

INVEST IN ITALY: Right Time, Right Place

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IN ITALY

ITA
ITALIAN TRADE AGENCY


Ministero dello Sviluppo Economico





Italy

Waste Collection Industry

- January, 2018 •





3rd largest economy in the Eurozone

Italy is open to **Green Technology**

Italy has a large & skilled **workforce**

Italy has among the lowest **labour costs** in Western Europe

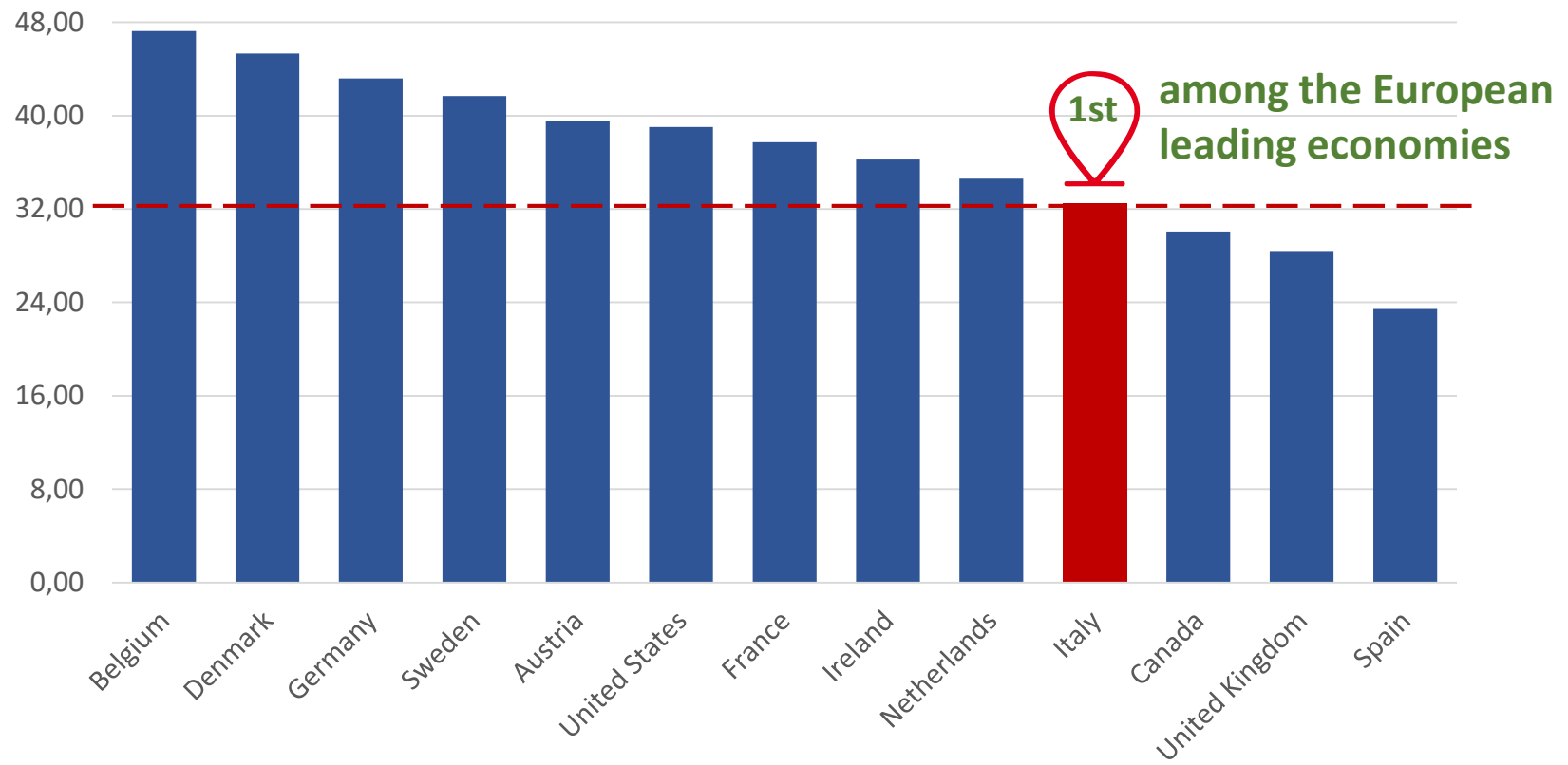


Competitive location for investment. Cheaper than USA and many Western European competitors





Labour cost (manufacturing hourly compensation costs; US Dollar)



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Source: Conference Board, International Labor Comparisons (2017 – data 2016)



Economic Outlook

GDP growth of 1.5% in 2017 is forecast for **1.4%** for 2018

Unemployment rate fell by 0,5% between 2016/2017

Export increased by 7.4% between 2016/2017

Investors' confidence index (2018) grows: +3 than 2017.

Italy ranks 10th in 2018 for FDI attractiveness, +8 than in 2015

Italy is the 9th economy in the world, based on strong export





The Italian Government is successfully promoting a number of reforms that are revitalizing the Italian economy.

Labour Regulation Reform

The "**Jobs Act**", i.e. the 2015 labour market reform, is aimed at making the Italian work environment more aligned to the **flexibility** that is needed in today's economic global landscape with the urgency of a reinforced attractiveness of the country.

The Jobs Act's key points are:

- **deregulation of dismissal regime** (i.e. indemnity for wrongful dismissal in lieu of the reinstatement)
- **deregulation of fixed-term contracts**
- significant **tax/social security contribution breaks** for employers that offer **permanent job contracts**
- promotion of **firm-level collective bargaining**
- job seekers re-allocation by improving private and public labour market institutions

❖ **New incentives** for hiring **young workers** have been introduced **since 2017**





Corporate Taxation Reform

In the last years the Italian Parliament approved new legislation, including tax incentives, specifically aimed at making Italy an attractive location for investment in manufacturing and R&D.

Among those specific tax incentives, the following are particularly relevant:

- **Patent box**
 - a 5 year-elective regime will grant a **partial tax exemption** on **income** derived from qualifying **intangible assets** (patents, know-how, trademarks) as long as the Italian company performs R&D activities
- **New R&D tax credit**
 - enhanced for 2015-2019, with the elimination of any access limitation based on turnover and a doubled cap amount (from 2.5M to 5M euro per year)
- **Tax credits/incentives** for the **purchase of machinery & industrial equipment**
- **Full deductibility** from the **IRAP** (regional tax) of labour cost for **employees** hired on a **permanent basis**





Corporate Taxation Reform

Other tax incentives are:

The “Destination Italy” Decree

- created a specific and dedicated **desk** of the **Revenue Agency** (*Agenzia delle Entrate*) in order to help and provide information **to foreign investors**, and
- enhanced the **tax ruling** procedures, by extending the validity period of the preventive rulings from 3 to 5 years and including also the existence of Italian permanent establishments of foreign companies





Waste collection Industry



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Waste collection is a part of the process of waste management. It is the transfer of solid waste from the point of use and disposal to the point of treatment or landfill.



Waste collection also includes the curbside collection of recyclable materials that technically are not waste, as part of a municipal landfill diversion program. In this field ,

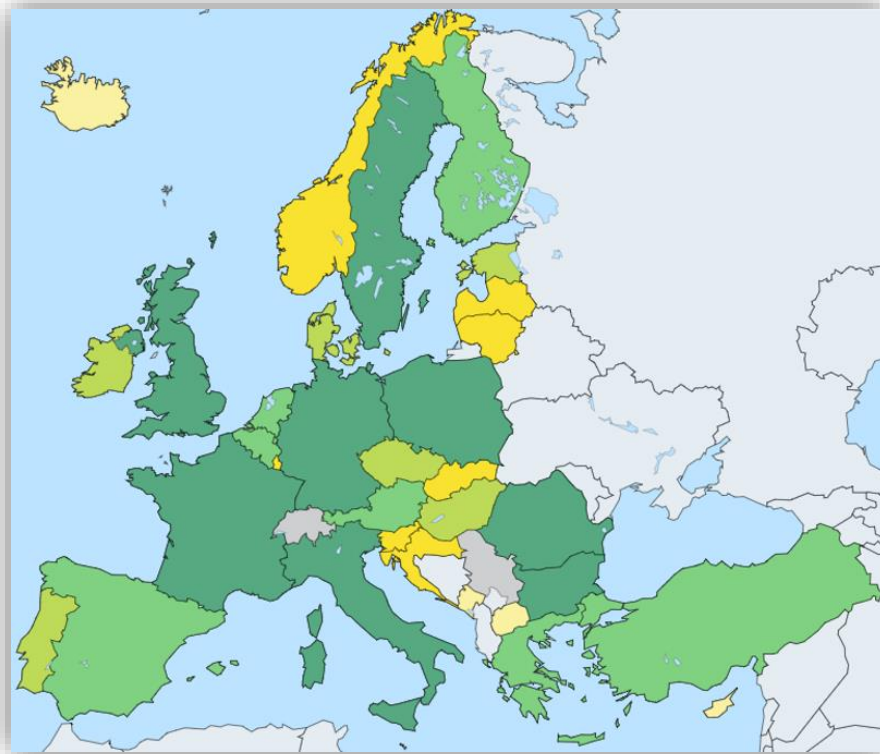
GreenTech is the application of one or more of environmental science, green chemistry, environmental monitoring and electronic devices to monitor, model and conserve the natural environment and resources, and to curb the negative impacts of human involvement. Sustainable development is the core of *environmental technologies*.





Italy is one of the biggest European waste producers

Strong Points

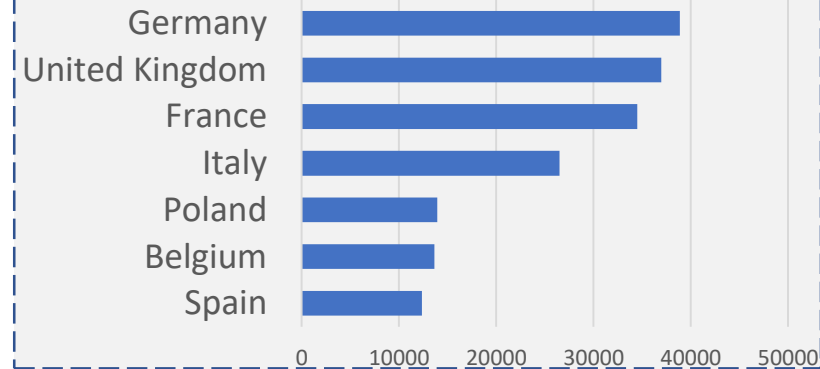


Tonnes waste (2014)

■ Up to 133.000

■ More than 133.000

RECYCLABLE WASTES (2014)



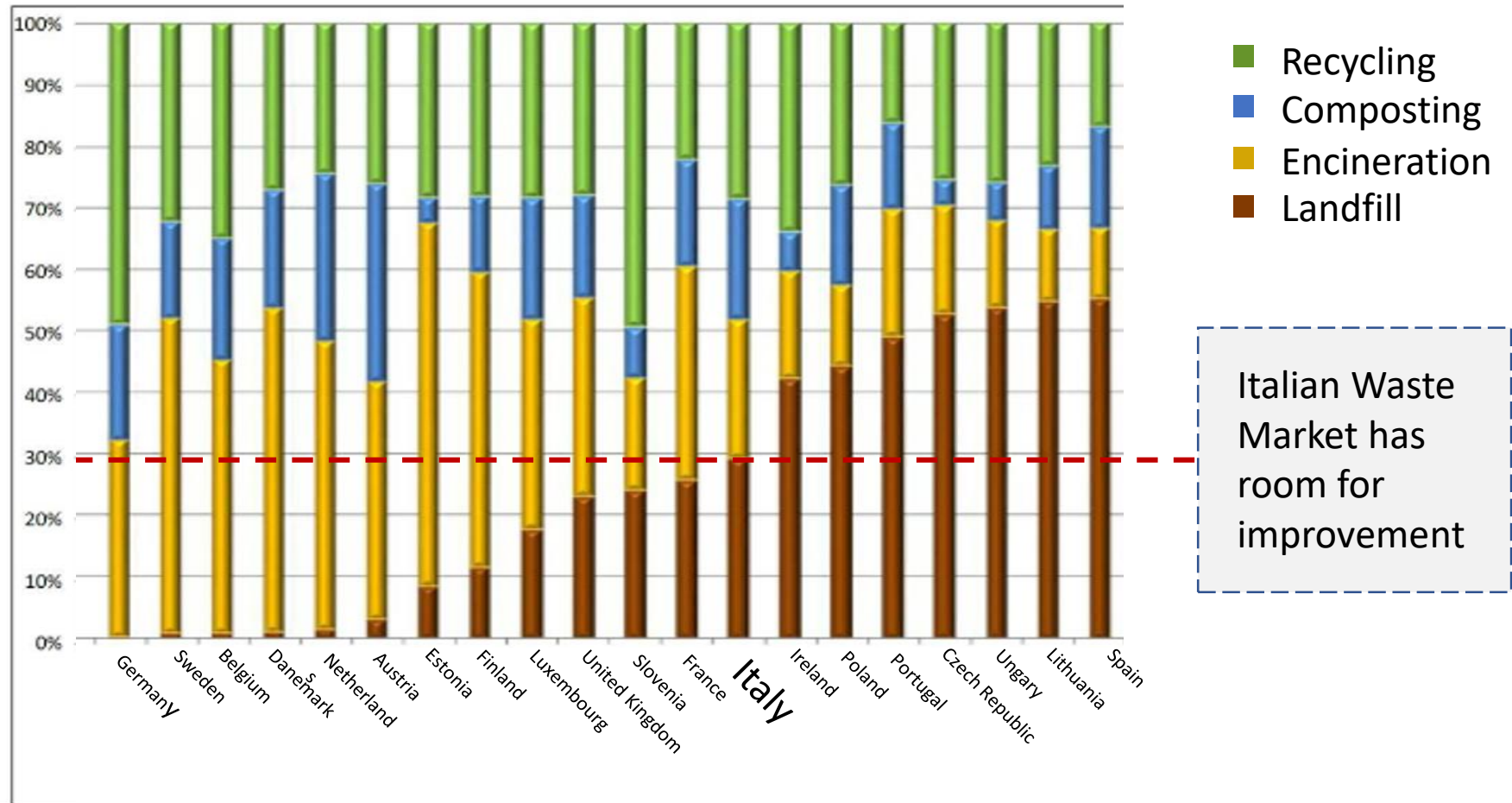
Within the most populated European Countries, Italy has got the strongest potential growth



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European Urban waste management - % (2015) ISPRa elaboration on EUROSTAT data



Italian Waste Market has room for improvement





Import/Export volume in tonnes (2014)

PRODUCT GROUP	IMPORT	EXPORT
Paper waste	18.548	372.967
Glass waste	89.235	9.084
Plastic waste	121.169	524.990
Wood waste	652.716	32.204
Non-ferrous metal waste	870.692	189.617
Ferrous metals	3.648.869	193.109
Electrical/electronic waste	20.339	96.912
Batteries and accumulators	24	15.065
End-of-life vehicles	1.361	20.872
End-of-life tyres	181	108.420
Undefined	442.020	2.233.022
Total	5.865.154	3.796.262

Strenghts





73 foreign-invested firms operating in the waste treatment

subsidiary and wholly-owned from 13 countries capitals

- **39 wholly-owned**

15%



15%



12%



- **Other 12 controlled**

25%



16%



16%



- **11 minority stake**

40%



20%



14%





The Italian waste management industry is fragmented and characterised by the presence of different types of players.

	BUSINESS MODEL	EXAMPLES	COLLECTION	SELECTION & TREATMENT	DISPOSAL	COMMENTS
UTILITIES	• Major multi regional multi-utility companies (4 main players)		[Solid blue bar]			• Focus on urban waste • Presence in the special waste business through dedicated units
	• Regional or local utilities (various thousands)		[Dashed blue bar]			• Focus on urban waste and collection activities. More limited presence in the other segments of the value chain
WASTE	• Multi-regional integrated players (about 20 players usually privately owned)		[Solid blue bar]			• Focus on the special waste business . Leverage of the presence across the whole value chain
	• Specialized players (>1000 players usually privately owned)		[Solid blue bar]	[Solid blue bar]		• Often specialized not only in terms of segment but also waste type . Sometimes coordinated by system integrators to offer an end-to-end service





National Central Administration



Ministero dell'Ambiente e della Tutela del Territorio e del Mare

Lists of registered businesses

- Region/Province
- Business name
- Category
- Waste code
- Group type

More than 5.000 firms

5% firms → 50% Turnover

Big players



Biancamano



www.albonazionalegestoriambientali.it/Elenchiscritti.aspx?lng=en

In France:

2 firms → 50% Turnover

European
confrontation

<http://www.gruppobiancamano.it/index.php?lang=en>

<http://www.wasteitalia.it/en/>

<http://eng.gruppohera.it/group/>





In Italy the disposal system of waste varies from one region to the other. Garbage is managed according to the country's national legislation at a municipal level. The local town is responsible and contracts its collection to a waste disposal company. Collection of waste can happen through curbside or door-to-door collection, where the garbage truck picks up the trash from individual bins, and through central collection into central drop off areas. Municipal authorities encourage people to keep their non-recyclable waste to a minimum as landfill space is a problem. All residents are required to sort their rubbish in three categories: Non-Recyclable Waste (landfill), Recyclable Waste, Organic Waste.





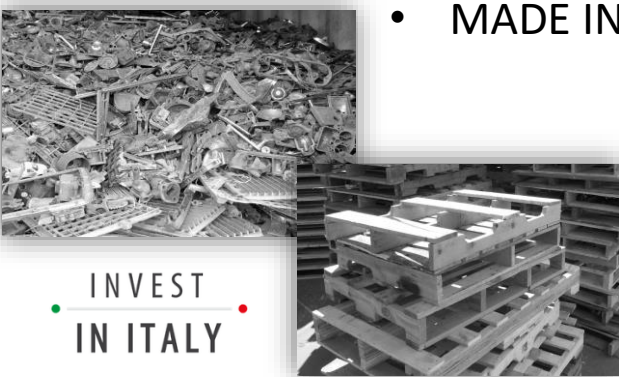
Ministry of Education, University and Research



• AEROSPACE TECHNOLOGY	ROME	http://www.ctna.it/
• AGRIFOOD	ROME	http://www.clusteragrifood.it/en/
• GREEN CHEMISTRY	MILAN	http://www.clusterspring.it/home/
• INTELLIGENT FACTORIES	BOLOGNA	http://www.fabbricaintelligente.it/en/
• CLUSTER TRASPORTI	ROME	http://www.clustertrasporti.it/
• LIFE SCIENCE	MILAN	http://www.clusteralisei.it/en/
• SMART LIVING TECHNOLOGIES	ANCONA	http://www.smartlivingtech.it/en
• SMART COMMUNITIES TECH	TURIN	http://www.smartcommunitiestech.it/en/

What's coming next...

- HERITAGE TECH
- DESIGN
- MADE IN ITALY
- SEA ECONOMICS ENERGY



Source: <http://www.miur.gov.it/cluster>; http://www.distretti-tecnologici.it/centro_miur.htm



Abundant and Skilled Workforce

Italy has some of the world's best engineering universities. Indeed, engineering is the 2nd highest course for enrolment in the country – **225,619** currently studying an engineering discipline.¹

The engineering sector currently employs around 417,000 people in Italy.³

Mainstay

The Technological Departments of the Italian Universities annually produce a pool of graduates with the knowledge and industry experience to immediately enter the work force.



POLITECNICO MILANO



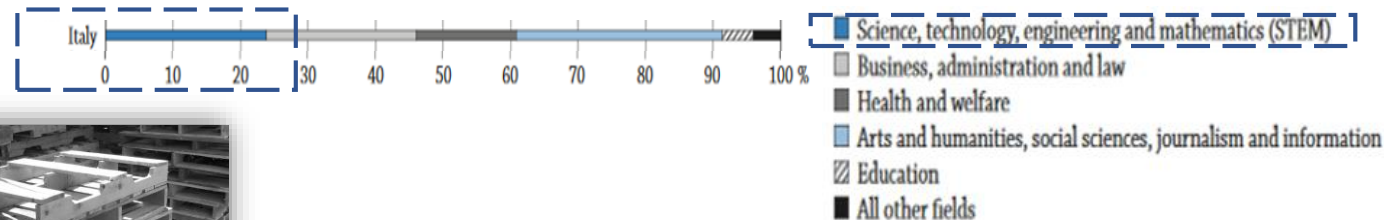
Politecnico di Bari



POLITECNICO DI TORINO

And much more.

Tertiary-educated 25-64 years old (2016) – Fields of study



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Source: ¹Ministry of Education ²AlmaLaurea ³La Repubblica; OECD ILibrary (<http://www.oecd-ilibrary.org/education/education-at-a-glance-2017>)

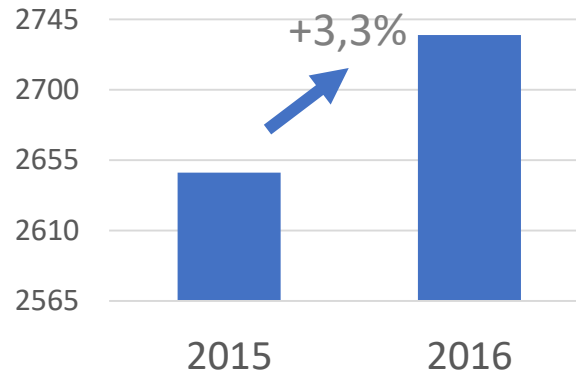


Bioenergy is a renewable energy made available from materials derived from biological sources, Biomass

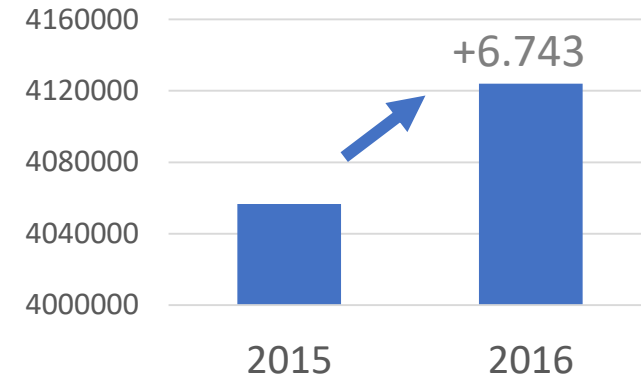
Biogas, primarily methane and carbon dioxide, can be produced from raw materials such as agricultural waste, manure, municipal waste, plant material, sewage, green and food waste

Bioliquids are liquid fuels made from biomass like virgin or used vegetables and seed oils for heating and electricity

Bionergy Installations



Bioenergy Power (kW)



Urban waste is around 1 mln kW, that means a good potential for a Country with 60 mlns population concentrated in medium/big towns on the National territory



Waste oil



The Market is huge:

- 63 vehicles/100 people
- More than 150.000 bars/restaurants/take away





Companies Associations:



<http://anienergia.anie.it/>



<http://anierinnovabili.anie.it/>



<http://www.anisgea.org/>



<http://www.assistal.it/>



<http://www.assoesco.org/>



<http://www.assoreca.it/it/home.html>

Associazione tra le Società di Consulenza e di Servizi per
l'Ambiente, l'Energia, la Sicurezza e la Responsabilità Sociale





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**Thank you for
your attention**