

fDi Diaries: 'Italy has a real desire to restart'

Giovanni Da Pozzo talks of renewed optimism amid persistent structural problems



Putting the IT in Italy: Mr Da Pozzo says that the country's e-commerce push has its pros and cons

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A year and a half after the [pandemic gripped Italy](#), there is an air of renewed confidence in the Italian business community, helped by a new government headed by former president of the European Central Bank, Mario Draghi, and recent sporting achievements at the Olympics and European Football Championship.

Giovanni Da Pozzo, chairman of Promos, Italy's agency for exports promotion and investment attraction, tells **fDi** that the economy is showing positive signs, despite structural problems that still need to be resolved.

Q: Last year, Italy was severely affected by Covid-19. How does the first half of 2021 compare with the first half of 2020?

A: The first four months of 2020 was characterised by the uncertainties linked to the pandemic, where there were many red zones with closures, especially in the tourism and trade sectors. But

this year, the opening of the borders and the arrival of vaccines has triggered a sense of positivity. There is now a psychological enthusiasm and faith that the country has begun to restart after a very difficult year and a half in which Italy suffered a gross domestic product (GDP) loss of more than 10%.

Current data forecasts show a higher GDP increase than other EU countries in 2020, of 4.5%, and while these figures need to be verified, the country has a real desire to restart.

Q: What has been the effect of Mr Draghi's government on the Italian economy?

A: The new government has had a welcome acceptance on the international stage and has given confidence to businesses and consumers alike. And this is important for a country like ours, for whom exports of goods and services constitute 30% of our GDP. Among the G8 countries, Italian exports have performed much better than countries like France, the UK and the US.

Q: How will digitalisation and rising e-commerce influence the attractiveness of Italy as an investment destination?

A: E-commerce began to grow before the pandemic, but it has had an enormous acceleration as people stayed home and turned to making purchases online. Yet, as e-commerce had a significant boom in 2020, many small and medium-sized enterprises (SMEs) have had to close, both because they couldn't afford to operate and because consumers started to use new digital platforms to make purchases. This is a problem for the economic fabric, especially in a country made up of SMEs. But the positive aspect is that it accelerated the digital culture of consumers in Italy when there was a considerable digital gap.

Q: fDi Markets has tracked a semiconductor project in Catania and a data centre in Milan. Is this a sign that Italy is no longer a digital laggard?

A: This is a very positive sign. Italy had lagged behind the rest of Europe on the digital front. There is great expertise in IT in universities and startups, but less so in the public sector, which is adapting too.

This could be a great attraction for investors in this space. The projects you mentioned are only an example – if we think about the digital revolution across the manufacturing sector, specifically in high-tech operations, Italy is an attractive location.

Q: What are the structural obstacles that Italy needs to overcome?

A: Above all else, we have to stress Italy's credibility on a political level, and also in terms of the regulations that govern it.

We have to eliminate the problems that we have. The bureaucracy and the justice system are big problems. One of the reasons why businesses are hesitant to come to Italy is because they know that if they come up against problems, it takes a long time to resolve disputes.

Structural themes such as these penalise foreign businesses. If we are able to resolve these problems, I think we will have excellent prospects. Infrastructure is another issue we need to tackle, both digital and physical, with a green angle.

We have seen the impact of climate change with the floods in Germany and the fires here in Italy. If we don't plan for a greener and more sustainable economy, we will have a problem far greater than that of the pandemic.

Giovanni Da Pozzo is the chairman of Promos.

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