NOTES

ITALY



Population: 59.7 million



2017 economic growth estimate (IMF): %0.9

Unemployment rate: %12

GDP Allocation

Agriculture (%2.2)



Economic Outlook

Italy is Europe's largest 4th economy.

GDP per Capita: 35,607 USD

Mid and large sized family companies dominate Italian economy and the leading sector is manufacturing.

Fields of manufacturing:

Automotive, ship construction, chemicals, furniture, textile, leather goods and shoe, food, ceramics and machine.

There are more than 200 industrial zones in the country.

Export

Main export items:

Machinery and equipments, road vehicles, electrical devices, pharmaceutical and auxiliary products, plastic products

Main import items:

Mineral fuels, machinery and components, road vehicles, electrical appliances, pharmaceutical and auxiliary products

Top 5 export markets:

Germany, France, USA, The UK, Spain

Top 5 import markets:

Germany, France, China, The Netherlands, Spain

Turkey-Italy Trade Figures (Ministry of Economy, 2016)

Turkish export to Italy: 7.6 billion USD

Main export items:

Automobiles, motor vehicles, nuts, parts and components for vehicles, iron and steel

> Turkish import from Italy: 10.2 billion USD

Main import items:

Parts and accessories for land vehicles, petroleum oils, diesel & semi-diesel engines, motor vehicles

> Trade volume: 17.8 billion USD

Trade balance:

2.6 billion USD (In favor of Italy)

Turkey-Italy Economic Relations

Many small sized Turkish companies operate especially in Northern Italy.

Italy is the 5th largest foreign direct investor in Turkey.

Italian Foreign Direct Investment in Turkey: 2.9 billion Euros.

Number of Italian-capitalized companies in Turkey: 1.330

Turkish Foreign Direct Investment in Italy: 248 million USD

35,000 Turkish citizens live in Italy.

Number of Italian tourists visited Turkey in 2015: 507.897

Italy is Turkey's **3rd largest trade partner** following Germany and Russia.

ITALY



Foreign Investments in Italy - Inflows

As of 2015, foreign investment in Italy has decreased to **20 billion USD**.

Italy's share in the global foreign investment market is about 1.7%.

In 2015, foreign direct investment in Italy is **335 billion USD.**

According to this data, Italy has 1.3% share in global inventory with a ranking of 18. (Turkey's ranking is: 20)

Foreign Direct Investments in Italy (According 2015 data):

Luxemburg - The Netherlands - France The UK - Germany

Italy's Investment Abroad- Outflows

In 2015, Italy's investment abroad has increased 1 billion USD versus a year ago and has become **28 billion USD**.

Italy's share in global foreign direct investment is approximately 1.9%.

Italian foreign direct investment is **467 billion USD in 2015.**

With the figure listed above, Italy's global share is 1.9% and ranks 16th.

Potential Opportunities

According to World Bank's 2016 Business Environment Report Ease of Doing Business Index, Italy ranks 45 among 189 countries.

Italian manufacturing industry's foreign investment focus areas are; **motor vehicles, electric machines and refined petroleum products.**

Foreign direct investment in Italy focuses on fashion, machinery and refined petroleum products.

Italy's competitive advantages are **motor vehicles sector**, **design**, **technology and avant-garde R&D centers**.

Automotive sector keeps on growing.

Italy dominates aviation industry. It is the leader in helicopter production and simultaneously is a partner in the international space station construction project.

Potential investment and collaboration opportunities:

- Italian companies are ready to collaborate in the following sectors: Textile-manufacturing, leather, machinery, food processing and chemicals.
- Nevertheless, there is potential in the following sectors: Packaging, mining, furniture, automotive supplier industry, electronics, security systems, jewelry, communications, engineering, logistics, metal processing.





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