



Italy

Overview

EIB INVESTMENT SURVEY

2021

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EIB Investment Survey Country Overview: Italy

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About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment, which has been administered since 2016, is a unique, annual survey of some 13 500 firms. It covers firms in all European Union Member States and also includes a sample of firms in the United Kingdom and the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that firms face, such as climate change and digital transformation. The EIBIS, which uses a stratified sampling methodology, is representative across all 27 EU Member States, the United Kingdom and the United States, as well as across four classes of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. The EIBIS was developed by the EIB Economics Department. It is managed by the department with the support of Ipsos MORI.

About this publication

The series of reports provide an overview of data collected for the 27 EU Member States, the United Kingdom and the United States. The reports are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value-added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

Download the findings of the EIB Investment Survey for each EU country or explore the data portal at www.eib.org/eibis.

About the Economics Department of the EIB

The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy and policy. The department and its team of 40 economists is headed by Debora Revoltella, director of economics.

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Disclaimer

The views expressed in this publication are those of the authors and do not necessarily reflect the position of the EIB.

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Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 200 research staff in London and Brussels focus on public service and policy issues. Our research makes a difference for decision makers and communities.

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EIBIS 2021 – Italy

KEY RESULTS

Investment Dynamics and Focus

Firms in Italy have become more optimistic in 2021 in terms of investment prospects. More firms (24% net) expect to increase investment rather than decrease it. This represents a considerable shift from EIBIS 2020 and is above the EU average (18% net).

Impact of COVID-19

COVID-19 had a strong impact on Italian firms, with 49% of firms reporting a decline in their sales or turnover compared to the beginning of 2020, in line with the EU average. SMEs were hit much more severely than large firms (53% of SMEs, versus 43% for large firms, reported a decline in sales). COVID-19 also had an impact on investment plans, with 25% of firms having revised their investment plans downwards.

Asked about the short-term actions due to COVID-19, digitalisation stood out with 40% Italian firms saying that they have taken action or made investment to become more digital. 35% of Italian firm have also developed new products or processes as a reaction to the pandemic.

Investment Needs and Priorities

COVID-19 will undeniably have a long-term impact on needs and priorities. Again, digitalisation stands out, with the majority of firms indicating that they expect COVID-19 to lead to an increased use of digital technologies in the long-term (56%), even more than they did in EIBIS 2020 (44%).

There has been a decline in the share of firms operating at or above full capacity in 2020 (from 50% to 38%). Nevertheless, firms in Italy do not perceive major gaps in their investment. In spite of the difficult circumstances, most firms in Italy (85%) believe they have invested about the right amount over the last 3 years.

Innovation Activities

Around half (46%) of Italian firms have developed or introduced new products, processes or services as part of their investment activities. Nearly two out of three firms (65%) have implemented at least one of the advanced digital technologies they were asked about.

Drivers and Constraints

On balance, firms in Italy are more positive than their EU counterparts overall. The expectations for the political and regulatory climate improves since EIBIS 2020 and becomes positive (+22%). In contrast, the EU remain pessimistic (-15%). Italian firms are also positive in net term in terms of economic and business prospects.

Uncertainty about the future is the most commonly cited long-term barrier to investment (84%) followed by labour market regulations (72%). The share of firms citing uncertainty about the future as a barrier has declined since EIBIS 2020 (84% versus 96% in EIBIS 2020).

Investment Finance

Access to finance conditions remained benign. Only 7% of all firms in Italy can be considered as external finance constrained, similar to EIBIS 2020 and the EU average, even though it marks a change (not statistically significant) in the opposite direction. Moreover, firms that used external finance in 2020 are generally satisfied with the finance received.

As a result of the COVID-19 crisis, 28% of firms in Italy increased their debt, more than the EU average (16%). Public support to most affected firms was important: nearly three quarters (72%) of all firms in Italy received some financial support in response to COVID-19, more than the EU average of 56%. Subsidies or support that do not need to be paid back (43%) and new subsidised or guaranteed credit (40%) were the most prevalent forms of support received in Italy.

Climate Change and Energy Efficiency

A relevant share of Italian firms feel the effect of climate change: 59% of firms see climate change as currently having an impact on their business. Italian firms are starting to internalize the risks associate with the transition to net zero, but only 17% see the transition as a risk to their business and a quarter of all firms see this transition as an opportunity, instead.

There has been a decline in the share of firms who have already invested to tackle the impacts of climate change (35%, from 42% in EIBIS 2020), while the percentage of firms that plan to invest has remained stable (43%). More than a third of all firms also invested in measures to improve energy efficiency in 2020. Moreover, 47% of Italian firms report to have set and monitored internal targets on carbon emissions and energy consumption.

Firm management, gender balance and employment

When asked about several management practices, 74% of Italian firms claim to have striven for gender balance, above the EU average (60%). In addition, 60% of firms in the country report having made use of a strategic monitoring system in 2020. Moreover, 68% linked individual performance to pay. Overall firms in Italy have not experienced a large change in employment during the COVID-19 pandemic. SMEs experienced the biggest impact, with a negative change in employment of -1.3%.

Investment Dynamics and Focus

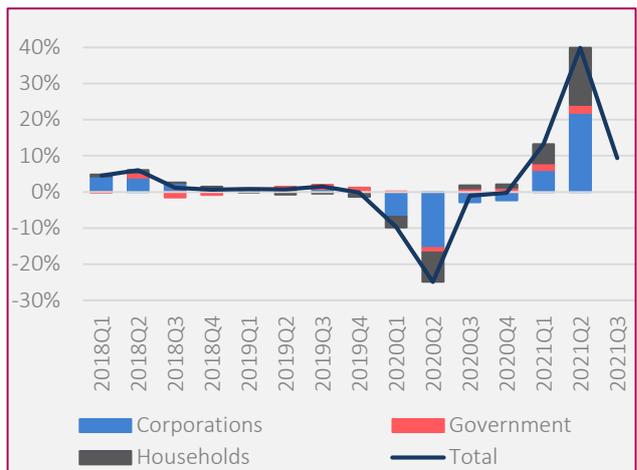
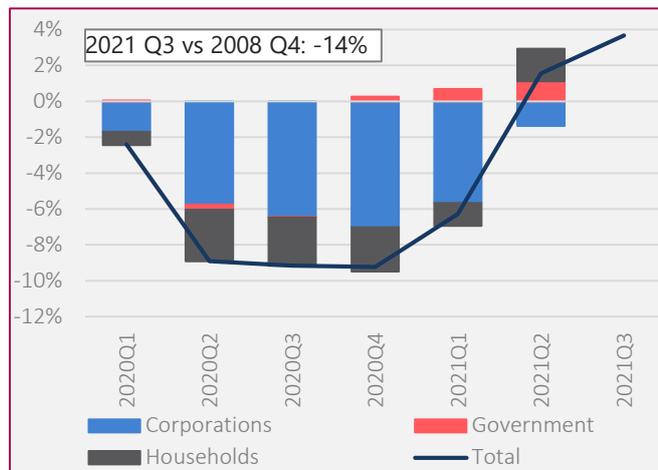
INVESTMENT DYNAMICS BY INSTITUTIONAL SECTOR

With the COVID-19 crisis abruptly affecting the economy, investment in Q2 2020 dropped to 9% below the pre-crisis level in the last quarter of 2019.

The biggest drop was driven by the corporate sector, followed by households. Public investment

was less impacted and turned positive again relative to pre-crisis levels at the end of 2020.

There are strong signs of recovery, with investment experiencing a significant rebound starting from Q1 2021 and total investment surpassing the pre-crisis levels from Q2 2021 onwards.



The graph on the left shows the evolution of total Gross Fixed Capital Formation (in real terms); by institutional sector. The data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF. The four-quarter sum of total GFCF in 2019 Q4 is normalized to 0. Source: Eurostat
The graph on the right shows the year-on-year growth of total gross fixed capital formation (in real terms); by institutional sector. The data are deflated using the implicit deflator for total GFCF. Source: Eurostat.

INVESTMENT CYCLE AND EVOLUTION OF INVESTMENT EXPECTATIONS

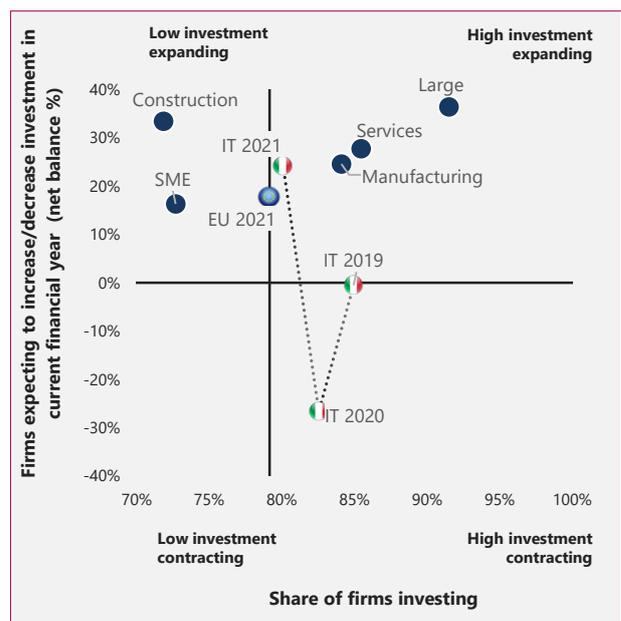
After the abrupt drop in investment in the first half of 2020, the Italian economy is gaining momentum. In line with this, Italian firms are becoming more optimistic for 2021. The balance between firms expecting to increase investment rather than decrease it has become strongly positive, a considerable shift with respect to EIBIS 2020. This is particularly true for large firms: they both invested more in 2020 and hold a more positive outlook for 2021 compared to SMEs.

The realised change in EIBIS 2021 is better than what firms anticipated in the last edition of the EIBIS survey.



'Realised change' is the share of firms who invested more minus those who invested less; 'Expected change' is the share of firms who expect(ed) to invest more minus those who expect(ed) to invest less.

Base: All firms



Share of firms investing shows the percentage of firms with investment per employee greater than EUR 500. The y-axis line crosses x-axis on the EU average for EIBIS 2021.

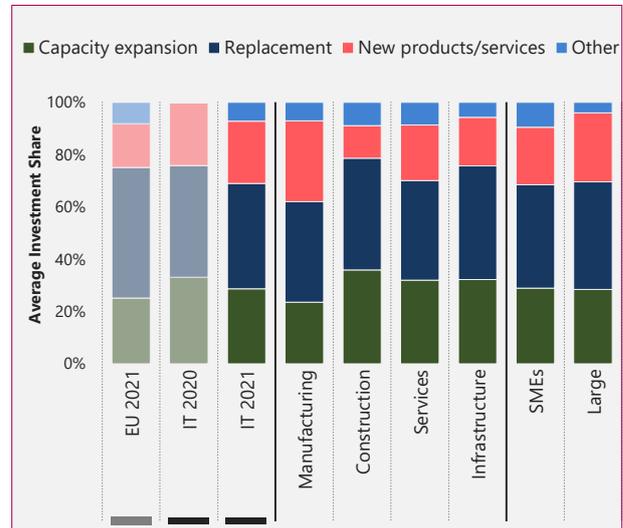
Base: All firms (excluding don't know/refused responses)

Investment Dynamics and Focus

PURPOSE OF INVESTMENT IN LAST FINANCIAL YEAR (% of firms' investment)

On average, Italian firms spent two fifths (40%) of their investment on replacement in 2020, in line with what was reported in EIBIS 2020 (43%) but below the EU average (50%). Investment in capacity expansion accounted for more than a quarter (29%) of the total, that is slightly less than what was reported in EIBIS 2020 (33%) but more than the EU average (25%).

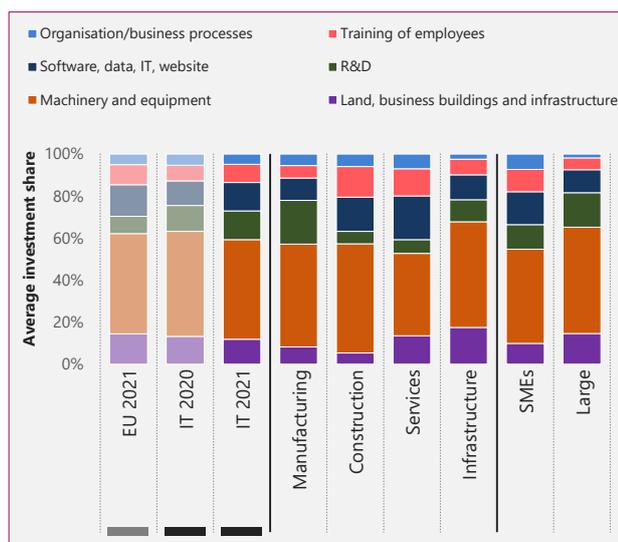
Investment in new products and services accounted for 24% of the total investment, more than the EU average (17%). In this respect, manufacturing firms (31%) were particularly active in updating their product portfolio (and much higher than the EU average of 21% for manufacturing firms).



Q. What proportion of total investment was for (a) replacing capacity (including existing buildings, machinery, equipment, IT) (b) expanding capacity for existing products/services (c) developing or introducing new products, processes, services?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

INVESTMENT AREAS



Out of the six investment areas considered, the highest share of investment in 2020 went into machinery and equipment (47%), followed by research and development (14%), software, data, IT and website activities (14%) and land, business buildings and infrastructure (12%).

The reported share for machinery and equipment is in line with the share reported in EIBIS 2020 (50%) and with the average for the EU (48%). The pattern for the other investment areas also remains broadly in line with EIBIS 2020 findings.

Manufacturing firms tend to have allocated a larger share of their investment to R&D (21%) than other sectors (ranging from 6% to 11%).

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?

Base: All firms who have invested in the last financial year (excluding don't know/refused responses)

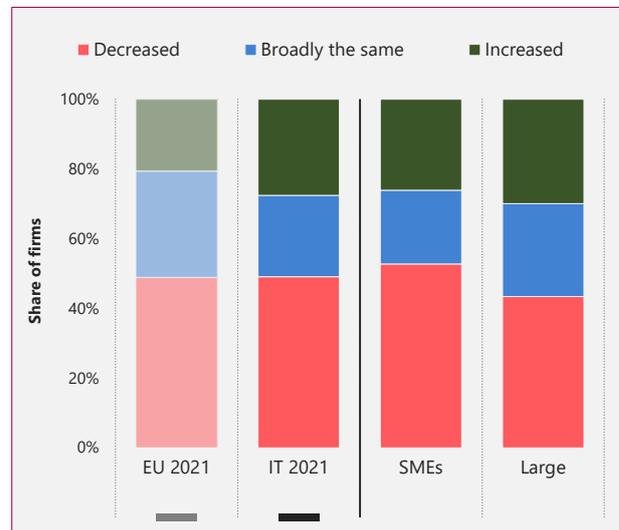
Impact of COVID-19

IMPACT OF COVID-19 ON SALES

COVID-19 affected firms in various ways. Around half (49%) of firms in Italy report a decline in their sales or turnover due to COVID-19 when compared to the beginning of 2020, identical to the EU average (49%).

More than a quarter (28%) of firms in Italy have experienced an increase in sales or turnover, much higher than among EU firms (21%).

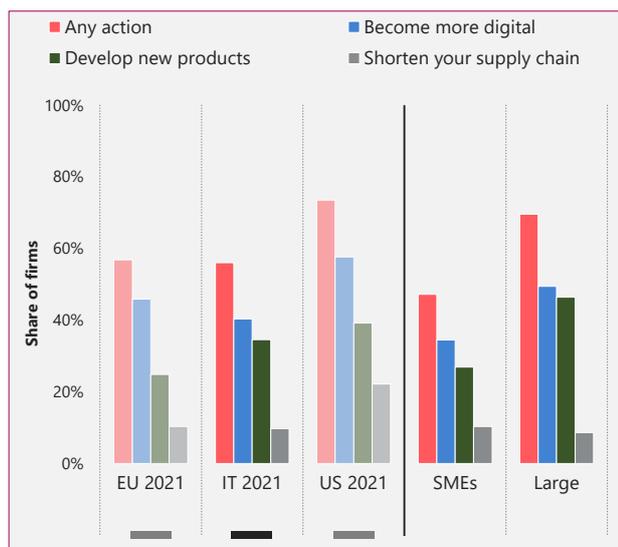
The share of SMEs having experienced a decline in sales or turnover is higher (53%) than among large firms (43%). The gap between large firms and SMEs is wider than in Italy than for the EU overall.



Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020?

Base: All firms (excluding don't know/refused responses)

SHORT-TERM ACTIONS AS A RESULT OF COVID-19



More than half of firms (56%) have taken at least one of the three short-term measures they were asked about, broadly in line with the EU (57%). The most cited area of action or investment is to become more digital, as two fifths (40%) of Italian firms have taken action or made investment to become more digital due to COVID-19, in line with the EU average (46%). Over a third (35%) have taken action or made investments to develop new products in response to the COVID-19 pandemic, higher than the EU average (25%). This is coherent with the purpose of investment (in new products) suggested in the previous page.

Large firms are more likely to have taken at least one of the short-term actions asked about in response to COVID-19 than SMEs, particularly in the areas of becoming more digital (49% versus 35% for SMEs) and development of new products (46% versus 27% for SMEs). Again, the difference between large and SMEs is somewhat larger in Italy than in the EU overall.

Q. As a response to the COVID-19 pandemic, have you taken any actions or made investments to...?

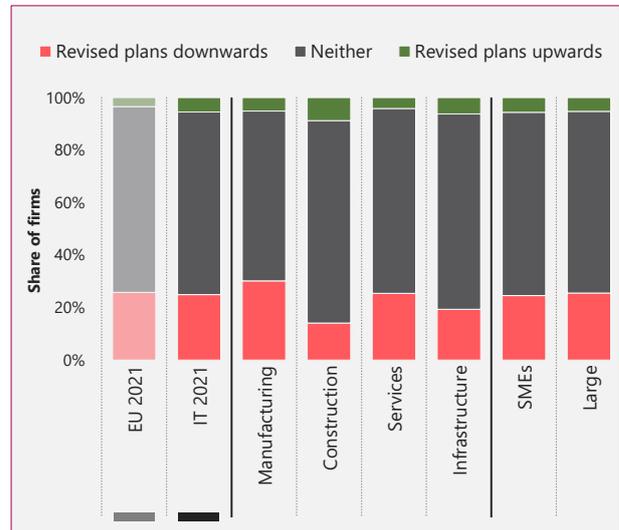
Base: All firms (excluding don't know/refused responses)

Impact of COVID-19

IMPACT OF COVID-19 ON INVESTMENT

COVID-19 also had an impact on investment plans, with a quarter (25%) of firms in Italy having revised their investment plans downwards as a result of COVID-19 and only 5% having revised their investment plans upwards. This is in-line with the average trend for the EU.

Firms in the manufacturing (30%) and services (25%) sectors are the most likely to have revised their investment plans downwards as a result of the pandemic. Construction sector (14%) firms were the least impacted.

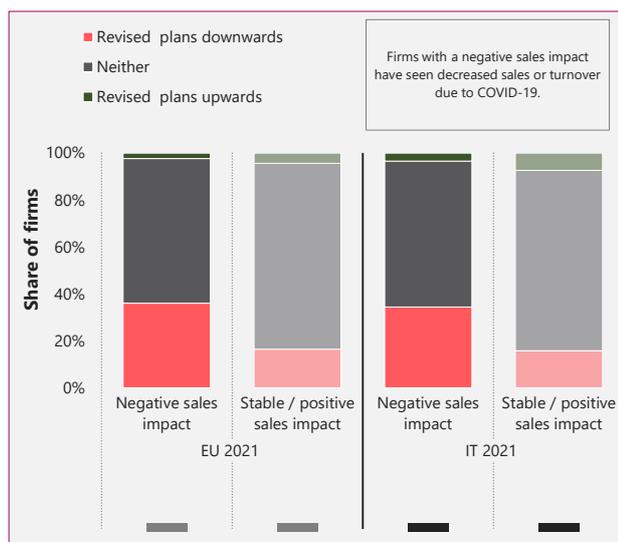


Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Q. You mentioned revising your investment plans due to the COVID-19 pandemic. Did you revise them upward or downward?

Base: All firms (excluding don't know/refused responses)

DIFFERENCES IN IMPACT OF COVID-19 ON INVESTMENT



Overall, firms whose sales or turnover had been negatively impacted by COVID-19 are more likely to have revised their investment plans downwards compared to firms whose sales or turnover had been buoyant (34% versus 16% respectively).

The share of firms in Italy who have experienced a negative sales impact is similar to the EU average (34% versus 36% respectively).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

Q. What has been the impact so far of the COVID-19 pandemic on your company's sales or turnover compared to the beginning of 2020? Has it...?

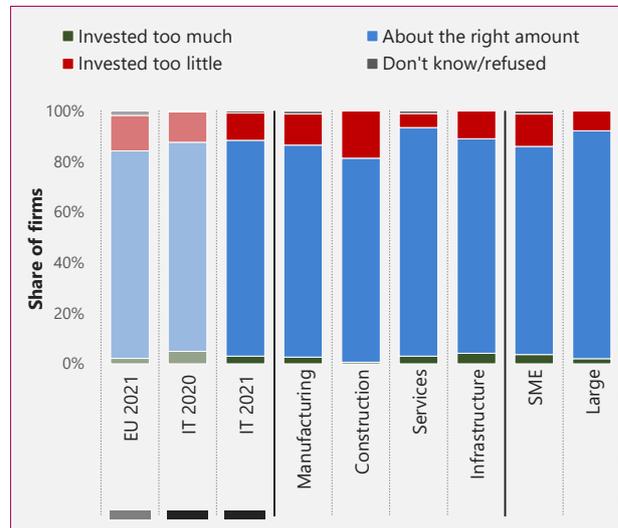
Base: All firms (excluding don't know/refused responses)

Investment Needs and Priorities

PERCEIVED INVESTMENT GAP

Firms in Italy do not perceive major gaps in their investment. Despite the difficult circumstances, the majority of firms in Italy (85%) believe they have invested about the right amount over the last 3 years. This is similar to the share reported in EIBIS 2020 (83%) and the EU average (82%).

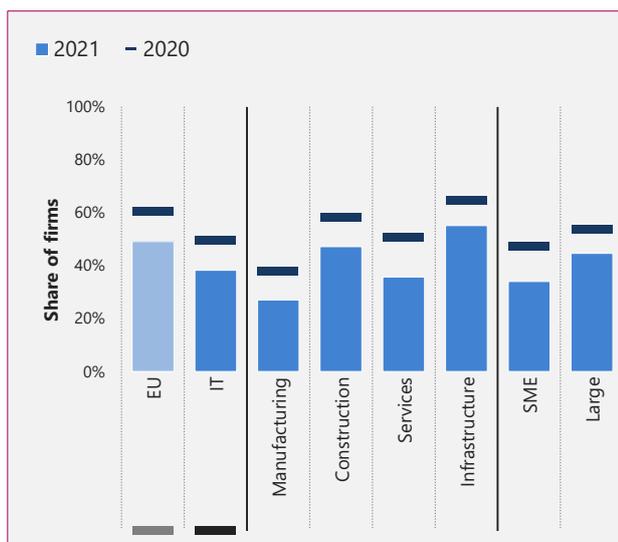
Only 11% of firms in Italy consider their investments over the past three years to be too little. Firms in the construction sector are the most likely to believe they have invested too little (19%) while those in the services sector are the least likely to do so (6%).



Q. Looking back at your investment over the last 3 years, was it too much, too little, or about the right amount?

Base: All firms (excluding 'Company didn't exist three years ago' responses)

SHARE OF FIRMS AT OR ABOVE FULL CAPACITY



The share of firms in Italy operating at or above full capacity has declined (38% in EIBIS 2021 versus 50% in EIBIS 2020) and is lower than the EU average (49%).

Firms in the infrastructure and construction sectors were more likely to operate at or above full capacity (55% and 47% respectively) compared to firms in services and manufacturing sectors (36% and 27% respectively).

Full capacity is the maximum capacity attainable e.g. company's general practices regarding the utilization of machines and equipment, overtime, work shifts, holidays etc.

Q. In the last financial year, was your company operating above or at maximum capacity attainable under normal circumstances?

Base: All firms (data not shown for those operating somewhat or substantially below full capacity)

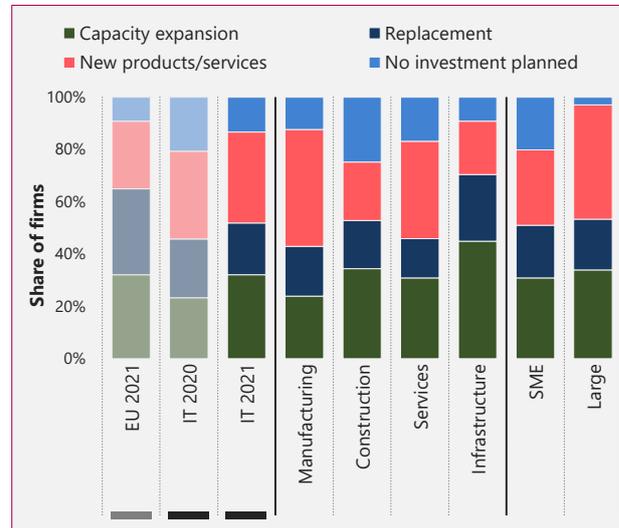
Investment Needs and Priorities

FUTURE INVESTMENT PRIORITIES (% of firms)

Developing or introducing new products, processes, services is the most commonly cited investment priority for the next 3 years (35% versus an EU average of 26%). In line with EIBIS 2020, manufacturing sector firms (45%) and large firms (44%) are still particularly keen on prioritizing this kind of investment.

The share of firms prioritizing capacity expansion has increased (32% in EIBIS 2021 versus 23% in EIBIS 2020). Conversely, the share of firms with no investment planned has fallen (13% in EIBIS 2021 versus 21% in EIBIS 2020).

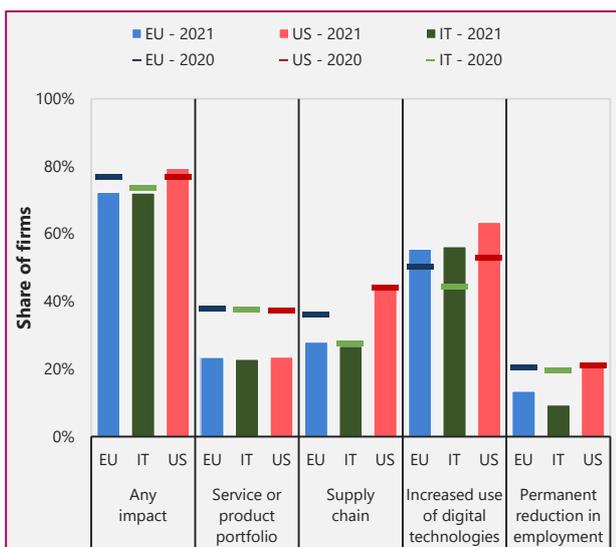
Firms in the infrastructure sector are the most likely to prioritise capacity expansion (45%) while firms in manufacturing are least likely to do so (24%).



Q. Looking ahead to the next 3 years, which is your investment priority (a) replacing existing buildings, machinery, equipment, IT; (b) expanding capacity for existing products/services; (c) developing or introducing new products, processes, services?

Base: All firms (excluding don't know/refused responses)

COVID-19 LONG-TERM IMPACT



COVID-19 will undeniably have a long-term impact on needs and priorities: nearly three-quarters of firms (72%) expect the COVID-19 outbreak to impact their business, in at least one of the aspects they were asked about, identical to the EU average (72%).

Digitalisation stands out, with more than a half of firms expecting COVID-19 to lead to an increased use of digital technologies (56%), higher than what was reported in EIBIS 2020 (44%) but in line with the EU average (55%).

Q. Do you expect the COVID-19 outbreak to have a long-term impact on any of the following?

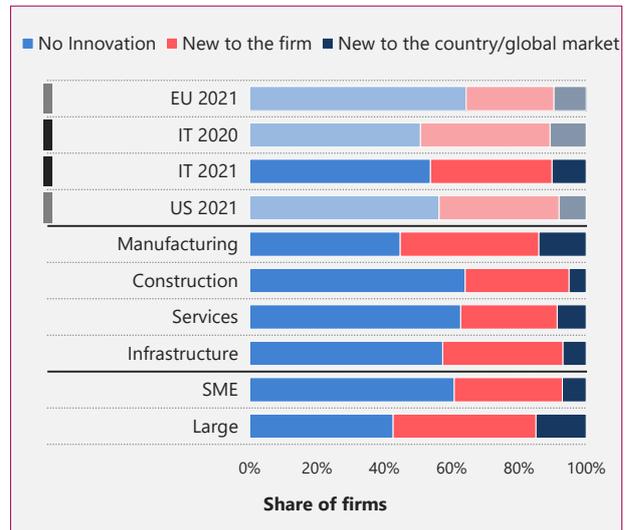
Base: All firms

Innovation Activities

INNOVATION ACTIVITY

Around a half (46%) of firms in Italy developed or introduced new products, processes or services as part of their investment activities in 2020; including 10% of firms who claim to have undertaken innovation that is new to the country or the global market. This is in line with what was reported in EIBIS 2020 (49%) and higher than the EU average (36%).

Large firms and firms in the manufacturing sector are the most likely to have innovated in 2020 (57% and 55% respectively).

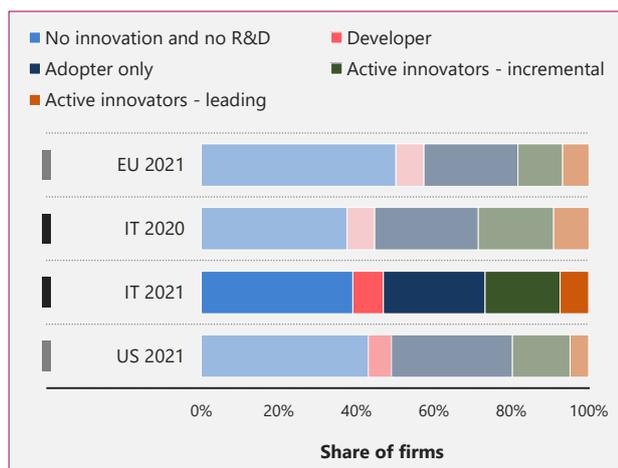


Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Base: All firms (excluding don't know/refused responses)

INNOVATION PROFILE



Q. What proportion of total investment was for developing or introducing new products, processes, services?

Q. Were the products, processes or services new to the company, new to the country, new to the global market?

Q. In the last financial year, how much did your business invest in Research and Development (including the acquisition of intellectual property) with the intention of maintaining or increasing your company's future earnings?

Base: All firms (excluding don't know/refused responses)

When firms' innovation and research and development behaviour is profiled more widely, 27% of firms in Italy can be classified as 'active innovators', and a further 8% of firms as 'developers'.

This breakdown is broadly in line with the one reported in EIBIS 2020 (classifying 29% of firms as 'active innovators' and 7% of firms as 'developers') and remains above the average for the EU (with 18% 'active innovators' and 7% 'developers').

The 'No innovation and no R&D' group comprises firms that did not introduce any new products, processes or services in the last financial year. The 'Adopter only' introduced new products, processes or services but without undertaking any of their own research and development effort. 'Developers' are firms that did not introduce new products, processes or services but allocated a significant part of their investment activities to research and development. 'Incremental' and 'Leading innovators' have introduced new products, processes and services and also invested in research and development activities. The two profiles differ in terms of the novelty of the new products, processes or services. For incremental innovators these are 'new to the firm'; for leading innovators these are new to the country/world.

Innovation Activities

IMPLEMENTATION OF ADVANCED DIGITAL TECHNOLOGIES

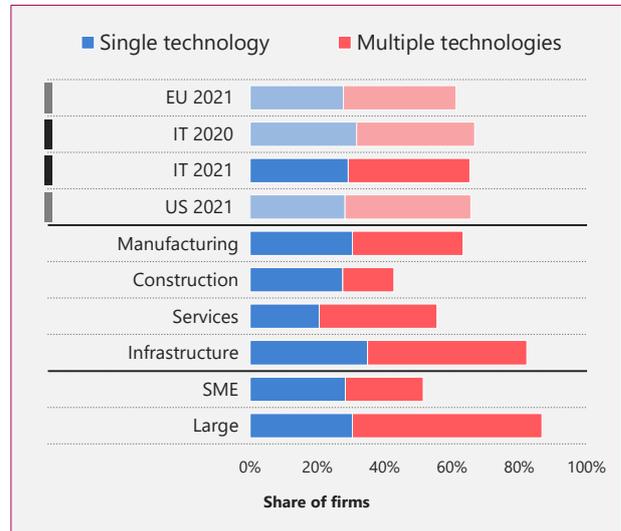
Nearly two in three firms (65%) have implemented at least one of the advanced digital technologies they were asked about. This is in line with the EU average (61%).

Firms in the infrastructure sector are the most likely to have implemented at least one of the advanced digital technologies (82%) while those in the construction sector are the least likely to have done so (43%).

Large firms are considerably more likely than SMEs to have implemented multiple advanced digital technologies (56% versus 23%). This share is also much larger than the EU average, again pointing to a wide size-related divide in Italy.

Firms in Italy report a higher uptake of platform technologies (62%) and internet of things (38%) when compared to the EU averages (48% and 29% respectively).

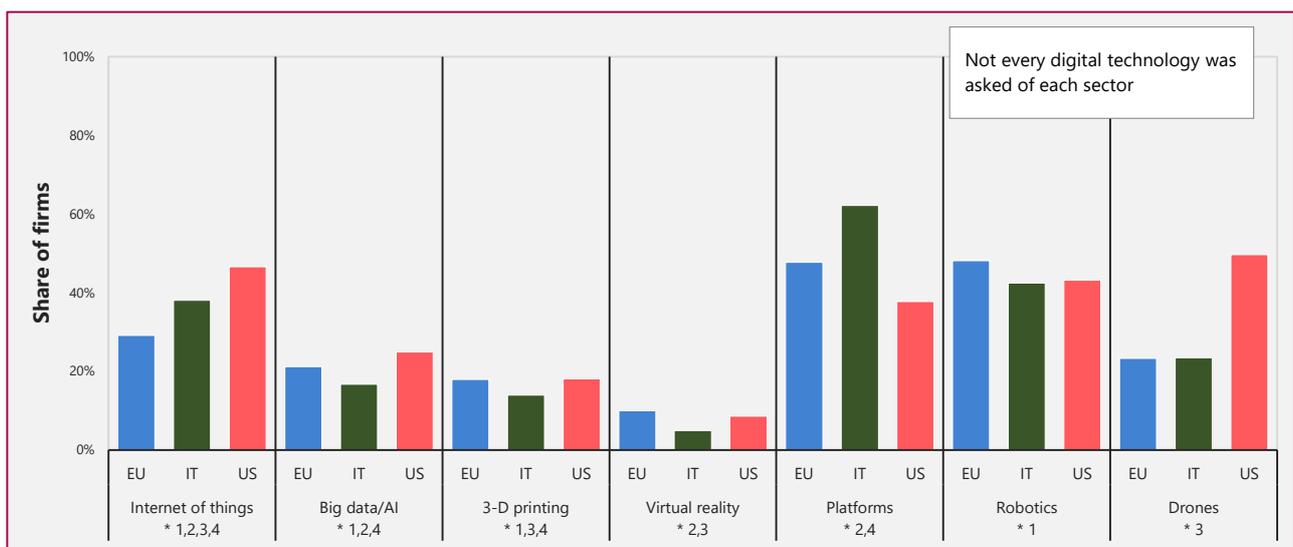
Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?



Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

Base: All firms (excluding don't know/refused responses)

ADVANCED DIGITAL TECHNOLOGIES



* Sector: 1 = Asked of Manufacturing firms, 2 = Asked of Services firms, 3 = Asked of Construction firms, 4 = Asked of infrastructure firms

Q. Can you tell me for each of the following digital technologies if you have heard about them, not heard about them, implemented them in parts of your business, or whether your entire business is organised around them?

Reported shares combine implemented the technology 'in parts of business' and 'entire business organised around it'

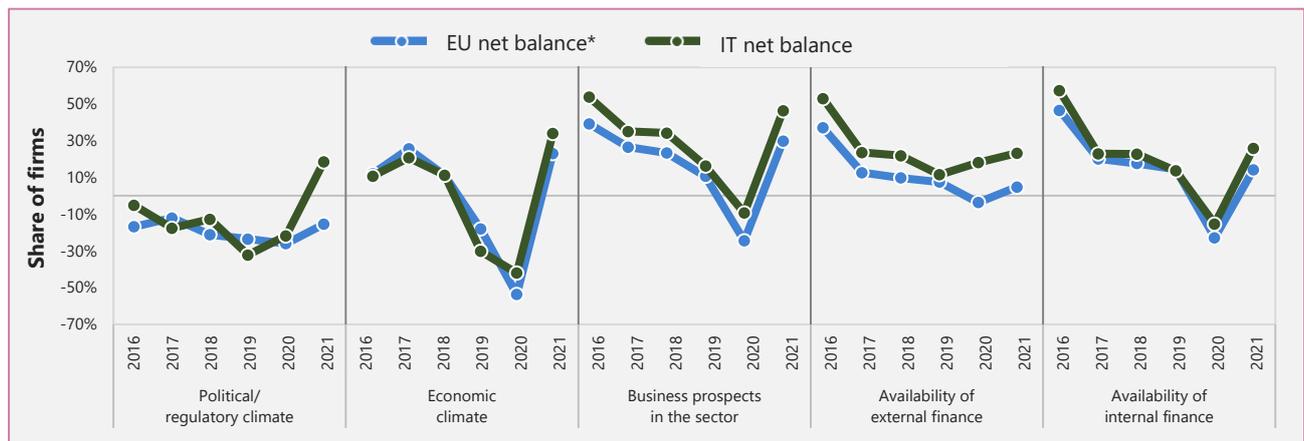
Base: All firms (excluding don't know/refused responses);
Sample size IT: Manufacturing (237); Construction (122); Services (120); Infrastructure (114)

Drivers And Constraints

SHORT-TERM FIRM OUTLOOK

On balance, firms in Italy have become increasingly optimistic, and they are now positive on all the measures they were asked about. In addition, firms in Italy are also more optimistic than their EU counterparts overall.

While EU firms remain pessimistic about the political/regulatory climate (-15%), firms in Italy have become positive, with expectations for the political and regulatory climate increasing from -22% to +22%.

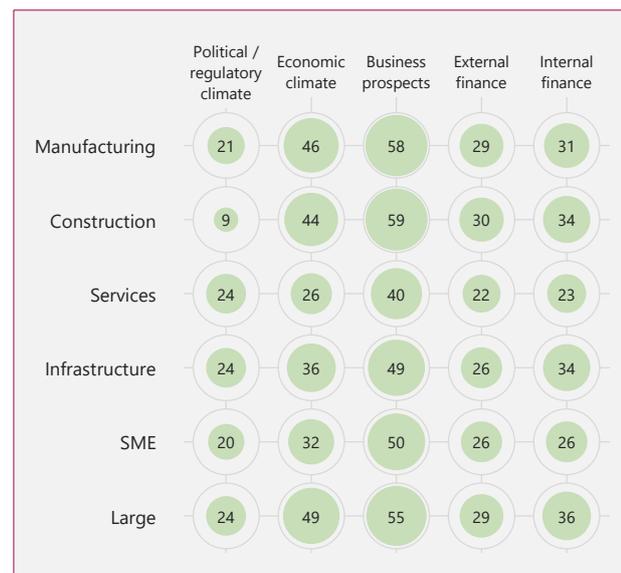


Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

*Net balance is the share of firms seeing improvement minus the share of firms seeing a deterioration

Base: All firms

SHORT-TERM FIRM OUTLOOK BY SECTOR AND SIZE (NET BALANCE %)



Please note: green figures are positive, red figures are negative

Q. Do you think that each of the following will improve, stay the same, or get worse over the next twelve months?

Base: All firms

Firms in the construction (59%) and manufacturing (58%) sectors are more positive about their business prospects than firms in infrastructure (49%) and services (40%).

Large firms are more optimistic about the economic climate (49%) and the availability of internal financing (36%) compared to SMEs (32% and 26% respectively).

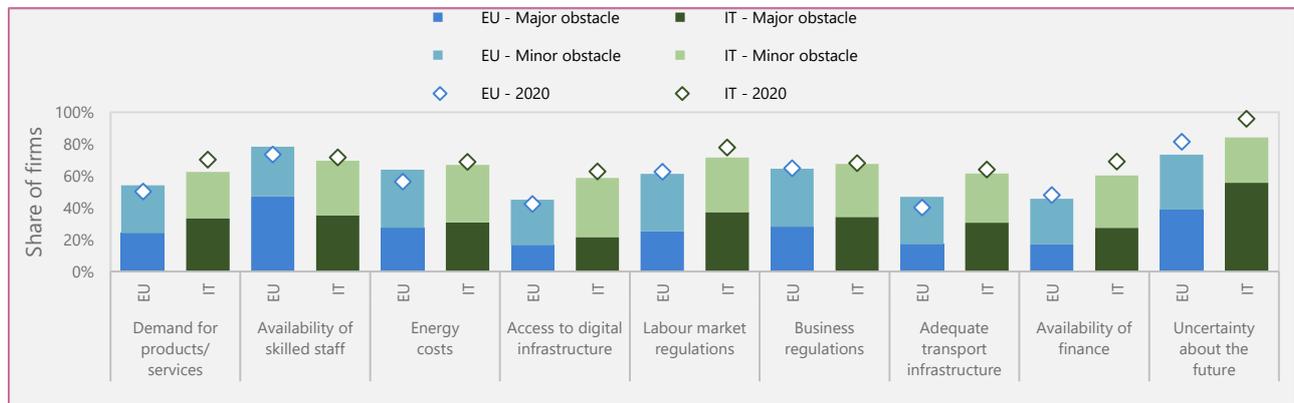
Drivers And Constraints

LONG-TERM BARRIERS TO INVESTMENT

Firms in Italy have a more severe perception of obstacles to investment than the EU average, and this is true for six out of the nine measures proposed as a barrier. This is particularly the case for uncertainty about the future, that is the most commonly cited long-term barrier to investment by Italian firms (84% versus 73% in EU average).

Nevertheless, this share of firms citing uncertainty about the future as a barrier has declined since EIBIS 2020 (96% in EIBIS 2020). The second most frequently cited obstacle is labour market regulations (72%).

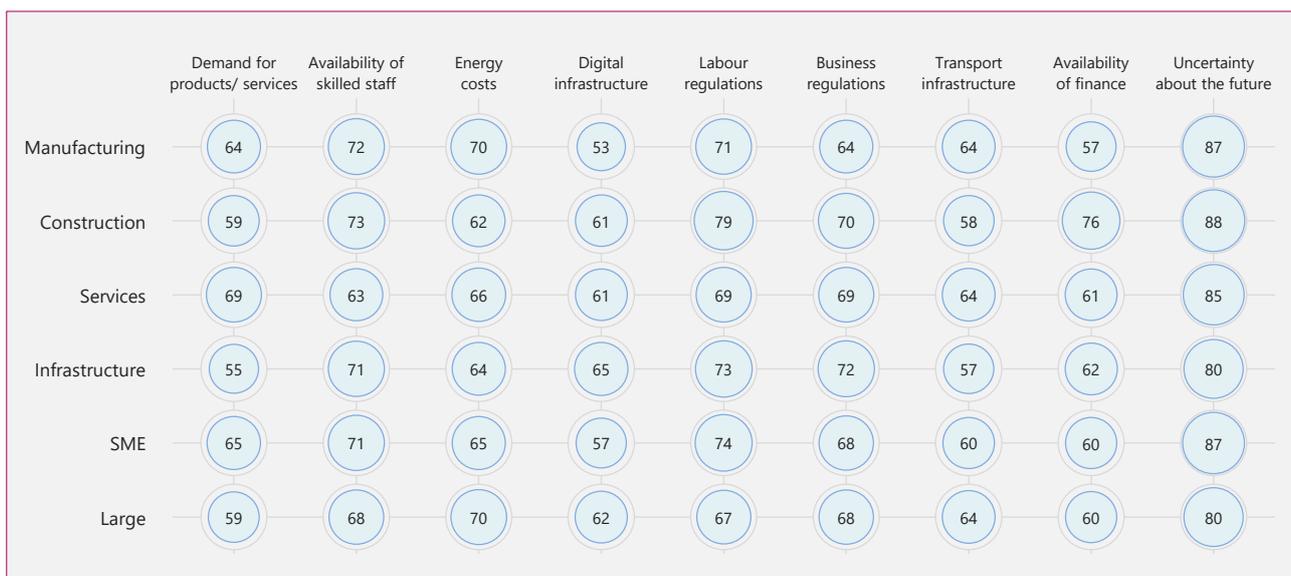
Fewer firms in Italy cite availability of skilled staff as a barrier than the EU average.



Q. Thinking about your investment activities in Italy, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

LONG-TERM BARRIERS BY SECTOR AND SIZE



Q. Thinking about your investment activities in Italy, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?

Reported shares combine 'minor' and 'major' obstacles into one category

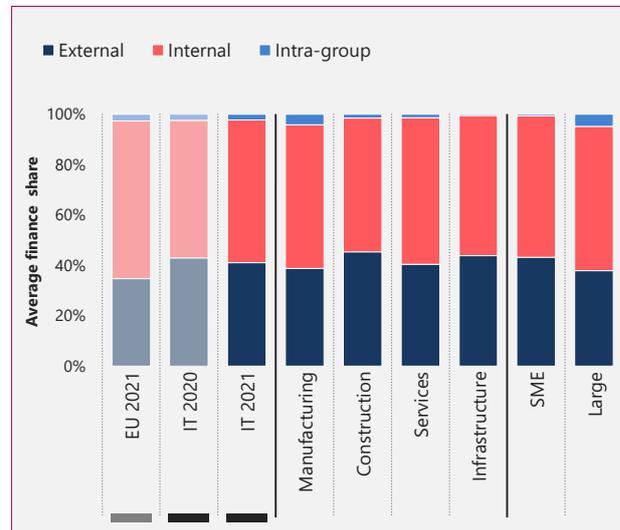
Base: All firms (data not shown for those who said not an obstacle at all/don't know/refused)

Investment Finance

SOURCE OF INVESTMENT FINANCE

Firms across Italy continued to fund their investment in 2020 mainly through internal finance (57%). This is broadly in line with what was reported in EIBIS 2020 (55%) and lower than the EU average (63%).

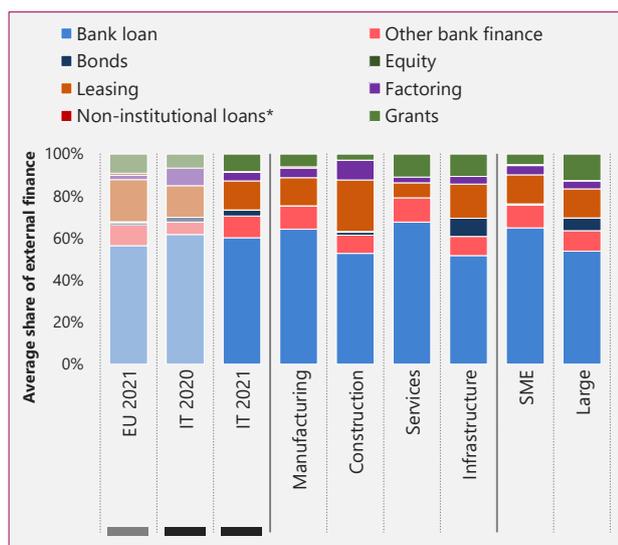
External finance made up 41% of the investment finance among firms in Italy while intra-group financing accounted for 2%. These are in line with the shares reported in EIBIS 2020 (43% and 2% respectively). There are no major differences in this feature according to size or sector.



Q. What proportion of your investment was financed by each of the following?

Base: All firms who invested in the last financial year (excluding don't know/refused responses)

TYPE OF EXTERNAL FINANCE USED FOR INVESTMENT ACTIVITIES



Bank loans continued to make up the highest share of external finance (60%) in line with the EU average (56%). Leasing and other bank finance accounted for the second and the third highest most common external financing used (14% and 10% respectively).

The share of bank loans was higher for services (68%) and manufacturing firms (64%) compared to construction (53%) and infrastructure (52%) firms. Bank loans also made up a larger share of investment finance for SMEs (65%) than for large firms (54%) and for the EU SME average (52%). Construction firms (25%) have the largest share of investment attributed to leasing compared to other sectors (ranging from 7% to 16%).

Q. Approximately what proportion of your external finance does each of the following represent?

*Loans from family, friends or business partners

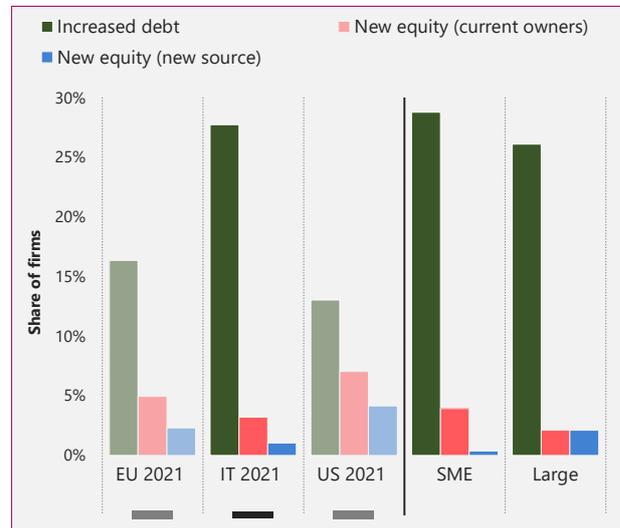
Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

Investment Finance

ACTIONS TAKEN AS A RESULT OF COVID-19

As a result of the COVID-19 crisis, 28% of firms in Italy increased their debt, which is above the EU average (16%).

Additionally, 3% of all firms in the country received new equity from their current owners and 1% raised equity from new sources.



Q. Has your company taken any of the following actions as a result of the COVID-19 pandemic?

Base: All firms (excluding don't know/refused responses)

SHARE OF FIRMS RECEIVING FINANCIAL SUPPORT IN RESPONSE TO COVID-19



Public support was substantial: nearly three quarters (72%) of all firms in Italy received some financial support in response to COVID-19. This share is higher than the EU average (56%) and in line with the fact that the country was one of the most hit by the pandemic. Subsidies or support that does not need to be paid back (43%) and new subsidised or guaranteed credit (40%) are the most prevalent forms of support received in Italy. Firms in Italy are more likely to have received every type of financial support than EU firms.

SMEs are more likely to have received support (76%) than large firms (65%). In particular, SMEs are more likely than large firms to have been granted access to new subsidised or guaranteed credit (46% versus 31% respectively) and to have received subsidies or other type of support which the company does not have to pay back (47% versus 36% respectively).

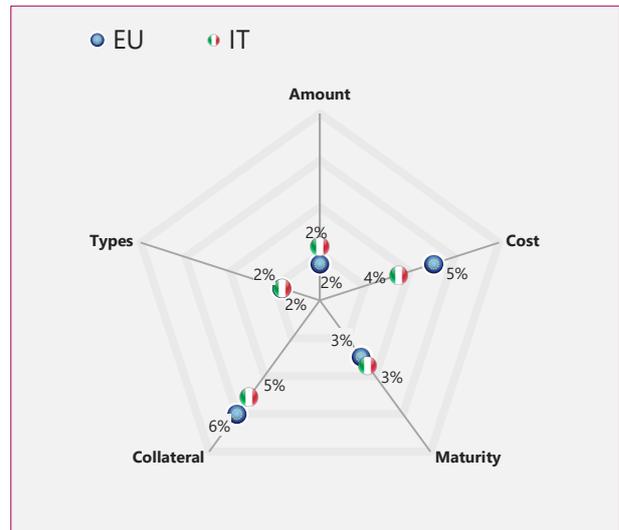
Q. Since the start of the pandemic, have you received any financial support in response to COVID-19? This can include finance from a bank or other finance provider, or government-backed finance

Base: All firms (excluding don't know/refused responses)

Access To Finance

DISSATISFACTION WITH EXTERNAL FINANCE RECEIVED

Firms that used external finance in 2020 are generally satisfied with the finance received. In Italy, 5% of firms are dissatisfied with the collateral needed for external finance and 4% with the cost of external finance received. This is in line with the EU averages.



Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

DISSATISFACTION BY SECTOR AND SIZE (%)



As mentioned above, overall dissatisfaction levels are low.

The dissatisfaction with the cost of external finance received was only cited by SMEs (6%) and was not mentioned by large firms.

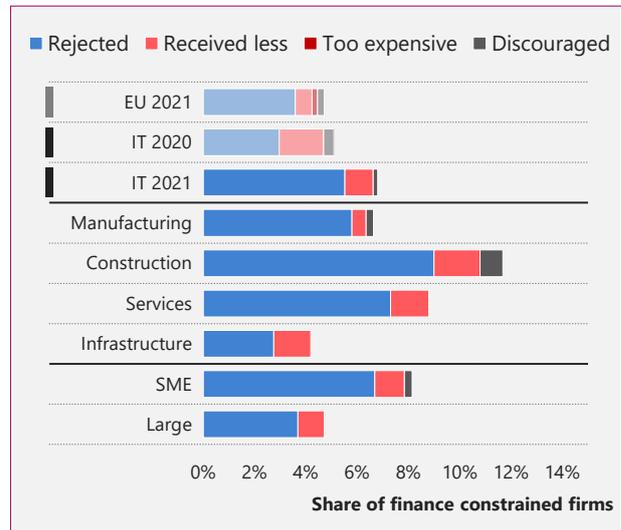
Q. How satisfied or dissatisfied are you with ...?

Base: All firms who used external finance in the last financial year (excluding don't know/refused responses)

Access To Finance

SHARE OF FINANCE CONSTRAINED FIRMS

Only 7% of all firms in Italy can be considered as external finance constrained, which is similar to the share reported in EIBIS 2020 and the EU average (both at 5%).



Finance constrained firms include: those dissatisfied with the amount of finance obtained (received less), firms that sought external finance but did not receive it (rejected) and those who did not seek external finance because they thought borrowing costs would be too high (too expensive) or they would be turned down (discouraged)

Base: All firms (excluding don't know/refused responses)

FINANCING CONSTRAINTS OVER TIME



There has been little change in the share of finance constrained firms in the Italy since EIBIS 2018 and converged to the EU average since then.

However this 7%, even though the movement is not qualified as statistically significant given the small percentage of firms that are constrained, marks an increase with respect to EIBIS 2020 and a movement in an opposite direction with respect to the EU. It will be worthwhile to monitor its evolution in the next wave of the survey.

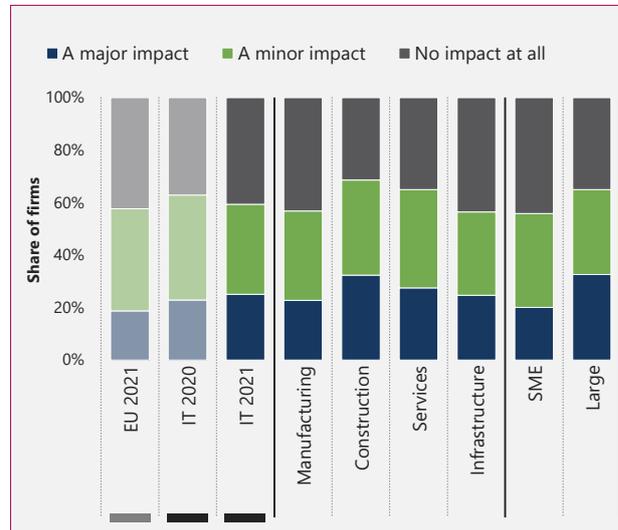
Base: All firms (excluding don't know/refused responses)

Climate Change and Energy Efficiency

IMPACT OF CLIMATE CHANGE – PHYSICAL RISK

A relevant share of Italian firms feel the effects of weather events: 59% of firms report that weather events are currently having an impact on their business. A quarter (25%) of firms see climate change and the related changes in weather patterns as having a major impact on their business, and a further 34% perceive these as having a minor impact. These figures are broadly in-line with EIBIS 2020 and above the EU average (19%) for the perception of a major impact of physical climate risk.

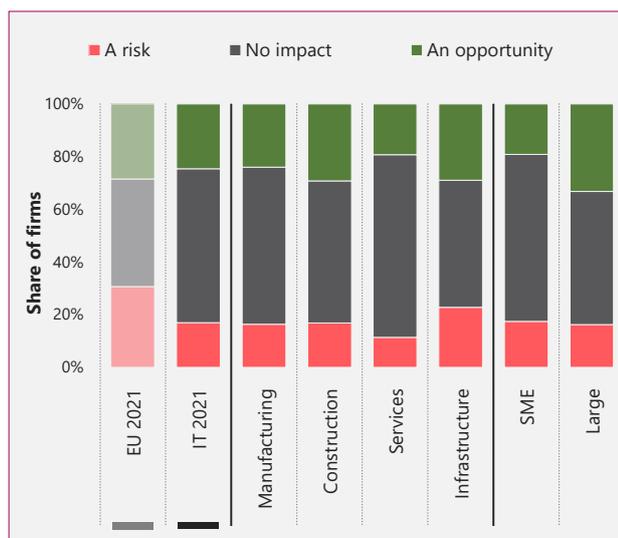
Firms in the construction (69%) and services (65%) sectors are more likely to say that climate change is impacting their business than firms in manufacturing (57%) and infrastructure (56%) sectors.



Q. Thinking about climate change and the related changes in weather patterns, would you say these weather events currently have a major impact, a minor impact or no impact at all on your business?

Base: All firms (excluding don't know / refused responses)

IMPACT OF CLIMATE CHANGE – RISKS ASSOCIATED WITH THE TRANSITION TO A NET ZERO EMISSION ECONOMY OVER THE NEXT FIVE YEARS



Italian firms are starting to internalise the risks associated with the transition to net zero. Firms in Italy have a slightly more optimistic outlook for the transition to stricter climate standards and regulations. Only 17% of all firms see the transition as a risk to their business, which is lower than the EU average (31%). In contrast a quarter (25%) of all firms see this transition as an opportunity, which is similar to the EU average (28%).

Large firms appear to be more optimistic than SMEs about the impact of the transition to stricter climate standards and regulations, with 33% perceiving this as an opportunity (compared to 19% of SMEs).

Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?

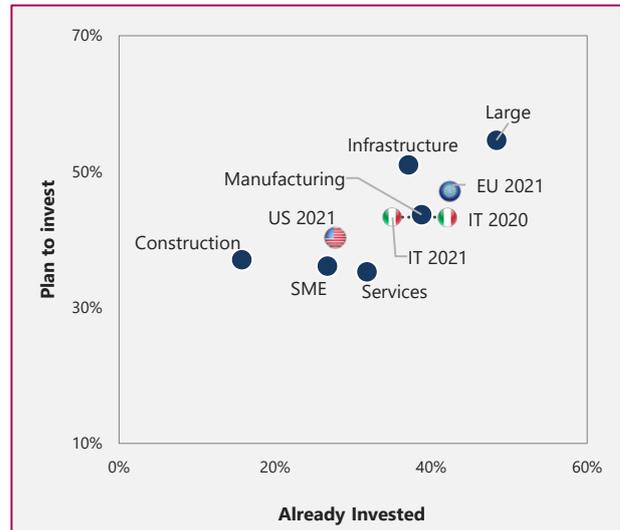
Base: All firms (excluding don't know / refused responses)

Climate Change and Energy Efficiency

INVESTMENT PLANS TO TACKLE CLIMATE CHANGE IMPACT

The proportion of firms who have already invested to tackle the impact of climate change has slightly fallen to 35%, from 42% in EIBIS 2020, while the percentage of firms that plan to invest is in line with the reported share in EIBIS 2020 (both 43%). The share of those who have already invested is slightly lower than the EU average (43%).

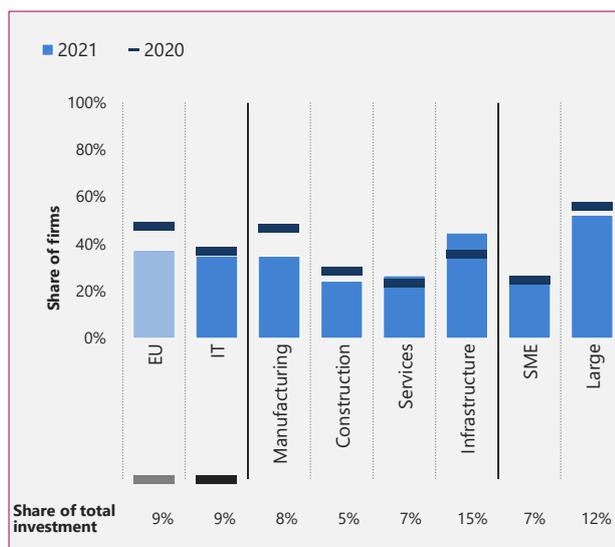
Large firms are much more likely to have already invested (48%) and to plan to invest (55%) than SMEs (27% and 36% respectively).



Q. Now thinking about investments to tackle the impacts of weather events and to deal with the process of reduction in carbon emissions, which of the following applies?

Base: All firms (excluding don't know/refused responses)

SHARE OF FIRMS INVESTING IN MEASURES TO IMPROVE ENERGY EFFICIENCY AND SHARE OF TOTAL INVESTMENT



More than a third (35%) of all firms invested in measures to improve energy efficiency in 2020, which is similar to EIBIS 2020 and to the share of firms having invested EU-wide (both at 37%).

The share of total investment in Italy is also in line with the EU overall (both at 9%).

Large firms are more likely to have invested in measures to improve energy efficiency than SMEs (52% versus 24% respectively).

Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?

Base: All firms (for share of firms investing)

Base: All firms who have invested in the last financial year (excluding don't know/refused responses) (average share of investment)

Firm management, climate targets, gender balance and employment

FIRM MANAGEMENT, CLIMATE TARGETS AND GENDER BALANCE

In 2020, nearly three quarters (74%) of firms in Italy strove for gender balance, more than the EU average (60%). Construction firms (54%) were the least likely to strive for gender balance.

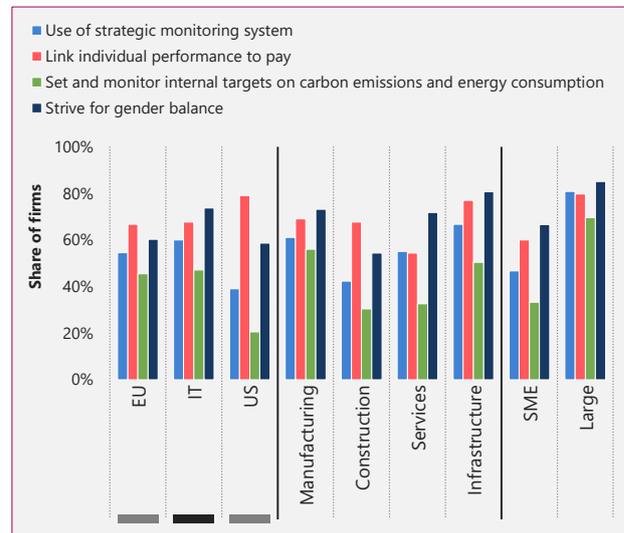
In addition, three in five firms (60%) report the use of a strategic monitoring system in 2020, again higher than the EU average (54%). Firms in the construction sector were the least likely to use such a strategic monitoring system (42%).

Around a half (47%) of Italian firms report to have set and monitored internal targets on carbon emissions and energy consumption in 2020. Firms in the construction and service sectors were the least likely to set and monitor these targets (30% and 33% respectively).

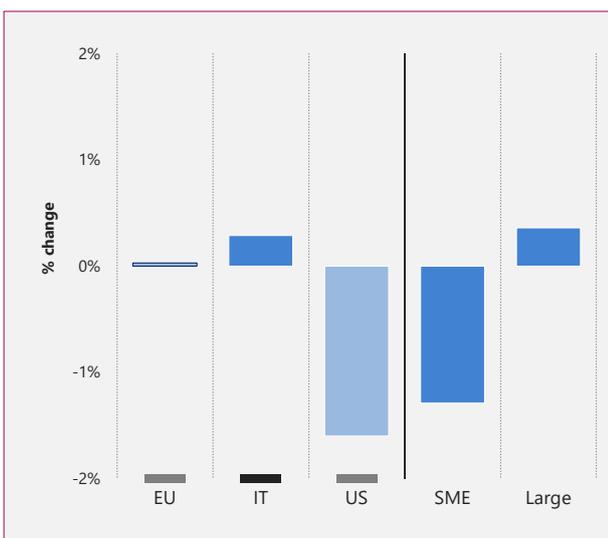
In general, large firms were more likely than SMEs to implement any of the managerial practices they were asked about.

Q. In 2020, did your company...?

Base: All firms (excluding don't know/refused responses)



CHANGE IN EMPLOYMENT DURING COVID-19



Overall firms in Italy did not experience a large change in employment during the COVID-19 pandemic. SMEs experienced the biggest impact, with a negative change in employment of -1.3%.

Q. How many people does your company employ either full or part time at all its locations, including yourself?

Q. How many people did your company employ either full or part time at all its locations at the beginning of 2020, before the COVID-19 pandemic?

Base: All firms (excluding don't know/refused responses)

EIBIS 2021 – Country Technical Details

SAMPLING TOLERANCES APPLICABLE TO PERCENTAGES AT OR NEAR THESE LEVELS

The final data are based on a sample, rather than the entire population of firms in Italy, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	US	IT	Manufacturing	Construction	Services	Infrastructure	SME	Large	EU vs IT	Constr vs Manuf.	SME vs Large
	(11920)	(802)	(602)	(237)	(122)	(120)	(114)	(483)	(119)	(11920 vs 602)	(122 vs 237)	(483 vs 119)
10% or 90%	1.1%	3.5%	2.4%	3.5%	4.7%	4.9%	5.1%	2.4%	4.6%	2.6%	5.8%	5.2%
30% or 70%	1.7%	5.3%	3.6%	5.3%	7.2%	7.5%	7.7%	3.7%	7.1%	4.0%	8.9%	8.0%
50%	1.8%	5.8%	3.9%	5.8%	7.8%	8.2%	8.4%	4.1%	7.7%	4.3%	9.7%	8.7%

GLOSSARY

Investment	A firm is considered to have invested if it spent more than EUR 500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in current financial year compared to last one, and the proportion of firms with a share of investment greater than EUR 500 per employee.
Manufacturing sector	Based on the NACE classification of economic activities, firms in group C (Manufacturing).
Construction sector	Based on the NACE classification of economic activities, firms in group F (Construction).
Services sector	Based on the NACE classification of economic activities, firms in group G (wholesale and retail trade) and group I (accommodation and food Services activities).
Infrastructure sector	Based on the NACE classification of economic activities, firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
SME	Firms with between 5 and 249 employees.
Large firms	Firms with at least 250 employees.

Note: the EIBIS 2021 country overview refers interchangeably to 'the past/last financial year' or to '2020'. Both refer to results collected in EIBIS 2021, where the question is referring to the past financial year, with the majority of the financial year in 2020 in case the financial year is not overlapping with the calendar year 2020.

EIBIS 2021 – Country Technical Details

The country overview presents selected findings based on telephone interviews with 602 firms in Italy (carried out between March and July 2021).

BASE SIZES (*Charts with more than one base; due to limited space, only the lowest base is shown)

Base definition and page reference	EU 2021/2020	US 2021	IT 2021/2020	Manufacturing	Construction	Services	Infrastructure	SME	Large
All firms, p. 2, p. 6, p. 7, p. 10, p. 11	11920/11971	802	602/601	237	122	120	114	483	119
All firms (excluding 'Company didn't exist three years ago' responses), p. 6	11910/11949	802	602/601	237	122	120	114	483	119
All firms (excluding don't know/refused responses), p. 2	11620/11634	768	598/599	236	122	117	114	480	118
All firms (excluding don't know/refused responses), p. 4 (top)	11860/NA	800	602/NA	237	122	120	114	483	119
All firms (excluding don't know/refused responses), p. 4 (bottom)	11891/NA	802	602/NA	237	122	120	114	483	119
All firms (excluding don't know/refused responses), p. 5 (top)	11814/11971	768	601/601	237	122	119	114	483	118
All firms (excluding don't know/refused responses), p. 5 (bottom)	11760/0	766	601/0	237	122	119	114	483	118
All firms (excluding don't know/refused responses), p. 7 (top)	11765/11727	793	602/599	237	122	120	114	483	119
All firms (excluding don't know/refused responses), p. 8 (top)	11648/11720	779	601/599	237	122	119	114	483	118
All firms (excluding don't know/refused responses), p. 8 (bottom)	8780/9039	618	491/495	194	100	93	97	385	106
All firms (excluding don't know/refused responses), p. 9	11891/11938	802	601/600	237	122	120	114	482	119
All firms (excluding don't know/refused responses), p. 13 (top)	11882/NA	777	601/NA	237	122	119	114	483	118
All firms (excluding don't know/refused responses), p. 13 (bottom)	11857/NA	775	600/NA	237	121	119	114	483	117
All firms (excluding don't know/refused responses), p. 15	11518/11477	743	600/597	236	122	119	114	482	118
All firms (excluding don't know/refused responses), p. 16 (top)	11849/11898	798	600/601	237	122	119	113	481	119
All firms (excluding don't know/refused responses), p. 16 (bottom)	11384/NA	783	585/NA	232	116	116	112	470	115
All firms (excluding don't know/refused responses), p. 17	11659/11739	775	592/593	229	121	120	113	478	114
All firms (excluding don't know/refused responses), p. 18 (top)*	11616/NA	774	590/NA	230	120	117	112	477	111
All firms (excluding don't know/refused responses), p. 18 (bottom)	11664/11402	794	597/590	234	122	118	114	480	117
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (top)	9670/10138	674	511/525	202	104	95	102	397	114
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 3 (bottom)	9523/9874	667	497/499	198	101	94	97	387	110
All firms who have invested in the last financial year (excluding don't know/refused responses), p. 12	8675/9255	621	445/475	172	97	84	84	354	91
All firms who have invested in the last financial year (excluding don't know/refused responses)*, p. 17	11920/11971	802	602/601	237	122	120	114	483	119
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 12	4003/4354	284	281/311	110	59	51	57	220	61
All firms who used external finance in the last financial year (excluding don't know/refused responses), p. 14*	3964/4310	281	270/301	105	58	49	54	210	60



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Italy

Overview

EIB INVESTMENT SURVEY

2022

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