

# Economic outlook and key market drivers of the Italian economy

Innocenzo Cipolletta – AIFI Chairman  
14 June 2016

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# The most important reforms in recent years

## TAXATION and PUBLIC FINANCE

- Tax wedge reduction for low-/medium-income employees
- Corporate tax (IRAP rate) reduction
- Cuts on property tax (IMU)
- Comprehensive programme to streamline public spending

## BUSINESS ENVIRONMENT

- Reforms of the banking sector (regarding cooperative banks, foundations, non performing loans, ...)
- Jobs Act for the labour market
- Reform of the civil justice system

## INSTITUTIONS

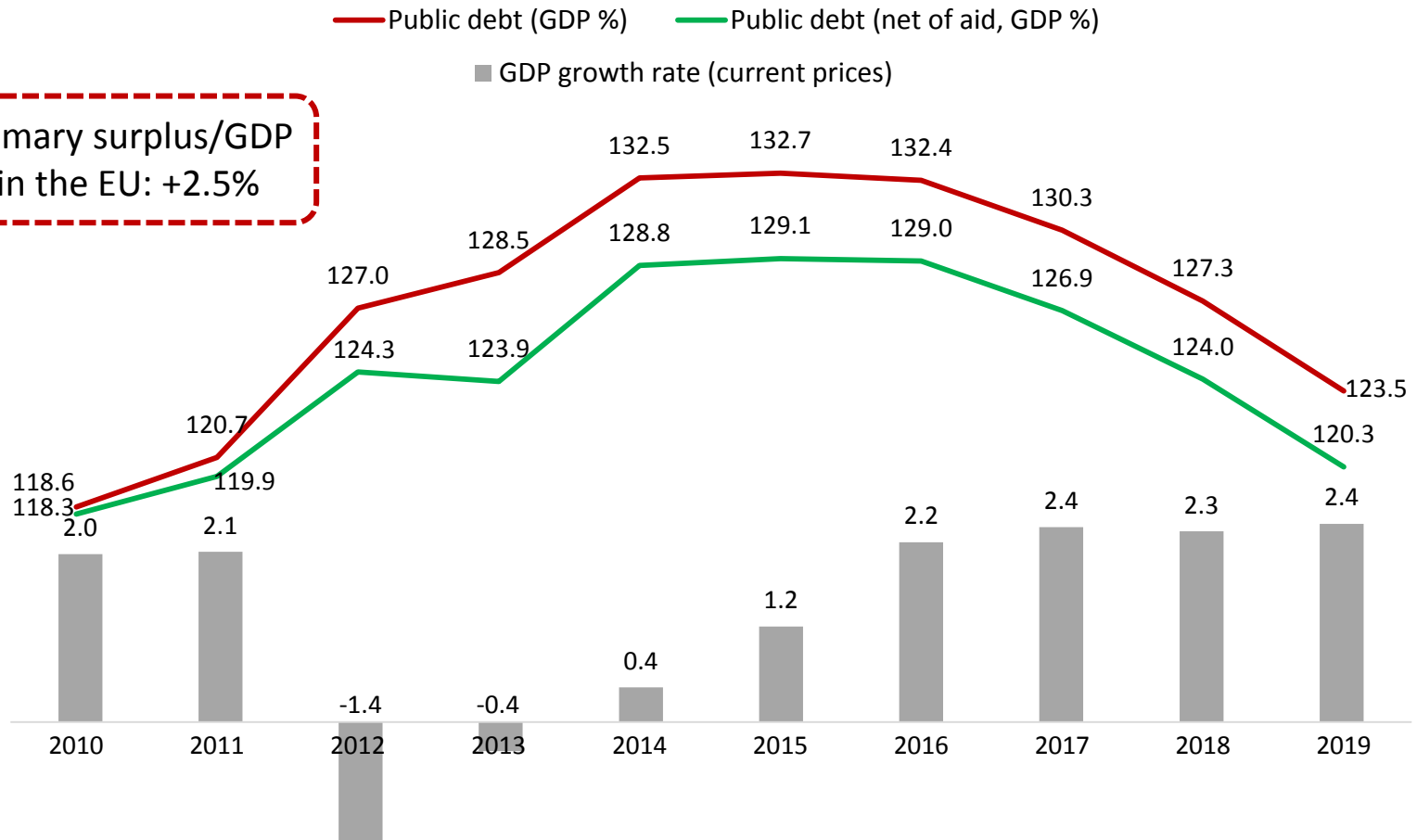
- Simplification of the level of government
- New law for general elections
- New law-making process (acceleration of approval times)
- Reform of public administration

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Italian Private Equity, Venture Capital  
and Private Debt Association

# Good trend of public finance

Best primary surplus/GDP ratio in the EU: +2.5%

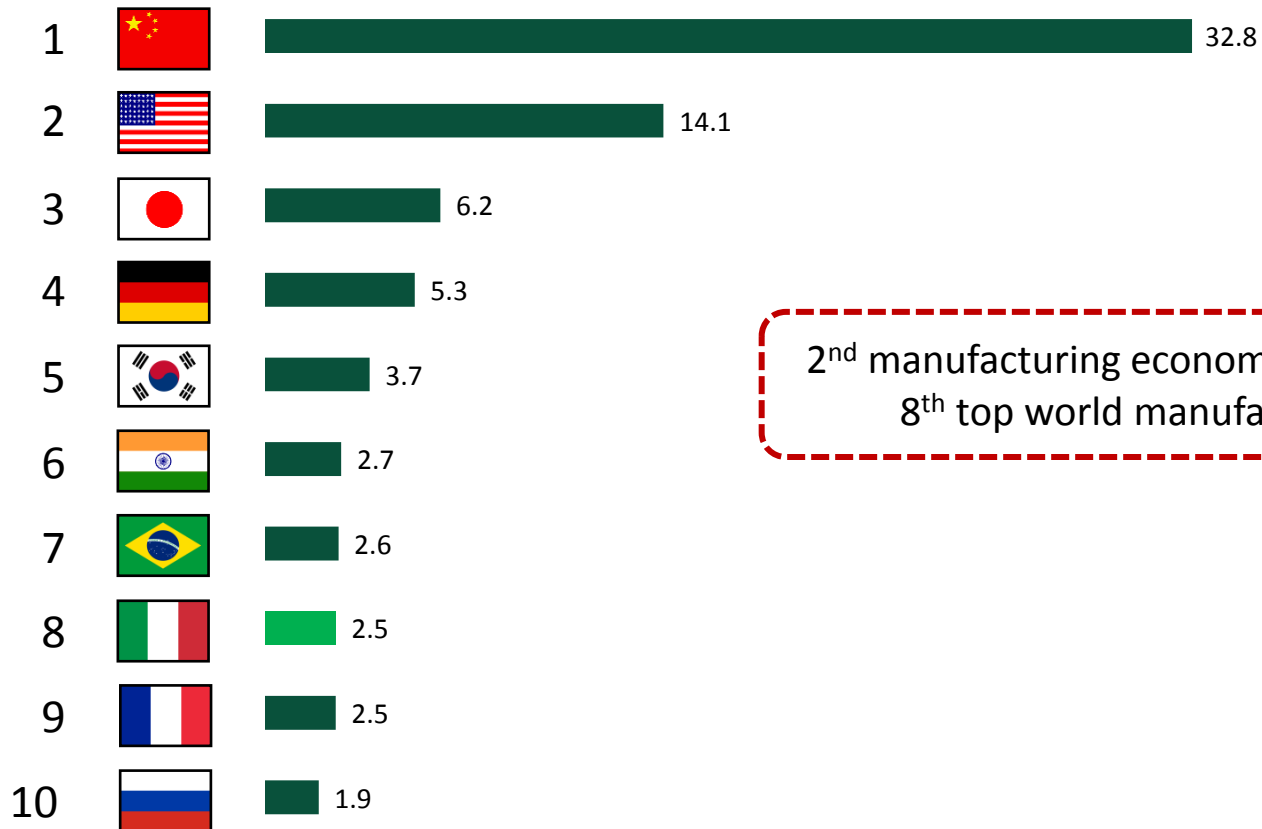


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## Prospective growth of Italian economy

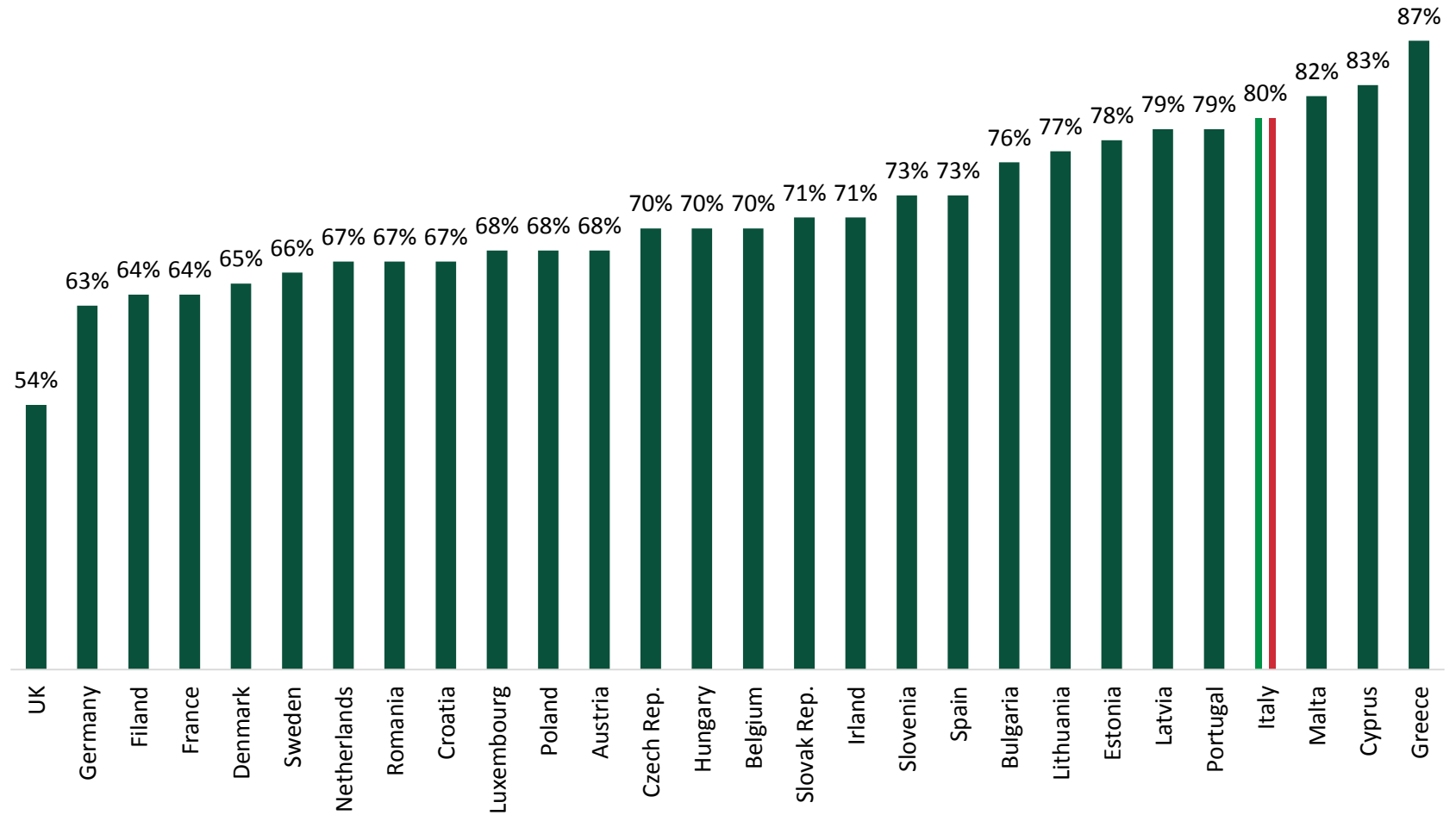
% of GDP	Source	2015	2016	2017
GDP (growth rate)	IMF	0.6	1.0	1.1
	Bdl		1.1	1.2
	OECD		1.0	1.4
<i>Private consumption</i>	IMF	0.9	0.9	1.0
	Bdl		1.5	1.4
	OECD		1.3	1.3
<i>Total investment</i>	IMF	0.6	0.8	1.9
	Bdl		2.9	2.7
	OECD		2.7	3.7
<i>Export</i>	IMF	4.1	4.4	4.8
	Bdl		2.3	4.2
	OECD		2.1	3.8
<i>Import</i>	IMF	5.8	5.1	4.0
	Bdl		4.1	4.8
	OECD		3.2	4.3

## Percentage on world manufacturing



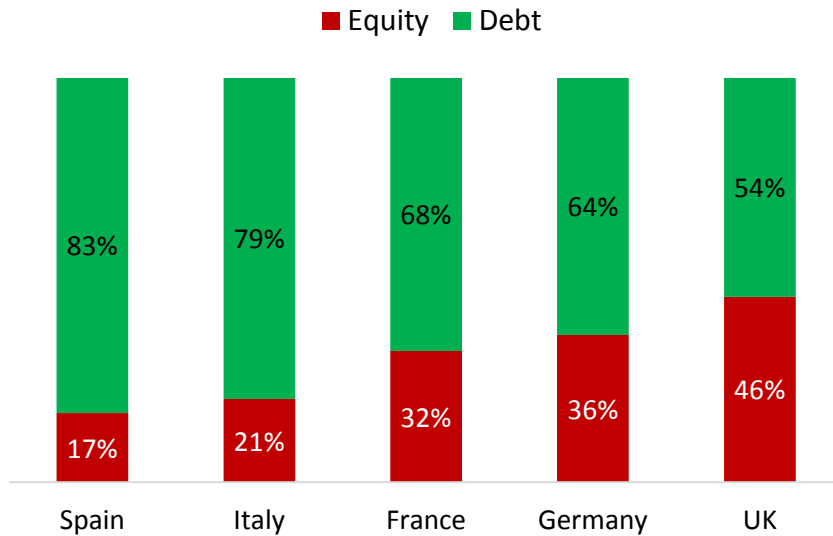
2<sup>nd</sup> manufacturing economy in Europe  
8<sup>th</sup> top world manufacturer

# The share of SME employment in Europe

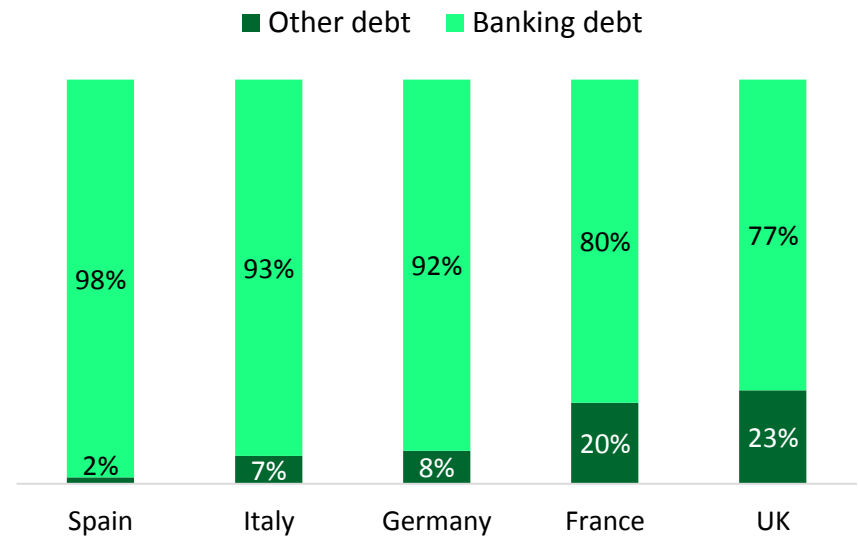




## Financial structure (2013)



## Composition of debt (2013)





# The startup ecosystem in Italy: the adoption of Startup Manifesto

5,803  
Innovative startups

3,000  
Business angels

96  
Incubators and  
business accelerators

43  
Technology parks

20  
Venture capital  
players

49  
Start up competitions

Darker countries have adopted most of the Startup Manifesto recommendations; lighter countries should do more work.

- Most advanced
- Advanced
- Doing well
- Could do better
- Needs work
- Least advanced



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Italy is characterised by a huge number of innovative SMEs:



export-driven



high-dependent on debt



that need to grow



that are undertaking generational changes



**The time to invest in the Italian private equity and venture capital industry is NOW!**

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