Doing Business in Italy:

2014 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Italy

Market Overview Return to top

- Italy is the world's 9th largest economy with a GDP of USD 2.06 trillion in 2013. Italy's economy contracted by 2.6 percent in 2012 and 1.9 percent in 2013, still affected by the current global recession. Italy's population is 61 million.
- In 2013 Italy was the 22th largest market for U.S. exports, which totaled approximately USD 16.5 billion. The U.S. is Italy's 9th largest supplier. Germany, France, the United States, Spain, Switzerland, and the United Kingdom are Italy's most important trading partners, with China continuing to gain ground. U.S. imports from Italy totaled USD 38.7 billion in 2013.
- U.S. cumulative direct investment in Italy was USD 26.8 billion in 2012, ranking Italy 11th in Europe. U.S investment is concentrated in manufacturing, computer services and software, and energy, with significant industrial relationships in the aerospace and automotive sectors.
- Pharmaceuticals represent the second sector for U.S. investors in Italy in terms of sales (20%) and employment (14%). U.S. biopahramceutcial companies have an annual turnover of 4.7 billion euro (30% of the total industry).
- Tourism is an important source of external revenue, as are exports of engineering products, mechanical machinery, and textiles/fashion.
- Industrial activity is concentrated in the north in a swath that runs from Turin in the west through Milan to Venice in the east. This is one of the most industrialized and prosperous areas in Europe and accounts for more than 50 percent of national income. By contrast, Italy's southern region, or "Mezzogiorno" is less developed.
- Italy is a founding member of the European Union (EU) and uses the Euro as its national currency.
- Italy's current government came into being on February 22, 2014 when 39-year old Florence mayor and Democratic Party (PD) leader Matteo Renzi replaced Enrico Letta as Prime Minister.
- Renzi's center left PD dominates his governing coalition, which is no longer a grand coalition but still includes the New Center Right party, the Civic Choice party, and the Union of the Center.
- Renzi's goals extend the goals of the preceding Letta and Mario Monti governments: stimulating the Italian economy; reforming the electoral system; and streamlining Italy's political institutions.
- As new regulations and laws are passed by the new government, new opportunities may arise.

Market Challenges Return to top

- Italy is a mature and sophisticated market. U.S. entrants face strong competition from local and other EU companies in all market segments.
- Italy's regulatory environment is complex and at times lacks the transparency, clarity, efficiency and certainty found in other developed economies.
- Products that involve health, safety, or environmental concerns are likely to be highly regulated. While EU-wide regulations often apply, Italian laws may go beyond the basic EU requirements.
- Italy's economy is dominated by small and medium-sized firms (SMEs), many of which are family-owned, comprising 99.9 percent of Italian businesses and producing 68 percent of Italy's GDP.
- Italy's SME sector has a higher proportion of firms employing fewer than ten persons than the EU average. These companies contribute nearly half of total employment and one-third of value added to the economy.

Market Opportunities Return to top

- U.S. firms enjoy good opportunities in sectors where new regulations or programs (often imposed or initiated at the EU level) are creating demand; with new products/services where there is little or no domestic competition; and/or where the U.S. product offers clear technological, design, or price advantages.
- Best prospects for U.S. exports include Airport and Ground Support Equipment, Automotive Parts and Equipment, Cosmetics and Toiletries, Cybersecurity, Energy Efficiency Technologies, Medical Devices and Technologies, Mobile Communications and Private Equity.
- Italy's changing demographics and lifestyle also create opportunities. Italy's birthrate is low and its population is aging. More women are entering and remaining in the workforce although their participation remains below EU averages.
- Italy hosts major trade shows that attract buyers from throughout Europe, the Mediterranean, and beyond. The Commercial Service offers on-site support for U.S. exporters at most of the major international shows, or by request. Shows where U.S. companies have obtained good results include Ecomondo and Mostra Convegno Expocomfort (MCE) (energy efficiency technologies), Cosmoprof (Cosmetics), Autopromotec (automotive), EICMA (motorcycles), Zoomark (Pet products) and Showcase USA-Italy (tourism).
- U.S. agricultural, fish and forestry exports to Italy in 2013 totaled approximately USD 1.2 million. The United States is, for Italy, primarily a supplier of high quality inputs for Italian food processing–wheat for pasta and confectionary, forest products for furniture and housing components, tree nuts for bakery products, seeds for planting, hides and skins, seafood for the restaurant sector, and tobacco.

Market Entry Strategy Return to top

- The cultivation and maintenance of personal relationships are a vital part of doing business in Italy. Finding the right Italian agent, distributor, or business partner is therefore essential to enter the Italian market. It is usually not effective to rely on agents or distributors in neighboring markets, since despite the existence of the EU common market, the Italian market remains very individualized.
- The ideal candidate should already have a network of relationships that will open doors in the market. They should have a solid understanding of local business

practices and regulations. For technical products, the potential partner should have the ability to provide Italian customers with after-sales service. Patience is essential as it may take two to three times longer than expected to establish a business.

- eCommerce remains relatively less developed in Italy due to factors such as a high level of credit card fraud, lack of trust in the postal system, and the traditionally less favorable return practices of Italian merchants. However, Italians do use the Internet for social networking and information.
- The U.S. Commercial Service helps U.S. firms connect with key individuals and organizations through customized solutions including one-to-one meetings, company promotion events targeting customers and partners, market insights and advice, and participation in U.S. Pavilions at leading trade exhibitions. We offer regional customized solutions as well as country-specific programs.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes for Italy.

http://www.state.gov/r/pa/ei/bgn/4033.htm

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Chapter 3: Selling U.S. Products and Services

Using an Agent or Distributor

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Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and member state national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. The Directive establishes the rights and obligations of the principal and its agents, the agent's remuneration and the conclusion and termination of an agency contract. It also establishes the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies should be particularly aware that according to the Directive, parties may not derogate from certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of "vertical agreements." U.S. small- and medium-sized companies (SMEs) are exempt from these regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of impacting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than €50 million are considered small- and medium-sized. The EU has additionally indicated that agreements that affect less than 10 percent of a particular market are generally exempted (Commission Notice 2001/C 368/07).

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF

The EU also looks to combat payment delays. The new Directive 2011/7/EU, which replaced the current law in March 2013, covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. Directive 2011/7/EU entitles a seller who does not receive payment for goods and/or services within 30 days of the payment deadline to collect interest (at a rate of 8 percent above the European Central Bank rate) as well as 40 Euro as compensation for recovery of costs. For business-to-business transactions a 60-day period may be negotiated subject to conditions. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF

Companies' agents and distributors can take advantage of the European Ombudsman when victim of inefficient management by an EU institution or body. Complaints can be made to the European Ombudsman only by businesses and other bodies with registered offices in the EU. The Ombudsman can act upon these complaints by investigating cases in which EU institutions fail to act in accordance with the law, fail to respect the principles of good administration, or violate fundamental rights. In addition, SOLVIT, a network of national centers, offers online assistance to citizens and businesses who encounter problems with transactions within the borders of the single market.

Key Links:
http://www.ombudsman.europa.eu/home/en/default.htm
http://ec.europa.eu/solvit/site/about/index_en.htm

Establishing an Office

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A foreign citizen wishing to establish temporary or permanent residence in Italy to administer a business or to manage a corporation should obtain a business visa for this purpose from one of the Italian Diplomatic Missions in the United States. All individuals or firms in business in Italy must be registered with the local Chamber of Commerce, Industry and Agriculture. This is a quasi-government office, operating essentially as a field office of the Ministry of Economic Development. To register with this office, an agent for a foreign company must produce a power of attorney duly notarized by an Italian consular or diplomatic official in the country of the principal.

Data Privacy and Protection

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Current Situation

The EU's general data protection Directive (95/46/EC) spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. Data subjects must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter.

Transferring Customer Data to Countries outside the EU

The EU's current general data protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. Personal data can only be transferred outside the EU if adequate protection is provided for it or if the unambiguous consent of the data subject is secured. The European Commission has decided that a handful of countries have regulatory frameworks in place that guarantee the adequate protection of data transferred to them – the United States is NOT one of these.

As a result, in 2000 the Department of Commerce and the European Commission negotiated the Safe Harbor agreement to provide U.S. companies with simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the current Directive), and by publicly stating that commitment by "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding on those who do. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a concurrent Department of Transportation statute for air carriers and ticket agents. While the United States as a whole does not enjoy an adequacy finding, transfers that are covered by the Safe Harbor program do. Companies whose activities are not regulated by the FTC or DoT (e.g. banks, credit unions, savings and loan institutions, securities dealers, insurance companies, not-for-profit organizations, meat packing facilities, or telecommunications carriers) are not eligible to sign up for the Safe Harbor.

Key links: U.S.-EU Safe Harbor Overviews

http://export.gov/safeharbor/eu/eg_main_018476.asp

EU based exporters or U.S. based importers of personal data can also satisfy the adequacy requirement by including data privacy clauses in the contracts they sign with each other. The Data Protection Authority in the EU country from where the data is being exported must approve these contracts. To fast track this procedure the European Commission has approved sets of model clauses for personal data transfers that can be inserted into contracts between data importers and exporters. The most recent were published at the beginning of 2005, and were complemented in 2010 by contractual clauses on "sub-processing" (outsourcing by an EU based exporter of its processing activities to other sub-processors outside the EU). Most transfers using contracts based on these model clauses do not require prior approval. Companies must bear in mind that the transfer of personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

EU countries' Data Protection Authorities (DPAs) and large multinational companies have also developed a third major approach to compliance with EU rules on transfers of personal data to countries outside the EU. This is based on country-by-country DPA approval of "binding corporate rules" (BCRs). A BCR is the international code of practice that a multinational corporation follows for transfers of personal data between the companies belonging to that corporation (worldwide intra-group transfer). BCRs are suitable for closely-knit, highly hierarchically structured multinational companies but not for loose conglomerates. Companies that set up BCRs that satisfy European DPAs are able to use the presumption of conformity that these approvals provide to transfer personal data from the EU to any location in the world – not just the United States. BCRs can be a tool for compliance with privacy rules on a global scale. The process of negotiation and approval of the BCRs is currently lengthy and complex, and has not been attempted by small or medium-sized companies.

Proposed New Regulation

The EU's current data privacy legislation is undergoing review. A new commercial data protection regulation (GDPR) was proposed by DG Justice in January 2012. The European Parliament adopted on March 12, 2014, by a large majority, the position that its LIBE committee had developed on the proposed regulation. The 2012 proposal is in parallel being revised by the EU Council of Ministers. Greece was able to make good progress while holding the rotating Presidency of the EU Council during the first six months of 2014. Italy will take on the Presidency as of July 2014 while both the Parliament and Commission will be transitioning after the May 2014 European elections. If the EP's March 2014 version of the regulation is adopted, it will impose significant requirements on European and U.S. businesses on the way they are able to gather and utilize user data. It will also sunset all adequacy decisions after five years as well as transfers by way of appropriate safeguards after two years. Additionally, it will introduce substantial fines for offending companies (up to 5% of global revenue). For over two years, industry representatives have voiced their concerns to EU Institutions and member state officials. In a Position Paper published in July 2012, the American Chamber of Commerce to the EU identified 10 key concerns with the proposed regulation including:

- data breach notification
- consent
- definition of personal data, a child, and of public interest
- technical feasibility of the "right to be forgotten" provision
- extra-territoriality element that would hamper international data transfers.

The implications of this proposed regulation go well beyond its immediate scope; in particular data privacy is an integral part of other current EU regulatory initiatives in ICT sectors such as cloud computing and cyber-security.

Key Links:
European Commission's Justice Directorate-General:
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm
http://ec.europa.eu/justice/data-protection/document/international-transfers/binding-corporate-rules/index_en.htm

AmChamEU position paper on the proposed regulation:
http://www.amchameu.eu/DesktopModules/Bring2mind/DMX/Download.aspx?TabId=165&Command=Core_Download&EntryId=7914&PortalId=0&TabId=165

Franchising

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U.S. businesses looking to franchise within the European Union will likely find that the market is quite robust and friendly to franchise systems in general. There are a number of laws that govern the operation of franchises within the EU, but these laws are fairly broad and generally, do not constrain the competitive position of U.S. businesses. The potential franchiser should take care to look not only at the EU regulations, but also at the local laws concerning franchising. More information on specific legislation can be found on the website of the European Franchise Federation: http://www.eff-franchise.com/spip.php?rubrique21

Direct Marketing

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There is a wide-range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on distance-selling and on-line commerce.

Processing Customer Data
The EU has strict laws governing the protection of personal data, including the use of such data in the context of direct marketing activities. For more information on these rules, please see the privacy section above.

Distance Selling Rules
The EU’s Directive on Distance Selling to Consumers (97/7/EC and amendments) sets out a number of obligations for companies doing business over a distance with consumers.

It can read like a set of onerous "do’s" and "don’ts," but in many ways, it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter. Similar in nature is the Doorstep Selling Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

In 2011, the EU overhauled its consumer protection legislation and merged several existing rules into a single rulebook - “the Consumer Rights Directive”. The provisions of this Directive will apply to contracts concluded after June 13, 2014, and will replace current EU rules on distance selling to consumers and doorstep selling along with unfair contract terms and consumer goods and associated guarantees. The Directive contains provisions on core information to be provided by traders prior to the conclusion of consumer contracts. It also regulates the right of withdrawal, includes rules on the costs for the use of means of payment and bans pre-ticked boxes. Companies are advised to consult the relevant sections of EU Member States' Country Commercial Guides and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

In 2013, the EU adopted rules on Alternative Dispute Resolution which provide consumers the right to turn to quality alternative dispute resolution entities for all types of contractual disputes including purchases made online or offline, domestically or across borders. A specific Online Dispute Resolution Regulation will set up an EU-wide online platform to handle consumer disputes that arise from online transactions. The platform will be operational at the end of 2015.

Key Links:
Consumer Affairs Homepage:
http://ec.europa.eu/consumers/index_en.htm

Consumer Rights:
http://ec.europa.eu/justice/consumer-marketing/rights-contracts/directive/index_en.htm

Distance Selling of Financial Services
Financial services are the subject of a separate directive that came into force in June 2002 (2002/65/EC). This piece of legislation amended three prior existing Directives and is designed to ensure that consumers are appropriately protected with respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

Key Link:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32002L0065:EN:NOT

Direct Marketing over the Internet
The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied

services (such as software, which the EU considers a service and not a good) must also collect value added tax (see Electronic Commerce section below).

Key Link: http://ec.europa.eu/internal_market/e-commerce/index_en.htm

Joint Ventures/Licensing Return to top

Business operations may be carried out in all usual ways, from licensing to incorporated subsidiaries. A subsidiary is often formed to take advantage of Italian investment incentives and to limit exposure of non-Italian operations to Italian tax. A branch is sometimes chosen because of its simplicity and lower costs of formation and operation.

Business Entities – Forms of business enterprise:

Società per Azioni (SpA): is a company whose shareholders' liability is limited to the par value of their shares. This is the form favored by large enterprises and usually preferred by foreign investors. It is similar to the U.S. corporation.

Società a Responsabilità Limitata (Srl) is a company whose shareholders' liability is limited to the par value of their shares. The Srl is preferred for small business concerns and closely held businesses having limited capital.

Società in Nome Collettivo (Snc): is a general partnership. The liability is not limited.

Società in Accomandita Semplice (Sas): is a partnership in which the liability of certain of the partners is limited by agreement to the amount of their capital contributions.

Società in Accomandita per Azioni (SApA): is an incorporated partnership in which the liability of certain partners is without limits.

The European Company is a legal instrument based on the European Community law that gives companies the option of forming a European Company – known formally by its Latin name of 'Societas Europeae' (SE). An SE can operate on a European-wide basis and be governed by Community law directly applicable in all Member States.

The creation of the European Company Statute means in practice that companies established in more than one Member State are able to merge and operate throughout the EU on the basis of a single set of rules and a unified management and reporting system.This leads to advantages in terms of significant reductions in administrative and legal costs, a single legal structure and unified management and reporting systems.

Joint Ventures:

Associazione in Partecipazione (or **Joint Venture**) is not specifically regulated, but Italian law provides for some kinds of contracts that can be utilized for establishing joint ventures.

A joint venture involves the participation by a supplier of capital in the profits of the business. The operator manages the business and is solely responsible for the obligations he or she assumes toward third parties. The person furnishing the capital is responsible for any loss in direct proportion to his or her share in the net profit, limited to the amount of his/her original investment.

Joint ventures can be one-time defined transactions with a definite duration (contractual joint venture) or a permanent cooperation between separate groups through the incorporation of a joint-stock company (corporate joint venture). Corporate joint ventures are now seen frequently in Italy.

Licensing:

Licensing in Italy allows foreign entities to profit from technology transfers of a formula, process or patent without the need to invest substantial capital. The Italian government imposes no exchange control limitations on the transfer of royalties abroad. Protection over the use and ownership of the technology transferred should be included in the terms of the licensing agreement.

Selling to the Government

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The public procurement market in the EU is currently regulated by three Directives and in 2014, the EU adopted new legislation in this area. New EU Directives were adopted for the general and utilities sectors as well as one on concession contracts:

- Directive 2004/18 on Coordination of Procedures for the Award of Public Works, Services and Supplies Contracts;
- Directive 2004/17 on Coordination of Procedures of Entities Operating in the Utilities Sector, which covers water, energy, transport and postal services; and
- Directive 2009/81 on Coordination of Procedures for the Award of Certain Works, Supply and Service Contracts by contracting authorities in the fields of defense and security.

There is a separate Directive addressing the procurement of defense and sensitive security equipment.

According to some estimates, the size of the EU public procurement market is thought to be between 340 billion euros - 440 billion euros. More details on the size of the EU public procurement market are available in “The Annual Public Procurement Implementation Review”: http://ec.europa.eu/internal_market/publicprocurement/docs/implementation/20121011-staff-working-document_en.pdf

Remedy directives cover legal means for companies who face discriminatory public procurement practices.

The U.S. and the EC are signatories to the World Trade Organization’s (WTO) Government Procurement Agreement (GPA), which grants access to most public supplies and services and some work contracts published by national procurement authorities of the countries that are parties to the Agreement. In practice, this means that U.S.-based companies are eligible to bid on supplies and services contracts from European public contracting authorities above the agreed thresholds:

http://ec.europa.eu/internal_market/publicprocurement/rules/gpa-wto/index_en.htm

However, there are restrictions for U.S. suppliers in the EU utilities sector both in the EU Utilities Directive and in EU coverage of the GPA. The Utilities Directive allows EU contracting authorities to either: 1) reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50 percent of the total value of the goods constituting the tender; or 2) apply a 3 percent price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered. Those restrictions, however, are waived for the electricity sector.

While authorities of EU member states have to apply EU Public Procurement Directive when procuring goods and services, the EU institutions follow different procurement rules, as explained in our reports on “Selling goods and services to the EU institutions – Update 2014” and “Tenders for Government Contracts in the EU”:
http://export.gov/europeanunion/marketresearch/index.asp

Public Procurement in Italy

Italy’s public procurement system is bound by international obligations under both the WTO Government Procurement Agreement (GPA) and EU Public Procurement Directives. Through a series of legislative decrees enacted since the GPA became part of EU domestic law in January 1996, Italy generally has brought its domestic procurement laws into compliance with the above international obligations. Italy has over 22,000 contracting agencies at the central and local level that are subject to EU Directives on public procurement. GOI Ministries are the main central contracting agencies. At the local level, principal contracting agencies include regions, provinces, municipalities and entities controlled by the municipalities, including local healthcare authorities responsible, among other things, for hospital administration.

Invitations to bid are published in the official European Gazette and in the official Italian Gazette. The U.S. Commercial Service at the U.S. Mission to the European Union has developed a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the Government Procurement Agreement:
http://export.gov/europeanunion/grantstendersandfinancing/index.asp. For more information visit: http://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm.

http://ec.europa.eu/internal_market/publicprocurement/index_en.htm offers access to EU public procurement announcements free of charge.

The Italian government does not typically purchase goods and services abroad unless they cannot be procured locally through domestic sources, which would include subsidiaries, branches and agents of U.S. companies. In order to be considered as a source for Italian government purchases, it is recommended that the U.S. firm be represented by an agent/distributor rather than try to deal directly with Italian government agencies.

Distribution and Sales Channels Return to top

U.S. business representatives will find that selling in Italy offers new challenges, but it presents no overwhelming problems. U.S. executives may find that some commercial practices differ from those in the United States, but most will be very familiar. The system of retail and wholesale distribution, for instance, centers on small, family-operated stores. Despite this phenomenon, the supermarket-type operation has gained importance, and there are a number of substantial department stores.

Selling Factors/Techniques

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A number of U.S. firms maintain their own sales organizations in Italy. Others sell through specialized importers or appoint sales agents who often are manufacturers' brokers. A large, well-established Italian firm with an efficient nationwide sales organization is likely to insist on an exclusive arrangement. About 1,843 U.S. firms are represented in the Italian market through agents, branches, subsidiaries, or licenses. Of these, nearly 929 have a substantial direct capital investment in the form of stock as a sole owner or partner in an enterprise. Generally, the sales territory includes all of Italy. In other cases, the territory also covers all or part of the European Union, depending on the type of product and degree of technical support needed. Italian distributors also have excellent contacts within Eastern Europe and the Mediterranean Basin.

Electronic Commerce

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Regulation of Electronic Commerce in the European Union

The Electronic Commerce Directive (2000/31/EC) mentioned in the direct marketing section above provides rules for online services in the EU. It requires providers to abide by rules in the country where they are established (country of origin). Online providers must respect consumer protection rules such as indicating contact details on their website, clearly identifying advertising and protecting against spam. The Directive also grants exemptions to liability for intermediaries that transmit illegal content by third parties and for unknowingly hosting content. The European Commission released a work plan in 2012 in order to facilitate cross-border online services and reduce barriers and released a report on implementation of the action plan in 2013.

Key Link: http://ec.europa.eu/internal_market/e-commerce/directive_en.htm

The EU applies Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU-based non-business customers. U.S. companies that are covered by the rule must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC further developed the EU rules for charging Value Added Tax. These rules were indefinitely extended following adoption of Directive 2008/8/EC.

Businesses affected by EU Directive 2002/38 are either U.S.-based and selling ESS to non-business EU customers, or are EU-based businesses selling ESS to customers outside the EU. There are a number of compliance options for businesses.
The Directive creates a special scheme that simplifies registering with each member state. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are located, but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

For more, go to the EC website:
http://ec.europa.eu/taxation_customs/taxation/vat/traders/e-commerce/index_en.htm

Electronic Commerce in Italy

E-commerce in Italy is developing very rapidly and has registered annual two-digit growth over the past five years. Although the Italian digital economy lags behind other major European countries, e-commerce is poised to continue its upward trend in the next three years, with Business-to-Consumer (B2C), Business-to-Business (B2B), and Consumer-to-Consumer (C2C) transactions all posting solid growth.

B2B and E-procurement

B2B e-commerce applications and e-procurement are also registering continued growth. The most active players implementing B2B solutions are in the automotive, pharmaceutical, IT/telecom, and financial services sectors. Specialized B2B applications in key "Made in Italy" sectors are also gaining momentum. Virtually all major Italian industrial groups and companies resort to e-procurement and forecasts indicate that in the next few years up to 80 percent of all company purchases may be online. The need for the Italian public sector to improve efficiency is driving the growth of e-procurement and significant developments are occurring in this field. In order to rationalize expenditures for goods and services, both the central and local Italian government offices utilize the Italian Public Administration eMarketplace (MEPA), an e-procurement platform managed by Consip SpA - the Italian Central Purchasing body, 100 percent owned by the Italian Ministry of Economy and Finance (MEF) - through its division AiR-Acquisti in Rete ("Public Procurement Online"). MEPA connects Italian public bodies to thousands of suppliers all over Italy. Estimates indicate that the value of transactions through e-sourcing tools may have reached USD 40+ billion in 2013.

E-sourcing is mostly utilized by the public sector for the purchase of information technology equipment and office supplies, furniture, uniforms, personal safety devices and vehicles. Electronic procurement of services is also growing, especially in the areas of energy (fuel, electric power), printing services, vehicle rental, cleaning services and financial services.

For purchases with a value above the mandatory EU publication threshold, government bodies issue public tenders open to both domestic and foreign companies. Announcements of tenders on public procurements are monitored by the U.S. Mission to the European Union and can be accessed through the webpage:
http://export.gov/europeanunion/grantstendersandfinancing/index.asp

B2C

B2C e-commerce sales in Italy were valued at USD17.3 billion in 2013, an increase of 15 percent over 2012. USD12.3 billion were purchases by Italian web shoppers from Italian websites, while USD5 billion represented "imports" from foreign websites. The number of Italian web shoppers is constantly increasing and is estimated to have reached 17 million, out of 40+ million internet users. In spite of the positive trends, in absolute terms the Italian B2C e-commerce market in 2013 was still only worth one eighth of the UK market, and one fourth of the German and French markets. E-commerce penetration over total retail expenditures increased from 2.6 percent in 2012 to 3 percent in 2013, versus 14 percent in the UK, 8 percent in Germany and 6 percent in France.

According to a study by Milan Polytechnic, one of the most notable factors driving market development in 2013 was the exponential growth of mobile commerce, which registered sales of USD660 via smartphone and USD1.3 billion via tablet. Mobile phone penetration in Italy is among the highest in the world, with 48+ million users, 27 million smartphones and close to 7 million tablets. As social networking in Italy is booming and 26 million Italians are active Facebook subscribers, a rising number of mobile surfers also utilize smartphones and tablets to take advantage of exclusive offers presented to them through social media. It is expected that mobile commerce sales will continue to grow exponentially, reaching USD9.5 billion by 2016.

Contrary to the other major European countries, where sales of products represent 65-80 percent of the e-commerce market, in 2013 the services segment in Italy still held the lion's share, with 61 percent, and products represented 39 percent. However, the trend is reversing and, year after year, products are acquiring a rising weight. The best performances were in travel and tourism services (43 percent of the market value) followed by apparel (12 percent), information technology/consumer electronics (11 percent), and insurance services. Discount couponing (4 percent), and books/music/video (3 percent) are expected to grow considerably.

Security and Payment Technologies

The use of credit cards in Italy lags behind the United States (and some European countries) and security is still a major concern of Italian users. Nonetheless, credit cards are the main method of payment for e-commerce transactions (estimated at 75 percent in 2013), followed by PayPal (20 percent), prepaid cards, bank transfer payments and cash-on-delivery. Prepaid cards issued by major banking institutions are gaining in popularity and are becoming the most frequently used type of payment card in Italy for online transactions by young people and people with generally lower income levels.

Strong differences in the methods of payment exist between the purchase of goods and services. Credit cards are utilized 99 percent of the time in the travel and tourism sector, and 65 percent in the insurance sector. On the other hand, cash-on-delivery still has a primary role in the information technology/ consumer electronics sector, and in the apparel, book/music/audiovisual and grocery sectors.

Mobile payment services are expected to grow significantly in the next two years and give momentum to mobile commerce. An additional push for the development of such services is also expected as a result of the completed transposition of the EU Directives on Payment Services (PSD) and on Electronic Money into national legislation. Italian legislation also fully complies with EU consumer protection directives with regard to specific information that an e-commerce site must provide, and sets rigid privacy protection requirements for the opening of an e-commerce site, where companies resort to encryption, firewalls, secure protocols and digital certificates. Italian legislation recognizes the legal validity of digital signatures and digital contracts.

Key links:

http://ec.europa.eu/internal_market/payments/emoney/
http://ec.europa.eu/internal_market/payments/framework/index_en.htm
http://www.bis.org/publ/cpss105.pdf - Italy Section
http://www.ecb.europa.eu/pub/pdf/other/recommendationsforthesecurityofinternetpaymentsen.pdf
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0941:FIN:EN:PDF

Most Popular Search Engines

Google is the most popular search, mostly in its Italian version (www.google.it), but also in its .com version in English. The other most popular search engines are www.yahoo.it, www.virgilio.it, www.libero.it http://it.msn.com / www.bing.com and www.tiscali.it.

U.S. companies can contact each search engine to submit their sites for listing free of charge, but can also subscribe to special advertising services for a fee. U.S. companies may also decide to hire local firms specialized in "web positioning" and search engine marketing services for website optimization. Although not required, it is advisable for any U.S. company that wishes to rank high on a local search engine to translate into Italian at least keywords and some text.

Most Popular Online B2C Marketplaces

◦ Popular marketplaces, offering products in a wide variety of categories, include www.amazon.it , www.ebay.it, www.mediashopping.it, www.dmail.it, www.comproedono.it**.**

In addition, there are a range of online marketplaces specialized by sector. Tthe following list is a selection and is not meant to be comprehensive.

◦ Travel and tourism: www.edreams.it, www.expedia.it, www.it.lastminute.com**,** www.venere.com, www.volagratis.it, www.tripadvisor.it, www.octopustravel.it, www.opodo.it, www.kayak.it

◦ Information technology and consumer electronics: www.bow.it, www.chl.it, www.eprice.it, www.euronics.it, www.monclick.it , www.mrprice.it, www.mediaworld.it, www.saturn.it, www.unieuro.com, www.marcopoloshop.it, and www.trony.it

◦ Fashion: www.yoox.com, www.zalando.it, www.saldiprivati.com, www.privalia.com, www.banzai.it, and www.vente-privee.com

◦ Books, music and video: www.amazon.it, www.ibs.it, www.bol.it, www.mondolibri.it, www.unilibro.it, and www.lafeltrinelli.it

◦ Food: www.eataly.com and www.esperya.net are two of the most important online marketplaces in Europe featuring Italian food

◦ Couponing: www.groupon.it, www.it.groupalia.com, www.letsbonus.it and www.prezzofelice.it are among the most important sites

◦ In addition to these marketplaces – mostly B2C -- there are many B2B marketplaces and virtual malls specialized by industrial sector.

Trust Mark Programs

U.S. companies can voluntarily register with several trust mark programs, which include:

- Sigillo Netcomm (Netcomm Seal): The Seal from the Netcomm Consortium, which is part of EMOTA - European Multi- Channel and Online Trade Association. The Netcomm Seal is the national version of the "EMOTA European Trust Mark". (http://www.consorzionetcomm.it/Consorzio_Netcomm/Sigillo_Netcomm)
- Q-Web/Certicommerce (http://www.certicommerce.net/pubblica/e_index.htm)
- Quality Certification Bureau Italia (http://www.qcb.it/index.html)
- Euro-Label (http://www.euro-label.com/en/about-us/index.html), the trust mark awarded to commercial websites that comply with the European Code of Conduct and which guarantees the reliability of international and national transactions.

Market Drivers

The main factors fueling the development of e-commerce in Italy will continue to be:

1) Improved Internet access infrastructure;
2) A mobile and smartphone diffusion among the highest in the world, which will enable both the business and consumer segments to take advantage of new telecom technologies for e-commerce transactions;
3) Recognition of e-commerce as a means to provide better support to customers and suppliers;
4) Improved consumer protection legislation;
5) Improved transaction security;
6) Italian legislation which recognizes the legal validity of digital signatures and digital contracts

Web Resources

CONSIP -- Public company for the development and management of public e-procurement
http://www.consip.it/on-line/Home/Companyoverview.html

Acquisti in Rete – AiR ("Public Procurement Online") -- The AiR portal provides access to a fully functional e-procurement platform
https://www.acquistinretepa.it/opencms/opencms/menu_livello_I/header/Inglese/PROGRAM

Netcomm -- Italian E-Commerce Consortium
http://www.consorzionetcomm.it/

Trade Promotion and Advertising

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General Legislation

Laws against misleading advertisements differ widely from member state to member state within the EU. To respond to this imperfection in the internal market, the Commission adopted a directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October 1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member states can authorize even more extensive protection under their national laws.

Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU's Audiovisual Media Services Directive lays down legislation on broadcasting activities allowed within the EU. Since 2009, the rules allowing for U.S.-style product placement on television and the three-hour/day maximum of advertising have been lifted. However, a 12-minute/hour maximum remains. Child programming is subject to a code of conduct that includes a limit of junk food advertising to children. Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are considered as legally binding on the seller. For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section below. This Directive, however, will be incorporated into the Consumer Rights Directive mentioned above by June 2014.

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These rules outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

Key Link:
http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm
http://ec.europa.eu/avpolicy/reg/avms/index_en.htm

Medicines

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC as amended by Directive 2004/27/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission presented a new proposal for a framework for information to patients on medicines in 2008 which would allow industry to produce non-promotional information about its medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance. The debate on the framework however is currently blocked in the member states and therefore, current varying systems at national level are in force.

Key Link:
http://ec.europa.eu/health/human-use/information-to-patient/index_en.htm

Nutrition & Health Claims
On July 1, 2007, a regulation on nutrition and health claims entered into force. Regulation 1924/2006 sets EU-wide conditions for the use of nutrition claims such as "low fat" or "high in vitamin C" and health claims such as "helps lower cholesterol." The regulation applies to any food or drink product produced for human consumption that is marketed in the EU. Only foods that fit a certain nutrient profile (below certain salt, sugar and/or fat levels) are allowed to carry claims. Nutrition and health claims are only allowed on food labels if they are included in one of the EU's positive lists. Food products carrying claims must comply with the provisions of nutritional labeling Directive 90/496/EC and its amended version Directive 1169/2011.

In December 2012, a list of approved functional health claims went into effect. The list includes generic claims for substances other than botanicals which will be evaluated at a later date. Disease risk reduction claims and claims referring to the health and development of children require an authorization on a case-by-case basis, following the submission of a scientific dossier to the European Food Safety Authority (EFSA). Health claims based on new scientific data will have to be submitted to EFSA for evaluation but a simplified authorization procedure has been established.

The development of nutrient profiles, originally scheduled for January 2009, keeps being delayed. Nutrition claims can fail one criterion, i.e. if only one nutrient (salt, sugar or fat) exceeds the limit of the profile, a claim can still be made provided the high level of that particular nutrient is clearly marked on the label. For example, a yogurt can make a low-fat claim even if it has high sugar content but only if the label clearly states "high sugar content." A European Union Register of nutrition claims has been established and is updated regularly. Health claims cannot fail any criteria.

Detailed information on the EU's Nutrition and Health Claims policy can be found on the USEU/FAS website at http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/nutrition-health-claims/ and in the EU-28 "Food and Agricultural Import Regulations and Standards (FAIRS) Report.

Key Link: http://ec.europa.eu/nuhclaims/

Food Information to Consumers
In 2011, the EU adopted a new regulation on the provision of food information to consumers (1169/2011). The new EU labeling requirements will apply from December 13, 2014 except for the mandatory nutrition declaration which will apply from December 13, 2016.

Detailed information on the EU's new food labeling rules can be found on the USEU/FAS website at http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/eu-labeling-requirements/ and in the EU-28 "Food and Agricultural Import Regulations and Standards (FAIRS) Report.

Key link: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:304:0018:0063:EN:PDF

Food Supplements –
Directive 2002/46/EC harmonizes the rules on labeling of food supplements and introduces specific rules on vitamins and minerals in food supplements. Ingredients other than vitamins and minerals are still regulated by member states.

Regulation 1925/2006, applicable as of July 1, 2007, harmonizes rules on the addition of vitamins and minerals to foods. The regulation lists the vitamins and minerals that may be added to foods. This list was most recently revised in February 2014. A positive list of substances other than vitamins and minerals has not been established yet, although it is being developed. Until then, member state laws will govern the use of these substances.

Key Link: http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm

Tobacco
The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, and internet as well as the sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed, though these are banned in many member states. Tobacco advertising on television has been banned in the EU since the early 1990s and is governed by the Audiovisual Media Services Directive. A revised Tobacco Products Directive has been adopted and must now be transposed into national legislation by member states by 2016. The new legislation will include bigger, double-sided health pictorial warnings on cigarette packages and possibility for plain packaging along with health warnings, tracking systems.

Key link: http://ec.europa.eu/health/tobacco/products/

Pricing Return to top

When providing the Italian buyer with a price quote, U.S. firms most frequently provide a quote that includes sales price plus packing costs, insurance, and freight to the named point of destination. (This is called the "CIF" price and is commonly misused because it applies only to sea freight to the port of destination. "CIP" – carriage and insurance paid to destination, is usually more correct: see International Chamber of Commerce INCOTERMS: (http://www.iccwbo.org/incoterms/id3040/index.html). Usually, the average Italian business representative can then determine the charges for customs, taxes, and local transportation to arrive at the final landed cost to the importer. The customary terms of sale in Italy are either cash on delivery (which is rare) or settlement 60-120 days after invoice date (more common).

Sales made on cash terms call for payment before delivery, on delivery, or shortly thereafter, that is, usually within 10 days from the date of delivery. A two to five percent discount is given for payment of the full amount of the transaction at the end of the specified period from one to four months from the date of the invoice. The length of the period depends on the commodity involved, the credit standing of the buyer, and the marketing and sales objective of the seller. A period of up to two years is often allowed for payment of capital goods, store equipment, trucks, and similar heavy equipment.

Italian firms indicate that some U.S. suppliers are too rigid in their payment terms and have thus lost business to other suppliers. Financing is considered as much a competitive factor as the product itself, the delivery date, or after-sales service. While some U.S. manufacturers request payment upon receipt of the goods, more successful sellers offer terms allowing settlement of the account from 60 to 120 days following the invoice date, which is the most common practice in Italy.

The use of irrevocable letters of credit for the Italian market has declined appreciably in recent years. Although such instruments are still required by U.S. exporters, especially when the Italian customer's credit reputation is not well known, the growing reluctance of Italian firms to provide letters of credit has required U.S. exporters to turn to other methods to assure payment or lose the sale to other suppliers in the competitive Italian market. The Italian businessperson is reluctant to pay a high fee for a letter of credit when other suppliers or means of payment are available. U.S. firms are increasingly using the export credit insurance and guarantee programs available through the Export-Import Bank of the United States (Ex-Im Bank), the Foreign Credit Insurance Association (FCIA), Fidelity & Deposit, the Overseas Private Investment Corporation (OPIC), American International Group – AIG Global & Political Risk Insurance Co. (AIG), Multilateral Investment Guarantee Agency (MIGA) and other export credit insurers.

Quotes and Payment Terms

Italian importers generally prefer price quotes on a CIF or CIP basis, since they are usually familiar with the Italian customs charges and value-added taxes levied on the product at the time of importation, but may not be acquainted with U.S. costs for trucking, ocean, or air freight. Large Italian firms and department stores, however, may prefer to buy on other terms when they arrange for the shipping and insuring the goods. Quotes and invoicing are usually in terms of the currency of the selling country.

U.S. quotes, usually stated in dollars and on an FOB (Free on board) basis, are completely acceptable to Italian buyers. The usual practice of U.S. firms selling to a new customer is to require cash against documents for the first sale or two. After establishing credit, the importer will expect to pay by 30-, 60-, or 90-day letter of credit. In all cases, the U.S. exporter will have to decide how to strike a balance between making the sale easier with liberal financing terms versus seeking a sale with more secure payment terms. When first starting out, U.S. firms may often find it necessary to offer their best price and payment terms in order to land the sale in the competitive international market. Later, prices may be adjusted as sales and volume permit.

The Italian buyer may request a quote or shipment of goods under other INCOTERMS (International Commercial Terms). This is a set of international rules defining the important commercial terms and practices. By referencing INCOTERMS in contracts or invoices, both buyer and seller will have a uniform understanding of their responsibilities in an agreement. Copies of the 90-page publication, Guide to INCOTERMS, are obtainable from ICC Publishing, 156 Fifth Avenue, New York, NY 10010, (212) 206-1150. Exporters can also obtain information from the International Chamber of Commerce website: http://www.iccwbo.org/ or from Dun & Bradstreet Exporters' Encyclopaedia.

Merchandise may be examined by the Italian importer for inventory purposes before customs clearance. Goods cannot clear customs without shipping documents and payment of any required customs duty, applicable value-added taxes and excise taxes. The importer must undertake these formalities at the time of clearing customs. Import licenses, if required, should be presented by the importer within the period for which they were issued.

Sales Service/Customer Support

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Conscious of the discrepancies among member states in product labeling, language use, legal guarantee and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service and customer support.

Product Liability

Under the 1985 Directive on Liability of Defective Products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

Key link:
http://ec.europa.eu/enterprise/policies/single-market-goods/product-liability/

Product Safety

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries that are not deemed safe in the EU. The legislation is still undergoing review.

Key link: http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-sales Service

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- Repair of the good(s);

- Replacement of the good(s);
- A price reduction; or
- Rescission of the sales contract.

Key link: http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

Protecting Your Intellectual Property Return to top

Protecting Your Intellectual Property in the EU:
Several general principles are important for effective management of intellectual property ("IP") rights in the EU. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in the EU than in the United States. Third, rights must be registered and enforced in the EU under local laws. Your U.S. trademark and patent registrations will not protect you in the EU. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the EU market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally, cannot enforce rights for private individuals in EU. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in EU law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in the EU require constant attention. Work with legal counsel familiar with EU laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both EU or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources
A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.

- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.

- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Angola, Argentina, Brazil, China, Colombia, Egypt, Ghana, India, Indonesia, Kenya, Mexico, Mozambique, Nigeria, Russia, Saudi Arabia, Senegal, South Africa, Thailand, Turkey and Vietnam. For details and to register, visit: http://www.stopfakes.gov/business-tools/international-ip-advisory-program

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. For contact information, please see: http://www.uspto.gov/ip/global/attache/Attache_Contacts_2012-08.doc

Protecting Your Intellectual Property in Italy:

Inadequate enforcement of Intellectual Property Rights (IPR) remains a serious problem in Italy. While anti-piracy and anti-counterfeiting laws on the books are widely regarded as adequate, relatively few IPR cases are brought to trial. Judges still regard IPR violations (and copyright violations in particular) as petty offenses, and the magistracy is a weak link in combating piracy in Italy. The Italian Finance Police (GDF) and Customs Police are active in combating IPR theft, but few cases reach final sentencing.

In April 2014, the USTR announced the removal of Italy from the Special 301 Watch list, in recognition of the Italian Communications Authority's (AGCOM) adoption of long-awaited regulations to combat copyright piracy in December 2013, as well as overall improvement of the climate of IP-intensive industries in Italy. The AGCOM regulations, which entered into force on March 31, 2014, will benefit Italian as well as foreign copyright holders by providing notice and takedown procedures that incorporate due process safeguards and establish a mechanism for addressing large-scale piracy. The adoption and entry into force of these regulations is an important achievement, resulting from intensive efforts over many years, and the U.S. welcomes signs of renewed government commitment to tackling IPR issues.

Copyrighted works sold in Italy generally must bear a sticker issued by SIAE, Italy's royalty collection agency operating under loose authority from the Ministry of Culture. Business software is exempted, though obtaining this exemption requires some (tedious) paperwork. The music and film industries previously supported application of the sticker, but are now dissatisfied with the system, asserting it has become overly burdensome, costly, and has failed to provide adequate protection from piracy.

Italy is a member of the Paris Union International Convention for the Protection of Industrial Property (patents and trademarks) to which the United States and about 85 other countries adhere. U.S. citizens generally receive national treatment in acquiring and maintaining patent and trademark protection in Italy. After filing a patent application in the United States, a U.S. citizen is entitled to a 12-month period within which to file a corresponding application in Italy and receive rights of priority. Patents are granted for 20 years from the effective filing date of application and are transferable. U.S. authors can obtain copyright protection in Italy for their work first copyrighted in the United States, merely by placing on the work, their name, date of first publication, and the symbol (c) – the latter is optional.

Due Diligence Return to top

Product safety testing and certification is mandatory for the EU market. U.S. manufacturers and sellers of goods have to perform due diligence in accordance with mandatory EU legislation prior to exporting.

Local Professional Services

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Local service providers focusing on EU law, consulting, and business development can be viewed on the website maintained by the Commercial Service at the U.S. Mission to the European Union at:
http://export.gov/europeanunion/businessserviceproviders/index.asp.

Business Service Providers is a listing of experienced local firms that offer useful services to U.S. exporters and investors interested in doing business in Italy. U.S. companies in need of such services, such as accountants, consultants, forwarders, etc., are encouraged to view the list of firms on the U.S. Commercial Service Italy website at:

http://export.gov/italy/businessserviceproviders/index.asp

Web Resources

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EU websites:
Coordination of the laws of the member states relating to self-employed commercial agents (Council Directive 86/653/EEC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML

Agreements of Minor importance which do not appreciably restrict Competition under Article 81(1) of the Treaty establishing the European Community:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2001:368:0013:0015:EN:PDF

Directive on Late Payment:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2011:048:0001:0010:EN:PDF

European Ombudsman:
http://www.ombudsman.europa.eu/home/en/default.htm

EU's General Data Protection Directive (95/46/EC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:1995:281:0031:0050:EN:PDF

Safe Harbor:
http://export.gov/safeharbor/eu/eg_main_018476.asp

Information on contracts for transferring data outside the EU:
http://ec.europa.eu/justice/data-protection/document/international-transfers/transfer/index_en.htm

EU Data Protection Homepage:
http://ec.europa.eu/justice_home/fsj/privacy/index_en.htm

Distance Selling Rules:
http://ec.europa.eu/consumers/cons_int/safe_shop/dist_sell/index_en.htm

Distance Selling of Financial Services:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2002:271:0016:0024:EN:PDF

E-commerce Directive (2000/31/EC):
http://ec.europa.eu/internal_market/e-commerce/index_en.htm

VAT on Electronic Service:
http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm

The Unfair Commercial Practices Directive:
http://ec.europa.eu/consumers/rights /

Information to Patients - Major developments:
http://ec.europa.eu/health/human-use/information-to-patient/legislative-developments_en.htm

Nutrition and health claims made on foods - Regulation 1924/2006
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:012:0003:0018:EN:PDF

Regulation on Food Information to Consumers:
Regulation 1169/2011

EU-27 FAIRS EU Country Report on Food and Labeling requirements:
http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/

Guidance document on how companies can apply for health claim authorizations:

Summary document from EFSA
http://www.efsa.europa.eu/cs/BlobServer/Scientific_Opinion/nda_op_ej530_guidance_summary_en.pdf?ssbinary=true

Health & Nutrition Claims
http://ec.europa.eu/food/food/labellingnutrition/claims/index_en.htm

Tobacco
http://ec.europa.eu/health/tobacco/policy/index_en.htm

Product Liability:
http://europa.eu/legislation_summaries/consumers/consumer_safety/l32012_en.htm

Product Safety
http://ec.europa.eu/consumers/safety/prod_legis/index_en.htm

Legal Warranties and After-Sales Service:

http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:01999L0044-20111212&qid=1395670475658&from=EN

Copyright: http://ec.europa.eu/internal_market/copyright/documents/documents_en.htm

Harmonization of certain aspects of Copyright and related rights in the Information Society - Copyright Directive (2001/29/EC):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32001L0029:EN:HTML

Industrial Property
http://ec.europa.eu/internal_market/indprop/index_en.htm

Trademark
http://ec.europa.eu/internal_market/indprop/tm/index_en.htm

European Patent Office (EPO)
http://www.european-patent-office.org/

Office for Harmonization in the Internal Market (OHIM)
http:/oami.europa.eu/

World Intellectual Property Organization (WIPO) Madrid
http://www.wipo.int/madrid/en

U.S. websites:

IPR Toolkit: http://www.stopfakes.gov/sites/default/files/europeanunion_toolkit.pdf

EU Public Procurement:
http://export.gov/europeanunion/marketresearch/eufundingandgovernmentprocurementsectors/index.asp

Local Professional Services:
http://export.gov/europeanunion/businessserviceproviders/index.asp

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

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AIRPORT AND GROUND SUPPORT EQUIPMENT (APG)

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Unit: USD millions

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	3,460	3,500	3520	3550
Total Local Production	2,570	2,600	2620	2640
Total Exports	1,400	1,450	1500	1530
Total Imports	2,290	2,350	2400	2440
Imports from the U.S.	1,010	1,030	1050	1080
Exchange Rate: 1 USD	0.78	0.75	0.73	0.73

The above statistics are unofficial estimates.

Italy is an important European market for airport and ground support equipment. Italian airports handled 143.5 million passengers in 2013, a decrease of just over 1 percent from the previous year. Airports with the greatest passenger movement include Milan Malpensa (51 percent), Rome Fiumicino (17 percent), and Bergamo (14 percent). Air freight cargo activity remained fairly stable with 842,000 tones transiting through Italian airports in 2013 (-0.29 percent decrease). The Milan Malpensa Airport represents nearly 50 percent of total Italian cargo traffic and recorded an increase of about 4 percent last year.

The Italian airline market is fragmented with a mix of full service and low-cost carriers. The principle carrier is Compagnia Aerea Italiana S.p.A., (CAI, operating as Alitalia). The National Agency for Flight Assistance, ENAV, provides air traffic control and navigation services. The Italian civil aviation authority, ENAC, has oversight of civil aviation including certification and control authority. ENAC's role is to improve security and safety systems such as runway extensions, anti-intrusion systems, scanners, metal and explosive detectors, tracking systems and other airport and ground support equipment and emergency systems and services.

A key focus area is the Single European Sky, Europe's flagship project for reforming air traffic management. The objective is to improve airport capacity, ground handling operations performance, and reduction of carbon footprint. Air traffic is estimated to nearly double by 2030, and the foreseeable capacity crunch has led the European Commission, sustained by the Airports Council International (ACI) Europe, to ask Member States to develop national strategies. As a result, the market can be expected to expand with increased medium- and long-term investments, both private and public, for airport expansion, upgrading of existing structures and purchase of airport ground support equipment and systems.

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EU Regulation n. 1087, published on October 27, 2011, requires that all explosive detection systems (EDS) meet standard 3 specifications by September 1, 2020. Consequently, for passengers and hand luggage, international airports will gradually adopt the latest technologies to meet these mandatory requirements.

Italian airport authorities will continue to focus on improvements in other areas including anti-intrusion systems, automated baggage handling systems (BHS), approach surveillance radars, sea rescue equipment, precision approach path indicators and radars, digital x-ray systems, fire detection and extinguishing equipment and the broad range of services related to airport and ground handling operations. For passengers and hand luggage, airports are also adopting the latest technologies in hand and window metal detectors (HMD and WMD) as well as explosive trace detection systems (ETDS). Other technologies with good prospects include primary explosive detection systems (PEDT) and EDS for cargo luggage, and multi-level systems with threat image projection software for mail and parcels.

The U.S. industry will maintain a competitive edge as it is recognized for its technological leadership in advanced products and quality standards.

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The reboot of a sector that has been widely regarded as stagnant presents opportunities for U.S. companies. The Italian airport sector underwent significant regulatory developments in 2013 after a new airport fee scheme was introduced, putting an end to a decade-long policy paralysis. The national government opened an independent transport regulation authority in September 2013 based in Turin and charged with regulating issues such as taxation and infrastructure plans at national airports, railways, roadways and ports.

In April 2014, the Italian Minister of Infrastructure should present the national airport plan to the Council of Minister. The plan aims to strengthen competitiveness by providing a development framework of a fundamental sector for economic growth and employment. The plan identifies 11 strategic airports within 10 main "catchment" areas that meet key criteria including dimension and type of traffic, location in the territory and a natural fit within European transport infrastructure policy (TEN-T) framework.

Increased investments are expected in Milan and Rome, among others. Sea SpA, which manages the Milan Airports, has plans to redesign the Milan Malpensa airport in light of Expo 2015. The total investment amounts to 300 million Euro and the Minister of Infrastructure is reviewing the plan that would give Malpensa a total surface area of 350,000 square meters, 90 boarding gates, up to 270 check-in desks and 41 loading bridges. Malpensa will be the first Italian airport to accommodate two Airbus A380 simultaneously and board passengers through 3 loading bridges.

A major expansion plan -- Fiumicino Due – managed by Aeroporti di Roma (ADR) S.p.A. was officially presented in December 2011 and is part of the City of Rome's strategic growth plan to develop and implement an efficient infrastructure network. It is expected that the total number of passengers to transit at the Rome Fiumicino Airport will reach 110 million passengers by 2044. The plan aims to increase airport capacity through the construction of a second terminal equipped with two new runways. The project will run through 2044 and involves private investments of over USD16 billion Euro. Mid-term developments (2020) include the creation of new terminals, baggage handling systems and ground rapid transit systems. Long-term projects include the enlargement of the current airside and landside infrastructure. Furthermore, airport infrastructures will be integrated with the transportation infrastructures in the wider context of an integrated, intermodal mobility plan. The total investment by AdR, the City of Rome, ANAS (road infrastructure) and RFI (railways) is USD8.7 million, of which USD4.8 million will be covered by TEN-T funding.

Investments are expected in the Northeast where Save S.p.A. (Venice and Treviso airport management company) and Catullo S.p.A. (Verona and Brescia management company) have announced an agreement for the integration of the Venice and Verona airport systems.

Major tenders are published in the Gazzetta Ufficiale (Official Gazzette), while other tenders are generally published in the major national newspapers (Il Sole 24 Ore, Corriere della Sera, La Repubblica).

Web Resources

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Useful websites:

Assaeroporti (Italian Airports Association): http://www.assaeroporti.it/

Ministry of Infrastructure and Transportation: http://www.infrastrutturetrasporti.it

Aeroporti di Roma (ADR) S.p.A.: www.adr.it

Sea S.p.A.: http://www.seamilano.eu/en

ENAC: www.enac-italia.it

ENAV SpA: www.enav.it

Gazzetta Ufficiale: www.gazzettaufficiale.it

European Union: www.europa.eu

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AUTOMOTIVE PARTS AND EQUIPMENT

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	2012	2013 est.	2014 est.	2015 est.
Total Market Size	39.1	39.8	40.9	40.9
Total Local Production	48.7	50.7	52.1	52.1
Total Exports	23.3	25.7	26.4	26.4
Total Imports	13.7	14.8	15.2	15.2
Exchange Rate: 1 USD	0.78	0.75	0.73	0.73

Source: Anfia: Italian Association of the Automotive Industry (*in USUSD billions*)

	2012	2013 est.	2014 est.	2015 est.
Imports from the U.S.	278	335	345	345
Exchange Rate:1 USD	0.78	0.75	0.73	0.73

Source: Anfia: Italian Association of the Automotive Industry (*in USUSD millions*)

Market Information

Italy is one of the most important European automotive markets, with 1.3 million new registered passenger vehicles sold in 2013, versus 1.4 million in 2012. The market for new light commercial vehicles (under 3.5 tons) was about 100,000 units in 2013 (-12 percent over 2012). Jan-Feb. data shows a slight recovery in 2014 over 2013.

Market share: In 2013, local manufacturers had a 28.8 percent market share of the passenger vehicles market. FCA (Fiat-Chrysler Automobiles) is the only major auto manufacturer producing cars in Italy (apart from niche brands like VW-owned Lamborghini and dR, a JV between an Italian company and a Chinese firm). Fiat acquired 100 percent of Chrysler on January 1, 2014. FCA’s position is mainly due to its range of affordable city cars. FCA has a manufacturing JV in the light commercial vehicles sector with the French PSA Group (brands Citroen and Peugeot).

Alternative fuels: Alternative fuels vehicles represent a sizable share of the Italian car market (15.3 percent of the total, one of the largest in Europe). Almost 200,000 new vehicles (Gasoline/LPG, Gasoline/CNG, CNG, Hybrid, and Electric) sold in 2013 were “alternative fueled vehicles”. “Electric-only” vehicles represent a small segment of the market (about 800 vehicles). Hybrid vehicles sales exceeded 13,000 units. For these two categories, 2013 figures were higher than in 2012 and 2011. Electric and hybrid vehicles are generally imported into the country. Fiat complies with the EC-directives regarding the CO2 emissions by focusing mainly on CNG and LPG powered vehicles. In fact, Italy is the leading European country for CNG-powered vehicles with over 700,000 units circulating. Piaggio, the largest European 2-wheel manufacturer, besides manufacturing the hybrid MP3 scooter, produces an electric version of its light commercial vehicle “Porter”.

Used vehicles: There is a significant market for used vehicles. Sales of used cars totaled more than 2.5 million in 2013 and 44 percent of cars are more than 10 years old, which creates significant opportunities for maintenance and remanufacturing. The vehicles' stock was 42 million (37 million passenger vehicles) in 2012.

Production
In 2013 the local production was 658,000 vehicles, with a slight decrease from 672,000 in 2012. This includes 397,000 cars, 236,000 light commercial vehicles and 33,000 heavy vehicles. Due to the lack of public funds to renew or replace the public fleets, bus production is almost negligible.

Some of FCA's smallest vehicles are produced outside Italy, e.g. in Poland and Turkey. Besides manufacturing locally blockbuster models such as the "Panda", FCA plans to focus on manufacturing high end vehicles in Italy. The Italian automotive industry is mainly concentrated in Turin and the Piedmont region where Fiat is headquartered: around 50 percent of the 2,600 companies (with 170,000 employees) active in the sector are established there.

Parts
Production of vehicles in Italy sharply decreased in recent years by 62 percent between 2000 and 2013.This situation forced local companies to reroute excess capacity to exports by supplying new customers and complying with requirements by international clients. For this reason, the Italian parts and components manufacturing industry remains very strong and competitive. In 2013 the export of parts totaled 19.3 billion euros; imports were slightly more than 11.1 billion euros: the balance was 8.2 billion euros. Many leading U.S. suppliers (including LEAR, TRW, Federal Mogul, and PPG) are active in the country.

Maintenance
The slowdown in the Italian new vehicles market creates major opportunities in the Aftermarket (AM) market, which is expected to retain a major role in the Italian automotive sector in the future. Owners need to maintain their older vehicles in order to comply with stricter pollution limits set by local, national and EU regulations. The value of the parts, components and services sold/provided exceeded the value of new vehicles sold in 2012: Italians spent 26.9 billion euros for maintaining and repairing their vehicles (-10 percent over 2011). This figure outnumbered the expense of purchasing new vehicles (26.5 billion euros), another sign of the slowdown of the economy.

In Italy there were 85,326 car repair workshops in 2012: 53,066 "mechatronics" (44,631 mechanics plus 8,435 car electricians); 22,373 car body shops; 6,194 tire dealers and 3,693 car dealer repair shops. In terms of other activities linked to the car aftermarket, there were 7,297 car inspection centers, 21,276 service stations and 5,664 car washing plants. In 2012, 9.4 percent of the car repair shops' income (2.5 billion Euros) came from car inspections, as car inspection is done by private car repair shops authorized by the government to carry out this service.

Opportunities Return to top

FCA Merger
The merger between Fiat and Chrysler should create significant opportunities for U.S. parts and components manufacturers. Most of their Italian competitors have strict relations with Fiat and followed Fiat in its manufacturing expansion abroad (Poland, Brazil, Turkey, etc.); many also enjoy good relations with Chrysler. U.S. suppliers will

need to protect, and possibly expand, their presence as FCA suppliers and should look at developing JVs with their current Italian competitors. At the same time, Italian companies may seize an historic opportunity to expand their presence in the US not only by supplying their components to FCA but also by establishing an industrial presence in the US market to exploit other opportunities.

Aftermarket Products and Service Equipment

Concerning aftermarket products and service equipment, opportunities exist for U.S. suppliers offering cutting-edge technological products and solutions. Some subsectors/niches offer specific opportunities, including testing equipment, safety and security products, on-board communication, motorsport products, tuning accessories, and services (particularly engineering and consulting). Concerning testing equipment, the higher frequency of periodic compulsory motor vehicle inspections and stricter pollution control regulations in Italy have forced the replacement of parts and the use of more modern service equipment than was common some years ago. Furthermore, as the electronic systems on cars become increasingly sophisticated, service shops have to invest in new equipment and technologies to provide suitable maintenance. New European standards on auto servicing have created interesting prospects for independent repair professionals who will be entitled to receive technical information and training from car manufacturers to repair any kind of automobile. Concerning engineering and consulting, local and European competition is strong. But it is possible that very interesting niches can be exploited by U.S. consultants – provided that the solutions offered by the U.S. companies are innovative.

Remanufacturing

Remanufacturing is another sector expected to offer promising opportunities in Italy. The practice of remanufacturing/rebuilding motor parts in Italy has existed for the past 25 years and there are currently approximately over 200 companies remanufacturing or rebuilding automotive parts and components. These include large companies that produce mainly new parts and components and refurbish used parts, as well as smaller 'shop-type' companies that specialize in remanufacturing. The request for remanufactured products concerns all components (mechanical, mechatronic and electronic). There is also a demand for complete reconditioned and rebuilt engines for heavy trucks and commercial vehicles. The use of remanufactured original parts continues to spread and includes steering and brakes systems. Particularly flourishing is the turbocharger segment that has not suffered from the crisis: there is a vast range of remanufactured components that cost half as much as a new part, including remanufactured engines and remanufactured valves for exhaust gas recirculating (EGR) systems. Damaged or defective tires are also remanufactured. Retreaded tires are considerably cost-effective compared to new tires because about 70 percent of the product's original material is recovered.

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Trade Promotion Opportunities

EICMA (Milan, November 4-9, 2014): EICMA is the largest motorcycle event in the world (72nd edition). The U.S. Commercial Service will provide strong support to U.S. companies interested in exhibiting and meeting new business partners during this event. Marazita and Associates, Canoga Park, CA, vmarazita@mindspring.com, will organize the U.S. Pavilion, grouping U.S. companies wanting to exhibit at this leading event; www.eicmausa.com/ and www.eicma.it/en.

Motor Show (Bologna, December 6-14, 2014): International sport show (38th edition); www.motorshow.it

Motor Sport Expo Tech (Modena, January 2015): Motorsport professionals (6th edition); www.motorsportexpotech.it/home.asp?lingua=GB

***Autopromotec 2015** (Bologna, May 20-24, 2015): Major automotive equipment and aftermarket products show (26th edition). Autopromotec will be the most important European shows in the sector in 2015. The Commercial Service in Europe will provide strong support to U.S. companies interested in exhibiting and meeting new business partners coming from Europe and Mediterranean countries during this event. The **Automotive Aftermarket Industrial Association** (AAIA), the U.S. Commercial Service's Global and European automotive teams, and the show organizers will be working together to support the first-ever U.S. pavilion at Autopromotec. This show is an ideal showcase for American automotive products, especially in Automechanika Frankfurt's off-years. We will assist companies interested in exhibiting at the show and meeting with potential Italian or other European partners; www.autopromotec.it/index_en.php.

My Special Car (Rimini, May 2015): My Special Car is a tuning show (12th edition): www.myspecialcar.it/index.asp?m=1&l=3&p=1Home

Automotive Dealer Day (Verona, May 2015): Automotive distribution industry event

Oil & non-Oil – S&TC (Verona, May 2015): Focused on car wash, alternative fuels, downstream, service stations (7th edition); www.oilnonoil.it/onoIIeng/home.htm

Associations
ACI -- Automobile Club of Italy, www.aci.it
ADIRA -- Italian Association of Independent Spare Parts Distributors, www.adira.it
AICA -- Italian Automotive Service Equipment Manufacturers Association, www.asso-aica.it
AIRP -- Italian Tires Retreaders Association, www.asso-airp.it/index_en.php
ANFIA -- Italian Association of the Automotive Industry, www.en.anfia.it/
ASCAR -- Italian Association of car special parts and components manufacturers and distributors, www.ascar.it
CENTRO ESTERO INTERNAZIONALIZZAZIONE PIEMONTE -- Foreign Trade Office, Piedmont Chambers of Commerce, www.centroestero.org/index.php?lang=eng.
In particular, the project "From Concept to Car": www.fromconcepttocar.com
CENTRO STUDI PROMOTOR -- An automotive research organization www.centrostudipromotor.com
EUROPA -- Summary of EU legislation http://europa.eu/legislation_summaries/environment/air_pollution/l28186_en.htm
FEDERLAVAGGI – Italian Federation of Carwash Companies, www.federlavaggi.it/eng/index.php
GIPA – An automotive research organization, www.gipa.eu
UNRAE - Italian Association of foreign vehicles makers' representatives, www.unrae.it.

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COSMETICS AND TOILETRIES

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Unit: USD millions

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	12,346	12,533	12,774	12,770
Total Local Production	11,590	12,400	13,068	13,396
Total Exports	3,667	4,267	4,822	5,304
Total Imports	2,085	2,186	2,230	2,275
Imports from the U.S.	67	84	100	110
Exchange Rate: 1 USD	0.78	0.75	0.73	0.73

Source: Cosmetica Italia – The Italian Association of Cosmetics Industries

The Italian cosmetics market is the fourth largest in Europe behind France, Germany and UK. The Italian beauty industry is sophisticated and highly developed, despite the slight drop that occurred in 2013. Production grew by 2.9 percent, driven by exports, which increased by 12 percent.

Italy is a large exporter of cosmetic and toiletry products. In 2013, the Italian cosmetic market demonstrated a positive trade balance of over 1,500 million Euros. Ever increasing export levels demonstrate Italian producers' ability to successfully navigate new markets while maintaining sales in established markets. The United States is the fourth largest export market after France, Germany, and the United Kingdom. Brazil, India, Indonesia, Russia, South Africa and the UAE are important emerging markets for cosmetics produced in Italy.

The Italian Association of Cosmetic Industries (Cosmetica Italia) reports that while export has continued its positive trend (+12 percent), the domestic market has shown a small contraction for the second time since 2011 (-1.3 percent), but two elements have to be taken into account: 1) the negative outcome specifically refers to the hairdressing sector and beauty salons and 2) the Italian cosmetics market is anti-cyclical and, therefore, one with the best business opportunities in the country. In recent years, this market has outperformed other industries.

Cosmetics consumption in Italy is currently valued at 9.4 billion Euros with a negative growth rate of 1.3 percent in 2013. In 2012 Italians were the second fastest growing buyers of cosmetics within main European countries, with Germany, France and Spain seeing negative growth in the sector. Moreover, in the last year cosmetic consumption grew while other non-durable goods underwent strong contractions. Italians still prefer to buy the best quality products they can afford, while possessing a more cautious attitude towards spending money on luxury items. There has been an increase in consumers purchasing cosmetics, up from 15.9 percent in 2009 to 17.7 percent in 2012.

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Although highly competitive, there is potential for growth in several sectors of the Italian cosmetics industry. Body care, hair, face, and hygiene products continue to dominate the beauty market and account for 60 percent of all cosmetics sales. Cosmetica Italia reports that body care products comprise 16 percent of the total marketplace. Facial care, hair care and body hygiene products follow with the highest market shares with 15, 14, and 13 percent, respectively. These are followed by oral hygiene, female perfumery, face make-up and other minor categories. Despite the impact of the economic downturn, there were very positive results for eye (+5.3 percent) and face make-up (+2.9 percent), in particular eye shadows (+10.5 percent), eyeliners and eye pencils (+9.8 percent) and body oils (+4.8 percent).

Best prospects are found in facial skin anti-aging creams and lotions, cosmeceuticals, innovative body and slimming treatments, naturally derived products, and raw materials. Italy imports nearly all its cosmetic ingredients. Substances such as aloe vera, lavender, and essential oils are used in the production of locally made products. Moreover, Italian consumers are increasingly attuned to a “wellness culture” and products that are natural or contain natural active ingredients, derived from plant and vegetable extracts, remain popular. Additionally, esthetic medicine has demonstrated an anti-cyclical market purchase pattern and has an annual growth rate of higher than 10 percent. Increasing growth rates are also expected in the plastic surgery sector, which currently has a solid market share in Italy.

Strong potential exists for innovative products directed to problem areas (e.g. anti-aging and anti-wrinkle creams, cellulite treatments, etc.) and primer products. Similar potential exists for cosmetics products aimed at non-traditional consumers such as children, men and the elderly. In fact, there is an increasing market for men’s products as they have discovered the benefits of dedicating more attention to their well-being. Men’s products account for 26 percent of total sales.

With five percent average growth over the past eight years, pharmacies are the most successful “new avenues” of sales, comprising 18.4 percent of market sales in 2013 with a commercial value of 1,800 million Euros. The perfumery channel remains important with a market share of 22.2 percent. The herbalist shop market suffered a decrease of 2 percent in 2013. Direct sales of cosmetic products experienced an increase of 4 percent in the first semester of 2013. The internet has yet to become a mainstream method for Italian consumption, while mail orders increased by 4 percent in 2013.

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In order to be competitive in the Italian market U.S. companies should be prepared to heavily invest in promoting their products and brands. U.S. firms need to effectively promote their image and appeal to Italian tastes and fashion preferences. An important factor is the packaging of the product: it must be of high quality and good design as Italians prefer products that are nicely packaged and creative.

There are ample opportunities for U.S. exporters in the Italian cosmetics market. From 2012 to 2013, U.S. exports of cosmetics to Italy grew by 25 percent, far ahead of countries like UK, Germany and Belgium, traditional strong markets for U.S. beauty products. In terms of Italian import categories, some products have seen stronger results than others: eye make-up (+29.7 percent), face powder (+48.9 percent), fragrances (+59 percent), and nails products (+8.2 percent).

While there is high demand for US beauty products, potential and current American cosmetic exporters are facing challenges in the European market due to the new EU Regulation 1223/09. In November 2009, the EU adopted this new cosmetics regulation which replaced 76/768/EEC; this law entered into effect on July 11, 2013. In addition to the EU Directive on Cosmetics Claims and the new EU law banning the sale of all cosmetics made with ingredients tested on animals, both European manufacturers and importers have to meet stricter cross-border standards. With a significant change from the previous system, which allowed for more regulatory control by each individual EU member state, these new requirements will continue to affect American exporters, large or small, whether exporting to a single EU country or to multiple markets.

This change simplifies the earlier directive, enhancing the safety of cosmetics products and strengthening market surveillance. Specifically, to be placed on the EU market, all products must have a designated "responsible person" (e.g. a manufacturer or an importer) who is responsible for EU regulation compliance. These persons ensure that a Cosmetic Product Safety Report is conducted for each product, including those already on the market. Additionally, cosmetic products sold in the EU must be produced according to Good Manufacturing Practices (GMP), which are outlined in EN ISO 22716:2007.

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Cosmetica Italia: www.cosmeticaitalia.it

Ministry of Health (Cosmetics Division): http://www.salute.gov.it/portale/p5_11.jsp

For additional information on Cosmetics Legislation in the European Union:
http://ec.europa.eu/consumers/sectors/cosmetics/documents/revision/index_en.htm

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CYBER-SECURITY

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Unit: USD million

	2012	2013	2014 (estimated)	2015 (estimated)
Total Market Size	1,320	1,400	1,515	1,590
Total Local Production	465	490	530	555
Total Exports	200	210	225	240
Total Imports	1,055	1,120	1,210	1,275
Imports from the U.S.	790	840	910	955
Exchange Rate: 1 USD	0.78	0.75	0.73	0.73

Total Market Size = (Total Local Production + Total Imports - Total Exports)

The above data are unofficial estimates gathered from Assinform Italian ICT Industry Association; CLUSIT Italian Cyber-Security Association; and other trade and press sources

Although the Italian ICT industry is undersized and lags behind other major European countries, Italy is Europe's fourth largest market for both ICT and telecommunications equipment and services in the European Union. Italy is also one of the largest and most advanced mobile communications markets in Europe. There is a large internet user base of 40 million people, 22.5 million of whom connect via mobile phone and 7 milion via tablet.

Much like the rest of the world, cyber-attacks in Italy have risen in number and severity in recent years. The perceived deeper vulnerability and the need for compliance with implemented national and international legislation make cyber-security a priority, not only for large Italian enterprises and for government agencies, but also for small- and medium-sized Italian companies.

The spread of cloud computing, social media, mobility and big data is having a major impact on the increasingly open and mobile Italian market. While malware is still dominant, Distributed Denial of Service (DDoS) attacks are constantly growing. APT (Advanced Persistent Threat) attacks, based on “zeroday” vulnerability, are also increasing. Likewise, corporate espionage attacks for sensitive financial information, business plans and other trade secrets are growing and Italian firms are becoming more aware and concerned about internal threats to data confidentiality, integrity, availability and authentication. As a result, the need for specific investments in the protection of the different endpoints and for new technological and social challenges is critical.

The Italian market for cyber-security is still mainly driven by investments by large companies, wherein the majority of top management has developed an awareness of how the widespread use of the Internet, the booming expansion of wireless connectivity, the growth of e-business, and the vulnerability of ICT technologies/software all contribute to the increasing risk of intrusion into business information systems. The financial/banking and utilities sectors are the top end-users of ICT security in Italy, followed by the central and local government/defense, manufacturing, transportation and telecommunications sectors.

Medium-size companies, which represent a considerable portion of Italian enterprises, and – to a lesser extent – small companies are increasingly investing in ICT security, very often turning to cloud security, in order to take advantage of the most advanced available solutions. In many small Italian companies there is still some resistance at the managerial level to approve specific expenditures for ICT security plans, mainly because security is still perceived as a cost rather than an investment. However, the situation is changing.

At the government level, cyber-security is recognized as one of the top national challenges. To comply with EU requirements and to reduce Italy's digital gap, in February 2014 -- after a long delay -- the Italian government enacted a strategy framework and a national plan for cyber-security. The Strategic Framework highlights threat trends and vulnerabilities, outlines roles and tasks of public and private stakeholders involved in cybersecurity, and identifies tools and procedures to enhance the country's preparedness to confront the new challenges posed by cyberspace. It also establishes a national CERT to coordinate all cyber-security actions. The National Plan identifies a set of priorities and provides specific objective and guidelines, including cyber intelligence sharing and breach disclosure, in order to give concrete implementation to the Strategic Framework.

Furthermore, in the context of the Digital Agenda, the protection of digital identity has been recognized as one of the priority areas in which the Italian government will have to focus its efforts and investment in the next few years. The so-called "SPID" (Public system of digital identities) is being established as a new way to access, via the web, central and local government services, as well as private companies services, based on a safe, single user profile and single password.

Official statistics are unavailable on the value of the cyber-security market segment, but trade sources estimate that expenditures for ICT security in Italy in 2013 exceeded USD1.4 billion. The cyber-security market is expected to continue developing at an annual rate of 5-10 percent in the next three years, in spite of a general downturn in the Italian ICT sector. Cyber-security is perceived as a core business requirement and security spending will continue to represent a critical factor, especially in light of the many areas which need to be improved to reduce vulnerability.

The most important market drivers include:
1) An increased ICT security awareness and the willingness to comply with the legislation;
2) Challenges stemming from the adoption of new technologies and new business organizational models requiring the implementation of new security measures such as secure mobility and virtualization;
3) New Italian government measures and new expected investments to protect digital identity and critical infrastructure from increasing cyber assaults;
4) The implementation of cross-industry and industry-specific Italian legislation calling for security measures to protect privacy/personal data and for compliance with national and international norms;
5) The implementation of industry-specific legislation, calling for compliance with national and international norms, such as the Basel 3 and similar Italian legislation for the corporate/banking sector, and SCADA security for critical infrastructure.

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Software: Mobile security; secure content management; identity and access management solutions, including solutions for controlling access to physical and virtual servers; security/vulnerability management solutions; strong authentication software solutions; Identity Relationship Management (IRM) for IoT.

Services: Security management policy development; risk and vulnerability assessment; policy audit; policy enforcement consulting; management support consulting; managed security services; remote monitoring and management of security technologies.

Hardware: Unified Threat Management (UTM) appliances; firewall/VPN appliances; intrusion detection/ prevention systems; secure content management appliances.

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The implementation of European Union legislation and actions through the National Strategic Framework and the National Cyber-Security Plan will facilitate the growth of this market. As mentioned, as part of its Digital Agenda program, the Italian government is planning to make considerable investments in the area of digital identity protection to increase the security levels of digital transactions and therefore the trust of consumers, to guarantee that online privacy and data laws are enforced to protect citizens' identities, and to activate warning systems to notify citizens when security breaches occur.

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National Strategic Framework for Cyber-Security
http://www.sicurezzanazionale.gov.it/sisr.nsf/wp-content/uploads/2014/02/italian-national-strategic-framework-for-cyberspace-security.pdf

National Plan for Cyber-Security Protection and ICT security
http://www.sicurezzanazionale.gov.it/sisr.nsf/wp-content/uploads/2014/02/italian-national-cyber-security-plan.pdf

Clusit – Italian Cyber-Security Association
https://www.clusit.it/homee.htm

AIIC - Italian Association of Critical Infrastructures' Experts
http://www.infrastrutturecritiche.it/aiic/index.php?option=com_content&view=article&id=219&Itemid=125

Assinform - Italian ICT Industries Association
http://www.assinform.it/english_version/_profilo_eng.htm

CNAIPIC National Anti-Crime Computer Centre for Critical Infrastructure Protection
http://www.commissariatodips.it/profilo/cnaipic.html (in Italian only)

Agenzia per l'Italia Digitale
http://www.agid.gov.it/agenzia (in Italian only)

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ENERGY EFFICIENCY TECHNOLOGIES

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Italy is a fertile market for technologies that improve energy efficiency (EE) in buildings and industry. EE is a priority of the Italian Government and plays a key role in Italy's National Energy Strategy, which was signed into law in March 2013 and calls for approx. USD240 billion in investments in the green economy and in conventional energy sources by the year 2020. One of the goals of the National Energy Strategy is to reduce consumption of electricity, gas, and combustibles by 23 percent by 2020.

The building sector has actually achieved the greatest improvements in terms of EE performance compared to others (industry, transportation, etc.). Consulting firms and industry experts estimate that in 2013 the EE technologies market for the building sector was worth USD35.4 bn., with expected annual growth rates of 6 percent for the 2014-2020 timespan. Past and future growth is directly related to Italy's efforts to comply with EU Directives on EE and renewables. EU Directive 2012/27 on EE set an April 2014 deadline for adoption of a three-year plan to reduce energy consumption in existing buildings by every EU member State, with any EU financing for EE depending on the adoption of the plan, although Italy's adoption of this plan has been deferred.

The existing building stock in Italy represents a tremendous opportunity for providers of EE technologies, because 40 percent of energy consumption in the country can be attributed to more than 4.5 million buildings that are in need of greener renovation. Therefore, the Government of Italy has set multiple incentive measures promoting EE in buildings, including tax deductions and reduced VAT rates for EE renovation works, direct financing to building owners for the substitution or installation of heat pumps, biomass and solar thermal systems, an Energy Efficiency Certificates (or "White Certificate") scheme that promotes energy efficiency in the final uses of energy, and more.

Another factor driving the growth of EE in buildings is the rising awareness on the part of Italian real estate owners of the economic savings and higher value brought about by the adoption EE technologies, due also to the increasing affordability of those technologies. Demand is growing for housing and commercial units in high ("A" or "B") energy performance classes, as shown on the energy certificates now required for all rentals and sales. Furthermore, the Green Building Council of Italy (GBC Italia) promotes the U.S.-developed Leadership in Energy and Environmental Design (LEED) green building certification protocol in the country since 2008. GBC Italia membership is now 400+ and there are currently 157 LEED projects in the country, either fully certified or seeking certification. It is expected that growth of LEED in Italy will spur the demand for technologies that contribute to the LEED rating of buildings. The greatest barriers to the growth of the EE market in the building sector in Italy are difficulties in making an upfront investment commitment on the part of building owners.

Consulting firms and industry experts estimate that in 2013 the market for EE technologies for industrial applications was worth USD1 billion, with expected annual growth rates of 8 percent for the 2014-2020 timespan. The industrial sector has performed relatively well in terms of EE improvements. However, the results achieved are modest when considering the higher costs of electricity paid by Italy's industries compared to the rest of the EU and the opportunities that this presents for new technology adoption and old technology replacement. Other factors expected to drive the growth of EE in Italy are the decreasing cost of EE technologies and the regulations imposed by the EU. The greatest barrier to the adoption of EE solutions in the industrial sector are the long pay-back periods of EE investments and the unavailability of own/lent capital to invest in EE.

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This section highlights those EE technologies with the best growth potential, and where U.S. industry has the best chance of succeeding, in the building and industrial environments in Italy.

Heat Pumps

Heat pumps are already the main components of summer air conditioning units used in Italy and are increasingly being utilized for both cooling and heating, since they constitute a more efficient and environmentally friendly alternative to traditional boiler heating systems. A November 2013 study by Milan's Politecnico University estimated the number of heat pumps installed in Italy at about 550,000, of which 400,000 are of the compression – type and driven by electricity and 150,000 are absorption- type and driven by natural gas. Altogether, compression and absorption heat pumps make up only 2 percent of the total thermal systems installed in Italian buildings, but their number is growing because of their high savings potentials. Their growth is also being accelerated by Italian Government incentives for EE such as tax deductions and the "Conto Termico" direct financing scheme, which in particular should boost sales of geothermal heat pumps. In addition to those incentives, starting in July 2014, high electricity bills, which up until now had considerably limited the diffusion of heat pumps in Italy, will no longer constitute an obstacle thanks to the introduction of "D1", a new, convenient flat energy rate specifically for heat pumps. "D1" will replace the current billing system, which is based on a progressive rate that up until now penalized consumers with higher electricity consumption rates, most noticeably the owners of heat pumps. With regards to large scale geothermal plants, there are currently no new such facilities planned in Italy. Yet interest in geothermal energy appears to be growing, and given the United States' competitive position in the industry, early stage geothermal development assistance, like resource mapping, could entice enough Italian interest in the sector that investment and development may follow.

Technologies for Home and Building Automation

Italy is being affected by a number of social changes, such as increasingly sedentary lifestyles, higher security concerns, aging of the population and increasing energy costs for employers and landlords. These have spurred the demand for automation technologies that can address the needs for climate and alarm monitoring, lighting management, access control and energy efficiency in homes and large buildings. EU

Directives also call for member states (including Italy) to foster the penetration of active control systems in buildings. According to a recent study by the home automation industry association Assodomotica, by the end of 2013 installed home automation systems increased tenfold in comparison with 2005, i.e. from 10,000 to 100,000, with corresponding market value increases growing from USD52 to USD586 million. Assodomotica expects growth to continue at rates around 30 percent in the near term horizon.

Opportunities also exist for developers and vendors of smartphone and tablet interfaces with home automation systems. Research by Milan's Politecnico University found that by 2013 in Italy only 1 percent of residential buildings used automation systems to control HVAC and security systems, but estimated that by the end of 2016, the number of "connected" home devices will be around 3 million, thanks to the rise in the diffusion of wireless and Bluetooth technologies in Italian homes.

High efficiency motors/inverters
EU regulations are also expected to fostering the adoption of high efficiency motors and inverters in Italian industry. For instance, European Commission Regulation 640/2009 mandates that starting January 1, 2015, electrical motors with power ranging between 7.5 and 375kW will have to satisfy efficiency level IE3 or, alternatively, satisfy efficiency level IE2 but include a variable speed drive. If we consider that 70 percent of electricity in the Italian industry is consumed by electrical motors, the potential for substitution in Italian industry is enormous: 15 million motors and a business of USD90bn. Adoption of high efficiency inverters is also expected to reduce industrial operating costs.

Technologies for co-generation
Consulting firms and industry experts consider co-generation to be the EE technology with the highest energy saving potential for industrial applications. Before the adoption of EU Directive 2012/27 on EE, which calls for EU Member States to set incentives for cogeneration, natural gas and district heating, Italian Government sources estimated the number of cogeneration plants at 778, with a total energy generation capacity of 17,083 MW (2011). There is still an ample margin of development for cogeneration and EU Directive 2012/27 aims to provide the instruments for exploiting it. In terms of the types of co-generation plants present in Italy, internal combustion engines are the most common, while combined cycle gas turbines with heat recovery account for the largest installed generation capacity. In particular, in 2010 Italy produced about 56 TWh of electricity and 41TWh of heat from Hec (high-efficiency cogeneration) plants, which benefit from the aforementioned Energy Efficiency Certificates (or "White Certificate") scheme. The Italian market also offers much potential for micro-cogeneration plants, which are in fact small combined heat and power plants whose power output is less than 50 kW and are located in very close proximity to the destination of the secondary heat that they produce, i.e. in residential or small business environments. The best prospect for micro-cogeneration plants are the many small Italian businesses that are too small to afford classic, large-scale cogeneration plants but too big to benefit from the energy savings rates that utilities dedicate to residential customers.

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Trade shows:

Ecomondo:

November 5-8 2014, Rimini, Italy
Organized by Rimini Fiera, Ecomondo is an international trade show for material and energy recovery and sustainable development. It is the most extensive showcase in the Mediterranean area for the most efficient technical solutions for waste management and treatment, water-saving measures, energy efficiency, cogeneration, wind power and more, hosting over 1,200 exhibitors, 93,000 trade visitors and buyers from 22 countries. The U.S. Commercial Service is available to support any U.S. exhibitors at the show through a range of free and fee-based services (market research, targeted matchmaking and more). For more information please contact Commercial Specialist Federico Bevini at federico.bevini@trade.gov

Mostra Convegno Expocomfort (MCE):
March 15-18 2016, Milan, Italy
Organized by Reed Exhibitions and supported by the U.S. Commercial Service, MCE is a biennial event and the leading international showcase for heating, air conditioning, refrigeration, plumbing technology, water treatment and HVAC components, with a special focus on energy efficiency. It hosts over 2,000 exhibitors, 156,000 trade visitors and buyers from 136 countries. The U.S. Commercial Service will support U.S. exhibitors at the show through a range of free and fee-based services (market research, targeted matchmaking and more). For more information please contact Commercial Specialist Federico Bevini at federico.bevini@trade.gov

Key English language websites:

List of non-confidential LEED projects in Italy:
http://www.usgbc.org/projects
(then select: Country -> contains -> Italy)

Aicarr – Italian HVAC association:
http://www.aicarr.org/Default_en.aspx

ENEA – Italian national agency for new technologies, energy and sustainable economic development:
http://www.enea.it/en

Italcogen - Association of Manufacturers and Distributors of cogeneration plants:
http://en.anima.it/ass/italcogen

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With respect to technologies for Energy Efficiency, it is advisable for U.S. companies to find a local Italian partner. The U.S. Commercial Service in Italy can assist. We are also active in the **League of Green Embassies**, a global network of over ninety diplomatic missions formulating a common agenda for energy efficiency, renewable energy and water conservation. Member embassies aspire to introduce innovative solutions, influence individuals and institutions in host countries and to play an important role in mobilizing public action.

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http://export.gov/italy/
League of Green Embassies website: http://www.leagueofgreenembassies.org/

MEDICAL DEVICES AND TECHNOLOGIES (MED)

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	2012	2013	2014 Estimated	2015 Estimated
Total Market Size	8,417	8,833	8,950	8,980
Total Local Production	6,720	6,940	6,960	7,010
Total Exports	3,933	4,007	4,060	4,180
Total Imports	5,630	5,900	6,050	6,150
Imports from the U.S.	470	490	500	530

USD in millions: Exchange rate USD 1 = 0.77 (2012), 0.75 (2013)
The above statistics are unofficial estimates. They are based on reports and statistics from: Assobiomedica, BMI, Espicom, U.S. Dept of Commerce Bureau of Census and Eurostat.

Italy is a mature market for medical equipment, and its high per capita income and sophisticated healthcare system translate into demand for a broad range of cutting-edge medical equipment. The Italian market for medical equipment and supplies is the fourth largest in Europe following Germany, France and the UK with about 500 producers and a workforce of 30,000. The medical device market (including dental and optical devices) was valued at approximately USD 8.8 billion in 2013 with imports accounting for USD 5.9 billion. Aside from other medical devices, consumable products represent the largest market segment (20.2 percent) followed by diagnostic imaging (16.7 percent) and patient aids (15.4 percent). The Italian government is the primary purchaser of medical equipment. Public hospitals account for over 75 percent of medical device sales, while the remaining 25 percent of sales are made to the private sector. Despite having a considerable local manufacturing industry, the domestic market for medical equipment is highly dependent on imports. Major suppliers are Germany, France, The Netherlands, Belgium and the United States, which had an 8.5 percent share of Italian imports, valued at USD 470,583 million in 2012. Major US imports are in diagnostic imaging, dental and patient aids.

The budgetary pressures and escalating costs of healthcare systems are moving Italy towards value-based health care: new products need to provide better health outcomes in cost-effective ways. In fact, the public healthcare system is likely to develop value- and quality based pricing models and request data and analytics for cost-effective evidence. Opportunities for companies with very innovative products are rising compared to traditional products. Preventive care, remote monitoring, early identification of at-risk-patients are increasingly valued.

The Italian manufacturing sector accounts for 1,118 firms and is heterogeneous, made up of a broad network of small and micro businesses and technological start-ups. The local market is strong in the production of diagnostic imaging equipment, contrast media for imaging, cardiology equipment, sterilizers, implantable pacemakers, medical furniture, anesthesia equipment, respiratory apparatus, dialysis equipment and dental products ranging from instruments to dental chairs. Regions with the highest concentration of medical devices companies are in Northern Italy, Lombardy, Veneto, and Emilia Romagna, where there is an important hub for major medical device companies in Mirandola.

A significant number of U.S. manufacturers of medical equipment are present in the Italian healthcare market (about 60 companies with 5,700 employees and USD 2.7 billion domestic revenue). Some U.S. suppliers maintain wholly owned subsidiaries in Italy and sell equipment imported from the United States or from plants in other foreign countries. Another significant U.S. presence consists of the numerous companies represented by local importers and distributors. Since U.S. technology and standards are highly regarded and recognized, U.S. companies will maintain their excellent market position in the future.

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Medical Devices

The best sales potential for U.S. manufactured medical equipment is in the following areas: home care equipment, remote monitoring equipment, high frequency medical lasers (for multiple applications), endoscopes and diagnostic imaging equipment non-invasive and micro-surgery devices and equipment, anesthesiology equipment, EKG, stimulators and defibrillators, ophthalmic equipment, monitoring equipment, telemedicine equipment and services. The Italian market is receptive to high quality and technologically advanced diagnostics and therapeutic equipment and products.

With an increasing attention to reforming and improving healthcare management, medical devices companies providing services and solutions as add-ons to their products will also have opportunities in the Italian market. The services will enhance the value proposition of existing products for patients (e.g. services to identify the appropriate patients for the use of a device; training for nurses on new procedures and products; partnership with hospitals to increase efficiency)

E-Health

The European e-Health market has an estimated annual value of USD 20 billion with an annual growth of 3 percent. Considering that the demand for healthcare products and services will rise significantly in coming years, the information technology applied to the healthcare systems is a key enabler for delivering more effective and efficient health care. In Italy the ICT expenditure in healthcare is estimated at USD 1.7 billion corresponding to 1.1 percent of the total healthcare expenditures, which is limited compared to other developed countries (2.5 percent to 3 percent). However, growing attention has been dedicated to this subsector in order to accelerate the use of ICT and stimulate the innovation process and when adequate resources are allocated, the market will grow.

There will be investment in the following strategic areas over the next 3 years: electronic health records, cloud computing, administrative management, digital management of drugs, ePrescription, Mobile Health and business intelligence and clinical governance.

Requirements

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Regional Governments issue specific regulations governing procurement of medical equipment. Most purchases are made by public tender and are open to both domestic and foreign companies. Announcements of tenders on public procurements are monitored by the U.S. Mission to the European Union and can be accessed through the webpage: http://export.gov/europeanunion/. It is often unrealistic for a foreign firm to believe that it can navigate the cumbersome bureaucratic procedure of public procurement without having a base in Italy or a strategic Italian partner. Companies wanting to participate in public tenders must first qualify by submitting adequate evidence of their business experience and professional expertise.

All medical devices marketed in the EU must bear the CE mark to certify conformity with EU law. Member States have appointed certification authorities or "notified" bodies to grant these compliance certificates. The EU 93/42/ECC Directive on medical devices is currently under revision and new pre-market requirements may be introduced.

New-to-market medical devices must be registered and have a unique identification number in the National Health System directory (*Repertorio*). It is suggested that U.S. companies designate a third party in Italy to register their products with the Minister of Health. The registration is on line with the Ministry of Health website as follows:

http://www.salute.gov.it/portale/temi/p2_6.jsp?lingua=italiano&id=395&area=dispositivi-medici&menu=registrazione

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MINISTERO DELLA SALUTE
(Ministry of Health)
www.salute.gov.it

ASSOBIOMEDICA
(Italian Association of Medical Equipment Manufacturers)
www.assobiomedica.it

AIOP
(Italian Associazione of Private Hospitals)
www.aiop.it

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MOBILE COMMUNICATIONS EQUIPMENT AND SERVICES

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Unit: USD millions

	2012	2013	2014 (est)	2015 (est)
Total Market Size	27,930	29,200	29,850	29,900
Total Local Production	21,080	21,950	22,405	22,410
Total Exports	50	50	55	60
Total Imports	6,900	7,300	7,500	7550
Imports from the U.S.	2,750	2,950	3,050	3,100
Exchange Rate: USD	0.78	0.75	0.73	0.73

Total Market Size = (Total Local Production + Total Imports) – (Total Exports)

The above data are unofficial estimates, elaborated from reports & statistics from:
Assinform - Italian Association of Information and Communications Technology companies
ISTAT – National Institute of Statistics
AGCOM – National Communications Regulatory Agency
Other trade and press sources

Although the Italian ICT industry is undersized and lags behind that of other major European countries, Italy has the fourth largest telecommunications market and the third largest mobile communications market in western Europe. Mobile phone penetration in Italy is among the highest in the world, with 48+ million users, 27 million smartphones, close to 7 million tablets, and 97+ million active SIM cards (including multiple-SIM ownership, USB internet keys, and 6 million SIM cards connecting devices via M2M applications).

The internet market is growing continuously and has reached 40+ million users, of whom 35+ million utilize mobile access. Social networking is booming and 26 million Italians are active Facebook subscribers.

Over 96 percent of the population has mobile 3G coverage via UMTS/HSDPA and WiMAX networks. Although broadband penetration in Italy is below the European average, in 2013 mobile broadband users grew to 26.9 million, a 45 percent annual increase. National broadband connectivity is being greatly improved thanks to heavy investments that Italian mobile network operators (MNOs) are making in new 3.5G and 4G LTE technology to develop next-generation, ultra-broadband mobile networks.

As in other European countries, the difficult economic situation and the strong competitive pressure facing the MNOs have contributed to a decline in revenues of the Italian mobile telecom market. Nonetheless, significant growth opportunities exist in specific areas. Preliminary trade estimates indicate that in 2013 the overall market for mobile communications equipment and services was worth USD29.1 billion, an increase of 0.5 percent over 2012 in euro value. Mobile voice revenues registered a major decline of more than 20 percent and SMS messaging had a downturn of 10 percent. At the same time, revenues for high speed broadband internet access and data connectivity and value-added-services, including mobile entertainment, had a sharp increase of 25 percent, mainly driven by apps for smartphones and tablets. The 2013 value of smartphone sales rose 13 percent (12 million units sold) and the value for tablets increased 42 percent (3.4 million units sold). The mobile infrastructure segment grew approximately 2 percent.

The slowdown in subscribers' growth and in traditional voice and messaging services is expected to cause a decline in the overall performance of the Italian mobile telecommunications market in the next two years. Nonetheless, advanced 4G mobile data and value-added services are expected to continue to grow and represent the main market drivers, as MNOs take strategic steps to develop new streams of revenue to offset the market decline and to increase their average revenue per user (ARPU).

All four MNOs in Italy -- Telecom Italia (TI), Vodafone, VimpelCom's Wind and 3 Italia (Hutchison Whampoa Group) -- have already rolled out some level of 4G LTE services. At the forefront is TI, which has LTE coverage in 651 Italian locations -- including 121 major cities -- and an outdoor coverage of 50 percent of the population. TI plans to cover 80 percent of the population by 2016, with 4G investments of USD1.2 billion in the period 2014-2016. Vodafone follows, with service in 100 locations and plans to invest USD2 billion in the next two years.

Vodafone is the only MNO to support some foreign roaming (to date, Spain, Portugal, Romania and Greece). Both TI and Vodafone are also experimenting with LTE-Advanced. 3Italia, which in 2013 had LTE capabilities only in Rome and Milan, is now covering 90 locations, including some major cities. 3Italia is also planning to develop 2600 MHz 4G to improve network capacity. Finally, Wind has rolled out 4G services in Rome, Milan and Bologna and in some major airports, universities and at the Milan Expo 2015 site.

LTE networks will improve national broadband connectivity and will allow MNOs to meet the users' needs for new high-speed applications for smartphones, increased demand for video content delivered over the internet, and the increasing use of internet TV.

U.S. technology is highly regarded, and good opportunities exist for American companies offering innovative and sophisticated products, and data and value-added services.

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Internet-of-Things (IoT)/ Machine-to-Machine (M2M) Communication
The IoT/M2M segment is expected to become one of the most important ones in Italy. Trade sources indicate that in 2013 it grew 11 percent, with a market value of USD1.2 billion and 6 million objects connected. The development of the Internet of Things will contribute to the improvement of the present access infrastructures, reinforcing the need for broadband and ultra-broadband availability. Over 70 percent of the market share is held by Smart Car, Smart Home and Smart Metering applications. Major opportunity areas are energy (i.e. "Smart Grids") and gas, asset management, moving objects (consumer cars, containers, truck fleets, etc.), industrial processes, retail, and medical/e-health.

In the Smart Home & Building area, it is expected that the new Bluetooth Low Energy (BLE) technology, which enables the connection of intelligent objects to wireless devices, will give momentum to the development of the sector. Smart City and Smart Environment applications also have excellent potential, but have not taken off yet. The most common applications now include lighting management, with over 400,000 street lights connected, and waste collection projects to support dumpster's identification and billing.

Mobile Cloud Computing
The adoption of remote computing services via the Web is expected to experience double-digit growth in 2014. The Assinform trade association reports that the Italian cloud computing market increased by 32 percent from 2012 to 2013, making it one of Italy's most promising niche markets. Mobility is becoming a key player and it is expected that mobile cloud applications will increase exponentially, with new offers for cloud storage services, cloud security, back up, video streaming, etc.

Unified Communications
Thanks to the development of 4G LTE networks, fixed-mobile convergence (FMC) is expected to develop further over the next two years, stimulating the need for products and services allowing access to company information and services via mobile devices and the seamless integration of mobile and fixed-line telephone services. Unified communication solutions will experience considerable growth and, in many cases, will rely upon mobile cloud computing.

Mobile Security Solutions
The use of encryption and effective management of staff and data on the move is becoming critical for companies to protect their sensitive data and reduce the risk of data leakage. Changing work practices and the rise in BYOD are posing increasing security challenge, and the need for integrated security solutions is forecast to grow at high rates. On the consumer side, it is estimated that only 35 percent of Italian smartphones owners have installed an anti-virus software (vs. 91 percent for PCs).

Mobile e-Commerce and Secure e-Payment Solutions
As e-commerce continues to grow in Italy, demand is increasing for mobile e-commerce solutions that support online retailers to implement their mobile strategy for the highest possible range of smartphones and tablets. Opportunities are expected in the following areas: solutions to support the development of a mobile site through adapting page content and product data; mobile applications allowing the shoppers to order and pay the products directly through a smartphone, also through NFC technologies. As it is estimated that up to 50 percent of Italian SMEs selling online do not use encryption systems, the need for integrated solutions, offering multiple payment types and currencies, secure payment and fraud management is anticipated to increase considerably.

Mobile Marketing & Services
The number of Italian companies adopting mobile marketing solutions has been constantly increasing. Investments in mobile advertising in 2013 hit the headlines by growing 129 percent over 2012, reaching USD270 million. Applications are one of the main media through which big spenders advertise. Opportunities exist for the development of Rich Media advertising, utilizing more dynamic and interactive graphic

formats, and integration of social TV and second screen platforms. Location based advertising and mobile couponing services are also expected to increase dramatically.

Other Mobile Applications

Mobile applications distributed by application stores have been booming in Italy. The five most popular segments are mobile gaming (which holds the lion's share), social media, news and sports/entertainment.

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The Italian Digital Agenda

The European Union has set ambitious targets for the availability of broadband services to citizens in each EU country as part of its Digital Agenda program. By the year 2020, the targets for ultra-high speed NGA (next generation access) networks require 30Mbps access to everyone and 100Mbps to at least 50 percent of the population. The need to overcome the "digital divide" and to foster ICT demand is creating considerable opportunities both in the infrastructure market segment and in the systems segment. In spite of several delays, the Italian government, both at the central and regional levels, is committed to investing USD1 billion in the next three years towards building new NGA networks that will have a strategic and driving effect for the national economy.

The Italian government is also planning to foster new projects in the following areas:

-- implementation of technological and digital infrastructures for "smart communities";
-- development of digital administration (e-government) applications for the improvement of services to citizens and enterprises;
-- promotion of cloud computing architectures for activities and services of public administrations and bodies;
-- the use of innovative public procurement and pre- commercial procurement (PCP) solutions;
-- the development of "last mile" infrastructures to promote the access to the web in large public areas such as schools, universities, urban open areas and public premises in general; and,
-- the strengthening of investments in digital technologies (especially development of Wi-Fi in 2014) for the school and university systems.

These new projects, which are expected to drive economic growth and create jobs, should also receive funding from Horizon 2020, the biggest EU research and innovation program ever, with over USD105 billion of funding available to member states over the next seven years (2014 to 2020).

Considering the synergies between fiber optics and LTE, this ambitious plan will entail a mix of fixed and mobile broadband networks and should represent an excellent opportunity for highly specialized American companies offering innovative products and services in the above areas.

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Ministry of Economic Development

http://www.sviluppoeconomico.gov.it

AGCOM – National Communications Regulatory Agency
http://www.agcom.it/Default.aspx?message=visualizzadocument&DocID=12863

Agenzia per l'Italia Digitale – Italian Digital Agenda
http://www.agid.gov.it (in Italian only)

Confindustria Digitale - Italian Industrialists Federation to promote the development of digital economy in Italy
http://www.confindustriadigitale.it/Federazione/Profilo.kl

Assinform - Italian ICT Industries Association
http://www.assinform.it/english_version/_profilo_eng.htm

ASSTEL – Italian Telecom Industry Association
http://www.asstel.it/ (in Italian only)

Public Administrations make most purchases by public tenders open to both domestic and foreign companies. Announcements of tenders on public procurements are monitored by the U.S. Mission to the European Union and can be accessed through the webpage: http://export.gov/europeanunion/

U.S. Commercial Service Contact Return to top

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Private Equity: Promoting Investment into U.S. Private Equity Funds

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Private equity (PE) makes up a major portion of the so-called alternative assets class (together with real estate, hedge funds and credit funds). The export of PE services is a significant contributor to total U.S. exports, both because the payment of a fee and potential carry (20 percent on the capital gains) to a U.S. general partner (GP, or PE fund manager) by a foreign investor (limited partner, or LP) is an export of services and because the investment generally benefits U.S. companies competing in the global marketplace. Over the life of a fund, per USD1 of LP investment, the U.S. exporter (the GP) earns an estimated USD0.62 -- and this becomes income to the GP and hence a service export. At year end 2013, there were USD201 billion in foreign assets managed by U.S. PE/VC firms for investment in the United States, generating USD115 billion in export value.

The Italian Private Equity Market

In 2013, Italy was the ninth largest global economy and seventh largest manufacturing country (second in Europe after Germany). The Italian economy, although suffering from a decrease in internal consumption, is composed of a healthy number of successful companies in the mid-market sector, the "bread and butter" of the PE industry. Nevertheless, PE in Italy is still a relative underdeveloped industry when compared with other developed countries. In 2013, PE and VC players operating in Italy closed a total of 368 deals (+5 percent over 2012) involving 281 companies for a total invested amount of 3.4 billion euros (+6 percent compared to 2012). The largest part of invested resources (2.2 billion euros) flowed into buyouts (+4 percent compared to 2012), followed by expansion deals (914 million euros, -1 percent over 2012).

In 2013, the number of investments in the early stage segment accounted for 158 deals (+16 percent over 2012) for a value of 81 million euros, whereas the expansion segment recorded 138 deals (+5 percent) worth 914 million euros. The average invested amount was 9.3 million euros (43.0 million euros in buyouts, 0.5 million euros early stage). Compared to 2012, small and medium deals (when the investment is smaller than 150 million euros) decreased by 11 percent; large and mega deals (respectively more than 150 million euros and 300 million euros) increased by 32 percent.

In 2013, the divested amount, calculated at cost (not including capital gain) reached 1.9 billion euros, a 23 percent increase vs. 2012, with 141 exits (+32 percent over 2012). Trade sales were the favorite way out in terms of number, representing 48 percent of total number of exits. As of December 31, 2013, the total portfolio of investors in Italy amounted to 1,189 among Italian and foreign companies, for an equivalent value calculated at cost of 21.8 billion euros.

Best Prospects & Opportunities

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The investment in PE is a niche (estimated to be less than 3 percent, or even only 1 percent) of the amount invested by Italian institutional investors. This figure is really low when compared to other countries (up to 10 percent in the United States). What's more, only 50 percent of institutional investors allocate resources to PE with significant variance even within a single Limited Partners category. The Italian institutional investors have an estimated USD1.2 trillion available to invest. This figure does not include asset managers supervising 1.3 trillion euros that are not invested directly in alternatives, due to the liquid nature of these assets. This is approximately 1.5 percent of the total global investment availability, estimated to be USD80 trillion.

There are an estimated 30-35 active Italian LPs, plus 10 or so family offices. The major potential investors are insurance companies, pension funds, the CDP (Cassa Depositi e Prestiti, which can be considered as the Italian ‘sovereign’ fund), bank foundations and those family funds. There are several funds of funds active in the market.

Recent and Future Initiatives

Two matchmaking events held in May 2013 at the U.S. Embassy in Rome and in Milan, between U.S. GPs and Italian LPs, demonstrated that Italian LPs are very interested in the investment opportunities proposed by U.S. GPs. More than a dozen Italian LPs (insurance companies, funds of funds, banks, family offices and the CDP) participated in each of these events.

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- Aifi (Italian Private Equity and Venture Capital Assoc) http://www.aifi.it/EnHome.asp
- Thunderbird's Private Equity Center (TPEC), http://privateequity.thunderbird.edu/

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http://www.export.gov/italy

Agricultural Sector

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Macro Economic Situation & Key Demographic Trends

Italy has a diversified industrial economy, divided into a developed industrial north, dominated by private companies, and a less-developed agricultural south, with persistent high unemployment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises, many of them family owned. Italy is the third-largest economy in the euro-zone, but exceptionally high public debt burdens and structural impediments to growth have rendered it vulnerable to scrutiny by financial markets. It is a net agricultural importer. Most raw materials, and ingredients are imported, as Italy's economic strength is in the processing and the manufacturing of goods, primarily in small and medium-sized family-owned firms. Italy exports mainly consumer products to the United States, while the U.S. exports mostly bulk commodities to Italy.

Italy's closest trade ties are with the other members of the European Union (EU). Italy's largest EU trade partners are Germany (which receives around 18 percent of Italy's exports), France (13 percent) and the UK (7 percent). The EU accounts for 55 percent of Italy's total exports and for 61 percent of its total imports.

Bilateral Ag Trade 2013
(Food, Fish and Forestry)

Total U.S. Exports to Italy: USD1.2 billion	Total U.S Imports from Italy: USD3.7 billion

Leading Products:

Wheat: USD186 million	Wine: USD1.6 billion
Tree Nuts: USD183 million	Olive Oil: USD575 million
Forest Products: USD141 million	Cheese: USD297 million
Soybean Meal: USD91 million	Snack Foods: USD142 million
Fish products USD75 million	Forest Products: USD84 million

Agriculture is one of Italy's key economic sectors, accounting for around 3 percent of GDP. The most important products are grains, sugar beets, soybeans, meat and dairy products - especially in the north of the country - and fruit, vegetables, olive oil, wine and durum wheat in the south. The country is the world's fifth-largest exporter of agri-food products. The meat and poultry industry account for around 16 percent of Italy's total agri-food production in value terms. Fruit and vegetable processing and preserving (a segment that includes olive-oil manufacturing) constitutes the second-largest sector (12.5 percent), while the bread and baked goods sector is a close third (10 percent). Other key sectors include alcoholic beverages (9 percent), chocolate and confectionery (5.4 percent), pasta and noodles (4.5 percent), soft drinks and mineral water (3.7 percent), fish processing (3.0 percent), and coffee and tea production (2.5 percent).

Best Prospects for U.S. Agricultural and Fish Exports

U.S. bulk and intermediate commodities are used as ingredients or inputs for value-added Italian products that are re-exported. North American high-quality durum wheat, for example, is used to produce pasta. Opportunities exist for tree nuts, wheat, hides and skins, and wood/lumber - all sectors that have seen growth in recent years. Italy also is the world's fifth largest importer of seafood products, with an estimated annual consumption of almost 20 kilograms of fish and seafood. Last year Italy imported USD75 million from the United States in seafood products. Opportunities exist in the supply of fish, especially tuna, salmon, crab, surimi, roe, seafood for the canning industry, frozen fish fillets such as hake, cod and plaice to meet the demand for convenient, ready-to-prepare products, peeled and processed shrimp, squid, cuttlefish, octopus and lobster.

Best Products Prospects

A. **U.S. products in the Italian market that have good sales potential***:*

Wild salmon from Alaska
Lobster
Dried plums
Tree nuts
Wheat
Tex Mex and other ethnic foods

B. **Products not present in significant quantities but which have good sales potential:**

Dressings and sauces/condiments
Snacks
Scallops
Chocolate
Specialty/Microbrew Beer

C. **Products not present because they face significant trade barriers:**

Beef, other than that sold thru the High Quality Beef Quota
Poultry
Processed food products containing biotech ingredients

Italian Food Importers and Retailers

In Italy, the food retail and distribution sector is extremely fragmented and resistant to change. Consolidation remains low and traditional grocery stores continue to represent the majority share of the outlets, followed by open-air markets. In fact, the sector is one of the most fragmented and least saturated in Western Europe with fewer large retailers and still many small local retail stores. Nonetheless, consolidation is slowly gaining momentum, with Italian and foreign operators starting to expand their network of stores, particularly in the south of the country.

For a complete overview of the Italian Food Retail sector, including characteristics of the grocery retail sector and how best to place U.S. products in the Italian market, please see the **FAS Rome GAIN Report IT1392, Italian Food Retail and Distribution Sector.**

http://italy.usembassy.gov/agtrade.html

Italian Food Processing Ingredients Sector

The Italian food-processing industry continues to be highly fragmented, and depends almost entirely on raw material imports, most of which come from other EU countries. Italian consumers continue to prefer fresh products rather than canned or frozen. In Italy, the 10 leading food-processing companies account for around 40 percent of sector sales, and growth areas include chilled ready meals, frozen pizza, soups, and healthy foods.

Please see **FAS Rome GAIN Report IT1393, Italian Food Processing Ingredients Sector** for a complete overview and characteristics of the processing retail sector and how best to place U.S. ingredients in the Italian market.
http://italy.usembassy.gov/agtrade.html

The Italian Hotel and Food Service Industry

Every year more than 95 million tourists visit Italy, making it the world's fourth most attractive tourist destination. The Italian Hotel and Food Service Industry is a lucrative and growing sector (it is the second largest in the world after the United States); however, it is also diverse and fragmented. Many small establishments dominate Italy, including: bed and breakfasts, youth hostels, camping facilities, resorts and rural tourism. According to the Italian Hotel Association, Federalberghi, more than 250 million people stayed in an Italian hotel in 2013.

Most imported food products enter the Italian market through brokers or specialized traders. Imported products from North America often enter Italy indirectly via the Netherlands' Port of Rotterdam or directly by air. Wholesalers are the main customers for fish and seafood products, as they purchase and distribute to numerous small restaurants and hotels. Most of the processed food and raw material sourcing decisions are made directly by the restaurant chef and/or hotel Food Purchasing Director. Restaurants, hotels, and catering companies tend to rely on importers, wholesalers, and food manufacturers, while trattorias and pizzerias purchase directly from large retail food outlets. While there are Category Associations for the Hotel and Food Service sectors, each establishment operates independently when it comes to sourcing decisions.

Please see **FAS Rome GAIN Report IT1391 Food Service - Hotel Restaurant Institutional** for a complete overview and characteristics of the food service sector in Italy. http://italy.usembassy.gov/agtrade.html

Advantages and Challenges for U.S. Exporters in Italy

Advantages	Challenges
High consumer interest in new products.	Competition from similar food products produced in other EU countries that enter tariff free.
The tourism industry increases demand for hotel, restaurant, and institutional products.	Price competition is fierce.
U.S. products are viewed as “trendy, new and	Strong cultural presumptions that Italian food

innovative," especially those with added benefits of health and lifestyle.	products are superior to those of foreign suppliers.
Growing niche market for ethnic foods. Italians are traveling more, becoming aware of foreign cuisines.	Need to develop and invest in the relationship with the Italian trade contacts and the marketing of the product. Supermarket and hypermarket shelf space and product placement is expensive.
Weak dollar versus a strong EURO favors U.S. exports.	Mandatory customs duties, sanitary inspections, and labeling requirements can be onerous.
U.S. fast food chains, theme restaurants, and the food processing industry often request U.S. origin ingredients.	In-grained political opposition to modern biotechnology, which leads distribution chains to avoid GM products.

Food and Agriculture Import Requirements

To the extent that European Union food laws have been harmonized, Italy's food laws and regulations follow European Union rules. The main principle of the single market concept is to ensure that all food products, whether produced in the EU or imported from a third country, can move freely throughout the EU if they comply with uniform requirements. In Italy, Food Safety is the primary responsibility of the Italian Ministry of Health, while food production is the primary responsibility of the Italian Ministry of Agriculture. In some cases, other Italian Ministries may have responsibilities, such as the Ministry for Productive Activities on standards, labeling and trade promotion, or the Ministry of Economy and Finance on customs and duties.

Please see **FAS Rome GAIN Report IT1394 Italy's Food and Agricultural Import Regulations and Standards** for a complete overview of Italian and EU requirements. http://italy.usembassy.gov/agtrade.html

Contacts for the Foreign Agricultural Service office, Rome:

Office of Agricultural Affairs
U.S. Embassy
Via Veneto 119A
00187 Rome, Italy
Tel.: +39-06-4674-2617
Fax: +39-06-4788-7008
Website: http://italy.usembassy.gov/agtrade.html
Email: agrome@fas.usda.gov

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Chapter 5: Trade Regulations, Customs and Standards

Import Tariffs

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The Integrated Tariff of the Community, referred to as TARIC (Tarif Intégré de la Communauté), is designed to show the various rules which apply to specific products being imported into the customs territory of the EU or, in some cases, exported from it. To determine if a license is required for a particular product, check the TARIC.
The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The online TARIC is updated daily.

Key Link:
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

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For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website: http://www.ustr.gov/sites/default/files/2013 percent20NTE percent20European percent20Union percent20Final.pdf

Information on agricultural trade barriers can be found at the following website: http://www.usda-eu.org/

To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at http://www.trade.gov/tcc or the U.S. Mission to the European Union at http://export.gov/europeanunion/

Import Requirements and Documentation

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The TARIC (Tarif Intégré de la Communauté), described above, is available to help determine if a license is required for a particular product.

Many EU member states maintain their own list of goods subject to import licensing. For example, Germany's "Import List" (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law.

Practically all goods originating in the United States can be imported into Italy without import licensing or free of quantitative restrictions. Only a small group of agricultural items may be subject to import regulations. There are, however, monitoring measures applied to imports of certain sensitive products. The most important of these measures are the import licenses for dual-use items. The import license is the responsibility of the Italian importer and is granted by the Italian Ministry of Economic Development. Importers may download the application (international import certificate) from the Ministry's website at http://www.mincomes.it/dualuse/dualuse_2010/moduli_2010/modulo_internazionale_import.pdf.

Various controlled products (such as arms and munitions), are the most frequently regulated items. Import licenses are generally granted for goods of U.S. origin rapidly and delays are usually caused by lack of proper documentation, or information. Licenses are not transferable, although they may be used to cover several shipments within the total quantity authorized. In general, the goods involved are indicated on the license by the Harmonized System classification number and the corresponding wording of the tariff position.

For information relevant to member state import licenses, please consult the relevant member state Country Commercial Guide: EU Member States' Country Commercial Guides or conduct a search on the Commerce Department's Market Research Library, available from: http://www.export.gov/mrktresearch/index.asp.

Import Documentation

The Single Administrative Document

The official model for written declarations to customs is the Single Administrative Document (SAD). Goods brought into the EU customs territory are, from the time of their entry, subject to customs supervision until customs formalities are completed. Goods are covered by a Summary Declaration which is filed once the items have been presented to customs officials. The customs authorities may, however, allow a period for filing the Declaration which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The Summary Declaration is filed by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

The Summary Declaration can be made on a form provided by the customs authorities. However, customs authorities may also allow the use of any commercial or official document that contains the specific information required to identify the goods. The SAD serves as the EU importer's declaration. It encompasses both customs duties and VAT and is valid in all EU member states. The declaration is made by whoever is clearing the goods, normally the importer of record or his/her agent.

European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. Information on import/export forms is contained in Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

More information on the SAD can be found at:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/sad/index_en.htm
Regulation (EC) No 450/2008 laying down the Community Customs Code (so-called the “Modernized Customs Code”) aimed at the adaptation of customs legislation and at introducing the electronic environment for customs and trade. This Regulation entered into force on June 24, 2008 and was due to be applicable once its implementing provisions were in force by June 2013. However, the Modernized Customs Code was recast as a Union Customs Code (UCC) before it became applicable. The Union Customs Code (UCC) Regulation entered into force in October 2013 and repealed the MCC Regulation; its substantive provisions will apply only on May 1st 2016. Until this time, the Community Customs Code and its implementing provisions continue to apply.

http://ec.europa.eu/taxation_customs/customs/customs_code/union_customs_code/index_en.htm

EORI

Since July 1, 2009, all companies established outside of the EU are required to have an Economic Operator Registration and Identification (EORI) number if they wish to lodge a customs declaration or an Entry/Exit Summary declaration. All U.S. companies should use this number for their customs clearances. If a U.S. company wishes to apply for AEO status or apply for simplifications in customs procedures within the EU, it must first obtain an EORI number. Companies should request an EORI number from the authorities of the first EU member state to which they export. Once a company has received an EORI number, it can use it for exports to any of the 28 EU member states. There is no single format for the EORI number.

More information about the EORI number can be found at
http://ec.europa.eu/taxation_customs/dds2/eos/eori_home.jsp?Lang=en

U.S. - EU Mutual Recognition Arrangement (MRA)

Since 1997, the U.S. and the EU have had an agreement on customs cooperation and mutual assistance in customs matters. For additional information, please see
http://ec.europa.eu/taxation_customs/customs/policy_issues/international_customs_agreements/usa/index_en.htm

In 2012, the U.S. and the EU signed a new Mutual Recognition Arrangement (MRA) aimed at matching procedures to associate one another's customs identification numbers. The MCC introduced the Authorized Economic Operator (AEO) program (known as the "security amendment"). This is similar to the U.S.' voluntary Customs-Trade Partnership Against Terrorism (C-TPAT) program in which participants receive certification as a "trusted" trader. AEO certification issued by a national customs authority is recognized by all member state's customs agencies. An AEO is entitled to two different types of authorization: "customs simplification" or "security and safety." The former allows for an AEO to benefit from simplifications related to customs legislation, while the latter allows for facilitation through security and safety procedures. Shipping to a trader with AEO status could facilitate an exporter's trade as its benefits include expedited processing of shipments, reduced theft/losses, reduced data requirements, lower inspection costs, and enhanced loyalty and recognition.

The U.S. and the EU recognize each other's security certified operators and will take the respective membership status of certified trusted traders favorably into account to the extent possible. The favorable treatment provided by mutual recognition will result in lower costs, simplified procedures and greater predictability for transatlantic business activities. The newly signed arrangement officially recognizes the compatibility of AEO and C-TPAT programs, thereby facilitating faster and more secure trade between U.S. and EU operators. The agreement is being implemented in two phases. The first commenced in July 2012 with the U.S. customs authorities placing shipments coming from EU AEO members into a lower risk category. The second phase took place in early 2013, with the EU re-classifying shipments coming from C-TPAT members into a lower risk category. The U.S. customs identification numbers (MID) are therefore recognized by customs authorities in the EU, as per Implementing Regulation 58/2013 (which amends EU Regulation 2454/93 cited above):
http://ec.europa.eu/taxation_customs/resources/documents/customs/procedural_aspects/general/implementing_regulation_58_2013_en.pdf

Additional information on the MRA can be found at:
http://www.cbp.gov/newsroom/national-media-release/2013-02-08-050000/eu-us-fully-implement-mutual-recognition-decision

Batteries

EU battery rules changed in September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66). This Directive replaces the original Battery Directive of 1991 (Directive 91/157). The 2006 Directive applies to all batteries and accumulators placed on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. In 2012, the European Commission published a FAQ document to assist interested parties in interpreting its provisions. For more information, see our market research report:
http://www.buyusainfo.net/docs/x_4062262.pdf

REACH

REACH, "Registration, Evaluation and Authorization and Restriction of Chemicals", is the system for controlling chemicals in the EU and it came into force in 2007 (Regulation 1907/2006). Virtually every industrial sector, from automobiles to textiles, is affected by this policy. REACH requires chemicals produced or imported into the EU in volumes above 1 metric ton per year to be registered with a central database handled by the European Chemicals Agency (ECHA). Information on a chemical's properties, its uses and safe ways of handling are part of the registration process. The next registration deadline is May 31, 2018. U.S. companies without a presence in Europe cannot register directly and must have their chemicals registered through their importer or EU-based 'Only Representative of non-EU manufacturer'. A list of Only Representatives (ORs) can be found on the website of the U.S. Mission to the EU:
http://export.gov/europeanunion/reachclp/index.asp

U.S. companies exporting chemical products to the European Union must update their Material Safety Data Sheets (MSDS) to be REACH compliant. For more information, see the guidance on the compilation of safety data sheets:
http://echa.europa.eu/documents/10162/17235/sds_en.pdf

U.S. exporters to the EU should carefully consider the REACH 'Candidate List' of Substances of Very High Concern (SVHCs) and the 'Authorization List'. Substances on the Candidate List are subject to communication requirements prior to their export to the EU. Companies seeking to export products containing substances on the 'Authorization List' will require an authorization. The Candidate List can be found at:
http://echa.europa.eu/web/guest/candidate-list-table. The Authorization List is available at http://echa.europa.eu/addressing-chemicals-of-concern/authorisation/recommendation-for-inclusion-in-the-authorisation-list/authorisation-list

WEEE Directive

EU rules on Waste Electrical and Electronic Equipment (WEEE), while not requiring specific customs or import paperwork, may entail a financial obligation for U.S. exporters. The Directive requires U.S. exporters to register relevant products with a national WEEE authority or arrange for this to be done by a local partner. The WEEE Directive was revised on July 4, 2012 and the scope of products covered was expanded to include all electrical and electronic equipment. This revised scope will apply from August 14, 2018 with a phase-in period that has already begun. U.S. exporters seeking more information on the WEEE Directive should visit:
http://export.gov/europeanunion/weeerohs/index.asp

RoHS

The ROHS Directive imposes restrictions on the use of certain chemicals in electrical and electronic equipment. It does not require specific customs or import paperwork however, manufacturers must self-certify that their products are compliant. The Directive was revised in 2011 and entered into force on January 2, 2013. One important change with immediate effect is that RoHS is now a CE Marking Directive. The revised Directive expands the scope of products covered during a transition period which ends on July 22, 2019. Once this transition period ends, the Directive will apply to medical devices, monitoring and control equipment in addition to all other electrical and electronic equipment. U.S. exporters seeking more information on the RoHS Directive should visit:
http://export.gov/europeanunion/weeerohs/index.asp

Cosmetics Regulation

On November 30, 2009, the EU adopted a new regulation on cosmetic products which has applied since July 11, 2013. The law introduces an EU-wide system for the notification of cosmetic products and a requirement that companies without a physical presence in the EU appoint an EU-based responsible person.

In addition, on March 11, 2013, the EU imposed a ban on the placement on the market of cosmetics products that contain ingredients that have been subject to animal testing. This ban does not apply retroactively but does capture new ingredients. Of note, in March 2013, the Commission published a Communication stating that this ban would not apply to ingredients where safety data was obtained from testing required under other EU legislation that did not have a cosmetic purpose. For more information on animal testing, see: http://ec.europa.eu/consumers/sectors/cosmetics/animal-testing

For more general information, see:
http://export.gov/europeanunion/accessingeumarketsinkeyindustrysectors/eg_eu_044318.asp

Agricultural Documentation

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). The vast majority of these certificates are uniform throughout the EU, but the harmonization process is not complete. During this transition period, certain member state import requirements continue to apply. In addition to the legally required EU health certificates, a number of other certificates are used in international trade. These certificates, which may also be harmonized in EU legislation, certify origin for customs purposes and certain quality attributes. Up-to-date information on harmonized import requirements can be found at the following website: http://www.fas.usda.gov/topics/exporting/regulations-and-requirements

Sanitary Certificates (Fisheries)

In April 2006, the European Union declared the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. Commission Decision 2006/199/EC lays down specific conditions on imports of fishery products from the U.S. Unlike for fishery products, the U.S. shellfish sanitation system is not equivalent to that of the EU's. The EU and the U.S. are currently negotiating a veterinary equivalency agreement on shellfish. In the meantime, the EU still has a ban in place (since July 1, 2010), that prohibits the import of U.S. bivalve mollusks, in whatever form, into EU territory. This ban does not apply to wild roe-off scallops.

With the implementation of the second Hygiene Package, aquaculture products coming from the United States must be accompanied by a public health certificate according to

Commission Decision 2006/199/EC and the animal health attestation included in the new fishery products certificate, covered by Regulation (EC) 1012/2012. This animal health attestation is not required in the case of live bivalve mollusks intended for immediate human consumption (retail).

Since June 2009, the unique U.S. competent authority for issuing sanitary certificates for fishery and aquaculture products is the U.S. Department of Commerce, National Marine Fisheries Service (NOAA-NMFS).

In addition to sanitary certificates, all third countries wishing to export fishery products to the EU are requested to provide a catch certificate. This catch certificate certifies that the products in question have been caught legally.

For detailed information on import documentation for seafood, please contact the NOAA Fisheries office at the U.S. Mission to the EU (stephane.vrignaud@trade.gov) or visit the following NOAA dedicated web site: http://www.seafood.nmfs.noaa.gov/EU_Export.html

U.S. Export Controls

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The U.S. Department of Commerce's Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR), which regulate the export and re-export of some commercial items, including "production" and "development" technology.

The items that BIS regulates are often referred to as "dual use" since they have both commercial and military applications. Further information on export controls is available at: http://www.bis.doc.gov/licensing/exportingbasics.htm

BIS has developed a list of "red flags," or warning signs, intended to discover possible violations of the EAR. These are posted at:
http://www.bis.doc.gov/enforcement/redflags.htm

Also, BIS has "Know Your Customer" guidance at:
http://www.bis.doc.gov/Enforcement/knowcust.htm

If there is reason to believe a violation is taking place or has occurred, report it to the Department of Commerce by calling the 24-hour hotline at 1(800) 424-2980, or via the confidential lead page at: https://www.bis.doc.gov/forms/eeleadsntips.html

The EAR does not control all goods, services, and technologies. Other U.S. government agencies regulate more specialized exports. For example, the U.S. Department of State has authority over defense articles and services. A list of other agencies involved in export control can be found on the BIS web.

It is important to note that in August 2009, the President directed a broad-based interagency review of the U.S. export control system, with the goal of strengthening national security and the competitiveness of key U.S. manufacturing and technology sectors by focusing on current threats, as well as adapting to the changing economic and technological landscape. As a result, the Administration launched the Export Control Reform Initiative (ECR Initiative) which is designed to enhance U.S. national security and strengthen the United States' ability to counter threats such as the proliferation of weapons of mass destruction.

The Administration is implementing the reform in three phases. Phases I and II reconcile various definitions, regulations, and policies for export controls, all the while building toward Phase III, which will create a single control list, single licensing agency, unified information technology system, and enforcement coordination center.

For additional information on ECR see: http://export.gov/ecr/index.asp

BIS provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two day seminars and focus on the basics of exporting as well as more advanced topics. A list of upcoming seminars can be found at: https://www.bis.doc.gov/seminarsandtraining/index.htm

For further details about the Bureau of Industry and Security and its programs, please visit the BIS website at: http://www.bis.doc.gov/

Temporary Entry

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Material may temporarily be imported into Italy without payment of duties or tax if the material is to be used in the production or manufacture of a product that is to be exported. The importer gives a security deposit, usually in the form of a guarantee from a bank or insurance company, for the amount of the usual duties and taxes. Upon exportation of the finished product, the guarantee is released or the deposit returned.

Temporary entry of goods intended to be re-exported in the same condition is permissible free of import duties and taxes upon approval of an application by Italian Customs.

Italy participates in the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials. Samples of negligible value imported to promote sales are accorded duty-free and tax-free treatment. Prior authorization is not required. To determine whether the samples are of negligible value, their value is compared with a commercial shipment of the same product. Granting of duty-free status may require that the samples be rendered useless for future sale by marking, perforating, cutting, or other means.

Imported samples of commercial value may be granted a temporary entry with exemption from custom charges. However, a bond or cash deposit may be required as security that the goods will be removed from the country. This security is the duty and tax normally levied plus 10 percent. Samples may remain in the country for up to 1 year. They may not be sold, put to their normal use (except for demonstration purposes), or utilized in any manner for remuneration. Goods imported as samples may be imported only in quantities constituting a sample according to normal commercial usage.

Samples of products, without commercial value, are admitted free of duty and taxes. Product literature should be marked "product literature - no commercial value". Samples with commercial value are also admitted duty and tax free, provided that the following conditions are complied with:

(a) The samples are accompanied by a representative of the U.S. firm with a statement, notarized by an Italian Consulate, identifying the commercial traveler and attesting to the intention that the samples are being imported into Italy only for show or demonstration, and will be re-exported without sale.

(b) A certificate of origin from a recognized chamber of commerce is submitted to identify the source of the goods.

(c) A deposit or bond, in the amount of the applicable customs duties and taxes, is made at the point of entry. This will be refunded when the goods are re-exported.

(d) A list (in duplicate) with a full description of each sample, including weight and value, is submitted. It is helpful to have such a list in Italian.

In practice, samples valued in excess of 2,582 Euro (USD 3,380) are practically impossible to clear through Italian customs informally. In such cases, it is advisable to engage the services of a local freight forwarder.

As a result of various customs agreements, simplified procedures are available to U.S. business and professional people for the temporary importation of commercial samples and professional equipment. A carnet is a customs document that facilitates clearance for temporary imports of samples or equipment. With a carnet, goods may be imported without the payment of duty, tax, or additional security. The carnet also usually saves time since formalities are all arranged before leaving the United States. A carnet is usually valid for 1 year from the date of issuance. A bond or cash deposit of 40 percent of the value of the goods covered by the carnet is required, in addition to the price of the carnet. This will be forfeited in the event the products are not re-exported and duties and taxes are not paid.

Carnets are sold in the United States by the U.S. Council for International Business at the following locations:

- 1212 Avenue of the Americas, New York, NY 10036, (212) 354-4480; or 1400 K Street NW, Suite 905, Washington, DC 20005, (202) 371-1316, email at info@uscib.org.
- Website: www.uscib.org

Goods in Transit

Goods may clear customs with an EU transit procedure, issuing a single transit document under which the goods may be easily shipped across frontiers of the EU member states. These transit documents are completed for the importer by freight forwarders in Italy. The EU transit document provides the basis for a single, comprehensive procedure covering the goods within the EU. Since the single transit document is an EU form, the European importer, customs house broker, freight forwarder, or shipper must prepare the document at the point of entry.

Inward and Outward Processing

Inward processing is the temporary importation of raw material or products for additional manufacture or processing. Merchandise imported for additional processing and eventual re-export out of the EU is eligible for custom-free treatment.

The re-exported goods may be partly or totally processed. The import duty and taxes are levied only on those goods that are not re-exported and are finally sold in the EU. To qualify for inward processing, an Italian (or EU) firm must satisfy customs that it is necessary to use imported goods instead of EU goods; state an intention to export products manufactured from the imported goods (or equivalent goods available in the EU); and assure that, upon re-exportation, the conditions set forth in the authorization are satisfied, the exported products are accounted for, and the entered goods are identifiable and relate to specific importations.

In outward processing, a firm in Italy may export goods, for further manufacture or processing, from the EU customs area and then re-import the final product. Duties and taxes are levied only on the increased value added by the expatriate manufacturing or processing when the goods are returned to Italy, not on the total value of the product. Only firms located in Italy or other EU countries are eligible to take advantage of this option, by gaining approval of the Customs authorities.

Labeling and Marking Requirements Return to top

An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available at:
http://buyusainfo.net/docs/x_366090.pdf

Prohibited and Restricted Imports Return to top

The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check the TARIC for the following codes:

CITES Convention on International Trade of Endangered Species
PROHI Import Suspension
RSTR Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

Key Link:
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

Customs Regulations and Contact Information Return to top

The following provides information on the major regulatory efforts of the EC Taxation and Customs Union Directorate:

Electronic Customs Initiative – This initiative deals with EU Customs modernization developments to improve and facilitate trade in the EU member states. The electronic customs initiative is based on the following three pieces of legislation:

- The Security and Safety Amendment to the Customs Code, which provides for full computerization of all procedures related to security and safety;

- The Decision on the paperless environment for customs and trade (Electronic Customs Decision) which sets the basic framework and major deadlines for the electronic customs projects;

- The Modernized Community Customs Code (recast as Union Customs Code) which provides for the completion of the computerization of customs.

Key Link:
http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Homepage of Customs and Taxation Union Directorate (TAXUD) Website
Key Link: http://ec.europa.eu/taxation_customs/customs/index_en.htm

Customs Valuation – Most customs duties and value added tax (VAT) are expressed as a percentage of the value of goods being declared for importation. Thus, it is necessary to dispose of a standard set of rules for establishing the goods' value, which will then serve for calculating the customs duty.

Given the magnitude of EU imports every year, it is important that the value of such commerce is accurately measured for the purposes of:

- economic and commercial policy analysis;
- application of commercial policy measures;
- proper collection of import duties and taxes; and
- import and export statistics.

These objectives are met using a single instrument - the rules on customs value.
The EU applies an internationally accepted concept of 'customs value'.

The value of imported goods is one of the three 'elements of taxation' that provides the basis for assessment of the customs debt, which is the technical term for the amount of duty that has to be paid, the other ones being the origin of the goods and the customs tariff.

Key Link:
http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/index_en.htm

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Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union legislation and standards created under the New Approach are harmonized across the member states and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. For a list of new approach legislation, go to http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main.

The concept of new approach legislation is likely to disappear as the New Legislative Framework (NLF), which entered into force in January 2010, was put in place to serve as a blueprint for existing and future CE marking legislation. Since 2010/2011 existing legislation has been reviewed to bring them in line with the NLF concepts.

While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that regulations (mandatory) and technical standards (voluntary) might also function as barriers to trade if U.S. standards are different from those of the European Union.

Agricultural Standards
The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at: http://www.fas.usda.gov/

There are also export guides to import regulations and standards available on the Foreign Agricultural Service's website: http://www.fas.usda.gov/data/european-union-food-and-agricultural-import-regulations-and-standards

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EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

1. CENELEC, European Committee for Electrotechnical Standardization (http://www.cenelec.eu/)

2. ETSI, European Telecommunications Standards Institute (http://www.etsi.org/)

3. CEN, European Committee for Standardization, handling all other standards (http://www.cen.eu/cen/pages/default.aspx)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the member states, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual member states standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away some of its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical legislation. Mandates – or requests for standards - can be checked on line at: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

Given the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Belarus, Israel, and Morocco among others. Another category, called "partner standardization body" includes the standards organization of Mongolia, Kyrgyzstan and Australia, which are not likely to become a CEN member or affiliate for political and geographical reasons.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. Other than their respective annual work plans, CEN's "what we do" page provides an overview of standards activities by subject. Both CEN and CENELEC offer the possibility to search their respective database. ETSI's portal (http://portal.etsi.org/Portal_Common/home.asp) leads to ongoing activities.

The European Standardization system and strategy was reviewed in 2011 and 2012. The new standards regulation 1025, adopted in November 2012, clarifies the relationship between regulations and standards and confirms the role of the three

European standards bodies in developing EN harmonized standards. The emphasis is also on referencing international standards where possible. For information, communication and technology (ICT) products, the importance of interoperability standards has been recognized. Through a newly established mechanism, a "Platform Committee" reporting to the European Commission will decide which deliverables from fora and consortia might be acceptable for public procurement specifications. The European standards bodies have been encouraged to improve efficiency in terms of delivery and to look for ways to include more societal stakeholders in European standardization.

Key Link: http://ec.europa.eu/enterprise/policies/european-standards/standardisation-policy/index_en.htm

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Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages, from design to production, to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice regarding conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. Conformity assessment bodies in individual member states are listed in NANDO, the European Commission's website.

Key Link: http://ec.europa.eu/enterprise/newapproach/nando/

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification system is known as the Keymark. Neither CENELEC nor ETSI offer conformity assessment services.

Product Certification Return to top

To sell products in the EU market of 28 member states as well as in Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC or ETSI, and referenced in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the member states, and its use simplifies the task of essential market surveillance of regulated products. As market surveillance was found lacking, the EU adopted the New Legislative Framework, which went into force in 2010. As mentioned before, this framework is like a blueprint for all CE marking legislation, harmonizing definitions, responsibilities, European accreditation and market surveillance.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the local contact established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

Accreditation

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Independent test and certification laboratories, known as notified bodies, have been officially accredited by competent national authorities to test and certify to EU requirements.

"European Accreditation" (http://www.european-accreditation.org) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible to appropriate EN and ISO/IEC standards.

Publication of Technical Regulations

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The Official Journal is the official publication of the European Union. It is published daily on the internet and consists of two series covering adopted legislation as well as case law, studies by committees, and more (http://eur-lex.europa.eu/JOIndex.do?ihmlang=en). It lists the standards reference numbers linked to legislation (http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm).

National technical Regulations are published on the Commission’s website http://ec.europa.eu/enterprise/tris/index_en.htm to allow other countries and interested parties to comment.

NIST Notify U.S. Service
Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: http://www.nist.gov/notifyus/

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Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of member states to require the use of the language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 2007/45/EC harmonizes packaging of wine and spirits throughout the EU. Existing national sizes will be abolished with a few exceptions for domestic producers. Key Link: http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

The Eco-label

The EU eco-label is a voluntary label which U.S. exporters can display on products that meet high standards of environmental awareness. The eco-label is intended to be a marketing tool to encourage consumers to purchase environmentally-friendly products. The criteria for displaying the eco-label are strict, covering the entire lifespan of the product from its manufacture, use, and disposal. These criteria are reviewed every three to five years to take into account advances in manufacturing procedures. There are currently 13 different product groups, and more than 17000 licenses have been awarded.

Applications to display the eco-label should be directed to the competent body of the member state in which the product is sold. The application fee will be somewhere between €275 and €1600 depending on the tests required to verify if the product is eligible, and an annual fee for the use of the logo (typically between USD480 to USD2000), with a 20 percent reduction for companies registered under the EU Eco-Management and Audit Scheme (EMAS) or certified under the international standard ISO 14001. Discounts are available for small and medium sized enterprises (SMEs).

Key Links:
Eco-label Home Page

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U.S. Mission to the EU
Sylvia Mohr, Commercial Specialist
Tel: 32.2.811.5001
Sylvia.Mohr@trade.gov

National Institute of Standards & Technology
Mr. George W. Arnold

Director
Standards Coordination Office
100 Bureau Dr.
Mail Stop 2100
Gaithersburg, Maryland 20899
Tel: (301) 975-5627
Website: http://ts.nist.gov/Standards/Global/about.cfm

CEN – European Committee for Standardization
Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.550.08.11
Fax: 32.2.550.08.19
Website: http://www.cen.eu

CENELEC – European Committee for Electrotechnical Standardization
Avenue Marnix 17
B – 1000 Brussels, Belgium
Tel: 32.2.519.68.71
Fax: 32.2.519.69.19
Website: http://www.cenelec.eu

ETSI - European Telecommunications Standards Institute
Route des Lucioles 650
F – 06921 Sophia Antipolis Cedex, France
Tel: 33.4.92.94.42.00
Fax: 33.4.93.65.47.16
Website: http://www.etsi.org

SBS – Small Business Standards

4, Rue Jacques de Lalaing
B-1040 Brussels
Tel: +32.2.285.07.27
Website: under development (http://www.ueapme.com/spip.php?rubrique220)

ANEC - European Association for the Co-ordination of Consumer Representation in Standardization
Avenue de Tervuren 32, Box 27
B – 1040 Brussels, Belgium
Tel: 32.2.743.24.70
Fax: 32.2.706.54.30
Website: http:/www.anec.org

ECOS – European Environmental Citizens Organization for Standardization
Rue d'Edimbourg 26
B – 1050 Brussels, Belgium
Tel: 32.2.894.46.55
Fax: 32.2.894.46.10
Website: http://www.ecostandard.org

EOTA – European Organization for Technical Assessment (for construction products)
Avenue des Arts 40
B – 1040 Brussels, Belgium
Tel: 32.2.502.69.00
Fax: 32.2.502.38.14
Website: http://www.eota.be/

Trade Agreements Return to top

For a list of trade agreements with the EU and its member states, as well as concise explanations, please see http://tcc.export.gov/Trade_Agreements/index.asp

Web Resources Return to top

EU websites:
Online customs tariff database (TARIC):
http://ec.europa.eu/taxation_customs/customs/customs_duties/tariff_aspects/customs_tariff/index_en.htm

The Modernized Community Customs Code MCCC):
http://europa.eu/legislation_summaries/customs/do0001_en.htm

ECHA: http://echa.europa.eu

Taxation and Customs Union:
http://ec.europa.eu/taxation_customs/customs/index_en.htm

Security and Safety Amendment to the Customs Code - Regulation (EC) 648/2005:
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF

Electronic Customs Initiative: Decision N° 70/2008/EC
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:023:0021:0026:EN:PDF

Modernized Community Customs Code Regulation (EC) 450/2008):
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:145:0001:0064:EN:PDF

Legislation related to the Electronic Customs Initiative:
http://ec.europa.eu/taxation_customs/customs/policy_issues/electronic_customs_initiative/electronic_customs_legislation/index_en.htm

Export Help Desk
http://exporthelp.europa.eu/thdapp/index_en.html

International Level:

What is Customs Valuation?:
http://ec.europa.eu/taxation_customs/customs/customs_duties/declared_goods/european/index_en.htm

Customs and Security: Two communications and a proposal for amending the Community Customs Code:
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/index_en.htm

Establishing the Community Customs Code: Regulation (EC) n° 648/2005 of 13 April 2005
http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:117:0013:0019:en:PDF

Pre Arrival/Pre Departure Declarations:
http://ec.europa.eu/taxation_customs/customs/procedural_aspects/general/prearrival_predeparture/index_en.htm

AEO: Authorized Economic Operator:
http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm

Contact Information at National Customs Authorities:
http://ec.europa.eu/taxation_customs/taxation/personal_tax/savings_tax/contact_points/index_en.htm

New Approach Legislation:
http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=directive.main

Cenelec, European Committee for Electrotechnical Standardization:
http://www.cenelec.eu/

ETSI, European Telecommunications Standards Institute:
http://www.etsi.org/

CEN, European Committee for Standardization, handling all other standards:
http://www.cen.eu/cen/Pages/default.aspx

Standardisation – Mandates:
http://ec.europa.eu/enterprise/policies/european-standards/standardisation-requests/index_en.htm

ETSI – Portal – E-Standardisation :
http://portal.etsi.org/Portal_Common/home.asp

CEN – Sector:
http://www.cen.eu/work/areas/Pages/default.aspx

CEN - Standard Search:
http://esearch.cen.eu/esearch/

Nando (New Approach Notified and Designated Organizations) Information System:
http://ec.europa.eu/enterprise/newapproach/nando/

Mutual Recognition Agreements (MRAs):
http://ec.europa.eu/enterprise/newapproach/nando/index.cfm?fuseaction=mra.main

European Co-operation for Accreditation:
http://www.european-accreditation.org/home

Eur-Lex – Access to European Union Law:
http://eur-lex.europa.eu/en/index.htm

Standards Reference Numbers linked to Legislation:
http://ec.europa.eu/enterprise/policies/european-standards/harmonised-standards/index_en.htm

What's New:
http://ec.europa.eu/enterprise/news/index_en.htm

National technical Regulations:
http://ec.europa.eu/enterprise/tris/index_en.htm

NIST - Notify U.S.:
http://www.nist.gov/notifyus/

Metrology, Pre-Packaging – Pack Size:
http://ec.europa.eu/enterprise/sectors/legal-metrology-and-prepack/prepacked-products/index_en.htm

European Union Eco-label Homepage:
http://ec.europa.eu/environment/ecolabel/

U.S. websites:
National Trade Estimate Report on Foreign Trade Barriers:
http://www.ustr.gov/about-us/press-office/reports-and-publications/2012-1

Agricultural Trade Barriers:
http://www.usda-eu.org/

Trade Compliance Center:
http://tcc.export.gov/

U.S. Mission to the European Union:
http://useu.usmission.gov/

The New EU Battery Directive:
http://www.buyusainfo.net/docs/x_8086174.pdf

The Latest on REACH:
http://export.gov/europeanunion/reachclp/index.asp

WEEE and RoHS in the EU:
http://export.gov/europeanunion/weeerohs/index.asp

Overview of EU Certificates:
http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/certification/fairs-export-certificate-report/

Center for Food Safety and Applied Nutrition:
http://www.fda.gov/Food/default.htm

EU Marking, Labeling and Packaging – An Overview
http://buyusainfo.net/docs/x_366090.pdf

The European Union Eco-Label:
http://buyusainfo.net/docs/x_4284752.pdf

Trade Agreements:
http://tcc.export.gov/Trade_Agreements/index.asp

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Chapter 6: Investment Climate

Openness to Foreign Investment

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Italy's relatively affluent domestic market, proximity to emerging economies in North Africa and the Middle East, and assorted centers of excellence in scientific and information technology research remain attractive to many investors. The government in 2013 remained open to specific foreign sovereign wealth funds to invest in shares of Italian companies and banks and continued to make information available online to prospective investors. The Italian government's efforts to implement new investment promotion policy that would paint Italy as a desirable direct investment destination were overshadowed in large part by Italy's ongoing economic weakness, setbacks to reform initiatives, and lack of concrete action on structural reforms that could repair the lengthy and often inconsistent legal and regulatory systems, unpredictable tax structure and layered bureaucracy. However, Italy's economy is moving into fragile recovery after its longest recession in recent memory and this could provide political momentum for improvements to Italy's investment climate.

Italy welcomes foreign direct investment. As an EU Member State, Italy is bound by EU treaties and laws, including those directly governing or indirectly affecting business investments. Under the EU Treaty's Right of Establishment and the Friendship, Commerce and Navigation Treaty with the United States, Italy is generally obliged to provide national treatment to U.S. investors established in Italy or in another EU member state. Exceptions include access to government subsidies for the film industry; capital requirements for banks domiciled in non-EU member countries; and restrictions on non-

EU-based airlines operating domestic routes. Italy also has investment restrictions in the shipping sector.

EU and Italian anti-trust laws give EU and Italian authorities the right to review mergers and acquisitions over a certain financial threshold. The government may block mergers involving foreign firms for "reasons essential to the national economy" or if the home government of the foreign firm applies discriminatory measures against Italian firms. Foreign investors in the defense or aircraft manufacturing sectors are likely to encounter an opaque process and resistance from the many ministries charged with approving foreign acquisitions of existing assets or firms, most of which are controlled to some degree by the parastatal defense conglomerate Finmeccanica.

The Government of Italy (GOI) retains controlling interest (approximately 30 percent of shares), either directly or through quasi-sovereign fund Cassa Depositi e Prestiti, in former monopoly operators ENEL (electricity), Eni (oil/gas), Finmeccanica (industrials/defense), as well as Terna (a spin-off of ENEL specializing in electricity transmission). Moreover, while it does not own any shares in former monopoly Telecom Italia (TI), the GOI has made sure to retain a de facto “golden share” (GOI veto power over ownership and investment decisions thought to pose a danger to national security), claiming that TI is of strategic importance because it still owns the largest portion of Italy’s telecommunications infrastructure. Some maintain that, government policy in these key economic sectors tends to favor the interests of these specific firms, and not necessarily the broader economic good. As part of government reforms to liberalize some services in Italy’s economy, the government approved the unbundling of natural gas distribution from the monopoly operator Eni in early 2012, making it formally independent of GOI control. Separately, General Electric Co. (GE) bought Avio’s aviation parts business for USD4.3 Billion; Finmeccanica had been its largest shareholder prior to GE’s purchase. Finmeccanica retained 14 percent of Avio space assets, but negotiations with French aerospace groups continue that could further alter the ownership structure of Avio.

According to the latest available figures from the Italian Trade Commission (ICE) from December 2011, 8,492 foreign companies operate in Italy (compared to 8,396 December 2010), employing 886,254 workers (down from 900,019 in 2010), with overall sales of €498.5 billion (almost equal to €498 billion in 2010). The stock of foreign investment in Italy equals 15 percent of GDP, lower than in many EU countries. Approximately 82 percent of foreign companies operating in Italy are located in the north, a percentage that has grown in recent years as the number of companies in the southern Italy has contracted. The ICE study cites as key obstacles to foreign investment taxes on labor, lack of labor flexibility, bureaucratic red tape, and high corporate taxes.

Conversion and Transfer Policies Return to top

In accordance with EU directives, Italy has no foreign exchange controls. There are no restrictions on currency transfers; there are only reporting requirements. Banks are required to report any transaction over €15,000 (USD22,500) due to money laundering and terrorism financing concerns. Profits, payments, and currency transfers may be freely repatriated. Residents and non-residents may hold foreign exchange accounts. A tax-evasion measure in force since December 2011 requires all payments of goods or services of any kind over €1000 to be made electronically. Enforcement is spotty. The rule exempts e-money services, banks and other financial institutions, but not payment services companies (such as those who can perform wire transfers abroad).

Expropriation and Compensation Return to top

The Italian constitution permits expropriation of private property for "public purposes," defined as essential services or measures indispensable for the national economy, with fair and timely compensation.

Dispute Settlement Return to top

Though notoriously slow (civil trials average seven years in length), the Italian legal system meets generally recognized principles of international law, with provisions for enforcing property and contractual rights. Businessmen and travelers to Italy should be aware, however, that the Italian legal system does not share all of the features found in U.S. and other European laws. Civil cases and most criminal cases are decided by judges, without the participation of a jury. Serious criminal cases are decided with lay jurors who sit on panels alongside judges. Italy has a written and consistently applied commercial and bankruptcy law. While the Italian judiciary is independent of the executive branch, parties to disputes sometimes accuse Italian judges of political partisanship. Foreign investors in Italy can choose among different means of dispute resolution, including legally binding arbitration.

Slow and expensive court processes over contract-related disputes, in part a product of the immense backlog of nearly ten million legal cases, have discouraged some companies from doing business in Italy. In January 2012, the government introduced new “business tribunals,” intended to cut down the time it takes to resolve business disputes, but these were really just specialized sections of the already-existing tribunals, and have had little to no impact. The government also introduced measures designed to streamline the legal system, and to promote alternative dispute resolution techniques, such as mediation and decriminalization of minor offenses. The World Justice Project’s Rule of Law Index scored Italy as 19th out of the 24 countries in the Western Europe and North America Region in each of the eight factors it evaluates.

The government mandated steps to speed up civil trials in August 2011, but did not complete implementation before the end of the Monti administration in December 2012. In a positive sign, a civil court in Torino halved the average duration of its arbitration cases simply by implementing two new internal practices: requiring judges to follow only one case at a time and requiring judges to transfer incomplete cases to a colleague if going on an extended leave.

Italy is a member of the World Bank's International Center for the Settlement of Investment Disputes (ICSID). Italy has signed and ratified the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States and is a signatory of the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

Italy's bankruptcy regulations are somewhat analogous to U.S. Chapter 11 restructuring, and allow firms and their creditors to reach a solution without declaring bankruptcy. In recent years, the judiciary's role in bankruptcy proceedings has been reduced in an attempt to simplify and expedite proceedings.

Performance Requirements and Incentives Return to top

The GOI is in compliance with WTO Trade-Related Investment Measures (TRIMs) obligations. Foreign investors face specific performance requirements only in the telecommunications sector.

The GOI offers modest incentives to encourage private sector investment in economically depressed regions, particularly southern Italy. The incentives are available to foreign investors as well, and U.S. companies can usually access grants if the planned investment is located in priority (less developed) regions and if the companies have subsidiaries in the EU or are partnered with local firms.

The Minister of Education, University and Research has identified, funded, and signed Framework Program Agreements with eleven "Technology Districts" and public-private joint laboratories focused on strategic sectors. The GOI has created Technology Districts to facilitate cooperation between public and private researchers and venture capitalists, support the research and development of key technologies, strengthen industrial research activities, and promote innovative behavior in small- and medium-sized enterprises.

The Italian tax system does not discriminate between foreign and domestic investors. Corporate income tax (IRES) rates are 27.5 percent. The World Bank estimates Italy's effective tax rate on commercial profits at 65.8 percent (the average between 2009 and 2013), the highest rate in the EU. Austerity packages implemented in 2011 increased the IRAP – a separate regional tax on value-added business income – from 3.9 to 4.2 percent for companies with government contracts (agriculture, highway management and tunnels contracts were exempted), to 4.65 percent for banks and financial companies, and to 5.90 percent for insurance companies. Project financing through bonds for companies undertaking public infrastructure projects is granted the same tax advantages as direct government debt. Companies hiring women and youth or hiring in the south are exempted from part of IRAP. IRAP produced €24 billion in tax revenue for the GOI during 2013. The Renzi government announced plans to cut IRAP by 10 percent overall in the second half of 2014, at which point it will define eligibility parameters.

In part to increase tax revenues, Italy introduced new financial transactions taxes (FTT) on March 1, 2013. Financial trading in regulated markets is taxed at 0.12 percent (declining to 0.1 percent on January 1, 2014) and in unregulated markets it will be taxed at 0.22 percent (declining to 0.2 percent in 2014). The tax will apply to daily balances rather than to each transaction. As of July 1, 2013, a financial transactions tax will also apply to trade in derivatives. The fee will be from €.025 to €20.0 for non-speculative transactions and from €12.5 – €100 for speculative transactions. Also beginning in July 2014, high frequency trading will be subject to a 0.02 percent tax on trades occurring every 0.5 seconds or faster (e.g., automated trading).

These financial transactions taxes will not apply to “market makers,” pension and small cap funds, donation and inheritance transactions, purchases of derivatives to cover exchange/interest-rate/raw-materials (commodity market) risks, and financial instruments for companies with a capitalization of less than €500 million.

The financial transaction tax (FTT, a.k.a. Tobin tax) only yielded €285 million in revenues in 2013, less than one quarter of the previous Monti government’s €1.2 billion estimate back in 2012. Italy was one of the eleven EU member countries to actually implement the tax, despite the fact that senior finance officials were privately expressing skepticism that it would yield significant returns. The FTT is still in force and is expected to yield about €400 million in revenues in 2014.

In 2009 the U.S. and Italy enacted an income tax agreement to prevent double-taxation of each other’s’ nationals and firms, and to improve information sharing between tax authorities.

To offset the effect of corporate tax cuts on public revenue, in 2011 the GOI introduced compensatory measures that keep effective rates of taxation high. They include:

-- setting new limits to the deductibility of interest;

-- abolishing accelerated depreciation; and

-- revising the tax treatment of consolidated reporting.

The government has sought to curb rampant tax evasion by improving enforcement and changing popular attitudes. The GOI actions include a public communications effort to reduce tolerance of tax evasion; increased and very visible financial police controls on businesses (e.g., raids on businesses in vacation spots at peak holiday periods); and audits requiring individuals to prove claims that they make less than the tax authorities believe. The GOI is also engaged in limiting tax avoidance.

On January 10, 2014 representatives of the governments of Italy and the United States in Rome signed an intergovernmental agreement to implement provisions of U.S. law known as “FATCA” (Foreign Account Tax Compliance Act). The FATCA intergovernmental agreement (IGA) allows for the automatic exchange of information between tax authorities and reflects an agreement negotiated between the United States and five European Union countries (France, Germany, Italy, Spain, and the United Kingdom). The automatic exchange of information under the IGA will take place on the basis of reciprocity, and will include accounts held in the United States by persons resident in Italy and those held in Italy from U.S. citizens and residents.

The Italian government approved a decree in January 2014 providing incentives for Italians to repatriate funds they had improperly moved to offshore accounts. In this voluntary disclosure program, those who repatriate funds and file the appropriate paperwork will be allowed to pay the outstanding capital gains taxes but will be spared a fine. The Finance Ministry estimates that €200 billion has been removed from Italy for the express purpose of evading taxes, and that the agreement could incentivize the repatriation of up to €80 billion. If successful, this could translate into almost €15 billion in capital gains revenues for the Treasury’s coffers. Individuals will have from September 2014 until September 2015 to participate in the program.

On February 28, 2014 Italy's Parliament completed the final approval of the enabling legislation for a major tax overhaul that has been in draft since late 2011. The legislation has been on the list of "priority" reforms for the Monti, Letta and now Renzi governments. Once implemented, the legislation will reform the cadastral register (by basing real estate values on square footage of residences rather than number of rooms), simplify tax filing procedures, and tighten rules on litigation against tax evaders. The government now has one year to implement the enabling legislation through ten decrees of implementation.

Right to Private Ownership and Establishment

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There is no limitation in the Italian constitution or civil law on the right to private ownership and establishment of investments.

Protection of Property Rights

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The USTR's 2014 Special 301 report removed Italy from the Watch List in recognition of their related accomplishments, and as an indication of support for their commitment to continued progress. Italy remained on the Watch List in USTR's 2013 Special 301 Report primarily due to ongoing concerns about piracy over the Internet. However, the Italian Communications Authority (AGCOM) issued a new regulation to combat digital copyright theft on December 12, 2013. The regulation, which entered into force on March 31, 2014, provides AGCOM with the administrative authority to block domestic sites and access to international sites offering illegal content. This will provide a streamlined procedure to address illegal content, largely reducing the need to go through the lengthy court system. This package was enacted after years of public debate over how to address the problem, and a vibrant public debate over AGCOM's authority to actually issue the regulation.

Copyrighted works sold in Italy generally must bear a sticker issued by SIAE, Italy's royalty collection agency operating under loose authority from the Ministry of Culture. Business software is exempted, though obtaining this exemption requires some (tedious) paperwork. The music and film industries previously supported application of the sticker, but are now dissatisfied with the system, asserting it has become overly burdensome, costly, and has failed to provide adequate protection from piracy.

Italy is a member of the Paris Union International Convention for the Protection of Industrial Property (patents and trademarks), to which the United States and about 85 other countries adhere. U.S. citizens generally receive national treatment in acquiring and maintaining patent and trademark protection in Italy. After filing a patent application in the United States, a U.S. citizen is entitled to a 12-month period within which to file a corresponding application in Italy and receive rights of priority. Patents are granted for 20 years from the effective filing date of application and are transferable. U.S. authors can obtain copyright protection in Italy for their work first copyrighted in the United States, merely by placing on the work, their name, date of first publication, and the symbol (c).

Transparency of Regulatory System

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Italy is subject to single market directives mandated by the EU, which are intended to harmonize regulatory regimes among EU countries.

Italy is slowly tackling some of the red tape and other obstacles that have hampered business in the past. The World Bank's 2014 edition of its "Doing Business" guide ranks Italy 65th out of 189 countries, (up 8 places from last year) for ease of doing business. A "liberalization" decree in January 2012 provided limited incentives for entrepreneurs under age 35 starting a new businesses, including cutting the registration fee to one euro and reducing filing requirements. The government issued a broader simplification decree in early February 2012 that eliminated 15 obsolete laws to reduce the amount of red tape and fees required for anyone seeking to open a business. In December 2012, the government passed a decree providing tax credits for startups and incubators, as well as for private infrastructure investment. The decree also authorized creation of a new "Desk Italia" a single contact point at the Ministry of Economic Development to attract FDI and support investors willing to invest in Italy. Desk Italia was subsequently followed by Destinazione Italia, a package of measures designed to simplify and improve the investment climate via a combination of both parliamentary actions and administrative procedures in cooperation with local Chambers of Commerce, regional authorities, the Institute for Foreign Trade (ICE) and Invitalia. Desk Italia still doesn't have a budget, staff, website or phone number as of early 2014, and it is unclear whether the Destinazione Italia measures will continue to be implemented given the recent change in government.

A web of sometimes contradictory laws and regulations serves as a useful tool at times for vested interests to use against foreign competitors. In addition, in some industries, such as new media and financial services, investors have complained that local judicial authorities seem to lack the technical capacity to enforce Italian laws on, for example, consumer protection, IPR, and competition.

Efficient Capital Markets and Portfolio Investment

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The Italian banking system remains relatively sound but profit margins have suffered since 2011 as a result of tensions in the sovereign debt market, tightening of European rules for evaluating bank assets, and related requirements to increase banks' capital bases. According to the Bank of Italy, the recession brought a pronounced worsening of the quality of banks' assets. The ratio of non-performing loans on total outstanding loans increased significantly, especially for lending to non-financial firms. Non-performing loans doubled in four years to 160 billion euro and accounted for 8.1 percent of all loans at the end of 2013, and the Bank of Italy expects this lagging indicator to continue to rise throughout 2014, even after the start of a weak economic recovery in late 2013.

Banks are buying government bonds and stockpiling cash, according to BOI statistics. Italian bank loans to businesses fell by 5.3 percentage points from a year earlier as of December 2013, after falling by 3.4 percent the year before. This is the longest and deepest decline in lending in at least a decade. Lending to businesses continued to be affected both by the weak demand and risk aversion by banks, which have strengthened lending criteria to riskier customers thanks to the effect of the lengthy recession on banks' balance sheets. The latest business surveys confirm the difficulty in gaining access to credit, especially for smaller firms.

The banking system in Italy consolidated significantly during several major 2007 mergers, but Bank of Italy regulators are advising banks that they must undergo additional consolidations starting in 2014 in order to repair weak profitability, including significant reduction of personnel, sale of assets, and reduction in the number of branches. Despite worries that a Europe-wide asset quality review in 2014 will reveal underlying weaknesses in the Italian banking sector, the Bank of Italy maintains that its supervisory standards and its definition of non-performing loans remain among the strictest in Europe.

At the end of 2012 there were 24 subsidiaries of foreign companies or banks operating in Italy out of 706 total banks, 34 fewer than a year earlier. Two of these foreign subsidiaries – Deutsche Bank and BNP Paribas – figured among Italy's top ten banking groups, holding 8.4 percent of total Italian assets. Thirty-seven foreign shareholders – mainly from EU countries – held equity positions of at least five percent in 48 banks. In 2012, seven banks began to operate and forty-four closed as a result of 35 mergers, takeovers and assets disposals (largely to reorganizations within banking groups), five liquidations and the conversion of one bank into a financial company.

Financial resources flow relatively freely in Italian financial markets and capital is allocated mostly on market terms. Foreign participation in Italian capital markets is not restricted. While foreign investors may obtain capital in local markets and have access to a variety of credit instruments, access to equity capital is difficult. Italy has a relatively underdeveloped capital market and businesses have a long-standing preference for credit financing. What little venture capital that exists is usually provided by established commercial banks and a handful of venture capital funds.

The London Stock Exchange owns the Milan Stock exchange, Italy's only stock exchange. The exchange ("Borsa Italiana") is relatively small -- fewer than 300 companies -- and is effectively an inaccessible source of capital for most Italian firms. While Italian firms prefer to get capital from banks, the Bank of Italy governing board and the Ministry of Economy and Finance have initiated some programs to encourage firms of all sizes to seek alternative forms of financing, including through venture capital and corporate bonds. The Italian Companies and Stock Exchange Commission (CONSOB), established in 1974 and strengthened in 2005 after a spate of scandals, is the Italian securities regulatory body. In January 2011, EU Member States established three EU-level regulatory agencies for financial services and related activities: A London-based banking oversight institution (EBA), a Paris-based financial market oversight institution (ESMA), and a Frankfurt-based insurance and pension funds oversight institution (EIOPA).

Most non-insurance investment products are marketed by banks, and tend to be debt instruments. Italian retail investors are conservative, valuing the safety of government bonds over most other investment vehicles. Less than ten percent of Italian households own Italian company stocks directly. Of those who do own stocks, the weight of direct stock shareholding in their portfolios averaged 14 percent in 2011. A few banks have established private banking divisions to cater to high-net-worth individuals with a broad array of investment choices, including equities and mutual funds.

There are no restrictions on foreigners engaging in portfolio investment in Italy. Financial services companies incorporated in another EU member state may offer investment services and products in Italy without establishing a local presence. Cross-EU standardization of regulations should address U.S. and other foreign banks' complaints that Italian interpretation of EU financial regulations tends to be stricter than in other countries. Any Italian or foreign investor acquiring a stake in excess of two percent of a publicly traded Italian corporation must inform CONSOB, but does not need its approval. Any Italian or foreign investor seeking to acquire or increase its stake in an Italian bank equal to or greater than ten percent must receive authorization from the Bank of Italy. See http://www.informazione.it/a/A6D77212-C268-4CA2-B0DA-05AB91CD21F4/Banche-autorizzazione-Bankitalia-adesso-solo-per-quote-oltre-10

Competition from State Owned Enterprises Return to top

The Italian government has in the past owned and operated a number of monopoly or dominant companies in certain strategic sectors. However, beginning in the 1990s and through the early 2000s, the government began to privatize partially most of these state owned enterprises. Notwithstanding this privatization effort, as noted above, the government still retains a de facto controlling interest in several key industrial firms, including Finmeccanica (a defense/aerospace/security conglomerate), Eni (oil and gas), ENEL (electricity), and Terna (utilities). The GOI also maintains full ownership of Trenitalia (transportation) and Poste Italiane's financial services operations). Although the GOI no longer owns Telecom Italia, it can restrict who can buy large stakes in the company according to "golden share" provisions. In practice, these parastatal firms still benefit from their past monopoly status and, sometimes, their ownership of costly infrastructure. Existing laws and practices give them an advantage in public procurement decisions and other critical areas affecting their business. In some cases, particularly in the industrial sectors, U.S. firms seeking to do business in these strategic areas have found it advantageous to form partnerships with the parastatals rather than trying to compete head-to-head. Some opportunities have emerged for new firms in recent years, such as Nuovo Trasporto Viaggiatori (New Passenger Transport, commonly known as Italo), which began operating high-speed trains across Italy in 2012, breaking Trenitalia's monopoly.

Corporate Social Responsibility Return to top

Since 2000, when it signed the *Declaration on International Investment and Multinational Enterprises*, Italy has supported and encouraged compliance with the OECD's Guidelines for Multinational Enterprises ("Guidelines"), which are recommendations addressed by governments to multinational enterprises operating in or from adhering countries (the OECD members plus Argentina, Brazil and Chile). They provide voluntary principles and standards for responsible business conduct, in a variety of areas including employment and industrial relations, human rights, environment, information disclosure, competition, taxation, and science and technology.

Key links: OECD Guidelines: http://www.oecd.org/dataoecd/12/21/1903291.pdf
Full text in English: http://www.oecd.org/dataoecd/56/36/1922428.pdf

The Italian National Contact Point (NPC) for encouraging observance of the Guidelines in Italy and for ensuring that the Guidelines are well known and understood by the national business community and by other interested parties is located in the Ministry of Economic Development. The NPC spreads and enforces the Guidelines, disseminates related information, promotes the collaboration among national and international institutions, the economic world and the civil society.

Key link: Italian National Contact: http://pcnitalia.sviluppoeconomico.gov.it/en/

Political Violence Return to top

Political violence is not a threat to foreign investments in Italy, but corruption, especially associated with organized crime, can be a major hindrance, particularly in the south – see next section.

Corruption Return to top

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

Corruption and organized crime are significant impediments to investment and economic growth in parts of Italy. Corruption costs Italy an estimated €60 billion annually in wasted public resources, and effectively combating corruption has been a goal for successive Italian governments. In October 2012, the Italian parliament passed an anti-corruption law promoting transparency in public administration and prohibiting persons found guilty of serious crimes from holding public office. The law also provides for the appointment of an Anti-Corruption High Commissioner to head the new National Anti-Corruption Authority (CiVIT), which is responsible for adopting an anti-corruption plan; monitoring its implementation; recommending measures to be taken by other agencies; and conducting inspections and investigations in conjunction with the financial police. A potential lack of adequate funding provisions, however, could limit CiVIT's ability to carry out its mandate. In November 2012, the parliament passed legislation that expanded CiVIT's investigative powers and reorganized it as the National Anti-Corruption Authority. The legislation included stiffer penalties for those convicted of bribery-related offenses, protective measures for whistleblowers, and requirements for greater transparency in public contracts. It also prohibits anyone convicted of a serious crime from holding certain public administration positions.

Organized crime is particularly prevalent in four regions of the south (Sicily, Calabria, Campania, and Apulia). Organized crime (Mafia, Camorra, 'Ndrangheta and Sacra Corona Unita) had an estimated turnover in 2011 of €140 billion (including legitimate commercial activities accounting for €92 billion), or 7 per cent of Italy's GDP. Organized crime is involved in murder, racketeering, loan-sharking, drug smuggling, illegal toxic waste disposal, money laundering, corruption of public officials, illegal construction, the manufacture and distribution of pirated and counterfeit products, and prostitution. There is anecdotal evidence that organized crime groups may be attempting to profit from the tight credit climate, by increasing their loan-sharking activities. However, organized crime is not limited to the south; in fact, the main crime syndicates are heavily involved in money laundering and drug trafficking throughout the country and abroad. There is increasing organized crime influence in the northern regions, particularly Lombardia, Emilia Romagna and Liguria. The statutes of Italy's main business association (Confindustria) require it to expel members found to be paying protection money and to assist those in reporting extortion attempts to authorities.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: http://www.justice.gov/criminal/fraud/fcpa/

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Italy is party to the OECD Antibribery Convention and the UN Convention, and has signed but not ratified the Council of Europe Conventions. Generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention: The OECD Antibribery Convention entered into force in February 1999. As of April 2012, there are 39 parties to the Convention including the United States (see http://www.oecd.org/daf/briberyininternationalbusiness/anti-briberyconvention/40272933.pdf). Major exporters China and India are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Italy ratified the 1997 OECD Convention on Combating Bribery and implemented its provisions in September 2001.

UN Convention: The UN Anticorruption Convention entered into force on December 14, 2005, and there are 165 states to it as of December 2012 (see http://www.unodc.org/unodc/en/treaties/CAC/signatories.html). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Italy enacted the United Nations Convention against Corruption in 2009.

Council of Europe Criminal Law and Civil Law Conventions: Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of January 2013, the Criminal Law Convention has 50 parties and the Civil Law Convention has 42. Italy is a party to both.
(See http://www.coe.int/t/dghl/monitoring/greco/default_en.asp.)

Free Trade Agreements: While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: http://www.ustr.gov/trade-agreements/free-trade-agreements. Italy does not have an FTA with the U.S.

Local Laws: U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above. Corruption is punishable under Italian law. As in all judicial processes, much discretion regarding punishment is left to the presiding judge. Most corruption in recent years has involved government procurement or bribes to tax authorities. Bribes are not considered deductible business expenses under Italian tax law.

Assistance for U.S. Businesses: The U.S. Department of Commerce offers services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in major U.S. and foreign cities, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report a Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA: The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Commerce, U.S. Department of Commerce Website at http://www.commerce.gov/os/ogc/international-commerce. More general information on the FCPA is available at the Websites listed below.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA" is available at the U.S. Department of Justice's Website at: http://www.justice.gov/criminal/fraud/fcpa.

- Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: http://www.oecd.org/dataoecd/11/40/44176910.pdf.

- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.

- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 177 countries and territories around the world. The CPI is available at: http://cpi.transparency.org/cpi2013/results/. In the CPI report, TI placed Italy in 69th position alongside Montenegro and Kuwait. Italian authorities claim that the CPI index is misleading and unfair to Italy. While highly publicized anti-corruption enforcement activities have been underway for years, there is general agreement that a high level of corruption limits Italy's economic growth and ability to attract foreign investment. TI also publishes an annual Global Corruption Report (GCR) which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See http://www.transparency.org/research/gcr.

- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 215 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See http://info.worldbank.org/governance/wgi/index.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: http://data.worldbank.org/data-catalog/BEEPS.

- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See http://www.weforum.org/s?s=global+enabling+trade+report.

- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at http://www.state.gov/g/drl/rls/hrrpt/.

- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 109 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: http://report.globalintegrity.org/.

Bilateral Investment Agreements

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Italy has bilateral investment agreements with the following countries:

Albania
Algeria

Angola
Argentina
Armenia
Azerbaijan
Bahrain
Bangladesh
Barbados
Belarus
Belize (signed, not in force)
Bolivia
Bosnia and Herzegovina
Brazil (signed, not in force)
Cameroon
Cape Verde (signed, not in force)
Chad
Chile
China
Congo
Cote d'Ivoire (signed, not in force)
Croatia
Cuba
Democratic Republic of Congo (signed, not in force)
Djibouti (signed, not in force)
Dominican Republic
Ecuador
Egypt
Eritrea
Ethiopia
Gabon
Georgia
Ghana (signed, not in force)
Guatemala
Guinea
Hong Kong
India
Indonesia
Iran, Islamic Republic of
Jamaica
Jordan
Kazakhstan
Kenya
Korea, DPR of (signed, not in force)
Korea, Republic of
Kuwait
Lebanon
Libya
Macedonia, Republic of
Malawi (signed, not in force)
Malaysia
Mauritania (signed, not in force)
Mexico

Moldova, Republic of
Mongolia
Morocco
Mozambique
Namibia (signed, not in force)
Nicaragua (signed, not in force)
Nigeria
Oman
Pakistan
Panama
Paraguay (signed, not in force)
Peru
Philippines
Qatar
Russian Federation
Saudi Arabia
Senegal (signed, not in force)
Serbia
South Africa
Sri Lanka
Sudan (signed, not in force)
Syrian Arab Republic
Tanzania, United Republic of
Tunisia
Turkey
Turkmenistan (signed, not in force)
Uganda
Ukraine
United Arab Emirates
Uruguay
Uzbekistan
Venezuela (signed, not in force)
Vietnam
Yemen
Zambia (signed, not in force)
Zimbabwe (signed, not in force)

OPIC and Other Investment Insurance Programs

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The U.S. Overseas Private Investment Corporation (OPIC) does not operate in Italy, as it is a developed country. Italy's Export Credit Agency, SACE, is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).

Labor

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As a result of its longest recession in post-war history, Italy's unemployment rate reached 13.1 percent in February 2014, its highest level in nearly three decades. Despite a fledgling recovery, most observers expect the unemployment rate, as a lagging indicator, will increase in 2014 and 2015. The official unemployment data does not account for temporarily laid-off employees who receive benefits from Italy's "wage guarantee fund" (for struggling or restructuring companies) and people who are discouraged and not looking for a job. Participation in the labor market is among the lowest in the industrialized world, especially among women, the young and the elderly.

In February 2014, the unemployment rate for youth between the ages of 14 and 25 reached 42.3 percent, the highest level since recordkeeping began in 1992. The level is well above the EU28 average (22.9 percent) and Euro Area average (23.5 percent); only Spain, Greece, Spain and Croatia have higher rates. An estimated 2.2 million Italians between the ages of 15 to 34 do not study, do not work, and are not looking for a job. Of those who do find work, most are hired under temporary contracts.

Traditional regional labor market disparities remain unchanged, with the southern third of the country posting a significantly higher unemployment rate compared to northern and central Italy. Despite these differences, internal migration within Italy remains modest, while industry-wide national collective bargaining agreements set equal wages across the entire country. Shortages in the North of unskilled and semi-skilled labor are often filled by immigrants from Eastern Europe and North Africa. Skilled labor shortages are also a problem in the north. On paper, companies may bring in a non-EU employee after the government-run employment office has certified that no qualified, unemployed Italian is available to fill the position. In reality, the cumbersome and lengthy process acts as a deterrent to foreign firms seeking to comply with the law, and there are language barriers that prevent outsiders from competing for Italian positions. Work visas are subject to annual quotas, although intra-company transfers are exempt from quota limitations.

There are substantial legal obstacles to hiring and firing workers although in recent years, the Italian labor market has become slightly more flexible. As a result of labor reforms in Italy between 1997 and 2012, including those under Labor and Welfare Ministers Treu (1997), Biagi (2003), and Fornero (2012), Italy's labor market is more flexible than 15 years ago overall, but this flexibility extends only to a limited number of workers. While the reforms in 1997 and 2003 improved incentives for companies to hire, many criticized that the rising number of temporary contract workers in Italy, especially youth, were not entitled to the same job protections and benefits as permanent employees. As a result, the reforms of 2012 reforms reversed some of those gains by limiting the length and terms of temporary contract workers. While companies complained this made it more difficult for companies to hire new workers, two successive governments have taken steps to reintroduce flexibility in hiring contract workers. High costs and legal obstacles associated with laying off workers still remain a disincentive to adding permanent employees. Companies may hesitate in giving new hires full-time contracts because job protection laws make it difficult to later fire them, despite new flexibility on the hiring side as noted above. Ironically given the high youth unemployment rate, firms interested in investing in Italy may have difficulty finding specialized and experienced young employees. This is at least partially a result of Italy's "brain drain" of especially well-educated young workers.

Italy is an International Labor Organization (ILO) member country. Terms and conditions of employment are periodically fixed by collective labor agreements in different professions. Most Italian unions are grouped into four major national confederations: the General Italian Confederation of Labor (CGIL), the Italian Confederation of Workers' Unions (CISL), the Italian Union of Labor (UIL), and the General Union of Labor (UGL). The first three organizations are affiliated with the International Confederation of Free Trade Unions (ICFTU), while UGL has been associated with the World Confederation of Labor (WCL). The confederations negotiate national level collective bargaining agreements with employer associations, which are binding on all employers in a sector or industry irrespective of geographical location.

Foreign-Trade Zones/Free Ports

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The main free trade zone in Italy is located in Trieste, in the northeast. At Trieste FTZ, customs duties are deferred for 180 days from the time the goods leave the FTZ and enter another EU country. The goods may undergo transformation free of any customs restraints. An absolute exemption is granted from any duties on products coming from a third country and re-exported to a non-EU country. Legislation to create other FTZs in Genoa and Naples exists, but has yet to be implemented. A free trade zone operated in Venice for a period but is being restructured. Currently, goods of foreign origin may be brought into Italy without payment of taxes or duties, as long as the material is to be used in the production or assembly of a product that will be exported. The free-trade zone law also allows a company of any nationality to employ workers of the same nationality under that country's labor laws and social security systems.

An "urban tax-free zone" has also been set up in the city of L'Aquila that was hit by the earthquake in April 2009. Small and medium sized enterprises that set up activities in the city will pay no or reduced corporate income tax, property tax and payroll taxes for five years. The incentives are not automatic and must be applied for at the beginning of each calendar year until the €50 million set aside are committed and will not exceed €200 thousand per company. A "tax free zone" has also been approved and financed by the Government of Italy for the Province of Caltanissetta in central Sicily with €50 million in European structural funds. There has not been official notice of the implementation rules and procedures and at the time of publication the zone has not become active.

Foreign Direct Investment Statistics

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The Italian Trade Commission (ICE) reported that as of December 2011 8,492 foreign companies operate in Italy (compared to 8,396 December 2010), employing 886,254 workers (down from 900,019 in 2010), with overall sales of €498.5 billion (in line with €498 billion in 2010). Data for 2012 had not been released by ICE at the time of publication. Based on UNCTAD statistics and Italian GDP data, the stock of foreign investment in Italy was approximately 17 percent of GDP in 2012. Approximately 80 percent of foreign companies operating in Italy are located in the north, a percentage that has remained stable in the recent past. Key obstacles to foreign investment continue to include labor taxes, lack of labor flexibility, red tape, and high corporate taxes. Net direct investment inflows in 2012 totaled USD 9.6 billion (UNCTAD statistics).

Data on Italian Investment Inflows (direct and portfolio) is available at http://unctad.org/sections/dite_dir/docs/wir2013/wir13_fs_it_en.pdf

This section reports official direct investment statistics calculated by the Italian Central Bank. Data on Italian Investment Inflows (direct and portfolio) is available at http://unctad.org/en/PublicationsLibrary/wir2013_en.pdf

Table 1: Italian Foreign Direct Investment Inflows by Economic Sector (Net) 2010-2012 (USD Millions) (1)

	2010	2011	2012
Agriculture and Fishing	76.8	-22.3	-162.3
Mining	581.5	2499.4	317.5
Manufacturing	5119.2	14453.4	-7514.1
Electricity, water and gas	843.7	-374.1	5487.1
Constructions	786.8	1834.5	-910.0
Trade	8578.8	3616.1	-8845.8
Transportation/Communication	-5124.5	114.0	7073.3
Hotel and restaurant	1537.5	-87.6	-1002.6
Banking/Insurance	1573.5	6831.7	6425.4
Real Estate, Renting and R&D	370.9	-682.9	572.0
Other Services	-5162.7	6158.6	-1349.2
T O T A L	9181.5	34340.8	91.3

Table 2: Italian Direct Investment Outflows by Economic Sector (Net) 2010-2012 (USD Millions) (1)

	2010	2011	2012
Agriculture and Fishing	47.7	-671.8	-124.7
Mining	1994.7	3774.7	-7046.3
Manufacturing	13699.3	15317.1	21159.4
Electricity, water and gas	4260.9	1699.6	1079.7
Constructions	3229.1	6876.2	4789.2
Trade	394.7	-966.6	-4973.0
Transportation/ Communication	4700.7	12812.2	-2813.6
Hotel and restaurant	-3237.1	208.6	242.9
Banking/Insurance	2373.5	11260.1	-3606.7
Real Estate, Renting and R&D	1034.4	-682.9	329.0
Other Services	4144.5	2019.3	-1057.8
T O T A L	32642.4	53652.3	7978.1

Table 3a: Stock of Foreign Direct Investment in Italy by Major Investors; Year End 2010-2012 (USD Millions) (1)

	2010	2011	2012
United States	10147	11770	15283
EU of which:	266252	299775	291419
Belgium	20465	22266	21502
France	48420	64252	61833
Germany	27457	34516	25169
Luxembourg	68519	65120	57060
Netherlands	58253	70384	80779
Spain	11552	9529	9475
Sweden	4071	3211	2450
United Kingdom	27515	30495	33151

Liechtenstein	191	195	184
Switzerland	13199	15507	21254
Canada	358	388	539
Japan	3434	1903	2182
Argentina	157	194	298
Brazil	535	507	639
Other	27504	24820	31309
T O T A L	321777	355059	363107

Table 3b: Stock of Foreign Direct Investment in Italy by Major Investors; Year End 2010-2012 (Percentage of Total)

	2010	2011	2012
United States	3.2	3.3	4.2
EU of which:	82.7	84.4	80.3
Belgium	6.4	6.3	5.9
France	15.0	18.1	17.0
Germany	8.5	9.7	7.0
Luxembourg	21.3	18.3	15.7
Netherlands	18.1	19.8	22.3
Spain	3.6	2.7	2.6
Sweden	1.3	0.9	0.7
United Kingdom	8.6	8.6	9.1
Liechtenstein	0.1	0.1	0.1
Switzerland	4.1	4.4	5.9
Canada	0.1	0.1	0.1
Japan	1.1	0.5	0.6
Argentina	0.0	0.1	0.1
Brazil	0.2	0.1	0.2
Other	8.5	7.0	8.5
TOTAL	100.0	100.0	100.0

Table 4a: Stock Of Italian Direct Investment Abroad by Major Recipient; Year End 2010-2012 (USD Millions) (2)

	2010	2011	2011
United States	25495	29992	32039
EU of which:	272410	290153	269539
Belgium	18675	18485	14723
France	35978	33079	33038
Germany	42553	43933	45939
Luxembourg	14657	32158	11098
Netherlands	99190	101947	101718
Spain	42893	39487	40708
Sweden	2182	2142	2597
United Kingdom	16282	18922	16718
Liechtenstein	126	145	148
Switzerland	9889	12249	13678

Canada	2342	2401	2700
Japan	1039	1512	2127
Argentina	1519	1820	1951
Brazil	7072	7428	8718
Other	160384	173894	203374
T O T A L	480275	519594	534274

Table 4b: Stock of Italian Direct Investment Abroad by Major Recipient; Year End 2010-2012(Percentage of Total)

	2010	2011	2012
United States	5.3	5.8	6.0
EU of which:	56.7	55.8	50.4
Belgium	3.9	3.6	2.7
France	7.5	6.4	6.0
Germany	8.9	8.4	8.6
Luxembourg	3.1	6.2	2.1
Netherlands	20.7	19.6	19.0
Spain	8.9	7.6	8.4
Sweden	0.5	0.4	0.5
United Kingdom	3.4	3.6	3.1
Liechtenstein	0.0	0.0	0.0
Switzerland	2.1	2.3	2.6
Canada	0.5	0.5	0.5
Japan	0.2	0.3	0.4
Argentina	0.3	0.4	0.4
Brazil	1.5	1.4	1.6
Other	33.4	33.5	38.1
TOTAL	100.0	100.0	100.0

Table 5a: U.S. Investment in Italy by Economic Sector Year End 2010-2012 (USD Millions) (2)

	2010	2011	2012
Agriculture and Fishing	132	132	199
Mining	0	3	0
Manufacturing	2721	2912	3872
Electricity, water and gas	0	0	0
Construction	153	116	-150
Trade	1690	2191	2692
Transportation/ Communication	566	455	883
Hotel and restaurant	3	0	0
Banking/Insurance	3116	4075	3788
Real Estate, Renting and R&D	31	1383	3427
Other Services	1734	503	572
T O T A L	10146	11767	15283

Table 5b: U.S. Investment in Italy by Economic Sector Year End 2010-2012 (Percentage of Total)

	2010	2011	2012
Agriculture and Fishing	1.3	1.1	1.3
Mining	0.0	0.0	0.0
Manufacturing	26.8	24.7	25.3
Electricity, water and gas	0.0	0.0	0.0
Construction	1.5	1.0	-1.0
Trade	16.7	18.6	17.5
Transportation/ Communication	5.6	3.9	5.8
Hotel and restaurant	0.0	0.0	0.0
Banking/Insurance	30.7	34.6	24.8
Real Estate, Renting and R&D	0.3	11.8	22.4
Other Services	17.1	4.3	3.9
T O T A L	100.0	100.0	100.0

Table 6a: Italian Investment in the U.S. by Economic Sector -- 2010-2012 (USD Millions) (2)

	2010	2011	2012
Agriculture and Fishing	368	1	7
Mining	111	24	112
Manufacturing	5742	7697	11034
Electricity, water and gas	1	19	19
Construction	97	126	204
Trade	6509	5519	4643
Transportation/ Communication	2595	2665	1516
Hotel and restaurant	311	311	316
Banking/Insurance	5187	7472	7801
Real Estate, Renting and R&D	545	2106	2091
Other Services	4029	4052	4297
T O T A L	25495	29992	32040

Table 6b: Italian Investment in the U.S. by Economic Sector -- 2010-2012 (Percentage of Total)

	2010	2011	2012
Agriculture and Fishing	1.4	0.0	0.0
Mining	0.4	0.1	0.3
Manufacturing	22.5	25.7	34.4
Electricity, water and gas	0.0	0.1	0.1
Construction	0.4	0.4	0.6
Trade	25.5	18.4	14.5
Transportation/ Communication	10.2	8.9	4.7
Hotel and restaurant	1.2	1.0	1.0

Banking/Insurance	20.3	24.9	24.4
Real Estate, Renting and R&D	2.1	7.0	6.6
Other Services	15.8	13.5	13.4
T O T A L	100.0	100.0	100.0

(1) Annual net investment flow data compiled by Embassy Economic Section, based on Bank of Italy data and converted at the following year-average exchange rates:

	2010	2011	2012
Euro/Dollar	0.755	0.719	0.778

Net = New Investment Less Disinvestment. The volatility and huge changes from year to year in some sections can be explained in part by the fact that listed data are "Net": New Investment minus Disinvestment.

(2) Compiled by the Economic Section of the Embassy, based on Bank of Italy data and converted at the following year-end exchange rates:

	2010	2011	2012
Euro/Dollar	0.763	0.773	0.759

Sources: Bank of Italy

Web Resources Return to top

See section above on Anti-Corruption Resources

Additional EU resources:

DG Internal Market and Services
http://ec.europa.eu/dgs/internal_market/index_en.htm

DG Economic and Financial Affairs
http://ec.europa.eu/dgs/economy_finance/index_en.htm

DG Employment and Social Affairs
http://ec.europa.eu/social/home.jsp?langId=en

Office for Harmonization in the Internal Market (trademarks and designs)
http://oami.europa.eu/

EU Anti-Fraud Office
http://ec.europa.eu/anti_fraud/index_en.html

Eurostat – EU Statistical Office
http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/

U.S. Bureau of Economic Analysis – Department of Commerce
http://www.bea.gov

European Patent Office
http://www.epo.org/index.html

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Chapter 7: Trade and Project Financing

How Do I Get Paid (Methods of Payment)

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U.S. firms most frequently provide the Italian buyer with a price quote that includes packing costs, insurance, and freight (CIF price). The average Italian business representative can then usually determine the charges for customs, taxes, and local transportation to arrive at the importer's final landed cost. The customary terms of sale in Italy are either cash or net. Sales made on cash terms call for payment before delivery, on delivery, or shortly after delivery -- usually within 10 days. A two- to five-percent discount is made for payment of the full amount of the transaction at the end of the specified period from one to four months from the date of the invoice. The length of the period depends on the commodity involved, the credit standing of the buyer, and the motivation of the seller. A period of up to two years is often allowed for payment of capital goods, store equipment, trucks, and similar heavy equipment.

Some U.S. suppliers have lost business because Italian firms believe their payment terms are too rigid. Exporters should regard financing as another competitive factor, on par with the product itself, the delivery date, or after-sales service. U.S. manufacturers will be more competitive by allowing accounts to be settled from 60 to 120 days following receipt of the order.

Although originally an Italian creation, the use of irrevocable letters of credit has declined appreciably in Italy in recent years. Because of the growing reluctance of Italian firms to pay high fees associated with letters of credit, U.S. exporters should explore other mechanisms to ensure payment from Italian customers of uncertain credit worthiness, or risk losing the sale. Alternatives include export credit insurance and guarantee programs available through the Foreign Credit Insurance Association (FCIA).

Just as sales offer terms should be clear and detailed, shipment terms should conform to contract specifications and should be consistent with any samples that were sent to the Italian importer. Agreed delivery schedules should be met, as prompt delivery may be a decisive consideration of the importer in placing additional orders. When shipping on letters of credit, all terms specified in the letter of credit must be strictly observed. If all the terms are not followed, the bank may not honor the letter of credit.

How Does the Banking System Operate Return to top

Italy has a well-developed banking and credit system with numerous correspondent U.S. banks. Italian banks are subject to close government supervision, and the Bank of Italy must authorize the establishment of any new bank.

U.S. firms seeking to finance major portions of their capital investment outside the United States may find capital available in the Eurodollar market. There are approximately 706 banks and 31,800 branches performing commercial and other services throughout Italy. Currently, the country's largest banks are: Unicredit Group (established in 2007 by UniCredit's acquisition of Capitalia), Intesa San Paolo (established in 2007 by merger of Banca Intesa and Sanpaolo IMI), Monte dei Paschi di Siena, Banco Popolare, and UBI Banca. These banks are a principal source of credit information. Intesa Sanpaolo is the largest bank in Italy by market value and among the largest in Europe. Unicredit Group is the second largest bank in Italy and has multinational branches. U.S. bank branches in Italy can also assist in financing capital investment.

Italy's banking sector has undergone significant consolidation since the mid-nineties, with about 60 percent of total Italian banking assets involved. Since 2006, the Italian Central Bank has publicly called for fragmented Italian banks to further consolidate and set aside their regional rivalries to prepare for international competition or face foreign takeovers. By the end of 2012, the number of banks decreased almost 30 percent (from 1000 to 706) through mergers, takeovers or asset transfers, liquidations or, the conversion of a bank into a financial company. This consolidation process, already the largest among European countries in terms of bank assets is expected to continue over the next several years as the Italian banking sector becomes more competitive in the single European market.

Banks in Italy that have the authority to participate in foreign exchange usually have a U.S. correspondent. Foreign currency transfers and foreign exchange transactions must be channeled via authorized intermediaries (the Bank of Italy). Larger Italian banks usually have branches in one or more U.S. cities.

The Bank of Italy, Italy's central bank, follows euro notes issues, performs credit, financial and market supervision, and regulates bank mergers. The Italian Central Bank Governor's term is for six years in line with European Central Bank (ECB) standards, and the Governor is limited to two terms in office. Banking competition oversight responsibilities are divided between the Central Bank and Italy's anti-trust authority. CONSOB, Italy's security markets and company accounting regulator, holds authority to raid firms suspected of securities violations and to impound evidence.

A prohibition on non-bank companies (either Italian or foreign) acquiring more than 15 percent of a bank's capital was abolished by the legislature in late 2008, with the aim of implementing a new European directive. Firms have used complex cross-shareholding arrangements to fight off takeover attempts in the financial sector. Still, the presence of foreign intermediaries in the Italian market increased in the last several years. Several U.S. banks perform services in Italy, - through branches, subsidiaries, or representatives. Many U.S. banks provide their commercial customers with services such as bank reports on overseas buyers, assistance for letters of credit, and foreign exchange. Citigroup, JP Morgan Chase, and Bank of America, as well as numerous smaller, regional banks maintain offices in Italy.

Foreign-Exchange Controls

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Italy has no restrictions on the amount of foreign exchange instruments, currency, or checks that may be brought into the country. All travellers entering or leaving the EU with € 10 000 or more in cash must declare the sum to customs in order to comply with Regulation (EC) No 1889/2005 of the European Parliament and of the Council in force since 15 June 2007. This initiative has been taken to assist the efforts being made at EU level to tackle crime and improve security by cracking down on money laundering, terrorism and criminality.

All commercial banks are authorized to conduct foreign exchange transactions. Dollar currency, travelers checks, and, in some cases, personal checks, may be exchanged at banks, exchange offices, authorized tourist offices, and hotels. Major credit cards are accepted with proper identification, and ATMs are ubiquitous.

U.S. Banks and Local Correspondent Banks

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A large number of Italian banks have correspondence relationships with U.S. banks. Below is a listing of Italian banks with branch offices in the U.S.

Intesa Sanpaolo S.p.A.
Piazza San Carlo, 156
10121 Torino
Tel.: +39-011-555-1
Web: www.intesasanpaolo.com

CEO Americas Area

New York – Branch
One William Street
New York NY 10004
Tel: (212) 6073500
Fax: (212) 809 2124
Gianluca Corrias, Manager
E-mail: gianluca.corrias@intesasanpaolo.com

Los Angeles – Representative Office
444 South Flower Street
23rd Floor Suite 2360
Los Angeles, CA 90071
Tel.: (213) 489 3100
Fax: (213) 622 2514
E-mail: losangeles.repoffice@intesasanpaolo.com
Donald Brown, Director
E-mail: donald.brown@intesasanpaolo.com

International Network
Piazza della Scala, 6
20121 Milano
Tel.: +39-02-87943059
Fax.: +39-02-87942940
Carlo Persico, Manager
E-mail: carlo.persico@intesasanpaolo.com

Unicredit Group S.p.A.
Piazza Cordusio
20121 Milano
Tel.: +39-02-886-211
Web: www.unicreditgroup.eu

New York – Branch
150 East 42nd Street
New York NY 10017
Tel.: (212) 672 6000
Fax.: (212) 546 9675
Email: newyorkbranch@unicreditgroup.eu

HVB Corporates & Markets – New York Branch
150 East 42nd Street
New York NY 10017
Tel.: (212) 672 6000
Fax.: (212) 672 5555

Pioneer Alternative Investments
535 5th Avenue
New York NY 10017
us.pioneerinvestments.com

Pioneer Funds Distributor Inc.
701 Brickell Avenue, Suite 3260
Miami FL 33131-2847
us.pioneerinvestments.com

Pioneer Investment Management Inc.
60 State Street
Boston MA 02109
us.pioneerinvestments.com

Banca Nazionale del Lavoro BNL S.p.A.
(Incorporated in BNP Paribas in 2006)
Via Vittorio Veneto 119
00187 Roma
Tel.: +39-06-470-21
Web: www.bnl.it

Miami – Representative Office

201 South Biscayne Blvd., Suite 1800
Miami, FL 33131
Tel.: (305) 539 2000
Fax: (305) 539 1421

Also available: list of BNP Paribas Group branches in the United States:
http://www.bnpparibas.it/en/locations/agencies.asp

Banca Monte dei Paschi di Siena S.p.A.
Piazza Salimbeni 3
53100 Siena
Tel.: +39-0577-294-111
Web: www.mps.it

New York – Branch
55 East 59th Street – 9thFloor
10022 New York, NY
Tel.: (212) 891 3600
Fax: (212) 891 3661/3
Renato Bassi, Direttore Titolare
E-mail: renato.bassi@banca.mps.it

Project Financing

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EU financial assistance programs provide a wide array of grants, loans, loan guarantees and co-financing for feasibility studies and projects in a number of key sectors (e.g., environmental, transportation, energy, telecommunications, tourism, public health). A number of centralized financing programs are also generating procurement and other opportunities directly with EU institutions. From a commercial perspective, these initiatives create significant market opportunities for U.S. businesses, U.S.-based suppliers, and subcontractors.

The EU supports projects within its member states, as well as EU-wide "economic integration" projects that cross both internal and external EU borders. In addition, the EU provides assistance to accession countries in Eastern and Southern Europe, Iceland and Turkey, as well as some of the former Soviet republics.

The EU provides project financing through grants from the European Commission and loans from the European Investment Bank. Grants from the Structural Funds program are distributed through the member states' national and regional authorities, and are only available for projects in the 27 (soon to be 28) EU member states. All grants for projects in non-EU countries are managed through the Directorate-General EuropeAid in conjunction with various European Commission departments, such as DG Regional Development.

EU Structural Funds

EU Structural Funds, including the European Regional Development Fund, were created in 1975 to assist economically depressed regions of the European Union that required industrial restructuring. From 2007 – 2013, the EU earmarked EUR 308 billion for projects under the Structural Funds and the Cohesion Fund programs. In addition to funding economic development projects proposed by member states or local authorities, EU Structural Funds also support specialized projects promoting EU socioeconomic objectives. Member states negotiate regional and "sectorial" programs with officials from the regional policy Directorate-General at the European Commission. For information on approved programs that will result in future project proposals, please visit: http://ec.europa.eu/regional_policy/atlas2007/index_en.htm

For projects financed through the Structural Funds, member state officials and regional authorities are the key decision-makers. They assess the needs of their country; investigate projects; evaluate bids; and award contracts. To become familiar with available financial support programs in the member states, it is advisable for would-be contractors to meet with DG Regional Development officials and local officials in Member States to discuss local needs.

Tenders issued by member states' public contracting authorities for projects supported by EU grants are subject to EU public procurement legislation if they meet the EU minimum contract value requirement for the eligible sector. Below this threshold, tender procedures are subject to national procurement legislation and EU Treaty rules. There are no overt prohibitions against the participation of U.S. companies, either as developers or concessionaires of projects supported partially by the Structural Funds, or as bidders on subsequent public tenders related to such projects, but it is highly advisable to team up with a local partner to gain credibility and demonstrate references. All Structural Fund projects are co-financed by national authorities and most may also qualify for a loan from the European Investment Bank. The private sector is also involved in project financing. For more information on these programs, please see the market research section on the website of the U.S. Mission to the EU: http://export.gov/europeanunion/marketresearch/index.asp

The Cohesion Fund

The Cohesion Fund is another instrument of EU structural policy. Its EUR 61.5 billion (2007-2013) budget seeks to improve cohesion within the EU by funding transport infrastructure and environmental projects in Portugal, Spain, Greece and the twelve new (since 2004) EU member states from Central and Eastern Europe. These projects are generally co-financed by national authorities, the European Investment Bank, and the private sector.

Key Link: http://ec.europa.eu/regional_policy/thefunds/cohesion/index_en.cfm

Other EU Grants for Member States

Another set of sector-specific grants offers assistance to EU member states in the fields of science, technology, communications, energy, environmental protection, education, training and research. Tenders related to these grants are posted on the various websites of the directorates-generals of the European Commission. Conditions for participation are strict and participation is usually restricted to EU firms or tied to EU content. Information pertaining to each of these programs can be found on: http://ec.europa.eu/grants/index_en.htm

External Assistance Grants

"Development and Cooperation – EuropeAid" is a new Directorate–General (DG) responsible for designing EU development policies and delivering aid through programs and projects across the world. It incorporates the former Development and EuropeAid

DGs. Its website offers extensive information on the range of grant programs, the kind of projects that are eligible, as well as manuals to help interested parties understand the relevant contract law. However, participation in these calls for tender is reserved for enterprises located in the EU member states or in the beneficiary country and requires that the products used to respond to these projects are manufactured in the EU or in the aid recipient country. Consultants of U.S. nationality employed by a European firm are allowed to form part of a bidding team. European subsidiaries of U.S. firms are eligible to participate in these calls for tender.

Key Link:
http://ec.europa.eu/europeaid/index_en.htm

The EU also provides specific Pre-Accession financial assistance to the accession candidate countries that seek to join the EU through the "Instrument for Pre-accession Assistance" (IPA). Also, the European Neighborhood and Partnership Instrument (ENPI) will provide assistance to countries that are the Southern Mediterranean and Eastern neighbors of the EU.

IPA focuses on priorities linked to the adoption of the *acquis communautaire* (the body of European Union law that must be adopted by accession candidate countries as a precondition to accession), i.e., building up the administrative and institutional capacities and financing investments designed to help them comply with European Commission law. IPA will also finance projects destined to countries that are potential candidate countries, especially in the Balkans. The budget of IPA for 2007-2013 is €11.4 billion.

Key Link: http://ec.europa.eu/enlargement/index_en.htm

The European Neighborhood Policy program (ENPI) covers the EU's neighbors to the east and along the southern and eastern shores of the Mediterranean i.e. Algeria, Armenia, Azerbaijan, Belarus, Egypt, Georgia, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine. ENPI budget is €11.9 billion for 2007-2013.

http://ec.europa.eu/world/enp/index_en.htm

Loans from the European Investment Bank

Headquartered in Luxembourg, the European Investment Bank (EIB) is the financing arm of the European Union. Since its creation in 1958, the EIB has been a key player in building Europe. As the EIB's lending practices evolved over the years, it became highly competent in assessing, reviewing and monitoring projects. As a non-profit banking institution, the EIB offers cost-competitive, long-term lending in Europe. Best known for its project financial and economic analysis, the Bank makes loans to both private and public EU-based borrowers for projects in all sectors of the economy, such as telecommunications, transport, energy infrastructure and environment.

While the EIB mostly funds projects within the EU, it lends outside the EU as well (e.g., in Central, Eastern and Southeastern Europe; Latin America; and Pacific and Caribbean states). In 2012, the EIB lent EUR 52 billion for projects. The EIB also plays a key role in supporting EU enlargement with loans used to finance improvements in infrastructure, research and industrial manufacturing to help those countries prepare for eventual EU membership.

Projects financed by the EIB must contribute to the socioeconomic objectives set out by the European Union, such as fostering the development of less favored regions; improving European transport and telecommunication infrastructure; protecting the environment; supporting the activities of SMEs; assisting urban renewal; and, generally promoting growth, competitiveness and employment in Europe. The EIB created a list of projects to be considered for approval and posted the list on its website. As such, the EIB website is a source of intelligence on upcoming tenders related to EIB-financed projects: http://www.eib.org/projects/pipeline/index.htm

The EIB presents attractive business opportunities to U.S. businesses. EIB lending rates are lower than most other commercial rates. Like all EIB customers, however, U.S. firms must apply the loan proceeds to a project that contributes to the European objectives cited above.

Web Resources

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EU websites:

The EU regional policies, the EU Structural and Cohesion Funds: http://ec.europa.eu/regional_policy/index_en.htm

EU Grants and Loans index: http://ec.europa.eu/grants/index_en.htm

EuropeAid Co-operation Office: http://ec.europa.eu/europeaid/index_en.htm

EU tender repository: http://ted.europa.eu/TED/main/HomePage.do

The European Investment Bank: http://www.eib.org

EIB-financed projects: http://www.eib.org/projects/index.htm?lang=-en.

U.S. websites:

Market research section on the website of the U.S. Mission to the EU: http://export.gov/mrktresearch/index.asp

Export-Import Bank of the United States: http://www.exim.gov

Country Limitation Schedule: http://www.exim.gov/tools/countrylimitationschedule/

OPIC: http://www.opic.gov

Trade and Development Agency: http://www.ustda.gov/

SBA's Office of International Trade: http://www.sba.gov/about-offices-content/1/2889

U.S. Agency for International Development: http://www.usaid.gov

USDA Commodity Credit Corporation:
http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecrc&topic=eer-cp

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Chapter 8: Business Travel

Business Customs Return to top

In general, what is considered good business practice in the United States also applies when doing business in Italy. Business people in Italy appreciate prompt replies to their inquiries and expect all correspondence to be acknowledged. Conservative business attire is recommended at all times. Business appointments are required, and visitors are expected to be punctual. The "golden keys" of customary business courtesy, especially replying promptly to requests for price quotations and orders, are a prerequisite for exporting success.

European business executives are usually more formal than their U.S. counterparts; therefore, it is best to refrain from using first names until a solid relationship has been formed. Italian business executives tend to use titles indicating their position in the firm. During the first stages of conducting business, it is best to let the prospective buyer take the lead since the U.S. approach of "getting down to business" may be considered abrupt. Avoid commenting on political events or making negative comments about the country. Some positive and sincere observations about the Italian culture, style, art, history, cuisine, or music are always appropriate. Friendship and mutual trust are highly valued, and, once an U.S. Exporter has established this relationship, a productive business association can usually be counted upon.

Italian buyers appreciate style, quality, and service, but are also interested in delivered price. Care must be taken to assure that stated delivery dates are maintained and that after-sales service is promptly honored. Italians, and Europeans in general, expect that, after placing an order with a supplier, the delivery date be honored. While numerous factors may interfere with prompt shipment, the U.S. exporter must allow for additional shipping time and keep in close contact with the buyer. Meeting delivery schedules is of prime importance. It is much better to quote a later delivery date that can be guaranteed than promise an earlier delivery that is not completely certain.

Travel Advisory
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Italy has a moderate rate of violent crime, some of which is directed toward tourists, principally for motives of theft. Petty crime (pick-pocketing, theft from parked cars, purse snatching) is a significant problem, especially in large cities. Most reported thefts occur at crowded tourist sites, on public buses, or at the major railway stations, including Rome's Termini, Milan's Centrale, Florence's Santa Maria Novella, and in Naples. More detailed information on travel to Italy is available from the following Department of State website: http://travel.state.gov/content/passports/english/country.html

Visa Requirements
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Every U.S. traveler must have a valid passport. No visa is required of U.S. citizens travelling to Italy for tourism or general business for less than 90 days. A visa is required for longer stays. Under Italian law, tourists who plan to stay more than eight business days have to notify their presence at the local police station (called 'Commissariato') through a simple form, called 'Dichiarazione di Presenza'. All non-residents are required to complete this form. Tourists arriving from a non-Schengen-country (e.g. the United States) should obtain a stamp in their passport at the airport on the day of arrival. This stamp is considered the equivalent of the declaration of presence. Tourists arriving from a Schengen-country (e.g. France) must request the declaration of presence form from a local police office (commissariato di zona), police headquarters (questura) or their place of stay (e.g. hotel, hostel, campgrounds) and submit the form to the police or to their place of stay within eight business days of arrival. Most hotels will take care of this process upon check in. It is important that applicants keep a copy of the receipt issued by the Italian authorities. Additional information may be obtained from the Italian immigration website at http://www.esteri.it/visti/home_eng.asp.

U.S. citizens planning to work in the country must first obtain a work visa in the U.S. from the Italian Embassy or an Italian Consulate. The Italian employer must first obtain approval for a work permit. This permit is usually granted only for specialized work or skills. The Italian employer files an application at a Provincial Labor Office. If clearance is granted, the prospective employer is further required to obtain a work permit with the approval of the regional and central authorities. The permit is then sent to the worker so that he or she may apply for the entry visa. There are Italian consular offices in all of the largest U.S. cities. The application process should be initiated at least three to four months before the visa will be needed. In some of the larger cities such as Rome and Milan, there is a long backlog in the processing of work permits, so it is advisable to apply well in advance if at all possible.

A person seeking to work in Italy in an independent or self-employed capacity files an application directly with the Italian Embassy or Consulate along with needed credentials demonstrating experience in the field of work.

U.S. Embassy Rome Visa Information: http://italy.usembassy.gov/visa.html

For further information concerning entry requirements for Italy, travelers can consult the Italian Embassy website at http://www.italyemb.org, contact the Consular Section of the Embassy of Italy at 3000 Whitehaven Street, NW, Washington, DC 20008, telephone: (202) 612-4400 or 612-4405, or fax 518-2154, or the nearest Italian

Consulate General in Boston, Chicago, Detroit, Houston, Los Angeles, Miami, Newark, New York, Philadelphia, or San Francisco.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: http://travel.state.gov/content/visas/english.html

Telecommunications

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As in many Western European countries, Italy's telephone dialing procedures have changed and the city code has become part of each telephone number. An example of a local call within Rome would be: 06-46741 (06 is the city code). Incoming long distance calls to Italy also require that the "0" in the city code be included when dialing. An example of an incoming long distance call from the U.S. to Rome is as follows: +39-06-46741 (39 being the country code, 06 the city code for Rome). Milan's city code is 02. Italians are avid users of cellular phones and will generally provide their cellular telephone number. When dialing to cellular phones, please note that no city code is used. Also, the "0" has been dropped from the prefix of all cellular phone numbers. An example of an incoming call from the U.S. to a cellular phone is as follows: +39-328-6187041 (39 being the country code, 328 a sample cellular prefix).

For Internet access, there is an abundance of Internet stations and cafes. This is due to the relatively sparse ownership of personal computers in Italy. Many of these stations cater to tourists and also provide easy access to international calling. Wi-fi is becoming more prevalent and more 3G and 4G access is becoming available.

Transportation

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Rental automobiles are available at numerous locations. A valid state driving license is acceptable, accompanied by an international license (which serves as a translation only). High speed trains run between major cities and there are slower regional trains. Highways are well maintained and have well serviced rest stops including restaurants, gas stations etc.

Language

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Italian is the official language and is spoken in all parts of Italy, although some minority groups in the Alto Adige and Aosta regions speak German and French, respectively. Correspondence with Italian firms, especially for an initial contact, should be in Italian. If a reply comes in English then the subsequent correspondence with the Italian firm can be in English. The use of Italian is not only regarded as a courtesy, but assures prompt attention, and prevents inaccuracies that might arise in translation. Most large commercial firms are able to correspond in various languages in addition to English and Italian, but a business overture or proposal is given more serious attention if written in Italian.

The importance of having trade literature, catalogs, and instructions printed in Italian cannot be overemphasized. The agent representative in Italy who has such material is in a far better competitive position than the one who can only show literature in English to prospective customers and consumers.

Health

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Medical services are good and medical standards compare with those in the United States. Common medical needs are readily obtained, and special supplies are normally available on short notice, including most pharmaceuticals. An international certificate of vaccination is not required for travelers from the United States. Drinking water is generally acceptable, although in the Naples area the use of bottled water is recommended. Sanitation is at U.S. standards.

Local Time, Business Hours, and Holidays

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Local Time

The time zone for Italy is 6 hours ahead of U.S. Eastern Standard Time, except during periods at the beginning and end of daylight savings time (Italy begins daylight savings time later in the year and ends earlier than in the U.S.)

Business Hours

The usual Italian business hours are from 8 or 9 A.M. to Noon or 1 P.M. and from 3 to 6 or 7 P.M., Monday through Friday. Working hours for the various ministries of the government are normally from 8 A.M. to 2 P.M. without intermission. Bank hours are from 8:30 A.M. to 1:30 P.M. and 3:00-4:00 P.M.; they are closed on Saturdays and Sundays. Retail establishments are closed on Sundays although exceptions exist, primarily in tourist areas. In recent years, Italy has enacted legislation providing flexibility in retail store operating.

Holidays

Italian holidays must be taken into account when planning a business itinerary. July and August are not good months for conducting business in Italy since most business firms are closed for vacation during this period. The same is true during the Christmas and New Year period. Italian commercial holidays are listed below and are when most commercial offices and banks are closed. Certain other days are celebrated as holidays within local jurisdictions. Italian holidays are also observed by the U.S. Embassy and Consulates and should be considered when telephoning or visiting the U.S. and Foreign Commercial Service offices. When an Italian holiday falls on a Saturday, offices and stores are closed.

Listed below are Italian holidays (I) for 2014;
[U.S. holidays (A) observed by the U.S. Embassy are also indicated]:

January 1, Wednesday	New Year’s Day (A&I)

January 6, Monday*	Epiphany (I)
January 21, Tuesday	Martin Luther King's Birthday (A)
February 18, Tuesday	President's Day (A)
April 21, Monday	Easter Monday (I)
April 25, Friday	Anniversary of the Liberation (I)
May 1, Thursday	Labor Day (I)
May 26, Monday	Memorial Day (A)
June 2, Monday*	Foundation of the Italian Republic (I)
June 24, Tuesday	St. John's Day (I) (Florence only)
June 29, Sunday*	St. Peter and St. Paul's Day (I) (Rome only)
July 4, Friday	Independence Day (A)
August 15, Friday	Assumption Day (I)
September 1, Monday	Labor Day (A)
September 19, Friday	St. Gennaro's Day (I) (Naples only)
October 13, Monday	Columbus Day (A)
November 1, Saturday	All Saints' Day (I)
November 11, Tuesday	Veterans' Day (A)
November 27, Thursday	Thanksgiving Day (A)
December 7, Sunday*	St. Ambrogio's Day (I) (Milan only)
December 8, Monday*	Feast of the Immaculate Conception (I)
December 25, Thursday	Christmas Day (A&I)
December 26, Friday	St. Stephen's Day (I)

NOTE: When an authorized American holiday falls on a Sunday, offices are closed the following Monday. When an authorized American holiday falls on a Saturday, offices are closed the preceding Friday. This practice is not followed in the case of the Italian holidays.

* No other day off

Temporary Entry of Materials and Personal Belongings Return to top

Italy participates in the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials. Samples of negligible value imported to promote sales are accorded duty-free and tax-free treatment. Prior authorization is not required. To determine whether the samples are of negligible value, their value is compared with a commercial shipment of the same product. Granting of duty-free status may require that the samples be rendered useless for future sale by marking, perforating, cutting, or other means.

Imported samples of commercial value may be granted a temporary entry with exemption from custom charges. However, a bond or cash deposit may be required as security that the goods will be removed from the country. This security is the duty and tax normally levied plus ten percent. Samples may remain in the country for up to one year. They may not be sold, put to their normal use (except for demonstration purposes), or utilized in any manner for remuneration. Goods imported as samples may be imported only in quantities constituting a sample according to normal commercial usage.

Carnets

As a result of various customs agreements, simplified procedures are available to U.S. business and professional people for the temporary importation of commercial samples and professional equipment. A carnet is a customs document that facilitates clearance for temporary imports of samples or equipment. With a carnet, goods may be imported without the payment of duty, tax, or additional security. The carnet also usually saves time since formalities are all arranged before leaving the United States. A carnet is usually valid for one year from the date of issuance. A bond or cash deposit of 40 percent of the value of the goods covered by the carnet is required, in addition to the price of the carnet. This will be forfeited in the event the products are not re-exported and duties and taxes are not paid.

Carnets are sold in the United States by the U.S. Council for International Business at the following locations: 1212 Avenue of the Americas, New York, NY 10036, (212) 354-4480; or 1400 K Street NW, Suite 905, Washington, DC 20005, (202) 371-1316, email at info@uscib.org

Business travelers to Italy seeking appointments with U.S. Embassy Rome officials should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at +39-06-4674-2382; fax at +39-06-4674-2113; or e-mail at Rome.Office.Box@trade.gov

Web Resources Return to top

Bureau of Consular Affairs' homepage:
http://travel.state.gov/

State Department Visa Website:
http://travel.state.gov/visa/visa_1750.html

State Department information site:
http://www.state.gov/

United States Visas:
http://travel.state.gov/visa/visa_1750.html

U.S. Embassy website:
http://italy.usembassy.gov/visa.html

Italian Embassy website:
www.ambwashingtondc.esteri.it

Italian Culture, Customs and Etiquette:
http://www.kwintessential.co.uk/resources/global-etiquette/italy-country-profile.html

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Chapter 9: Contacts, Market Research and Trade Events

Contacts Return to top

U.S. Commercial Service Web Site: http://export.gov/italy/

Commercial Service Contacts in U.S. Embassy Rome

Carmine D'Aloisio, Minister Counselor for Commercial Affairs
U.S. Embassy
Via V. Veneto, 119/A, 00187 Rome, Italy
Tel.: +39-06-4674-2202
Fax: +39-06-4674-2315
carmine.daloisio@trade.gov

Patricia Wagner, Counselor for Commercial Affairs
U.S. Embassy
Via V. Veneto, 119/A, 00187 Rome, Italy
Tel.: +39-06-4674-2820
Fax: +39-06-4674-2113
patricia.wagner@trade.gov

Dawn Bruno, Commercial Officer
U.S. Embassy
Via V. Veneto, 119/A, 00187 Rome, Italy
Tel.: +39-06-4674-2105
Fax: +39-06-4674-2113
Dawn.Bruno@trade.gov

Commercial Service Contacts at U.S. Consulates in Italy

Michael Richardson, Principal Commercial Officer
U.S. Consulate Milan
Via Principe Amedeo 2/10
20121 Milan, Italy
Tel.: +39-02-626-8851
Fax: +39-02-659-6561
Email: Michael.Richardson@trade.gov

Joshua Lawrence, Economic and Commercial Specialist
U.S. Consulate General
Piazza della Repubblica
80122 Naples, Italy
Ph: +39 081 5838206;
E-mail: lawrencejj@state.gov

Embassy Web Site: http://italy.usembassy.gov

Contacts for the Foreign Agricultural Service in U.S. Embassy Rome

Website: http://italy.usembassy.gov/agtrade.html

Christine Sloop, Agricultural Counselor
U.S. Embassy
Via Veneto 119A
00187 Rome, Italy
Tel.: +39-06-4674-2617
Fax: +39-06-4788-7008
Email: Christine.Sloop@fas.usda.gov

Office of Agriculture Affairs
U.S. Embassy
Via Veneto 119A
00187 Rome, Italy
Tel.: +39-06-4674-2617
Fax: +39-06-4788-7008
Email: agrome@fas.usda.gov

Dana Biasetti, Senior Agricultural Specialist
Office of Agriculture Affairs
U.S. Embassy
Via Veneto 119A
00187 Roma, Italy
Tel.: +39-06-4674-2396
Fax: +39-06-4788-7008
Email: agrome@fas.usda.gov

Contacts in the Economic Section in U.S. Embassy Rome

Kathy Hadda
Minister Counselor for Economic Affairs
U.S. Embassy
Via Vittorio Veneto 119/A
00187 Rome, Italy
Tel.: +39-06-4674-2107
Fax: +39-06-4674-2398
Email: haddakb2@state.gov

AMERICAN CHAMBER OF COMMERCE IN ITALY

American Chamber of Commerce in Italy
Vittorio Terzi, President
Via Cesare Cantù, 1
20123 Milano
Tel.: +39-02-872-12103 / 869-0661
Fax: +39-02-392-96752
Email: amcham@amcham.it
Web: www.amcham.it

ITALIAN GOVERNMENT AGENCIES

Banca d'Italia (Bank of Italy)
Credit Institutions Supervision Service
Via Nazionale, 91
00184 Roma
Tel.: +39-06-47921
Web: www.bancaditalia.it

CONSOB - Commissione Nazionale per le Società e la Borsa
Securities Regulatory Agency
Via Giovanni Battista Martini, 3
00198 Roma
Tel.: +39-06-847-71
Fax: +39-06-841-6703 / 7707
Email: consob@consob.it
Web: www.consob.it

The Italian Embassy
Commercial Section
3000 Whitehaven Street, N.W.
Washington, D.C., 20008
Tel.: (202) 612-4404/5/6
Fax: (202) 518-2154
Web: www.ambwashingtondc.esteri.it

Agenzia Nazionale del Turismo (ENIT)
The Italian Government Tourist Board
630 Fifth Avenue - Suite 1965
New York, NY 10111
Tel.: (212) 245-5618
Fax: (212) 586-9249
Email: newyork@enit.it
Web: www.enit.it/

Agenzia per la promozione all'estero e l'internazionalizzazione delle imprese italiane (ICE)
The Italian Institute for Foreign Trade, also known as Italian Trade Commission
Viale Liszt 21
00144 Roma
Tel.: +39-06-5992-1
Fax: +39-06-5929-9743
Email: ice@ice.it
Web: www.italtrade.com / www.ice.gov.it/
Offices are located in the following U.S. cities: New York, Atlanta, Chicago, Los Angeles and Miami. For further information please refer to the following website:
http://www.italtrade.com/countries/americas/usa/index.htm

ITALIAN TRADE ASSOCIATIONS

GENERAL/INDUSTRIAL:

ABI - Associazione Bancaria Italiana
(Italian Banking Association)
Piazza del Gesú, 49 (Palazzo Altieri)
00186 Roma
Tel.: +39-06-67671
Fax: +39-06-6767-457
Email: abi@abi.it
Web: www.abi.it

AIAD – Associazione Industrie per l’Aerospazio, i Sistemi e la Difesa
(Italian Association of Aerospace and Defense Industries)
Via Nazionale, 54
00184 Roma
Tel: +39-06-488-0247
Fax: +39-06-482-7476
Email: aiad@aiad.it
Web: www.aiad.it

AIDDA - Associazione Imprenditrici e Donne Dirigenti d’Azienda
(Italian Association of Women Entrepreneurs and Business Executives)
Via degli Scialoja, 18
00196 Roma
Tel.: +39-06-3230-578
Fax: +39-06-3230-562
Email: aidda@aidda.org
Web: www.aidda.org

ANCE - Associazione Nazionale Costruttori Edili (Italian Association of Building Contractors)
Via Giuseppe Antonio Guattani, 16
00161 Roma
Tel.: +39-06-845-671
Fax. +39-06-845-67-550/555
Email: info@ance.it
Web: www.ance.it

ANFIA - Associazione Nazionale fra Industrie Automobilistiche
(Italian Automotive Industry Association)
Corso Galileo Ferraris, 61
10128 Torino
Tel.: +39-011-55-46-511
Fax: +39-011-54-59-86
Email: anfia@anfia.it
Web: www.anfia.it

ANIA - Associazione Nazionale fra le Imprese Assicuratrici
(Italian Association of Insurance Companies)
Via della Frezza, 70
00186 Roma
Tel.: +39-06-326-881
Fax: +39-06-322-7135
Email: info@ania.it
Web: www.ania.it

ANIE – Associazione Nazionale Imprese Elettroniche ed Elettriche
(Italian Association of Electrical and Electronic Industries)
Viale Lancetti, 43
20158 Milano
Tel: +39-02-326-41
Fax: +39-02-326-4212
Email: info@anie.it
Web: www.anie.it

ASSINFORM – Associazione Nazionale Produttori Tecnologie e Servizi per l’Informazione e la Comunicazione
(Italian Association of Office Machine Industries)
Via G. Sacchi, 7
20121 Milano
Tel: +39-02-0063-28-01
Fax: +39-02-0063-28-24
Email: segreteria@assinform.it
Web: www.assinform.it

ASSOFRANCHISING – Associazione Italiana del Franchising
(Italian Franchising Association)
Via Melchiorre Gioia, 70
20125 Milano
Tel.: +39-02-2900-3779/ 02-3656-9461
Fax: +39-02-655-5919
Email: assofranchising@assofranchising.it
Web: www.assofranchising.it

CONFAPI - Confederazione Italiana della Piccola e Media Industria
(Italian Confederation of Small and Medium Industries)
Via del Plebiscito, 112
00186 Roma
Tel.: +39-06-690-151
Fax: +39-06-679-1488
Email: mail@confapi.org
Web: www.confapi.org

CONFARTIGIANATO - Confederazione Generale Italiana dell'Artigianato
(Italian General Confederation of Craft)
Via di San Giovanni in Laterano, 152
00184 Roma
Tel.: +39-06-703-741
Fax: +39-06-7045-2188
Email: confartigianato@confartigianato.it
Web: www.confartigianato.it

CONFCOMMERCIO - Confederazione Generale Italiana del Commercio, del Turismo, dei Servizi e delle P.M.I.
(Italian General Confederation of Trade, Tourism, Services, and Small and Medium Enterprises)

Piazza G.G. Belli, 2
00153 Roma
Tel.: +39-06-586-61
Fax: +39-06-580-9425
Email: confcommercio@confcommercio.it
Web: www.confcommercio.it

CONFETRA – Confederazione Generale del Traffico e dei Trasporti
(Italian General Confederation of Transport Enterprises)
Via Panama, 62
00198 Roma
Tel: +39-06-855-9151
Fax: +39-06-841-5576
Email: confetra@confetra.com
Web: www.confetra.it

CONFINDUSTRIA - Confederazione Generale dell'Industria Italiana
(The Confederation of Italian Industry is a principal trade association acting as an umbrella organization covering numerous industry trade associations)
Giampaolo Galli, General Director
Viale dell'Astronomia, 30
00144 Roma
Tel.: +39-06-59-031
Fax: +39-06-59-19615
Email: confindustria@confindustria.it
Web: www.confindustria.it

FARMINDUSTRIA – Associazione Nazionale dell'Industria Farmaceutica
(Italian National Association of Pharmaceutical Industries)
Largo del Nazareno, 3/8
00187 Roma
Tel: +39-06-675-801
Fax: +39-06-678-6494
Email: farmindustria@farmindustria.it
Web: www.farmindustria.it

FEDERACCIAI – Federazione Imprese Siderurgiche Italiane
(Italian Federation of Steel Industries)
Viale Sarca, 336
20126 Milano
Tel: +39-02-661-461
Fax: +39-02-661-46219
Email: milano@federacciai.it
Web: www.federacciai.it

FEDERAZIONE GOMMA PLASTICA – Unione Nazionale Industrie Trasfomatori Materie Plastiche
(Italian Union of Plastic Industries)
Via San Vittore, 36
20123 Milano
Tel: +39-02-439-281
Fax: +39-02-435-432
Email: info@federazionegommaplastica.it
Web: www.federazionegommaplastica.it

FEDERCHIMICA – Federazione Nazionale dell'Industria Chimica
(Italian Federation of Chemical Industries)
Via Giovanni da Procida, 11
20149 Milano
Tel: +39-02-345-651
Fax: +39-02-345-65310
Email: federchimica@federchimica.it
Web: www.federchimica.it

FEDERLEGNO – Federazione Italiana delle Industrie del Legno, del Sughero, del Mobile e dell'Arredamento
(Italian Federation of Wood Product Industries)
Foro Bonaparte, 65
20121 Milano
Tel: +39-02-806041
Fax: +39-02-80604392
E-mail: web@federlegno.it
Web: www.federlegnoarredo.it

UCINA - Unione Nazionale Cantieri e Industrie Nautiche ed Affini (Italian National Union of Shipyards, Nautical Industries and Related Sectors)
Piazzale J. F. Kennedy, 1
16129 Genova
Tel.: +39-010-576-9811
Fax: +39-010-553-1104
Email: ucina@ucina.it
Web: www.ucina.net

UNIONCAMERE - Unione Italiana delle Camere di Commercio Industria Agricoltura e Artigianato
(Italian Union of the Chambers of Commerce, Industry, Handicraft and Agriculture)
(Umbrella organization responsible for all chambers of commerce in Italy)
Piazza Sallustio, 21
00187 Roma
Tel.: +39-06-470-41
Fax: +39-06-470-4240
Email: segreteria.generale@unioncamere.it
Web: www.unioncamere.gov.it

ITALIAN AGRICULTURE TRADE ASSOCIATIONS

AIDEPI – Italian Pasta and Sweets Industry Association
Viale del Poggio Fiorito, 61
00144 Roma
T. +39 06 8091071
F. +39 06 8073186
Email: aidepi@aidepi.it
Web: www.aidepi.it

ASSOCARNI – Italian Meat Producers Association
Piazza di Spagna, 35
00187 Roma
Tel.: +39-06- 6919-0640
Fax: +39-06- 6992-5101
Email: segreteria@assocarni.it
Web: www.assocarni.it

FEDERALIMENTARE – Italian Food Processors and Manufacturers Association
Viale Pasteur 10,
00144 Roma
Tel: +39-06- 590-3380
Fax: +39-06- 590-3342
Email: segreteria@federalimentare.it
Web: www.federalimentare.it

FEDERVINI – Italian Wine Producers Association
Via Mentana 2B
00185 Roma
Tel: +39-06-4469-421
Fax: +39-06-494-1566
Email: federvini@federvini.it
Web: www.federvini.it

UNA – Italian Poultry Producers Association
Via V. Mariano 58
00189 Roma
Tel: +39-06-3325-841
Fax: +39-06-3325-2427
Email: una@unionenazionaleavicoltura.it
Web: www.unionenazionalevicoltura.it

UNICEB – Italian Livestock Meat Traders
Viale dei Campioni 13
00144 Roma
Tel: +39-06-592-1241
Fax: +39-06-592-1478
Email: info@uniceb.it
Web: www.uniceb.it

FEDERAGROALIMENTARE
La Federazione Nazionale delle Cooperative Agricole ed Agroalimentari
Via Torino, 146
00184 Roma
Tel.: +39-06-4697-81
Fax: +39-06-4881-469
Email: fedagri@confcooperative.it
Web: www.fedagri.confcooperative.it

ITALIAN MARKET RESEARCH FIRMS:

ACNielsen Italia S.p.a.
Via Giuseppe di Vittorio, 10
20094 Corsico (MI)
Tel.: +39-02-451-971
Fax: +39-02-458-66235
Email: nielsenitaly.news@nielsen.com
Web: www.acnielsen.it
http://www.nielsen.com/it/it.html

C.R.A. (Customized Research & Analysis)
Via Montecuccoli, 32
20147 Milano
Tel. +39-02-414-921
Fax. +39-02-412-71623
Email: info@cra-research.com
Web: www.cra-research.com

Databank S.p.A.
Via San Vigilio, 1
20142 Milano
Tel.: +39-02-77-54-811
Fax: +39-02-76-26-1646
Email: databank@cervedgroup.com
Web: www.databank.it

Demoskopea S.p.a
Via Porlezza, 16
20123 Milano
Tel.: +39-02-721-451
Fax. +39-02-864-555-59
Email: info@demoskopea.it
Web: www.demoskopea.it

Inter@ctive Market Research
Via Scarlatti, 150
80127 Napoli
Tel. +39-081-229-2473
Fax: +39-081-229-2463
Email: info@interactive-mr.com

Web: www.imrgroup.com

M&T Marketing & Trade S.r.l.
Corso di Porta Ticinese, 60
20123 Milano
Tel.: +39-02-894-02219
Fax: +39-02-581-01117
Email: segreteria@marketingtrade.it
Web: www.marketingtrade.it

ITALIAN COMMERCIAL BANKS:

Intesa Sanpaolo S.p.A.
(Merger between Sanpaolo IMI S.p.A. and Banca Intesa in January 2007)
Piazza San Carlo, 156
10121 Torino
Tel.: +39-011-555-1
Fax: +39-011-555-2145
Email: info@intesasanpaolo.com
Web: www.intesasanpaolo.com

Unicredit Group S.p.A.
(Established in May 2007 with merger of Unicredito Italiano S.p.A. and Capitalia S.p.A. Capitalia S.p.A. was established in 2002 with merger of Banca di Roma, Bibop-Carire and Banco di Sicilia)
Piazza Cordusio
20123 Milano
Tel.: +39- 02-88-621
Email: info@unicredit.eu
Web: www.unicreditgroup.eu

Banca Nazionale del Lavoro BNL S.p.A.
(Incorporated in BNP Paribas in 2006)
Via Vittorio Veneto, 119
00187 Roma
Tel.: +39-06-470-21
Fax: +39-470-20466
Email: redazionebnl@bnlmail.com
Web: www.bnl.it

Banca Monte dei Paschi di Siena S.p.A.
Piazza Salimbeni, 3
53100 Siena
Tel.: +39-0577-294-111
Email: info@banca.mps.it
Web: www.mps.it

WASHINGTON-BASED U.S. GOVERNMENT CONTACTS FOR ITALY

For a complete list of **U.S. Export Assistance Centers** throughout the United States please consult:
http://export.gov/

U.S. Department of Commerce
Trade Information Center
Tel.: 1-800-USA-TRADE
http://www.export.gov/

E-mail inquiries: tic@ita.doc.gov
(including requests for country duty and tax information)

U.S. Department of Commerce
Market Access & Compliance Office
Donald Calvert
Italy Desk Officer
Room H-3042
14th Street and Constitution Ave, NW

Washington, DC 20230
Tel.: (202) 482-9128
Fax: (202) 482-2897
Email: Donald.calvert@trade.gov
Web: http://trade.gov/mac/

U.S. Department of Agriculture
Foreign Agricultural Service
1400 Independence Ave. S.W.
Washington, DC 20250
Trade assistance and promotion office:
Tel.: (202) 720-7420
Web: www.fas.usda.gov

U.S. Department of State
David Mosby
Italy Desk Officer
Sheila Carey (Economics)
HST- 5218
U.S. Department of State
2201 C Street NW
Washington, DC 20520
Tel.: (202) 647-4395 (Peter)
Tel: (202) 647-1419
Fax: (202) 647-3459
Email: MosbyDG @state.gov
Email: CareySM@state.gov

Emn
Web: http://www.state.gov

Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, DC 20527
Tel.: (202) 336-8400
Fax: (202) 336-7949
Email: info@opic.gov
Web: www.opic.gov

U.S. - BASED MULTIPLIERS RELEVANT FOR ITALY

National Italian American Foundation (NIAF)
(NIAF conducts cultural and educational events, sponsors exchange programs, works to enhance cultural, political, and economic relations between the United States and Italy and serves as an advocacy group)
1860 19th Street, NW
Washington, DC 20009
Tel.: (202) 387-0600
Fax: (202) 387-0800
Web: www.niaf.org

Delegation of the European Commission to the United States
2175 K Street, NW
Washington, DC 20037
Tel.: (202) 862-9500
Fax: (202) 429-1766
Web: www.eurunion.org

AGRICULTURAL CONTACTS BY INDUSTRY

For the U.S.-based multipliers listed below when dialing from Italy, the country code **001** is to be dialed before dialing the listed phone number. Also, the European Based Multipliers whose listed offices are listed below must be reached by dialing **011** before the telephone numbers as needed.

Ag Export Councils

National Association of State Departments of Agriculture (NASDA)
Stephen Haterius, Executive Director
Dewitt Ashby, Director, Trade Shows
1156 15th Street, N.W.
Suite 1020
Washington, DC 20005-1704
Tel.: (202) 296-9680
Fax: (202) 296-9686
Email: dewitt@nasda.org
Web: www.nasda.org

Forest and Fishery Products

American Hardwood Export Council
1111 19th Street, N.W., Suite 800
Washington, DC 20036
Michael Snow, Executive Director
Tel.: (202) 463-2720

Fax: (202) 463-2787
Email: msnow@ahec.org
Web: http://www.ahec.org/

Softwood Export Council
PO Box 80517 Portland, Oregon 97280
6980 SW Varns Street, Tigard
Oregon 97223
Craig Larsen, President
Tel.: (503) 620-5946
Fax: (503) 684-8928
Email: hande@softwood.org
Web: http://www.softwood.org/

Grain and Feed

The Pet Food Institute
2025 M Street, N.W.
Suite 800
Washington, DC 20036
Kurt Gallagher, Administrator
Tel.: (202) 367-1120
Fax: (202) 367-2120
Email: info@petfoodinstitute.org
Web: www.petfoodinstitute.org

Horticultural and Tropical Products
California Ag Export Council
915 L Street, #C 409
Sacramento, CA 95814
Frederick W. Klose, Executive Director
Tel.: (916) 863-0311
Fax: (916) 863-0304
Fred Klose, Manager
Email: info@caec.net
Web: www.caec.net

Organic Trade Association
28 Vernon St.
Suite 413, Brattleboro VT 05301
United States
Tel: 802-275-3800
Fax: 802-275-3801
Email: info@ota.com
Web: http://www.ota.com/index.html

United States Department of Commerce - Contacts at the U.S. Mission to the EU:

Minister Counselor for Commercial Affairs
Beryl Blecher
Tel: 32.2.811.5374
Beryl.Blecher@trade.gov

Deputy Senior Commercial Officer
Patricia Gonzalez
Tel: 32.2.811.5328
Patricia.Gonzalez@trade.gov

Commercial/Standards Attaché
Marianne Drain
Tel: 32.2.811.5034
Marianne.Drain@trade.gov

Commercial Attaché
Ilona Shtrom
Tel: 32.2.811.5632
ilona.Shtrom@trade.gov

Commercial Attaché
Michael Rogers
Tel: 32.2.811.4244
Michael.Rogers@trade.gov

NOAA Fisheries Representative
Stephane Vrignaud
Tel: 32.2.811.5831
Stephane.Vrignaud@trade.gov

U.S. Commercial Service
U.S. Mission to the European Union
Rue Zinner 13
B-1000 Brussels, Belgium
Tel.: 32.2.811.4100
Fax: 32.2.811.5151
E-mail: brussels.ec.office.box@trade.gov
Website: http://export.gov/europeanunion/

United States Department of Agriculture - Contacts at the U.S. Mission to the EU:
Office of Agricultural Affairs
U.S. Mission to the European Union
Rue Zinner 13
B-1000 Brussels, Belgium
Tel.: 32.2.811.4247
Fax: 32.2.811.5560
E-mail: AgUSEUBrussels@fas.usda.gov
Website: http://www.fas.usda.gov/posthome/Useu/

The European Commission:
European Commission
Rue de la Loi 200 / Wetstraat 200
B-1049 Brussels, Belgium
Tel: 32.2.299.11.11 (switchboard)
Fax: 32.2.295.01.38 (also 295.01.39 and 295.01.40)
Websites: http://ec.europa.eu/index_en.htm (European Commission)
http://eeas.europa.eu/us/index_en.htm (EU-U.S. relations)

For general information about the European Union:
Delegation of the European Commission to the United States
Washington, D.C. 20037
Tel: (202) 862-9500
Fax: (202) 429-1766
Website: http://www.eurunion.org/

Directorate General Taxation and Customs Union
Rue de la Loi 200
1049 Brussels
Tel: 32. 2.299.50.50
Fax: 32.2.296.90.46
Website: http://ec.europa.eu/taxation_customs/index_en.htm

Directorate General Enterprise and Industry
Avenue d'Auderghem 45/Rue Belliard 100
1049 Brussels, Belgium
Tel: 32.2.299.56.72
Fax: 32.2.299.16.75
Website: http://ec.europa.eu/enterprise/standards_policy/index_en.htm

Directorate General for Environment
Website: http://ec.europa.eu/dgs/environment/index_en.htm

Directorate General Health and Consumers (SANCO)
4 Rue Breydel/101 Rue Froissart
1040 Brussels - Belgium

The Cosmetics & Medical Devices and Pharmaceuticals units are located at:
24 Rue De Mot
1040 Brussels, Belgium
Tel: 32.2.299.11.11
Website: http://ec.europa.eu/dgs/health_consumer/index_en.htm

Directorate General for Trade
Multiple locations
See http://ec.europa.eu/trade for further information.

EFTA – European Free Trade Association
Rue Joseph II, 12-16
B – 1000 Brussels
Tel: 32.2.286.17.11

Fax: 32.2.286.17.50
Website: http://www.efta.int/

Business Associations:

AmchamEU
53 Avenue des Arts
1000 Brussels, Belgium
Tel: 32.2.513.68.92
Fax: 32.2.513.79.28
Website: http://www.amchameu.eu/

Business Europe
The Confederation of European Business
Avenue de Cortenbergh 168
1000 Brussels, Belgium
Tel: 32.2.237.65.11
Fax: 32.2.231.14.45
Website: www.businesseurope.eu

Tech America Europe
40 Rue des Drapiers
1050 Brussels, Belgium
Tel: 32.2.502.75.60
Fax: 32.2.502.67.34
Website: http://www.techamerica.org/europe

The European Institute
1001 Connecticut Avenue, N.W., Suite 220,
Washington DC, 20036-5531
Tel: (202) 895-1670
Website: http://www.europeaninstitute.org/

Centre for European Policy Studies (CEPS)
1 Place du Congres
B-1000 Brussels, Belgium
Tel: 32.2.229.39.11
Fax: 32.2.219.41.51
Website: http://www.ceps.eu/index.php

The European Policy Centre
Residence Palace
155 Rue de la Loi
1040 Brussels, Belgium
Tel: 32.2.231.03.40
Fax: 32.2.231.07.04
Website: http://www.epc.eu/

European Round Table of Industrialists (ERT)
Place des Carabiniers 18a
B-1030 Brussels
Tel: 32 2 534 31 00

Fax: 32 2 534 73 48
Website: http://www.ert.be/

The Transatlantic Policy Network
Rue Froissart 115, 1st floor
B-1040 Brussels, Belgium
Tel: 32.2.230.61.49
Fax: 32.2.230.58.96
Website: http://www.tpnonline.org/

Transatlantic Business Council
Washington Office
919 18th Street NW, Suite 220
Washington, DC 20006
Tel: 1 202 828 9104
Fax: 1 202 828 9106

Brussels Office
Av. de Cortenbergh 168
1000 Brussels
Tel: 32 2 514 05 01
Website: http://transatlanticbusiness.org/

The Trans European Policy Studies Association (TEPSA)
11 Rue d'Egmont
B-1000 Brussels, Belgium
Tel: 32.2.511.34.70
Fax: 32.2.511.67.70
Website: http://www.tepsa.be/

Key EU-related websites:
For general information on the European Union
The EU's portal website
http://www.europa.eu/

Resource for EU news, policy positions and actors
http://www.euractiv.com/

A to Z index of European Union websites
http://www.eurunion.org/infores/euindex.htm

For information on topics related to doing business in the European Union
EU's "One Stop Internet Shop for Business" (EU funds, technical standards, intellectual property law, and free access to public procurement tender notices via the Tenders Electronic Daily (TED) database):
http://ec.europa.eu/youreurope/business/index_en.htm

EU Member State Chambers of Commerce in the U.S.
http://www.eurunion.org/states/doingbizweu.htm

EU market access database (information on tariffs and other trade information) http://madb.europa.eu/

EURLEX – Access to EU law
http://eur-lex.europa.eu/en/index.htm

CORDIS – Community Research and Development Information Service (EU research and innovation website)
http://cordis.europa.eu/

European Commission Statistical Office (Eurostat)
http://epp.eurostat.ec.europa.eu/

EU Office of Official Publications
http://publications.europa.eu/

EU official website on the euro
http://ec.europa.eu/euro/index_en.html

European Central Bank, Frankfurt
http://www.ecb.int/

European Investment Bank, Luxembourg
http://www.eib.org/

Council of the European Union
http://www.consilium.europa.eu/

European Commission
http://ec.europa.eu/index_en.htm

European Parliament
http://www.europarl.europa.eu/

European Court of Justice
http://curia.europa.eu/

EU Who is Who – The Official Directory of the European Union
http://europa.eu/whoiswho/public/

Market Research Return to top

To view market research reports produced by the U.S. Commercial Service please go to the following website: http://www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

Trade Events Return to top

Please click on the link below for information on upcoming trade events.

http://export.gov/tradeevents/index.asp

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Chapter 10: Guide to Our Services

The President's National Export Initiative marshals Federal agencies to **prepare U.S. companies to export successfully**, **connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: (Insert link to Products and Services section of local buyusa.gov website here.)

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E).**

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