



Embassy of Italy
Manila

Fostering Foreign Investment

“Attracting foreign investment stands as a paramount strategic objective for the Italian government today. Consequently, Italy is firmly dedicated to cultivating a conducive environment that fosters the interests of foreign investors.”

WHY INVEST IN ITALY ?

- The **3rd** largest economy in the Eurozone and the **8th** largest in the world, with a GDP of **USD 2.05 trillion** (*World Bank, end 2022*).
- The **2nd** largest manufacturing economy in Europe and the **5th** largest in the world, with a manufacturing surplus of over **USD 100 billion**. An extremely diversified landscape of small and medium-sized enterprises (SMEs) that are among the most innovative in Europe.
- Italy ranks among the top 50 countries in the world (**28th** place) in terms of innovation rate of its economy and businesses. (*The Global Innovation Index 2020 - World Intellectual Property Organization - WIPO*).
- A domestic market of **60 million** people but also one of the main gateways to a market of **500 million** consumers in the European Union and **270 million** in North Africa and the Middle East.
- Home to many Research & Development centers of excellence and a long standing academic tradition. **Eleven** universities are ranked among the world's 500 best ones with a total of **four** ranked among the world's 10 best ones (*QS World University Rankings 2021*). **Fifth** in the world for "impact factor" of scientific publications produced and **twelfth** for investment in biomedical research
- Among the first Countries in the world for its artistic and historical heritage, and the first in the UNESCO ranking for the number of World Heritage Sites (**55** declared sites). **Fifty million** tourists visit Italy every year, making it the **fifth** tourist destination in the world (*UNWTO 2018*)
- With over 430,000 Italian companies in industry and services invested in green products and technologies, it is the European Country with the highest share of recycling on total waste - **79.3%**, twice the EU average of 39.2% - (*Symbola Foundation, 2021*), and also the largest operator in renewables, with **47 GW** of managed capacity (*Symbola Foundation, 2021*).
- Among the most sustainable agriculture in Europe, with emissions of **30 million tonnes** of CO2 equivalent. Italy holds the EU record for the number of young people (under 35 at the helm of agricultural enterprises) and women in agriculture (1 farm out of 4 is led by women – almost **120,000** female entrepreneurs) (*Symbola Foundation, 2021*).
- Italy has an extremely efficient Customs service with a fully digitalized goods clearance system.

Investing in Italy offers unparalleled access to a vast reservoir of intellectual and specialized expertise across all domains, coupled with exceptional know-how in critical sectors like machinery, automation, fashion, design, and culinary arts. Notably, Italy has recently embraced foreign investment in sensitive areas such as energy, infrastructure, telecommunications, and transportation, further enriching its investment landscape.

ITALY IN INTERNATIONAL RANKINGS

- **COUNTRY BRAND 2023** (*Brand Finance*): 9th in terms of economic value and strength. Since 2015, it has ranked between the eighth and tenth position among the 100 Top Brands;
 - **EY EUROPE ATTRACTIVENESS SURVEY 2023** (*Ernst&Young*): In 2022 243 foreign direct investment (FDI) projects were announced in Italy (with an increase of 17% on 2021 and more than double the pre-covid number). Still significant room for growth considering the size of the Italian economy and Italy's market share of total FDI in Europe which has remained constant at 4% (with France and Germany holding 21% and 14% respectively%).
 - **GLOBAL ATTRACTIVENESS INDEX 2023** (*The European House Ambrosetti*): 17th place out of 146 total countries analysed;
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REFORMS AND REGULATORY FRAMEWORK FOR FOREIGN INVESTMENT

To streamline foreign direct investments (FDIs), a range of measures has been implemented across various sectors, aimed at enhancing the business environment for both foreign companies and investors.

JUDICIAL SYSTEM:



Specialized courts for trade disputes have been made operational. New tools have been introduced to facilitate out-of-court mediation between debtors and creditors. The digitalization of civil proceedings was carried out, in line with the provisions of the National Digital Agenda ([Agenda Digitale Nazionale](#)). This proactive approach has yielded tangible results, evidenced by a notable 13% reduction in the average duration of civil trials over the past two years, now averaging around 520 days. Furthermore, the Ministry of Justice has embarked on a comprehensive digitalization [initiative](#) encompassing both civil and criminal proceedings, aimed at enhancing the overall organization of chancery services. Beyond efficiency gains, this initiative promises significant cost savings and fosters transparency by providing accessible information on ongoing and finalized cases and sentences.

TAX SYSTEM:



In order to improve the dialogue with taxpayers and encourage voluntary compliance with tax obligations, the Inland Revenue Agency's (*Agenzia delle Entrate*) has implemented three main instruments: preventive agreements for companies with international activities; a collaborative compliance regime, including the possibility to address clarification requests directly to the Agency before implementing tax-relevant behavior (Private Letter Ruling).

Furthermore, with the aim of reducing the tax burden, and at the same time to foster investment and innovation, some measures have been introduced:

- the [patent box regime](#) (tax incentives linked to intellectual works and industrial patents:);
- the so called "[super-amortization and hyper-amortization](#)", to facilitate business investments by allowing an extra-amortization on the purchase of certain tangible assets;
- measures aimed at attracting [human capital](#), (i.e. 50% tax relief for five years for managers and freelancers and 90% for four years for professors and researchers, etc.), as well as facilities for "high-net worth individuals" who move their residence to Italy. On this latter point, in particular, since 2018, a new regulatory [instrument](#) has been introduced, enabling Italy to offer one of the most competitive tax regimes in Europe for new high-income residents.

INDUSTRIAL SYSTEM:



Enterprise 4.0 Plan. The Plan is named with a reference to the fourth industrial revolution, the process that – in the forthcoming years – will lead to a gradual and increased digitalization of the production of goods and the provision of services through the use of new technologies. The Enterprise 4.0 Plan aims at extending the scope of the reform to any type of business activity, so as to heighten the technological level of the entire economy. Aside from including some of the tax measures mentioned above, it also includes the Public Guarantee Fund ([fondo di garanzia pubblico](#)) for access to credit, targeted to SMEs and professionals for any financial transaction in the framework of entrepreneurial activity; the tax credit for research and development; the New Sabatini Law ([Nuova Sabatini](#)) on tax credit (a measure that supports investment in machinery, equipment, capital goods, hardware, software and digital technologies) and the support for innovative Italian start-ups ([Smart & Start](#)).

VISA POLICIES:



In order to facilitate as much as possible the approach of foreign investors to the Italian market a new visa policy has been introduced that provides specific and dedicated tools, among which the entry visas dedicated to foreign entrepreneurs (see also: [Ingresso e soggiorno in Italia](#) e [Facilitazioni per l'attrazione di investimenti stranieri](#)):

- ***Business Visa*** ([Visto d'affari](#)): it enables the holder to stay in the Schengen Area for up to three months to hold negotiations and develop economic-commercial relations. With regard to the time needed for processing business visa applications, the Foreign Ministry has set a service quality standard of 48 hours.
- ***Italy Startup Visa*** ([Visto START UP](#)): it introduces a new streamlined and simplified self-employment visa procedure for the benefit of non-EU citizens who intend to launch an innovative startup in Italy. The purpose of this instrument is to stimulate the competitiveness and innovation of the Italian entrepreneurial system. The Italy Startup Visa Technical Committee (ISV Committee), composed of representatives from the main organizations of the national innovation ecosystem, must express its opinion on the investment project. The visa clearance procedure is computerized, simplified, free of charge, bilingual and accelerated.
- ***Investor Visa for Italy*** ([Visto per Investitori](#)): introduced by Interministerial Decree of 21 July 2017 ([Decreto interministeriale 21 luglio 2017](#)), it is one of the most recent innovations in this field. This new type of visa, which lasts two years and is renewable for three years, is dedicated to foreign citizens from non-EU countries who intend to make a significant investment or philanthropic donation in strategic assets for the development and competitiveness of the Italian System. Decree Law No. 34 of 19 May 2020 halved the minimum investment thresholds in innovative companies and startups required to have access to the program. The visa procedure is centralized, digitalized and accelerated. Applications are screened by the Investor Visa Committee, which has the task of checking the suitability of the substantive and formal requirements regarding the nature and effectiveness of the entrepreneurial activity to be launched. Following the Committee's authorization, the consular offices abroad ascertain the remaining requirements for issuing the visa.

REGULATORY REFERENCES

- [DECREE-LAW No 34 of 19 May 2020](#), Article 38, paragraph 10
- [LEGISLATIVE DECREE No. 286 of 25 July 1998](#), Art. 26-bis, paragraph 1, letter b)
- Investor Visa for Italy: [how it works](#)
- MISE website – [Investor Visa for Italy](#)

Golden Power:

As Italy aims to enhance its appeal for foreign investment and streamline investors' engagement with its market, it also recognizes the imperative to safeguard strategic sectors from potential hostile takeovers. To address this concern, the government exercises special powers aimed at protecting areas of national interest. For further details on the “Golden Power” rules:

<http://www.governo.it/it/dipartimenti/dip-il-coordinamento-amministrativo/dica-att-goldenpower/9296>
