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Outward FDI from Italy and its policy context, 2012

by

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Italy's outward foreign direct investment (OFDI) performance is quite modest compared to that of other European Union (EU) countries, mainly due to structural characteristics like the low number of large firms, the specialization in "traditional" low- and medium-technology manufacturing industries and the almost negligible activity in advanced service industries. The global economic and financial crisis seriously affected the Italian economy and resulted in a decline in OFDI flows in 2009, owing to few large merger and acquisition (M&A) deals. However, due to the stagnation of the internal market, Italian firms continued to pursue growth opportunities abroad in 2010 and in 2011 through small-scale investments, in particular outside the EU.

Trends and developments[1]

Country-level developments

Italy's outward FDI stock is low, in contrast with that of most other EU countries. In 2011, total Italian OFDI stock amounted to US$ 512 billion (annex table 1), up from US$ 488 billion in 2010. The ratio of its OFDI stock to gross domestic product (GDP) was 23%, which is much smaller than the corresponding ratio for the EU as a whole (56%) or comparable economies like France (49%), Germany (40%), Spain (43%), or the United Kingdom (73%).[2] Several structural characteristics of the Italian economy play a role in explaining these

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1 The historical background and the longer-term development of outward FDI development from Italy were analyzed in a previous Columbia FDI Profile (see Marco Mutinelli and Lucia Piscitello, "Outward FDI from Italy and its policy context," Columbia FDI Profiles, January 19, 2011 (ISSN 2159-2268), available at www.vcc.columbia.edu). The present profile is an update of that profile and extends the analysis of Italy's OFDI to 2011, and of related policy developments to 2011 and 2012.

2 UNCTAD, *World Investment Report 2012: Towards a New Generation of Investment Policies* (Geneva: United Nations, 2012), Annex Tables, web table 08, available at: http://unctad.org/en/Pages/DIAE/World%20Investment%20Report/Annex-Tables.aspx

figures, including the low number of large firms, the specialization in low- and medium-technology "traditional" manufacturing industries and the almost negligible activity in advanced industries in the services sector.

In the most recent years, however, Italian firms have significantly stepped up their foreign activities. Driven by a new wave of M&As made by the largest Italian firms, Italian OFDI flows rose considerably between 2005 and 2008, jumping from an average value of US$ 10.0 billion per year in 2000-2004 to US$ 61.5 billion in 2005-2008 and peaking at US$ 96 billion in 2007 (annex table 2). The financial crisis had a negative impact on Italian OFDI flows, which fell to US$ 21 billion in 2009. Notwithstanding the negative economic situation, Italian OFDI flows rose again to US$ 47 billion in 2011. Despite the stagnation of the internal market, Italian firms have not ceased investing abroad, though the number of large-scale investment projects has significantly decreased compared to previous years.

In 2009, services accounted for 44% of Italy's OFDI stock (annex table 3).[3] Manufacturing industries also attracted a significant part of the stock (30%), while energy products (petroleum, electricity, gas), and water supply accounted for 26% of the total, mainly reflecting OFDI by ENI in the oil and gas industry and by ENEL in the electricity sector. Finally, agricultural, forestry and fishing products accounted only for less than 1% of the total OFDI stock.

However, the sectoral breakdown changes significantly when considering the number of employees in foreign affiliates of Italian multinational enterprises (MNEs). At the end of 2009, majority-owned foreign affiliates of Italian firms employed nearly 1,509,000 workers. Nearly 813,100 workers (53.8%) were employed in the secondary sector[4], 661,900 workers (43.9%) in the tertiary sector and 34,300 employees (2.3%) in the primary sector. More than 711,700 workers (47.2% of the total) were employed in the manufacturing sector, where the machinery industry (122,900 employees) and the textile and apparel industry (95,000 employees) employed the largest shares.[5]

OFDI by Italian firms is mainly concentrated in Europe; 12 European countries accounted for 72% of total Italian OFDI stock in 2010 (annex table 4). In the past decade, Italian OFDI has grown faster in EU-15 countries than in other regions. Italian OFDI remained low in North America (the United States accounted for 6% of OFDI stock in 2010, compared to 11% in 2000), and in developing countries (mainly the BRIC countries) among which Brazil and China each accounted for less than 2% in 2010. The small average size of the Italian firms crucially hinders expansion toward the fastest growing regions (in particular, China), owing to the severe managerial and financial constraints that small and medium-size enterprises (SMEs) face when expanding abroad, especially into geographically and culturally distant countries.

FDI statistics collected by the Bank of Italy record direct (or primary) investments undertaken by Italian firms and not indirect investments made via holding companies established abroad.

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[3] The banking sector is not included.

[4] Data cover the mining, manufacturing, construction and energy industries.

[5] Data on employment in foreign majority-owned affiliates of Italian companies are gathered by the Italian National Institute of Statistics (ISTAT) through compulsory surveys. The most recent data refer to 2009. See ISTAT, *Struttura, performance e nuovi investimenti delle imprese italiane all'estero* (Rome: ISTAT, December 2011)..

Thus, the distribution of OFDI data does not properly reflect the geographical breakdown of Italian MNEs' foreign activities[6].

Data on employment in foreign affiliates of Italian firms may give a more accurate representation of the geographical breakdown of their foreign activities. According to ISTAT, EU-27 countries accounted for 50.4% of the total work-force of foreign majority-owned affiliates of Italian firms at end-2009. Countries outside the EU are particularly important destinations for manufacturing activities, which are mainly located in Central and Eastern European countries, as well as the United States, Brazil and China. A significant presence of manufacturing activities controlled by Italian firms also exists in Russia, Argentina, India, Mexico, and Tunisia. The United States ranked first by the number of employees in foreign affiliates of Italian firms in 2009 (152,888), followed by Romania (116,078), Germany (111,993), Brazil (101,404), China (95,313), France (88,994), Spain (79,980), Poland (75,163), the United Kingdom (47,258), and Turkey (34,098).

The corporate players

About 8,000 Italian corporate groups have at least one foreign affiliate (either majority-owned, 50-50-owned, or minority joint ventures). In 2011, only three Italian firms (ENEL, ENI and FIAT) ranked among the top 100 non-financial MNEs by foreign assets in the world (compared to 22 from the United States, 16 from France, 12 from the United Kingdom and Germany, six from Japan, five from Switzerland, and three from Spain). However, these three firms, which also head the list of the largest Italian non-financial MNEs in 2011 in terms of sales (annex table 5) and figure among the largest in terms of employment (annex table 5a), are rising in rank globally: in 2011, ENEL (electricity), the largest Italian non-financial MNE in terms of foreign assets, became the world's 9th largest MNE by foreign assets, up from 15th in 2010; ENI (oil and gas) ranked 13th, up from 19th in 2010; and Fiat ranked 27th, up from 72nd in 2010.[7] Three Italian firms also ranked among the world's 50 largest financial MNEs by UNCTAD's Geographic Spread Index in 2010 and 2011: Assicurazioni Generali (7th in 2010 and 6th in 2011), Unicredit (10th in 2010 as well as 2011) and Intesa SanPaolo (46th in 2010 and 36th in 2011).[8]

The market-seeking motive is the most important driver of foreign investments for the few large Italian firms, while Italian SMEs most often engage in OFDI due to efficiency-seeking strategies.[9] A survey of 15,000 European MNEs confirms that fewer than 40% of Italian firms that have undertaken foreign investment pursue strategies explicitly aimed at selling their own products in the host country or at using the investment as an export platform; by contrast, market-seeking strategies are prominent for about 65% of German investors, while export-platform FDI is used by some 45% of French investors.[10]

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[6] For example, some Italian firms manage their foreign activities through financial holdings established in the Netherlands and Luxembourg, which together account for about 24% of total Italian OFDI stock; however, these holdings account for less than 1% of the total number of employees in foreign affiliates, according to data gathered by ISTAT.

[7] UNCTAD, *World Investment Report 2012*, op. cit., Annex Tables, web table 29, and UNCTAD, *World Investment Report* 2011: *Non-equity Modes of International Production and Development* (Geneva: United Nations, 2011), Annex Tables, web table 29; see http://archive.unctad.org/templates /Page.asp?intItemID=5545&lang=1.

[8] UNCTAD, *World Investment Report 2012*, op. cit., Annex Tables, web table 30.

[9] See Marco Mutinelli and Lucia Piscitello, "Differences in the strategic orientation of Italian MNEs in Central and Eastern Europe", *International Business Review*, vol. 6, No. 2 (1997), pp.185-205.

[10] See Giorgio Barba Navaretti et al., *The Global Operations of European Firms. The Second EFIGE Policy Report* (Brussels: Bruegel, 2010), http://www.bruegel.org/publications/publication-detail/publication/581-the-global-operations-of-european-firms-the-second-efige-policy-report/; see in particular table 4.6, p. 28.

The breakdown of Italian MNEs by region reflects the long-term structural imbalances of the Italian economy. Nearly 80% of Italian MNEs are headquartered in Northern Italy; Central Italy hosts fewer than 15% of Italian MNEs' headquarters, while the South ("Mezzogiorno") plays a negligible role.[11]

In the 2010-2011 period, the EU15 area was still the main destination for new foreign subsidiaries of Italian firms, accounting for 20.5% of the new majority-owned foreign subsidiaries, although down from 29.4% in the 2008-2009 period; similarly, the new EU member states saw a decline in their share of new majority-owned foreign affiliates (7.2%).[12] The geographical breakdown of new majority-owned foreign affiliates shows the growth of India (with 7.4%, up from 4.8%) and the other Asian and Pacific countries (with 14.4%, up from 7.1%) as destinations for Italian OFDI, while China's share remained stable (10.6%, marginally up from 10.3%). Shares were growing also for the United States and Canada (13%, up from 10.6%) and for Central and South America (10.9%, up from 7.8%).

In 2011, two cross-border merger and acquisition (M&A) deals with values higher than US$ 1 billion were signed by Italian firms (annex table 6). In February 2011, Prysmian SpA completed its tender offer to acquire the entire share capital of Draka Holding NV, an Amsterdam-based manufacturer of wire and cable products, while in May 2011 Fiat increased its interest in Chrysler (United States) from 30% to 46%. In consideration of the potential voting rights associated with options held by Fiat that also became exercisable on that date, under IAS 27 – Consolidated and Separate Financial Statements, Fiat was deemed to have acquired control of Chrysler. Accordingly, Chrysler was fully consolidated by Fiat from that date.

Among the largest Greenfield FDI projects abroad by Italian MNEs in 2011, there were three that exceeded US$ 1.00 billion in announced/estimated value (annex table 7). They included a project in Argentina by Telecom Italia, one in Mozambique by ENI SpA, and one in Serbia by SECI Energia SpA. Investments in energy-related activities (including alternative/renewable energy) and in telecoms accounted for the top ten Greenfield OFDI projects in 2011.

The policy scene

Italian OFDI policy is implemented through four state-controlled agencies: SIMEST (Società italiana per le Imprese Miste all'Estero – Italian Company for foreign joint-ventures), FINEST (Finanziaria per gli Imprenditori del Nord-EST – Financial Company for North-Eastern Entrepreneurs), ICE – Agenzia per la promozione all'estero e l'internazionalizzazione delle imprese italiane (Agency for the promotion abroad and internationalization of Italian firms), and SACE (Società di Assicurazione e Credito alle Esportazioni – Company for Insurance and Credit to Exports). SIMEST[13] and FINEST[14] can acquire shares in the capital stock of joint ventures set up abroad by Italian firms and grant soft loans for the creation of joint ventures outside the EU; they also provide professional consultancy and technical

[11] S. Mariotti and M. Mutinelli, *Italia Multinazionale 2012* (Soveria Mannelli: Rubbettino Editore, 2012).
[12] See ISTAT, op. cit., p. 10.
[13] In November 2012, Cassa Depositi e Prestiti (CDP) acquired the control stakes (100% and around 76%, respectively) of SACE and SIMEST by the Ministry of Economic Development. The remaining 24% of SIMEST, founded in 1990 and in operation since 1991, is in charge of large Italian banks and industrial companies. For more information, see http://www.simest.it.
[14] The main shareholders of FINEST, founded in 1991, are local administrations of the North-Eastern Italian regions, SIMEST and several banks. For more information see http:\\www.finest.it.

support services to foreign investment projects in which their subsequent involvement is foreseen.[15]

In 2011 and in 2012, the policy scene saw several important developments.

In July 2011, the Berlusconi Government announced the immediate abolition of the former ICE (Instituto italiano per il Commercio Estero – Italian Institute for Foreign Trade, also known as Italian Trade Commission, the government agency entrusted with promoting trade, business opportunities and industrial co-operation between Italian and foreign companies).[16] The functions assigned to ICE and its Italian staff and assets were transferred without liquidation procedure to the Ministry of Economic Development, while the staff of foreign offices was assigned to the Ministry of Foreign Affairs. In December 2011, the new Monti Government restored the agency, though with a strong reduction of human and financial resources.[17] The "new ICE" (named "ICE – Agenzia per la promozione all'estero e l'internazionalizzazione delle imprese italiane", i.e. Agency for the promotion abroad and internationalization of Italian firms) will maintain only two offices in Italy (Rome and Milan) and will mainly operate abroad, relying on diplomatic and consular missions. Moreover, a new operational tool, the "Cabina di Regia per l'Italia Internazionale" (i.e. Control Room for Italy's Internationalization), has been established, aiming at coordinating internationalization policies by defining a common strategy for the promotion of activities abroad by the ICE Agency and the other central and regional institutions supporting internationalization. The "Cabina di Regia" will promote the integration of various functions – such as, for example, the integration of the network of Italian Chambers of Commerce abroad with that of ICE – enabling significant economic savings. The foreign network of Italian institutions is being reorganized around the coordinating role of the Embassies, based on some basic criteria: market size and growth potential of the countries, composition of exports by product type and the history of Italian presence abroad. This will guide the promotional action and export to countries with the greatest potential for growth and where Italian companies, either due to distance or other reasons, are struggling most to operate alone. A balanced judgment about the real impact of this reform must be suspended, however, at least until the complex and lengthy administrative implementation is completed.

On October 25, 2012 the Start-Up Revolving Fund became fully operational. Established by Law No. 23/2009,[18] the Fund aims to strengthen public support to SMEs in their internationalization process in non-EU markets by encouraging the start-up phase. This Fund operates by contributing to the share capital of new companies established ad hoc (NewCo*s*), with registered offices in Italy (or in another EU country if necessary for the development of the project). Recipients benefiting from the new Fund are individual SMEs or SME groupings established as joint-stock companies; the Fund, managed by SIMEST, intervenes by subscribing to the capital in case of a NewCo, or subscribing to a capital increase of a NewCo founded no more than 18 months before the date of submission of the application. The contribution of the Fund cannot exceed 49% of the share capital and each assistance from the Fund can reach a maximum of € 200,000.The contribution of the Fund to the NewCo has a duration of between two and four years.

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[15] See Marco Mutinelli and Lucia Piscitello., "Outward FDI from Italy and its policy context", *Columbia FDI Profiles*, Vale Columbia Center on Sustainable International Investment, January 19, 2011. op.cit.
[16] Law No. 111, July 15, 2011.
[17] Law No. 214, December 22, 2011.
[18] The Fund had been established by Law No. 99, July 23, 2009 (art. 14).

As in June 2012, Italy had signed 94 bilateral investment treaties (BITs), 74 of which have been ratified. By the end of 2011, Italy had entered into double taxation treaties (DTTs) with 90 countries to avoid double taxation on income and property.[19] DTTs with Croatia, Cyprus, Jordan, and Slovenia were ratified in 2010; DTTs with Azerbaijan, Canada, Lebanon, Moldova, and Qatar were ratified in 2011. Draft agreements with additional countries are in the discussion stage. Furthermore, there are forms drawn up unilaterally by the foreign tax authorities which can be used to facilitate operations.

Conclusions

Italy's outward FDI performance is still quite modest compared with most other EU countries. However, Italian OFDI flows experienced a considerable surge in the 2005-2008 period, driven by a new wave of large-scale M&A deals made by large Italian firms. After a deep fall in 2009, OFDI flows rose again in 2010 and in 2011, though mainly through small-scale investments.

Recent trends in Italian OFDI can be characterized as involving a renewed leading role of larger companies, an increasing amount of FDI in the services sector and an increasing presence of Italian companies in countries outside the EU, especially in the Asian and Latin American emerging markets, and in the United States, even though Europe still plays a major role in Italian firms' foreign activities**.** Italian OFDI abroad is expected to grow to higher levels in the medium term, since Italy's present economic stagnation is pushing Italian companies to seek new growth opportunities in foreign markets.

Additional readings

Banca d'Italia, *Local Economies and Internationalization in Italy*, available at: http://www.bancaditalia.it/studiricerche/convegni/atti/econ_loc;internal&action=_setlanguage.action?LANGUAGE=en

ICE, *Rapporto ICE 2010-2011. L'Italia nell'economia industriale* (Rom: ICE, 2011), available at: http://www.ice.it/statistiche/rapporto_ICE.htm.

ISTAT, *Le imprese a controllo nazionale residenti all'estero* (Rome: ISTAT, 2010), available at: http://www.istat.it/it/archivio/4884.

ISTAT, *Struttura, performance e comportamenti delle multinazionali italiane* (Rome: ISTAT, March 2011), available at: http://www.istat.it/it/archivio/19542.

Useful websites

For FDI policy: www.ice.it/statistiche/pdf/Rapporto_ICE_2011_cap9.pdf

For FDI statistics: www.istat.it; www.bancaditalia.it;

For information on Italian MNEs: www.ice.it/statistiche/pdf/Rapporto_ICE_2011_cap8.pdf; http://www.ice.gov.it/statistiche/pdf/Sintesi_Italia_Multinazionale_2010.pdf

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[19] For more information see: http://www.finanze.it/export/finanze/Per_conoscere_il_fisco/fiscalita_Comunitaria_Internazionale/convenzioni_e_accordi/convenzioni_stipulate.htm

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Statistical annex

Annex table 1. Italy: outward FDI stock, 2000, 2011

(US$ billion)

Economy	2000	2011
Italy	170	512
Memorandum: comparator economies		
France	926	1,373
Germany	542	1,442
Spain	129	640
United Kingdom	898	1,731

Source: UNCTAD's FDI/TNC database, available at: http://unctadstat.unctad.org

Annex table 2. Italy: outward FDI flows, 2000-2011

(US$ billion)

Economy	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Italy	7	16	11	2	14	39	44	96	67	21	33	47
Memorandum: comparator economies												
France	177	87	50	53	57	115	111	164	155	107	77	90
Germany	57	40	19	6	21	76	119	171	73	75	109	54
Spain	58	33	33	29	61	42	104	137	75	13	38	37
UK	233	59	50	62	91	81	86	272	161	44	40	107

Source: UNCTAD's FDI/TNC database, available at http://unctadstat.unctad.org.

Annex table 3. Italy: distribution of outward FDI stock, by economic sector and industry, 2000, 2009[a]

(Percentage share)

Sector/industry	2000	2009
All sectors/industries (excluding banking services)	**100.0**	**100.0**
Agricultural, forestry and fishing s	**0.3**	**0.4**
Energy (petroleum; electricity, gas and water supply)	**8.0**	**26.1**
Manufacturing	**32.3**	**29.5**
Minerals and metals	4.1	2.7
Chemical products	4.7	5.9
Machinery	8.0	9.0
Transport equipment	4.4	2.9
Food products	2.9	2.2
Textiles and wearing apparel	1.8	1.4
Services	**59.5**	**44.0**
Trade and repairs	4.5	3.8
Transports, storage and communication	3.0	0.8
Financial intermediation[b]	35.9	27.2

a Classified according to the activity of the foreign operation. FDI in the real estate sector and by the Italian banking sector are not included.
b The banking sector is not included.

Source: Banca d'Italia, *Relazione Annuale sul 2009*, Rom, May 31, 2010; Banca d'Italia, *Relazione Annuale sul 2000* (Rome, May 31, 2001), available at:
http://www.bancaditalia.it/pubblicazioni/relann.

Annex table 4. Italy: geographical distribution of outward FDI stock, 2000, 2010

(Percentage share)

	2000	2010
World	100.0	100.0
Developed countries	n.a.	n.a.
Europe	n.a.	n.a.
EU-27	n.a.	n.a.
EU-15	n.a.	n.a.
Austria	n.a.	6.7
Belgium	1.8	3.7
France	10.0	7.2
Germany	6.7	8.6
Ireland	n.a.	2.8
Luxembourg	12.6	2.4
Netherlands	14.9	21.4
Portugal	4.1	0.9
Spain	4.1	9.4
Sweden	0.4	n.a.
United Kingdom	8.7	3.6
Poland	n.a.	3.0
Liechtenstein	0.1	n.a.
Switzerland	6.3	2.1
North America	11.7	n.a.
Canada	0.6	n.a.
United States	11.1	5.6
Other developed countries	n.a.	n.a.
Japan	0.9	n.a.
Developing countries	n.a.	n.a.
Africa	n.a.	n.a.
Asia and Oceania	n.a.	n.a.
China	n.a.	1.7
Latin America and Caribbean	n.a.	n.a.
Argentina	1.5	n.a.
Brazil	2.6	1.5
Transition economies	n.a.	n.a.
Unallocated	n.a.	n.a.

Source: Banca d'Italia, *Relazione Annuale sul 2009 - Appendice*, Roma, May 31, 2010; Banca d'Italia, *Relazione Annuale sul 2011 - Appendice*, Roma, May 31, 2012), available at: http://www.bancaditalia.it/pubblicazioni/relann.
Note: "n.a." denotes that data are not available.

Annex table 5. Italy: principal non-financial MNEs, ranked by foreign sales, 2011

Rank	Company	Industry	Total sales (Euro million)	Foreign sales (Euro million)	% of total sales
1	ENI	Oil & gas (ENI), engineering (Saipem)	109,589	75,784	69.2
2	FIAT	Motor vehicles and related components	59,559	50,301	84.5
3	ENEL	Electricity and gas	79,514	46,895	59.0
4	Fiat Industrial	Trucks (Iveco); agricultural and construction machinery (CNH)	24,289	21,824	89.9
5	Finmeccanica	Aeronautics, helicopters, space, defence electronics and systems, energy and transportation	17,318	13,882	80.2
6	Telecom Italia	Telecommunication services	29.957	10.342	34.5
7	Prysmian	Cables	7,583	6,668	87.9
6	Edizione (Benetton Group)	Wearing apparel and textiles (Benetton Group); food & beverage and retail services for travellers (Autogrill); motorway concessionaries and related services (Atlantia)	12,253	6,191	50.5
7	Saras	Petroleum refining	11,037	5,385	58.1
8	Luxottica	Eyewear	6.222	5,050	81.2
9	Pirelli & C.	Tyres	5,602	5,175	92.4
10	Italcementi	Cement, ready mixed concrete	4,721	3,803	80.6

Source: S. Mariotti and M. Mutinelli, *Italia Multinazionale 2012* (Soveria Mannelli: Rubbettino Editore, 2012).

Annex table 5a. Italy: principal MNEs, ranked by foreign employees, 2011

Rank	Company	Industry	Total employees	Foreign employees	% of total employees
1	FIAT	Motor vehicles and related components	197,921	134,438	68.2
2	Unicredit	Banking and financial services	160,360	108,243	67.5
3	Generali	Insurance	81,997	65,017	79.3
4	Edizione (Benetton Group)	Wearing apparel and textiles (Benetton Group); food & beverage and retail services for travellers (Autogrill); motorway concessionaries and related services (Atlantia)	90,000*a*	60,000*a*	66.7
5	Luxottica	Eyewear	65,611	58,111	88.6
6	Fiat Industrial	Trucks (Iveco); agricultural and construction machinery (CNH)	66,998	48,573	72.2
7	ENI	Oil & gas (ENI), engineering (Saipem)	78,686	45,516	57.8
8	ENEL	Electricity and gas	75,360	38,518	51.1
9	Intesa SanPaolo	Banking and financial services	100,118	30,956	30.9
10	Pirelli & C.	Tyres	34,259	30,630	89.4
11	Finmeccanica	Aeronautics, helicopters, space, defence electronics and systems, energy and transportation	70,474	30,304	43,0
12	Telecom Italia	Telecommunication services	84,154	27,276	32.4
13	Prysmian	Cables	21,547	19,347	89.8
14	Perfetti Van Melle	Chewing-gum, confectionery	19,000	167700	93.2
15	Italcementi	Cement, ready mixed concrete	19,896	16,457	82.7

a Estimates.
Source: S. Mariotti and M. Mutinelli, *Italia Multinazionale 2012* (Soveria Mannelli: Rubbettino Editore, 2012).

Annex table 6. Italy: main M&A deals, by outward investing firm, 2009-2011

Year	Acquiring company	Target company	Target industry	Target economy	Shares acquired (%)	Estimated/ announced transaction value (US$ million)
2011	Prysmian SpA	Draka Holding NV	Wires and cables	Netherlands	100.00	1,647.50
2011	FIAT SpA	Chrysler Group LLC	Motor vehicles	United States	16.00	1,268.00
2011	Cassa Depositi & Prestiti SpA	Trans Austria Gasleitung GmbH	Distribution of natural gas	Austria	89.00	926.65
2011	FIAT SpA	Chrysler Group LLC	Motor vehicles	United States	6.03	500.00
2011	Atlantia SpA	Sociedad Concesionaria	Toll motorways	Chile	50.00	412.58
2011	ENI SpA	Evans Shoal Gas Field	Oil and gas exploration and production	Australia	32,50	350.00
2011	Sogefi SpA	Mark IV Systemes Moteurs SAS	Automotive supplies (air intake and engine cooling systems)	France	100.00	216.05
2011	GWM Renewable Energy SpA	Greentech Energy Systems A/S	Wind energy farms	Denmark	50.37	194.38
2011	Luxottica Group SpA	Multiopticas Internacional SL	Optical equipment (eyeglasses, sunglasses, contact lenses, etc.)	Spain	57.00	133.45
2011	Recordati SpA	Dr F Frik Ilac Sanayi ve	Pharmaceutical products	Turkey	100.00	130.00
2011	Ansaldo Energia SpA	Yeni Elektrik Uretim AS	Power generation services	Turkey	40.00	121.74
2010	Atlantia SpA	Autostrade per il Cile-APC	Inspection and fixed facilities for motor vehicles	Chile	100.00	659.70
2010	Amplifon SpA	NHC Group Pty Ltd	Offices and clinics of doctors of medicine	Australia	100.00	444.91
2010	Sigma Tau SpA	Enzon Pharm Inc-Pharm Bus	Biological products, except diagnostic substances	United States	100.00	327.00
2010	Luigi Lavazza SpA	Green Mountain Coffee	Roasted coffee	United States	6.49	250.00
2010	Atlantia SpA	Sacyr Vallehermoso SA-Radial	Highway and street construction	Chile	100.00	200.00
2010	Davide Campari-Milano SpA	Carolans, Frangelico & Irish M	Distilled and blended liquors	United Kingdom	100.00	168.74
2010	Actelios SpA	Falck Renewables Plc	Cogeneration, alternative energy sources	United Kingdom	100.00	84.60
2010	ENEL SpA	Stratic Energy Corp-West Don	Crude petroleum and natural gas	United Kingdom	100.00	60.84
2010	Prysmian SpA	Ravin Cables Ltd	Drawing and insulating of nonferrous wire	India	51.00	37.16
2010	ENEL SpA	Endesa Hellas SA-4 Power	Cogeneration, alternative energy sources	Greece	100.00	27.54
2009	ENEL SpA	Endesa SA	Electric services	Spain	25.01	13.469.98
2009	Edison SpA	EGPC-Abu Qir Concession	Crude petroleum and natural gas	Egypt	100.00	1.405.00
2009	Atlantia SpA	Los Lagos	Inspection and fixed facilities for motor vehicles	Chile	100.00	1.063.99

2009	Davide Campari-Milano SpA	Austin Nichols & Co-Wild	Wines, brandy, and brandy spirits	United States	100.00	581.00
2009	A2A SpA	Elektroprivreda Crne Gore AD	Electric services	Montenegro	29.00	361.81
2009	Alenia Aeronautica SpA	Grazhdanskiye Samolety Sukhogo	Aircraft parts, equipment	Russian Fed	25.00	250.00
2009	Weather Investments Srl	Tellas	Information retrieval services	Greece	50.00	239.30
2009	Cassa Depositi & Prestiti SpA	STMicroelectronics NV	Semiconductors and related devices	Switzerland	3.47	222.98
2009	Illva Saronno Holding SpA	Tia Maria Group Of Cos	Distilled and blended liquors	Canada	100.00	178.09
2009	Investindustrial SpA	Universal's Port Aventura SA	Amusement parks	Spain	50.00	138.19

Source: the authors, based on Thomson ONE Banker, Thomson Reuters.

Annex table 7. Italy: main Greenfield projects, by outward investing firm, 2009-2011

Year	Investing company	Joint venture partner (if any)	Industry	Target economy	Shares owned (%)	Estimated/ announced investment value (US$ billion)
2011	Telecom Italia SpA		Communications (telecommunication services)	Argentina	100.00	2.5
2011	ENI SpA		Oil & gas (natural gas liquefier plants)	Mozambique	100.00	1.9
2011	SECI Energia SpA		Alternative/renewable energy (hydroelectric plant)	Serbia	100.00	1.1
2011	Telecom Italia SpA		Communications (fixed line infrastructure in optic fibre)	Brazil	100.00	0.8
2011	ENEL SpA		Alternative/renewable energy (wind farms)	Romania	100.00	0.7
2011	ENEL SpA		Energy (combined cycle gas plant)	Ireland	100.00	0.7
2011	Ansaldo Energia SpA		Energy (combined cycle gas-fired plant)	Turkey	100.00	0.6
2011	ENI SpA		Natural gas extraction	Mozambique	100.00	0.6
2011	ENEL SpA		Alternative/renewable energy (wind farms)	Portugal	100.00	0.6
2011	Chemtex Italia (Mossi & Ghisolfi Group)		Alternative/renewable energy (cellulosic ethanol plant)	Brazil	100.00	0.5
2010	FIAT Automobiles SpA	Soller	Automotive OEM	Russia	50.00	3,3
2010	FIAT Automobiles SpA		Automotive OEM	Brazil	100.00	1.8
2010	ENI SpA	Inpex Timor Sea (35%), Talisman Resources (25%)	Coal, Oil and Natural Gas	Timor-Leste	40.00	1.0
2010	Solar Ventures Srl	Kawar Energy and others	Alternative/renewable energy	Jordan	n.a.	1.0*
2010	Fiat Automobiles SpA		Automotive OEM	Serbia	100.00	0.9
2010	ENI SpA	Petróleos de Venezuela (60%)	Coal, Oil and Natural Gas	Venezuela	40.00	0.8*
2010	ENI SpA		Coal, Oil and Natural Gas	Norway	100.00	0.7
2010	Marfin SpA (Marcegaglia Group)		Metals	Brazil	100.00	0.7*
2010	FIAT Automobiles SpA	Guangzhou Automobile	Automotive OEM	China	50.00	0.6
2010	CNH Global (Fiat Group)		Industrial Machinery, Equipment & Tools	Brazil	100.00	0.5
2009	Telecom Italia SpA		ICT (internet	Brazil	100.00	4.3

			broadband services)			
2009	ENI SpA	Calik Energy	Oil & gas (pipeline)	Turkey	n.a.	4.0
2009	ENI SpA	Allied Energy	Oil & gas (oil extraction)	Nigeria	40.00	1.3*
2009	Ansaldo Energia SpA (Finmeccanica Group)		Oil & gas (natural gas)	Syria	100.00	0.9
2009	Todini Finanziaria SpA		Hotels & tourism	Russia	100.00	0.9
2009	Moncada Energy Group		Alternative/renewable energy	Tunisia	100.00	0.8*
2009	FIAT SpA	Guangzhou Automobile	Automotive OEM	China	50.00	0.7
2009	ENEL SpA		Electricity	Russia	100.00	0.5
2009	Fomas Group SpA		Metals	India	100.00	0.5*
2009	Iveco SpA (FIAT Group)		Automotive OEM	Russia	100.00	0.4*

Source: fDi Intelligence, a service from the Financial Times Ltd.