy sources, **representing 80-90% of the global renewable energy market for electrical energy production**
- ✓ **Italy, with Lombardy in the first place, represents the largest market for hydroelectric energy in Europe**, boasting a large number of players in **mini-hydroelectric division** (about **130 companies** in all are currently registered)

➤ Biomass

Biomass finds **fertile territory in the Lombardy region**, providing for large reference markets:

- 1. electrical energy production** (companies belonging to large Italian industrial groups have decided to enter this industry)
- 2. thermal energy production** (of strong local importance and is thus witnessing the presence of small and medium scale operators, who are becoming increasingly predominant. Lombardy is among the centers of excellence, particularly in the district heating sector)



WATER TECHNOLOGIES

WATER MANAGEMENT COMPANIES:

- ✓ Almost **20%** are located in **Lombardy**
- ✓ One quarter of Lombardy's total companies are located in the province of Milan

THE SCENARIO:

- Enhance water saving
- Increase available water quantity and quality

efficient management
reduce wastes
contain costs

new investments in the sector



In the next 30 years:

- **€ 61 billion** of investments at national level
- **€ 8.5 billion** of investments in **Lombardy** in order to improve the water network

Technologies to improve the **water network efficiency**

Technologies to monitor **water quality and security**

Technologies plans for **wastewater reuse**



The needs for **technological innovation** can be satisfied by **technology solutions developed by Israeli companies**

**Source: Blue Book, Anea e Utilitatis*

In Italy there has been a growing awareness of **"green construction"**

- ✓ The legislative framework regarding energy performance of buildings will change due to future implementation of **Directive 2010/31/EU**, which will require, for new construction and major renovations, next to an Energy Performance Class A + ("**building to almost zero consumption**")
- ✓ Legislative innovation regarding certification and classification of buildings, thanks to which the **buildings is assigned a class (A +, more efficient G, less efficient)** that indicates **energy performance**

THE ITALIAN CONTEXT

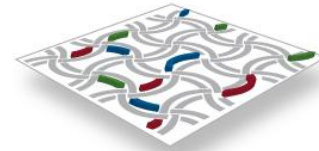
THE LOMBARDY CONTEXT

- ✓ Lombardy Region was the **first Italian region to introduce the energy certification of buildings in 2007**
- ✓ In Lombardy the energy performance certificates issued for new buildings in 2012: 31.550 B, 500 A, 550 A +

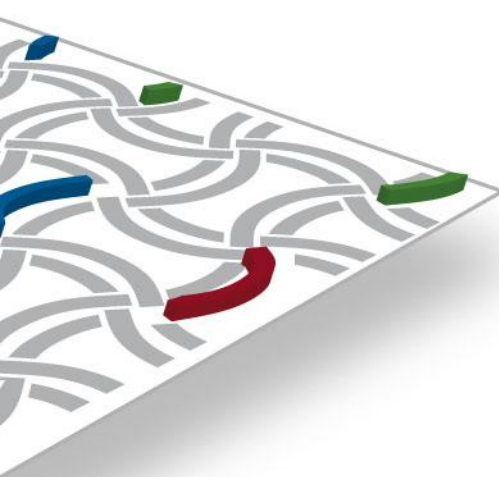
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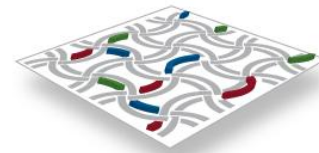
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HOW CAN WE HELP YOU?



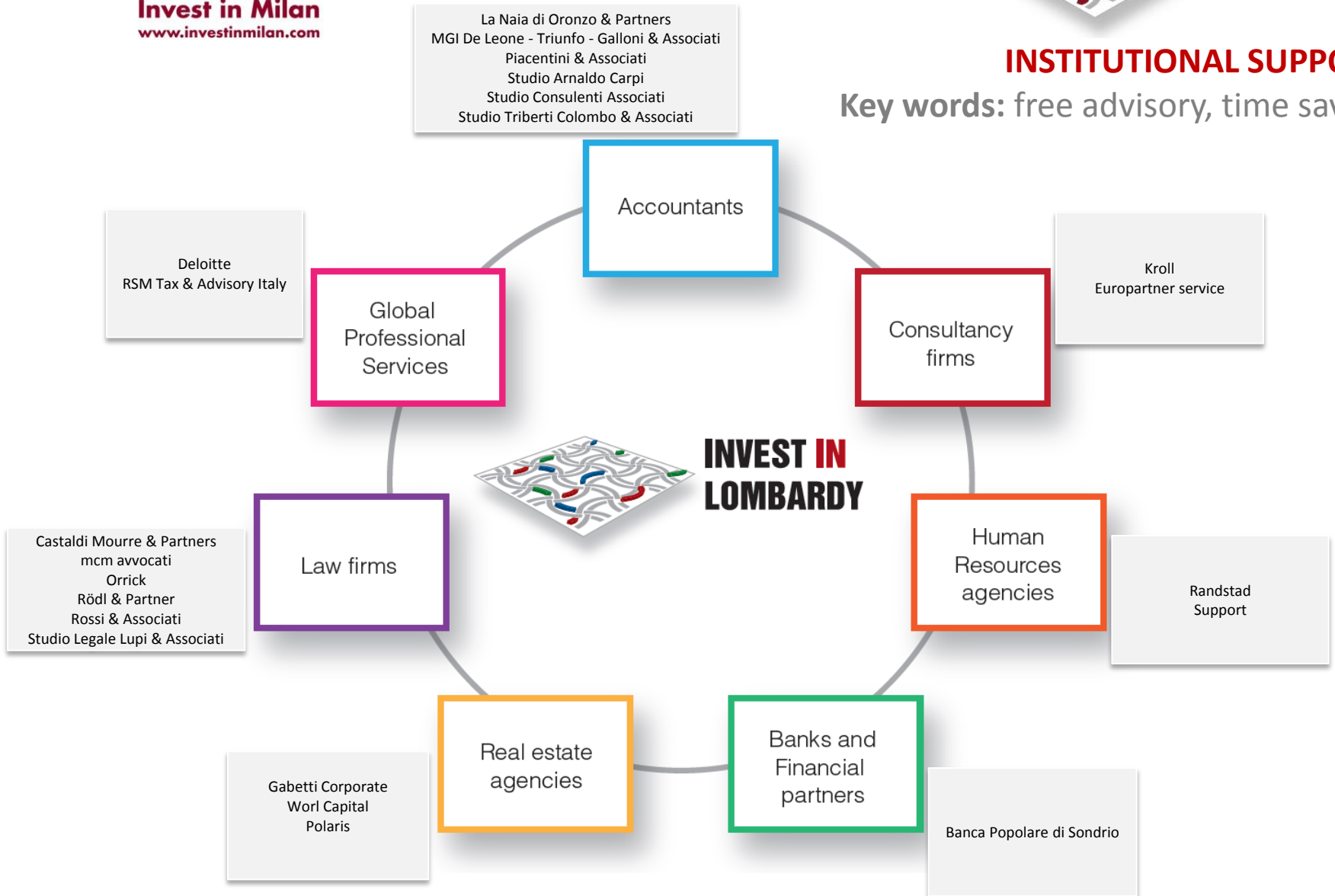
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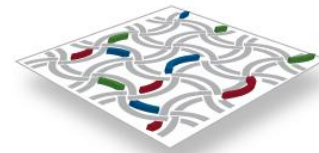


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INSTITUTIONAL SUPPORT

Key words: free advisory, time saving





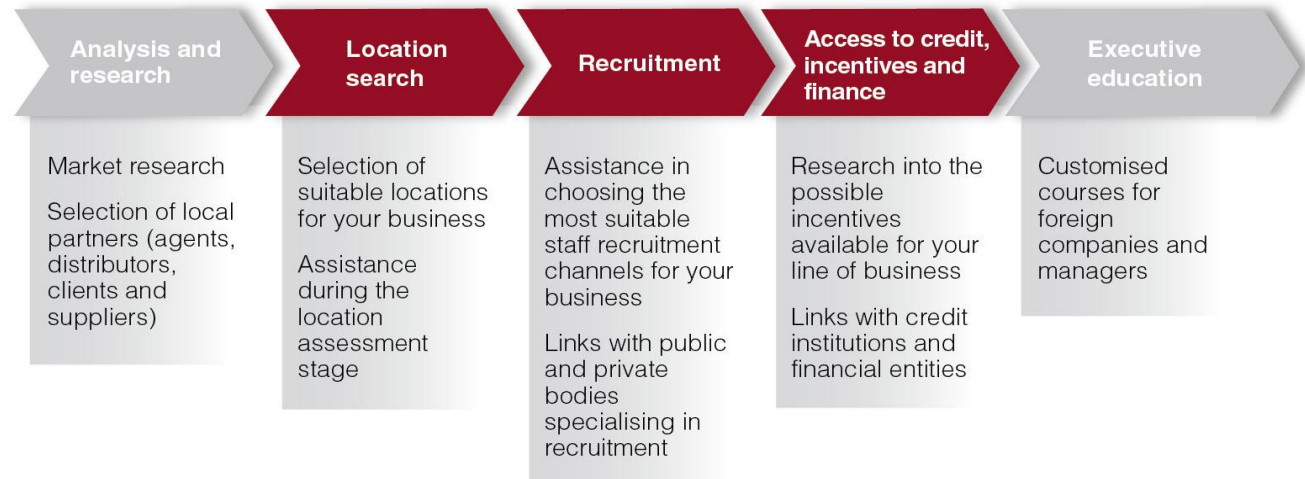
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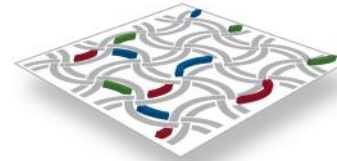
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Thinking of starting up a business in Lombardy?



Want to expand your business in Lombardy?





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Thank you!