



2022 SME COUNTRY FACTSHEET'S EVIDENCE BACKGROUND DOCUMENT


Italy


This document faithfully reproduces evidence from various relevant sources, thus providing SME-focused “pure facts” in the form of concise facts. This factual information arises from national evidence, data and insights, such as the SME-relevant recent national studies, surveys, publications, policy measures, etc. (including those published only in the national language) as well as relevant international studies and other relevant sources, indicators and statistics.



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

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Factual SME-related evidence	Source
KEY NOWCASTS & FORECASTS	 KEY NOWCASTS & FORECASTS
Compared to the downturn in 2020, SMEs in Italy recovered significantly in 2021, achieving growth rates in value added of 9.7 % and in employment of 0.2 %.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
The <i>construction</i> ecosystem is one of the few ecosystems in Italy that generated positive growth in SME value added in both 2021 and 2020, growing by 0.1 % in 2020 and 3.9 % in 2021. SMEs in the <i>construction</i> ecosystem generated strong recovery growth in value added, with a growth rate of 16.0 %, following a decline of 7.3 % in 2020.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
In 2021, the <i>tourism</i> ecosystem partially recovered from the downturn in 2020 in terms of value added, with a growth rate of 7.4 % (compared to a decline of 12.7 % in 2020). However, SME employment declined by a further 3.6 %, after falling by 3.9 % in 2020.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
Based on data from early 2022, it was expected that SME value added and SME employment in Italy would continue to grow by 3.5 % and 0.2 % respectively, but Russia's war of aggression against Ukraine will affect these estimates.	Estimates and forecasts produced by JRC, based on figures from the Structural Business Statistics Database, provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database and forecasts from the AMECO database.
Italian SMEs generated 75.9 % of employment and 63.4 % of value added in 2021, well above the corresponding EU averages of 64.4 % and 51.8 %.	Estimates produced by JRC, based on figures from the Structural Business Statistics Database as well as provisional data for 2020-2021 from the National Accounts Database and the Short-Term Business Statistics Database.
ENVIRONMENTAL ASPECTS OF SUSTAINABILITY	 ENVIRONMENTAL ASPECTS OF SUSTAINABILITY
Around 34% of SMEs produced a sustainability document report on environmental issues with 78% of them reporting direct impacts (consumption of energy, water and raw materials) and 43% on greenhouse gas emissions.	Forum per la Finanza Sostenibile, ALTIS – Alta Scuola Impresa e Società dell'Università Cattolica del Sacro Cuore, BPER Banca, Generali Investments, Intesa Sanpaolo, "PMI italiane e rendicontazione di sostenibilità", November 2021, p12-13: https://finanzasostenibile.it/wp-content/uploads/2021/11/PMI-e-rendicontazione-di-sostenibilita_WEB.pdf
The attention of Italian SMEs towards sustainability is growing. A survey conducted in 2021 shows that more than 80% of the SMEs interviewed consider sustainability as an important element for strategic and investment decisions and 44% of them draw up a sustainability document (ESG reporting). The main benefits for SMEs following ESG reporting practices are: an easier access to new credit lines (+15%) and improved planning processes (+8.3%), as well as a better reputation and more attractiveness to customers and investors. However, the companies in the sample do not consider the extension of the ESG reporting obligation as a priority.	Forum per la Finanza Sostenibile, ALTIS – Alta Scuola Impresa e Società dell'Università Cattolica del Sacro Cuore, BPER Banca, Generali Investments, Intesa Sanpaolo, "PMI italiane e rendicontazione di sostenibilità", November 2021, p7-18: https://finanzasostenibile.it/wp-content/uploads/2021/11/PMI-e-rendicontazione-di-sostenibilita_WEB.pdf
In Italy, there is a positive correlation between a firm's size and its sustainable activities. The sustainability index, which measures the	ISTAT, "Comportamenti d'impresa e sviluppo sostenibile", March 2020, p.4-5: https://www.istat.it/it/archivio/239170

intensity of firms' involvement in sustainable practices and activities, the index value is between 0.37 and 0.41 for small and medium size companies respectively, against a value of 0,47 for large firms. Regulatory requirements are extremely strict for environmental protection, in particular for energy, water and waste in the manufacturing sector.	
A total of 35% of SMEs, that are allowed to issue minibonds (medium/long-term bonds or debt securities issued by unlisted Italian companies, typically SMEs), would focus on environmental issues (green-bonds) with special attention to circular economy projects and energy efficiency investments.	CERVED, "Rapporto Italia Sostenibile", April 2021, p.118-119: https://know.cerved.com/wp-content/uploads/2021/04/RAPPORTO-ITALIA-SOSTENIBILE-2021_WEB.pdf
In 2021, a new funding scheme to sustain investments for the ecological transition of SMEs and promote their competitiveness on foreign markets was launched. The scheme provides a mix of loans at a subsidised rate without guarantees and non-repayable grants.	'Digital and ecological transition for internationalised SMEs', October 2021: https://www.simest.it/finanziamenti-pnrr/transizione-digitale-ed-ecologica-delle-pmi-con-vocazione-internazionale
SOCIAL ASPECTS OF SUSTAINABILITY  SOCIAL ASPECTS OF SUSTAINABILITY	
Italian SMEs have played a central role in facing the Covid-19 emergency and the awareness of their social impact has increased through corporate welfare initiatives. According to the sixth edition of the 'SME Welfare Index', over 64% of Italian SMEs exceed the initial level. In 6 years, companies with a high level of welfare have more than doubled the index, going from 9.7% in 2016 to the current value of 21%. Most of these initiatives are still in progress and for 42.7% of companies they are structural and permanent. Furthermore, 54.8% of companies that have included welfare in their corporate strategy recorded positive returns on productivity.	Generali Italia, Confindustria, Confagricoltura, Confartigianato, Confprofessioni, "Welfare Index PMI 2021 – Rapporto 2021", September 2021: https://www.welfareindexpmi.it/wp-content/uploads/2021/09/Welfare-Index-PMI-Rapporto-2021-1.pdf
83% of SMEs that have drawn up a sustainability document report the social issue relating to the management of human resources, in 61% of cases they also report diversity and inclusion, and in 50% product responsibility.	Forum per la Finanza Sostenibile, ALTIS – Alta Scuola Impresa e Società dell'Università Cattolica del Sacro Cuore, BPER Banca, Generali Investments, Intesa Sanpaolo, "PMI italiane e rendicontazione di sostenibilità", November 2021, p.13: https://finanzasostenibile.it/wp-content/uploads/2021/11/PMI-e-rendicontazione-di-sostenibilita_WEB.pdf
Since 2019, fiscal incentives have transformed yearly production rewards assigned to employees into a set of welfare measures. Currently, 67% of the contracts applying the measure are signed in small companies with less than 99 employees.	Ministero del Lavoro e delle Politiche Sociali, Report 'Detassazione – Deposito contratti', October 2020, p.5: http://www.lavoro.gov.it/documenti-e-norme/studi-e-statistiche/Documents/Report%20sui%20Premi%20di%20Produttivit%C3%A0%20al%2014%20ottobre%202020/Report-monitoraggio-deposito-contratti-ottobre-2020.pdf
According to research conducted by Capterra, 39% of SMEs increased their social sustainability measures by 64% to cope with the COVID-19 pandemic. In 51% of cases, SMEs introduced corporate sustainability measures following employee proposals.	Capterra, Indagine sulla sostenibilità delle PMI italiane, 2021: https://www.rinnovabili.it/green-economy/green-market/la-sostenibilita-secondo-le-pmi/



DIGITALISATION	 DIGITALISATION
Only 9% of Italian SMEs have an advanced approach to digitalization and are trying to anticipate changes with a strategic vision of the innovation path. Although 21% of SMEs believe they are well ahead or well on the path towards digital transformation.	Osservatorio Innovazione Digitale nelle PMI-Politecnico di Milano and Capterra, "Obiettivo innovazione digitale: il Next Gen EU per trasformare le PMI italiane", 2020/2021 edition, May 2021: https://www.osservatori.net/it/ricerche/comunicati-stampa/pmi-innovazione-digitale-mercato
53% of Italian SMEs were introducing business process innovations compared to the EU average of 40%. Furthermore, 36% of Italian SMEs are introducing product innovations 36% while the EU average is 29%.	Community innovation survey, Eurostat, 2020: http://ec.europa.eu/growth/industry/innovation/facts-figures/scoreboards_en
According to a recent survey, the highest digitalization is recorded in the IT and Telecommunications sectors (86%) and the professional and business services sector (52%), while construction is the sector least prone to digital transformation.	Osservatorio Qonto, "Digitalizzazione e PMI", June 2021: https://qonto.com/it/blog/finance/osservatorio-qonto
eCommerce is used by 29.7% of micro and small companies. The highest use is in the Food (14.0%) and Manufacturing (12.1%) sectors.	Ufficio Studi Confartigianato Imprese, Rapporto 2020, September 2020, p.42: https://www.confartigianato-er.it/wp-content/uploads/2020/10/Ripartire_impresa_posibile_15_Rapp_confartigianato_2020_web.pdf
SMEs using eCommerce increased by more than 50% compared to the pre-COVID period due to a major presence on third-party eCommerce platforms to reach new shares of customers during periods of forced closure of physical channels.	Osservatorio Innovazione Digitale nelle PMI-Politecnico di Milano, "La maturità digitale delle PMI: una scommessa per il paese", December 2020: https://www.osservatori.net/it/prodotti/formato/raccolte-tematiche/la-maturita-digitale-delle-pmi-una-scommessa-2?hsCtaTracking=40b7379a-d587-402e-badc-9b5986da125f%7C08ae3206-986d-43a7-9882-9e43823b53c2
The most digitally mature SMEs show a higher level of resilience and productivity. On average they have better economic performance in terms of net profit (+28%), profit margin (+18%), added value (+11%), and EBITDA (+11%). Furthermore, they have encountered less operational slowdowns due to the COVID-19 emergency.	Osservatorio Innovazione Digitale nelle PMI-Politecnico di Milano and Capterra, "Obiettivo innovazione digitale: il Next Gen EU per trasformare le PMI italiane", 2020/2021 edition, May 2021: https://www.osservatori.net/it/ricerche/comunicati-stampa/pmi-innovazione-digitale-mercato
For Italian SMEs, the use of some digital tools is growing, but 42% of SMEs claim to have low digital skills (17%) or unevenly distributed among company staff (25%), which prevents the implementation and widespread use of new technologies. 43% of entrepreneurs still show resistance to the digital approach.	Osservatorio Innovazione Digitale nelle PMI-Politecnico di Milano and Capterra, "Obiettivo innovazione digitale: il Next Gen EU per trasformare le PMI italiane", 2020/2021 edition, May 2021: https://www.osservatori.net/it/ricerche/comunicati-stampa/pmi-innovazione-digitale-mercato
Italian SMEs have access to a broad and diverse innovation ecosystem to sustain their digitalisation efforts, including among others business associations, digital innovation hubs and competence centres.	European Investment Bank, COTEC Italia "The digitalisation of small and medium-sized enterprises in Italy", 2021, p.3: https://www.eib.org/attachments/thematic/digitalisation_of_smes_in_italy_summary_en.pdf
Policies, and regulatory obligations, have favored the use of digital technologies also in the automation of document exchanges through the issuance of electronic invoices. In 2019 Italian companies were at the top of the European ranking (95% against 32% of the EU average).	Forum PA Digital 360, "DESI 2021: Italia avanti piano, il vero nodo sono ancora le competenze", November 2021: https://www.forumpa.it/pa-digitale/desi-2021-italia-avanti-piano-il-vero-nodo-sono-ancora-le-competenze/?utm_campaign=fpa_nl_19_11_20



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INNOVATION  INNOVATION	
According to the latest ISTAT survey, 53.3% of small businesses between 10-49 employees are innovative, an increase of 7.7 percentage points compared to 45.6% in the previous three years. The share of small innovative businesses reaches a peak of 62.6% for the extended manufacturing sector.	Ufficio Studi Confartigianato on ISTAT data, Press Release, November 2021: https://www.confartigianato.it/2021/11/studi-in-italia-609-piccole-imprese-innovative-149-punti-sopra-media-ue-27-al-top-veneto-emilia-romagna-e-lombardia/
According to the latest available data from ISTAT, R&D spending rose to €25.2 billion, with an increase of 6% compared to the previous year. Companies are driving this trend, with an expenditure of €15.9 billion, equal to 63.1% of total expenditure. The most dynamic segment is that of small businesses, which recorded a 15.8% increase in R&D spending, more than eight points higher than the 7.4% bump recorded by the average for businesses. Medium-sized enterprises report a 9.3% increase in spending.	Ufficio Studi Confartigianato on ISTAT data, Press Release, October 2020: https://www.confartigianato.it/2020/10/studi-spesa-rs-nelle-mpi-158-ritmo-doppio-della-media-con-la-velocita-delle-piccole-imprese-target-ue-raggiunto-in-3-anni/
A recent survey reports that 52% of Italian SMEs have introduced at least one product, process or organisational innovation during 2020 and 73% of SMEs already use 4.0 technologies or plan to adopt them by the end of 2023. An innovation effort that for 59% of respondents will bring an improvement in product quality and a simultaneous minimisation of process inaccuracies. Innovation activities are aimed at increasing productivity (41%), improving safety inside the plants (27%), entering new markets or launching new products (24%), customising the offer to customers or ensuring more flexibility.	Ufficio Studi Banca Ifis e Il Sole24Ore, "Le PMI italiane e l'innovazione", Market Watch PMI, Il Sole24 Ore, June 2021: https://st.ilsole24ore.com/bc/marketwatchpmi/i-n-italia-una-pmi-su-due-scommette-sullinnovazione/
In November 2021 a dedicated Directorate General was created at the Ministry of Economic Development to support innovation and SMEs for the elaboration and implementation of policies for development and competitiveness, research, technology transfer, digital technologies, promotion of strategic value chains, start-ups, food industry and Made in Italy, environmental sustainability.	Ministry of Economic Development, Press Release, November 2021: https://www.mise.gov.it/index.php/it/incentivi/impresa/fondo-di-garanzia-per-le-pmi/198-notizie-stampa/2042806-e-operativa-la-riforma-del-mise-2
SKILLS  SKILLS	
According to the 'Market Watch SME' elaborated by Banca Ifis, 83% of SMEs are looking for personnel with new skills in the period 2019-2021. Alongside the classic technical and digital profiles, specialisations in 4.0 technologies are required in addition to the usual transversal soft skills (teamwork, flexibility and problem solving). Specifically, 59% of SMEs are looking for specific production skills; 28% collaborators to manage digital solutions; 26% administrative profiles; 24% industry 4.0 specialists; 8% are looking for resources in the SMAC area (social, mobile, analytics, cloud). 58% of companies did not find the required profiles on the market.	Ufficio Studi Banca Ifis, "PMI, competenze e formazione", Market Watch PMI, Il Sole24 Ore, November 2021, p.1-3: https://st.ilsole24ore.com/bc/marketwatchpmi/i-e-pmi-a-caccia-di-nuove-competenze-per-crescere/

<p>In Italy, companies report a lack of candidates but also inadequate preparation, especially in some business areas:</p> <ul style="list-style-type: none"> – Installation and maintenance (53.8%); – Information systems (51.6%); – Design and R&D (51.1%); – Production of goods and provision of services (42.4%); – Transport and logistics (40.0%). 	<p>Unioncamere and Anpal, Sistema informativo Excelsior, Bulletin November 2021: https://excelsior.unioncamere.net/documenti/bolettinimensili/doc.php?id=7347</p>
<p>In 2021, the 'National Digital School Plan' was adopted by the Ministry of Research and Education to enhance the digital competencies of students and be better prepared to respond to the evolving needs of the labour market.</p>	<p>Ministry of Research and Education, Decreto del Ministro dell'Istruzione 30 aprile 2021, 147: https://miur.gov.it/web/guest/-/decreto-ministeriale-n-147-del-30-aprile-2021</p>
ADMINISTRATIVE BURDEN  ADMINISTRATIVE BURDEN	
<p>Italian companies need 238 hours a year for their tax obligations, 31.2% more than the 182 hours of the average in the European Union. The bureaucratic-fiscal difference of 56 hours more than the European average generating a higher total cost of €2.1 billion which creates a heavy burden and reduces the competitive capacity of Italian companies.</p>	<p>Ufficio Studi Confartigianato Imprese, Rapporto 2020, September 2020: https://www.confartigianato-er.it/wp-content/uploads/2020/10/Ripartire_impresa_posibile_15_Rapp_confartigianato_2020_web.pdf</p>
<p>In Italy, the measurement and reduction of administrative burdens on SMEs at the government level is carried out on the basis of the so-called "administrative burden cut mechanism" (art. 25 of Legislative Decree 112/2008). Up to now, charges imposed by the state legislation in force have been measured for €26.5 billion in 12 different regulatory areas, with savings deriving from the simplification measures introduced estimated at over €8.1 billion per year for SMEs.</p>	<p>Italian Government – Funzione Pubblica, "Misurazione degli oneri amministrativi delle imprese": http://www.funzionepubblica.gov.it/sites/funzionepubblica.gov.it/files/documenti/Semplificazione/Misurazione-Oneri/Fisco/scheda_moa_fisco.pdf</p>
<p>In 2021, a Simplification Decree was issued for simplification and streamlining of administrative procedures in public procurement processes, authorisations for renewable energies, production, environmental impact evaluations and subcontracting assignment.</p>	<p>Italian Government, Law Decree of 31/05/2021 n. 77: https://www.gazzettaufficiale.it/eli/id/2021/05/31/21G00087/sq</p>
REGULATORY OBSTACLES  REGULATORY OBSTACLES	
<p>Italian SMEs pay the highest energy price in Europe, 33.5% higher than the average for EU countries. Electricity costs 4 times more for small entrepreneurs than a large enterprise due to the 'less consumption, more you pay' mechanism applied to the parafiscal charges in the bill and which inflates the final cost of energy for small businesses by 35%. In addition to these structural problems more recently, a sharp increase in the price of energy has even tripled the bills of small businesses in some cases.</p>	<p>Confartigianato, "Energia, non spegnete le PMI italiane subito riforma della bolletta per riequilibrare oneri parafiscali e ridurre costi" Press Release, December 2021: https://www.confartigianato.it/2021/12/energia-non-spegnete-le-pmi-italiane-subito-riforma-della-bolletta-per-riequilibrare-oneri-parafiscali-e-ridurre-costi/</p>
<p>Out of the €46.2 billion higher total costs borne by small businesses due to the cost increases of non-energy commodities, €4.3 billion weighed on small food production companies, €29.8 billion on small non-food manufacturing companies and the remaining €12.1 billion on small entrepreneurs in the construction sector.</p>	<p>Confartigianato, "Materie prime – Rincari, +31,9%, costano 46,2 mld/anno a MPI", Press Release, October 2021: https://www.confartigianato.it/2021/10/materie-prime-rincari319-costano-462-mld-anno-a-mpi-il-presidente-granelli-ipoteca-su-ripresa/</p>


<p>In 2021, a new regulation was introduced for the Customs Portal (SUDOCO) to speed up the completion of customs procedures and controls and ensure transparency and interoperability among different administrations. The new online platform builds on the 'once only', 'single window' and 'one stop shop' principles.</p>	<p>Council of Minister, Decision of 10/11/2021: https://www.ipsoa.it/documents/fisco/dogane/quotidiano/2021/11/11/sudoco-approvato-regolamento-sportello-unico-doganale-controlli</p>
<p>ACCESS TO FINANCE</p>	 ACCESS TO FINANCE
<p>To compensate for the losses caused by the COVID-19 crisis, non-repayable grants amounting to approximately €3.5 billion, recorded as capital transfers, were made to small businesses and self-employed workers in the period 2020-2021.</p>	<p>ISTAT, "Rapporto Annuale 2021 – La situazione del Paese", July 2021, p.46</p>
<p>The choice from the Italian Government to provide mainly indirect support measures to companies led to effects on their financial structure, especially for SMEs, which are now facing a strong debt exposure and limited investment capacity. These factors require a continuation of support for liquidity, with measures that favour the dimensional growth of companies and the rebalancing of their financial structures.</p>	<p>Confindustria and Cerved, "Rapporto regionale PMI 2021", May 2021, Editore Confindustria Servizi, p.24: https://www.confindustria.it/wcm/connect/fde3c2f1-faa6-4d6b-8d33-bb2c87f780e8/RAPPORTO+REGIONALE+PMI+2021_DEF.pdf?MOD=AJPERES&CACHEID=ROOTW-ORKSPACE-fde3c2f1-faa6-4d6b-8d33-bb2c87f780e8-nCPsfe4</p>
<p>In 2020, Italian start-ups and scale-ups raised €569 million with a 55% growth compared to 2019, despite a 37% reduction in the number of deals (111 compared to 175 in 2019). These data reveal the increase in the average investment value (which went from €2.1 million in 2019 to €5.1 million in 2020), thus marking a change of pace compared to previous years and allowing Italy to start closing the gap with other European economies.</p>	<p>EY – Strategy and Transactions in collaboration with VC Hub Italia, "EY Venture Capital Barometer 2020 – Italia", February 2021, p.4-5: https://assets.ey.com/content/dam/ey-sites/ey-com/it_it/news/2021/february/ey-vc-barometer2020_final23_02_2021.pdf</p>
<p>According to the Report of the Guarantee Fund and Mediocredito Centrale, innovative start-ups are particularly supported by the Guarantee Fund for SMEs, which overall has guaranteed around €3.4 billion since its establishment. By the end of 2020, 11,788 financing transactions were made totalling €2 billion, in favour of 6,074 start-ups and 4,539 operations for innovative SMEs (+100 million in the last quarter of 2020).</p>	<p>Ministero dello Sviluppo Economico - Direzione Generale per la Politica Industriale, l'Innovazione e le PMI, "Le imprese innovative e il Fondo di Garanzia per le PMI", 26th Periodic Report, December 2020, p.4-5: https://www.mise.gov.it/images/stories/documenti/26_rapporto_Fondo_di_Garanzia_-_startup_e_PMI_innovative_IV_trimestre_2020.pdf</p>
<p>Out of the almost 110,000 stakes in start-ups and innovative SMEs, over 20,000 come from Corporate Venture Capital partners. Of these, about 9,000 were related to direct investments. The growth in investments in innovative start-ups is confirmed with a total of resources mobilised equal to €785 million in 2020. Of these, approximately €343 million come from CVC investors, representing approximately 43.6% of total investments.</p>	<p>InnovUp and Assolombarda, Osservatorio Open Innovation e Corporate Venture Capital, 6th Report, 2021: https://osservatorio-openinnovation.it/</p>
<p>Between 2020 and 2021, a large moratorium for micro-SMEs and self-employed on credit lines, loans for advances on debt securities, short-term loans and instalments of loans was allowed by the Italian Government. It was a broad, timely, and almost automatic support measure used by a large number of SMEs (about</p>	<p>Banca D'Italia, "Adesione alle moratorie", November 2021: https://www.bancaditalia.it/focus/covid-19/tabelle-moratorie.pdf</p>

143,000). In November 2021, the total debt suspended amounted to €46 billion.	
LATE PAYMENTS  LATE PAYMENTS	
40% of SMEs encountered delays, especially in the North East of Italy, mainly in micro enterprises operating in B2B and B2B + B2C, usually operating in the manufacturing and production sectors. Almost €10,000 is lost on average every year by SMEs due to late payments and lack of liquidity. The total amount of late paid invoices is significant, especially for small businesses: about € 17,000 per year.	BVA-Doxa per SAP Concur, Survey on late payments, March 2020: https://www.italiaoggi.it/news/le-fatture-viaggiano-lente-e-la-cassa-piange-2428762
In Italy, the Code of Public Contracts provides for a term of payment of 45 days while the expiry date at the EU level is 30 days.	Ufficio studi CGIA Mestre, "PA: i debiti ammontano ad almeno 52 miliardi. Nel 2020 forniture non pagate per 10 miliardi", June 2021: http://www.cgiamestre.com/wp-content/uploads/2019/11/Debiti-Pa-52-mld-19.06.2021-.pdf
In 2021, the Italian Government established a Fund to ensure liquidity advances, for €1 billion, to local public administrations for the payment of their commercial debts to companies, including SMEs. Within thirty days, local authorities must use these resources to settle their commercial debts.	Italian Government, Decree 'Sostegni-bis' DL 73/2021 art. 21: Decree 'Sostegni-bis' DL 73/2021 art. 21
ACCESS TO MARKETS  ACCESS TO MARKETS	
Export data for Italy turned out to be very promising in 2021. A total growth of 11.3% is estimated by the end of the year with total sales of Made in Italy goods for €482 billion. A further increase is forecasted in 2022 (+5.4%) and in the period 2023-2024 (+4%).	Ufficio Studi SACE, "Rapporto Export. Ritorno al futuro: anatomia di una ripresa post-pandemica", September 2021, p.25: https://it.readkong.com/page/rapporto-export-2021-sace-simest-1094189
The pandemic has not affected the strength of Italian products on foreign markets. 57% of Italian SMEs continued to export in 2021. For the period 2022-2023, it is estimated that 80% of exporting SMEs will confirm the export share, 16% will record an increase while 4% foresee a decrease. Europe is the destination market in 68% of cases.	Banca Ifis, IISole24Ore, "PMI, import ed export", Market Watch PMI, October 2021 IISole24Ore, p.1: https://st.ilsole24ore.com/bc/marketwatchpmi/export-il-made-in-italy-regge-allurto-della-pandemia-e-si-prepara-a-un-biennio-di-consolidamento/
The main drivers of the export trend are growing demand from foreign countries (62%), improvement of relations with foreign customers (49%), Made in Italy success with increased market shares (31%). The main growth factors are supply chain collaboration, trade credit to supplier customers and new digital platforms for integration between companies. The strong point is technological innovation.	Banca Ifis, IISole24Ore, "PMI, import ed export", Market Watch PMI, October 2021 IISole24Ore, p.1: https://st.ilsole24ore.com/bc/marketwatchpmi/export-il-made-in-italy-regge-allurto-della-pandemia-e-si-prepara-a-un-biennio-di-consolidamento/
However, according to OECD, Italian SMEs were more exposed to disruptions in Global Value Chains due to the pandemic spreading, being more engaged in international trade (especially as exporters) and participation in long value chains.	OECD, SME and Entrepreneurship Outlook 2021, 2021, P.68: https://www.oecd.org/industry/smes/SME-Outlook-2021-Country-profiles.pdf

START-UP ENVIRONMENT  START-UP ENVIRONMENT	
Innovative entrepreneurship is growing in Italy driven by the establishment of new 'Innovative Start-ups'. In the third quarter of 2021, business demography shows a consolidation of the trend, that started with the pandemic, with the strong acceleration of the digital component. In total, 14,032 Innovative Start-ups are registered in the National Business Register (+540 compared to the previous quarter), equal to an increase of 3.3%.	Ministry of Economic Development, Unioncamere, Infocamere, "Report con dati strutturali. Startup innovative. Cruscotto di Indicatori Statistici", October 2021, p.1: https://www.mise.gov.it/images/stories/documnti/Report_Infocamere_3_trimestre_2021.pdf
Innovative Startups represent 3.6% of all newly established limited companies. The majority (75.2%) provides digital services to businesses (37.9% software and IT consulting, 14.2% R&D activities, 8.6% information services) while 16.4% are active in the manufacturing sector and 3.1% in the trade sector.	Ministry of Economic Development, Unioncamere, Infocamere, "Report con dati strutturali. Startup innovative. Cruscotto di Indicatori Statistici", October 2021, p.2: https://www.mise.gov.it/images/stories/documnti/Report_Infocamere_3_trimestre_2021.pdf
Among innovative start-ups, the share of enterprises with a prevalence of young people (under 35) is 18.5% (+4% compared to non-innovative startups), while the share with women founders is 12.9% against the 20.9% of total new limited companies. Most registered innovative startups are still at an early stage of development. The median value of production, in fact, is €34,192, a lower value than the EU average (€182,183).	Ministry of Economic Development, Unioncamere, Infocamere, "Report con dati strutturali. Startup innovative. Cruscotto di Indicatori Statistici", October 2021, p.2: https://www.mise.gov.it/images/stories/documnti/Report_Infocamere_3_trimestre_2021.pdf
Attention to IP protection is growing among innovative start-ups. More than €18 million was granted in the period 2019-2021 by the Ministry of Economic Development to innovative start-ups to support the patentability of inventions through the "3i Voucher - Invest in Innovation" incentive. A total of 1,464 innovative start-ups accessed the measure with 85.6% success rate.	Invitalia, "Voucher 3i: 18 milioni di euro di contributi alle start up innovative", Press Release, 24/09/2021: https://www.invitalia.it/chi-siamo/area-media/notizie-e-comunicati-stampa/voucher-3i-risultati-sett21
SCALE-UP ENVIRONMENT  SCALE-UP ENVIRONMENT	
Italy hosts 2.7% of the total number of European scale-ups, which attracted approximately 1.4% of the overall capital injected into the European tech scaleup ecosystem in 2020.	Mind the Bridge, "Tech Scaleup Italy 2020", December 2020, p.7: https://mindthebridge.com/tech-scaleup-italy-2020-report/
By September 2020, Italy counted a total of 261 scale-ups, with an increase of 14.5% compared to December 2019. The growth is due to a total investment of 375 million dollars in nine months (roughly on par with the amount of the entire year 2019). 87% of the capital raised in 2020 comes from venture capital funds and 12% from stock market listings, compared to a European average of 14%.	Mind the Bridge, "Tech Scaleup Italy 2020", December 2020, p.11-16: https://mindthebridge.com/tech-scaleup-italy-2020-report/
In recent years, approximately 86 million dollars of investments (3.6% of the total) have been held by publicly supported venture capital funds. In 2020, more than half was invested through the new public national Venture Capital Fund managed by 'Cassa Depositi e Prestiti'.	Mind the Bridge, "Tech Scaleup Italy 2020", December 2020, p.16-17: https://mindthebridge.com/tech-scaleup-italy-2020-report/
The Italian scaleup ecosystem is showing signs of resilience. In 2020, 60% of Italian scaleups	Mind the Bridge, "Tech Scaleup Italy 2020", December 2020:

have recorded an increase both in terms of revenues and employees. However, there is still a significant gap with other European countries. On average, the Italian scaleups are medium-small companies of about 25-50 staff and about €1.6 million annual revenues.	https://mindthebridge.com/tech-scaleup-italy-2020-report/
IMPACT OF THE COVID-19 CRISIS  IMPACT OF THE COVID-19 CRISIS	
According to a recent study from Confindustria, 73.1% of SMEs were moderately impacted by the COVID-19 crisis, while 17.9% were highly affected. On the other hand, for 9% of SMEs, activity remained stable or they have registered a business growth.	Confindustria, Cerved, "Rapporto Regionale PMI 2021", Confindustria Servizi, May 2021, p.11: https://www.confindustria.it/wcm/connect/fde3c2f1-faa6-4d6b-8d33-bb2c87f780e8/RAPPORTO+REGIONALE+PMI+2021_DEF.pdf?MOD=AJPERES&CACHEID=ROOTW-ORKSPACE-fde3c2f1-faa6-4d6b-8d33-bb2c87f780e8-nCPSfe4
A recent study conducted by Deloitte shows SME's high propensity to change despite being significantly affected by the pandemic. 90% of the companies interviewed declared that they had suffered slowdowns or suspensions of production activities and 70% of the companies were in financial difficulties. Notwithstanding, 6 out of 10 companies declared they need to redesign their offer on the market and adapt their business model to the new normal. 50% of companies intend to focus on internationalisation and 90% expressed the need to strengthen the equity component, rebalancing their exposure to third parties but also through extraordinary financial operations to be resilient and competitive in a medium-long term.	Monitor Deloitte, Confindustria-Piccola Industria, Intesa San Paolo, "I bisogni delle PMI per la ripresa post-Covid", 2020, p.13-17: https://www2.deloitte.com/it/it/pages/strategy-operations/monitor-deloitte/articles/bisogni-delle-pmi-post-covid-19---deloitte-italy---monitor-deloitte.html
Only one in four SMEs applied smart working and 58% of those who introduced this practice declared they will keep it in place even after the emergency is over.	BVA-DOXA, "Gli impatti dell'emergenza Covid-19 sulle PMI italiane", May 2020: https://www.bva-doxa.com/gli-impatti-dellemergenza-covid-19-sulle-pmi-italiane/
According to a recent survey, 41% of companies have substantially rethought organisational, distribution and payment processes to support their customers.	BVA-DOXA, "Gli impatti dell'emergenza Covid-19 sulle PMI italiane", May 2020: https://www.bva-doxa.com/gli-impatti-dellemergenza-covid-19-sulle-pmi-italiane/
NATIONAL RECOVERY AND RESILIENCE PLAN  NATIONAL RECOVERY AND RESILIENCE PLAN	
A recent survey shows that for 60% of SMEs the National Recovery Fund is an opportunity that Italy cannot miss in order to meet a competitive future in the medium to long term building on digitalisation, environmental, economic and social sustainability and inclusiveness.	TeamSystem, Kantar, "PNRR: per il 60% delle PMI è un'occasione che l'Italia non può mancare", Economy - Redazione Web, June 2021: https://www.economymagazine.it/news/2021/06/15/news/pnrr-per-il-60-delle-pmi-e-unoccasione-che-litalia-non-puo-mancare-67053/
The National Recovery Plan includes specific measures for SMEs such as support for internationalisation processes (to better position Made in Italy products on foreign markets through digitalisation) and for the competitiveness of the most innovative and strategic industrial supply chains. Furthermore, the Plan envisages the coverage of the whole territory with ultra-broadband networks (FTTH, FWA and 5G fibreoptic) to allow SMEs to fully benefit from digitalisation, including the ones located in disadvantaged areas. The Plan also	National Recovery Plan – "Italia Domani", April 2021 approved on 13/07/2021, p.84: https://www.governo.it/sites/governo.it/files/PNRR.pdf

envisages a reform of the industrial property code.	
<p>The Italian RRP contains a lot of measures for SMEs, including financing for innovative start-ups; support for the internationalisation of SMEs; and initiatives to promote the competitiveness of the numerous small firms active in the tourism sector.</p> <p>Among the measures indirectly targeting SMEs, one of the most important is the so-called 'Transition 4.0' investment, which provides a tax credit for firms investing in 4.0 tangible and intangible goods, thereby aiming at fostering the modernisation and digitalisation of the production sector.</p>	<p>European Commission, Recovery and Resilience Scoreboard, 2022. https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/assets/thematic_analysis/3_SME.pdf</p>
NATIONAL INDUSTRIAL ECOSYSTEMS*  NATIONAL INDUSTRIAL ECOSYSTEMS	
Italian SMEs in Wholesale and Retail, Construction, Food and Accommodation, which account for 40.2% of total employment, were particularly exposed to business disruptions during the pandemic.	<p>OECD, SME AND ENTREPRENEURSHIP OUTLOOK 2021, 2021, p.68: https://www.oecd.org/industry/smes/SME-Outlook-2021-Country-profiles.pdf</p>
In Italy, 30% of the total national turnover in the food industry originates from the consumption of meals outside home. In 2020, SMEs in the food industry operating in the HORECA segment were strongly affected by the effects of lockdowns. 54% of companies, in fact, closed 2020 with a strong reduction in turnover. Production also fell, by over 20% for 1 out of 2 SMEs.	<p>Centro Studi Confimi Industria Alimentare, "Le PMI alimentari in crisi per il crollo dell'Horeca, Press Release", November 2021: https://www.italianfoodtoday.it/2021/01/28/le-pmi-alimentari-in-crisi-per-il-crollo-dellhoreca/</p>
The industrial cluster that will benefit most from the National Recovery Plan is the construction industry. 59.47% of the resources of the Plan, in fact, are allocated on 'Green and ecological transition' including specific measures for building renovation like the 'Superbonus 110%' and the 'Bonus Edilizia'. These measures may represent an opportunity for activity and employment recovery in the Construction sector with many small companies. The Made in Italy cluster follows, driven by investments made in agri-food to fully unlock the potential of Agriculture 4.0.	<p>Ufficio Studi Confartigianato on ISTAT data, Press Release, October 2021: https://www.confartigianato.it/2021/10/manovra-2022-no-a-depotenziamento-bonus-edilizia-disattese-aspettative-piccole-imprese/</p>
In September 2021 a new funding scheme was introduced by the Italian Government to promote the creation of local innovation ecosystems by pulling together universities, research centres, SMEs and institutions to develop new ideas and innovative solutions with potential impact on local industrial areas and infrastructures in Southern Italy. The total available budget for the period 2022-2026 is €350 million.	<p>Ministry for the South and Territorial Cohesion, September 2021: https://www.ministroperilsud.gov.it/it/approfondimenti/bandi-e-opportunita/ecosistemi-dellinnovazione-sud/</p>

OTHER RELEVANT TOPICS		 OTHER RELEVANT TOPICS
<p>In the first three quarters of 2021, business closures were increasing on an annual basis (+43,6%), while still remaining far from pre-Covid levels. The closures are limited to certain sectors, such as logistics, automotive wholesale and hotels. The slow increase in closures is the result of a slowdown in court activities and the measures that the government has put in place to avoid market exits, more specifically the extraordinary moratorium on loans, which will no longer be effective at the beginning of next year when a sharper increase in closing procedures could occur.</p>	<p>Cerved, "Osservatorio Fallimenti, Procedure e Chiusura d'Impresa", 3Q, 2021, p.1: https://know.cerved.com/wp-content/uploads/2021/12/Osservatorio-Fallimenti-3q-2021.pdf</p>	

* "National industrial ecosystems" refer to the national aspects of the industrial ecosystems as defined by the EC. <https://op.europa.eu/en/publication-detail/-/publication/6355326c-ae95-11eb-9767-01aa75ed71a1/language-en>