



ASSOLOMBARDA

Booklet Italy, Lombardy and Milan

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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 National Confederation of entrepreneurial associations.

Italy: perception and reality

«Made in Italy» is one of the most famous brands in the world. But Italy proves capable of competing in international markets setting records also in less renowned fields. To name a few:

- the growing export performance of the manufacturing sector (448 billion euros in 2017);
- 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

A solid and highly diversified economy (from industry to trade, to services, to finance) is the main feature of Lombardy and Milan: 25% 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 4,200 MNCs for a total workforce of 431,000 employees and a turnover of 208 billion euros. These multinational companies are well-integrated in a dynamic system connecting small, medium and large firms, 90 of which boast a turnover of over 1 billion euros, a number higher than in Munich (61 firms) and Barcelona (39). Lombardy is also an attractive place for knowledge-intensive startups (over 15,000 between 2007 and 2014).

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 270,000 students, of which almost 13,000 are foreigners.

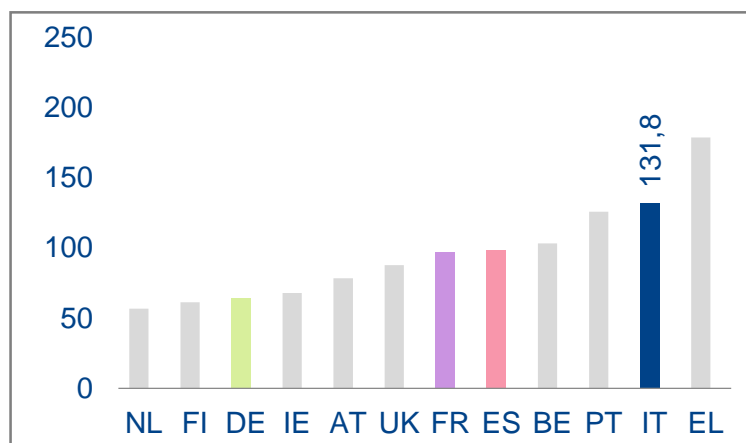
Last but not least, Lombardy and Milan are specialized in business supply chains and sectors which enjoy international prominence and a high growth potential, these typical vocations being identified with the Life Sciences, Agribusiness, Manufacturing 4.0, Art, culture and design, and Finance. Of particular relevance, 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 the capital for arts, culture and design.

1. Italy and Lombardy: perception and reality

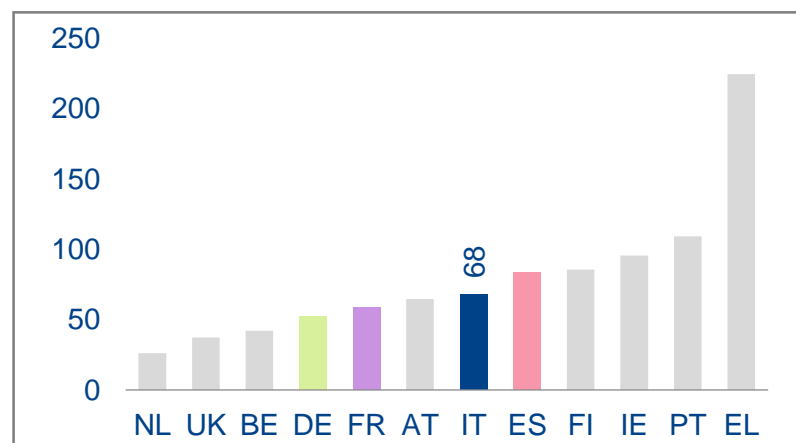
Italy and Lombardy: perception and reality

Italian public debt: 131.8% of GDP but only 68% of household net financial assets

Public debt as percentage of GDP - 2017



Public debt as percentage of household net financial assets (*) - 2016

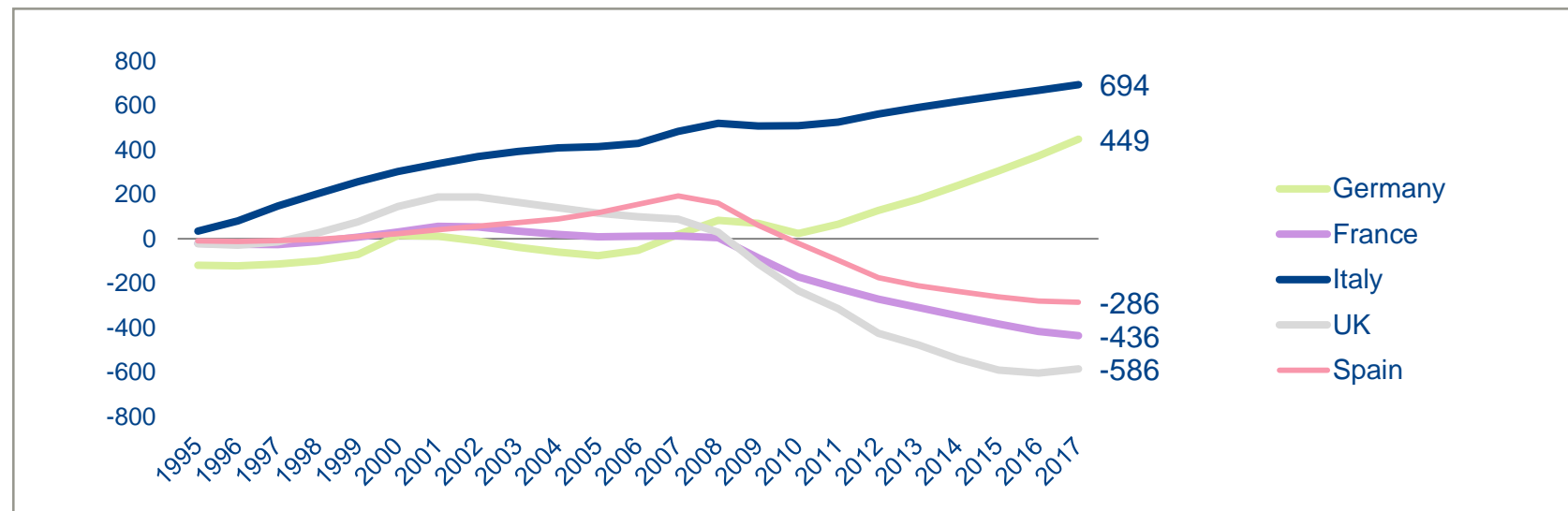


(*) Financial assets held by households include: currency and deposits, securities other than shares, loans, shares and other equity, net equity of households in life insurance reserves, net equity of households in pension funds, prepayments of premiums and reserves against outstanding claims

Italy and Lombardy: perception and reality

Italian primary surplus: the highest cumulated value

Cumulated primary balances (current values - billion euro)

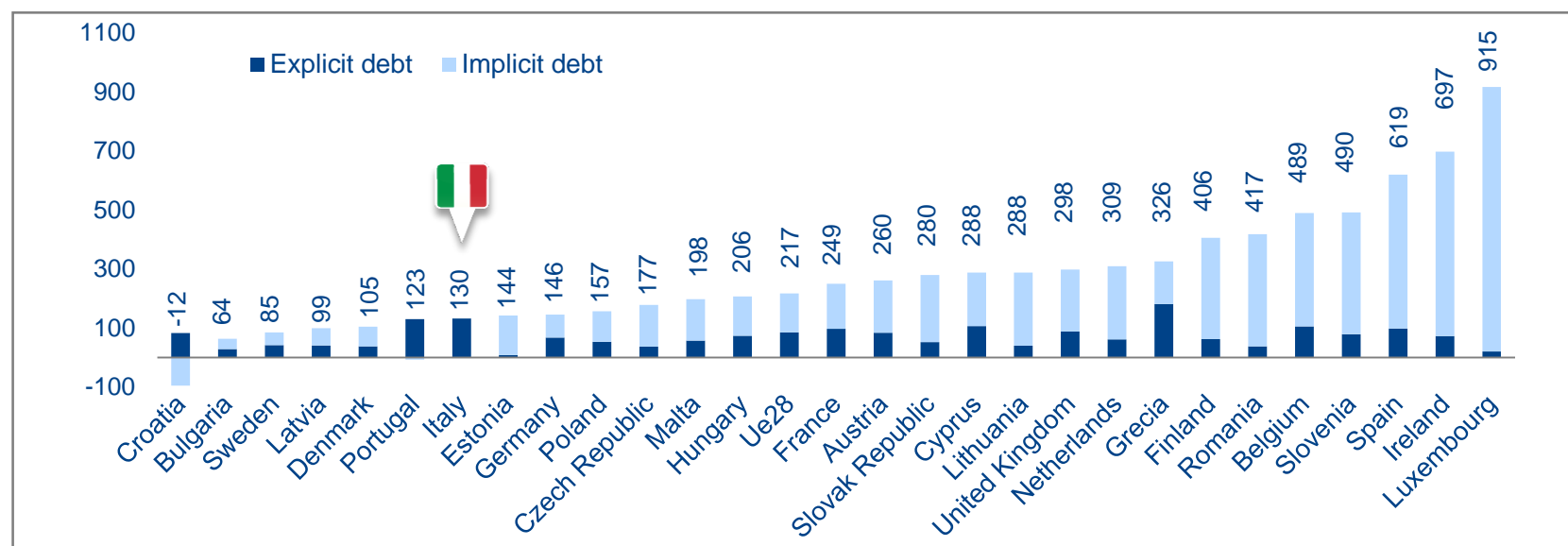


Source: Assolombarda on Eurostat data

Italy and Lombardy: perception and reality

Explicit and implicit debt: Italy seventh in the EU Sustainability Ranking

EU Sustainability Ranking - 2017 (explicit and implicit debt as % of GDP)

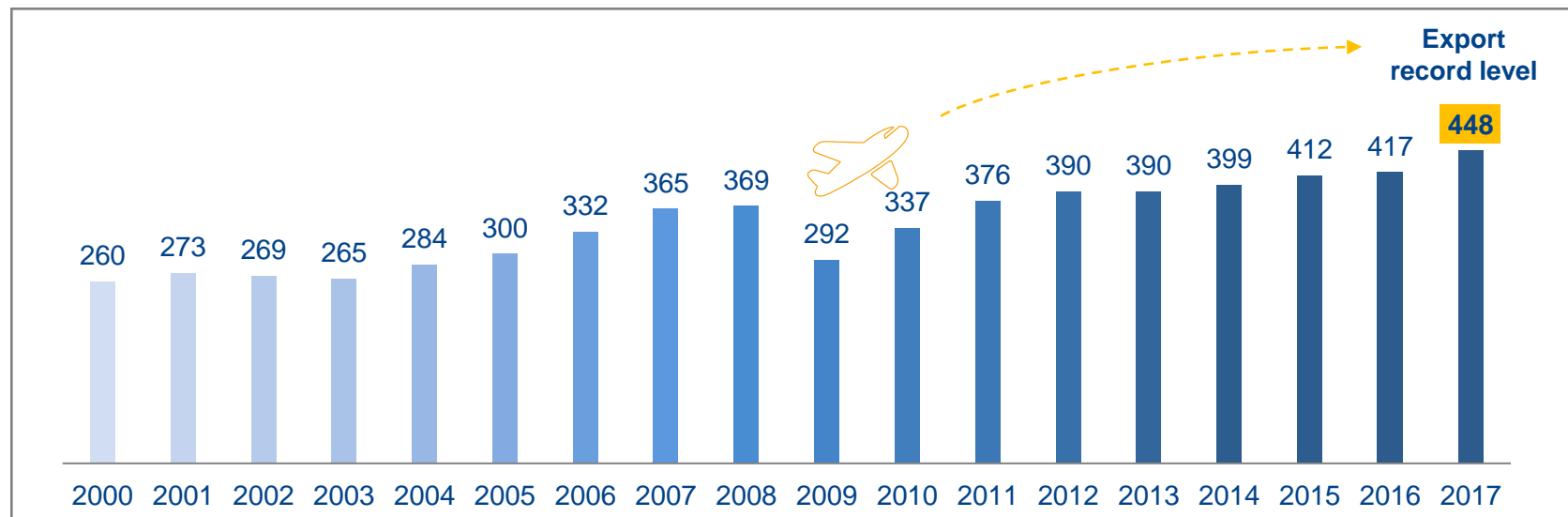


Source: Assolombarda on Stiftung Marktwirtschaft data

Italy and Lombardy: perception and reality

Italian manufacturing export performance 2000-2017

Italian manufacturing export (billion euro)

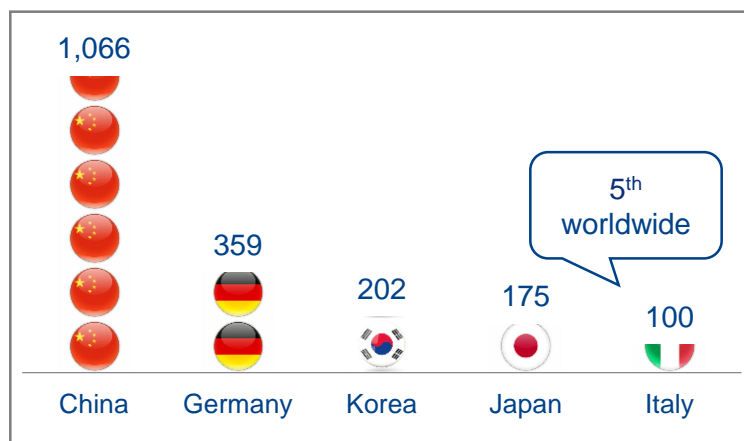


Source: Assolombarda on Istat data

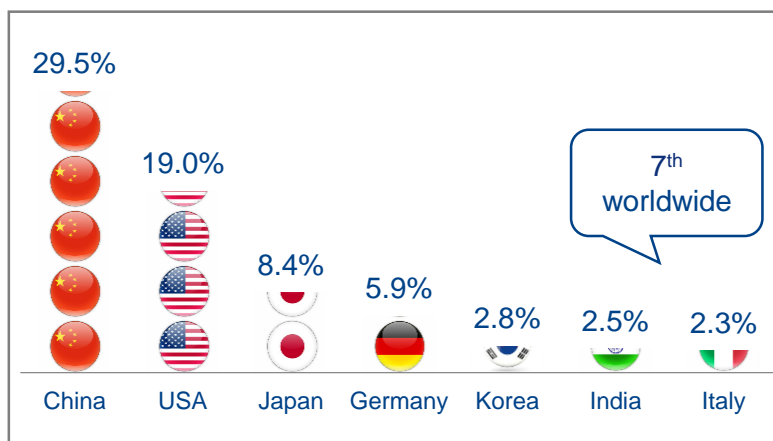
Italy and Lombardy: perception and reality

Italian manufacturing in global rankings

Manufacturing trade surplus - 2016
(US billion dollar)



Share of global manufacturing value added - 2016
(% on current prices - US dollar)



Source: Assolombarda on WTO and CSC data

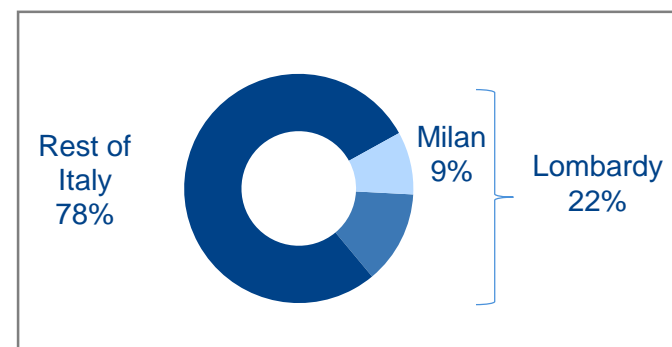
2. Lombardy and Milan: business structure

Lombardy and Milan: business structure

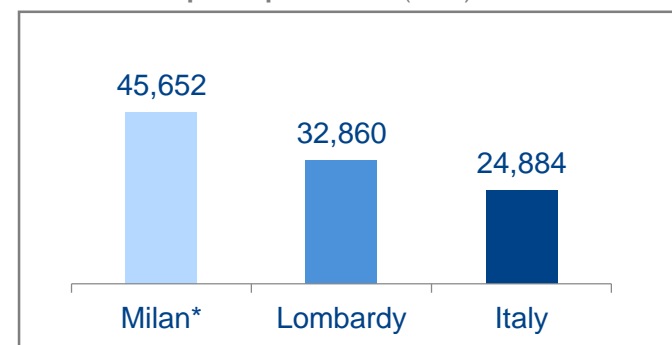
Lombardy, the leading Italian Region: in 2016, 22% of the Italian GDP

	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, 2017)	4,399,374	23,023,959	19.1%
GDP (nominal, million euro, 2016)	368,582	1,680,523	21.9%
Value Added (per capita, 2016)	32,860	24,884	-
Enterprises (2017)	815,956	5,150,149	15.8%
R&D expenditure (million euro, 2014)	4,625	22,291	20.8%
Import (million euro, 2017)	124,737	400,659	31.1%
Export (million euro, 2017)	120,334	448,107	26.9%

Gross Domestic Product % - 2016



Value Added per capita - 2016 (euro)



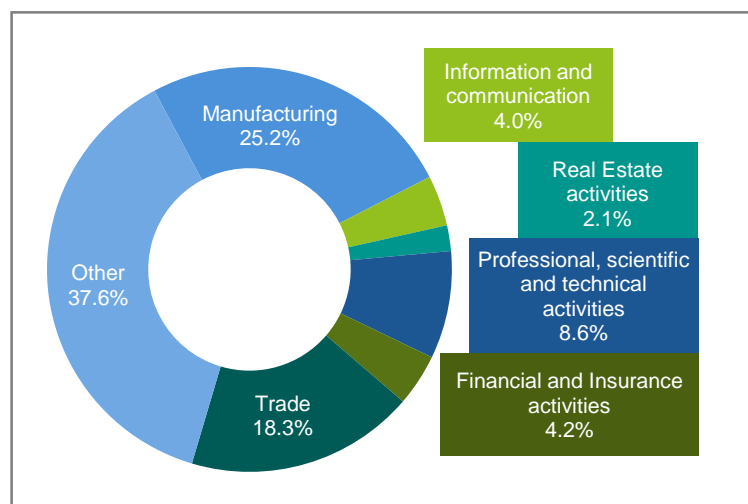
(*) 2015

Source: Assolombarda on Istat and Prometeia data

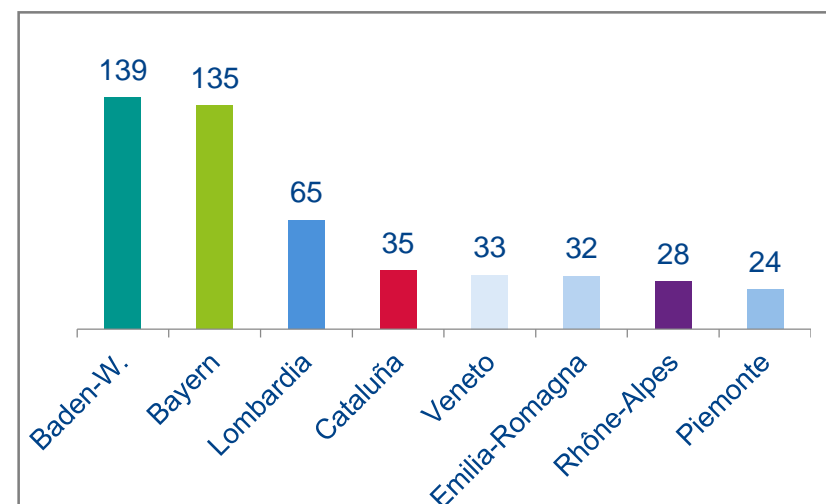
Lombardy and Milan: business structure

Lombardy, the leading Italian region in terms of manufacturing gross value added

Lombardy workforce by business sector - 2015



Manufacturing gross value added at basic prices by region - 2015
(billion euro)

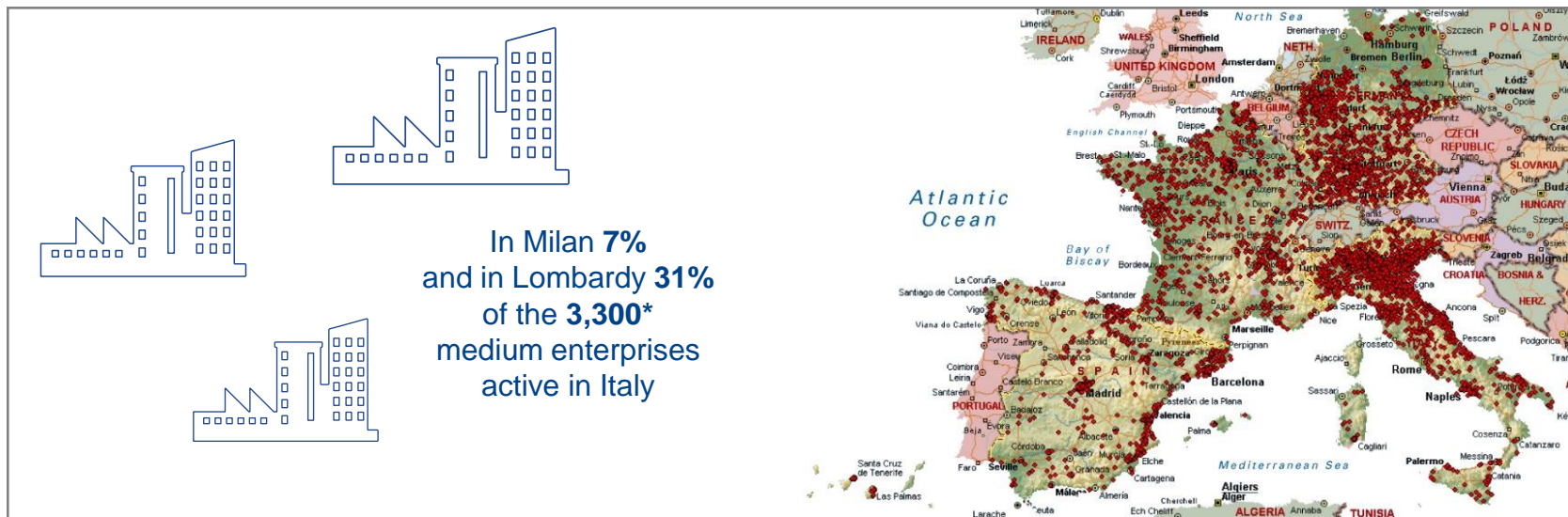


Source: Assolombarda on Istat and Eurostat data

Lombardy and Milan: business structure

250 manufacturing medium enterprises located in Milan, 1,000 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)

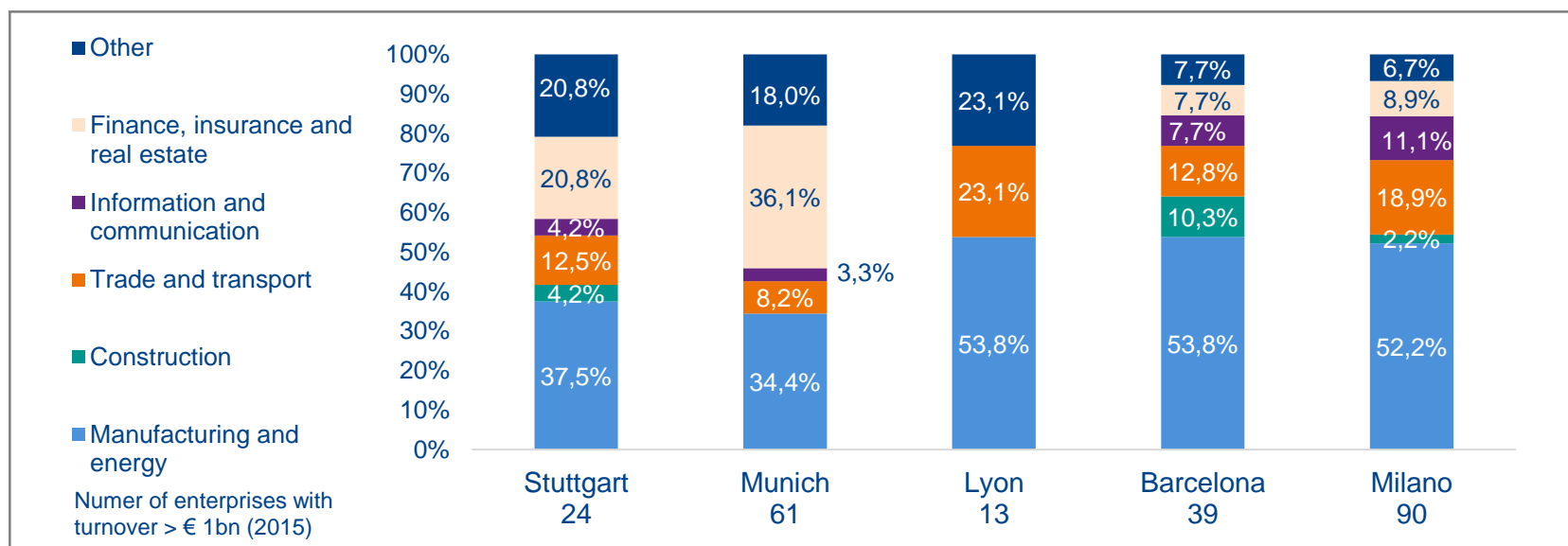


* Italian medium-sized manufacturing companies account for approximately 15% of the domestic manufacturing value added and of Italian exports

Source: Assolombarda on Mediobanca – Unioncamere data

Lombardy and Milan: business structure

90 large enterprises in Milan



Source: Assolombarda on Orbis data

Lombardy and Milan: business structure

Milan the prime location for over 4,200 multinational companies operating in Italy

Foreign multinational enterprises

4,224 foreign multinational companies located in Milan (32,4% of those active in Italy)
with **207,692** employees and **€ 208 billion** turnover

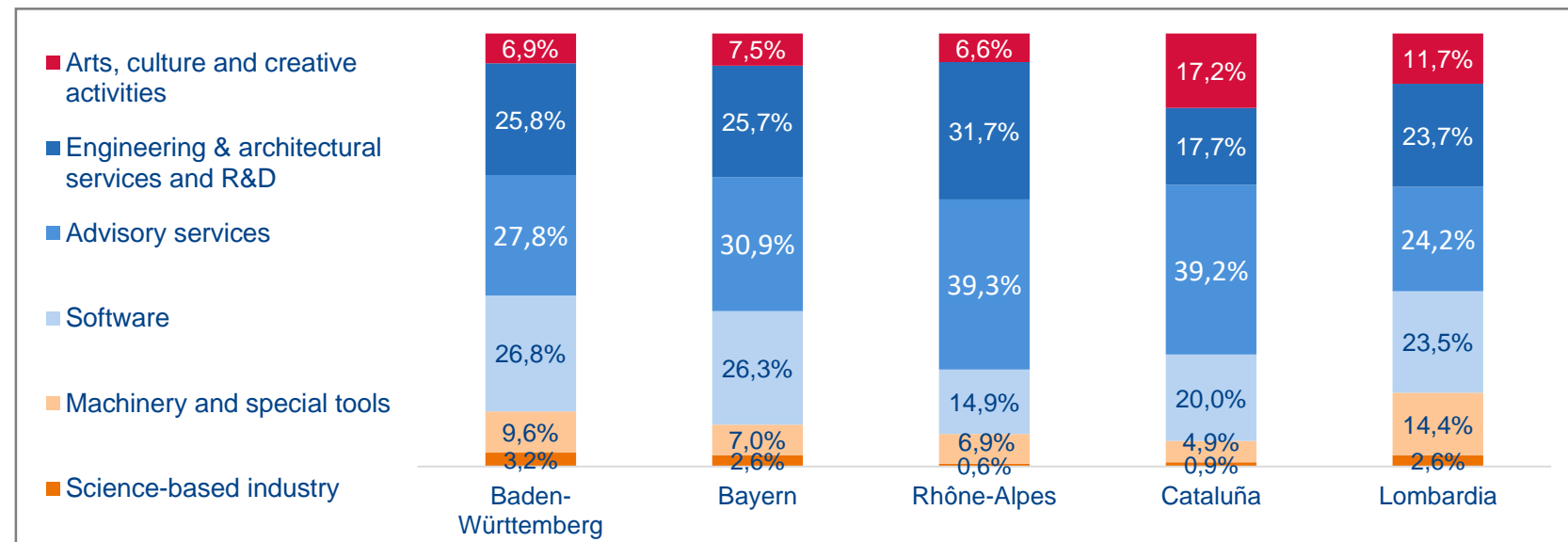


Source: Assolombarda on Milan Chamber of Commerce data

Lombardy and Milan: business structure

Over 15,000 knowledge-intensive startups born in Lombardy (2007-2014)

15,351 knowledge-intensive startups - out of 66,040 located in Italy - born in Lombardy (2007-2014)

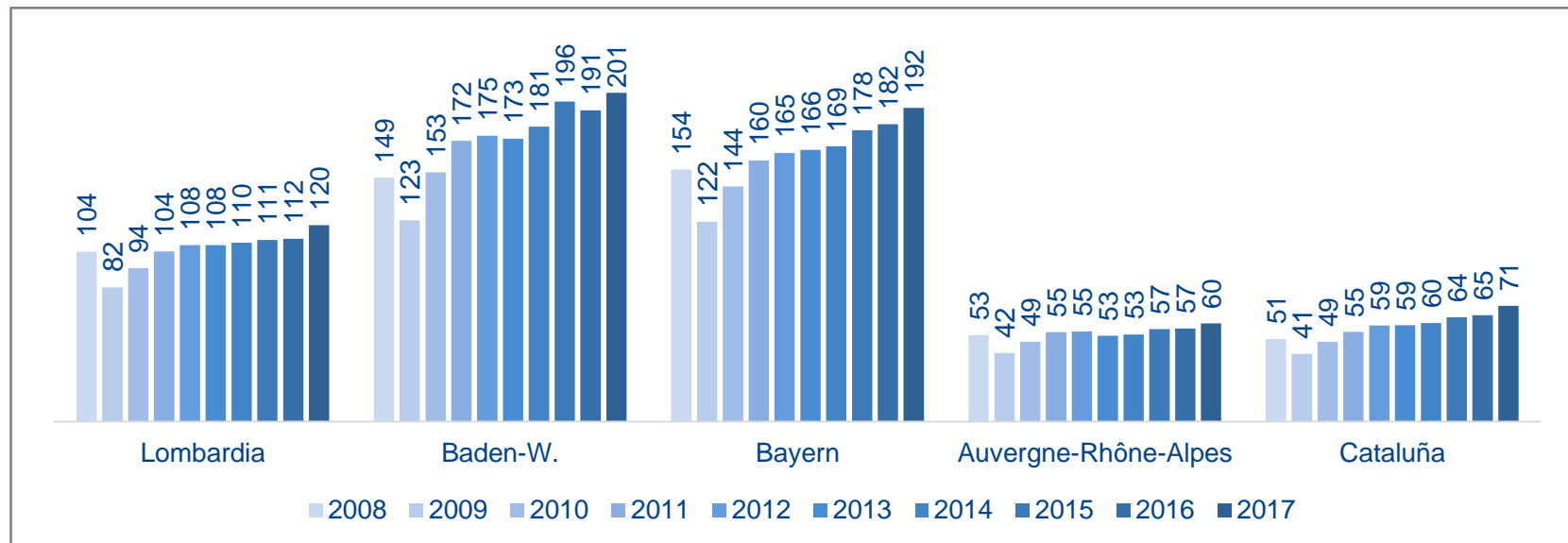


Source: Assolombarda and Politecnico di Milano, Booklet Startup n.2/2017

Lombardy and Milan: business structure

Export: Lombardy vs other European regions

Export (billion euro)



Source: Assolombarda on Istat, Destatis, Idescat, Douanes et droits indirects data

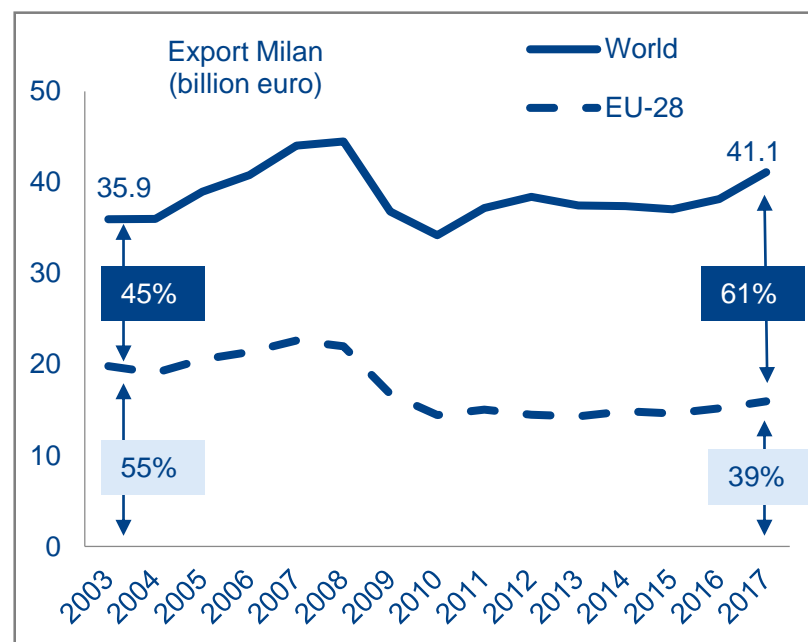
Lombardy and Milan: business structure

Export: Lombardy's main trade partners

Lombardy's main trade partners - 2017
(million euro)

		Export 2017	% change 2017-2008
1	Germany	16,018	12.2%
2	France	11,687	-4.1%
3	USA	9,072	54.4%
4	Spain	6,634	2.5%
5	Switzerland	6,511	30.1%
6	United Kingdom	5,329	12.7%
7	China	3,957	64.8%
8	Poland	3,536	34.7%
9	Netherlands	2,880	9.7%
10	Turkey	2,742	34.4%

Repositioning on extra-EU markets: the case of Milan - 2017

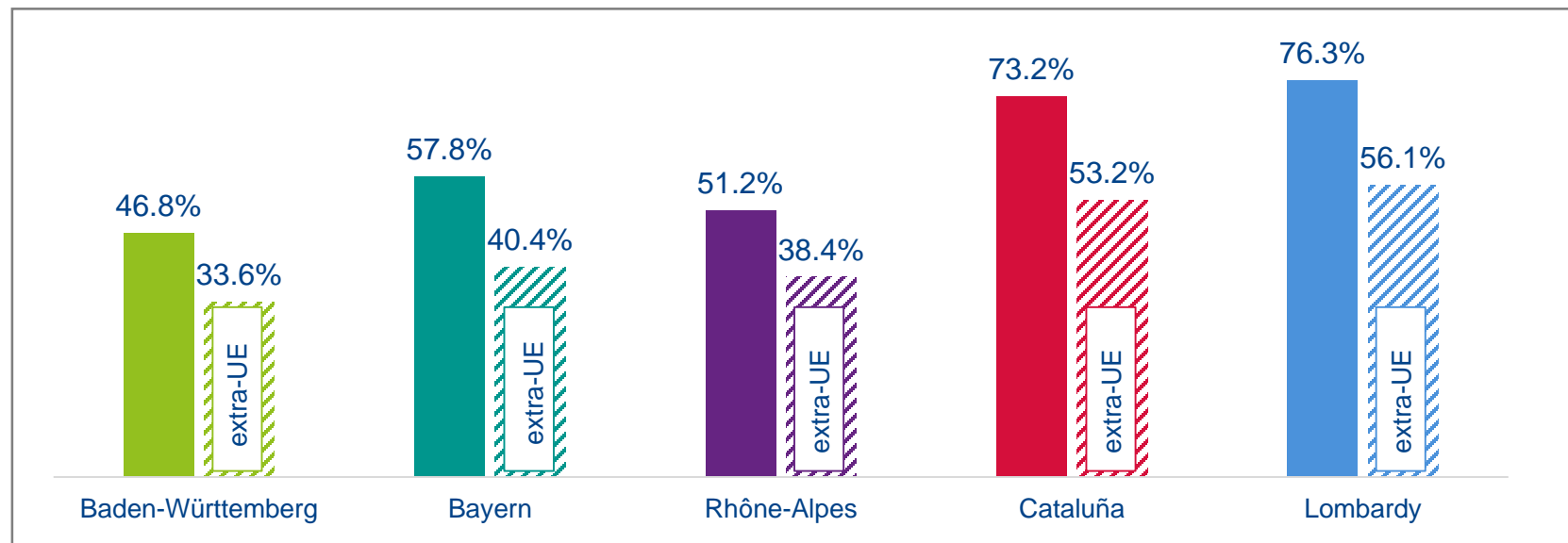


Source: Assolombarda on Istat data

Lombardy and Milan: business structure

Openness to international trade: outdoing German regions ...

Manufacturing exporters - 2015 (% of firms)

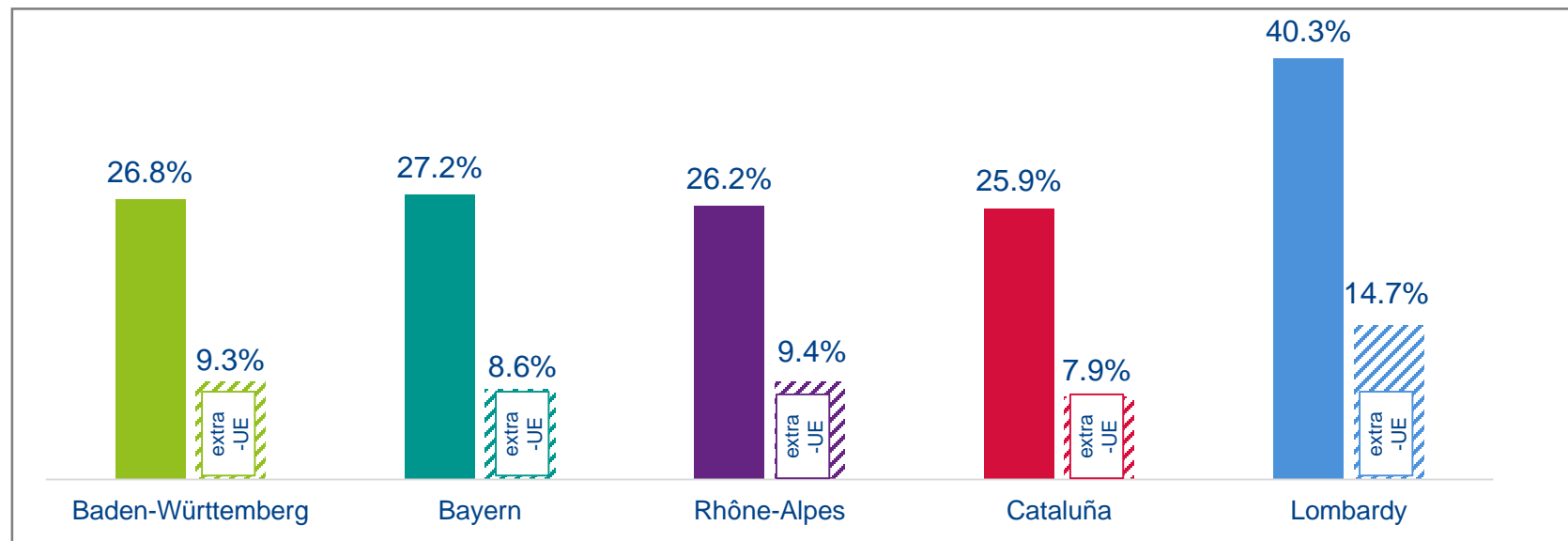


Source: Assolombarda, *The performances of European firms: a benchmark analysis*, Report 2017

Lombardy and Milan: business structure

... also worth mentioning: the importance of export over total turnover

Export turnover of manufacturing firms - 2015
(% over total turnover)



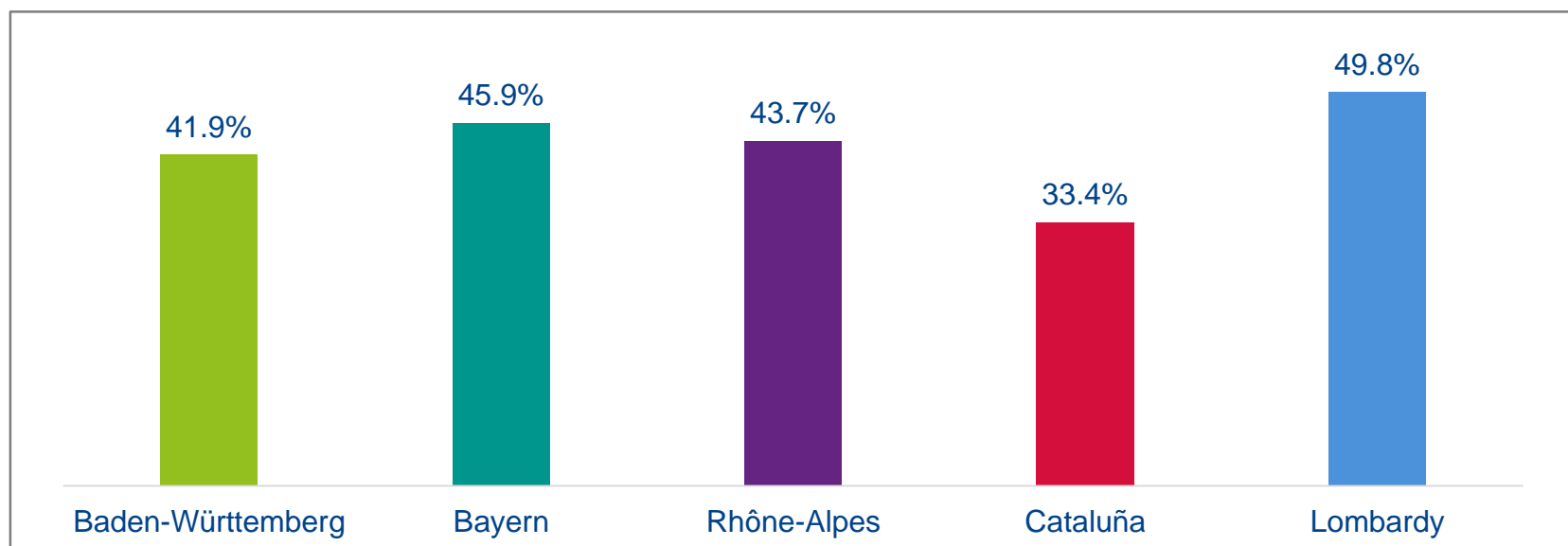
Source: Assolombarda, *The performances of European firms: a benchmark analysis*, Report 2017

3. Lombardy and Milan: strengths

Lombardy and Milan: strengths

Business R&D investments in Lombardy: in line with German regions

R&D activity in manufacturing firms - 2013-2015 (% of firms)

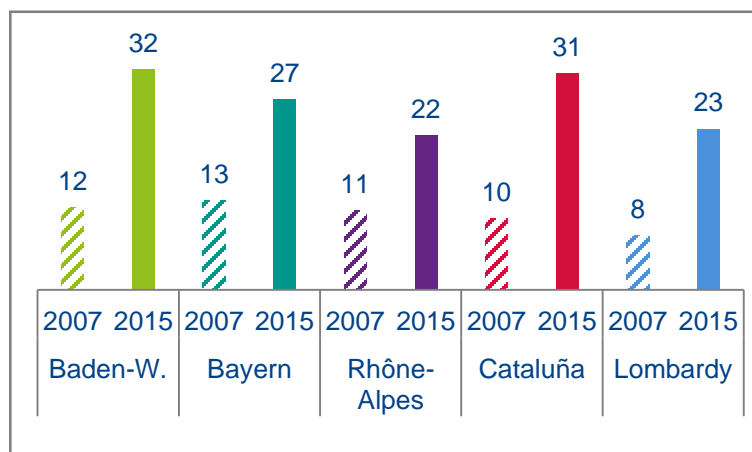


Source: Assolombarda, *The performances of European firms: a benchmark analysis*, Report 2017

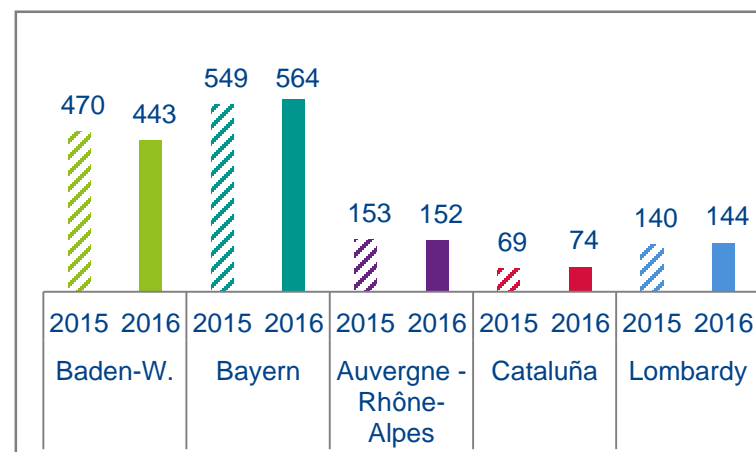
Lombardy and Milan: strengths

Research and innovation

Highly cited scientific articles per million inhabitants



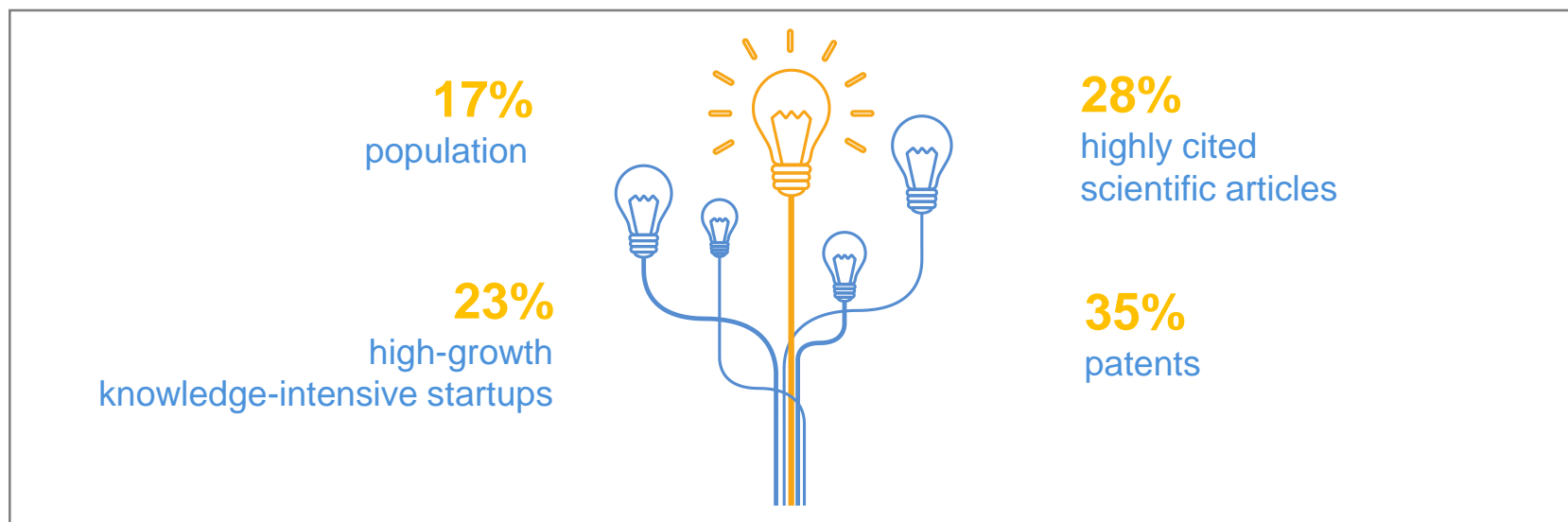
Patents per million inhabitants



Source: Assolombarda, Booklet Ricerca e Innovazione n. 2/2017

Lombardy and Milan: strengths

Innovation: the role of Lombardy in Italy



Source: Assolombarda, Booklet Ricerca e Innovazione n. 2/2017

Lombardy and Milan: strengths

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



3 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

Lombardy and Milan: strengths

Universities: high concentration (13) and international attractiveness

In Lombardy

Just under **270,000 university students**

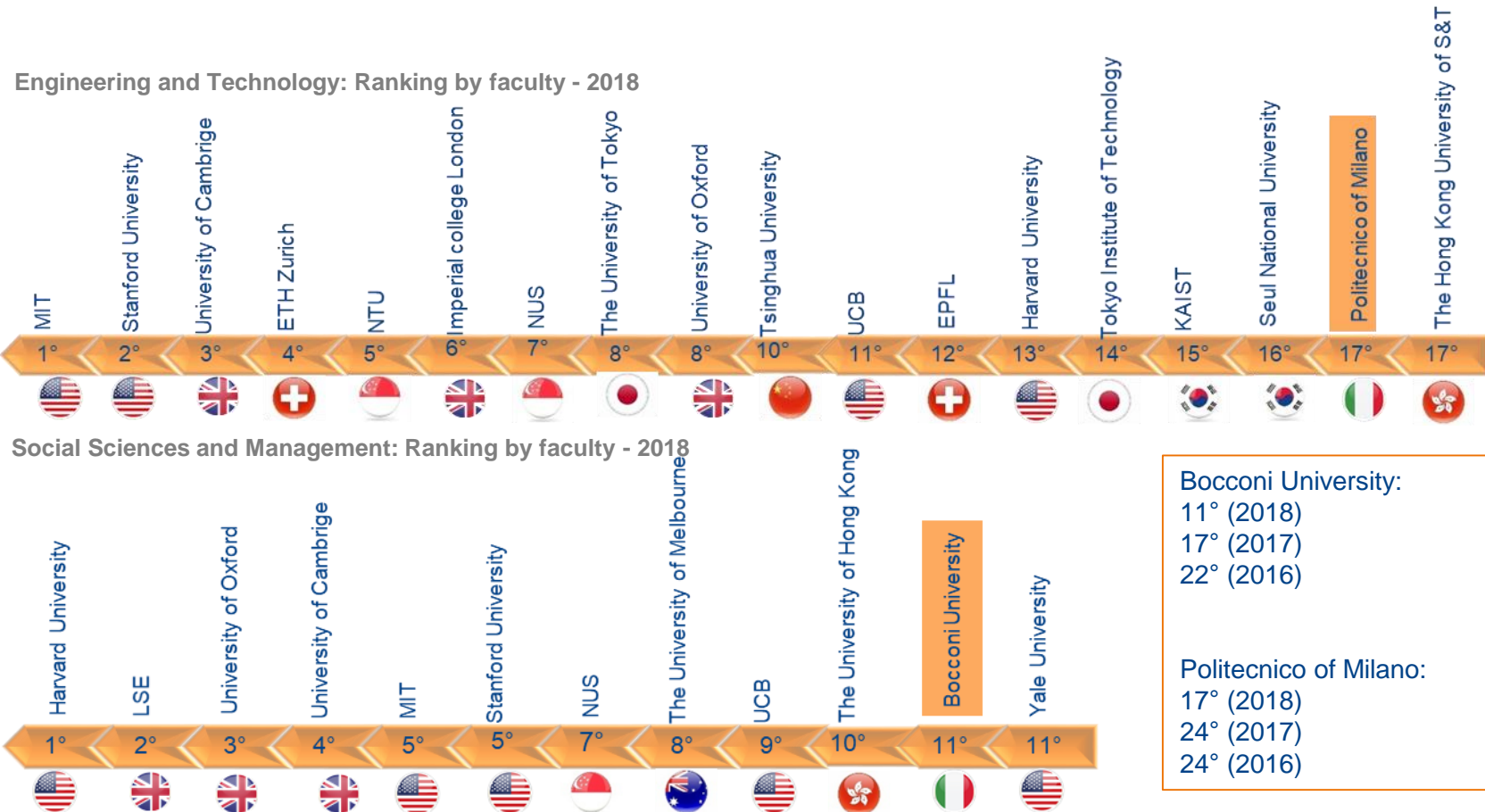
of which **12,500 international university students** (around **10,000** in Milan)
equal to **5%** of the total number of students

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



Lombardy and Milan: strengths

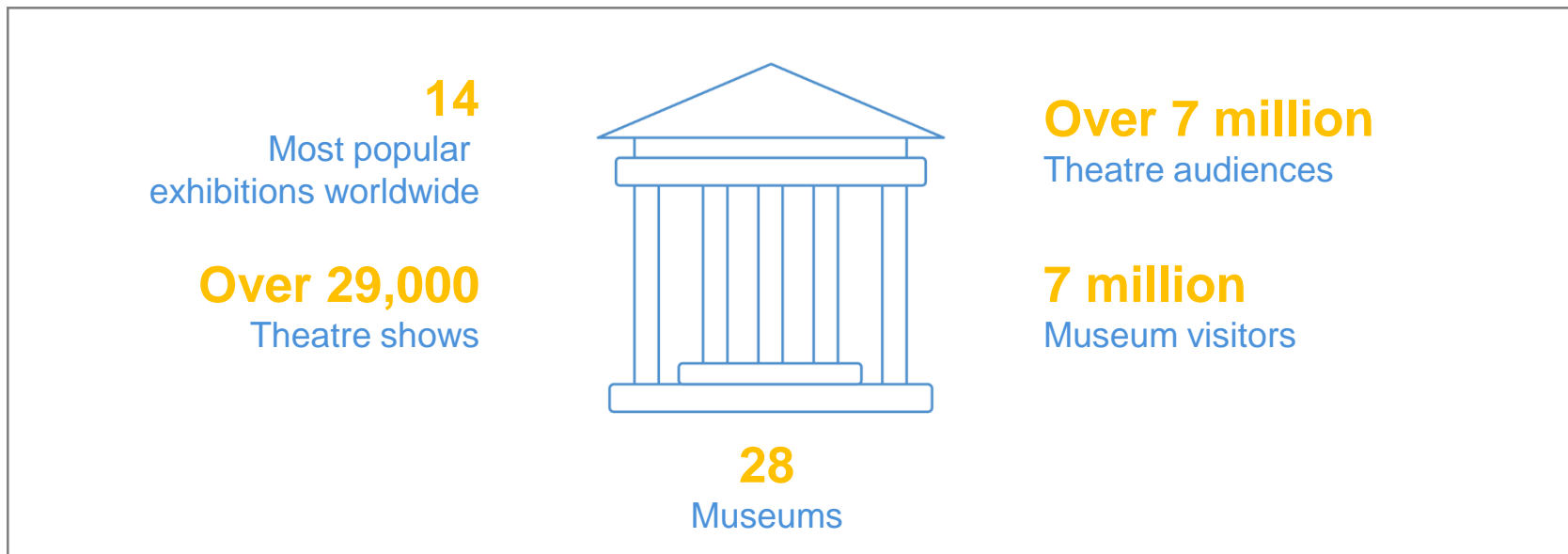
Universities: Politecnico of Milano and Bocconi examples of excellence



Source: Assolombarda on QS Ranking data

Lombardy and Milan: strengths

Milan, a driver of Italian creativity

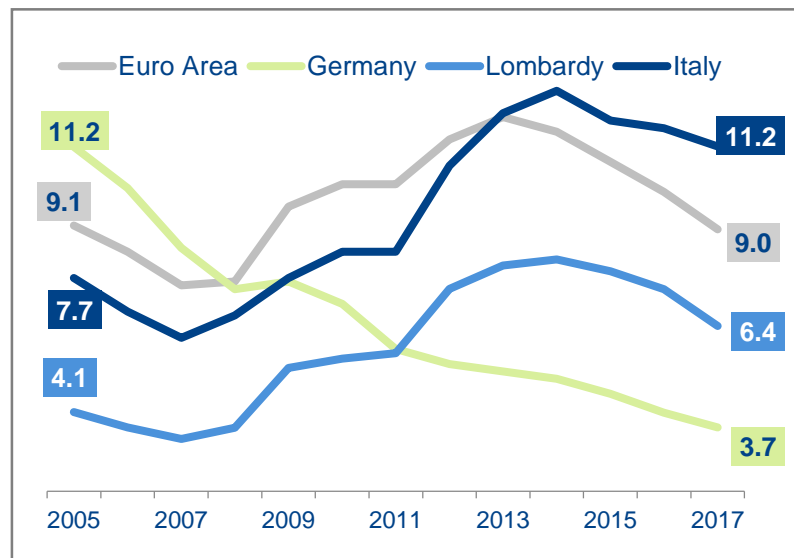


Source: Assolombarda and Comune di Milano, Milano Scoreboard 2018

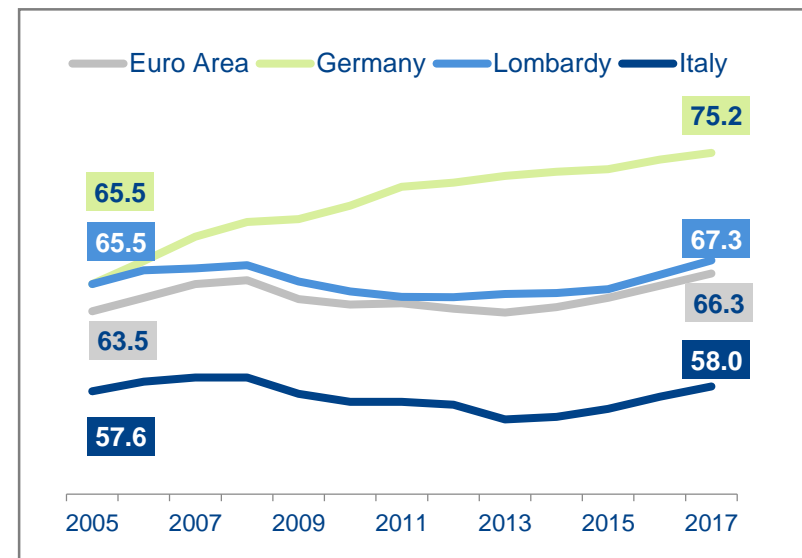
Lombardy and Milan: strengths

Labour market: a better performance than the Italian average

Unemployment rate



Employment rate

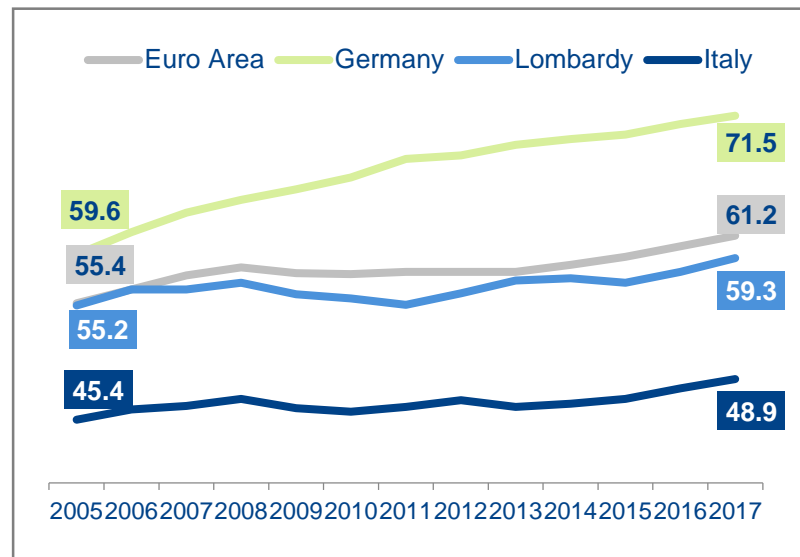


Source: Assolombarda on Istat and Eurostat data

Lombardy and Milan: strengths

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...
- ...diffusion 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).

Source: Assolombarda on Istat and Eurostat data

Lombardy and Milan: strengths

What makes Lombardy and Milan a knowledge hub?

The fact that here you find:

- a **multi-sectorial economy**, with a core manufacturing sector integrated with a highly developed service sector (especially in Milan);
- a virtuous **network of small and medium enterprises** well integrated with **large enterprises** and **multinational companies**;
- the concentration of **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**.



Lombardy and Milan: strengths

5 typical vocations for Milan

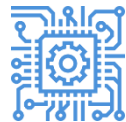
Value chains and sectorial specializations that are internationally recognized and have a high growth potential



Life sciences



Agribusiness



Manufacturing 4.0



Finance



Art, culture and design





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