



ASSOLOMBARDA

BOOKLET Italy, Lombardy and Milan

A cura dell'area
Centro studi /
Economic Research
Department

N° 09/July 2020



Rilasciato il 27 luglio 2020 / Issued on 27th July 2020

Questo booklet è stato chiuso con le informazioni disponibili al 24 luglio 2020
This booklet was drafted using the available information as of 24th July 2020

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Executive summary

Executive summary

Who we are

Assolombarda, representing 6.300 firms located in the Provinces of Milan, Lodi, Monza and Brianza, and Pavia, is the largest territorial association within Confindustria (the Italian Entrepreneurial Association).

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 (476 billion euros in 2019);
- 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 4,700 MNCs for a total workforce of 501,000 employees and a turnover of 236 billion euros. These multinational companies are well-integrated in a dynamic network connecting small, medium and large firms, 100 of which boast a turnover of over 1 billion euros, more than in Munich (88 firms) and Barcelona (26). 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.

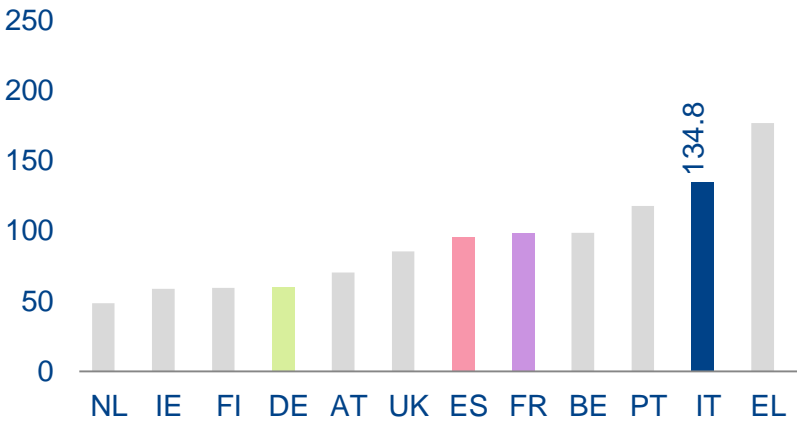
Last but not least, Lombardy and Milan are specialized in business supply chains and sectors which enjoy international prominence and a high growth potential, these typical vocations being identified with the Life Sciences, Agribusiness, Manufacturing 4.0, Art, culture and design, and Finance. In particular,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

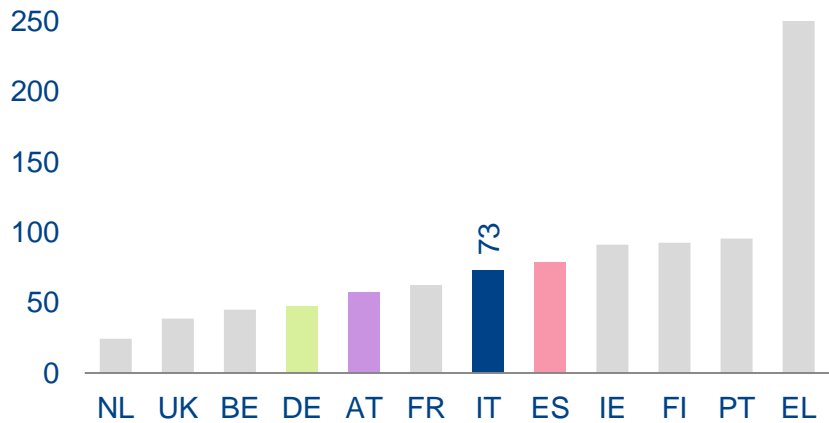
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1.1 ITALIAN PUBLIC DEBT: 134.8% OF GDP BUT ONLY 73% OF HOUSEHOLD NET FINANCIAL ASSETS

Public debt as percentage of GDP - 2019



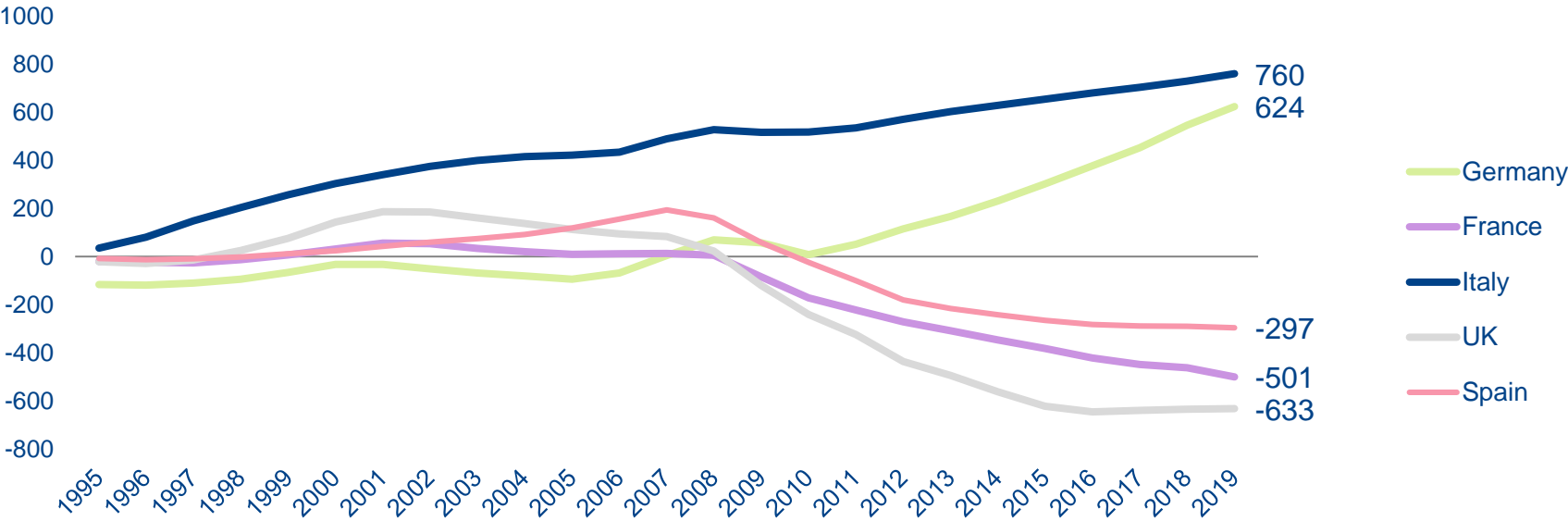
Public debt as percentage of household net financial assets (*) - 2018



(*) 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

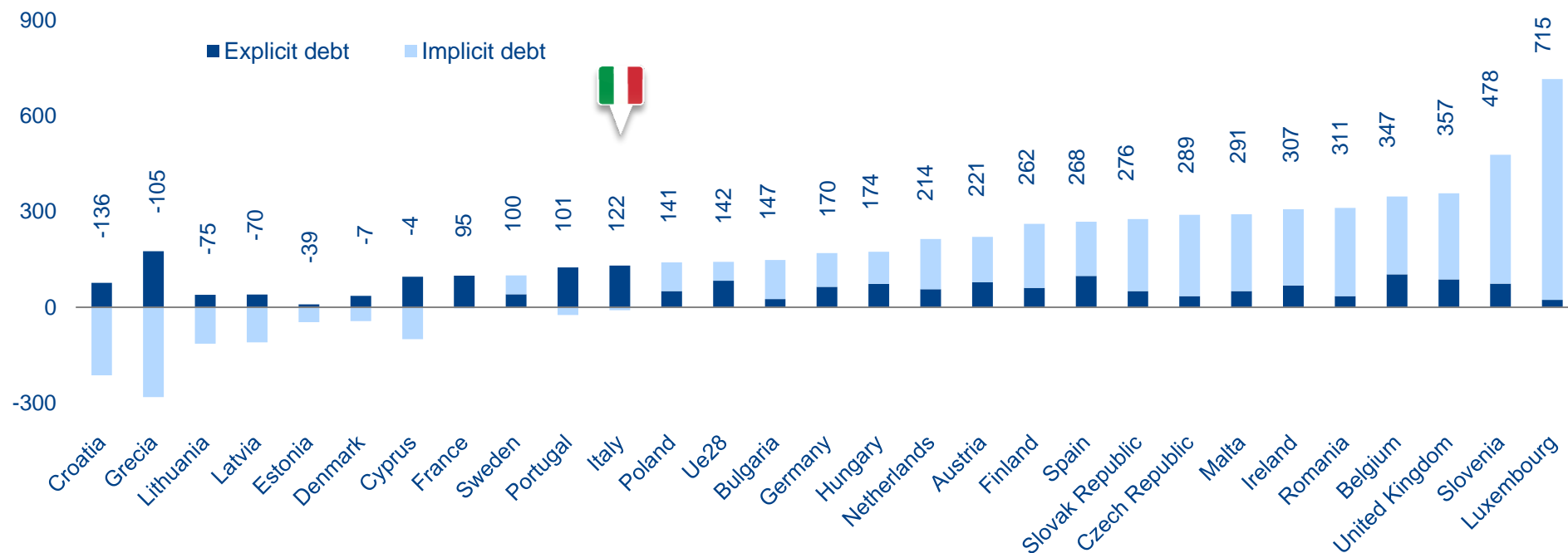
Cumulative primary balance (current values - billion euro)



Source: Assolombarda on Eurostat data

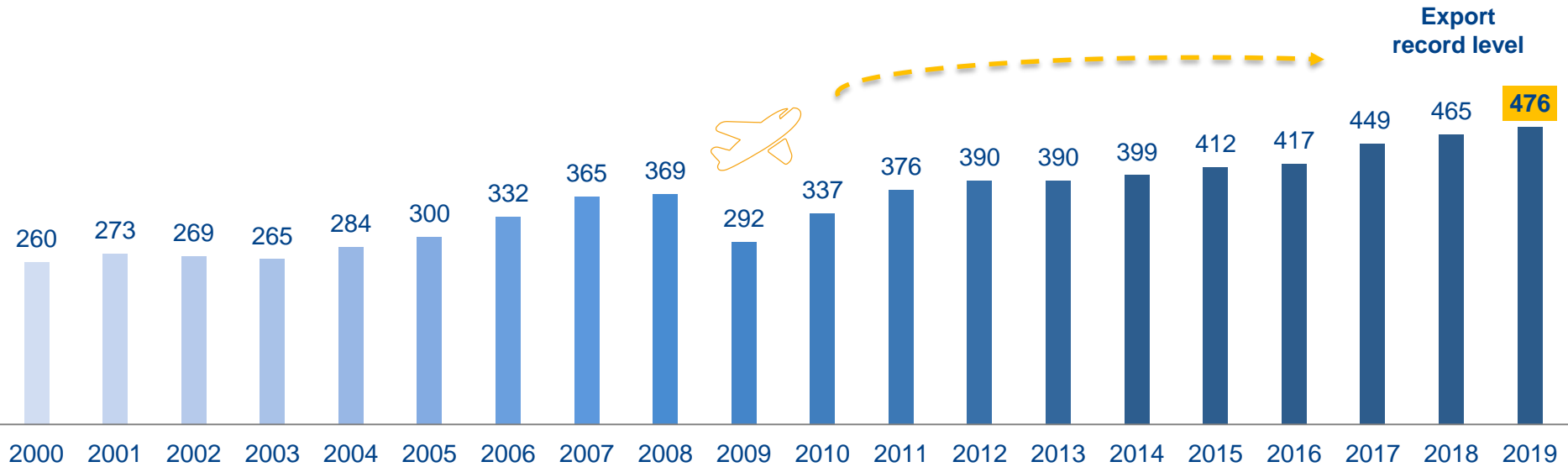
1.3 EXPLICIT AND IMPLICIT DEBT: ITALY 11TH IN THE EU SUSTAINABILITY RANKING

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



1.4 ITALIAN EXPORT PERFORMANCE 2000-2019

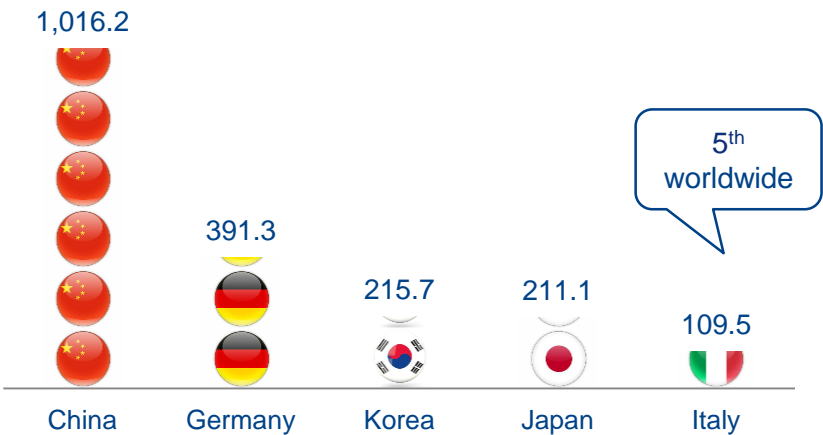
Italian export (billion euro)



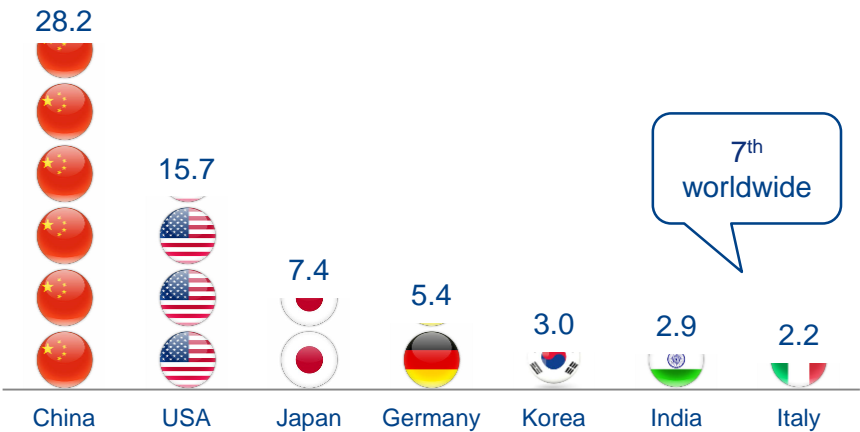
Source: Assolombarda on Istat data

1.5 ITALIAN MANUFACTURING IN GLOBAL RANKINGS

Manufacturing trade surplus - 2018
(US billion dollar)



Share of global manufacturing value added - 2019 (% on current prices - US dollar)



Source: Assolombarda on WTO and World Bank data

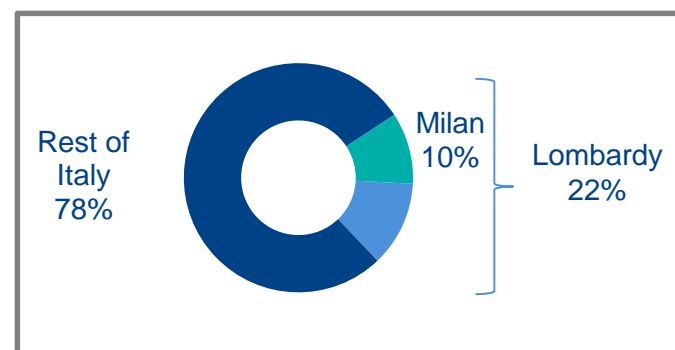
Lombardy and Milan: business structure

2

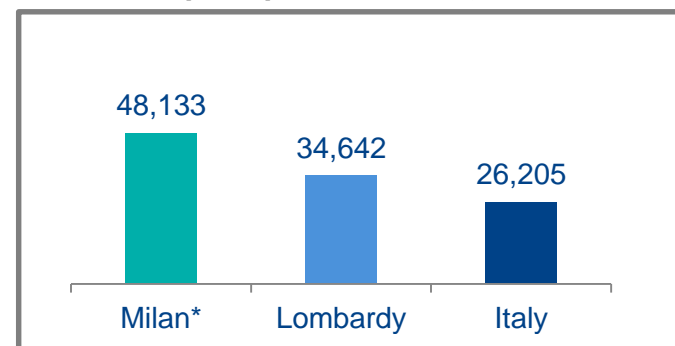
2.1 LOMBARDY, THE LEADING ITALIAN REGION: IN 2018, 22.1% OF THE ITALIAN GDP

	Lombardy	Italy	Share
Area (sq. km.)	23,864	302,073	7.9%
Population (1/1/2019)	10,060,574	60,359,546	16.7%
Workforce (thousand, 2018)	4,711	25,970	18.1%
GDP (nominal, million euro, 2018)	390,331	1,765,421	22.1%
Value Added (per capita, 2018)	34,642	26,205	-
Enterprises (2019)	814,233	5,137,678	15.8%
R&D expenditure (million euro, 2016)	4,758	23,172	20.5%
Import (million euro, 2019)	134,045	422,914	31.7%
Export (million euro, 2019)	127,200	475,848	26.7%

Gross Domestic Product % - 2018



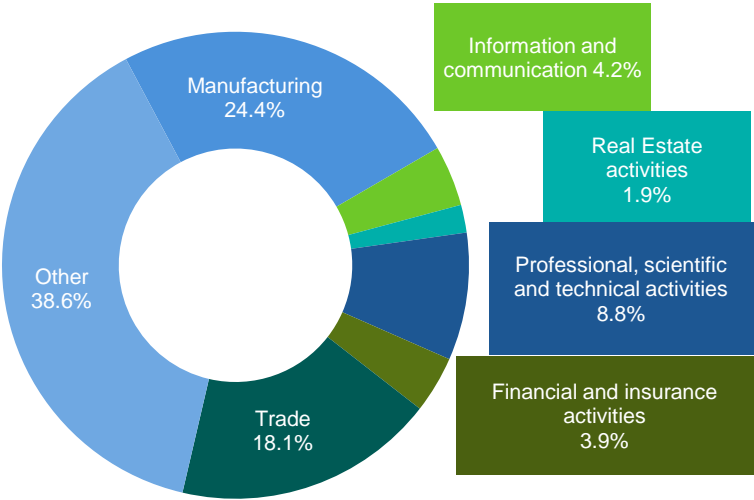
Value Added per capita - 2018 (euro)



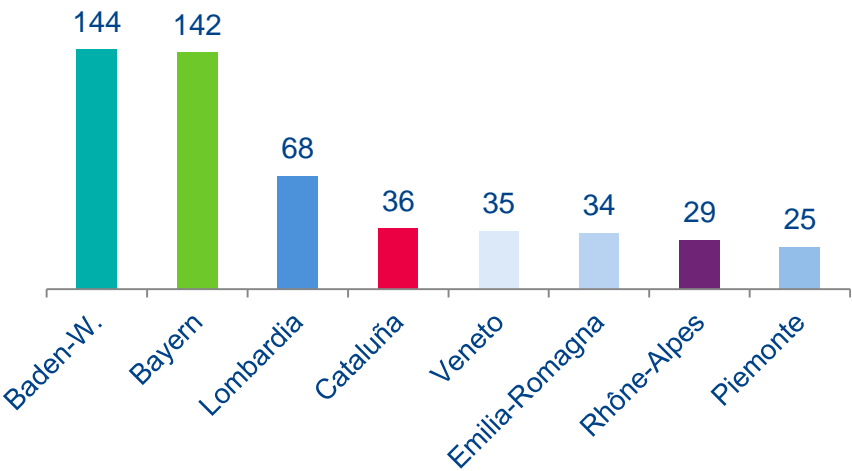
(*) estimated value

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

Lombardy workforce by business sector - 2017



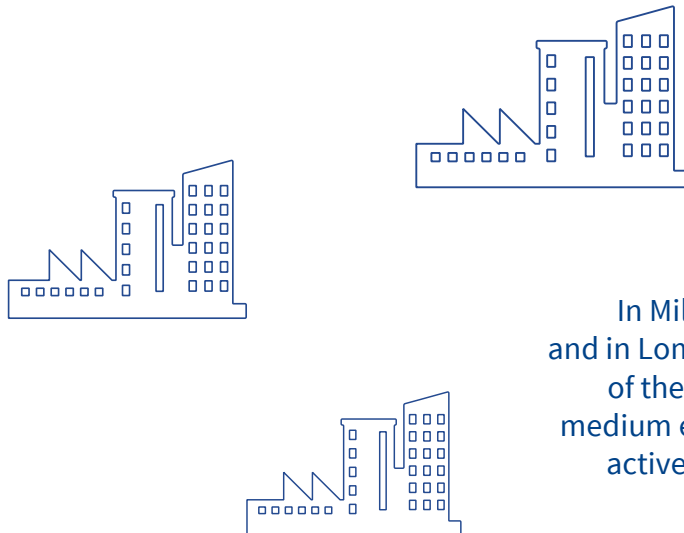
Manufacturing gross value added at basic prices by region - 2016 (billion euro)



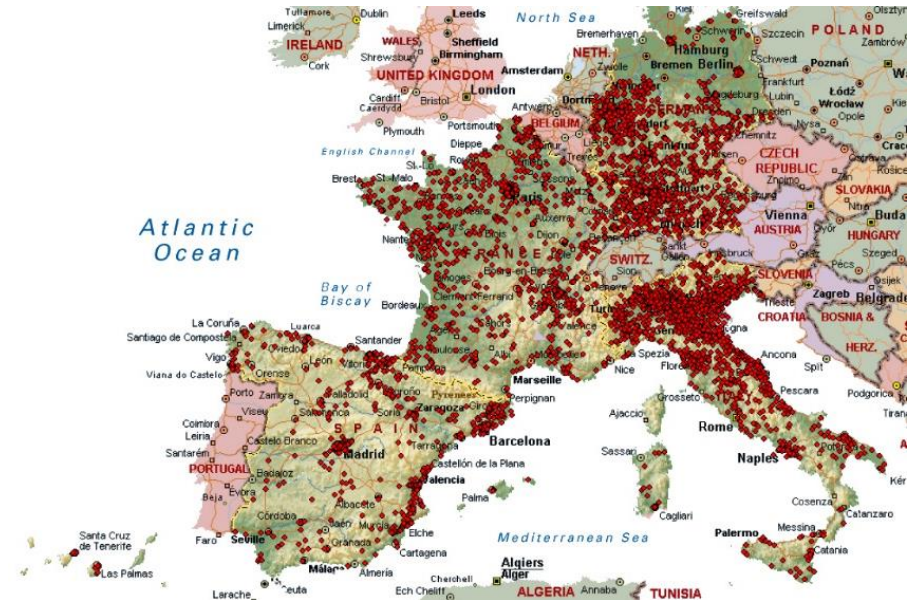
Source: Assolombarda on Istat and Eurostat data

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)

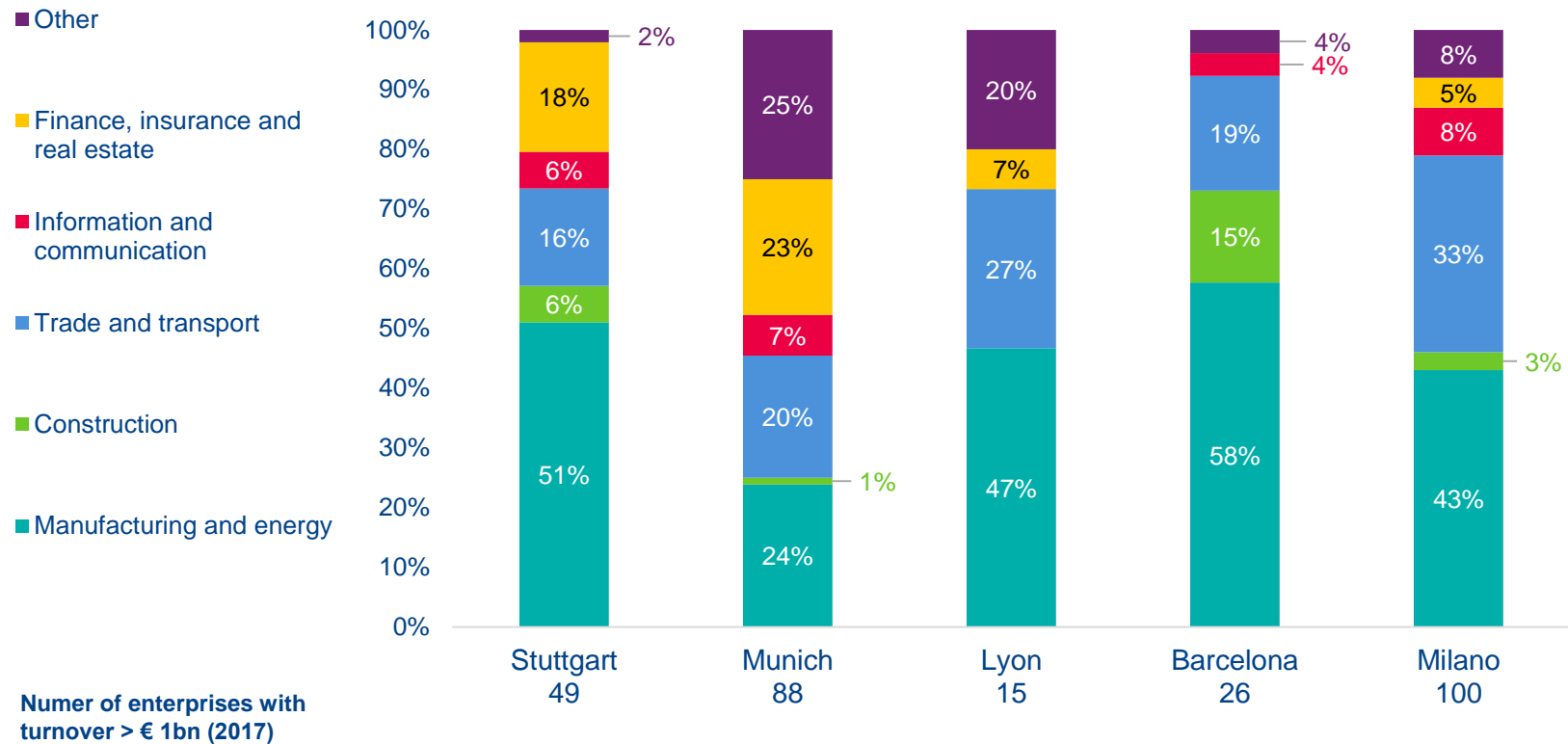


In Milan **7%**
and in Lombardy **31%**
of the **3,500***
medium enterprises
active in Italy



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

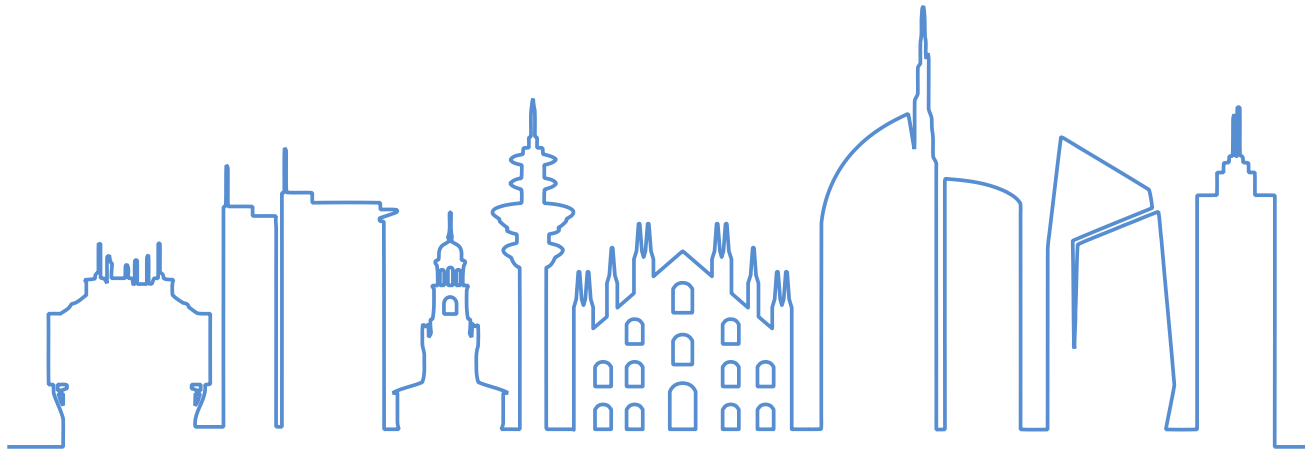
2.4 100 LARGE ENTERPRISES IN MILAN



2.5 MILAN THE PRIME LOCATION FOR 4,700 MULTINATIONAL COMPANIES OPERATING IN ITALY

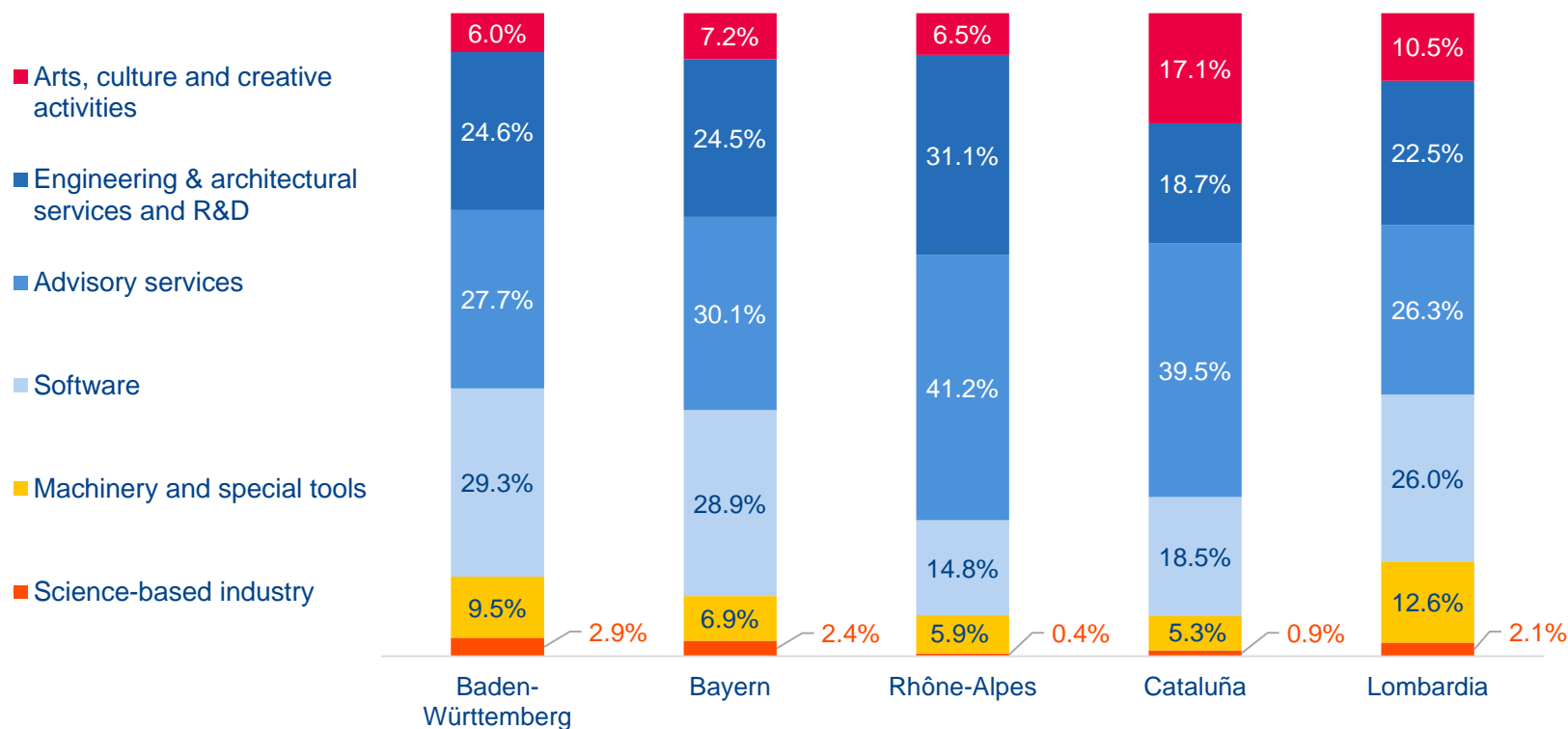
Foreign multinational enterprises

4,697 foreign multinational companies located in Milan (32,2% of those active in Italy)
with **500,965** employees and **€ 236 billion** turnover



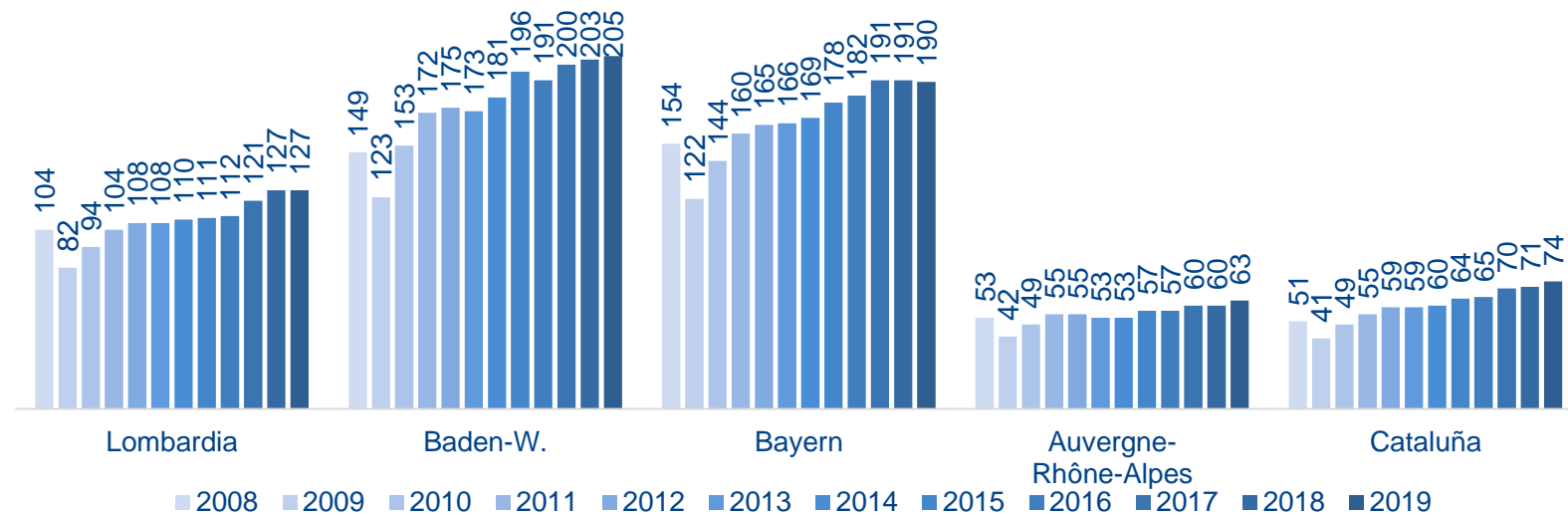
2.6 NEARLY 20,000 knowledge-intensive startups born in Lombardy (2009-2017)

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)

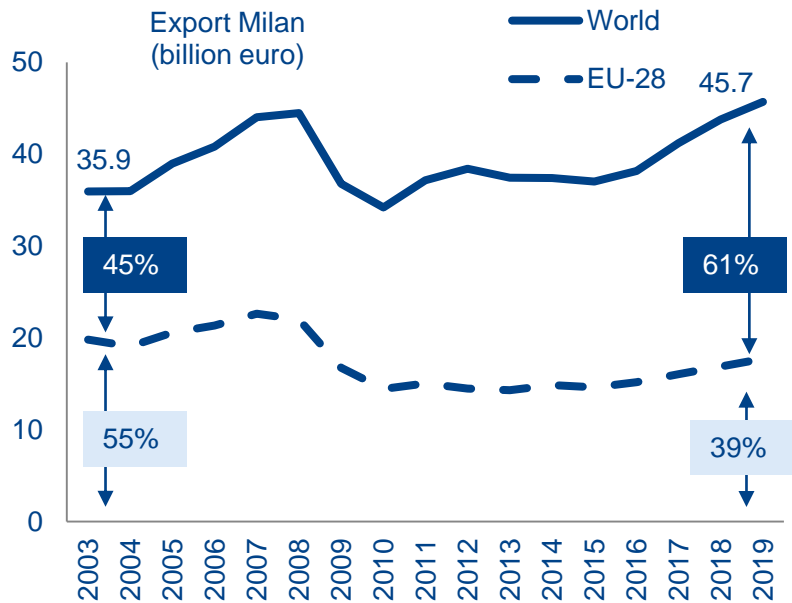


2.8 EXPORT: LOMBARDY’S MAIN TRADE PARTNERS

Lombardy’s main trade partners - 2019
(million euro)

		Export 2019	% change 2019-2008
1	Germany	16,511	15.6%
2	France	12,567	3.1%
3	USA	10,791	83.6%
4	Switzerland	7,320	46.3%
5	Spain	7,124	10.1%
6	United Kingdom	5,335	12.9%
7	China	4,330	88.3%
8	Poland	3,610	37.5%
9	Netherlands	3,252	23.9%
10	Austria	2,754	21.1%

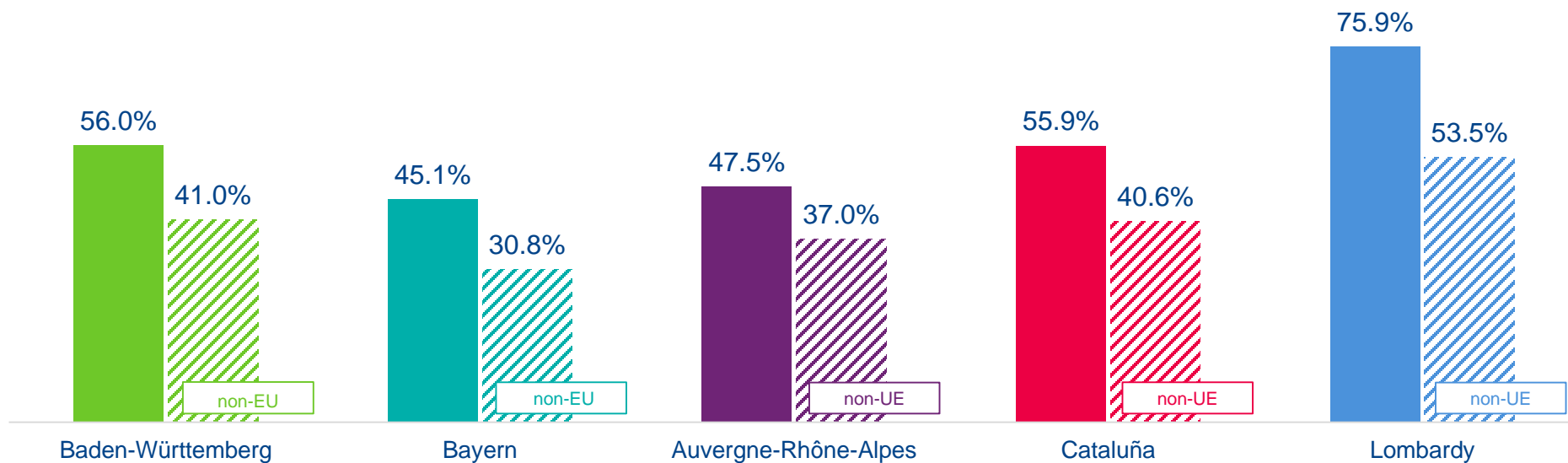
Repositioning on extra-EU markets: the case of Milan - 2019



Source: Assolombarda on Istat data

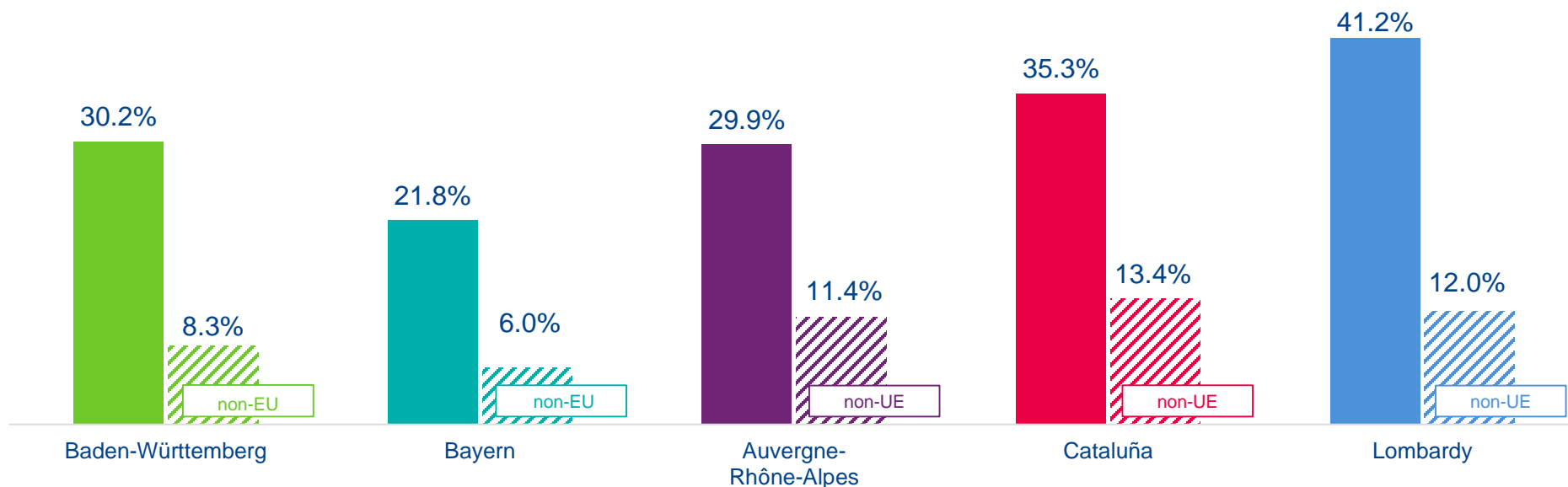
2.9 OPENNESS TO INTERNATIONAL TRADE: OUTDOING GERMAN REGIONS...

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)

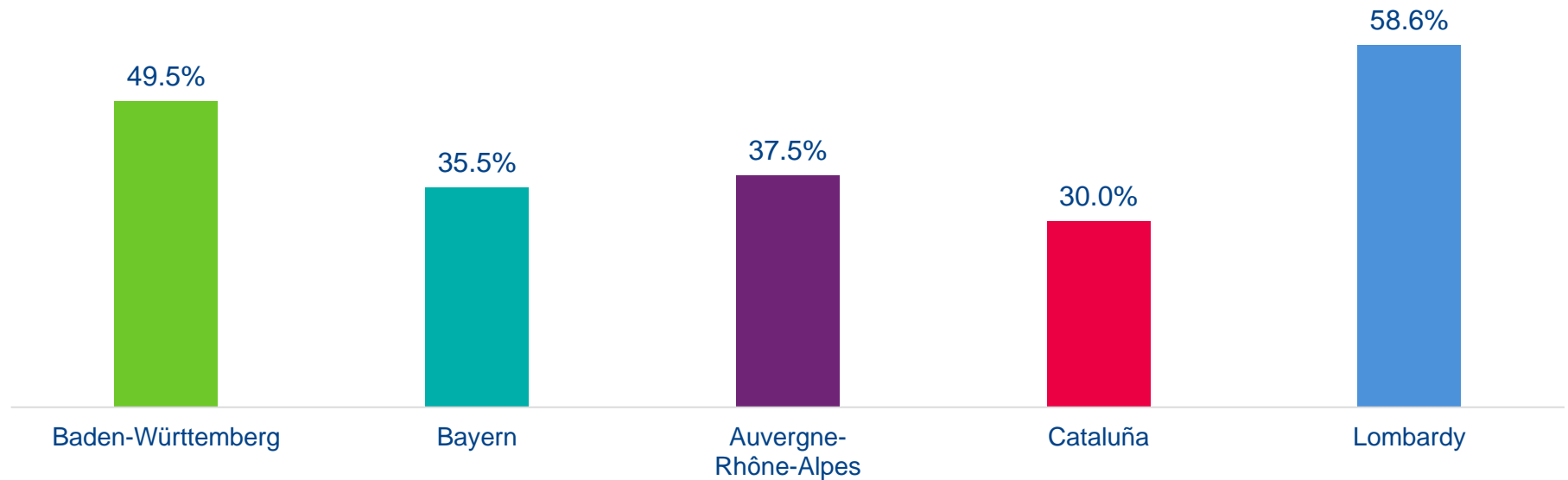


Lombardy and Milan: strengths

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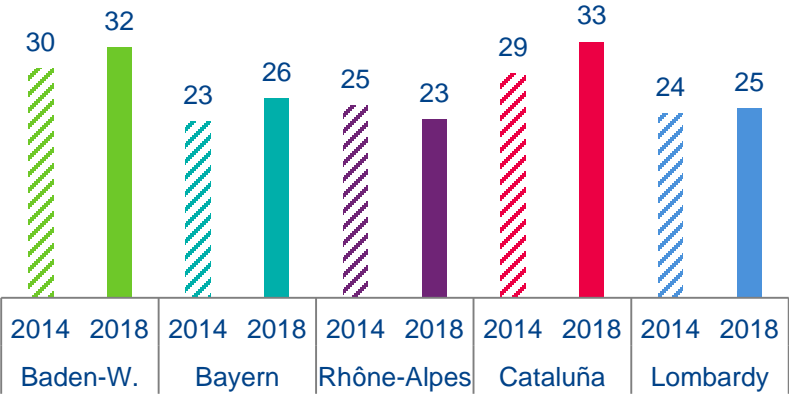
3.1 BUSINESS R&D INVESTMENTS IN LOMBARDY: CATCHING UP TO GERMAN REGIONS

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

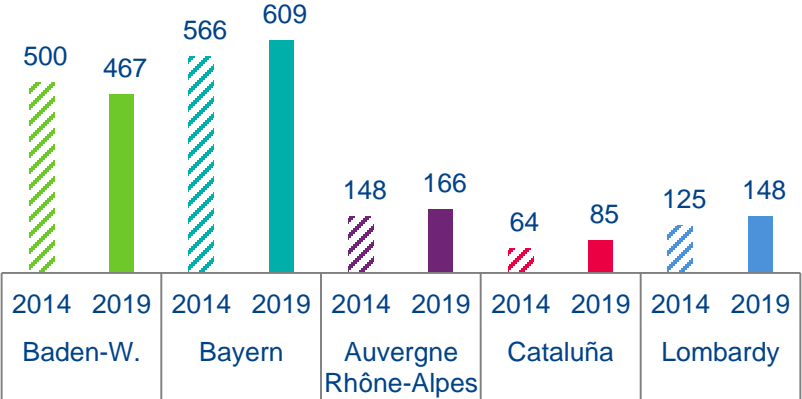


3.2 RESEARCH AND INNOVATION

Highly cited scientific articles per million inhabitants

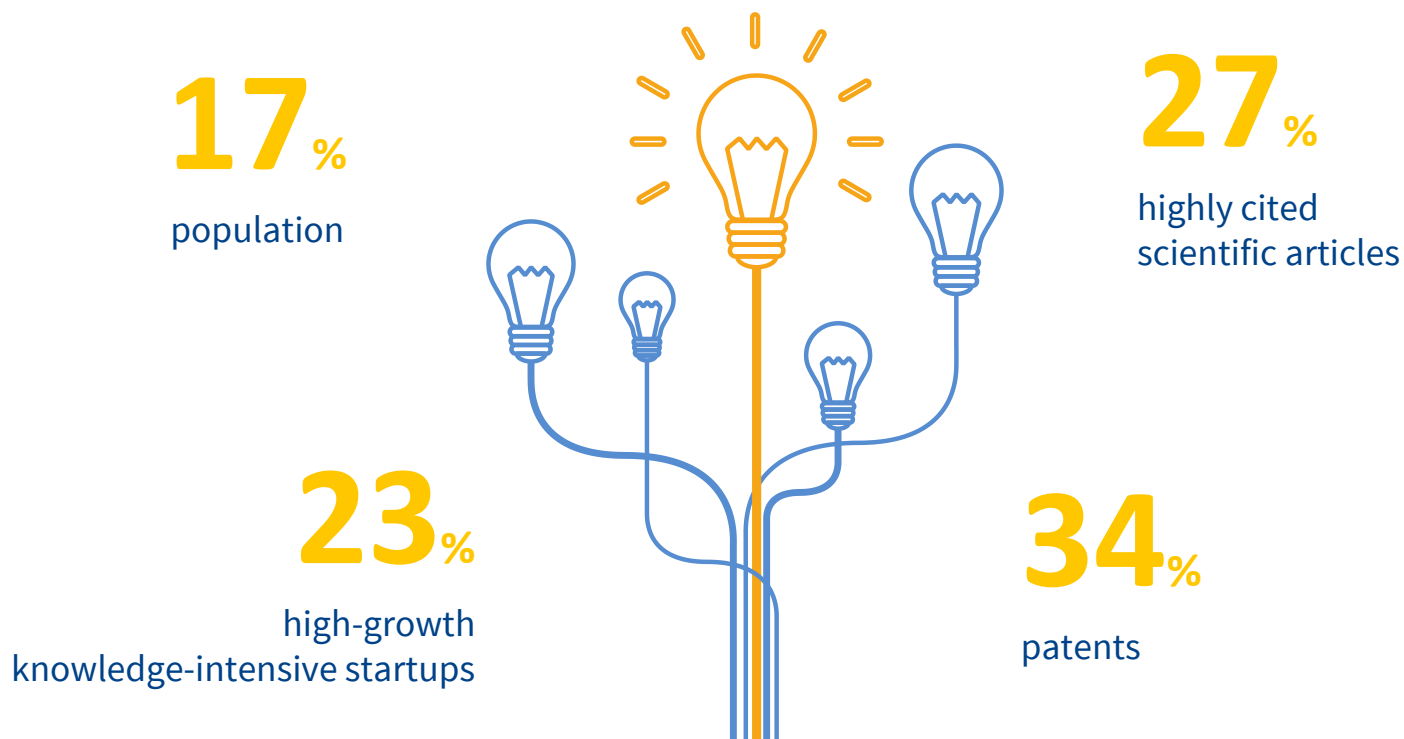


Patents per million inhabitants



Source: Assolombarda, Booklet Ricerca e Innovazione, 2019

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

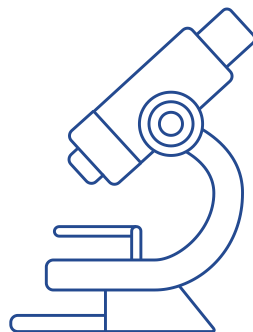


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sections of the Italian National Institute for
Nuclear Physics and one European Joint
Research Center

19

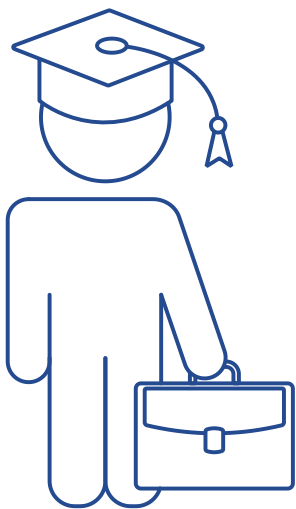
Institutes for Treatment and Research



1,300

Research and Technology Transfer Centers
and business activities in the innovation field

3.5 UNIVERSITIES: HIGH CONCENTRATION (13) AND INTERNATIONAL ATTRACTIVENESS



In Lombardy

Just under **280,000** university students

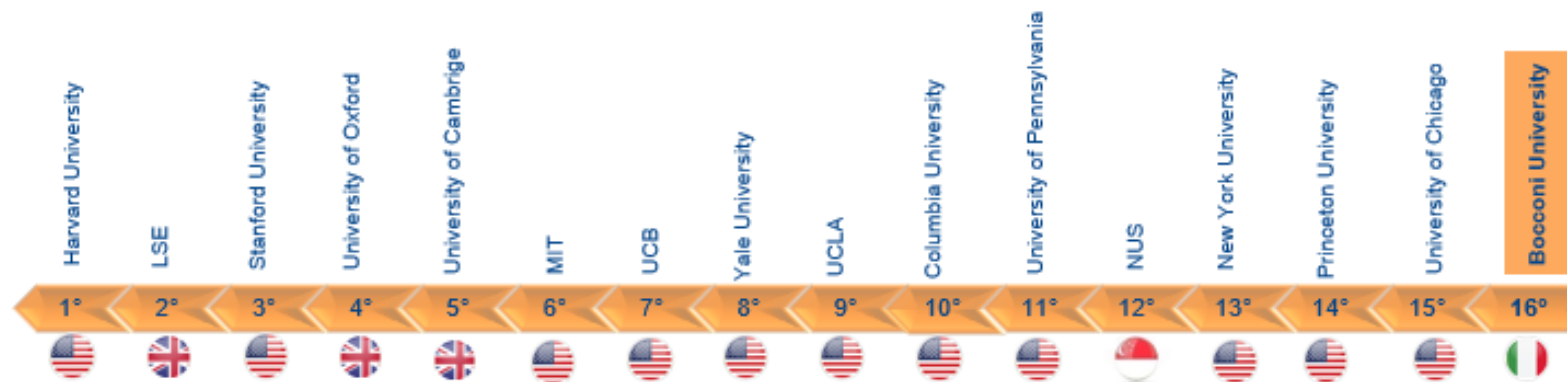
of which **14,500** international university students (around 12,200 in Milan)

equal to **5%** of the total number of students

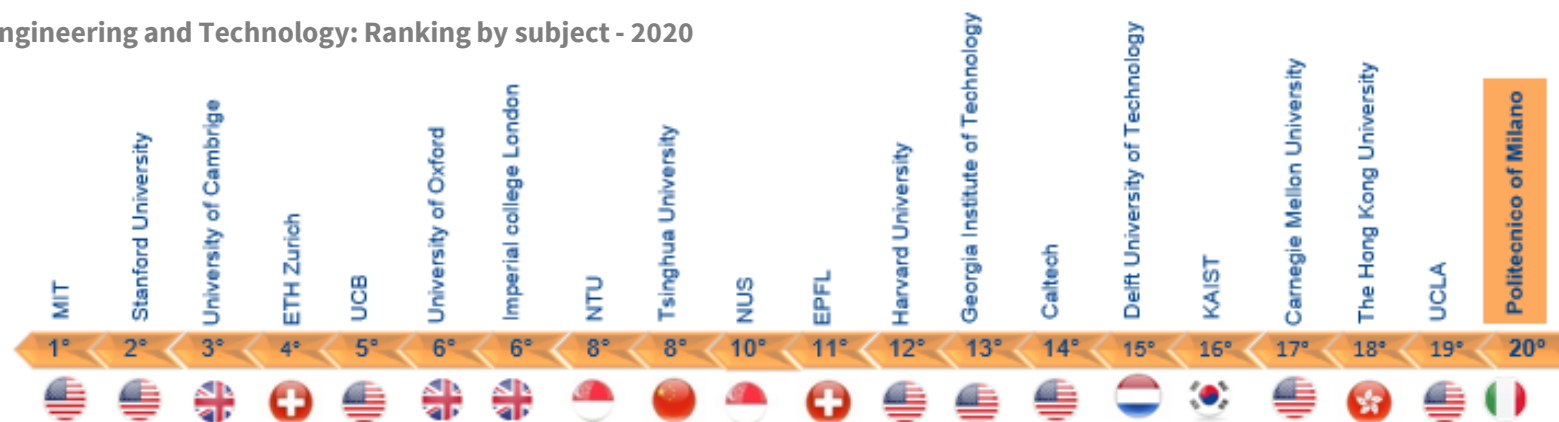
The equivalent figure is **10%** in France
8% in Germany
3% in Spain

3.6 UNIVERSITIES: POLITECNICO OF MILANO AND BOCCONI EXAMPLES OF EXCELLENCE

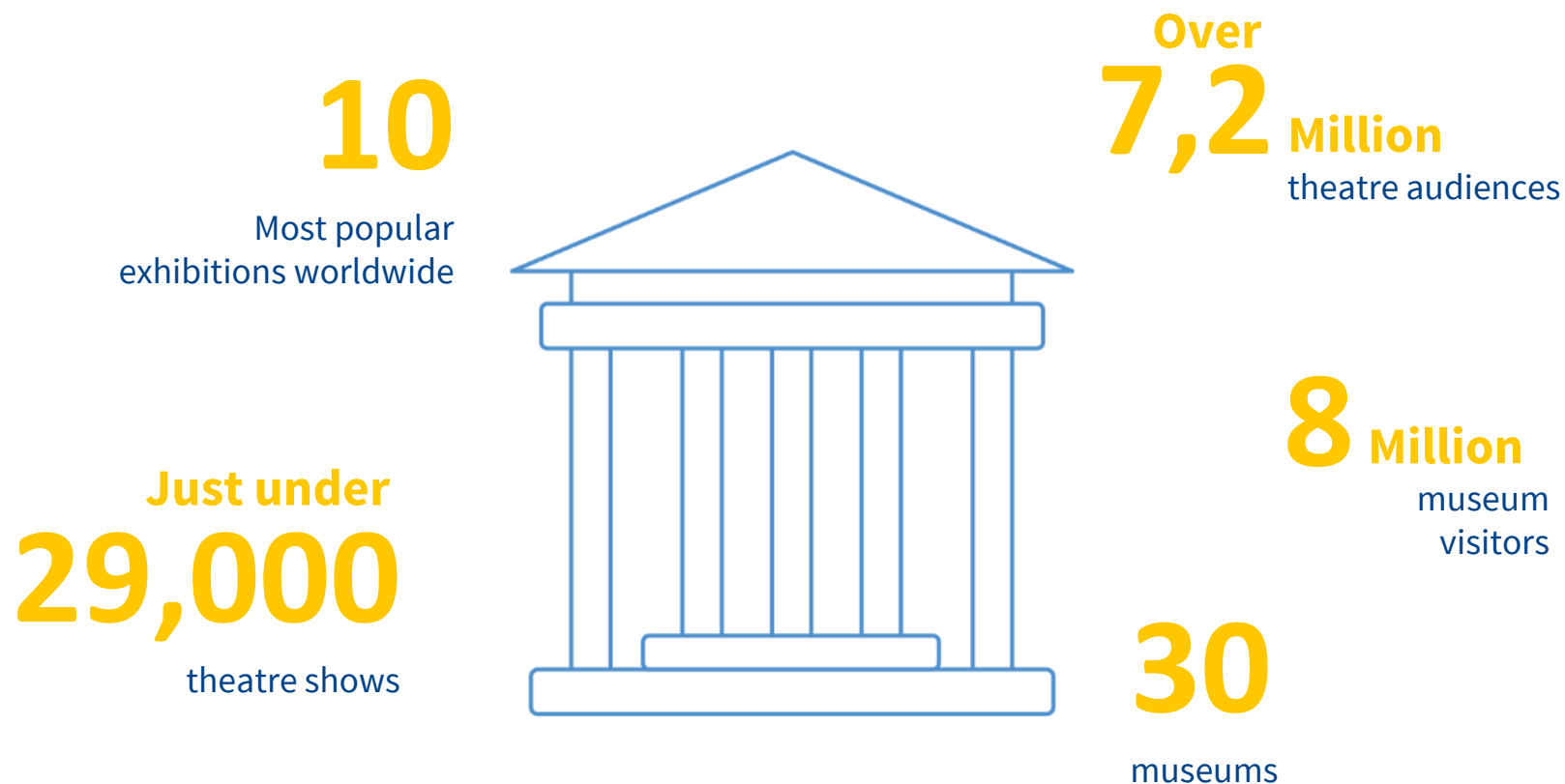
Social Sciences and Management: Ranking by subject - 2020



Engineering and Technology: Ranking by subject - 2020

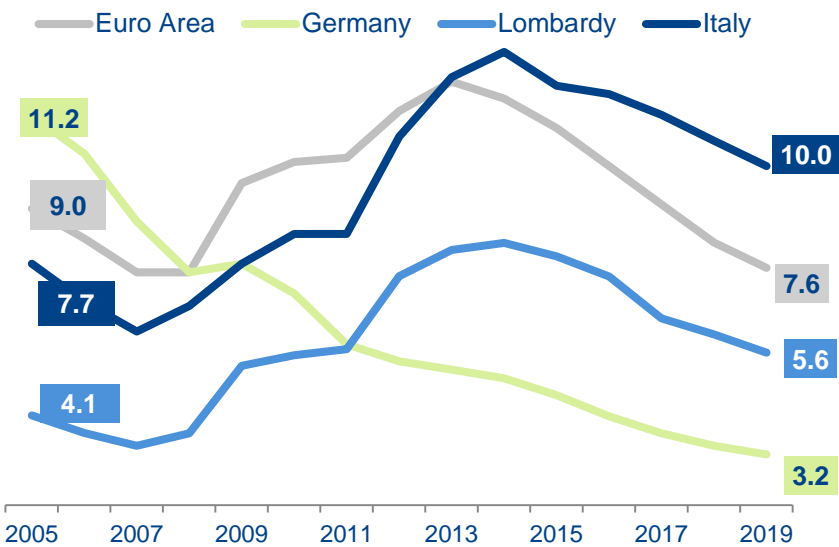


3.7 MILAN, A HUB OF ITALIAN CREATIVITY

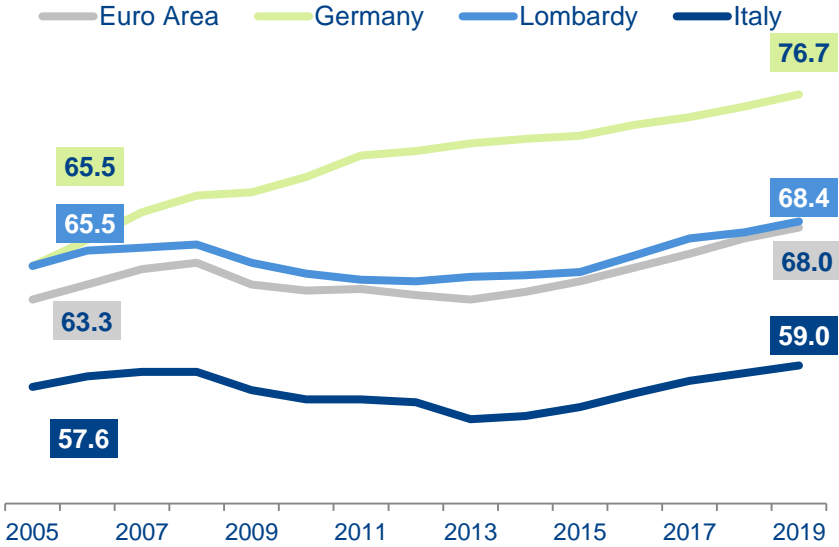


3.8 LABOUR MARKET: A BETTER PERFORMANCE THAN THE ITALIAN AVERAGE

Unemployment rate



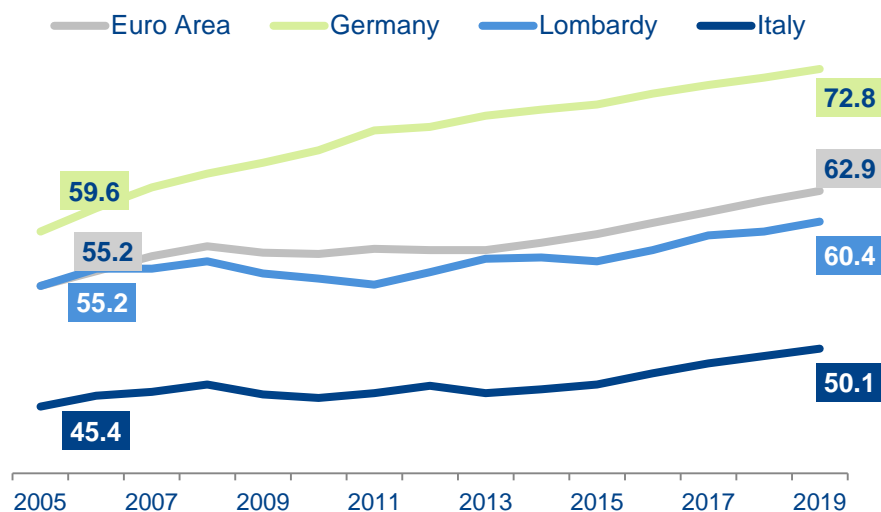
Employment rate



Source: Assolombarda on Istat and Eurostat data

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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