

ITALY-GERMANY: AN ECOSYSTEM FOR DIGITAL AND SUSTAINABLE TRANSFORMATION

14th of June 2023



AHK

Deutsch-Italienische
Handelskammer
Camera di Commercio
Italo-Germanica



Ipsos



THE METHODOLOGY

Sources of data

Data in this document come from several sources:

DESK ANALYSIS

- Anholt-Ipsos Nation Brands Index (NBI) - 2022
- Ipsos Consumer Confidence Index – April 2023
- Ipsos What Worries the world - April 2023 – Ipsos
- SMEs' expectations for an effective competition policy Report - Flash Eurobarometer 510 - European Commission - Ipsos survey - 2022
- Analysis of Assolombarda from Ocse data
- AHK
- DeSTAT, Statistisches Bundesamt;
- Economic Observatory of the Italian Ministry of Foreign Affairs and International Cooperation

SURVEY

- 146 online interviews (CAWI)
- among companies from AHK community
- From 12 April to 12 May 2023

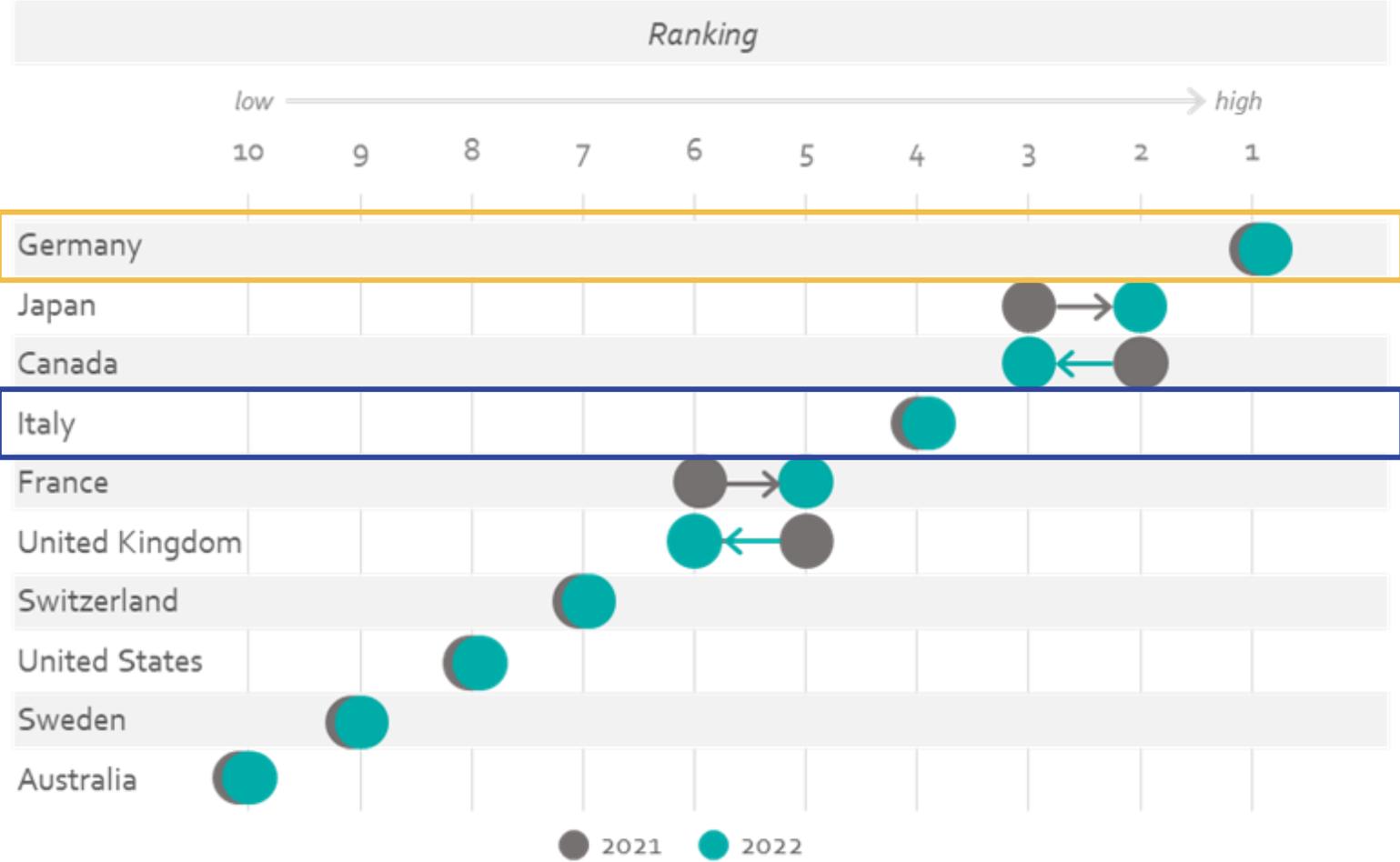
THE SCENARIO: POINT OF VIEW OF POPULATION



Germany and Italy enjoy the strongest reputation in the EU context

Anholt-Ipsos Nation Brands Index (NBI)

Gen. population



*The Anholt-Ipsos Nation Brands Index (NBI) is based on more than 60,000 interviews per year conducted online across 20 country panels on the adult population aged 18 and over. The data is weighted to reflect key socio-demographic characteristics including age and gender. The Year 2022 Fieldwork was conducted between July and August.

A better economic perception in Germany is recognised by population



Consumer confidence index



Netherlands	51,7
Germany	50,3
Sweden	48,8
Belgium	46,0
Great Britain	44,0
Italy	43,8
Spain	43,2
France	39,8
Poland	37,1
Hungary	34,7



In Italy there is a lower satisfaction about the current economic situation, but also pessimism for the future

Gen. population

Current economic situation of the country

Global average (29 countries) 34%
Europe average (10 countries) 31%



5 out of 29 countries
1 out of 10 European countries

Future perspective

Global average (29 countries) 36%
Europe average (10 countries) 28%



9 out of 29 countries
1 out of 10 European countries



17 out of 29 countries
6 out of 10 European countries



12 out of 29 countries
2 out of 10 European countries

In this scenario, companies must regain consumer confidence

Gen. population

Trust business leaders

Global Average (21 countries) 30%
European Average (9 countries) 24%



9 out of 21 countries
3 out of 9 European countries



6 out of 21 countries
1 out of 9 European countries

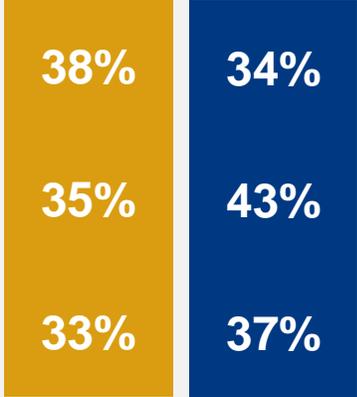
Factors that lead to trusting or not trusting institutions/companies Top 3



If they are credible/keeps their promises

If they are transparent about what they do

If they behave responsibly



THE CURRENT ECONOMIC SITUATION OF COMPANIES



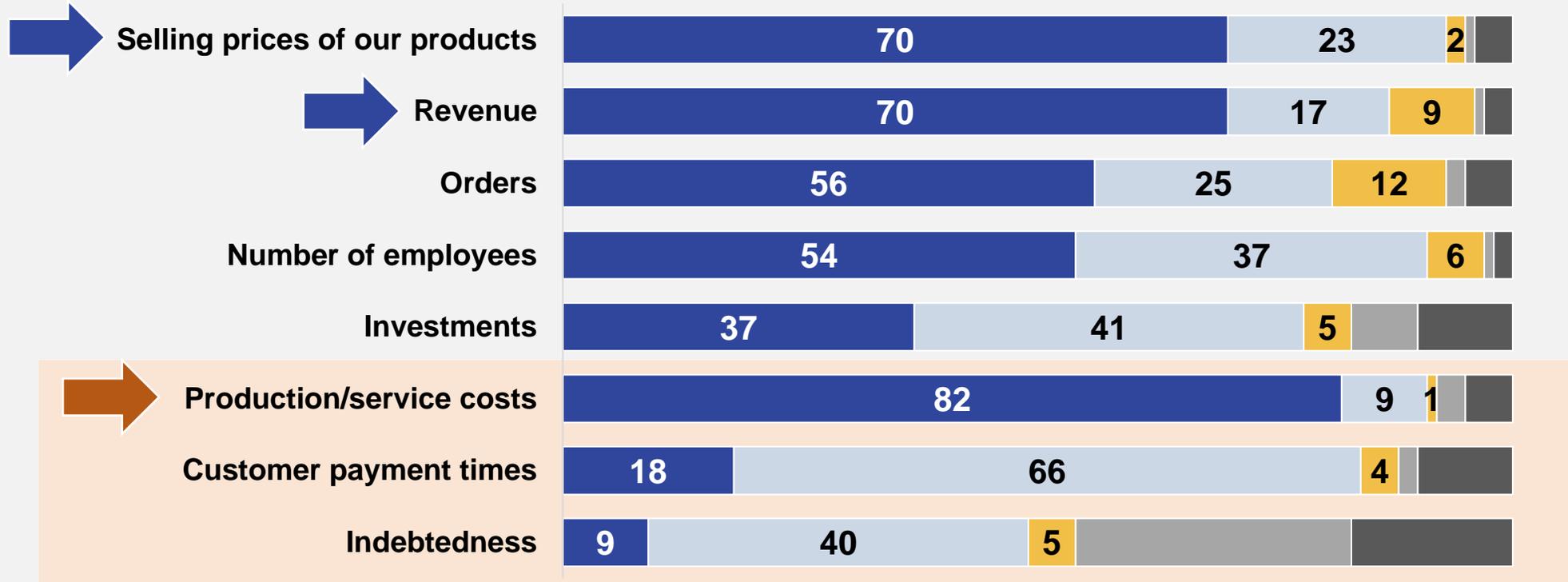
Despite a cost increase, the economic situation of companies is positive

Companies

About 90% of companies are satisfied for the economic situation of the company

In the last 12 months ...

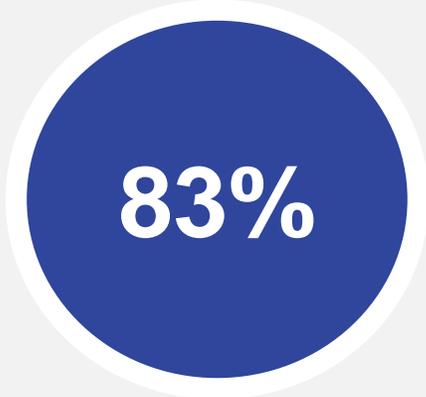
■ Increased ■ Remained stable ■ Decreased ■ Didn't make use of it ■ Don't know



In the last year companies have invested in training, digital transformation and communication

Companies

Of companies **HAVE DONE INVESTMENTS** in the last 12 months

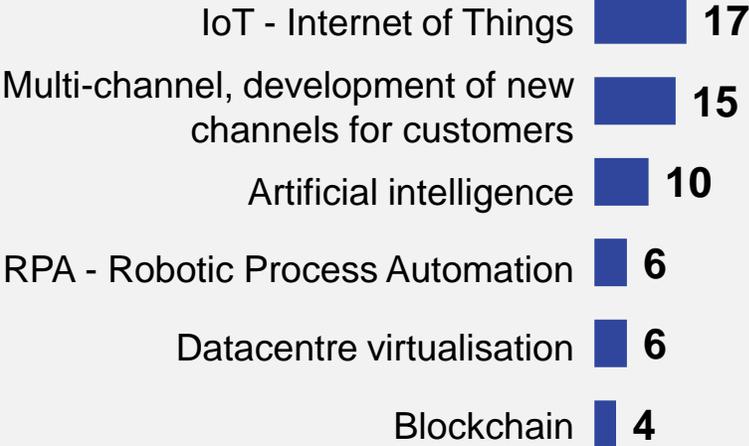
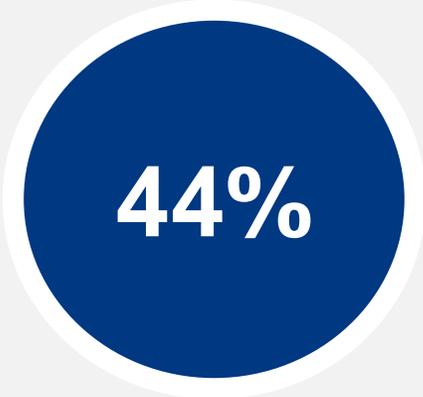


50%	Staff training courses
44%	Digital transformation
42%	Advertising, marketing, communication
33%	New product development
32%	Sustainability/ecological transition
29%	New PCs/servers
28%	New machinery
18%	New buildings/plans
17%	New markets/countries

Investments in digital transformation are related to Cybersecurity, CRM, Data analytics and cloud

Companies

Investments in Digital Transformation

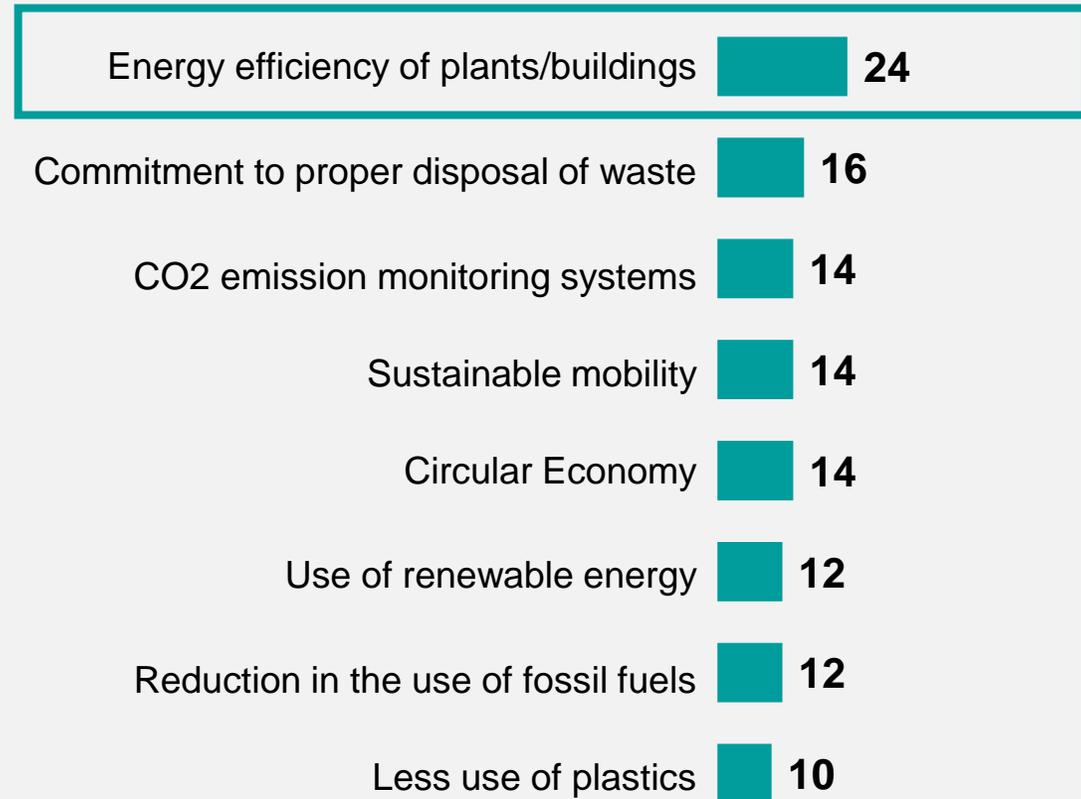


Investments in ecological transition are more focused on energy efficiency

Companies

Investments in
Ecological transition

32%

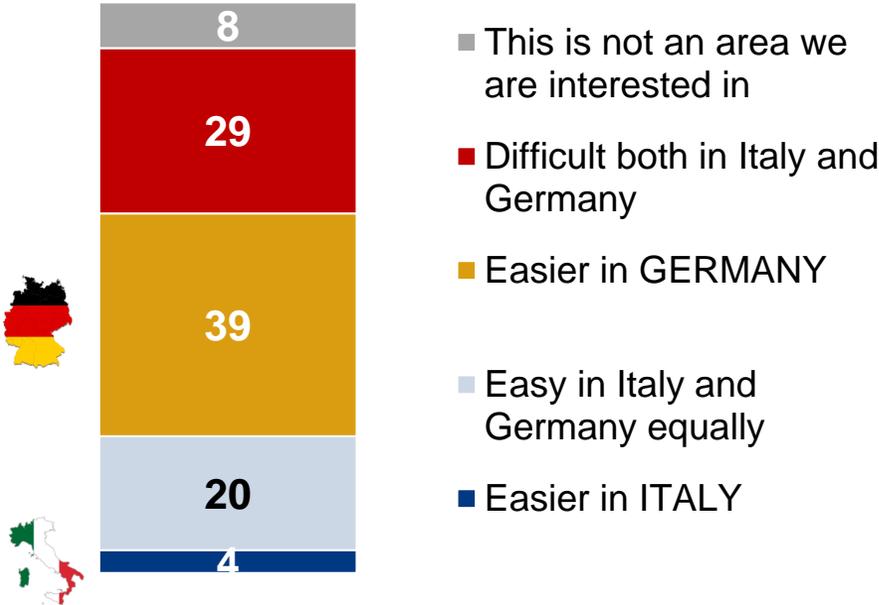


Carrying out projects in ecological transition and digital transformation is easier in Germany than in Italy

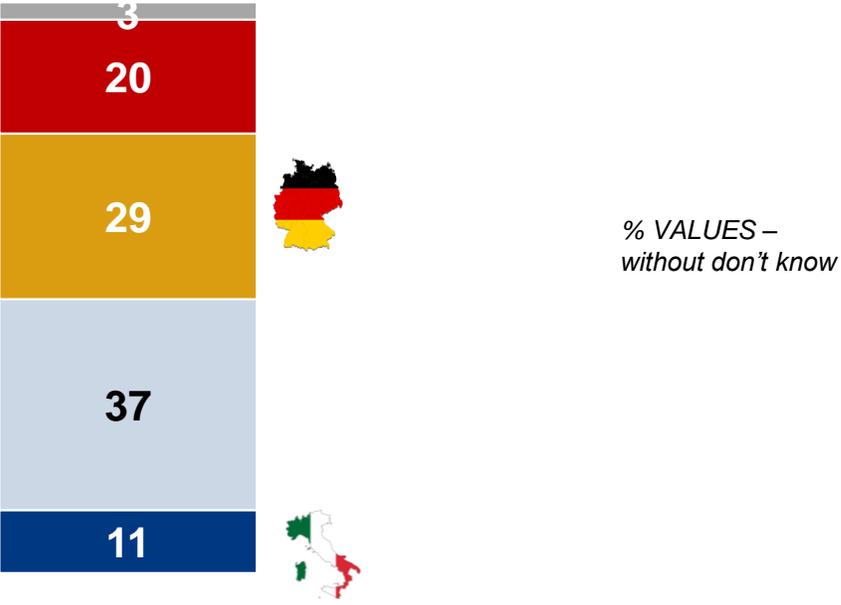
Gen. population

Carrying out project in...

... ECOLOGICAL TRANSITION is...



... DIGITAL TRANSFORMATION is...



% VALUES – without don't know

ITALY-GERMANY RELATIONSHIP: MAIN ISSUES



Companies highlight more problems for their business in Italy than in Germany

Companies

What are the main problems companies face in its activities in Italy?

AT LEAST ONE
PROBLEM IN ITALY



98%

72%

There is too much bureaucracy

59%

The taxes we have to pay are too high

51%

The cost of energy (electricity, gas, water) is too high

What are the main problems companies face in its activities in Germany?

AT LEAST ONE
PROBLEM IN
GERMANY



44%

20%

Labour costs are too high

18%

It is difficult to find qualified/trained personnel

14%

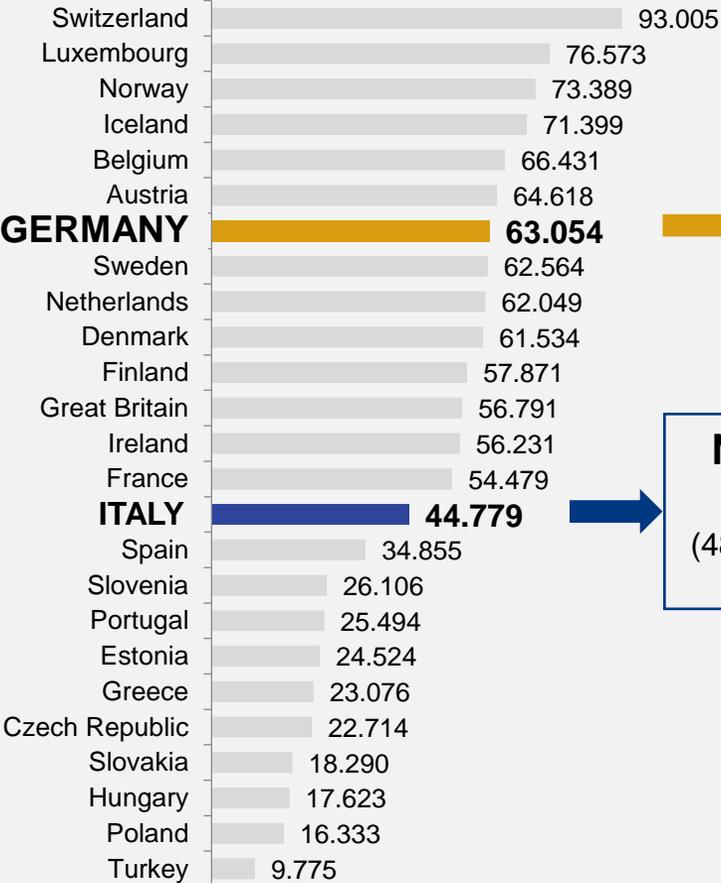
The cost of energy (electricity, gas, water) is too high

46%: don't know because they don't have a direct relationship with Germany

The impact of energy costs on production costs is increased more in Italy than in Germany (Source: analysis of Confindustria from OECD data)

The labour cost is higher in Germany than in Italy, but taxes on companies are lower than those on employees

The labour cost in European Countries (2021)



Net remuneration: 32.728 €
Taxes: 30.325 €
 (66% taxes on employees and 37% taxes on companies)

Net remuneration: 23.948 €
Taxes: 20.831 €
 (48% taxes on employees and 52% taxes on companies)

ITALY-GERMANY RELATIONSHIP: MAIN OPPORTUNITIES

The relationship between Italy and Germany is important and stronger than in the past

Trade between Italy and Germany

Companies



Siderurgical
Chemical-pharmaceutical
Machinery
Agribusiness
Electrotechnics-electronics

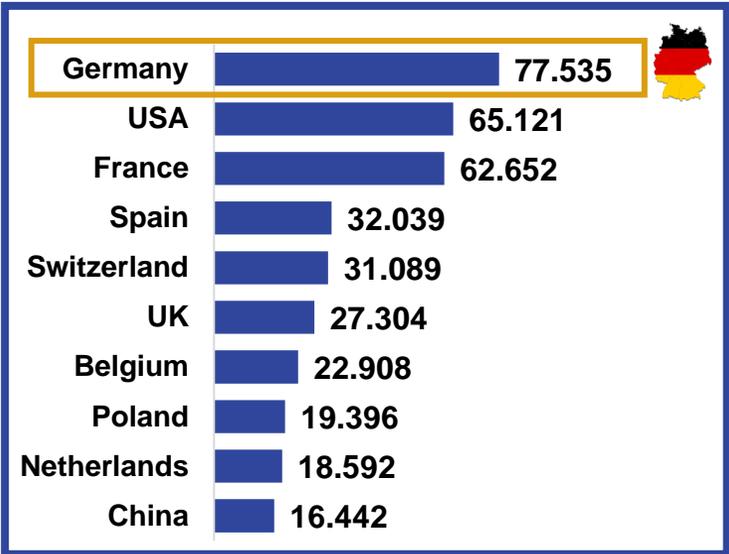
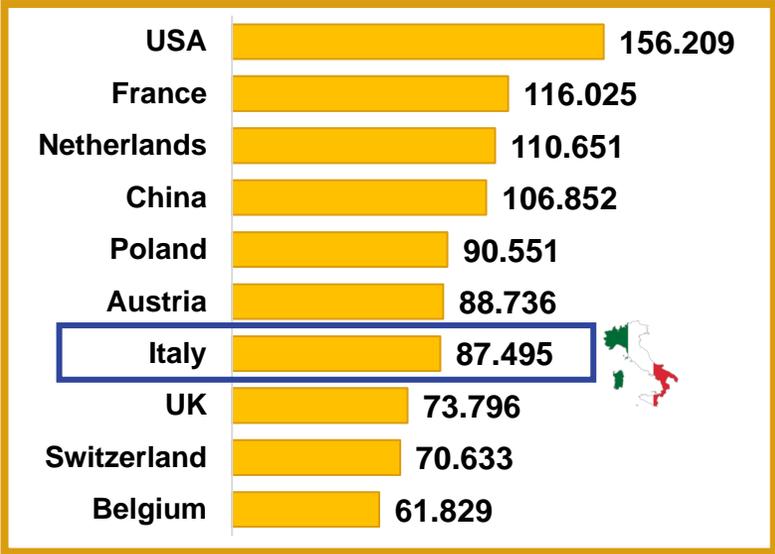
Lombardy - 56.2 billion/€
Veneto - 24.1 billion/€
Emilia-Romagna - 19 billion/€



Baden-Württemberg - 34.2 billion/€
Bavaria - 27.8 billion/€
North Rhine-Westphalia - billion/€ 27.4

Top 10 Partners in 2022

(exports, in millions of Euro)



Italy and Germany guarantee different advantages, that's why Italy-Germany relationship is important

Companies

Of companies think that ITALY-GERMANY relationship is an advantage

76%

MAIN ADVANTAGES OF...

... ITALY

At least one: 73%

Not high labour costs 30%

Presence of public incentives 21%

Ease of finding qualified personnel 20%

Not high production costs 19%

... GERMANY

At least one: 88%

Little bureaucracy/simplification 39%

Ease of finding qualified personnel 31%

Not high taxation level 18%

Ease of access to credit 18%

For the future the majority is thinking to increase or keep the same as now the activities in Italy or Germany

Companies



Among companies that have at least one activity in Italy,

86% would like to increase or keep the same as now the relationship with ITALY



Among companies that have at least one activity in Germany,

91% would like to increase or keep the same as now the relationship with GERMANY

There is a high propensity to recommend investments in Italy and Germany

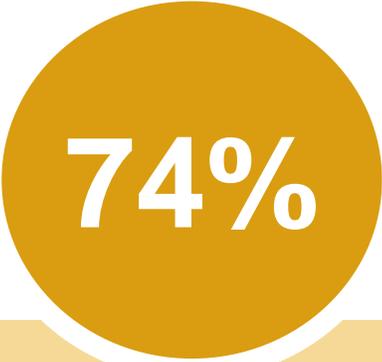
Companies

PROPENSITY TO RECOMMEND INVESTING IN ITALY



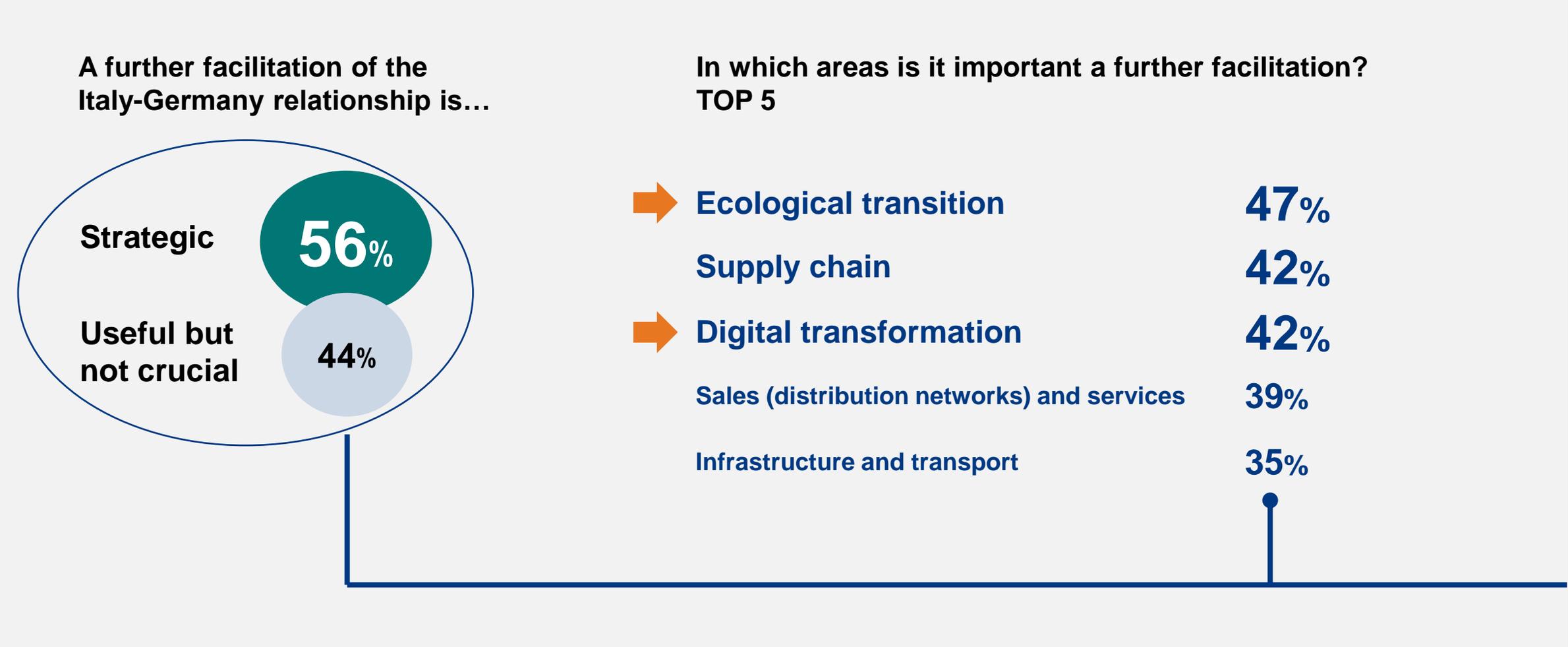
Certainly + probably yes

PROPENSITY TO RECOMMEND INVESTING IN GERMANY



Certainly + probably yes

A further facilitation of Italy-Germany relationship, mainly in ecological transition, supply chain and digital transformation, is important



Key points

- Italy and Germany enjoy the **best reputation** in the EU context. In **Germany** there is a **more positive** context than in Italy: consumers have a **higher level of confidence** and people are more satisfied for their economic situation (53% vs 29%). However, if we consider **future perspectives** the gap between Italy and Germany shrinks: 35% in Italy and 42% in Germany think that their country is going in the right direction.
- Italy and Germany are above the average when it comes to **consumers' trust in companies** and their leaders. However, there is **room for improvement**, boosting credibility and through more transparency on their commitment to issue who are perceived as very important. Responsibility is the key.
- Investments in **digital transformation and staff training** are the most common investments. Only 32% of companies have done investments in **ecological transitions**, and most of them are focused on **energy efficiency** with circular economy and use of renewable energy lacking behind.
- Companies in both countries are **satisfied with their economic situation**, but they face many issues. **Ecological and green transition**, together with supply chain, is the main priority, with many companies suffering from bureaucracy burden or difficulties in financing projects.
- **Economic relationship between Italy and Germany**, which has been growing constantly in the past years, is seen as **an advantage** for the great majority of companies, and many of them see it as a strategic asset. As a result, companies would **recommend investing in the other country** and are planning to increase their relationship with the other country.

Recommendations

- It is of strategic importance to **boost investment in ecological transitions**, in particular regarding circular economy and renewable energy. For this reason, creating a **legislative framework** to boost investments in necessary, and a **public-private partnership** is needed in order to grant a consistent plan of development.
- **Stronger cooperation between Italy and Germany** on digital and ecological transformation would be a key factor in granting a bright future for both countries, the EU and the planet. In this perspective, a **binational strategy** should be discussed by the governments and implemented together with organizations representing sector of society and economy, including companies.
- Both countries greatly value the possibility to find qualified personnel in the other country. Since skills will become even more strategic in the coming years, a network to boost research, development and training could prove crucial in creating job and new business model, sharing knowledge and best practices. **Education and professional training should therefore be more harmonized between Italy and Germany.**

THANK YOU