



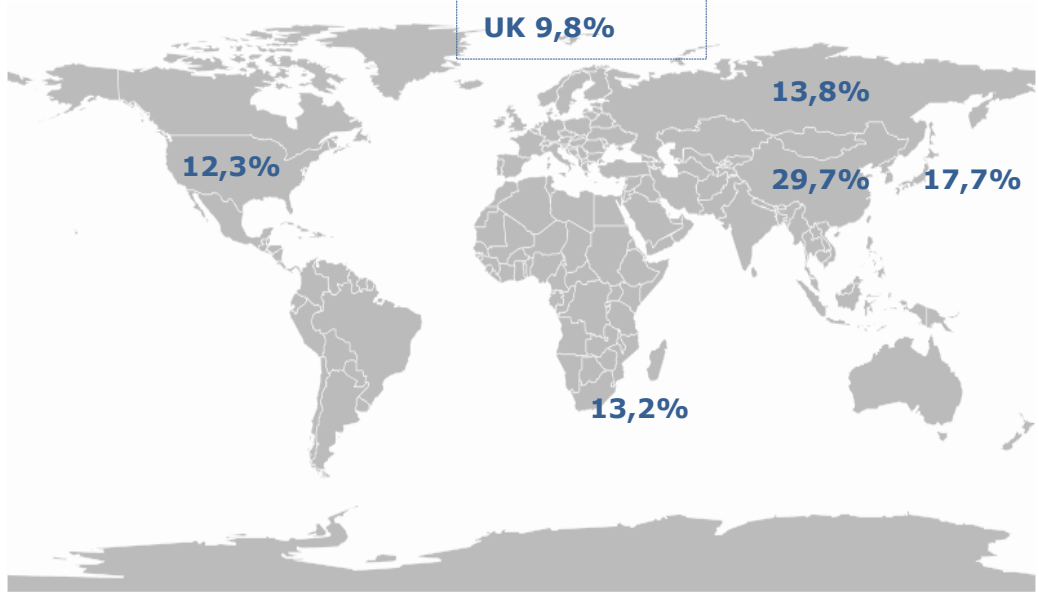
Third Russian Small and Medium-Sized Enterprises Forum

Italian SMEs, Internationalization & the Fourth Industrial Revolution

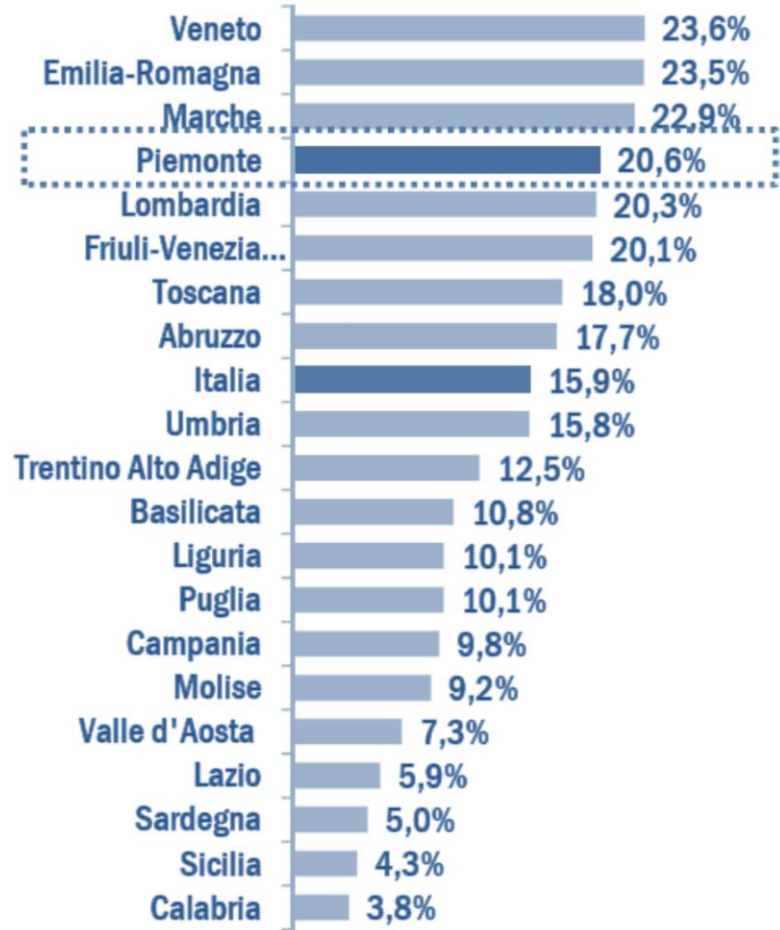
Francesco Profumo

Manufacturing: value added % GDP

DE 22,8%
 TR 17,6%
 EURO 16,5%
 IT 15,9%
 ES 14,2%
 FR 11,2%
 UK 9,8%



Source: World Bank, Y2015



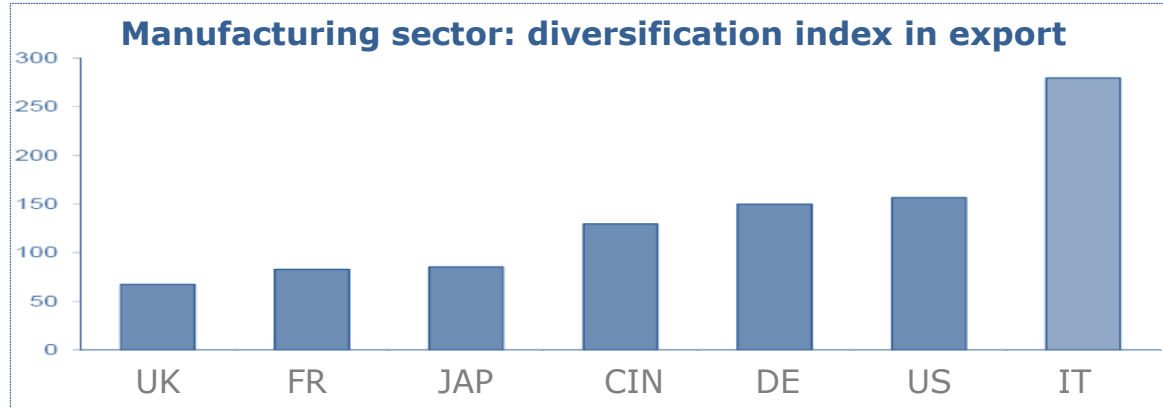
Manufacturing: Export/Import

China +882 B€
 Germany +317 B€
 Korea +184 B€
 Japan +120 B€
 Italy +87 B€
 France -44 B€
 Canada -73 B€
 Australia -98 B€
 United Kingdom -117 B€
 United States -660 B€

Italy has the **fifth commercial surplus** of the World

Diversification is key

Source: Italian Ministry of Foreign Affairs Y 2015



Source: ISTAT, Y2016

- 1° DE
- 2° FR
- 3° US
- 4° UK
- 5° ES
- 13° RUS



Source: ISTAT, Y2016

SMEs in Italy – Manufacturing sector

395.225 SMEs in Italy

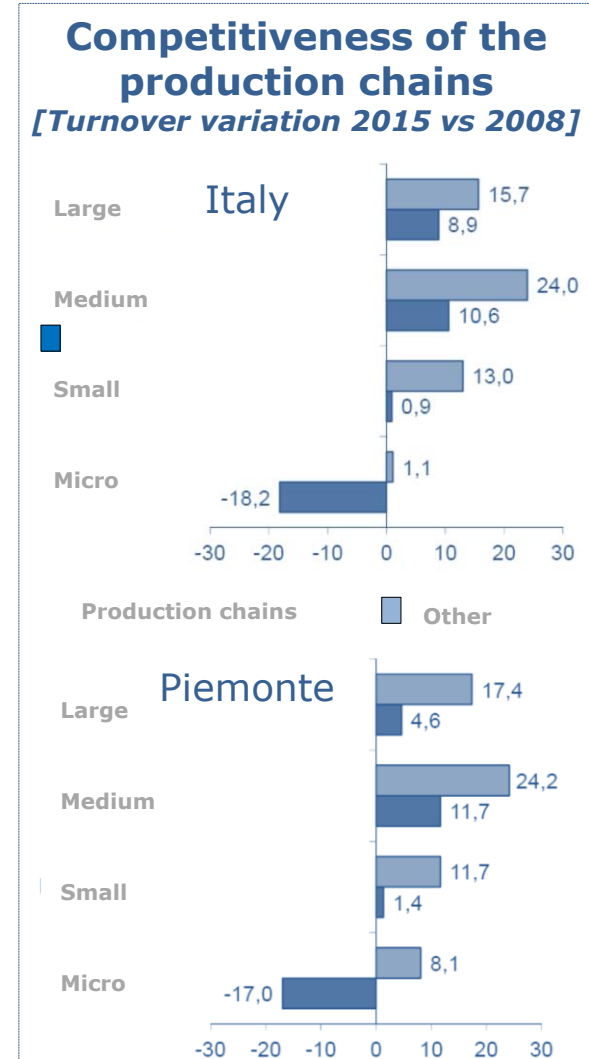
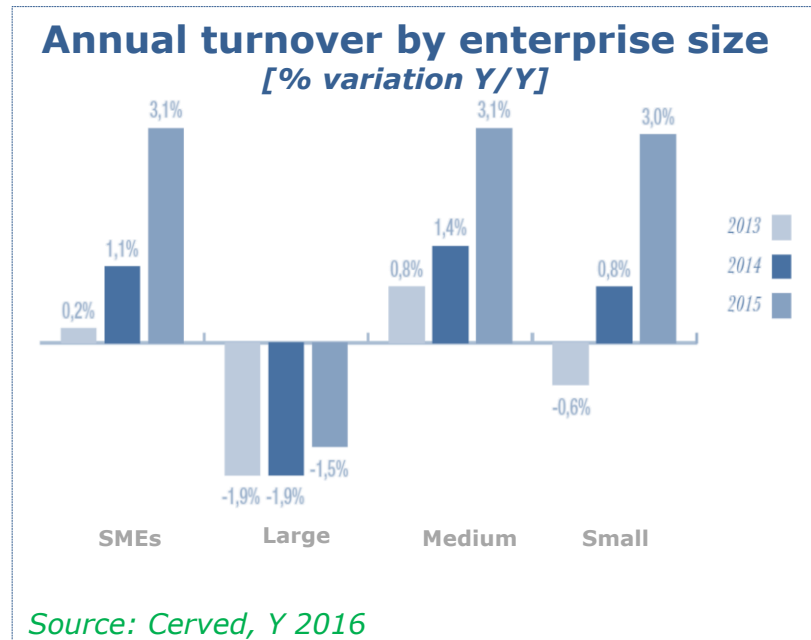
18,7% of the Micro Enterprises in EU-28 are in Italy

23,3% of the Small

11,7% of the Medium

7,5% of the Large

Source: Eurostat, Y 2014



The backbone of the production system in Italy is made by **SMEs**

SMEs in **production chains** are **more resilient**

Source: Intesa Sanpaolo

Innovation and SMEs

In Italy:

- 16.000 Innovative enterprises
- 12.000 startups
- 4.000 Innovative SMEs

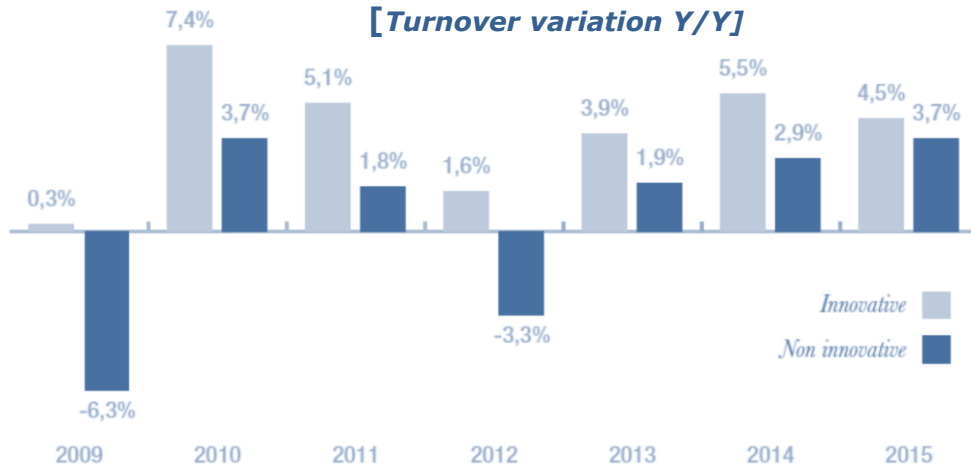
Startups



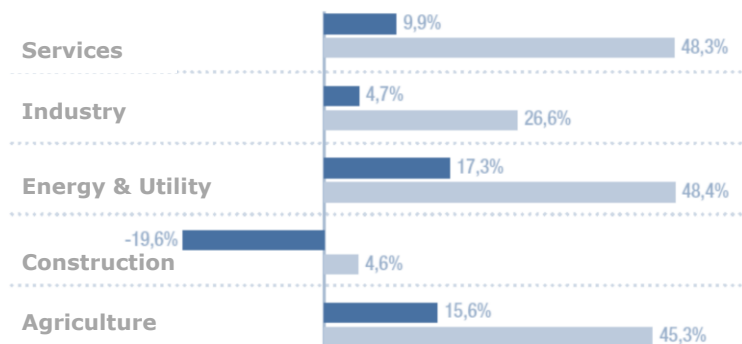
SMEs



Innovative SMEs: Added Value
[Turnover variation Y/Y]

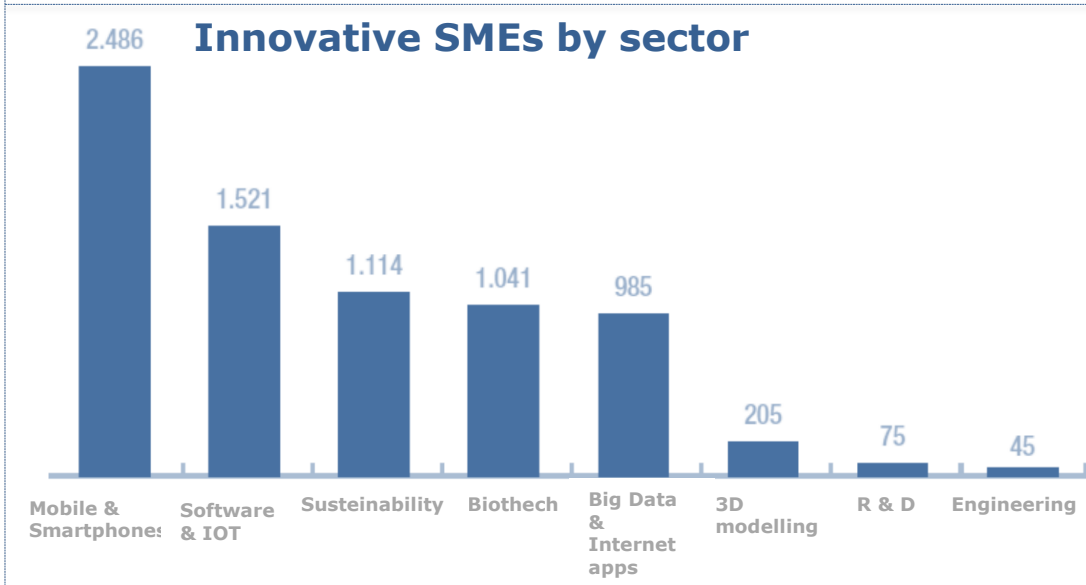
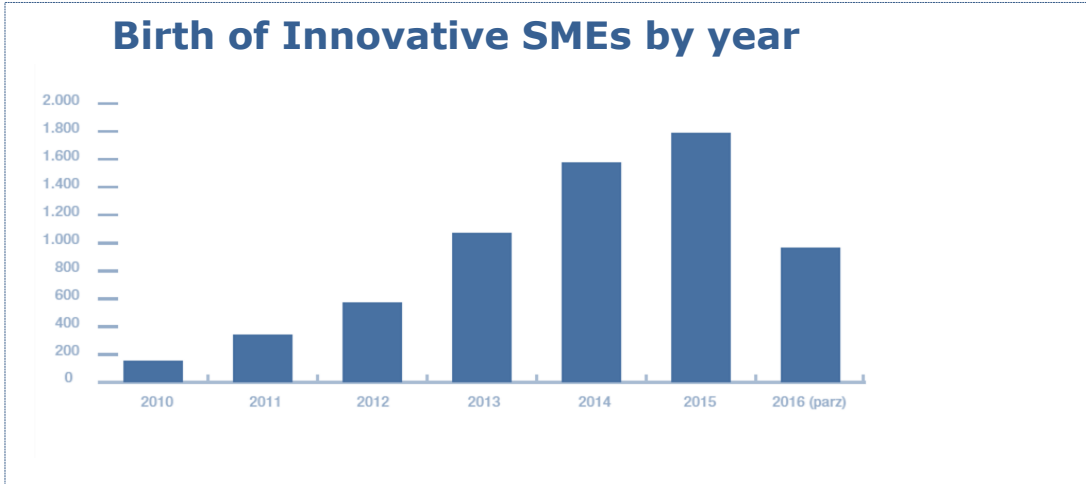


... by sector
[Turnover variation 2015 vs 2008]



Source: Cerved, Y 2016

Innovation and SMEs



Source: Cerved, Y 2016

Innovation index:

Positive/negative

if the % of

innovative

SMEs/Startups

is

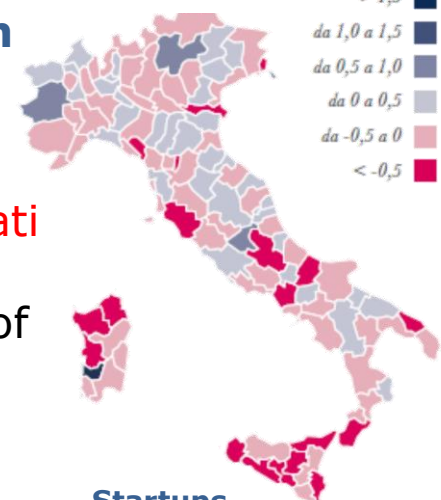
higher/lower

than the

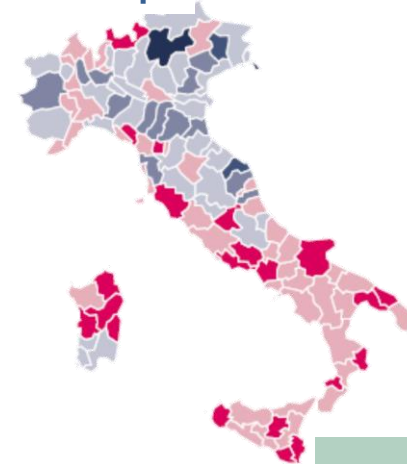
national

average

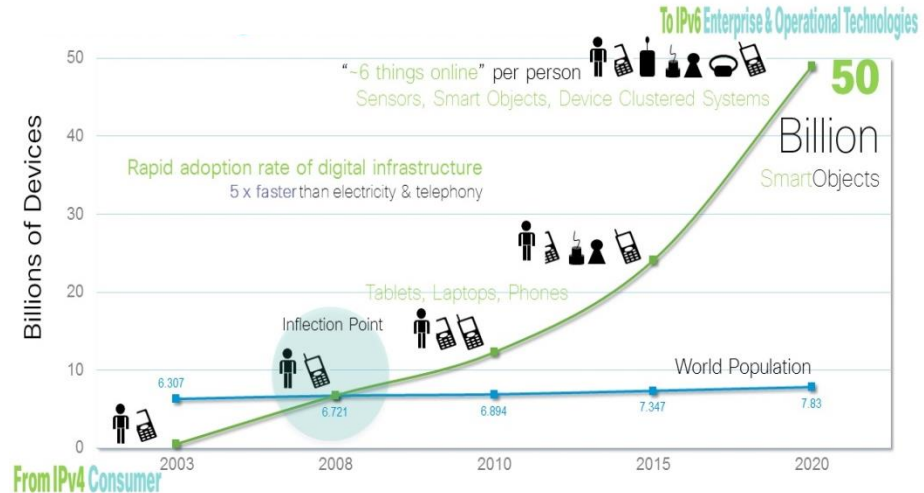
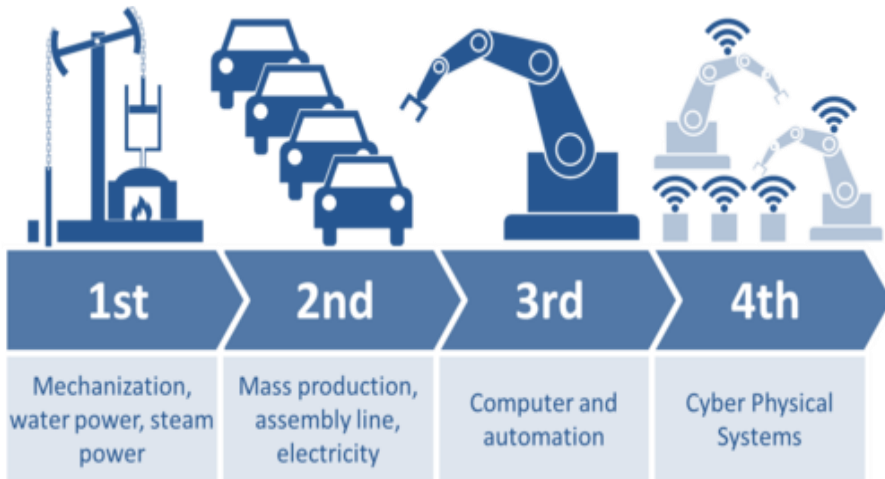
SMEs



Startups



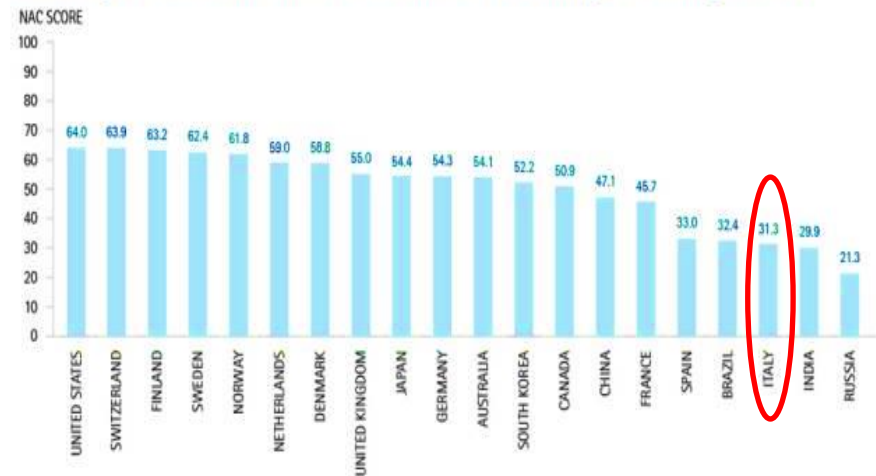
The fourth industrial revolution



Source: Cisco IBSG projections, UN Economic & Social Affairs <http://www.un.org/esa/population/publications/longrange2/WorldPop2300final.pdf>

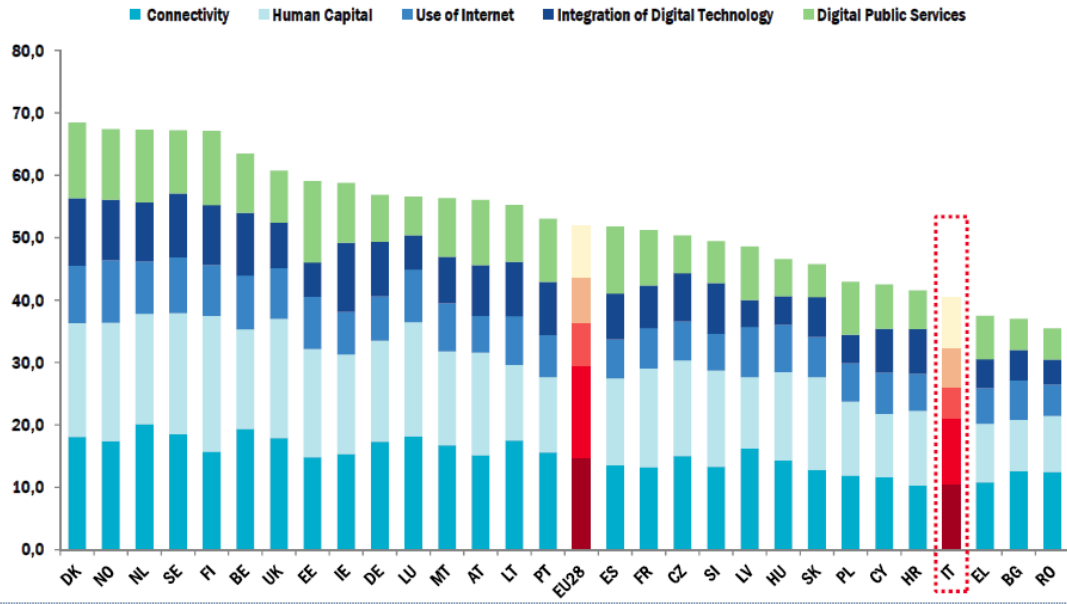
- By 2020: **50 billion of objects connected**, 6 for each inhabitant. In 2008 the ratio was 1:1
- ICT technologies** are radically changing the traditional production processes
- Italy is lagging behind in the **enabling factors** of this revolution

Rankings of countries' Industrial Internet of Things enabling factors





DESI (Digital Economy & Society Index)

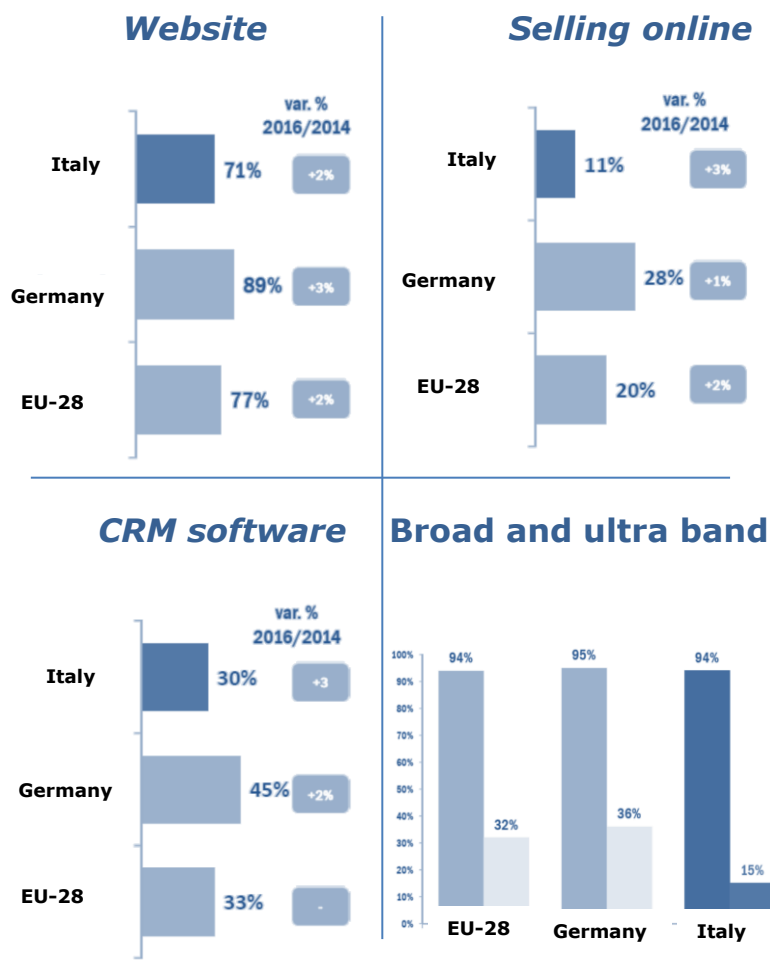


Source: European Commission

Italy & Industry 4.0

- 33% Do not know the topic
- 54% Know the topic, but have not implemented yet a specific plan
- 13% Have implemented a specific plan

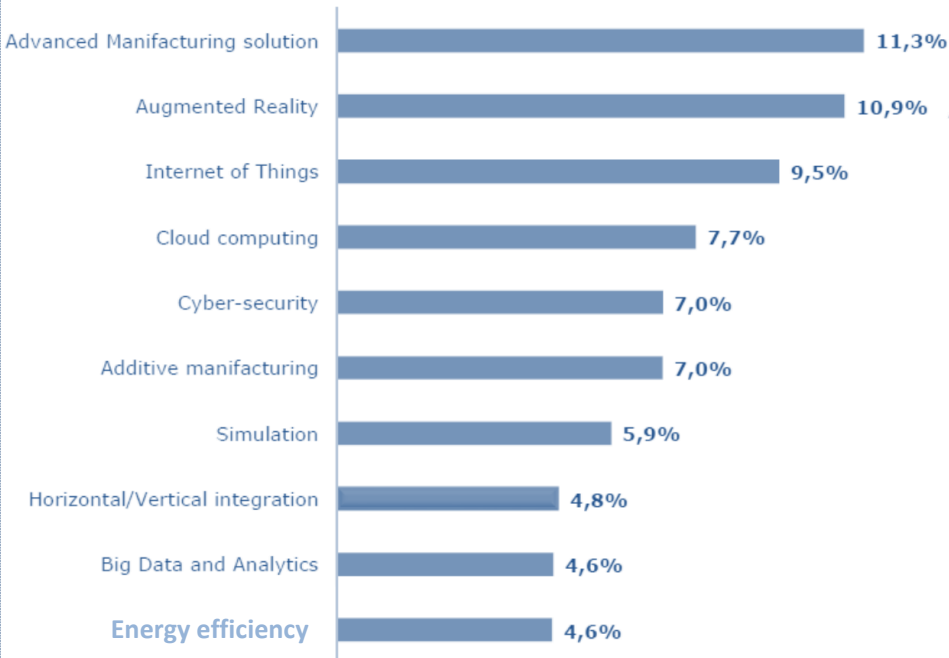
Industry 3.0 - ICT diffusion in SMEs



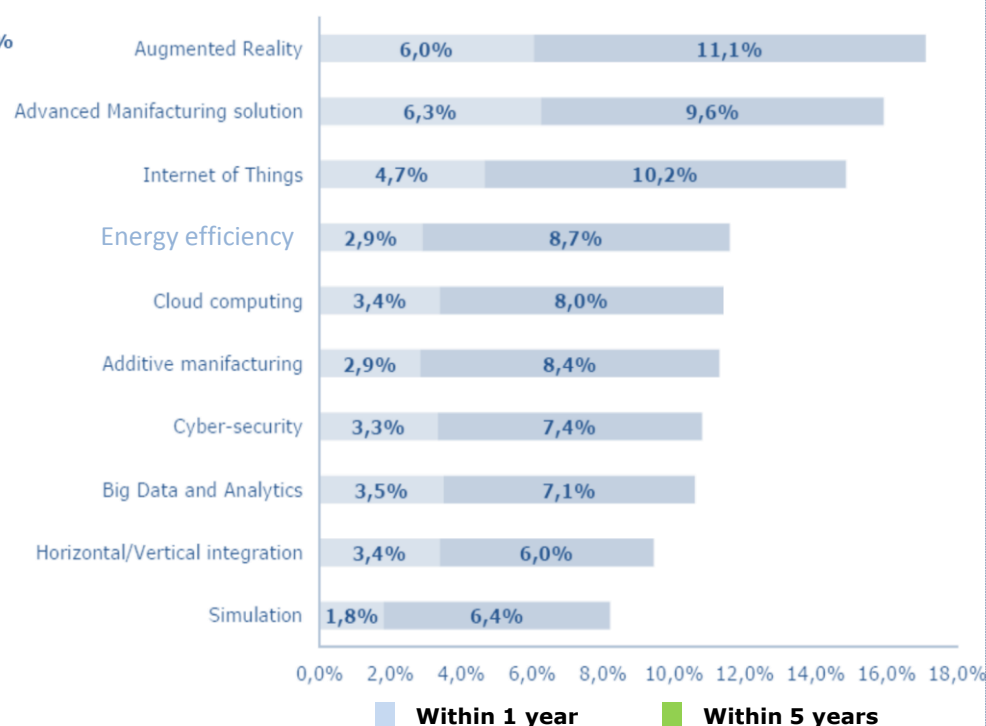
Source: Eurostat 2016

Focus on Piemonte

Enabling technologies adopted by the manufacturing sector



Short-and mid-term investments In enabling technologies



Introducing the enabling technologies: **main bottlenecks** faced by the SMEs

- X** lack of **economic resources**
- X** lack of **vision**: the sector is at the moment not impacted by Industry 4.0
- X** lack of **information** on the potential of the 4° industrial revolution
- X** **skills gap**

The National plan Industry 4.0 2017-2020



Four strategic drivers:

- **Innovative investments:** boost private investment in adopting 4.0 technologies and increase R&D spending
- **Enabling infrastructures:** network of infrastructures, data security and protection, international interoperability standards
- **Skills & Research:** develop of adequate skills and stimulate research through ad hoc training paths
- **Awareness and Governance:** spread the knowledge, potential and applications of Industry 4.0 technologies. Ensure a public-private governance to achieve the targets set by the plan.

Each chamber of commerce will organize a **digital enterprise desk** to provide information, training and technical support services

The National plan Industry 4.0 2017-2020

SUPER
DEPRECIATION:

140%



Support and offer **incentives to** companies that **invest** in new capital goods, tangible & intangible assets for

technological & digital transformation of their production process.

HYPER
DEPRECIATION:

250%



CONTRIBUTION
FOR PAYMENT
OF INTERESTS:

FROM 2,75%
TO 3,57%

Support businesses requesting **bank loans** to invest in new capital goods, machinery, plant, factory equipment for use in production and digital technologies.

TAX CREDIT FOR
INCREASED
RESEARCH AND
DEVELOPMENT
COSTS:

50%



Encourage **private investment** in R&D for product and process innovation to ensure the competitiveness of enterprises in the future.

The National plan Industry 4.0 2017-2020

REDUCTION OF
CORPORATE
INCOME TAX (IRES)
AND REGIONAL
PRODUCTION
TAX (IRAP)
RATES FOR INCOME
FROM INTANGIBLE
ASSETS:

UP TO
50%



Make the Italian market more attractive to **long-term investors** by offering a special rate of taxation of incomes deriving from the use of intellectual property rights.

Offer an incentive for bringing back to (or to keep in) Italy intangible assets.

Favore investments in R&D

TAX BREAK FOR
INVESTMENT IN
STARTUPS:

UP TO
30%



Supporte innovative enterprises at all stages of their life cycle.
Sustaining the growth of **Italy's startup ecosystem**.

Spreading a **new business culture** based on teamwork, innovation and openness towards international markets.

PUBLICLY
GUARANTEED
LOAN:

80%



Supporte businesses and professionals who have difficulty **accessing bank loans** because of lack of **guarantees**.

The National plan Industry 4.0 2017-2020

SPECIAL TAX RATE FOR SALARY BONUSES:

10%

Promote greater **productivity** by shifting negotiations to the company level and relating increases in efficiency and increases in workers' salaries

Promote integration of company **welfare** with forms of public welfare

Promote workers' **participation** in organizations.

NOTIONAL YIELD OF NEW EQUITY CAPITAL:

2017 2,3%

STARTING
IN 2018
2,7%

Offer an incentive for strenghtening the **equity** structure of Italian enterprises through financing with own capital, to achieve a better balance between sources and uses of expenditure and risk capital and debt.

REDUCTION OF CORPORATE AND ENTERPRISE INCOME TAX (IRES AND IRI):

24%



Reduce the **fiscal pressure** for companies that **invest** in the future by keeping profits in the company.



Thank you for your kind attention

Francesco Profumo