

## **Introduzione del DGT La Via**

Honorable guests, ladies and gentlemen,

it's a pleasure for me to welcome such a wide and qualified audience. Your attendance today witnesses the return of interest by investors on Italy, which has already become evident in financial markets and in our government bond auctions.

Italy is a pivotal country nowadays and I'll try to explain briefly how much it has changed in the past few years and how this country is building a very favorable environment for doing business.

The European economic and financial crisis is not yet over, even though many signs show that the recovery is coming. However, this crisis gave us a unique opportunity to reform European governance and tackle some structural problems of our country, which made Italy not a very attractive place to invest in the past.

The reform efforts put in place over the past years is impressive. No other country has introduced so many structural reforms in such a short period of time. Italy will likely become a case study for economists and social researchers.

The list of policy measures and structural reforms approved and implemented in the past two years spans from a major pension reform and labour market reform, and passes through a number of growth enhancing and simplification measures.

First of all, the labour market became more flexible, also thanks to the introduction of a fast, compulsory, out-of-court settlement procedure to handle disputed dismissals, providing only a compensation, instead of reinstatement.

The administrative burden for firms, particularly for SMEs, has been reduced mainly through the elimination of ex-ante controls, permits and licenses for start-ups. Public transport services are now opened to competition, under the supervision of a new single independent authority.

New tax incentives for investments in venture capital funds have been established. In particular, the new tax framework for businesses (ACE - Aid for Economic Growth) rebalances taxation between debt and equity financing.

R&D and innovation are encouraged, by simplifying the procedure to assess projects eligible for subsidies and providing a tax credit for hiring young researchers. A single 'Fund for Sustainable Growth' now unifies more than 40 previous provisions on business incentives.

The energy sector has been deeply reformed. Greater market openness and competition in the gas sectors is expected from unbundling of the network operator (Snam Rete Gas). Subsidised loans are provided to finance energy-efficiency and environmentally-related projects. What is more, the government is now enabled to grant permission for energy saving investment in the case of lack of response on the part of regions.

The so-called decree-law "del fare", approved by the government over the week-end, complements the reforms already approved with a number of measures to make more efficient and fast the civil justice, that is a well-known Achilles' heel of this country that impinges on the attractiveness of Italy for foreign investors.

According to a first estimate, about 1.2 million old civil disputes (some lasting more than 20 years and concerning very minor cases) will be solved in the next 12 months, thanks to a task force of deputy judges. Thus, civil courts will be able to concentrate only on major cases.

In the meanwhile, the previous provisions for establishing courts specialised in company law (Tribunale delle imprese) is being implemented, and a new bankruptcy procedure similar to ‘Chapter 11’ in the US is already in force.

The decree-law “del fare” also addresses another weak point of the Italian economy, that is the delayed payments of the public administration to businesses. Penalties have been introduced to compensate delays. This provision adds to the latest decree for the payments of arrears of central and local public administrations.

What is more, the decree provides some 3 billion euros for public works and infrastructures and other 5 billion euros for private investments funded by Cassa Depositi e Prestiti. Furthermore, some improper charges to businesses, mainly related to bureaucratic burdens, will be reduced by about 450 million euros.

Last but not least, the fiscal burden on households and businesses is projected to ease over the next few years as the improvement in public accounts free resources that will allow that, as also acknowledged by the European Commission.

The focus of government’s action is now on implementation, while continuing to introduce pieces of legislation in areas where there is still a need for reform. I am sure that international investors will notice how much Italy has changed recently and how attractive it has become for foreign direct investment. And I hope this is true also for our Chinese friends who are here today.

Have a nice work!