



CONFINDUSTRIA

FOREIGN INVESTORS ADVISORY BOARD

OSSERVATORIO
IMPRESE ESTERE 

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ADVISORY BOARD**

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The background is a dark teal color with a complex, abstract pattern of glowing, wavy lines and small, bright teal particles. The lines are composed of many thin, parallel strands that create a sense of depth and movement, resembling a digital or data-driven environment. The particles are scattered throughout, adding to the futuristic and technological feel of the design.

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INTRODUCTION

1. Introduction

The focus on foreign investments is one of the distinctive elements of Confindustria, which includes in its by-laws the establishment of a “Technical Group for Foreign Investments and Investors” well known in short, as the Foreign Investors Advisory Board (Advisory Board Investitori Esteri, ABIE).

The Chairman of ABIE is the Vice President responsible for internationalization, Barbara Beltrame Giacomello.

The Board’s membership consists of up to 30 business leaders from some of the most important foreign multinationals operating in Italy.

To ensure adequate representation, the Board’s members are all senior executives.

Membership of the Board is by personal invitation only and must be renewed each time there is a change in a firm’s senior management.

Board participation is strictly nominative and therefore is renewed every time there is a top-level change at a company.

1.1 Member selection criteria

The selection of members aims to ensure a balanced representation on the Board in terms of presence across Italy, country of origin and industrial sector based on information received from local and sector specific associations that make up Confindustria’s membership.

Other main selection criteria are as follows:

- Continuous industrial presence of the company in Italy;
- Turnover (> €100m) and size of workforce (minimum number of employees >500);
- Invested capital and investments made over the last 10 years;
- Innovative sectors.

1.2 Mission

The Board helps to promote:

- the country as a leading business destination and, therefore, to contribute to the increase in high value-added foreign investment generating wealth, jobs and trade;
- the country’s competitiveness values and the sharing of sustainable business practices that favour economic growth.

The four areas of action for delivering on the mission are:

- **Assist FDI in the country:** first and foremost, ABIE support foreign investors who have invested in Italy to meet the challenges preventing them from implementing their investment plans (retention) but also creates opportunities to attract overseas capital in strategic sectors on the back of the satisfaction of companies who have already invested in the country (Attraction);
- **Sharing our vision:** ABIE contribute to communicate the importance of FDI for the country’s growth and development;
- **Interact with policymakers:** ABIE contributes to draw up policy papers with the aim of boosting Italy’s competitiveness based on multinationals’ experiences, international benchmarking and the sharing of information among Confindustria’s membership;
- **Exploit the country’s strengths:** ABIE helps to connect foreign investors with the Italian business world, focusing on supply chains, industrial districts and the internationalisation of SMEs.

1.3 Values and *business code*

ABIE consists of results-oriented firms that aim to grow the country’s economy through performance, productivity and sustainable business models. The business leaders who are ABIE members challenge the status quo and promote change. ABIE members play an active part in debating the country’s future, interact with the communities within which they operate and support social development.

ABIE is an inclusive group, open to new ideas and to promoting and interacting with society through the sharing of its options. It encourages a sense of belonging and uses the group's influence to assert its ideas.

ABIE encourages the active participation of its members; its strength originates from its members and their best practices.

1.4 Principles

In drawing up policies, being able to count on the Board's support means taking advantage of its members' experience to accurately identify the issues to be faced when a firm begins operating but also after they have settled in.

The Board's guiding principles are the following:

- **Pursue general objectives**, of relevance to all members and not specific to individual sectors, seeking a lowest common denominator when examining the most controversial topic;
- **Select areas for engagement** and assign clear priorities to the objectives to pursue;
- **Value simplification**, including in the sense of "not increasing regulatory complexity". Aiming, therefore, to define proposals which allow for operational agility and "certainty of law" to be strengthened;
- **Put forward proposals designed** to achieve the best possible outcome, taking into account the constraints resulting from the context of Italy's public finances.



The background features a dark teal color with intricate, glowing wavy lines that create a sense of motion and depth. Scattered throughout are small, bright teal particles, resembling stars or data points, which add to the futuristic and dynamic feel of the design.

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**FROM STRATEGY
TO EXECUTION**

2. From strategy to execution

Three strategic areas of action have been identified and agreed on by the ABIE members: Retention for the attraction of investments; the improvement of knowledge of how foreign multinationals operate, both centrally and locally; and finally identify how Italy's competitiveness can be improved.

Having decided on the priorities, ABIE set up a few concrete projects to achieve its objectives. For each priority, a brief description of the main projects is provided below.

2.1 Retain to attract new investments

The issue of the delocalisation of investment, including the practice of offshoring, is regularly dealt with in the press. The point of view of the firm that has decided to disinvest is rarely presented in a positive light, and the political debate always focuses on the firm's irresponsibility and the social cost of competitive decisions.

The decision to delocalise is generally the last resort of a firm that is aware of the social costs involved, but the absence of any dialogue with and access to government institutions and/or the communities in which it operates is often the cause.

This is why a plan to attract new investors cannot avoid the need to pay close attention to the needs of the businesses that operate permanently in Italy (using an approach based on a "customer care" system), alongside the goal of making the country more competitive.

A new approach is required: first, the country must retain those who have already invested and transform them into ambassadors who promote Italy's image and reputation around the world: this is the only possible basis for a plan to attract further strategic high value-added investment.

Provided that they are satisfied with their business, the operating environment, and the

consideration shown to them, overseas investors already present in the country provide the best route for promoting Italy's global image.

An efficient plan to retain these firms starts with the need to facilitate dialogue and monitor how well their investments are doing, paying close attention to the needs of the firms who have invested in Italy. It is thus necessary to develop a process for considering the interests of foreign investors who have chosen to invest in Italy. The aim of this "customer care" system is to replace relationships between companies and regional and municipal authorities that are often informal with a formal type of relationship that facilitates a practical approach and planning, as well as the early identification of opportunities and threats.

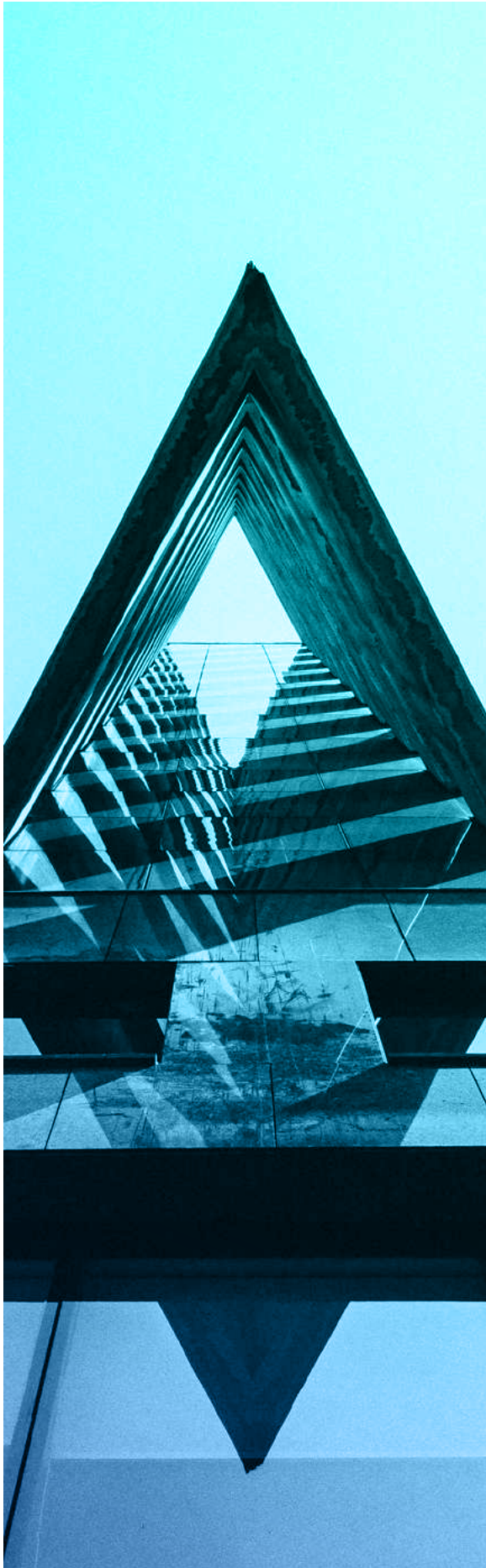
Only by working continuously with firms is it possible to identify the critical success factors for inward investment, whether the capital is being invested in manufacturing or in structures set up to provide global services, generally based on considerations relating to logistics and the standard/cost of living.

Protocols project

The process of retaining foreign investors already present in Italy calls for a strengthening of collaboration with government institutions at both national and regional/local level.

But there is a significant need to work at local level: only people who are close to businesses can truly understand and comprehend their specific needs. This is the concept behind the plan to enter into protocols at local level, in which the true protagonists are regional branches of the Confindustria together with the relevant local and regional authorities. We have so far entered into agreements with Tuscany, Lazio, Emilia-Romagna, Piedmont, Campania, Sicily and Umbria.

The main aim of the protocols is to strengthen the relationship between foreign-owned firms and local authorities, developing an actual "customer care" system that considers the interests of foreign investors



2.2 Boost our knowledge of Foreign Companies

If on the one hand, at international level, the awareness of the strategic role play in a country's growth agenda has increased (due to the they have on the country's GDP), on the other hand there is still little awareness of the significant differences between the various types of investments for a country's future. Instead, we need to be very clear about the factors that can help to drive the country's growth in terms of sustainable development in its widest sense: this means identifying entities that have demonstrated by their actions their belief in the need to create shared value.

To convince overseas firms operating in Italy that can potentially have a major impact on the country's development, it is important to take an evidence-based approach to policy development and not simply rely on anecdotal information.

Foreign Companies Observatory project

In 2021, ABIE set up an Observatory dedicated to the Foreign Companies, coordinated by Marco Travaglia (Chairman and CEO of the Nestlé Group in Italy). The peculiar nature of the Observatory lies in its ability to combine the analysis of the economic and statistical data produced by researchers with the soft information provided by manager of the foreign companies. It offers a point of reference in Italy with regard to foreign investment, collecting, analysing, integrating and systematising data and information on foreign firms operating in Italy.

The Observatory receives scientific and organisational support from the Luiss Guido Carli University. In 2022, a scientific support agreement was entered into with the Scuola IMT Alti Studi in Lucca. In addition to these prestigious institutions, the Observatory had developed a close collaboration with ISTAT, Italy's office for national statistics.

To effectively promote and publicise its research and more generally all the ABIE activi-

ties, the Observatory has been given its own website: <https://impreseestere.it>.

In addition, in 2023, the Observatory's operational capabilities were boosted with the creation of a "laboratory" (Lab-OIE) led by Anna Ruocco and assisted by two select committees: one consisting of seven ABIE members and another with 5 senior fellows and a research analysts' group.

2.3 Make Italy more competitive

The ability to retain and attract foreign investment also depends on boosting the country's competitiveness. ABIE's role in this regard is to put the spotlight on the immediate action needed and to provide an overall vision for coordinating all the policies of interest to overseas multinationals.

The issues dealt with by the ABIE are of a general nature and are not specific to individual sectors. Those considered priorities from a structural viewpoint are:

- Human capital resources
- Digitalisation;
- Supply chain relationships;
- Taxation.

Other key issues are: the gaps in the country's infrastructure and logistics, which in certain regions are a major obstacle to investment in manufacturing and which, with implementation of the NRRP, should see a major improvement; highly uncompetitive labour costs, where the tax wedge remains high, and other high costs resulting from poor levels of competitiveness in numerous sectors. At this point in our history, we obviously cannot avoid making reference to the ecological transition, rising energy prices and the difficulties in sourcing raw materials, all issues requiring us to find solutions that consider the long-term consequences,

Next Gen Days project

Knowledge and skills sharing is essential to a healthy business. In the current economic cli-

mate, where change tends to be continuous, it is essential that departments within a firm share their experiences.

But it is even more advantageous if different firms can share their experiences: the resulting mix of knowledge, skills and ideas leads to innovation, the basis for everything. The Next Gen Days project, organised by a select group of 18 firms belonging to the Advisory Board, was launched in 2023.

The Next Gen Days project is the first step in bringing about collaboration between companies: 1) to share best HR practices relating to training for talents; 2) to enable major foreign companies to contribute culture and training to benefit the country's economy.

The first step is to involve 4 days of cross-company training (classroom sessions for 36 talents) to take place across the various company offices, in addition to a fifth day of project work. The event is to take the form of a Hackathon and will involve participants competing to meet highly topical challenges of relevance to all the various industrial sectors and for the country's economy.

The aim of the day is to come up with Business Ideas that can then be developed further in collaboration with ABIE firms. In 2023, the challenges will relate to Social aspects of ESG, with the aim of developing a new generation of talents within firms and externally in the communities in which they operate. The ideas developed by the various teams will then be presented and discussed at a celebratory event.

The background is a dark teal color with a complex, abstract pattern of thin, flowing lines that create a sense of movement and depth. Interspersed among these lines are numerous small, glowing teal particles, some of which appear to be in motion, creating a starry or digital effect. The overall aesthetic is modern and technological.

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COMMUNICATION

3. Communication

The Advisory Board's success in backing a plan designed to retain foreign-owned Italian firms and attract new strategic foreign investment to boost economic growth will depend on a plan for communication both inside and outside Confindustria:

- within Confindustria, it is necessary to boost the visibility of the role that foreign firms play in the economic growth;
- externally, there is a need to improve the general perception of foreign-owned businesses, often viewed as predatory and faceless, to make them more familiar to the communities and local areas in which they operate.

It is necessary to create communication that encourages the country and stakeholders for growth to focus on initiatives providing the greatest returns (new industries, digitalisation, international markets, etc.).

ABIE thus proposes to devise a communication plan that will lead civil society to reflect on the positive aspects of the presence of foreign multinationals, starting from the creation of high-quality jobs.

