



ASSOLOMBARDA

BOOKLET ITALY, LOMBARDY AND MILAN

A cura dell'area

Centro studi /
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Department

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Booklet Italy, Lombardy and Milan

Executive summary

Executive summary

Who we are

Assolombarda Confindustria Milano, Monza e Brianza, Lodi is the largest local entrepreneurial association in Italy and the most important association within the Confindustria system, the General Confederation of Italian Industry.

Italy: perception and reality

«Made in Italy» is one of the most famous brands in the world. But Italy is well positioned globally also in less renowned fields. To name a few:

- the growing export performance (463 billion euros in 2018);
- the manufacturing trade surplus and the share of manufacturing value added, where Italy ranks fifth and seventh worldwide respectively.

Lombardy and Milan: business structure and strengths

Lombardy and Milan feature a solid and highly diversified economy (from industry to trade, to services, to finance): 27% of Italian exports and manufacturing are produced within a range of 60 km. Milan stands out for its international stance, the city being home to over 4,500 MNCs for a total workforce of 466,000 employees and a turnover of 224 billion euros. These multinational companies are well-integrated in a dynamic network connecting small, medium and large firms, 91 of which boast a turnover of over 1 billion euros, more than in Munich (59 firms) and Barcelona (29). Lombardy is also an attractive place for knowledge-intensive startups (nearly 20,000 between 2009 and 2017).

Innovation and qualified human capital make of Lombardy and Milan a knowledge hub. This territory is home to the main Italian research centers, 12 CNR (Italian National Research Council), 19 IRCCS (Institutes for Treatment and Research) and 13 universities attracting 280,000 students, of which almost 14,500 are foreigners.

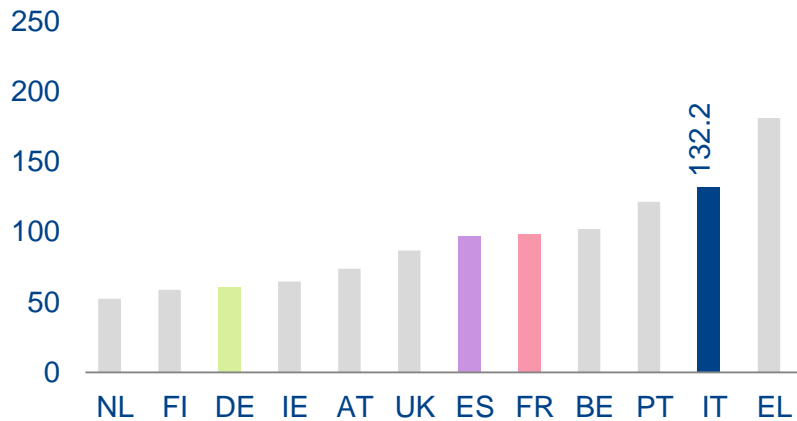
Last but not least, Lombardy and Milan are specialized in business supply chains and sectors which enjoy international prominence and a high growth potential, these typical vocations being identified with the Life Sciences, Agribusiness, Manufacturing 4.0, Art, culture and design, and Finance. In particular, Lombardy and Milan are the leaders in the national creative industry. Thanks to its rich and blooming cultural offer and its excellences in the fashion and design industry, Milan has indeed established itself as art, culture and design capital.

Italy and Lombardy: perception and reality

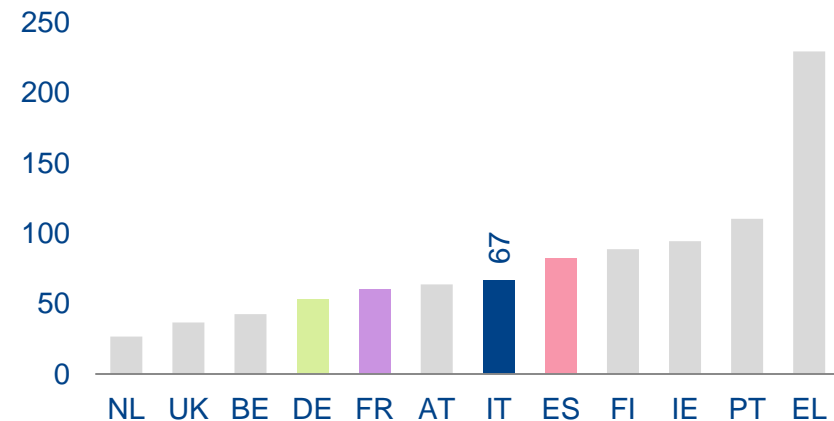
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1.1 ITALIAN PUBLIC DEBT: 132.2% OF GDP BUT ONLY 67% OF HOUSEHOLD NET FINANCIAL ASSETS

Public debt as percentage of GDP - 2018



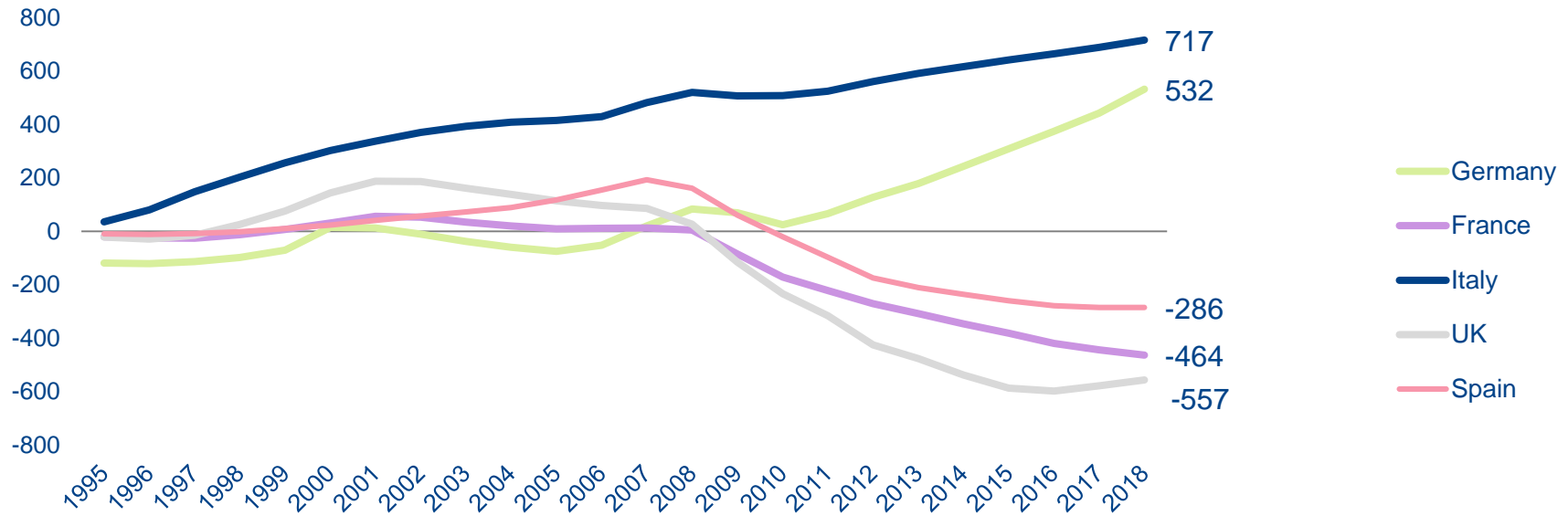
Public debt as percentage of household net financial assets (*) - 2017



(*) Financial assets held by households include: currency and deposits, securities other than shares, loans, shares and other equity, net equity of households in life insurance reserves, net equity of households in pension funds, prepayments of premiums and reserves against outstanding claims

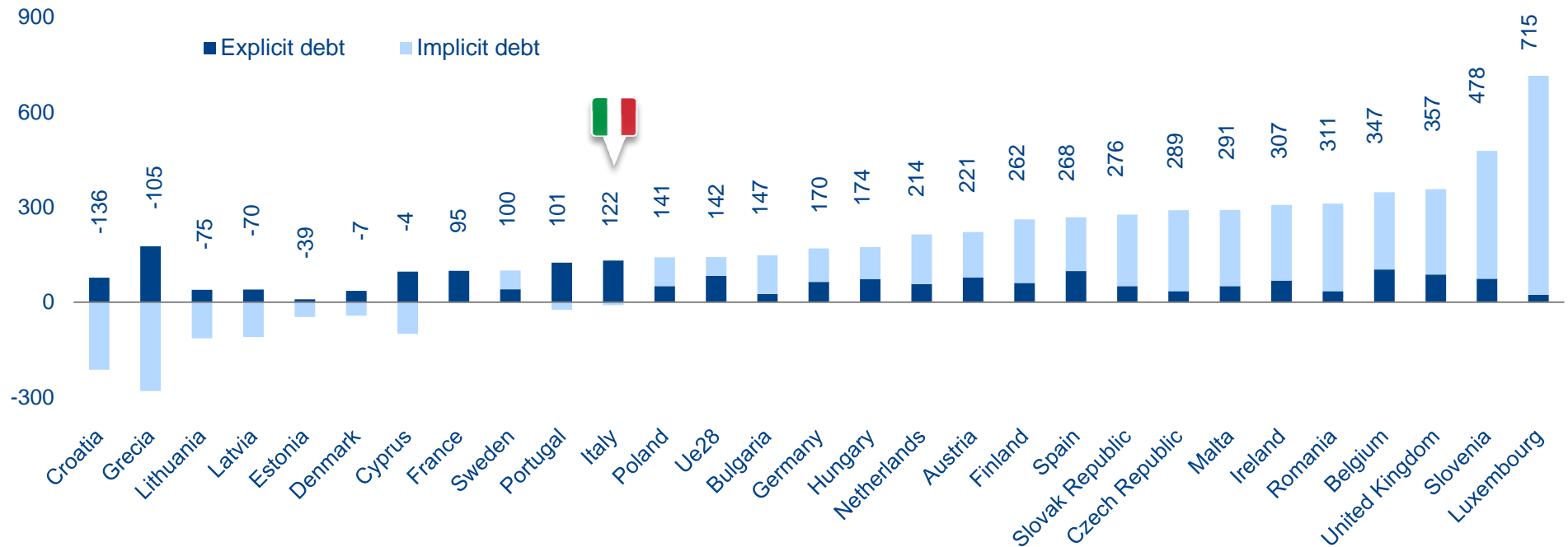
1.2 ITALIAN PRIMARY SURPLUS: THE HIGHEST CUMULATIVE VALUE

Cumulative primary balance (current values - billion euro)



1.3 EXPLICIT AND IMPLICIT DEBT: ITALY 11TH IN THE EU SUSTAINABILITY RANKING

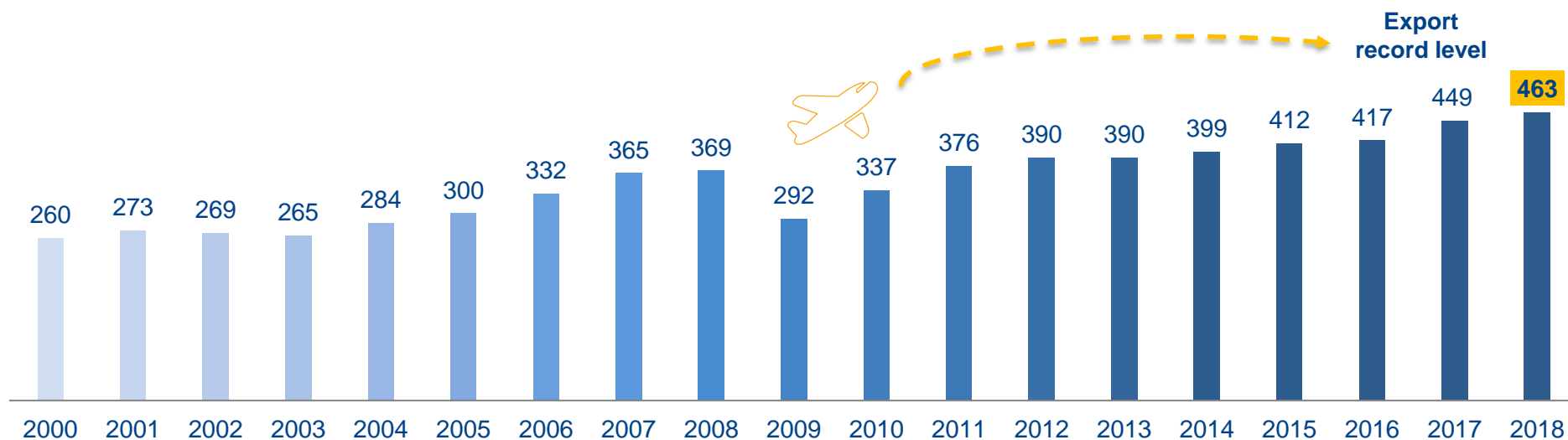
EU Sustainability Ranking - 2018 (explicit and implicit debt as % of GDP)



Source: Assolombarda on Stiftung Marktwirtschaft data

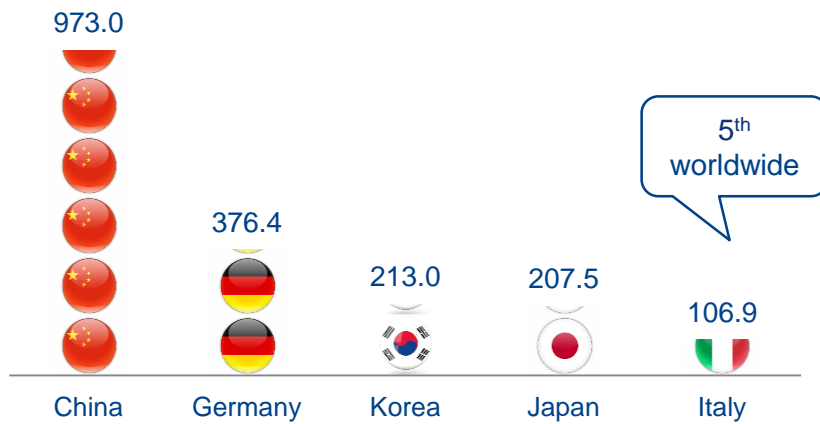
1.4 ITALIAN EXPORT PERFORMANCE 2000-2018

Italian export (billion euro)

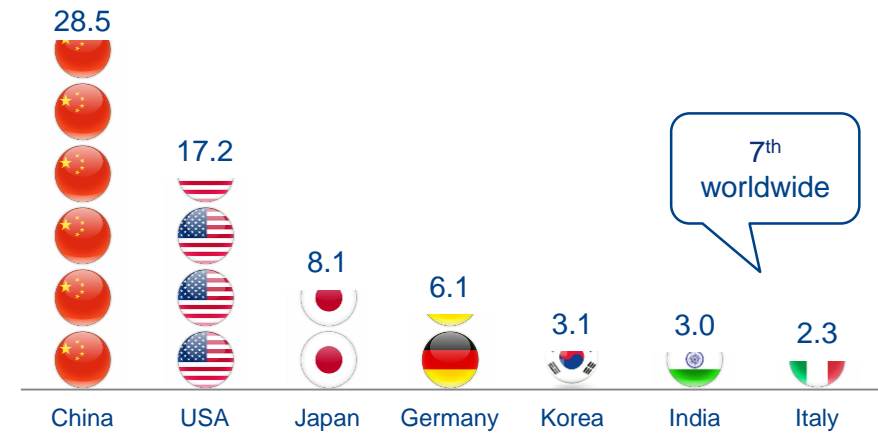


1.5 ITALIAN MANUFACTURING IN GLOBAL RANKINGS

Manufacturing trade surplus - 2017
(US billion dollar)



Share of global manufacturing value added - 2018 (% on current prices - US dollar)



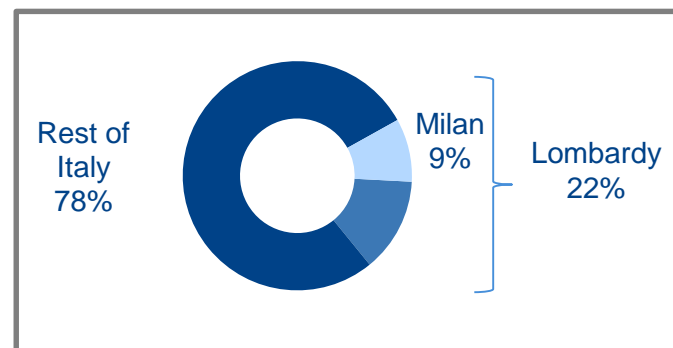
Lombardy and Milan: business structure

2

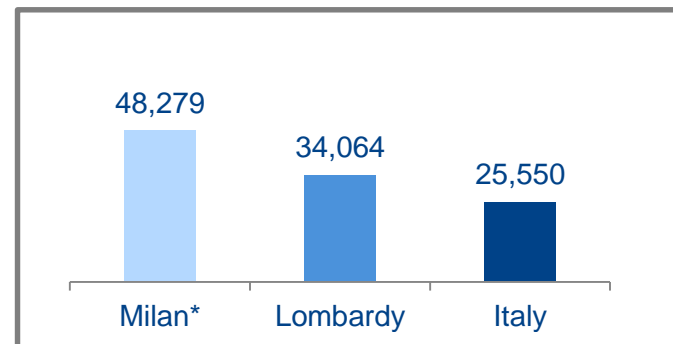
2.1 LOMBARDY, THE LEADING ITALIAN REGION: IN 2017, 22.2% OF THE ITALIAN GDP

| | Lombardy | Italy | Share |
|---|------------|------------|-------|
| Area (sq. km.) | 23,864 | 302,073 | 7.9% |
| Population (1/1/2018) | 10,036,258 | 60,483,973 | 16.1% |
| Workforce (thousand, 2018) | 4,711 | 25,970 | 18.1% |
| GDP (nominal, million euro, 2017) | 383,175 | 1,724,955 | 22.2% |
| Value Added (per capita, 2017) | 34,064 | 25,550 | - |
| Enterprises (2018) | 816,088 | 5,150,743 | 15.8% |
| R&D expenditure (million euro, 2016) | 4,758 | 23,172 | 20.5% |
| Import (million euro, 2018) | 133,861 | 423,998 | 31.6% |
| Export (million euro, 2018) | 127,061 | 462,899 | 27.5% |

Gross Domestic Product % - 2017



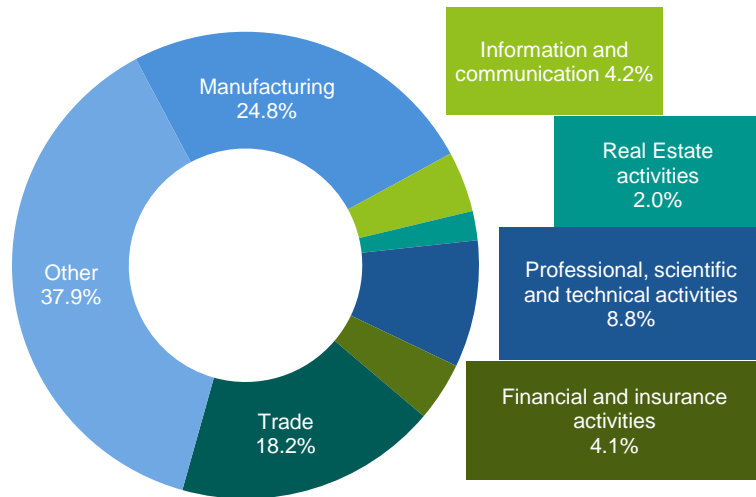
Value Added per capita - 2017 (euro)



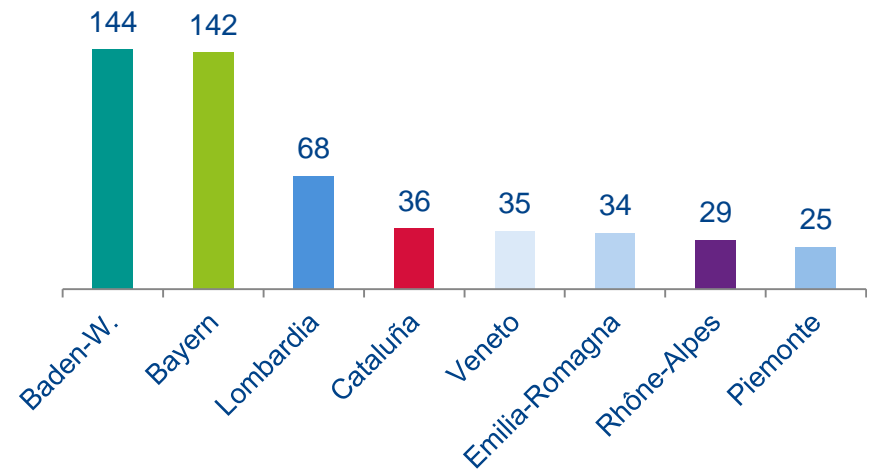
(*) estimated value

2.2 LOMBARDY, THE LEADING ITALIAN REGION IN TERMS OF MANUFACTURING GROSS VALUE ADDED

Lombardy workforce by business sector - 2016

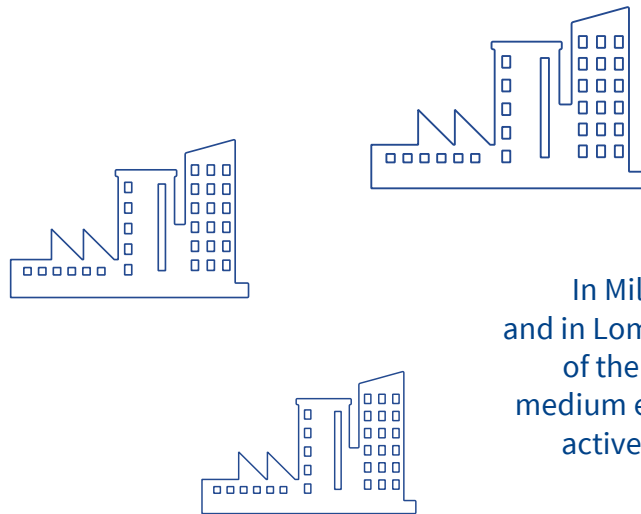


Manufacturing gross value added at basic prices by region - 2016 (billion euro)

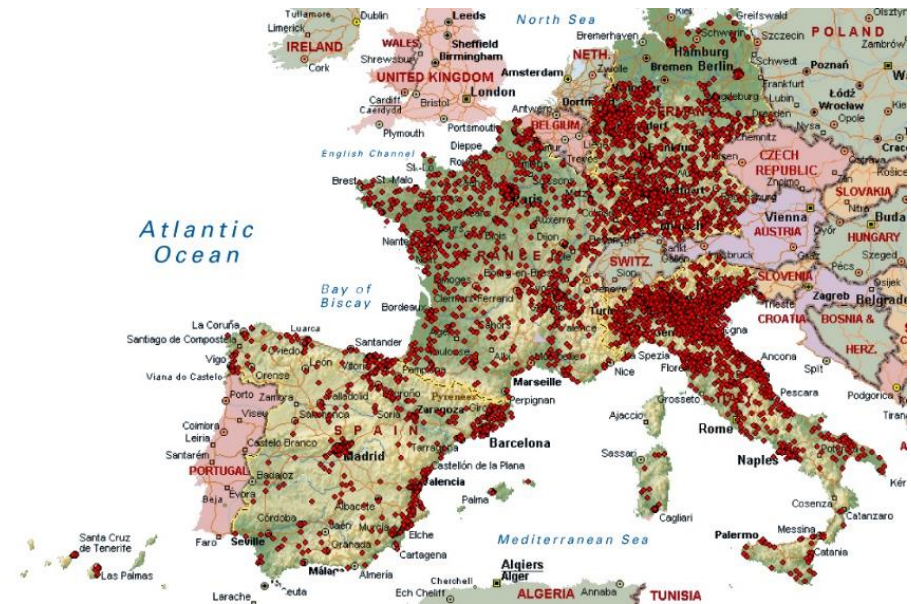


2.3 250 MANUFACTURING MEDIUM ENTERPRISES LOCATED IN MILAN, 1,100 LOCATED IN LOMBARDY

Number of manufacturing medium enterprises, with 50 to 499 persons employed and a sales volume of 15 to 330 million euro (excluding subsidiaries of large corporations or those under foreign control)

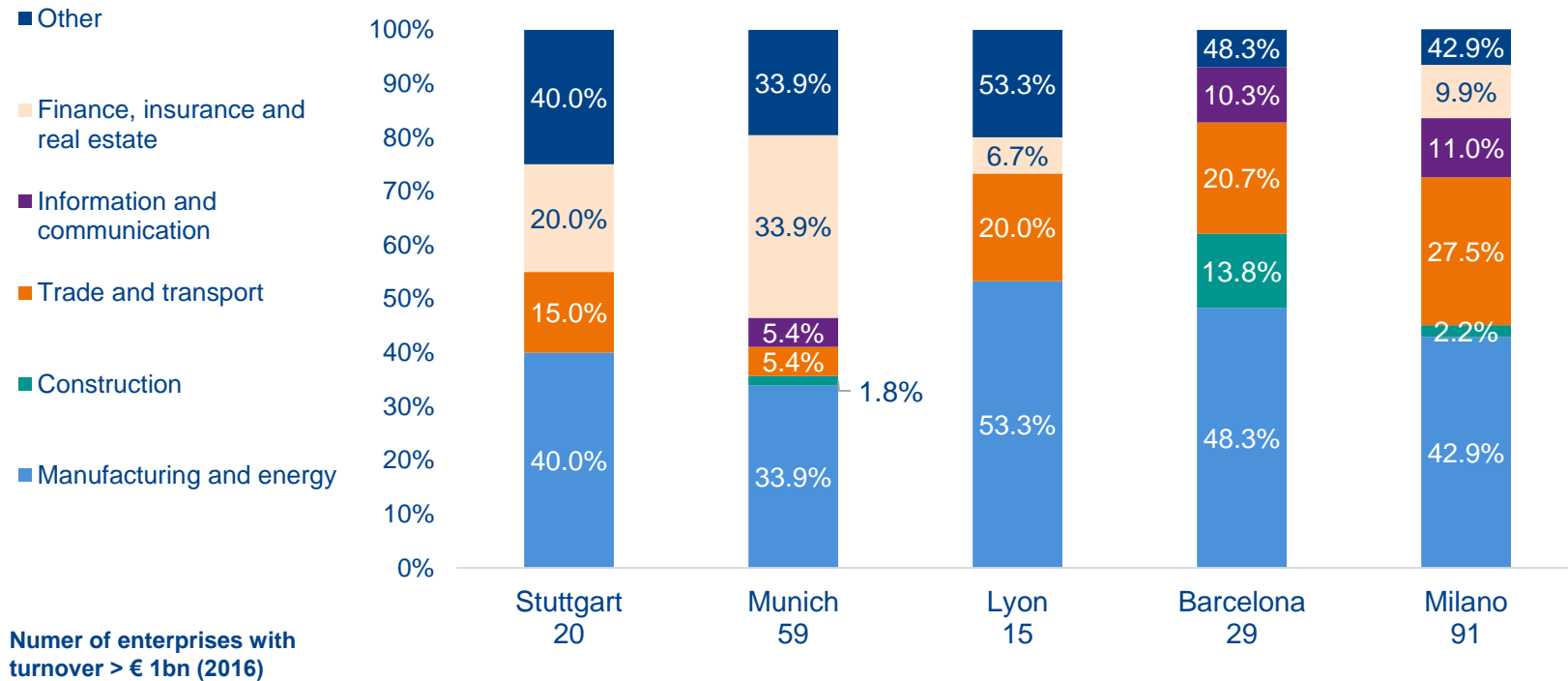


In Milan **7%**
and in Lombardy **31%**
of the **3,500***
medium enterprises
active in Italy



* Italian medium-sized manufacturing companies account for approximately 16% of the domestic manufacturing value added and of Italian exports

2.4 91 LARGE ENTERPRISES IN MILAN



2.5 MILAN THE PRIME LOCATION FOR OVER 4,500 MULTINATIONAL COMPANIES OPERATING IN ITALY

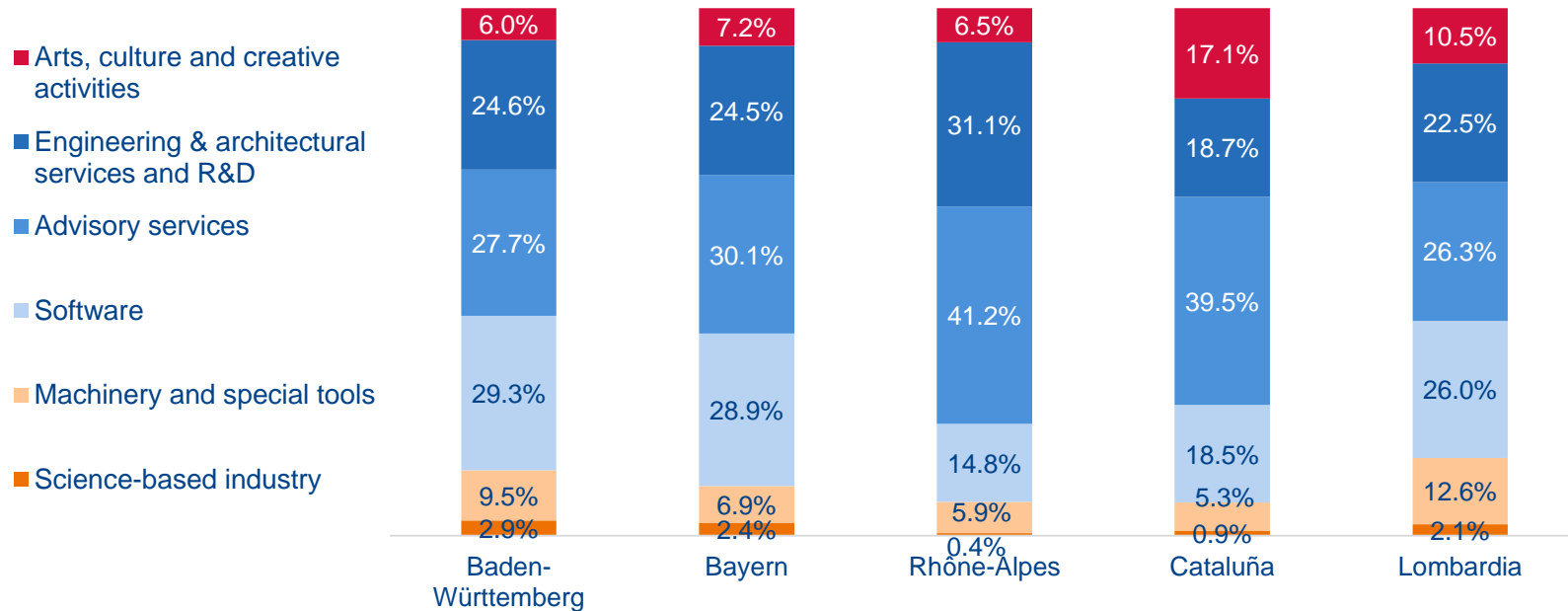
Foreign multinational enterprises

4,579 foreign multinational companies located in Milan (32,1% of those active in Italy)
with **465,875** employees and **€ 224 billion** turnover



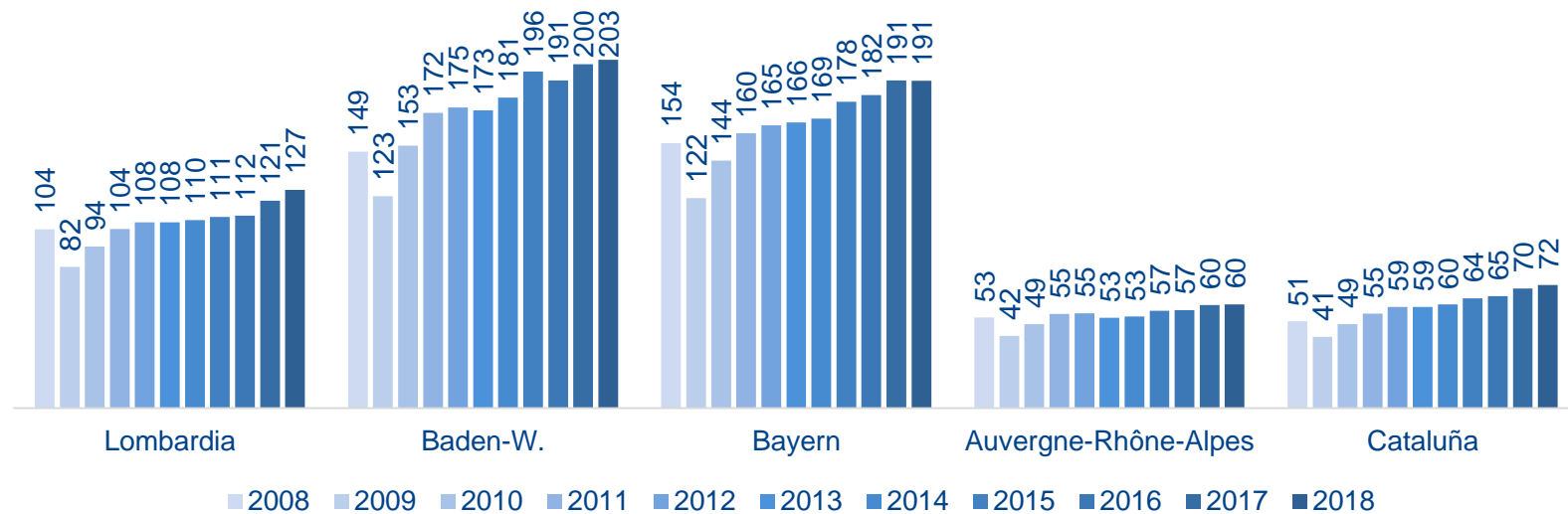
2.6 NEARLY 20,000 knowledge-intensive startups born in Lombardy (2009-2017)

19,698 knowledge-intensive startups - out of 86,051 located in Italy - born in Lombardy (2009-2017)



2.7 EXPORT: LOMBARDY VS OTHER EUROPEAN REGIONS

Export (billion euro)

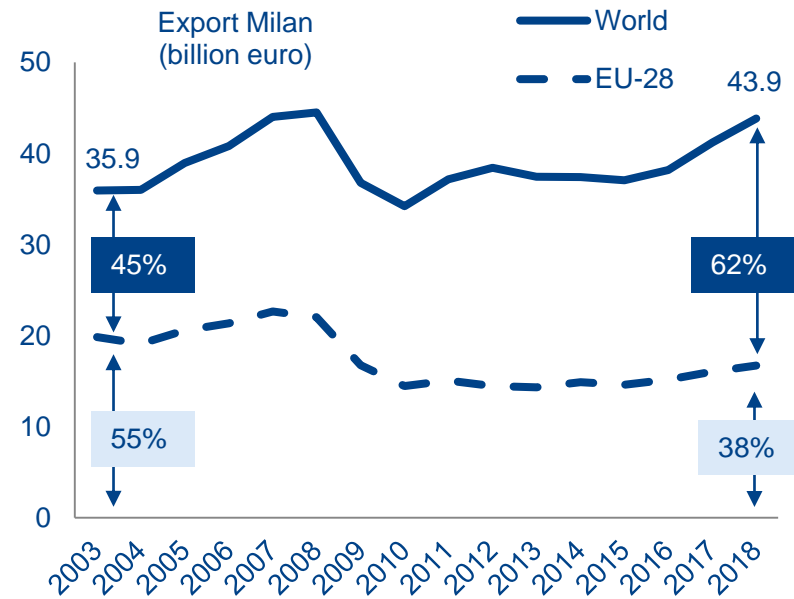


2.8 EXPORT: LOMBARDY'S MAIN TRADE PARTNERS

Lombardy's main trade partners - 2018
(million euro)

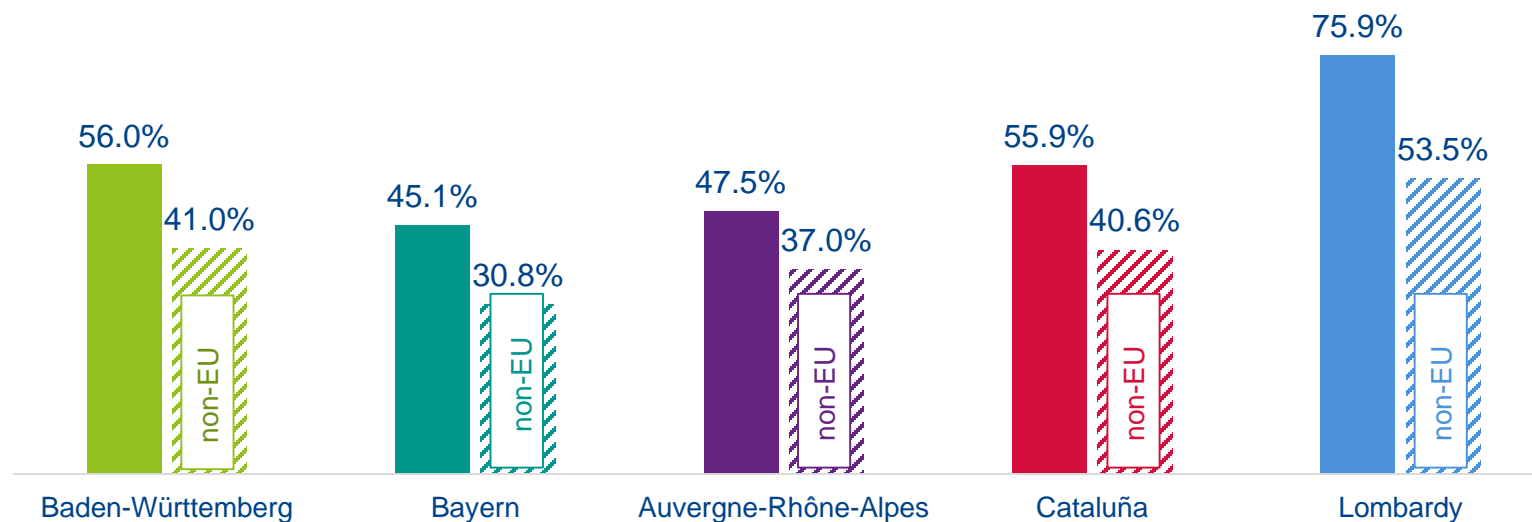
| | | Export 2018 | % change 2018-2008 |
|----|----------------|----------------|-----------------------|
| 1 | Germany | 17,073 | 19.5% |
| 2 | France | 12,302 | 1.0% |
| 3 | USA | 10,002 | 70.2% |
| 4 | Switzerland | 7,228 | 44.4% |
| 5 | Spain | 7,180 | 11.0% |
| 6 | United Kingdom | 5,185 | 9.7% |
| 7 | China | 4,433 | 84.5% |
| 8 | Poland | 3,997 | 52.2% |
| 9 | Netherlands | 3,101 | 18.1% |
| 10 | Austria | 2,701 | 18.8% |

Repositioning on extra-EU markets: the case of Milan - 2018



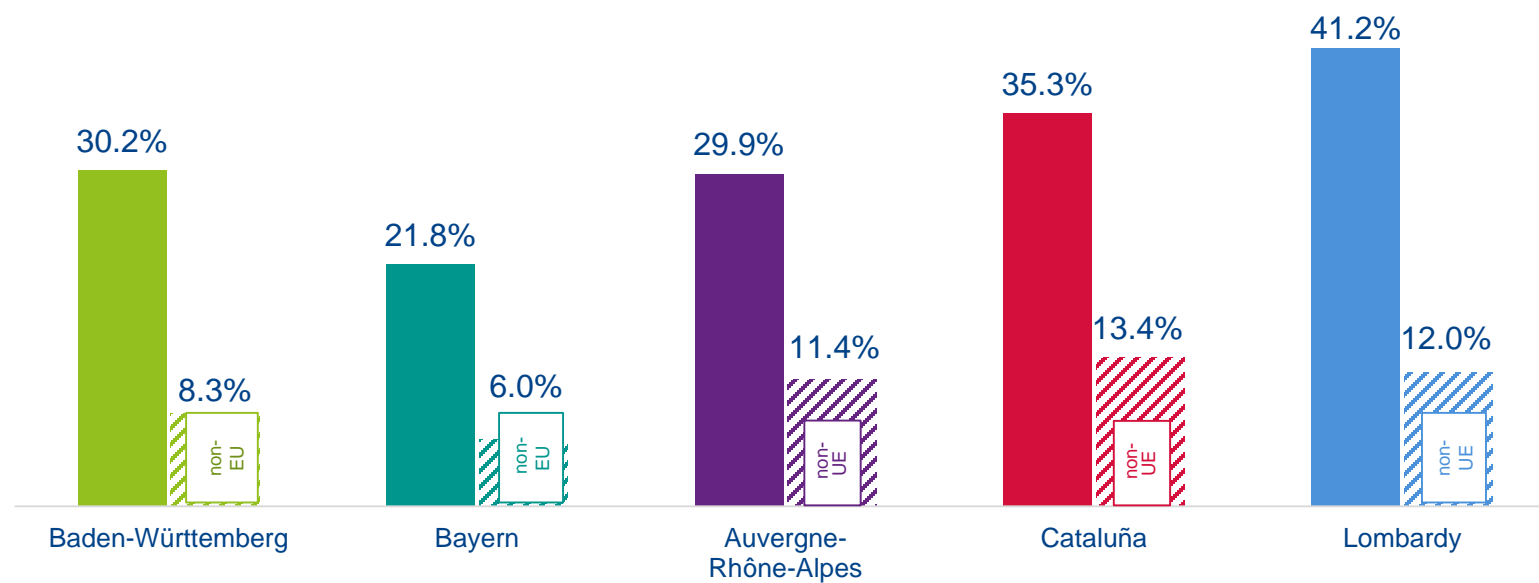
2.9 OPENNESS TO INTERNATIONAL TRADE: OUTDOING GERMAN REGIONS...

Manufacturing exporters - 2017 (% of firms)



2.10 ...ALSO WORTH MENTIONING: THE IMPORTANCE OF EXPORT OVER TOTAL TURNOVER

Export turnover of manufacturing firms - 2017
(% over total turnover)

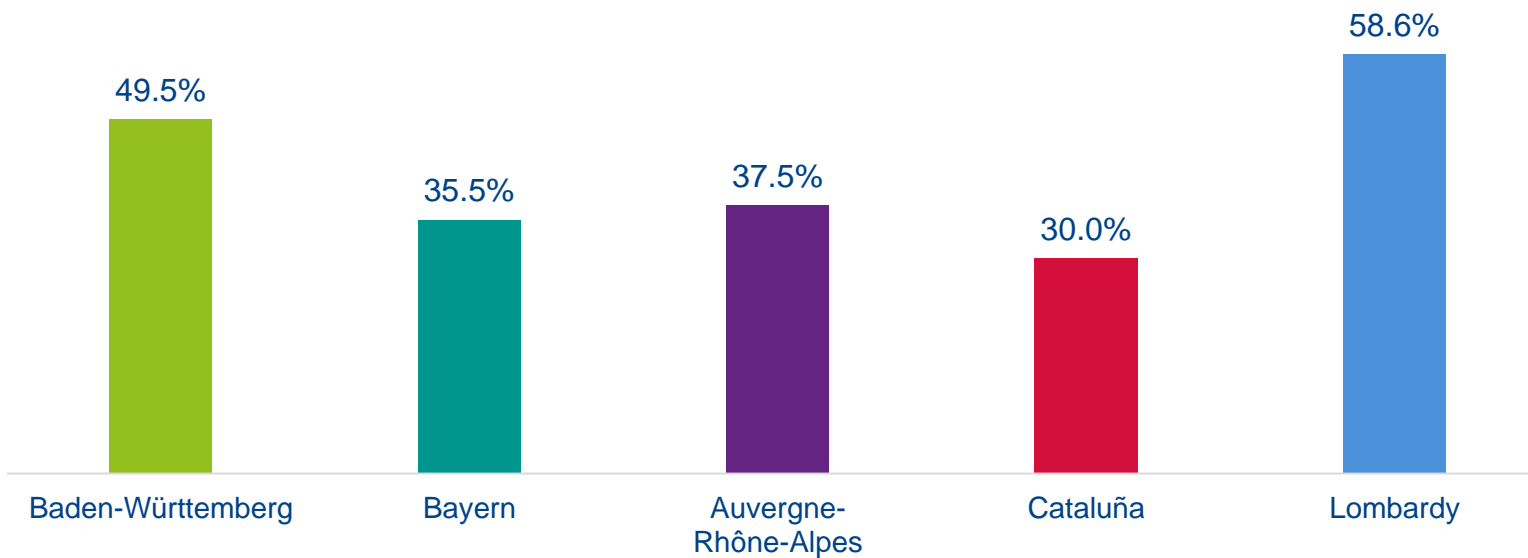


Lombardy and Milan: strengths

3

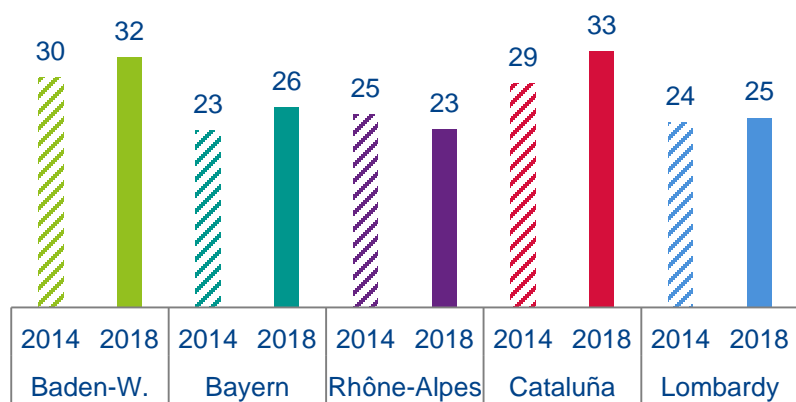
3.1 BUSINESS R&D INVESTMENTS IN LOMBARDY: CATCHING UP TO GERMAN REGIONS

R&D activity in manufacturing firms - 2015-2017 (% of firms)

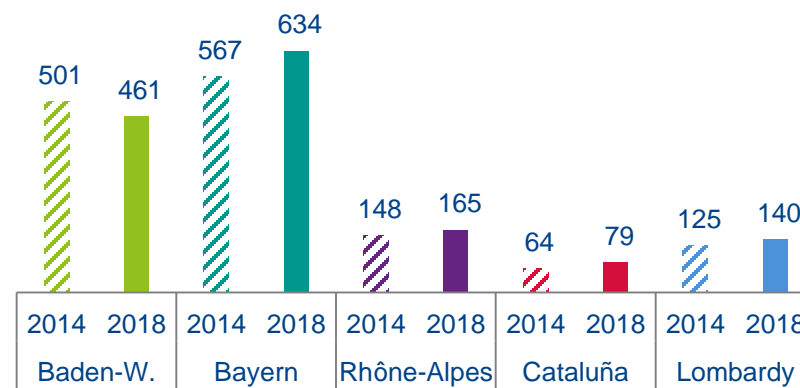


3.2 RESEARCH AND INNOVATION

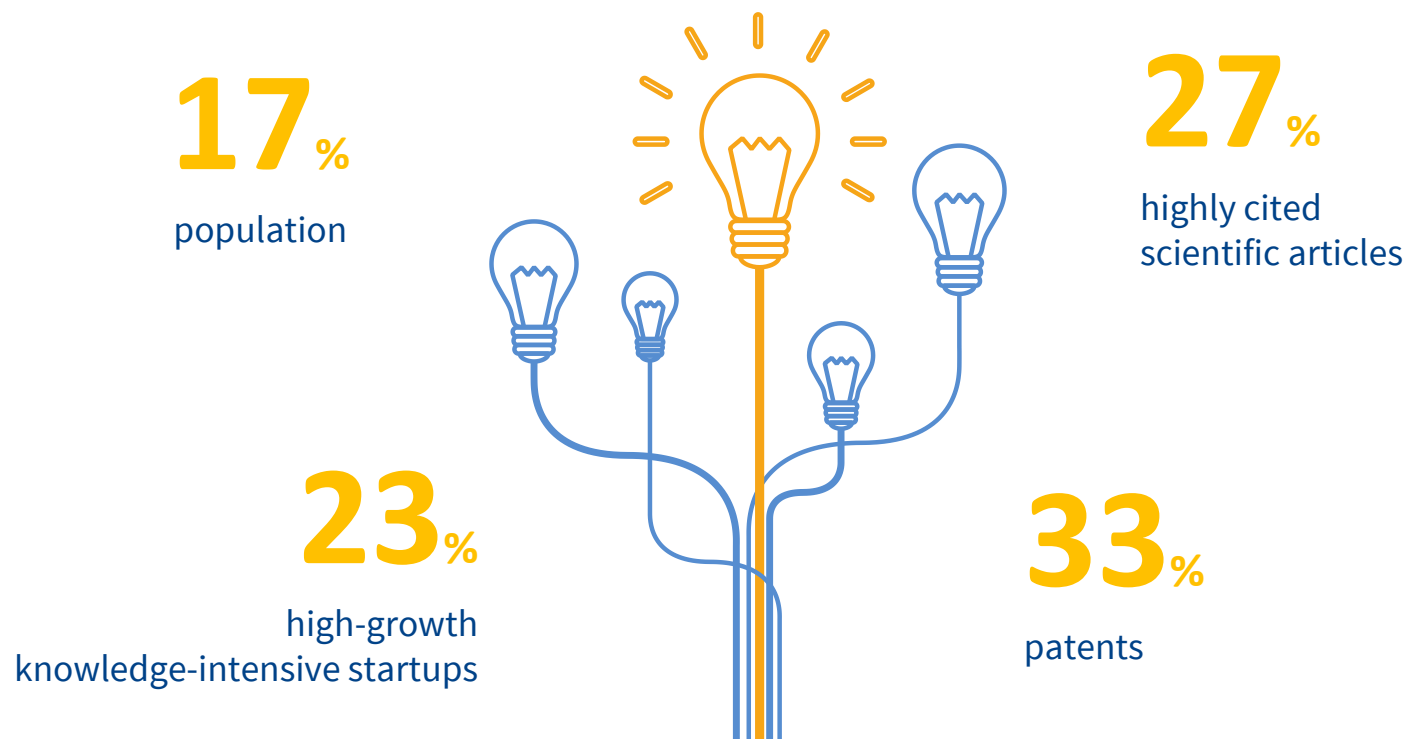
Highly cited scientific articles per million inhabitants



Patents per million inhabitants



3.3 INNOVATION: THE ROLE OF LOMBARDY IN ITALY



3.4 STRONG PRESENCE OF HIGH-QUALITY PUBLIC AND PRIVATE RESEARCH CENTERS

13

universities

1

Institute for
Advanced
Study

12

CNR (National Research
Council) Institutes and 18 territorial
sections of CNR Institutes

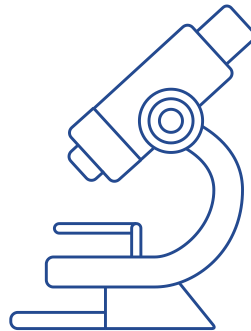


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sections of the Italian National Institute for
Nuclear Physics and one European Joint
Research Center

19

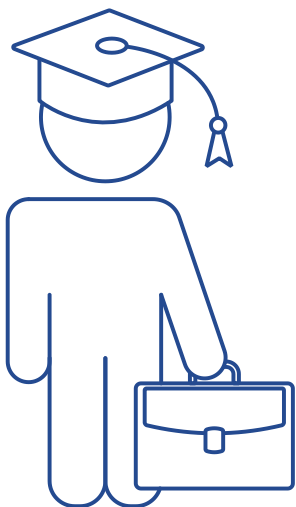
Institutes for Treatment and Research



700

Research and Technology Transfer Centers

3.5 UNIVERSITIES: HIGH CONCENTRATION (13) AND INTERNATIONAL ATTRACTIVENESS



In Lombardy

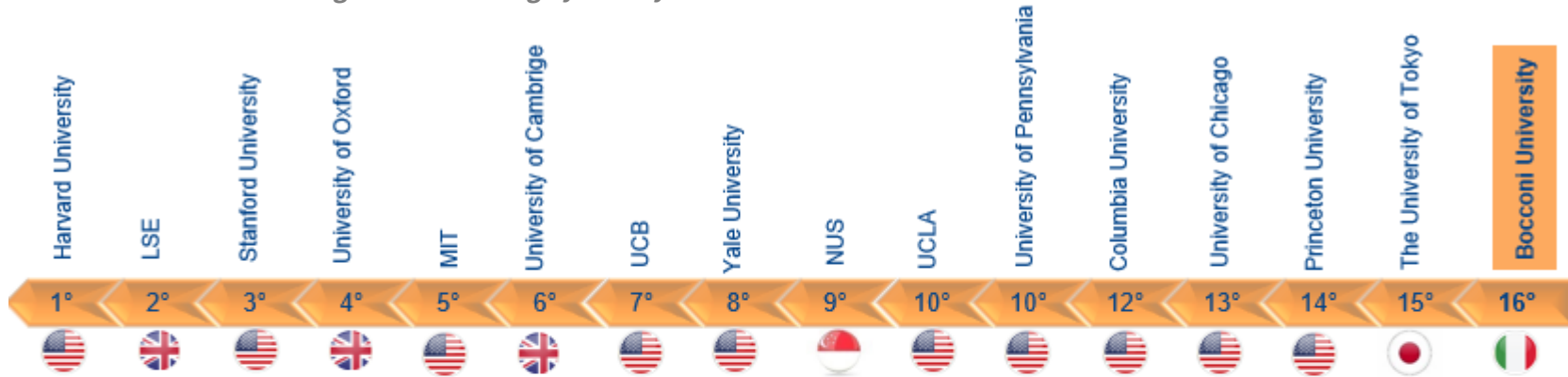
Just under **280,000 university students**

of which **14,500 international university students** (around **12,200** in Milan)
equal to **5%** of the total number of students

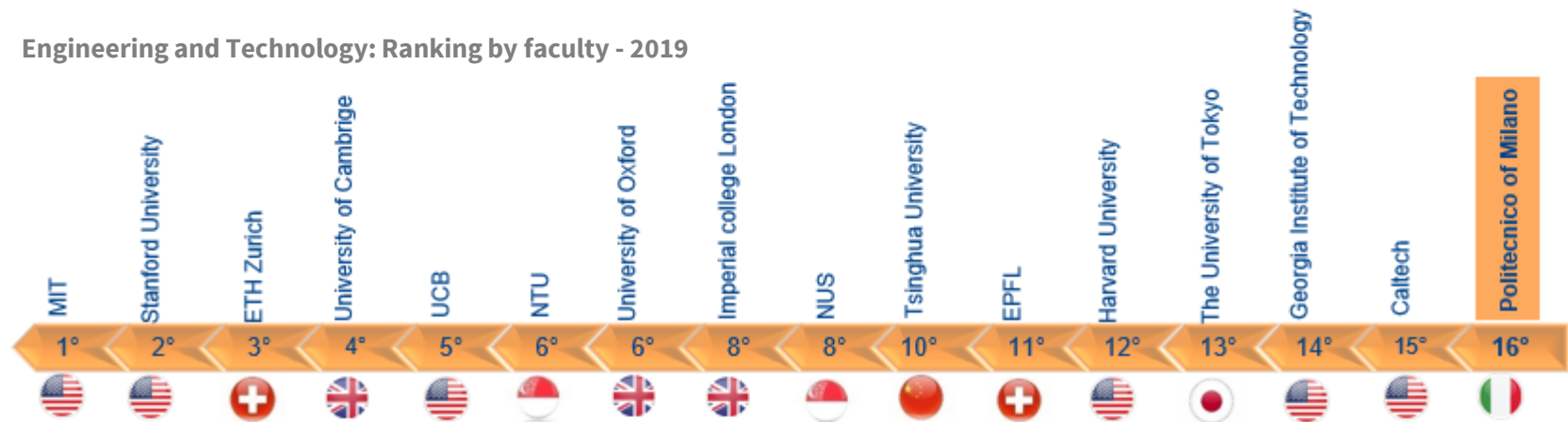
The equivalent figure is **10%** in France
8% in Germany
3% in Spain

3.6 UNIVERSITIES: POLITECNICO OF MILANO AND BOCCONI EXAMPLES OF EXCELLENCE

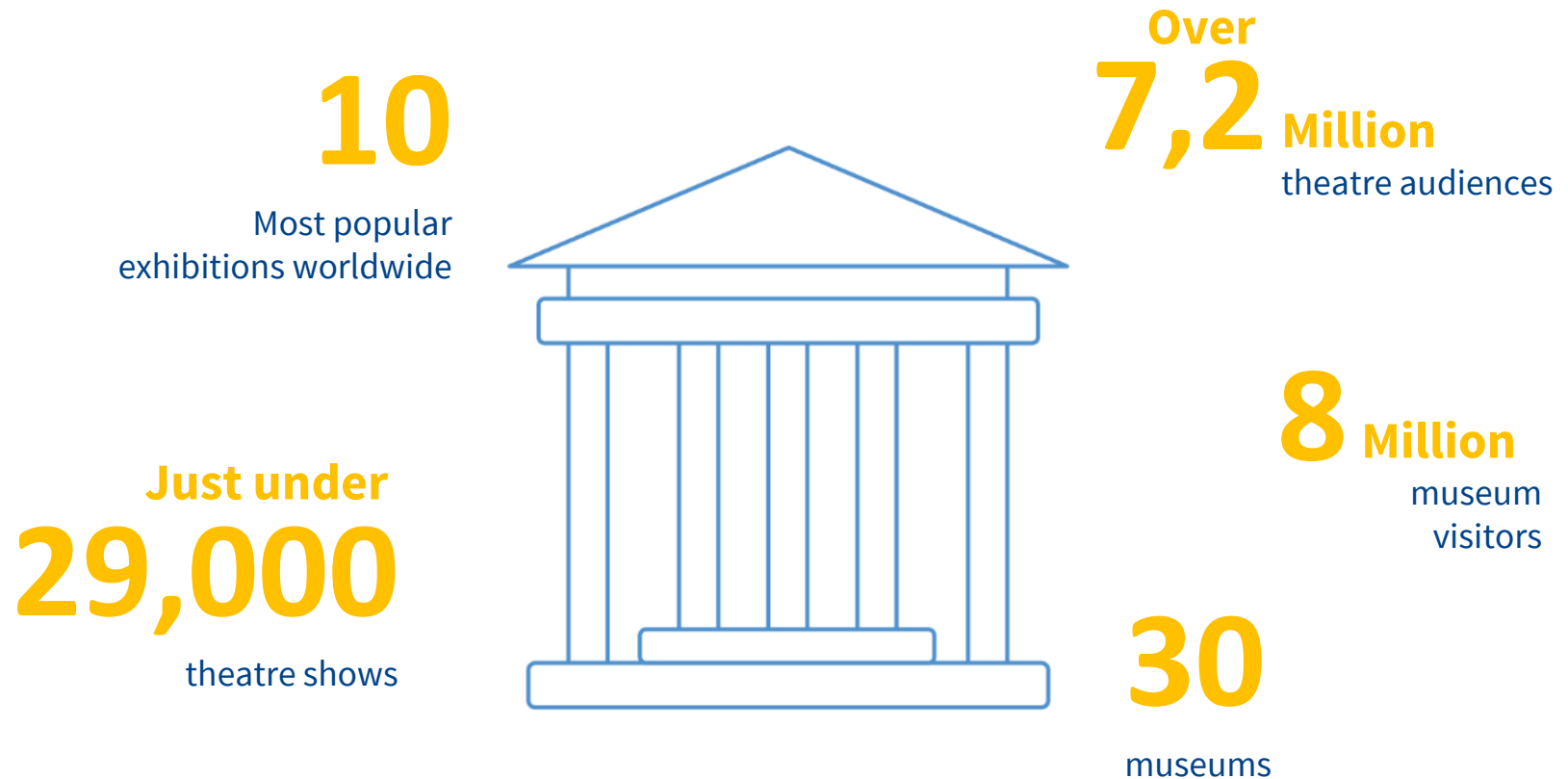
Social Sciences and Management: Ranking by faculty - 2019



Engineering and Technology: Ranking by faculty - 2019

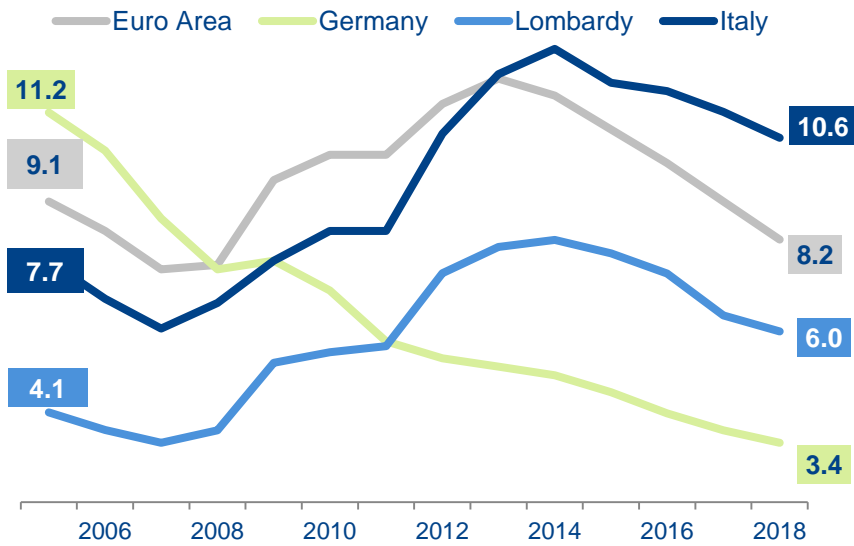


3.7 MILAN, A HUB OF ITALIAN CREATIVITY

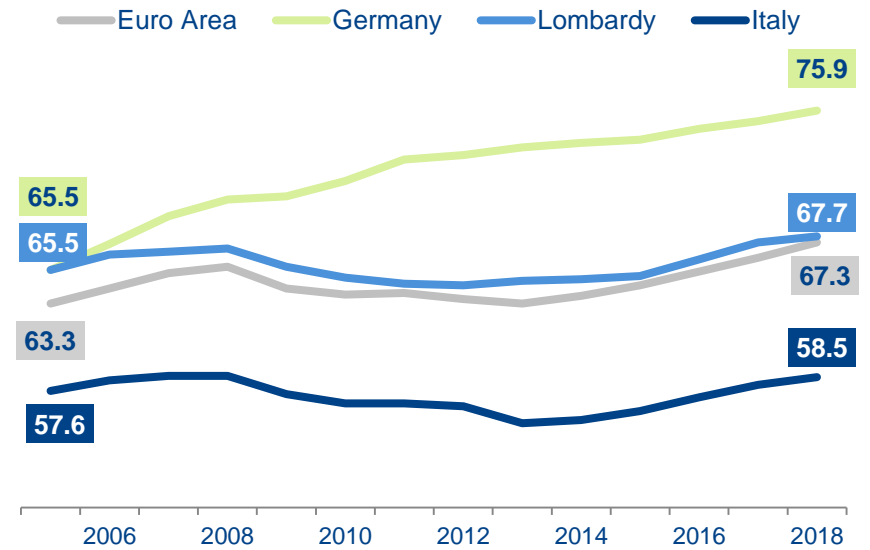


3.8 LABOUR MARKET: A BETTER PERFORMANCE THAN THE ITALIAN AVERAGE

Unemployment rate

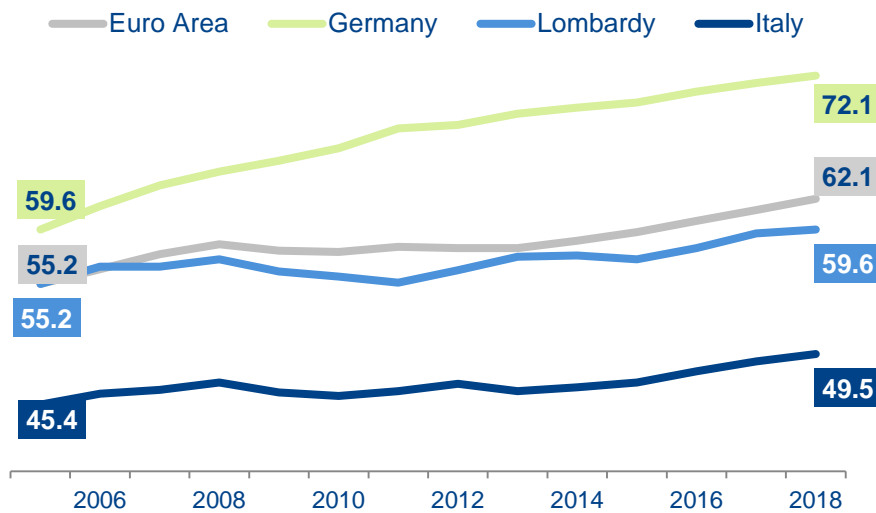


Employment rate



3.9 LABOUR MARKET: HIGH FEMALE EMPLOYMENT RATE

Female employment rate



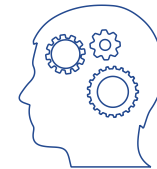
In Lombardy the female employment rate is in line with the 2010 Lisbon targets, thanks to:

- ➔ more **opportunities** for women to reach relevant positions/roles in their firms
- ➔ spread of **part-time** contracts (25% among working women)
- ➔ **welfare** initiatives both by large private companies and public institutions (78% of municipalities provide childcare services, such as kindergarten).

3.10 WHAT MAKES LOMBARDY AND MILAN A KNOWLEDGE HUB?

The fact that here you find:

- a **multi-sectorial economy**, with a manufacturing core integrated with a highly with knowledge-intensive services (especially in Milan);
- a thick **network of small and medium firms** coexisting and interweaving with **large enterprises** and **multinational companies**;
- as many as **13 long-standing and prestigious universities**, closely connected to the entrepreneurial system;
- a strong specialization in knowledge-intensive sectors and the availability of **high-skilled human capital**.



3.11 5 TYPICAL VOCATIONS FOR MILAN

Value chains and sectorial specializations that are internationally renown and have a high growth potential



Life sciences



Agribusiness



Manufacturing 4.0



Finance



Art, culture and design

www.assolombarda.it
www.genioeimpresa.it

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