



Sweden
Sverige



BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN ITALY 2023

A REPORT FROM TEAM SWEDEN IN ITALY

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47

respondents

Current business climate

The majority of Swedish companies in Italy perceive the business climate positively or neutral

Industry turnover

64%

of Swedish companies in Italy expect their industry turnover to increase

Future investments

47%

of Swedish companies in Italy plan to increase their investments in the next 12 months

Valued success factors in Italy

1. Cost efficiency
2. Client feedback
3. Sales competence and staff development

Brand Sweden in Italy

87%

of Swedish companies in Italy consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Personal safety
2. Access to suppliers, distributors and service providers
3. Specialists and key personnel

Local conditions with least satisfaction

1. Financial system
2. Licenses
3. Corporate taxation

Environmental considerations

61%

of respondents believe the environment is a considerable factor in their customers' purchasing decisions

Corruption

Not indicated as a major issue by Swedish companies in Italy

Human rights violation and labour rights abuse

No reports of human rights violations and labour rights abuse by Swedish companies in Italy

FOREWORD

As the world's eighth-largest economy and the EU's second-largest industrial producer, Italy provides a wide range of business opportunities to Swedish companies in various sectors, offering excellent access to service providers, distributors, and suppliers. The country's strategic location and access to key markets in Southern Europe, North Africa and the Middle East make it an attractive hub for companies with a multimarket footprint. In addition, Italy is the largest receiver of the NextGenerationEU funds, the most extensive stimulus package ever financed in Europe, which is set to transform the country into a green, digitised, and more resilient economy.

Although the Italian economy has recovered post-Covid with the re-opening of society and the return to normal, largely attributable to the NextGenerationEU funds, the past year has continued to pose global challenges affecting the economy. The war in Ukraine has been a major reason for macroeconomic instability, followed by soaring energy prices and a high rate of inflation, landing at 8.7 per cent in 2022.

The Italian real GDP growth rate landed at just below four per cent in 2022 and is expected to slow down to 1.2 per cent in 2023 and to 1.1 per cent in 2024. The inflation rate is also expected to stabilise and average 6.5 per cent in 2023 before declining considerably in 2024 to 2.6 per cent respectively 2 per cent in 2025.

Team Sweden Italy (the Embassy in Rome, Business Sweden, and the Swedish Chamber of Commerce in Milan) have joined forces and carried out a business climate survey among Swedish companies currently present in Italy. The survey was performed during Q2 2023. The purpose of this report is to increase the understanding of Swedish companies' performance in Italy as well as the opportunities and challenges that the Italian market poses. In addition, it will hopefully serve as a point of reference in bilateral trade dialogues between Sweden and Italy.

The results of the Business Climate Survey for Italy 2023 reveal that despite macroeconomic challenges, a majority of the Swedish companies present in the market perceive the current business climate to be favourable or neutral, which also spills over to the fact that almost half (47 per cent) plan to increase investments in the coming year and that 64 per cent expect to increase their turnover. Investments of the National Recovery and Resilience Plan are continuously initiated, opening ample business opportunities for Swedish companies established or not yet present in the market to provide much-needed innovation through sustainable, green, and high-tech solutions.

Finally, we would like to extend our most sincere gratitude to the participating companies and respondents who have contributed to this report.



Pelle Jacobson
Trade Commissioner



Robert Söderholm
BI&O Specialist



Monica Sommarvinge
Associate

ABOUT THE SURVEY

Large and mature industrial companies constitute the majority of survey respondents

Business Sweden conducts a yearly Business Climate Survey tracking how Swedish companies operating globally perceive the market conditions and the economic prospects of their business and how the views vary across markets, industries, and company types. We hope that this report will let you explore how companies of different sizes and within different industries are affected by changes in the business climate and what they expect for the future.

Conducted during the second quarter of 2023, this survey seeks to understand the perceptions of economic and market developments and what opportunities and challenges Swedish companies are facing in Italy. This report is presented in four main sections. First off, we elaborate on the economic situation, including current business performance and outlook. We then move on to the Italian market, including the respondents' view on the business climate in general and which factors contribute positively and negatively to their commercial success. The third section covers Swedish companies' operations and perceived success factors in the market, and the last section explores sustainability-related aspects and how they are interpreted among Swedish companies in Italy.

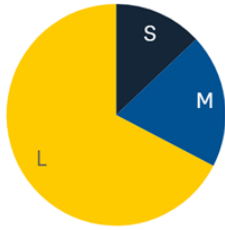
130 Swedish companies were invited to participate in the survey to share their sentiments and thoughts on the Italian market, out of which about five could not participate due to internal policies. A total of 47 responses were received, resulting in a response rate of 38 per cent.

Out of the respondents, 67 per cent are *large companies* with a global number of employees of >1,000. Twenty per cent of the companies are classified as *medium-sized* with 250-1,000 employees. The remaining 13 per cent are *small companies*.

The range of business areas represented in this report are grouped into three broad categories: *professional services*, *consumer*, and *industrial*, where the two groups, *industrial* and *professional services*, are dominating this year's responses, accounting for 55 per cent and 45 per cent, respectively.

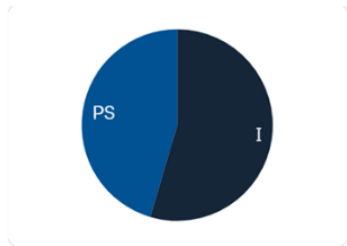
Furthermore, representatives from *mature companies*, classified as companies established in Italy prior to 2002, constitute the largest group of respondents in the 2023 survey. These *mature companies* make up 55 per cent of the respondents, compared to 38 per cent *experienced companies* (established 2002-2016) and seven per cent *newcomers* (established after 2016).

SIZE OF COMPANIES



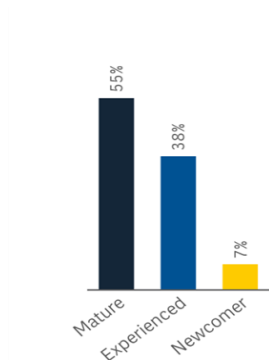
NOTE: Global employees. Large >1000. Medium 250-1000. Small 0-249

MAIN INDUSTRY



NOTE: Industrial 55%. Professional services 45%. Consumer 0%

AGE OF COMPANIES



NOTE: Mature (-2001). Experienced (2002-2016). Newcomer (2017-)

ECONOMIC OUTLOOK

The continuous recovery of the Italian economy

Post-Covid, the Italian economy has shown resilience and recovery with the re-opening of society and the return to normal, largely thanks to the support of the NextGenerationEU funding and other government fiscal support measures available for households and companies.

Despite the recovery, the past year has continued to pose global challenges affecting the economy. The war in Ukraine has been a major reason for macroeconomic instability, followed by soaring energy prices and a high rate of inflation, landing at 8.7 per cent in 2022.

Furthermore, the sudden change of government to a far-right one during the fall of 2022 created instability and concerns regarding Italy's openness to international trade and cooperation as well as the future of the disbursement of the important NextGenerationEU funds, although so far, there has not been any significant changes or impact on the economy due to the shift.

Thanks to the support measures introduced by the government to help combat the effects of high energy prices, private households have been able to continue consuming and investing at a decent pace in 2022. Due to the high inflation, private households are expected to continue not being able to save much during 2023, although savings are predicted to pick up slightly again starting in 2024.

Inflation is predicted to slow down during 2023 as the falling energy prices are reflected in lower prices of industrial goods, foods and, eventually, services.

Companies are, due to the high-interest rates, expected to finance new investments by the re-investment of profits, while the introduction of new NextGenerationEU-funded projects is also expected to boost investments, especially within digitalisation. There was an increase in the number of new permanent job contracts compared to fixed-term ones in 2022 and the first months of 2023, signalling that companies in Italy have a positive outlook on the future and are continuing to invest. Employment is still, however, expected to increase at a slower pace than GDP and reach a rate of 7.8 per cent in 2023 compared to 8.1 per cent in 2022.

Exports of goods are expected to decelerate less than imports, while exports and imports of services are both rising, thanks to the post-pandemic recovery of transport and tourism. Apart from the growth of the service sector driven by tourism, the Industry 4.0 sector maintains a favourable economic outlook with 13.4 bn EUR allocated to the sector in tax credits to support investments in R&D and innovation.

SOURCE: European Commission, OECD, Oxford Economics

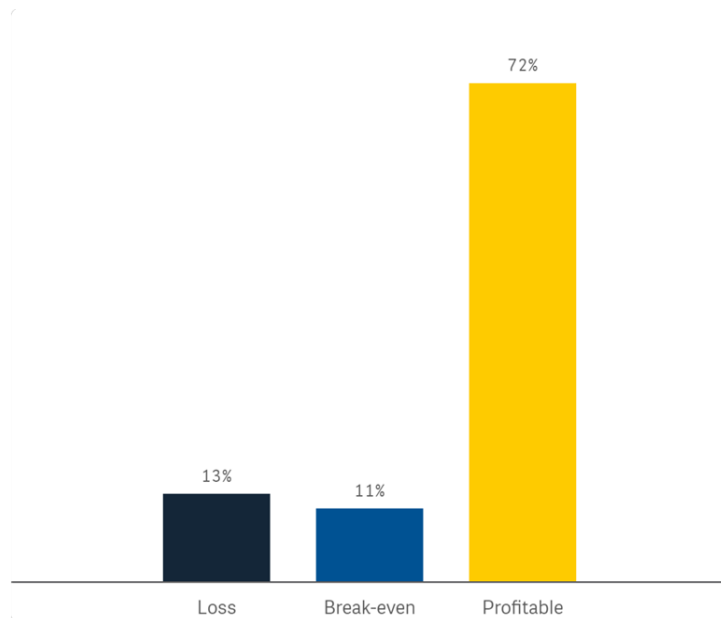
2022 continued to be a profitable year for Swedish companies in Italy, especially for large industrial companies

Last year's Business Climate Survey revealed that 80 per cent of the Swedish companies in Italy were profitable in 2021, while this year's survey shows that 72 per cent of the Swedish companies in Italy were profitable in 2022.

From a sector perspective, *industrial* paves the way, with 83 per cent of the companies reporting profitability while 65 per cent of the *professional services* companies reported profitability.

Whereas from a company size perspective, the strongest financial performance was reported by *large companies* (81 per cent profitable), followed by *medium-sized companies* with 78 per cent reporting profitability, while 17 per cent of the *small companies* were profitable.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN ITALY IN 2022?



NOTE: The number of respondents for this question was 47. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

Italian GDP growth is forecasted to be lower than the European average for 2023-2025, yet the company outlook is positive

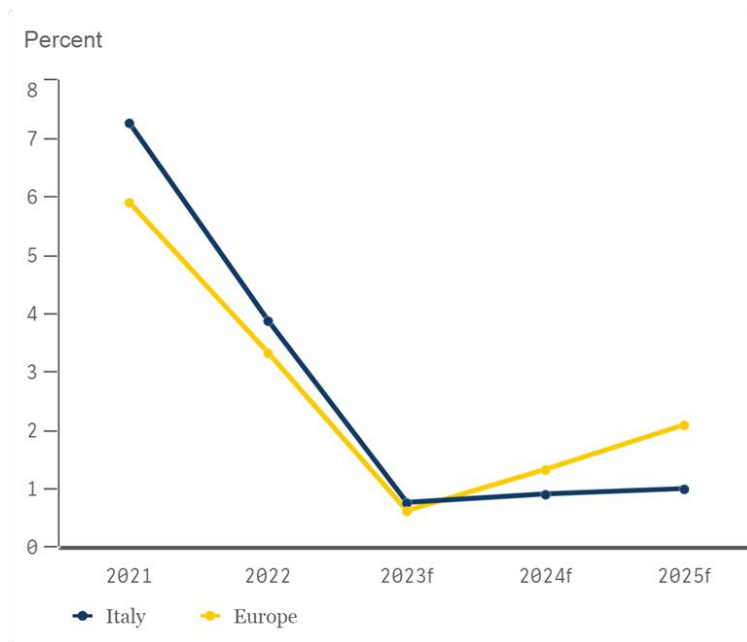
The Italian real GDP growth rate landed just below four per cent in 2022 and is expected to slow down to 1.2 per cent in 2023. While Europe, on average, is expected to recover and experience increasing GDP growth in 2024 and 2025, Italy is predicted to remain at around one per cent.

The inflation rate in Italy is expected to stabilize at 6.1 per cent in 2023, attributable to the falling energy prices, before declining considerably in 2024 to 2.6 per cent and two per cent in 2025.

Despite global economic challenges, including supply chain disruptions and rising prices, Swedish companies in Italy remain optimistic about the future. Sixty-four per cent of our surveyed companies have stated that they are expecting an increase in their turnover in the coming 12 months, while 13 per cent are expecting the turnover to remain unchanged. Twenty-three per cent are estimating the turnover to decrease compared to the previous year.

SOURCE: European Commission, OECD, Oxford Economics

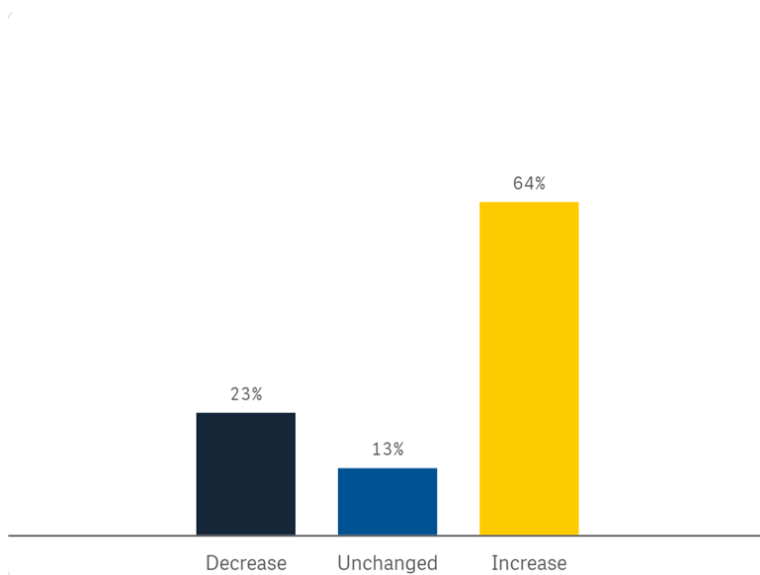
PROJECTED GDP GROWTH IN ITALY



NOTE: Constant prices.

SOURCE: Oxford Economics 24 April 2023.

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN ITALY REGARDING TURNOVER?



NOTE: The number of respondents for this question was 47. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

77% of the Swedish companies in Italy plan to increase or keep their investment levels for the next 12 months

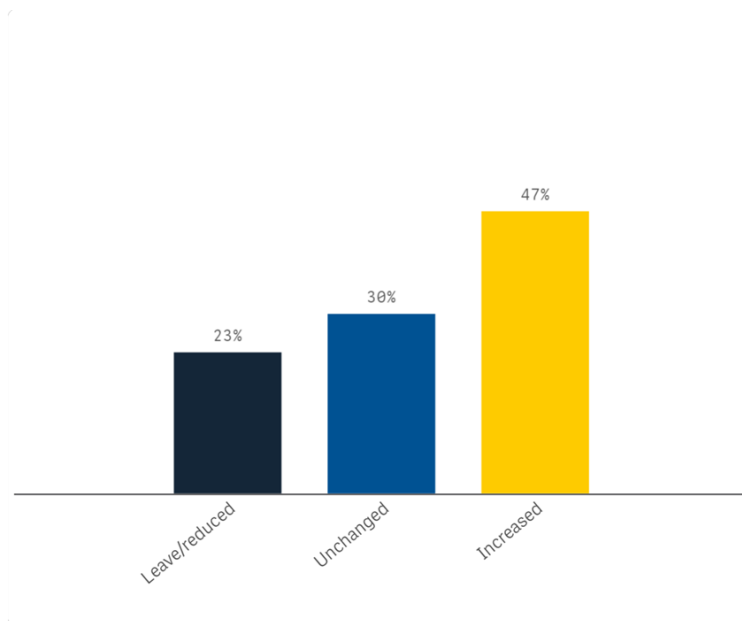
Forty-seven per cent of the surveyed companies plan to increase their investments over the next 12-month period, while 30 per cent plan to keep them unchanged. Seventeen per cent of the companies responded that they plan to slightly decrease investments, while only six per cent plan to significantly decrease investments.

Once again, *industrial* is the leading sector with the most planned investment increases at 58 per cent compared to just 35 per cent in *professional services*.

Interestingly, none of the *newcomers* in the market are keeping their investments unchanged; rather, 67 per cent are planning to increase their investments, while the remaining 33 per cent plan to reduce them.

In line with the economic outlook, companies are expected to re-invest their profits rather than take on new debt due to high-interest rates on loans.

WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN ITALY, COMPARED TO THE PAST 12 MONTHS?



NOTE: The number of respondents for this question was 47. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

THE MARKET

The majority of Swedish companies in Italy are mature

The first Swedish company to enter the Italian market did so in the early 1900s, but most of the Swedish subsidiaries were established in the 1990s when business interests from Sweden to Italy started to increase significantly. The majority (69 per cent) of the respondent companies in the 2023 year's survey established their operations before or in the early 2000s.

Italy is Sweden's 12th largest trade partner, with three per cent of the total exports destined to Italy. The main export categories from Sweden to Italy are machinery, paper, iron and steel, fish, electric machinery and equipment, as well as vehicles and their related parts. Most of the Swedish companies are located in Northern Italy, which is the country's economic engine. Several Swedish companies also use Italy as a hub office for other markets in Southern Europe. The South-Eastern part of Europe is the most common region managed by Italian offices, but there are also examples of the Middle East and Northern Africa being managed from Italy thanks to the country's favourable position in the Mediterranean.

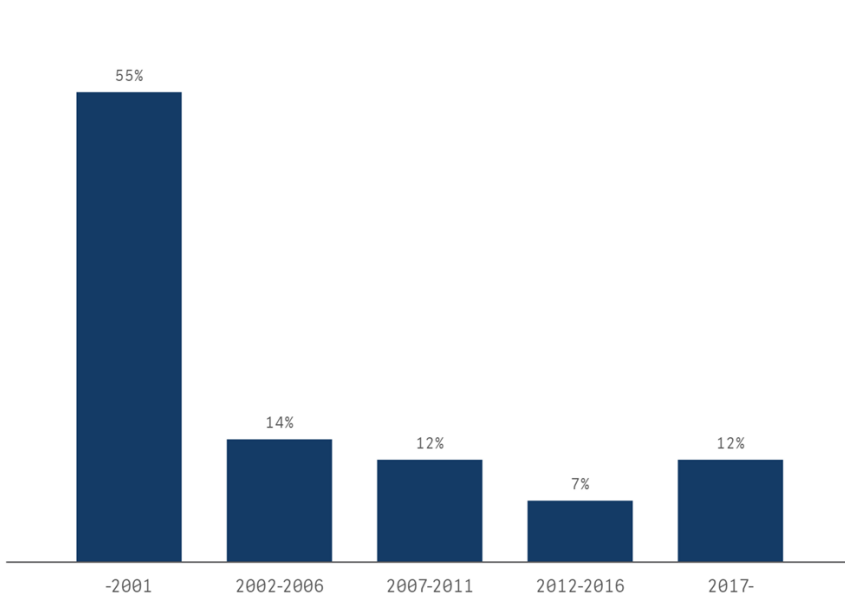
A strong presence of pharma and industrial companies

The top four industries of the respondent companies are *healthcare and pharmaceuticals* (19.1 per cent), *industrial equipment* (12.8 per cent), *chemicals, plastics and rubber* (10.6 per cent), *business services* (8.5 per cent), followed by a shared fifth place for *automotive, energy/electricity, metals/mining and transportation* with 6.4 per cent respectively.

IT/electronics represent four per cent, while companies outside the top 10 categories constitute 12.8 per cent and include diverse sectors such as *HVAC, telecommunications, packaging, water/waste/recycling and forest/paper products*. Despite *healthcare and industrial* segments dominating the market, there is still clearly a diverse mix of sectors of Swedish companies in Italy, mainly operating in the B2B segment.

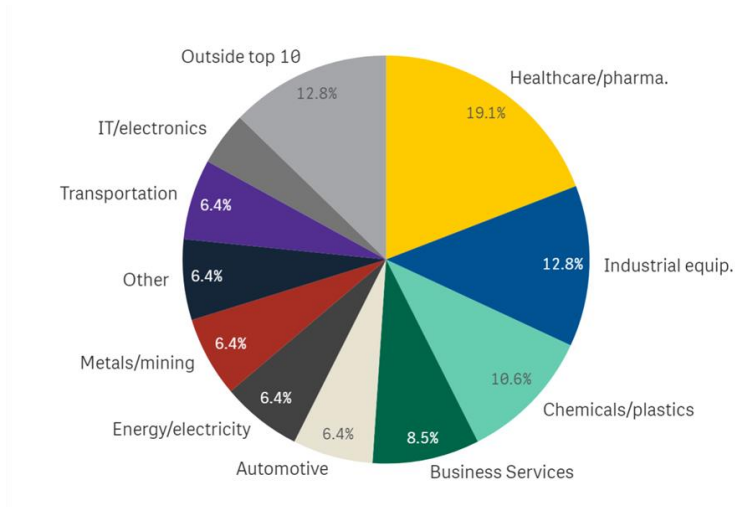
As Italy is the second largest manufacturing nation in Europe after Germany, the *industrial* sectors are driving the market and economy to a large extent. Italy's business ecosystem consists mainly of *small and medium-sized companies*, often grouped in clusters rather than global multinational corporations. The northwest region is well-established with large industries such as *machinery, aerospace, naval and automotive*. The Central and Northeast regions are instead dominated by small companies with high levels of craftsmanship, specialised in *textiles, clothing, furniture and leather products*, among others. Italy's primary export partners are Germany, the United States, France, Spain, Switzerland, and the UK.

IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN ITALY?



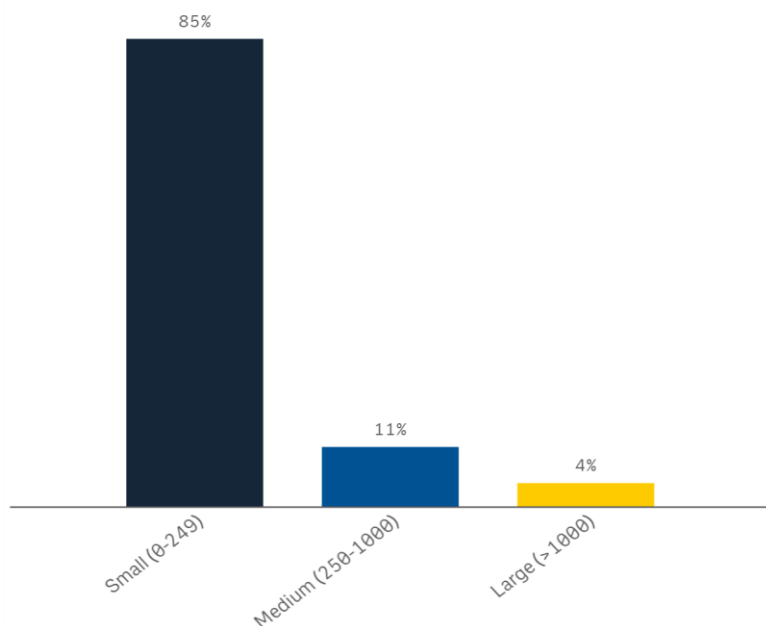
NOTE: The number of respondents for this question was 46. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN ITALY?



NOTE: The number of respondents for this question was 47. "Don't know/Not applicable" responses are included but not shown in figure.
 SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN ITALY IN 2023



NOTE: The number of respondents for this question was 46. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

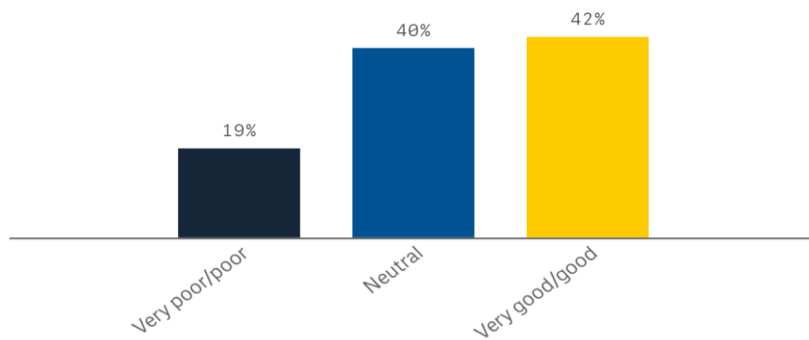
The business climate in Italy is perceived positively or neutral by the majority of companies

Last year's survey results showed a strong recovery and positive sentiment with the opening up of society after the Covid-pandemic, and although the business climate is still perceived positively by the majority of respondents this year, there is a somewhat less positive sentiment compared to last year with an increasing no. of respondents viewing the business climate negatively.

Forty-two per cent of the companies reported that they perceive the current business climate in Italy as good or very good, while 40 per cent were neutral. Nineteen per cent are more pessimistic, considering the business climate to be poor.

When it comes to company size, the *large companies* are the most positive, with 46 per cent reporting the business climate to be good. The *small companies* perceive it as most negative, with 50 per cent reporting it to be poor. The *medium-sized companies* remain most neutral, with 75 per cent reporting it to be neutral and the remaining 25 per cent as positive. The results suggest that the business climate with the current global economic challenges is putting the largest pressure and challenges on *small companies* in the market.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN ITALY?



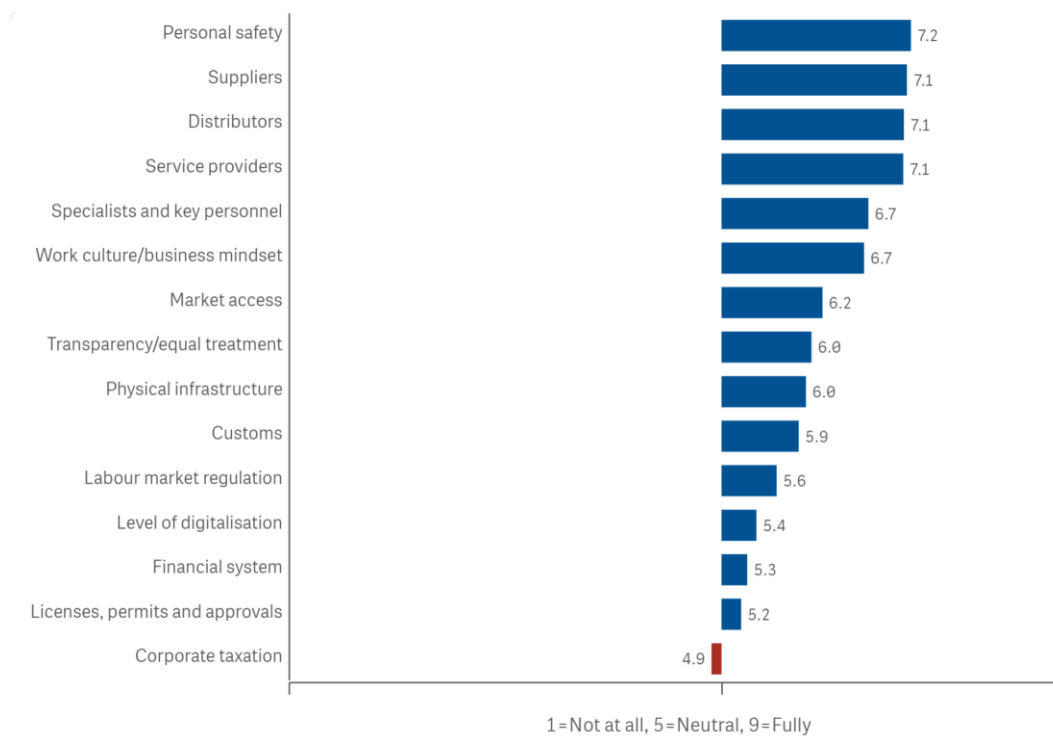
NOTE: The number of respondents for this question was 43. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

Good access to service providers, distributors and suppliers provides favourable market conditions for Swedish companies in Italy, while corporate taxation remains a complication

Similar to last year's survey results, Italy is considered an attractive market to Swedish companies due to the large size of the market and good access to *service providers, distributors, suppliers*, as well as *key personnel*. Moreover, *personal safety, work culture, business mindset* and *physical infrastructure* as well as *transparency* and *equal treatment* are considered conditions that meet the needs of Swedish companies in the Italian market. *Corporate taxation* and related *bureaucracy* continue to be a major complication for efficient operations of Swedish companies in Italy.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN ITALY?



NOTE: The number of respondents for this question was 47.

SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

Customs procedures and regulatory requirements are considered significant barriers to trade

In addition to the corporate taxation system, aspects that negatively affect the business of Swedish companies in Italy are the *financial system*, *labour market regulation*, as well as *permits and approvals*. Despite the efforts from the government with different reforms trying to facilitate the bureaucratic system and administrative burdens on the business environment, Italy remains a bureaucratic country, which makes it challenging for Swedish companies operating in Italy. Close partnerships with skilled experts on labour law and tax issues are often the solution for firms to handle and facilitate such complex and time-consuming administrative processes.

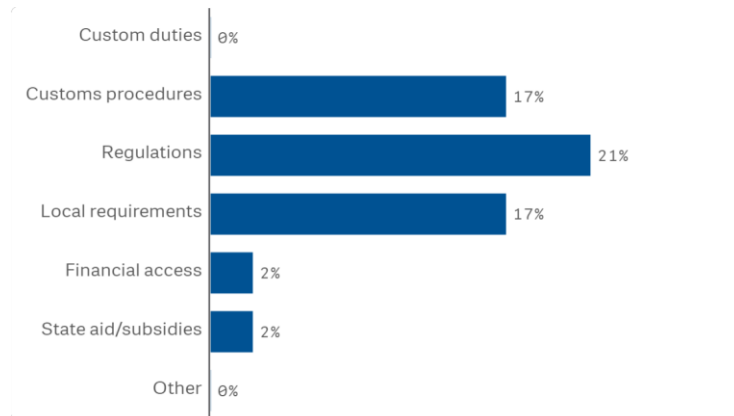
In this year's survey, it has especially been highlighted by several of the respondents active in the *MedTech* sector that the recently proposed payback regulation for medical devices is a serious threat to the continued operations and survival of businesses within the sector.

Another highlighted issue is that Italy is a fragmented market with regional differences related to bureaucracy and administration.

“ The Italian government is not supporting companies, taxes and bureaucracy are still challenging the business.

2023 Survey respondent

HAS YOUR COMPANY IN THE PAST YEAR ENCOUNTERED TRADE BARRIERS IN ITALY WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS, IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 47.
SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

“ **The pay-back law could be highly impactful, if applied, on the local organization and the way of running the business in Italy. We are fighting with other companies...to ask to cancel this absurd law.**

2023 Survey respondent

HOW SWEDISH COMPANIES SUCCEED IN ITALY

Local presence and cross-cultural collaboration are key to success

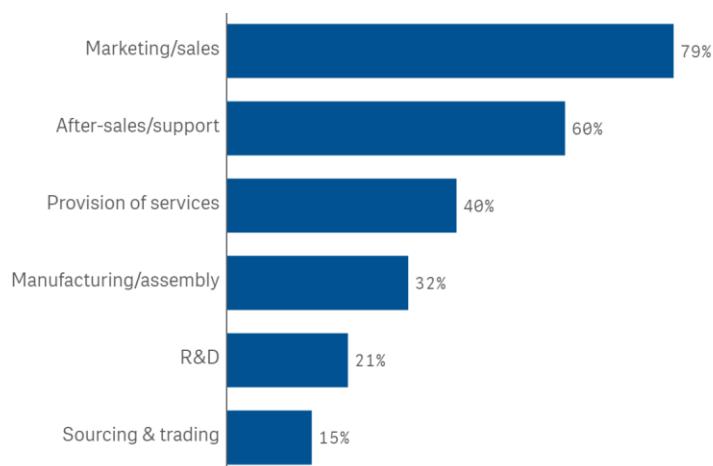
Italy has a well-educated and perceptive consumer base as well as a vibrant manufacturing sector with thousands of SMEs producing a wide range of high-quality goods across a number of sectors. Moreover, as mentioned earlier, the strategic location and access to many key markets in Southern Europe, North Africa and the Middle East make Italy an attractive hub for companies with a multimarket footprint.

Cross-cultural awareness is vital for establishing business connections, as the Italian business climate remains highly relationship oriented. Consequently, a majority of the Swedish companies present in Italy operate in close collaboration with local partners or establish a local office to manage sales and marketing, distribution and customer service. *Marketing and sales* (79 per cent) and *after-sales support* (60 per cent) represent the key operations of Swedish companies in Italy, mainly active within the *industrial* and *professional services* sectors.

The share of companies being engaged in marketing and sales operations as their key activity is similar to last year's survey results, while after-sales support has increased by seven percentage points, further highlighting the importance of a local establishment and maintaining a close connection with the Italian customer base.

Cultural differences between Italians and Swedes and styles of working and conducting business have been highlighted by our survey respondents as challenges to success, again showing the importance of local establishment and cross-cultural collaboration.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



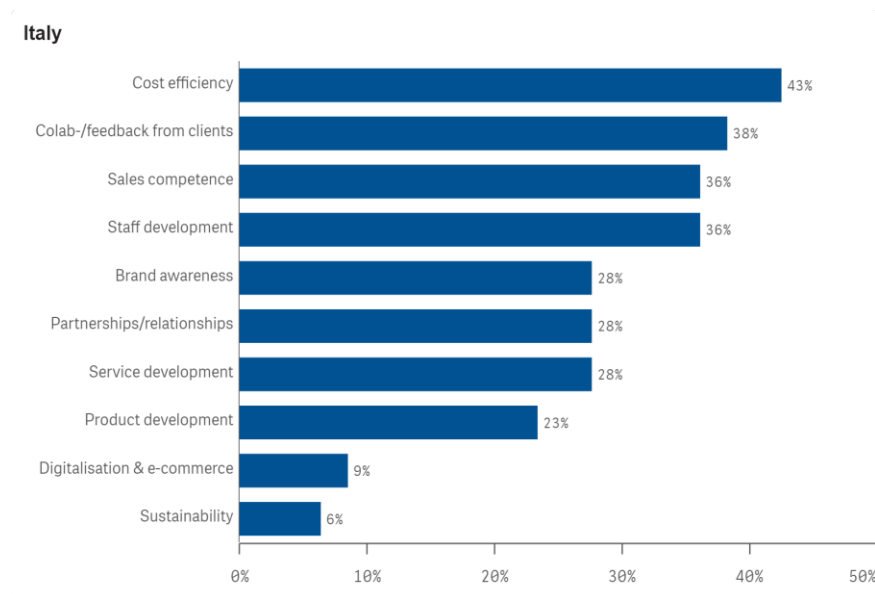
NOTE: The number of respondents for this question was 47. "Don't know/Not applicable" responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

Maintaining cost efficiency is key for Swedish companies to stay competitive in Italy

In line with *marketing*, *sales*, and *after-sales support* being the most prevalent operations of Swedish companies in Italy, *collaboration* and *feedback* from clients (38 per cent), *sales competence* (36 per cent), and *staff development* (36 per cent) are perceived by our surveyed companies to be among the key aspects for maintaining competitiveness in Italy. Topping the list is *cost efficiency* with 43 per cent, while *sustainability* was only highlighted as key by six per cent of the respondents.

TO DATE, WHICH OF THE FOLLOWING AREAS HAVE BEEN IMPORTANT IN MAINTAINING COMPETITIVENESS IN ITALY?



NOTE: The number of respondents for this question was 47. "Don't know/Not applicable" responses are included but not shown in figure.

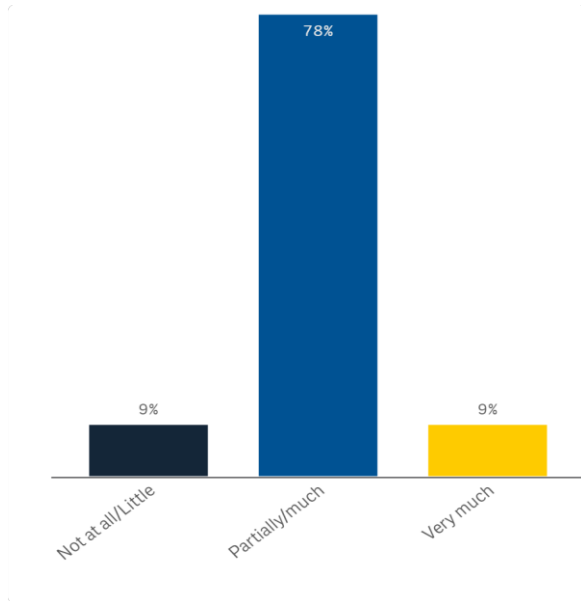
SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

The "Swedish brand" continues to be important, especially for newcomers

In general, Sweden is perceived positively in Italy and associated to a high degree with innovation and sustainability. A large majority of the survey respondents, 87 per cent, reported that the Swedish brand to some extent contributes to their business in Italy, of which the majority, 50 per cent of these 87 per cent, reported that it contributes much or very much.

The Swedish brand appears to be important both in the *industrial* and *professional services* sector, although for *industrial* slightly more, with 91 per cent of respondents reporting that the Swedish brand contributes to their business compared to 80 per cent in the *professional services*. On the other hand, 10 per cent of the *professional services* respondents reported that the Swedish brand contributes very much to their business, whereas this figure was eight per cent for the *industrial* companies.

Interestingly, all *newcomers* in the market reported that the Swedish brand contributes to their business, of which 33 per cent reported that it contributes very much, suggesting that the Swedish brand plays a major role in the establishment and initial positioning in the Italian market.

TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE “SWEDISH BRAND” CONTRIBUTES TO YOUR BUSINESS IN ITALY?

NOTE: The number of respondents for this question was 46. “Don’t know/Not applicable” responses are included but not shown in figure.

SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

ACTING SUSTAINABLY

Italy is perceived as being behind Sweden when it comes to sustainability measures

The green transition is a fundamental component of the National Recovery and Resilience Plan and foresees large investments in circular economy, renewable energy, hydrogen and energy efficiency in the next years. Businesses recognize that the transition to a sustainable, circular economy model represents an opportunity to accelerate the country's economic and social development. The reforms and investments that are being implemented also open plenty of business opportunities for Swedish companies that can offer innovative green solutions.

In 2023, 61 per cent of Swedish companies in Italy reported that they believe customers in their industry in Italy consider environmental aspects of a product or service in their purchasing decision partially or much. This is an increase of eight percentage points compared to 2022, when 53 per cent of the respondents reported they believe customers consider environmental aspects partially or much. At the same time, this year's survey results when it comes to the perception of whether customers consider environmental aspects very much in their decision-making saw a decrease of 12 percentage points to four per cent compared to last year's 16 per cent.

When it comes to company size, environmental aspects are perceived to be most important for *large-sized companies*, of which 42 per cent of the respondents reported that they believe their customers consider environmental aspects much or very much. This can be compared to *small company* representatives reporting a corresponding figure of 20 per cent and *medium-sized companies* with 33 per cent.

From a sector perspective, *professional services* respondents perceive environmental aspects to be of the highest importance for their customers, with 70 per cent having responded that environmental aspects are partially, much or very important, compared to 58 per cent in the *industrial* sector.

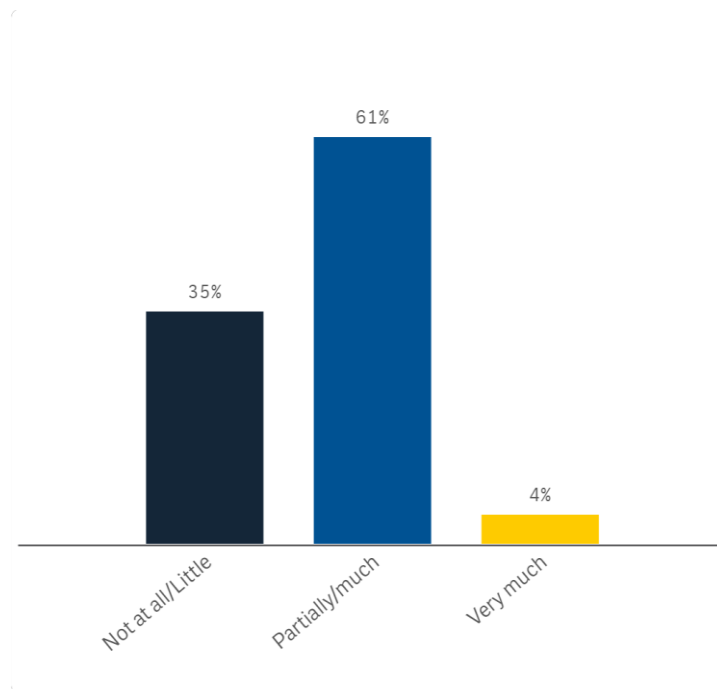
Similar to last year, it is the *mature* and *experienced companies* that perceive a greater attention to environmental aspects, with 30 per cent of the mature companies seeing much or very much importance of environmental aspects in the purchase decisions of their customers, and 40 per cent of experienced companies. Among the *newcomers*, this figure was 0 per cent.

Furthermore, among our survey respondents, we see that the overall sentiment is that the Italian branches are lagging behind their Swedish HQ when it comes to sustainability initiatives and measures and that there is still a long way to go, although it is a key focus area for many. Differences are also perceived between the Northern and Southern regions in terms of maturity levels in implementing sustainable policies and practices, as well as large and smaller cities in terms of infrastructure and service access, such as EV charging points and car sharing. Lastly, our responding companies perceive that it is more difficult for SMEs to implement sustainability measures compared to large corporates and that, in many cases, sustainability is a fuzzy concept that could benefit from common European rules defining, for e.g., what requirements a product needs to fulfil before it can be claimed to be fossil-free.

“ Sustainability will become a prerequisite, therefore we need to be prepared and ready. Our company is working hard to reduce scope 1 and scope 2 down to net zero by 2030.

2023 Survey respondent

IN YOUR VIEW, TO WHAT EXTENT DO CUSTOMERS IN YOUR INDUSTRY IN ITALY CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISIONS?



NOTE: The number of respondents for this question was 46. "Don't know/Not applicable" responses are included but not shown in figure.
SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

“ The Swedish sustainability approach is much more developed than the local one. It's quite apparent the risk of misalignment between the two approaches with related underestimation from the system of these values. In order to mitigate the risk, we (as a company) have to foster a sustainability culture at the local level, trying to be ambassadors of this positive trend.

2023 Survey respondent

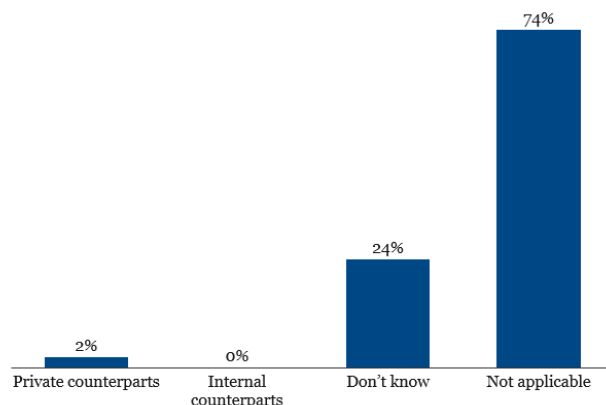
Italy still remains behind its Southern European neighbours in corruption indices, yet only 2% of the companies reported exposure

Italy stays on 56/100 points in Transparency International's Corruption Perception Index (CPI) for 2022 placing the country at 41st place in the index, corresponding to the same number of points and the same placement as for 2021. Since 2012 Italy has seen an increase of 14 points in the index but remains significantly behind its Southern European neighbours – France ranks 21st with 72 points, Portugal 33rd with 62 points, and Spain 35th with 60 points.

Corruption is still an important consideration for companies doing business in Italy. There are, however, major regional and sectoral differences, with a higher concentration of corruption cases in the South, and public administration, healthcare and politics representing the main sectors impacted.

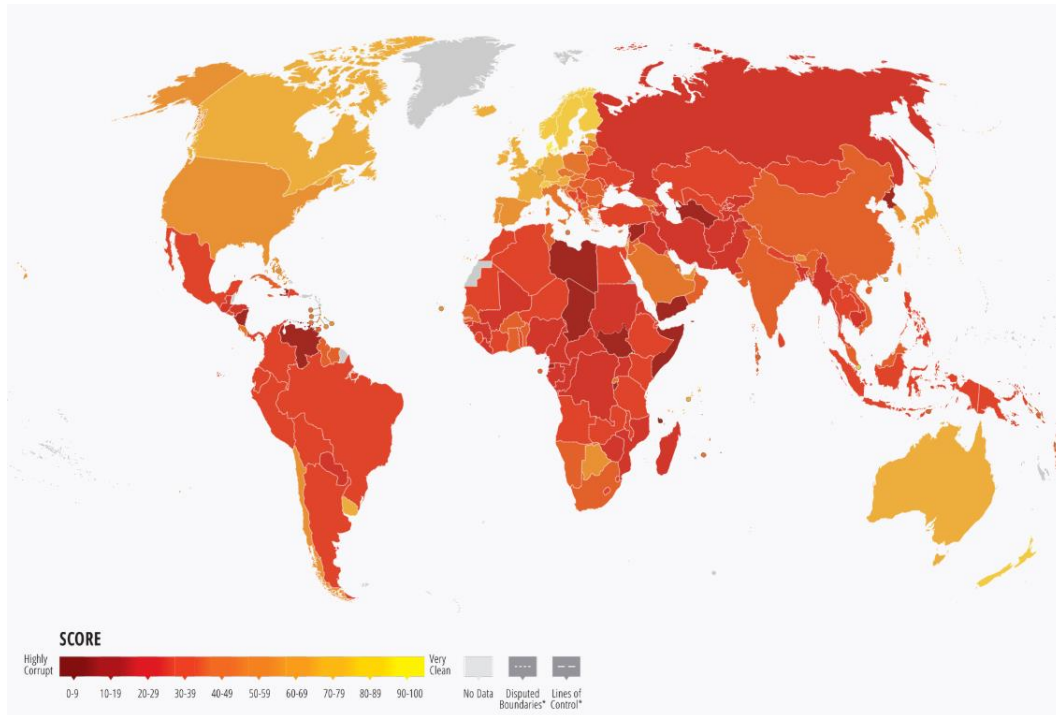
In Team Sweden Italy's Business Climate Survey 2023, only two per cent of the respondents reported their company to have been exposed to corruption, whereas 24 per cent reported that they do not know.

HAS YOUR COMPANY IN ITALY BEEN EXPOSED TO CORRUPTION SUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 42.
SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

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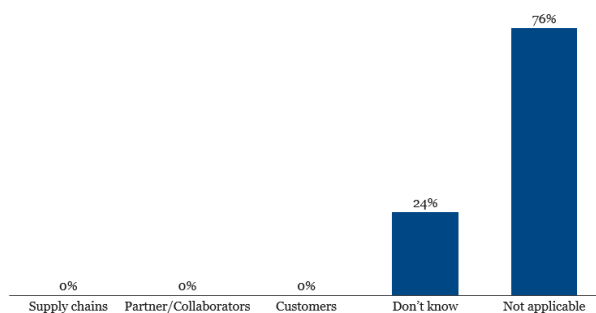


NOTE: Italy's Score 2022: 56/100.
SOURCE: Transparency International.

None of the responding companies reported any form of human rights violations

None of the surveyed companies stated that they had encountered any type of human rights or labour rights violations or abuse in Italy. Twenty-four per cent of the respondents reported that they do not know of any such violations, while 76 per cent replied not applicable.

HAS YOUR COMPANY IN ITALY ENCOUNTERED ANY FORM OF HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSE IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 42.
SOURCE: Business Climate Survey for Swedish Companies in Italy 2023.

