On behalf of the Italian National School of Public Administration I would like to welcome you all to this seminar, particularly our Chinese guests, and thank our speakers.

Special thanks goes to the Ministry of Economy and Finance and the Director General of the Italian Treasury for hosting this seminar in a venue at the heart of government, symbolic of the role the public administration plays in the national economy.

I would just like to say a few words on the background to this seminar and what it aims to achieve. The initial impetus came from a joint programme between the Italian National School of Public Administration and the Shanghai Administration Institute.

Over the last few years the two Schools have organised twice-yearly bilateral seminars as part of a broader programme. These are held in Shanghai in autumn and in Italy in the spring/summer. These seminars are dedicated to exploring themes of common interest to our schools, to our countries and to the actions of our respective public administrations.

Last November in Shanghai the theme was "The Euro Crisis and new trends of China economy development". Our host today, the Director General of the Italian Treasury, Mr Codogno, was also present at the seminar, which highlighted how important it was for the Chinese economy, during this complex transitional phase of its development model, that Europe will continue to be able to contribute to world growth and to provide an area of monetary and financial stability.

This concrete common interest lies at the root of Europe's awareness of the potential contribution China may be willing to offer to help overcome its current monetary and financial difficulties and spur economic growth. Obviously it's a complex theme, one which is central to the thinking of both leading international organisations and governments as they strive to achieve a greater level of international coordination over economic policies.

However one thing that emerged from the debates at the Shanghai seminar was that although China, or rather Chinese investors, are interested in investing in Europe in general and in Italy in particular, they find it difficult to do so.

Unfortunately they encounter a number of obstacles arising from the complex decision-making processes and regulations which govern our administrations and bureaucracies.

In other words, investment opportunities, despite being of reciprocal interest, sometimes founder, due to a difficult business environment determined by the public administration and its rules and procedures, which further complicate the already delicate cultural interaction characteristic of international business.
Of course investment flows in the opposite direction from Italy to China also encounter similar obstacles, both objectively or perceived as such by investors. Obstacles that reduce our capacity to take full advantage of the investment opportunities in a growing market like China's, where the income generated would benefit both economies.
This, then, is the background to our "Fourth Bilateral Seminar SAI- SSPA" on "The Role of Public Administrations in Facilitating Foreign Direct Investment".
The main aim of the seminar is to help build a bridge of knowledge between the Chinese and Italian public administrations so that they can acquire a deeper

awareness and understanding of each other's rules and procedures, and actively transmit this to businesses in their respective countries.
We are absolutely convinced that sometimes agreements between both governments and private parties fail to reach their full potential because they fail to take sufficiently into account whether the public administrations involved, often pivotal to realising policies and agreements, are able or willing to coordinate and learn about each other's procedures.

After being the greatest magnet for foreign investments in developing countries China is now the second country in the world in terms of inward FDI flows and one of the top 10 in terms of outward FDI flows. These investment flows have played an important role in the development of Chinese production capacity and can now play an important role in fostering her growing integration with the world economy in terms of knowledge and market penetration, acquisition of technology and other strategic assets. These investments are important to the countries they are made in, not just because they bring in capital and stimulate employment, but also because they create solid technological partnerships and networks of global innovation. This is especially true during the current complex phase in the development of the world economy, where the drive to integrate markets clashes with the temptation to respond to social and economic uncertainties by raising protective national barriers.
It must be remembered that FDI is one way to redress the global imbalance between lenders and borrowers, an imbalance that reflects the geographical distribution of where savings are being created and where those savings are being invested, something that only with time will find a new equilibrium.
We have invited academics, practitioners and representatives of both private and public institutions and bodies to this seminar. People whose roles can help us identify what we're doing right and what we're doing wrong with regards to developing FDI to and from Italy and China. What we're particularly interested

in are problems and difficulties, as well as best practises, in areas currently or potentially handled by central public administration and local authorities in our two countries, so that we can improve performance in both.

The first step our two Schools can take is to organise the information and indications emerging from this seminar and produce a joint report to submit to our respective administrations.

I hope this initiative will help strengthen institutional networks, research and dialogue between the Chinese and Italian administrations and support FDI flows.

I would again like to thank all those here today and in particular the Shanghai Administration Institute, co-organiser of this event and all our Chinese colleagues from the SAI, the Chinese Academy of Social Sciences and the Zheijang Administration School.