

**in**advance  
MAKING YOUR FUTURE

# THE "ITALY SYSTEM"

Know their peculiarities to build opportunities

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# About us

## INTERNATIONALS IN DNA

We are a young and dynamic company, formed by an international, multicultural and multidisciplinary team, which operates in the markets of Spain and Italy, with great background in their professional careers to ensure a safe passage in the processes of internationalization of the company.

### Methodology

- At Inadvance, we bet on our own business model to explain to customers what we can do with them, since our company has also internationalized.
- We have direct offices and local alliances in ITALY and SPAIN to guarantee continuous assistance in the different markets.
- Analysis, strategy and execution define our methodology, key to sustainable growth.
- Follow-up of the action plan and reorientation if necessary in the face of market changes.

# About us

## TRAVEL COMPANIES BEFORE CONSULTANTS

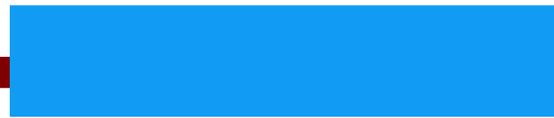
Our competitive value is our organization composed of a network of qualified professionals in each activity sector that support and represent IN DESTINATION.

**We offer internationalization services with tailor-made solutions for Italian and Spanish companies.**

We are traveling companions of the companies throughout the strategic and operational journey in the new market, through:

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Market studies and feasibility plans</li><li>• Commercial outsourcing</li><li>• Export Management</li><li>• Legal, fiscal and contractual assistance</li><li>• Search and selection of business partners</li></ul> | <ul style="list-style-type: none"><li>• Logistical support in the country</li><li>• Customs consulting</li><li>• Strategic and operational marketing</li><li>• Business missions</li><li>• Institutional Relations</li></ul> |
|--|--|

# TOPICS TO TALK ABOUT



OVERVIEW  
OF THE  
MARKET

NOT ALL KNOW  
THAT ...

Why and  
HOW  
INVEST IN ITALY

FOCUS  
OPPORTUNITIES

# Italy in the international rankings: parliamone!

In a climate of instability and uncertainty as the current competition between territories in the attraction of human and financial resources - the importance of strategic image management of each country and its competitiveness is amplified. To date, the number of international classifications that compare countries is constantly growing (there are at least 85).

Unfortunately, in the last 10 years (and more) Italy, in all the most reliable lists it is almost always placed in the last places among the advanced economies and often behind the developing countries.

Such positions, despite certain critical characteristics of the Italian system, present a distorted view of objective reality, as shown in the study "GLOBAL ATTRACTIVENESS INDEX - IL VERO THERMOMETER DELL'ATTRATTIVITÀ DI UN PAESE" published by The European House Ambrosetti .

# GLOBAL ATTRACTIVENESS INDEX

The objective of GAI is to measure the attractiveness of a country, in two sides:

## EXTERNAL

a determining factor to evaluate their development capacity

## INTERNAL

Ability to retain resources already available in the territory Ability to attract resources that are not present in the territory

Global Attractiveness Index – Principali risultati del progetto di ricerca



La "fotografia" che fornisce il Global Attractiveness Index 2016

	GAI Rank 2016	GAI Valore 2016	Dinamicità Paese	Sostenibilità posizionamento
Stati Uniti	1	100,0	Alto	Alto
Germania	2	99,6	Alto	Alto
Giappone	3	98,9	Basso	Critico
Canada	4	98,1	Basso	Alto
Singapore	5	97,7	Alto	Medio
Regno Unito	6	90,4	Alto	Alto
Australia	7	88,6	Critico	Alto
Olanda	8	86,9	Basso	Alto
Corea del Sud	9	85,8	Medio	Medio
Cina	10	85,7	Alto	Critico
Svizzera	11	83,9	Medio	Alto
Francia	12	82,8	Medio	Medio
Hong Kong	13	80,9	Alto	Critico
<b>Italia</b>	<b>14</b>	<b>73,0</b>	Alto	Alto
Austria	15	71,8	Medio	Alto
Danimarca	16	71,8	Alto	Alto
Russia	17	71,0	Medio	Critico
Svezia	18	70,2	Basso	Alto
Spagna	19	68,6	Alto	Alto
Irlanda	20	66,4	Alto	Alto

Legenda

- Alto
- Medio
- Basso
- Critico

Indice espresso da 1=min a 100=max

## UNA ISTANTANEA DE LA ECONOMIA ITALIANA

	2011	2012	2013	2014	2015	2016	2017
<b>Real GDP (EUR billion)</b>	1,614.4	1,568.3	1,540.9	1,543.5	1,553.0	1,567.5	1,578.5
<b>GDP (YoY changes)</b>	0.7%	-2.9%	-1.7%	0.2%	0.6%	0.9%	0.7%
<b>Unemployment rate (% labour force)</b>	8.4%	10.6%	12.2%	12.7%	11.9%	11.6%	11.4%
<b>Average nominal wages inflation</b>	2.4%	2.3%	2.1%	2.5%	2.5%	0.5%	1.7%
<b>Consumer price index</b>	2.9%	3.3%	1.3%	0.2%	0.1%	-0.1%	0.7%
<b>Export of goods and services (% change)</b>	6.1%	2.0%	1.0%	2.6%	4.0%	1.1%	1.4%
<b>Import of goods and services (% change)</b>	1.2%	-8.3%	-2.2%	3.2%	5.9%	1.7%	1.5%

## ESTRUCTURA DEL TEJIDO EMPRESARIAL ITALIANO

La economía italiana se caracteriza por **4,4 millones de empresas altamente dinámicas** que operan en una serie de industrias diferentes.

La gran mayoría son pequeñas y medianas empresas (PYME), de las cuales más de 200,000 tienen más de 10 empleados. **Solo 3.500 son grandes empresas con más de 250 empleados.**

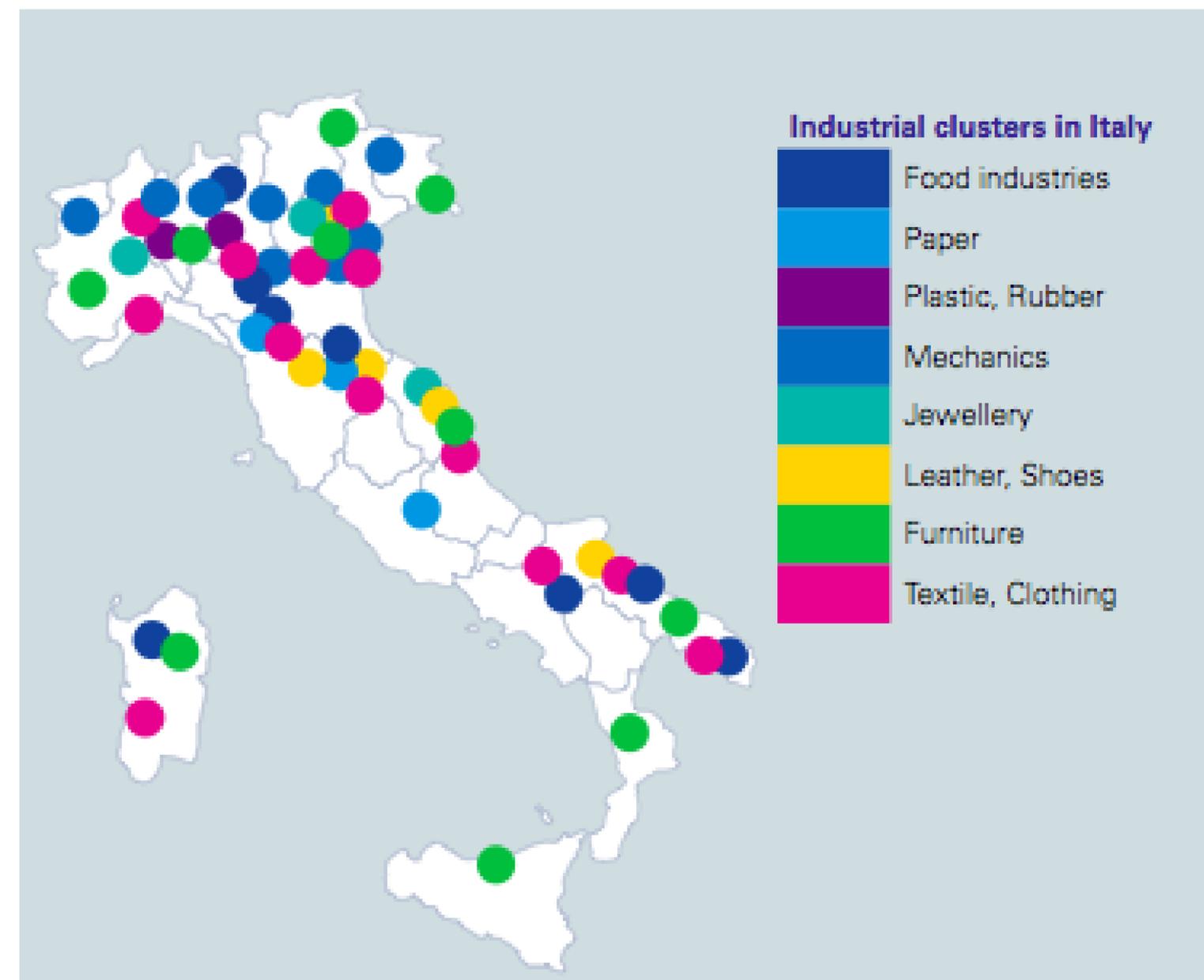
Si bien la presencia de la gran mayoría de las pymes es una característica común de muchas economías europeas, una característica definitoria de la industria italiana específicamente es la presencia de un **gran número de microempresas**: aproximadamente el 95 por ciento de las empresas tienen menos de nueve empleados, el 4 por ciento de las empresas tienen entre 10 y 49 empleados, y aproximadamente el 0,6 por ciento de las empresas emplean a más de 50 personas (fuente: ISTAT, 2016).

# OVERVIEW

## INDUSTRIAL CLUSTER

Italy has 162 industrial clusters. Industrial clusters are a strategic feature of the Italian industrial system.

The Italian network of industrial conglomerates, which is based on interdependence and cooperation between SMEs located in a specific local area, has historically been one of the strengths of the Italian economy, contributing significantly to the growth of income and employment and guaranteeing products of the highest quality and originality.



## KEY SECTORS OF THE ECONOMY

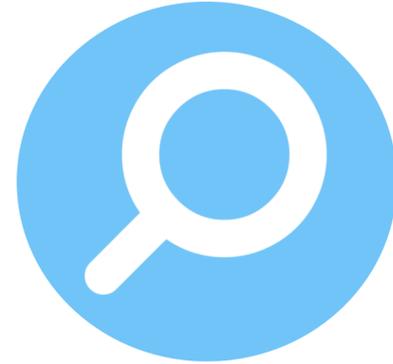
The service sector is an important contributor to the Italian economy. It represents approximately 74 percent of GDP and is also the fastest growing segment.

Tourism, retail and financial services represent an important part of the sector.

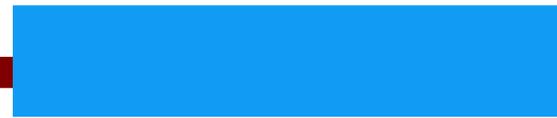
The industrial sector accounts for 18.8 percent of GDP, and the rest contributes to agriculture (source: L'Italia in cifre, ISTAT, 2016).

Automotive vehicles, fashion and luxury goods, life sciences, the aerospace industry, chemicals, information and communication technology, logistics, renewable energy and precision machinery are among the Italy's most important manufacturing sectors.

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# 6° MANUFACTURER PRODUCER IN THE WORLD

In the last 35 years, Italy has maintained its position even before the emergence of globalization and the growth of emerging countries in world trade.

Italy is constantly among the first six manufacturing countries, and the second in Europe after Germany. , while France and the United Kingdom have lost their positions, leaving the place to new Chinese, Korean, Indian and Brazilian global competitors.

PRIMI 10 PRODUTTORI MONDIALI DI MANUFATTI

RANK	1980*	1990*	2000*	2013**	TREND
1	STATI UNITI	STATI UNITI	STATI UNITI	CINA	↑
2		GIAPPONE	GIAPPONE	STATI UNITI	↓
3	GIAPPONE			GIAPPONE	↓
4	REGNO UNITO		CINA		↓
5		REGNO UNITO	REGNO UNITO	COREA DEL SUD	↑
6					↔
7	CINA	CINA		INDIA	↑
8	BRASILE	BRASILE	COREA DEL SUD		↓
9	SPAGNA	SPAGNA	CANADA	RUSSIA	↑
10	CANADA	CANADA	MESSICO	REGNO UNITO	↓

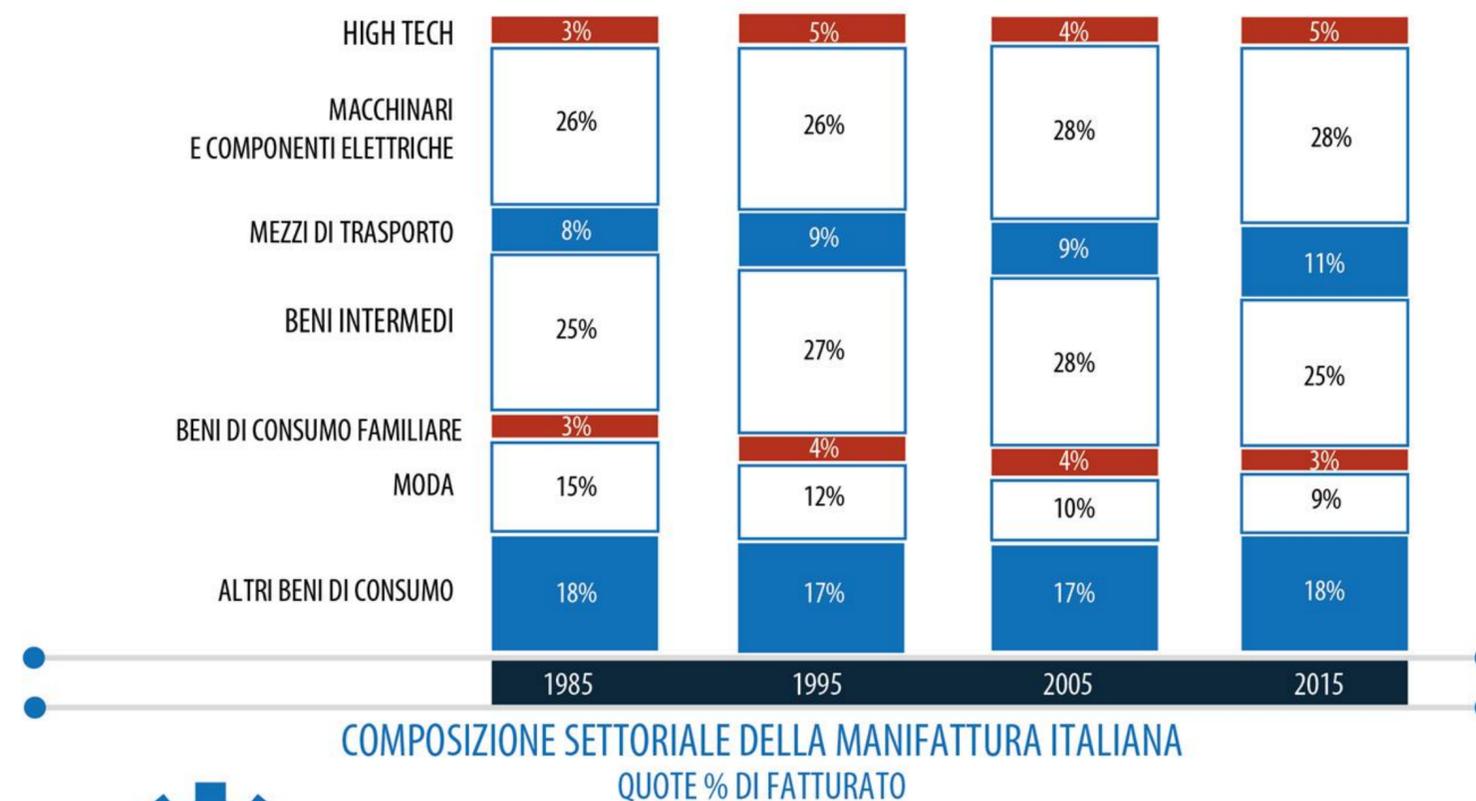
FONTE: \* MANUFACTURING THE FUTURE, MC KINSEY GLOBAL INSTITUTE ON IHS GLOBAL INSIGHT DATA, NOVEMBRE 2012  
\*\* AGGIORNAMENTO: ELABORAZIONE ICE-AGENZIA SU DATI BANCA MONDIALE (2016)

# NOT ONLY FASHION AND FOOD

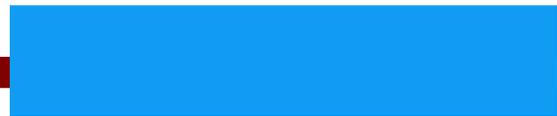
Faced with the challenges of globalization, Italy has responded with a growing focus on the quality and processes of the products.

Mechanics, the most important sector for the surplus of foreign trade, and intermediate goods are the manufacturing specializations that continue to characterize the Italian production structure for thirty years.

The good performance in the traditional sectors of Made in Italy is maintained, thanks to the conversion to higher added value segments such as textiles, footwear, furniture, nautical, as the income of the high technology sector grows.



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# WHY INVEST IN ITALY

## 1. A STRATEGIC HUB

The Italian domestic market offers many opportunities, with a population of more than 60 million and a GDP per capita of 36,000 dollars. The net wealth of Italian households is 8 times their disposable income (a higher proportion than the United States, Germany and Canada) and their indebtedness remains relatively low (82% of disposable income).

Furthermore, Italy represents a strategic gateway to 270 million in North Africa and the Middle East, and above all it is the main road linking southern Europe with Central and Eastern Europe, thanks to historically privileged relations with the former countries. Soviet Union.

The transportation networks include 6,800 km of highways (1); 926 km of high-speed train with a maximum speed of more than 300 km / h (190 mph), in addition to almost 200 km under construction (2); strategic ports for maritime transport and transshipment along the coast and Italian islands.

# WHY INVEST IN ITALY

## 3. COMPETITIVENESS IN MACHINERY AND SECTORS “MADE IN ITALY”

Investing in Italy means having access to exclusive export knowledge in leading sectors, such as machinery and automation, fashion, design and food.

Companies that invest in Italy can also count on extensive networks of SMEs and many industrial clusters throughout the country, capable of supplying high quality intermediate products specifically designed to meet the needs of customers.

Given that the middle class of the BRIC countries will increase by 800 million people by 2020, the global demand for 'Made in Italy' goods is expected to increase in the coming years, with the consequent increase in tourist arrivals.

# WHY INVEST IN ITALY

## 4. EXCELLENCE IN R&D AND INNOVATION

Research and innovation are widely integrated into industrial processes with a long tradition of excellence in many fields of life sciences (eg, neuroscience), physics and engineering (eg, robotics) and social sciences and humanities (eg., high technology archeology). More than 20 Italian universities are ranked among the 500 most important academic institutions in the world (2), with approximately 300,000 graduates per year.

Italian researchers, internationally recognized as highly productive in terms of articles and citations, actively participate and direct European R & D networks, such as the CERN physics laboratory and high-level research infrastructures of transnational interest in sectors such as aerospace, observation of the Earth, the biology system, nano-biotechnology, marine and maritime research in the Mediterranean area and beyond.

# WHY INVEST IN ITALY

## 5. QUALITY OF LIFE AND UNMATCHED CULTURAL OFFER

Italian cities are full of ancient monuments and treasures, and this, combined with its world-famous art, culture, music, food and quality products, gives Italy an unequaled quality of life, which is the envy of the world. Italy ranks first in the world for the UNESCO World Heritage.

As a result, international tourist arrivals to Italy are almost 50 million annually, which places Italy in the fifth place among the main destinations in the world.

As the third most important global brand in relation to "experience", Italy inspires passion and interest worldwide in its heritage, culture, tourism and "Made in Italy" products.

The 'Made in Italy' factor makes each brand unique and attractive.

# CASE HISTORY: COMPETITION OR COLLABORATION?

## TEXTILE SECTOR

The client	Spanish company national leader in the production of textile for children (sheets, towels, etc.)
Objective	Enter the Italian market, one of the most competitive and demanding in terms of fashion and textile
Our solution	A commercial agreement with a historic luxury brand in the Italian textile for home whose offer does not cover the "textile for childhood" segment.
Results	The Spanish product is now present throughout the peninsula and in mid-high stores without the need to activate a commercial network. The Italian company has expanded its offer without the need to expand its production.

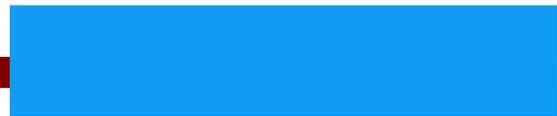
## SECTOR SERVICES TO COMPANIES

The client	Italian logistics services company (storage)
Objective	Enter the Spanish market
Our solution	A commercial agreement with a logistics partner (transport)
Results	The "win win" agreement has generated important business opportunities for both companies.

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# FOCUS OPPORTUNITIES: THE ANDALUSIAN PRODUCT IN ITALY

## 1. FOOD INDUSTRY

Agri-food exports to Italy grew by 68.9% and make it the second most important destination for Andalusian production. The sales of food and beverages to this European market have left in the trade balance of the autonomous community a total of 834.87 million euros between the months of January and May 2017.

Italy leads the increase in the internationalization of the region's offer, which rose by 18.1% in the first five months of the year. The Italian industry has bought more Spanish olive oil than ever. On a total export of Spain close to 900,000 tons, this campaign the Italians have acquired more than 400,000 tons, a record number. With a value of 595 million euros (28.3% of the total) Italy is in 2016 in the first place among buyers of olive oil in the region (+ 1.3% than in the same period of 2015).

# FOCUS OPPORTUNITIES: THE ANDALUSIAN PRODUCT IN ITALY

## MALAGA

Italy has been the main destination of agri-food products and beverages from Malaga during 2016, a country that has gone from third place in 2015 to lead the ranking one year later.

Italy has concentrated 20 percent of the total amount achieved in the province thanks to these transactions.

Specifically, the value of sales to Italy has increased by 48.7 percent in 2014 compared to 2013, going from 106.5 million euros two years ago (45,928 tonnes) to 158.4 million euros in 2014 (80,365 tonnes), according to the data provided by the Andalusian Agency of Foreign Promotion-Extenda.

Thanks to this increase, Italy has overtaken France and Portugal, which in 2013 occupied the first and second place in this classification and have now fallen to the second and third place respectively.

# FOCUS OPPORTUNITIES: THE ANDALUSIAN PRODUCT IN ITALY

## TEXTILE SECTOR

Andalusia has exported 514 million euros in fashion during the first nine months of 2015, which represents an increase of 26% over the same period of the previous year, according to data from Extenda-Agencia de Promoción Exterior.

All Andalusian provinces have increased their exports this year and Córdoba (95.5 million) is the fastest growing, since it has doubled its figures in fashion exports. However, the province of Malaga is the one that most exports from Andalusia with a growth of 13 percent so far in 2015 with some 200 million, followed by Córdoba and Cádiz.

Most of the exports are included in the category of textile clothing, followed by jewelry and watchmaking products, and the group of textiles that covers the percent of international sales. In terms of destination markets, first, Portugal is located with sales worth 71 million, followed by Italy (57 million) Switzerland (54 million)

ITALY

*the extraordinary common place*



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