

Italy as an Investment Destination



Gianluigi BENEDETTI
Ambassador of Italy to Japan

Ambassador Gianluigi Benedetti has been serving as the Ambassador of Italy to Japan since 2021. With an extensive background in international relations, diplomacy, and science and technology, Ambassador Benedetti has played a pivotal role in strengthening Italy-Japan ties across various sectors. He holds a degree in Law and has previously served in key diplomatic positions in Washington, D.C., Rome and Tel Aviv, where he was the Italian Ambassador. Ambassador Benedetti's deep understanding of both Italian and Japanese cultures and his commitment to fostering economic cooperation make him an invaluable advocate for enhancing bilateral relations.

2024年4月、イタリア大使館貿易促進部（ITA）がJOI特別会員に入会しました。入会記念にジャンルイジ・ベネデッティ駐日イタリア大使より、イタリアの主要産業における日本企業の投資機会についてご寄稿いただきました。（JOI編集部より）

Italy, renowned for its rich cultural heritage, stunning landscapes, and world-class cuisine, is also an exceptional destination for investment. As the Ambassador of Italy to Japan, I am honored to present some of the most interesting opportunities Italy offers to Japanese investors, emphasizing the potential for a mutually beneficial relationship.

Strategic Advantages of Investing in Italy

Italy is the best place where to invest and live.

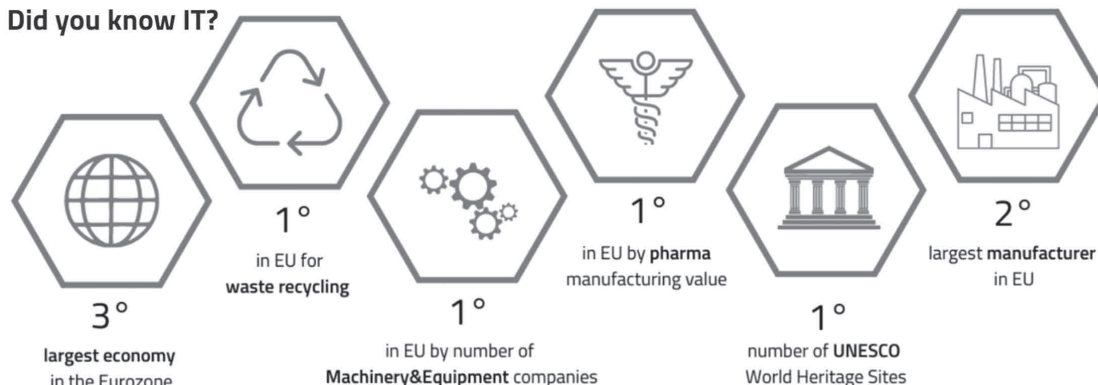
Italy stands at the crossroads of Europe, Africa, and the Middle East, making it a strategic gateway for

businesses seeking access to these regions. As a founding member of the European Union (EU) and part of the Eurozone, Italy provides seamless access to a market of over 500 million consumers. This central location, coupled with a robust infrastructure, positions Italy as a prime investment hub.

Italy's economy is characterized by a diverse industrial base, cutting-edge innovation, and a skilled workforce. The country is a global leader in several sectors, including - just to mention the most known - machinery and mechatronic, automotive, pharmaceuticals, energy, infrastructures, robotics, agrifood, fashion, and design. Moreover, Italy's commitment to research and technology is evident in its thriving innovation ecosystem, which includes world-class universities, research institutions, and innovation hubs.

Italy's appeal as an investment destination is further enhanced by its quality of life. With its rich history, art, and culture, combined with a favorable climate and a renowned culinary tradition, Italy offers a

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unique lifestyle that is attractive to international investors and expatriates alike. The country's strategic location in the heart of the Mediterranean also facilitates easy access to other European markets, as well as to Africa and the Middle East.

Investment Opportunities in Key Sectors

1. Mobility, smart cities and mechatronics:

Italy boasts a long-standing tradition of excellence in the automotive and transportation sectors, with iconic brands such as Ferrari, Lamborghini, Maserati, Alfa Romeo, Fiat, Ducati, Moto Guzzi, and Vespa. The country is also renowned for its production of trains and ships, integrating advanced manufacturing and engineering expertise. Japanese investors can leverage Italy's robust capabilities in these areas to foster collaboration in developing next-generation vehicles, including electric and hybrid models. Furthermore, Italy's focus on sustainable mobility solutions extends to its significant investments in modernizing infrastructure, emphasizing the development of smart cities. This initiative aims to enhance urban sustainability and quality of life through innovative technologies in mobility, energy management, and public services, particularly in cities like Milan and Turin. At the base of the success in the mobility areas, lays the Italian competence in the sectors of machinery and mechatronics - where mechanical engineering, electronics, computer science, and control engineering converge - which offer other promising opportunities for investment. Japanese companies with expertise in smart technologies, infrastructure development, and mechatronics can play a crucial role in these transformative projects, contributing to a more sustainable and technologically advanced Italy.

2. Aerospace:

With leading aerospace companies such as Leonardo, AVIO, AVIO Aero, Piaggio Aero, Thales Alenia Space Italia (TASI), MERMEC, and a thriving ecosystem of small and medium companies active in the sector, Italy is one of the European key players in the aerospace and satellites industry. The aerospace industry has an increasingly important role in Italy's economic development. The Italian Aviation Industry ranks 4th in Europe and 7th in the world by size, with leadership positions in civil helicopters, regional aircraft and

propulsion. The technological skills and know-how of Italian aeronautics and space companies, combined with the increasingly advanced technological knowledge in production processes, have become critical growth drivers for Italy in the sector. Italy has a long tradition in the aerospace industry: it was the first country in the world to build a certified convertiplane for civilian use, was the third country in the world to launch a satellite into orbit, and more than half of the pressurized volume of the international module at the International Space Station was made in Italy.

Home to numerous key industrial players and multinationals



3. Renewable Energy and Hydrogen:

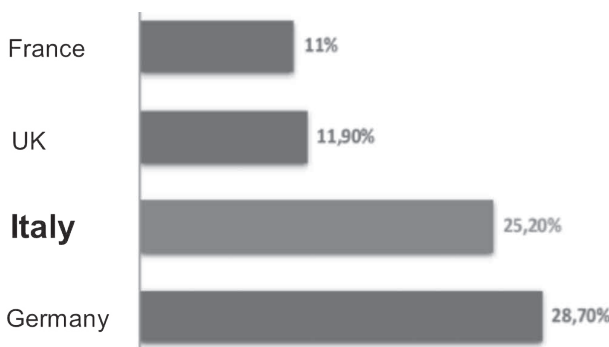
Italy is at the forefront of the renewable energy transition, with significant investments in solar, wind, and geothermal energy. The Italian government's ambitious targets for reducing carbon emissions present numerous opportunities for Japanese companies specializing in green technologies. Joint ventures in renewable energy projects can leverage Italy's natural resources and Japan's technological prowess to create sustainable solutions. The development of offshore wind farms and the expansion of solar power capacities are areas where Japanese companies can make significant contributions, benefiting from Italy's favorable policies and incentives for renewable energy investments.

Italy is aiming to establish a hydrogen economy by integrating production, storage, and utilization of green hydrogen. Japanese companies like Toyota and Mitsubishi, with their advanced hydrogen technologies, are well-positioned to participate in this initiative, contributing to the decarbonization of Italy's industrial sector, creating a comprehensive hydrogen supply

chain, from production to end-use applications, offering numerous opportunities for collaboration and technological exchange.

In particular, Southern Italy offers vast potential for solar energy development due to its favorable climate. Japanese companies specializing in solar technologies can invest in large-scale solar power plants, contributing to Italy's renewable energy goals and benefiting from attractive incentives provided by the Italian government. The region's high solar insolation levels and supportive regulatory framework make it an excellent investment destination for solar energy projects. Collaborations in this area can also include the development of innovative energy storage solutions to enhance the reliability and efficiency of solar power systems.

Top 4 Countries for the production of green H2 technologies



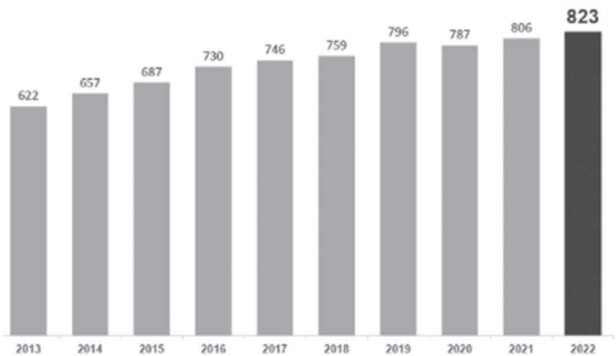
4. Life Sciences, Medical and Biotechnology:

Italy's life sciences sector is one of the most dynamic in Europe, with a strong focus on pharmaceuticals, biotechnology, and medical devices. The country offers a conducive environment for R&D activities, supported by a robust regulatory framework and access to a vast patient population. Japanese investors can collaborate with Italian companies to develop innovative healthcare solutions and expand their presence in the European market. Italy is a prime location for such collaborations, offering a strong network of research institutions, hospitals, and companies dedicated to healthcare innovation.

Japanese investors can join forces with Italian firms to develop cutting-edge medical devices and treatments, leveraging their strong network of research institutions and healthcare providers. Italy is home to several leading companies and research centers specializing in biopharmaceuticals, regenerative

medicine, and medical diagnostics, making it an ideal location for collaborative R&D projects.

Number of Italian Biotech Firms (2013-2022)



Source: ASSOBIOTEC Federchimica (2022)

5. Semiconductors:

Italy is home to one of the most competitive and cutting-edge semiconductor industries in Europe, characterized by a network of enterprises carrying out manufacturing as well as research activities of semiconductors, operating at the support of key technology leading sectors such as ICT, automotive, robotics and energy. Italy is highly committed to enhancing its strategic role as a key European hub for the design, manufacturing, assembly, testing and packaging of semiconductors. In Italy, a virtuous interaction between industry and academia sustains competitive advantages that makes Italy a fertile semiconductor ecosystem thanks to the presence of numerous world-leading semiconductor companies throughout the supply chain and a great science and research capabilities. From Italy, it is possible to capture fast growing chips markets such as automotive, industrial and defense, where the EU has a strong competitive advantage. Additionally, Italy gives the possibility to reach vast markets, including the EU, North Africa and the Middle East.

6. Agrifood:

Italy is a renowned world leader in the Agri-Food Industry, distinguished by its long-standing food-based culture and traditional vocation for food safety and quality. Our country is, in fact, characterized by great territorial and climatic diversity that influenced the growth and diffusion of exceptionally varied and unique products: from fruits and vegetables to grains and legumes, not to mention meat, fish, oil and wine. The agri-food industry is organized by an extended value

chain, involving multiple actors highly interconnected. There are many small companies, often family-owned, focused on enhancing the uniqueness of their products. Therefore, Italian Food Industries rely on specialized industrial clusters and consortiums, which provide a unified identity and reinforce enterprises' market positioning. International players are offered the opportunity to locate their businesses at the heart of a dynamic and competitive environment. With a well-developed network of enterprises, Italy has the most extensive industrial base of enterprises specialized in Food&Beverage manufacturing in EU. In particular, Italian Food Industries rely on specialized industrial clusters and consortiums, which provide a unified identity, reinforce enterprises' market positioning, and foster industry growth. By investing in Italy, international food players have the opportunity to locate their businesses at the heart of a dynamic and competitive environment.



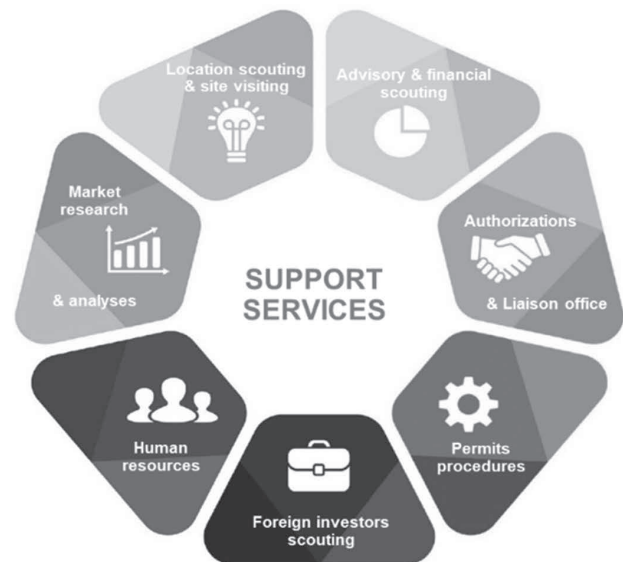
Building a Win-Win Relationship

Italy and Japan share a strong foundation of diplomatic and political friendship, cultural exchange, economic and commercial cooperation, and mutual respect that last over 150 years. Our bilateral relations have been elevated to a “Strategic Partnership” in January 2023 by the Head of the Governments Giorgia Meloni and Fumio Kishida, opening an era of stronger collaboration, particularly in the scientific and industrial sectors. To this end, the existing “Italy-Japan Business Group”, an open-ended forum for networking and exchanges of information, has been relaunched and given the role of a permanent platform to facilitate and promote business exchanges.

By investing in Italy, Japanese companies can gain access to a strategic market, benefit from Italy’s innovative environment, and contribute to sustainable growth. The Italian government is committed to supporting foreign investors through favorable policies, tax incentives, and a transparent regulatory framework. These initiatives are designed to create a business-friendly environment that encourages foreign direct investment and fosters long-term economic partnerships.

Finally, Italy’s commitment to sustainability, innovation, and quality makes it an attractive destination for Japanese investors seeking new opportunities in a stable and dynamic market.

ITA's support



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