



**PLAN FOR THE INTERNATIONALIZATION
OF THE LAZIO PRODUCTION SYSTEM
2019-2021**

EXECUTIVE SUMMARY



**REGIONE
LAZIO**

TABLE OF CONTENTS

INTRODUCTION 6

1 Part one: the current context and future scenarios 11

1.1 Lazio in the international economy 11

1.1.1 Lazio companies in the international markets 11

1.1.2 Foreign companies in Lazio 13

1.1.3 Internationalization of the human capital of Lazio 14

1.1.4 The international competitiveness factors of the Lazio economy 14

1.2 Main data about previous programmes (2014 - 2017) 16

1.2.1 Direct and indirect interventions 16

1.2.2 Lessons for the new plan for the Internationalization of Lazio 17

1.3 The challenges in international competition of the coming years 17

1.3.1 International economic trends important for the elaboration of the Plan 17

1.3.2 Risks and opportunities for the Lazio production system 18

2 Part two: The strategic design 21

2.1 The method: the bottom-up approach 21

2.1.1 The method of Plan elaboration 21

2.1.2 The method of Plan management 22

2.1.3 Starting the measurement of the impact generated by the Plan 22

2.2 Strategy for the Internationalization of Lazio 22

2.2.1 The vision: international openness as leverage for the sustainable development of Lazio 22

2.2.2 The guidelines 23

2.2.3 Objectives of the 2019 - 2021 Internationalization strategy 24

2.2.4 Direct beneficiaries 25

2.2.5 Regional bodies involved in the implementation of the strategy for the Internationalization of Lazio 28

3 Part three: action lines 29

3.1 The strategy to strengthen the presence of Lazio companies abroad **29**

3.1.1 Actions on enabling factors **29**

3.1.2 Actions directly supporting exports **34**

3.1.3 Actions directly supporting other methods of foreign presence **35**

3.1.4 Direct interventions **37**

3.1.5 Indirect interventions **37**

3.1.6 Target markets **39**

3.2 The strategy to attract production investments from abroad **39**

3.2.1 Introductory remarks on the attraction of foreign investments **39**

3.2.2 Regional context data **40**

3.2.3 Measures for strengthening the attractiveness of Lazio to companies **40**

3.3 Plan implementation **43**

3.3.1 Budget **43**

3.3.2 Programme implementation method **44**

Lazio is a region enriched by a complex production system, in which there are also very different entrepreneurial experiences, in terms of size, objectives, production models and links with the territory. A growing entrepreneurial fabric that is able to connect with the most advanced production fields, as shown by the data of the *European Regional Competitiveness Index 2019*, which lists Lazio as the most innovative Italian region.

But the strength of our entrepreneurial system also resides in another factor: its keen international mission, that is manifested, on one hand, by a growing opening towards the outside world and, on the other hand, by its capacity for attraction and inclusion of experiences and models originating abroad. All elements that, in these years of profound changes of the international economy, are essential to promoting the competitive repositioning of our companies.

In fact, the numbers provide us with an image of a Lazio that is quite focused on seizing the opportunities of the new global value chain. According to the latest Istat data, in the first six months of 2019, Lazio was the top Italian region in growth of exports, registering +26.9%, compared with a national average of +2.7%. In particular, the export data concerns the most innovative sectors, beginning from the pharmaceutical sector, which we have helped to grow during these years by making European and regional funds available as never before.

They are encouraging results, outcome of the commitment and the constant efforts of many, many business men and women who personally risked much, betting on their own talents and abilities. Lazio Region has engaged with all of them in these years, seeking to encourage them in this challenge, allocating important resources to support projects of investment and expansion in global markets.

Above all, we have done so by incorporating our internationalization strategy into a programme which, using the regional and European resources included in the 2014-2020 programme, in an intelligent and coordinated way, sees innovation as the key to coming out of the long wave of the 2008 crisis.

Therefore, we register important results that confirm the importance of the choices made in these years. But we don't intend to stop here. Far from it. We intend to work with even more determination to promote the foreign expansion of mature companies, and to substantially accompany and support those who have not yet implemented an international growth project.

From these circumstances and with these objectives, we have approved the *Plan for the Internationalization of the Lazio Production System* that we present here. A rich and comprehensive programme, able to speak to the different aspects of the region's production world, also because it has been set up and conceived downstream of a broad comparison and participation with the work and business world.

A Plan that combines vision of the future with the identification of concrete actions to be made immediately available to Lazio companies. To continue growing, together.

NICOLA ZINGARETTI
President of Lazio

The *Internationalization Plan* that we present here was conceived to respond to three priority objectives: to support the points of excellence of Lazio in their paths to expansion into global markets; to guide the internationalization of companies still tied to more traditional markets or production processes; to promote the attraction of foreign investments to our territory.

To do so, the Plan is structured around a number of measures that consider an extremely complex system, addressing both large companies and the vast mosaic of SMEs that contribute to the economy of our region in an essential manner. We are, in fact, aware that the strengthening of the international competitiveness of the SMEs and the growth of their market share in foreign countries are primarily a matter of supporting the processes of meeting, aggregation and collaboration among companies and the development of the extraordinary human capital in our region.

In this knowledge-based society, in which the economy is increasingly marked by the industrial revolution due to the growing application of digital systems in manufacturing processes, the possibility for expansion of a territorial system increasingly arise from its ability to open itself to the innovation and input from outside.

Internationalizing the production system of Lazio, therefore, means being able to increase the volume of exports, while spreading the adoption of new production processes to the entire production system, also to the more traditional sectors or the ones with fewer resources to invest in innovation/internationalization.

Consequently, the strategies and measures contained in the new Plan, the result of constant dialog with the social partners and the experience gained from the first programmes carried out between 2015 and 2019, when, with a significant break from past practices, the Regional Council lead by President Zingaretti wanted to allocate more than 30 million euros of the 2014-2020 Plan on these themes, helping thousands of companies to support their internationalization projects.

Today we try to take another step forward. Because, alongside the objective to carry our companies and products abroad, we also have the aim of attracting the best foreign experiences to our territory, enhancing skills and the human capital in order to encourage new investments, exchanges, collaborations and influences with our companies.

Open method, innovative strategy and implementing policies are the three pillars around which the 2019-2021 Plan is structured. Aware that the measures we propose, in addition to having significant financial allocations, are immediately reflected in a number of other interventions that we are bringing forward contemporaneously, and which together contribute to providing instruments and incentives for the growth of the SMEs and companies of Lazio. I'm thinking of those for the risk capital measures in the Fare Venture programme, of the Fare Credito measures also designed to support company liquidity and investments, of interventions promoting the digitalization of the entire production system through incentives for company projects or the provision of specialized services in the Spazio Attivo, of the reindustrialization programme and Industry 4.0, of the programme for the circular economy and EEIAs, of the new *Strategy for research and technology transfert* that we are launching, and, last but not least, the new *Invest in Lazio* programme with which we will promote the attraction of companies and foreign capital to the territory.

These are ambitious measures and objectives that we pursue with conviction and determination, thanks also to the regional structures and Lazio Innova, which are increasingly qualified and able to combine the general strategies with practical support of companies which invest directly in their own future and in that of our entire region.

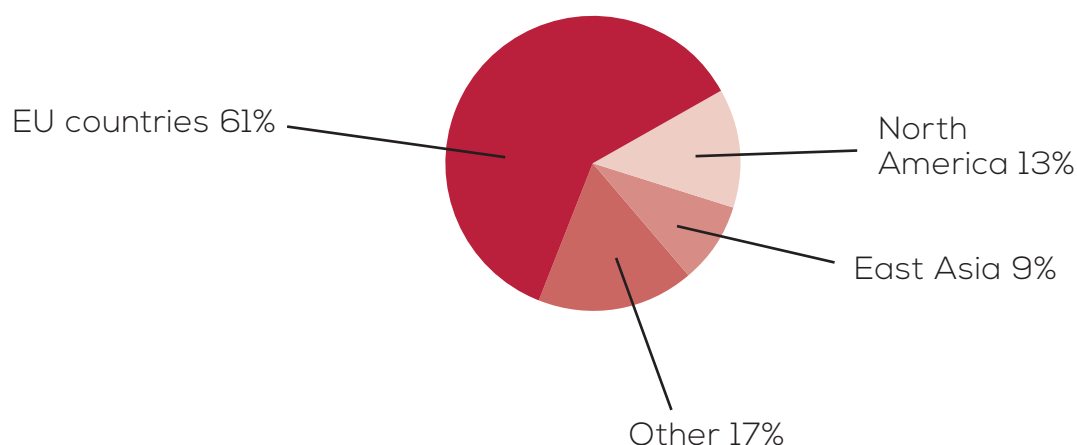
PAOLO ORNELI
**Regional Minister for Economic Development, Trade and Crafts,
Research, Start-ups and Innovation in Lazio**

1 PART ONE: THE CURRENT CONTEXT AND FUTURE SCENARIOS

1.1 Lazio in the international economy

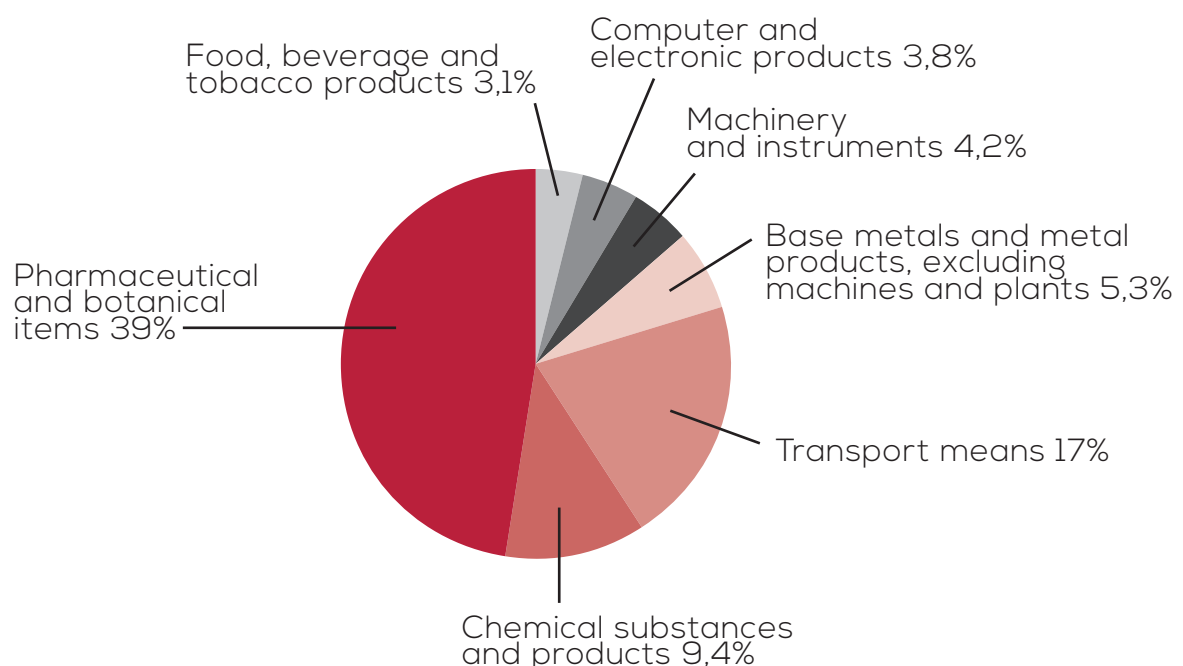
1.1.1 Lazio companies in international markets

- In 2017, the value of exports from Lazio companies reached 23 billion euros, with growth of more than 17% over the previous year; this increase is the greatest of the main Italian regions after Sicily (whose total value of exports is equal to less than half that of Lazio).
- During the 2010 - 2017 period, Lazio was also the region of Italy that registered the strongest growth in exports, with 53.2%. The average national value was equal to nearly 33%; exports from Emilia Romagna grew by 41%, followed by Veneto and Lombardy respectively with 34% and 28%.
- Lazio has constantly registered growth in exports above the national average since 2009.
- As a result of this acceleration, the proportion of exports from Lazio on the national total has increased from 4.4% in 2010 to 5.1% in 2017.
- The relatively limited impact of Lazio exports is confirmed by the fact that Lazio generates approximately 11% of the national GDP.
- In 2017 there were nearly 11,000 exporting companies in Lazio. Since 2010, their number has increased by over 13%, while on the national level, that number has increased only by 5.4%.
- Nearly 61% of Lazio exports are destined for EU countries. Relatively significant is also the penetration towards North America (13%) and East Asia (9%).

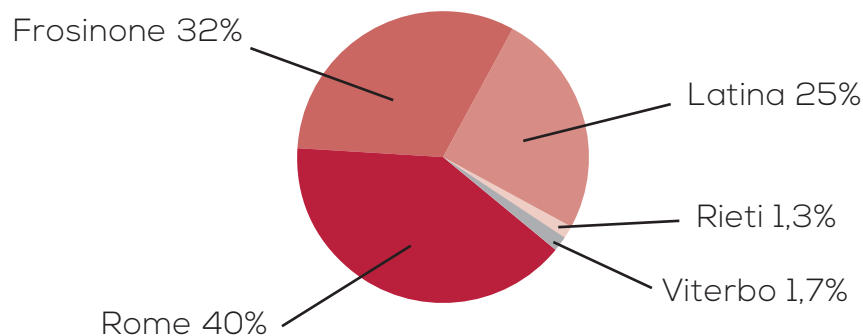


- Between 2010 and 2017, the commercial presence of Lazio companies in “far abroad countries” increased in a consistent manner. In North America and East Asia, the value of exports doubled (during the same period, exports towards EU countries grew by approximately 50%). Exports to Oceania also doubled (although by an absolute value of only a few hundred million euros).
- The main markets for Lazio companies are the large western countries of the EU: Germany, France, Spain and the UK (as well as the anomalous Belgium). However, it should be noted that the United States is in third place for exported goods.
- The strong growth in exports to North America between 2010 and 2017 was also registered at a national level, and in a slightly more contained measure towards East Asia. Lazio exports towards EU countries have, however, increased more than the Italian total amount.
- Also in 2017, exports from Lazio were confirmed to be very concentrated at the sector level, with the clear predominance of the chemical-pharmaceutical. Nearly 39% of the total are “pharmaceutical and botanical items”; added to this are 9.4% of “chemical substances and products”.
- The “transport means” sector is also significant, accounting for 17% of exports, moreover with an increase of about 50% compared to 2016.
- The other sectors have a relatively limited impact. The most consistent are: base metals and metal products, excluding machines and plants (5.3%); machinery and instruments (4.2%); computer and electronic products (3.8%); food, beverage and tobacco products (3.1%).

Lazio Export by sector (2017)



- Lazio exports show a greater level of concentration in sectors in which the worldwide demand is characterized by greater dynamism. In this perspective, the greater specialization of the Lazio production system, particularly in the view of foreign markets, seems to be its strong point.
- The geographical distribution of the exports within the Region shows the predominance of the Province of Rome, from which almost 40% of the total exports originated in 2017. Frosinone follows with just over 32% and Latina with 25%. Rieti and Viterbo registered minimal percentages below 2%.

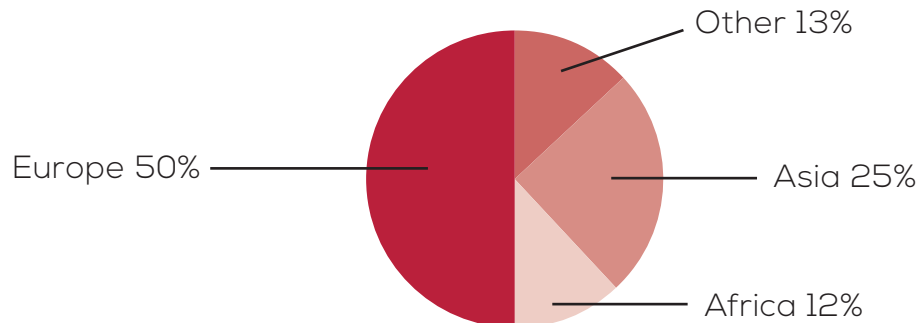


1.1.2 Foreign companies in Lazio

- With reference to 2016, Lazio is the second Italian region by stock value of direct foreign investments: more than 66 billion euros, corresponding to approximately 15% of the total.
- The value is, however, inferior to that of Lombardy, at first place with 270 billion euros in value, equal to 62% of the total. The other main Italian regions are, however, quite far behind: Piedmont has slightly less than 39 billion, Emilia Romagna slightly less than 29 billion, Veneto approximately 20 billion and Tuscany 15 billion.
- In 2016, flows towards Italy from abroad registered a very significant increase (approximately 50%), almost entirely towards Lombardy.
- In 2015 (last data available), foreign invested companies located in Lazio were 1,172 in total, with employment of nearly 156,000 people and turnover of over 118 billion euros.
- Compared with 2009, the number of foreign invested companies in Lazio increased by about 15%, although their total employment and turnover diminished.
- In 2015, the production sectors where the total of foreign invested companies is most numerous are: "other services to companies", "trade", "energy, gas, water, waste disposal". Also relatively numerous were companies in "ICT and communication services", "education, health, other services" and in manufacturing sectors (in the strictest sense).
- In terms of employment, in 2015, ICT and communication services was by far the sector with the greatest employment in foreign companies (more than 68,000 people, equal to more than 40% of the total), followed with approximately 50% of employment by manufacturing, services to companies and trade.

1.1.3 Internationalization of the human capital of Lazio

- There are nearly 11,000 foreign students enrolled in Lazio universities. Nearly 50% come from Europe (but only 20% of these come from EU countries). 12% of the total come from Africa, and 25% from Asia.



- In 2016/17, with approximately 15% of the total, Lazio was the second Italian region by presence of foreign students after Lombardy (24.6%) and ahead of Piedmont and Emilia Romagna, with just over 12%. Among the other regions, Tuscany accounts for 9%, and Veneto for nearly 7%.
- Compared with the prior academic year, foreign students in Lazio increased by 8%, while the national increase was 6%. Among the main regions, only Lombardy benefited from higher growth.

1.1.4 The international competitiveness factors of the Lazio economy

In the specific view of international development (in terms of both foreign expansion of Lazio companies, attracting foreign investments to Lazio and internationalization of the human capital), Lazio boasts many factors of competitiveness.

- A strategic geographic position in the Mediterranean, also reinforced by the presence of large-scale logistics infrastructures, such as Fiumicino Airport, the Port of Civitavecchia, and railway and roadway hubs. Flows of passengers and goods passing through these infrastructures are growing.
- A complex university system, attractive at a national level, but also with a growing number of international students, and with different Departments that are achieving international positioning both in research and in training provided.
- A well-developed research ecosystem characterized by a strong prevalence of public authorities.
 - Rome is one of the most important university cities in Europe, counting more than twenty private and public universities and 16 international scholastic institutions, with a total of 310,000 student.
 - There are six national level research centres located in Lazio in which approximately 9,000 university level researchers work.

- o In 2018, investment in R&D in Lazio is estimated at 1.64% compared with 1.31% at a national level. Among the outputs of this investment are the generation of about 800 patents per year (in the most recent years).
- Different production and technological production chains of excellence.
 - o Cinema, Audiovisual and creative productions. Lazio is the leading region for investments in the audiovisual sector (22 million euros in 2017), number of companies (approximately 30% of the Italian amount) and employees, nearly 10,000, equal to more than 40% of the national total. The region also attracts about three-fourths of cinematographic productions financed in Italy.
 - o Aerospace. Nearly 250 companies of different sizes, with a total of 23,500 employees, that generate approximately 5 billion in turnover of which nearly 30% in exports. This sector is a research excellence, with ten large international research centres, four engineering faculties with different departments and degree courses on the theme of aerospace.
 - o "Life sciences". Approximately 230 companies with an estimated turnover of 10 billion euros and 18,000 employees, of which more than half work in research and development sector. Eight universities with departments in the biomedical and pharmacology fields, 13 public research centres and another 10 nationally recognized private centres, and three European research institutes.
- The presence of the parent companies of many of the main Italian groups, large part of which are characterized by an important global presence and strong growth for several years.
- A significant entrepreneurial vitality, not only in terms of the absolute number of active companies, but also of growth of limited companies¹ and those operating in sectors of greater added value. Lazio is also first among Italian regions for the number of innovative start-ups: 1,027 in the last quarter of 2018 (about 11% of the national total).
- The urban area of Rome is still a large market and one of the most important socio-economic contexts of Europe. The international attractiveness of Rome is shown by an ample stock of foreign companies and people, in Italy second only to Lombardy.

¹ The corporate form is a proxy of the level of organizational structure and competitive potential of the company

1.2 Main data about previous programmes (2014 - 2017)

1.2.1 Direct and indirect interventions

The 2016-2017 Programme of interventions was focused on the couple of internationalization/innovation as leverage to regenerate and modernize the regional industrial base and strengthen the essential components of its competitiveness at a local and global level. Particular attention was paid to the internationalization of the start-ups and to the Open Innovation strategies which represent an effective action lever on the Italian domestic demand and the acceleration of growth. With regard to the sum of the activities performed over the course of the past year, some aspects are to be highlighted.

- The Call for Proposals issued in 2014, that allocated 5 million euros for **internationalization of the regional SMEs**, financed 13 projects that involved 49 companies, for a contribution of 1.8 million euros.
- The Call for Proposals issued in 2014, that allocated 2.8 million euros for the **co-financing of regionally managed projects** proposed by Institutions and/or bodies bringing various and collective interests of the system of regional companies, financed 19 projects that involved 570 companies for a contribution of 2.1 million euros.
- The **various initiatives** including foreign missions, incoming actions, institutional building initiatives and international fairs enacted by the Region involved nearly 500 companies.
- As for the Call for Proposals allocating 5 million euros for the **support of internationalization processes of SMEs**, in December 2017 58 projects from individual SMEs (6.8 million euros expenditure granted and 2.7 million euros contribution granted) and 13 projects from consortia of companies (3.6 million euros expenditure granted and 1.8 million euros contribution granted) were considered suitable.
- The **PROSPEX** Call for Proposals fosters the internationalization of the regional SMEs, allowing them to acquire, with a non-refundable contribution of 50%, specialized services offered by skilled operators, selected and inserted into a specific regional catalogue of Structured Projects for the Promotion of Exports, with predefined services and prices. Its financial resources amount to 6 million euros distributed over three time periods (2 million euros each).
- **Laziointernational.it** is the regional service platform for the internationalization of the Lazio economic system through which assistance services are provided to companies, along with information and promotion of interventions enacted by the Region, by institutional partners operating in Lazio and by different national and international stakeholders.
- In the field of **governance**, in 2017, 20 "IntFormatevi" seminars were organized: free training sessions on themes relating to internationalization, in collaboration with the Chambers of Commerce and distributed throughout the region. In total, they counted 420 participants, including companies, freelancers and others.

1.2.2 Lessons for the new plan for the Internationalization Lazio

Some important insights are revealed also on the basis of a study on a large sample of exporting SMEs carried out by Lazio Innova in 2018.

- The most effective type of intervention is “direct”, namely with a selection procedure “on a first served basis”.
- Specifically, the non-refundable incentive in the form of a “voucher” is by far the most popular instrument.
- “Simplification of the procedures for accessing financing” is considered essential by companies.
- The clear identification of roles and fields of responsibility of the various public authorities that in different ways act on the relevant issues of the internationalization of Lazio is also considered very important.
- In general, the operators express a strong need for activities by specialized bodies (public and mixed) to: i) make Lazio an ecosystem favourable to internationalization through the improvement and spread of collaboration between different sized exporting companies, research systems, large international Groups, value-added service companies; ii) improve the territorial offer of material and immaterial factors that are most important for the competitiveness of the companies; iii) increase the presence of large international investors in Lazio.
- Compared with the past, it will be important to also reinforce awareness among Lazio companies of the programmes supporting foreign expansion put in place by national level bodies (SACE, SIMEST, ITA), as well as by the competent management of the Ministry of Foreign Affairs.

1.3 The challenges in international competition of the coming years

1.3.1 International economic trends important for the elaboration of the Plan

The development of highly competitive areas in emerging and developing countries continues, and these areas will be able to attract significant shares of economic activities and skilled human capital. So, in “advanced” countries, it will be increasingly necessary to implement effective strategies to strengthen the international attraction of the territories, starting from the main urban areas.

On this point, it is useful to remember that international economic literature² has identified five general factors of the economic development of a territory: i) the quality of the human capital and of the knowledge capital; ii) the importance of the innovation ecosystems and of investments in innovation; iii) the economies of agglomerations and the urban quality; iv) the size and quality of the incoming investments and the presence of companies involved in global networks; v) the effectiveness and efficiency of the regulatory and administrative system and of company policies.

² See summary in report: LSE (2016) Multinationals, local companies and economic development in Lazio

The SACE risk indexes highlight that out of 198 countries analysed, 138 have an improved or unchanged risk profile compared to 2016³.

Among the countries with Italian exports of more than 1 billion euros, with worsening risk factors, there are China, South Korea, Slovakia and South Africa. Those showing improvement are Germany, Greece, Slovenia, Egypt, Ireland and Argentina.

The same SACE report highlights, however, three latent risk factors: i) the very high level of debt that continues, given the delay in the de-leveraging process, as much in advanced markets as in emerging markets; ii) the upturn in commodity prices that, however, has a positive effect on the public finances of companies exporting raw materials; iii) the persisting risks of political instability and violence, which is also the only form of risk on average that registered an overall increase in 2017.

1.3.2 Risks and opportunities for the Lazio production system

The opportunities

According to the SACE report⁴, in addition to the reference commercial partners, Lazio companies could have significant margins of growth even outside of the traditional destinations. For the means of transport and metal products sectors, destinations of notable interest will be Romania and Poland respectively, both developing European markets where SACE SIMEST expected growth of 6.8% and 8.3% respectively in 2018. Outside of Europe, these two sectors could look to the Asian continent: for transport means is promising a well-known market like China, while for metal products, the Philippines, a country included in the five most promising geographical areas identified in the SACE SIMEST Export Report, which predicts an average yearly increase in Italian exports of 8.9% in the 2018-2021 period.

With regard to the MENA area, the pharmaceutical sector may find good opportunities in Saudi Arabia, and the chemical product sector in Algeria. The instrumental mechanics sector, finally, will have ample growth margins in Asia, particularly in Japan and India. The latter is one of the most attractive markets for our exports, on both a regional and national scale, thanks to the particularly positive period of the Indian economy, with the best business opportunities in the instrumental mechanics sector (+5.3% annual average in the coming four year period).

³ See SACE risk map, 2018. The document was written at the end of the month of January 2018

⁴ See SACE, 2018 Promising sectors and markets for Lazio exports

The risks

Lazio has a relative strength in terms of both human capital and R&D spending. It highlights, however, a certain weakness in patent intensity, or in the translation of these inputs into effective innovative capacity of the companies. A large part of the human capital engaged in research is linked to public or university research and interacts in a poorly structured or ineffective manner with the private production system. For some time now, it has been noted that Lazio companies have been unable to take over the considerable amount of research generated by the public system in the region.

In a sector of excellence such as pharmaceuticals, several international companies have relocated their R&D activities elsewhere in recent years. In some cases, this was caused by the acquisition of other companies in other regions both in Italy and in Europe.

In the more substantial and innovative production chains of Lazio (life sciences, audiovisual and creativity, aerospace, ICT), it is essential to facilitate further qualitative and quantitative development to reach an adequate "critical mass" with respect to the other leading areas in these productions in Europe and throughout the world.

Territories outside of the Rome urban area must also be able to use the infrastructures relating to the national and international networks that Rome has. In this view, it's necessary to pay maximum attention to the maintenance and reinforcement of the road and railway structures of our region, starting from the Frosinone and Latina areas, which in these years have shown appreciable vitality with regard to exports.

Finally, it is important to continue focusing attention and maximum efforts on eliminating bureaucratic barriers, through decisive deregulation and administrative simplification.

2 PART TWO: THE STRATEGIC DESIGN

2.1 The method: the bottom-up approach

2.1.1 The method of Plan elaboration

The strategic guidelines and the lines of action established in this “Plan for the Internationalization of the Lazio Production System 2019-2021” originate from a broad consultation process started from a preliminary document developed by two regional structures - the Internationalization Area of the Regional Directorate for Economic Development and the Internationalization Area of Lazio Innova. The *“Documento Preparatorio alle linee guida delle politiche regionali sull'internazionalizzazione del sistema produttivo del Lazio”* (Preparatory Document to the guidelines of the regional policies on internationalization of the production system of Lazio) declared the fundamental points of the internationalization strategy for the regional production system.

Participation of the regional stakeholders in the consultation process has been ensured through the activation of open government instruments. In particular, the following consultation methods were used:

- a) an online questionnaire sent to local companies
- b) a co-design with skilled stakeholders
- c) an evaluation of the plan by experts skilled in Internationalization policies and strategies
- d) a consultation of representatives of the business associations through the calling of a specific meeting of the permanent Internationalization Committee.

The direct experience of the main regional stakeholders became the basis of the new three-year internationalization plan.

2.1.2 The method of Plan management

The Plan is based on a vision and on the consequent guiding principles that define the *frame* inside which the lines of strategic action and operative measures are identified. These latter are not, however, fixed in a static manner, but rather conceived to evolve with the change of the conditions of international competition and with the response that will be shown by the companies involved in the internationalization processes.

2.1.3 Starting the measurement of the impact generated by the Plan

In line with the best practices at an international level, this Plan will activate appropriate measurement methods of the impact generated by the initiatives implemented on the improvement objectives of the level of internationalization and international competitiveness of the Lazio production system.

In the three-year period of this Plan, a suitable methodology for measuring the impact of the projects/initiatives of the Region in support of the internationalization of Lazio and its experimental application to some of these projects/initiatives will be developed. The impact measurement will also take into account the Plan impacts in terms of employment.

2.2 Strategy for Internationalization of Lazio

2.2.1 The vision: international openness as leverage for the sustainable development of Lazio

The Plan follows the political vision of the Regional Government to make **the production system of Lazio strongly competitive at an international level and put the territory of the entire region "at the centre" of external flows of production investments, skilled human capital and knowledge.**

The strong international projection of the Lazio economy is considered an essential condition for the sustainable development of the entire territory.

In this perspective, the Plan promotes a path of internationalization, that in terms of a medium-long timeline may generate:

- improvement of the position of Lazio companies in the global competitive context
- diffusion of the outward orientation of the Lazio production system
- strengthening of the abilities of the entire regional territory to attract production investments from abroad.

2.2.2 The guidelines

The strategic guidelines and subsequent operational actions for the internationalization of Lazio must comply with 12 guiding principles.

1. The internationalization of Lazio takes place along three major interdependent lines: i) the strengthening of the international competitiveness of companies of the region and the growth of their presence in foreign markets; ii) an increase of the presence and localization of international companies in the region; iii) the internationalization of the human capital residing in Lazio.
2. Alongside these three lines of action, the plan provides for a complex of different types of measures: Call for Proposals (“on a first served basis”) for financing of activities aimed at internationalization; ii) vouchers for the acquisition of services aimed at internationalization; iii) coordination with other Administrations for initiatives/projects to strengthen the competitiveness of the region and the international expansion of its companies; iv) direct creation of specific services for the foreign expansion of companies and the attraction of foreign production investments and skilled human capital; v) promotion of public/private initiatives for the internationalization of production chains.
3. Together with the general lines of action, different measures have been developed with respect to the level of international experience of the potential beneficiary companies, or the complexity of the liabilities they must account for in executing their foreign expansion.
4. The internationalization strategy must, however, be functional to the sustainable development of Lazio, and so to the integrated improvement of its economic, social and environmental conditions and to the increase of employment rates. Therefore, interventions and measures of a dimension capable of activating a consistent “multiplicative” economic and/or social effect are preferred.
5. The Plan promotes the collaboration between Public Administration and companies for the economic development of the entire community. This collaboration will be very important also for evaluating the impact of the main operative measures financed by the Plan.
6. Strengthening of the international presence of the companies requires both measures on the factors enabling the foreign presence of Lazio companies, and actions supporting specific activities.
7. With regard to the companies, “enabling factors” are the conditions on which their overall ability to implement an international expansion path and to compete in foreign markets depends. With reference to the territories, however, they are the basic conditions for attracting companies or human capital from abroad.
8. Given the primary importance for the competitiveness of companies (both those in Lazio going abroad and foreign companies potentially interested in establishing themselves in Lazio), appropriate instruments will be put in place to stimulate the competent bodies to simplify, stabilize and clarify economic and environmental legislation and administrative procedures, as well as “legal certainty”.

9. To meet a primary need strongly expressed by the companies, the Plan provides for rapid and simple implementation instruments and it will provide for organizational measures aimed at reducing complexity of access and delivery times of the resources made available.
10. The regional Administration promotes a clear definition of the roles and the intervention limits of each of the public or mixed bodies engaged in different ways for the internationalization of Lazio, to maximise the synergies between them and prevent duplications or “uncovered” areas.
11. Through the elaboration of the Plan, the regional Administration intends to implement a policy that, with an adequate timeline, acts on all the levers of the international competitiveness of the companies and territories of Lazio, specifically: innovation, training of human capital, infrastructure system and administrative efficiency.
12. The Plan also provides for the possibility of initiatives shared with other regions where the presence of the production chains considered to be priority for internationalization in Lazio is significant. The Plan also activates the conditions to involve the university and research system existing in Lazio in the internationalization processes. Lastly, it stimulates the involvement of large international groups whose corporate status is in Lazio and which can act as drivers of their production chains at international level, with reference, inter alia, to those of energy, aerospace and transport.

These guidelines inform the contents and implementation methods of the strategy for the internationalization of Lazio that is analytically developed in the third part of the Plan.

2.2.3 Objectives of the 2019 - 2021 Internationalization strategy

In line with the specified vision, the Plan pursues some distinct strategic objectives in three areas:

- i) internationalization processes of the economic production system of Lazio
- ii) link between the various public and private stakeholders important for the sustainable international development of Lazio
- iii) attraction of foreign companies.

A certain number of specific strategic objectives has been identified for each of these three areas and reported in the table below.

AREA	STRATEGIC OBJECTIVE
Internationalization processes of Lazio companies	<ul style="list-style-type: none"> • improvement in the position of Lazio with respect to the major Italian regions on the basis of primary Internationalization indicators • increase of the number of exporting companies • increase of the average value of exports of SMEs
Link between stakeholders important for the foreign expansion of Lazio companies	<ul style="list-style-type: none"> • increase of Lazio companies benefiting from national programmes promoting internationalization • increase of strategic agreements implemented between regions (appointed bodies) and other public/private bodies for integrated initiatives favouring internationalization • increase of operational projects implemented by universities for the development of Lazio companies on foreign markets
Attraction of foreign companies	<ul style="list-style-type: none"> • increase of greenfield projects in Lazio greater than observed in the sum of central-northern regions • increase of the number of foreign subsidiary companies with production activities in Lazio

2.2.4 Direct beneficiaries

The Plan for the internationalization of Lazio is primarily aimed at the Lazio companies, to support them in the various stages of their possible international expansion process, but it also regards foreign companies located in the region.

The universe of the Lazio companies is divided mainly by the level of international experience previously gained, as well as by company size. The following four groupings are identified:

- > micro and small companies not yet present, or with a minimal presence, in foreign markets
- > SMEs that have gained significant experience and have an international presence
- > innovative start-ups with high potential for expansion in international markets/production chains
- > medium and large companies with at least a discrete level of international presence.

In addition to these four segments, it is important to identify, through a specific scouting process, the group of **"International Champions"** present in Lazio, meaning companies characterized by the best performance at a supranational level, regardless of their size, age and business sector.

The different programmes promoting company internationalization and attraction of production investments are, naturally, open to companies of all production sectors.

However, the needs of the international development of the companies in production sectors driving the Lazio economy are held in primary consideration, in line with the Regional Strategy of Smart Specialization (S3), and with clear potential for further development at a global level. Reference is made in particular to 5 production sectors.

- > **Bioscience and life science** (Biomedical, E-Health; Wellness; Medical Devices and Neutraceutical): approximately 230 companies, 18,000 employees and 10 billion euros of turnover.
- > **Aerospace and security**: approximately 250 companies with more than 23 thousand employees, generating around 5 billion euros of turnover and more than one and a half billion euros in exports (among which is one billion euros specific to the production of airplanes, space vehicles and relative devices).
- > **Audiovisual, cultural and creative digital industry**: approximately 15 million euros of added value generated (16% of the national total), 40,000 companies (14.3%) and more than 200,000 employees (13.5%).
- > **Agro-food**: the Lazio agro-food system represents 5% of the national total, with 6.3 billion euros of annual turnover, accounting for 3% of the total wealth of the entire regional economy.
- > **Green and circular economy**: the territory and province of Rome is in first place in Italy for the absolute value of companies making eco-investments in the 2014-2017 period and/or planning their investments in green products and technologies (26.7% of total companies of the province).

In addition to the aforementioned driving sectors, the internationalization efforts should also be directed at some traditional sectors for which 'Made in Italy' represents an important competitive factor, thanks to the value and recognition that the products enjoy in international markets.

- > **Design and Fashion**: in this field, the internationalization initiatives should focus on presenting Lazio as a region of creativity and design, promoting opportunities for meetings and collaborations of companies, professionals, institutions, communities and creative and scientific skill centres for the purpose of strengthening the image of Lazio products in main markets.
- > **Artistic Craftsmanship**: it is fundamental for this sector to promote the capacity for innovation through the use of new digital technologies, and to create new presentation methods and promotions in international markets.

The internationalization programmes will also be directed at the production chains and manufacturing districts of the region, including the mining and stone sector.

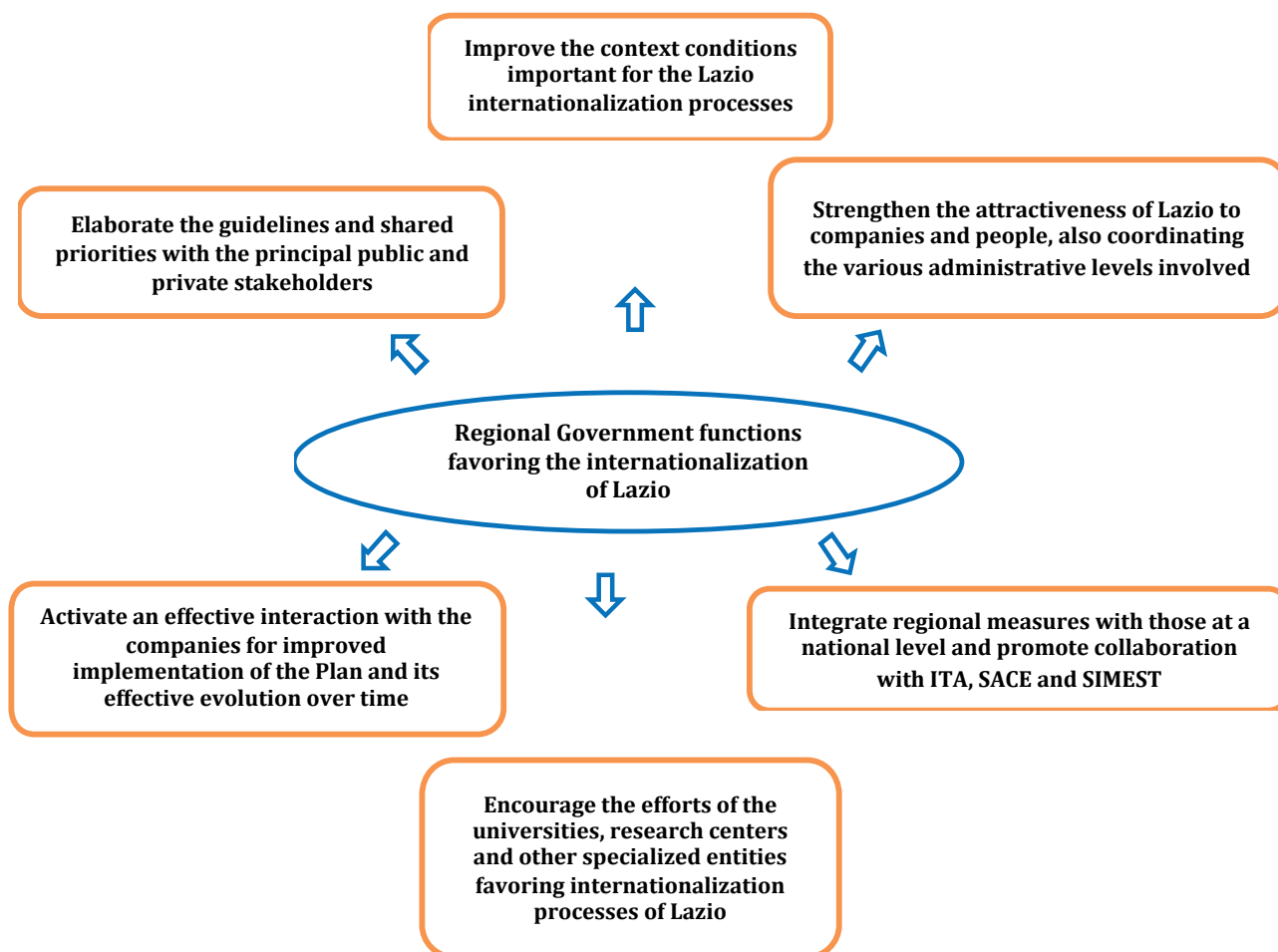
Specific attention must be paid to sectors that link different production fields and skills in order to create actions of shared and integrated systems.

- > **Tourism** remains one of the strongest driving sectors of the regional economy, with growth over recent years. Rome ranks first as the Italian city in terms of number of arrivals (nearly 20 million per year) and number of visitors (approximately 40 million per year), and it is the Italian province with the highest earnings from foreign tourism (6.74 billion euros in 2017, + 20.3% compared with the previous year - data from Bank of Italy).
- > **Publishing:** Lazio has a true publishing 'district', made up of 285 publishing companies - 17% of the national total, with more than 7,500 titles every year - and all of the professions of the book industry, from editors to illustrators, from graphic artists to translators, from writers to booksellers.
- > **Maritime economy:** the impact of the economic activities connected with the maritime economy makes it necessary to formulate measures supporting the internationalization of the entire production chain, promoting the participation of companies and stakeholders of the system in international projects.

2.2.5 Regional bodies involved in the implementation of the strategy for the Internationalization of Lazio

Through the development and the implementation of the Plan, the Regional Government assumes six specific institutional functions in the Lazio internationalization process.

These functions are: i) to develop the guidelines and agreement priorities with the principal regional stakeholders; ii) to work for the improvement of the “context conditions” important for all the Lazio internationalization processes; iii) to strengthen the attractiveness of Lazio to companies and people; iv) to integrate the measures at a regional level with instruments promoting internationalization put in place by national bodies (SACE, SIMEST, ICE Agenzia); v) to encourage the commitment of the universities and research centres in advanced training and research supporting the internationalization of the companies; vi) to implement the Plan also through structured collaboration with the principal beneficiary companies.



The execution of these functions is led by the Department of Economic Development and its Directorate, with the support of the regional development agency, Lazio Innova.

3 PART THREE: ACTION LINES

3.1 The strategy to strengthen the presence of Lazio companies abroad

The strategy to strengthen the presence of Lazio companies abroad is divided into three thematic areas: i) development of the “enabling factors”, as the essential conditions for the companies to successfully evolve at an international level; ii) improvement of the specific activities aimed at developing exports in foreign markets; iii) actions in support of the other methods of international expansion and, in particular, of strategic agreements with foreign partners.

The targets will be pursued through direct interventions - and consequently through the concession of contributions to the SMEs - and through indirect interventions, and therefore with initiatives managed by the Regional government aimed at strengthening and facilitating the internationalization capacity of the Lazio Production System. The strategy is then completed by the indication of the geographical areas where the activities supporting the foreign expansion of the companies are primarily directed.

3.1.1 Actions on enabling factors

The results of numerous theoretical and empirical studies clearly show that the potential of micro, small and medium companies for success at an international level depends of the following “enabling factors”: i) personal inclination (vision, culture, experience) of the entrepreneur towards foreign expansion; ii) the availability of human capital with specific skills for the management of initiatives in other geographic areas; iii) the coverage of unrecoverable costs (“*sunk costs*”) relating with preparatory activities of foreign expansion; iv) the innovative capacity in relation to the specific foreign markets; v) the financial resources to support strategic investments.

Micro- and small companies not present, or with minimal international presence	<ul style="list-style-type: none"> • Inclination of the entrepreneurial team • Coverage of unrecoverable costs (sunk costs) to start foreign operations • Human capital with specific skills
SMEs already operating abroad	<ul style="list-style-type: none"> • Innovative capacity • Human capital with specific skills • Financial resources for strategic investments abroad
Innovative start-ups with high potential for expansion abroad	<ul style="list-style-type: none"> • Human capital with specific skills • Financial resources for strategic investments abroad
Medium and medium-large companies with consolidated international operations and high potential	<ul style="list-style-type: none"> • Innovative capacity • Financial resources for strategic investments abroad

The following three lines of action are envisaged to allow Lazio companies to make the best use of the enabling factors:

- **Human capital**
- **Basic skills**
- **Innovation**

Given that the priority enabling factors are different for the various segments of SMEs interested in operating abroad, in each of the three lines of action, the offer to each of the segments is slightly different.

The following three tables describe for each line of action, the activities offered and their priority for each company segment interested in internationalization.

Human capital

The strengthening of the human capital of the companies is an essential basis for all types of companies, and includes both the improvement of the skills of those who already work within the company (entrepreneur included) through training, and the increase in the number of people involved in international activities.

HUMAN CAPITAL				
Programme	Target business segment			
	1	2	3	4
Linguistic preparation	**	**	--	--
Training of businesspeople on themes relating to preparation for Internationalization	**	**	--	--
Specialized training on how to operate in specific geographic areas (<i>seminars with experts based directly in specific areas abroad, bearers of direct experience and potential business connections in their geographic context</i>). These seminars may be organized, for example, by Lazio universities that operate in partnership with foreign universities with operational contacts with the business community in their areas	--	*	**	**
Temporary & export managers	**	**	**	*

Company segment

1. Micro and small companies not present or with minimal presence abroad
2. SMEs already operating abroad
3. Innovative startups with high potential for Internationalization
4. Medium and large companies already operating abroad and with high potential for development

Programme priority by company segment

- ** Programme priority for the segment
- * Programme available for the segment
- Programme not targeted to the segment (which is not, in any case, excluded from possible collaboration)

Basic skills

The “basic skills” include the set of knowledge without which it is very unlikely that the foreign operations will have significant results and there is elevated risk that pathological processes potentially lethal for the company will be activated. The training of the people in the company and the insertion of new positions with specific skills obviously also answers the need to endow the company these skills. To training must be added an offer of specialized consulting services, with costs and usability consistent with the operational methods, also with respect to internationalization, prevalent among the SMEs.

BASIC SKILLS				
<i>Programme</i>	<i>Target business segment</i>			
	1	2	3	4
Analysis skill/resource gap for foreign expansion and indication of corrective action	**	**	*	**
Provision of structured information on foreign market potentials and criticalities and specific opportunities	**	**	**	*
Facilitation of participation in SACE, SIMEST and ICE programmes - Debt collection services abroad - Guarantee on financing for activities abroad and other instruments to improve access to bank credit - Insurance instruments for the protection of foreign investments - Education to export	--	**	*	**

Company segment

1. Micro and small companies not present or with minimal presence abroad
2. SMEs already operating abroad
3. Innovative startups with high potential for Internationalization
4. Medium and large companies already operating abroad and with high potential for development

Programme priority by company segment

- ** Programme priority for the segment
- * Programme available for the segment
- Programme not targeted to the segment (which is not, in any case, excluded from possible collaboration)

Innovation

A strong connection between innovation and international expansion is widely confirmed. In this view, innovation is intended in the broad sense, including both the development of innovations of production technology and product contents, and evolution of the business model.

Actions to strengthen the innovation of Lazio companies, geared towards their internationalization, as listed in the table below, are top priority in regional programmes and actions specifically directed at innovation. They include actions to strengthen research infrastructure, to complete the implementation of the programme for the reindustrialization and competitive repositioning of the Lazio production system and actions of the *Digital Impresa Lazio* (Lazio Digital Company) programme, which aims to facilitate the digital transition of micro, small and medium-sized companies (actions covered by ERDF Regional Operational Programme 2014-2020).

INNOVATION				
Programme	Target business segment			
	1	2	3	4
Registry of technological skills existing in Lazio	--	**	*	**
Support for cooperation with research centres in Lazio/Italy for innovation projects	--	**	*	**
Co-financing for innovation specifically aimed at competing in foreign markets	**	**	**	--
Support for participation in international research projects	--	--	*	**

Company segment

1. Micro and small companies not present or with minimal presence abroad
2. SMEs already operating abroad
3. Innovative startups with high potential for Internationalization
4. Medium and large companies already operating abroad and with high potential for development

Programme priority by company segment

- ** Programme priority for the segment
- * Programme available for the segment
- Programme not targeted to the segment (which is not, in any case, excluded from possible collaboration)

3.1.2 Actions directly supporting exports

The strategy for the internationalization of Lazio companies sets out measures aimed at supporting exports in international markets.

The process of developing exports by a micro, small or medium company may be articulated into the following phases:

1. research and testing of the first marketing opportunities in foreign markets
2. consolidation of contacts with intermediaries and, therefore, foreign sales
3. development of its own sales network to acquire direct control of exports
4. opening of commercial branches/sales offices abroad for greater oversight/presence in the market
5. increase of geographic markets in "far abroad" countries and possible management of these assigned to foreign subsidiaries.

In line with the general objectives of the Lazio internationalization strategy, activity in direct support of exports is focused on the first two phases described above: research and testing of the first marketing opportunities in foreign markets and consolidation of contacts with intermediaries.

It should be noted that the need for support for the third phase, which concerns the development of a commercial network and thus the shift to direct exports, can be met in the context of the aforementioned measures supporting "enabling factors", in particular the ones about *temporary management*.

The following table indicates the programmes related to the action directly supporting exports and the segments of companies for which they are considered a priority.

ACTIONS DIRECTLY SUPPORTING EXPORTS				
<i>Programme</i>	<i>Target business segment</i>			
	1	2	3	4
Strengthening of the strategic/operative connection with the regional production and technology sectors, trade associations, research system - sharing objectives and intervention strategies, particularly in relation with the other programmes set out by the Plan - joint programming and implementation actions in favour of specific sectors	*	**	**	**

Support for commercial action in foreign markets - support and backing to participation in international fairs - creation of " <i>business matching</i> " meetings with international buyers (also in connection with the analogous SACE programme and actions put in place by the Italian Ministry of Foreign Affairs) - connection with SACE SIMEST programme for financing to foreign buyers purchasing Lazio companies and with the EXPAND programme.	**	**	*	*
Co-financing of investment in production capacity/innovation for development in foreign markets -Feasibility studies to evaluate development projects in foreign markets	--	**	*	**
Technical training on export management for personnel to be specialized	**	*	--	--

Company segment

1. Micro and small companies not present or with minimal presence abroad
2. SMEs already operating abroad
3. Innovative startups with high potential for Internationalization
4. Medium and large companies already operating abroad and with high potential for development

Programme priority by company segment

- ** Programme priority for the segment
- * Programme available for the segment
- Programme not targeted to the segment (which is not, in any case, excluded from possible collaboration)

3.1.3 Actions directly supporting other methods of foreign presence

The third component of the internationalization strategy of Lazio companies includes measures to improve the capacity to operate at an international level, with different means, from simple commercial presence in certain foreign markets. In particular:

- strategic agreements with foreign companies in the context of the global value chains
- network contracts expressly aimed at developing a competitive presence in foreign markets
- joint ventures with foreign companies to develop: i) innovation activities; ii) competitive presence in foreign markets; iii) production activity in Lazio.

In these areas, the Plan intends to: i) stimulate awareness in entrepreneurs and managers of the importance of the alliances in the development of the company, particularly at an international level; ii) promote the acquisition of management, technical and juridical skills to better negotiate and manage the agreements; iii) support the acquisition of financial resources necessary for international investments.

In a similar way to the previously observed case of the actions supporting exports, the actions listed here below are also differentiated by priority to the target segments.

ACTIONS DIRECTLY SUPPORTING OTHER KINDS OF FOREIGN PRESENCE				
Programme	Target business segment			
	1	2	3	4
Specialized training in negotiation and management of agreements/joint ventures	**	**	--	--
Promotion of specialized consultancy for agreements/joint ventures	*	**	*	**
Promotion of network contracts for internationalization	**	**	--	**
Facilitation of participation in SACE SIMEST programmes for financing foreign investment and risk coverage	--	**	--	**
Promotion of public-private projects for internationalization of the supply chain - Stipulation of agreements with lead companies for the involvement of local supply system and easier access to credit	--	**	*	**

Company segment

1. Micro and small companies not present or with minimal presence abroad
2. SMEs already operating abroad
3. Innovative startups with high potential for Internationalization
4. Medium and large companies already operating abroad and with high potential for development

Programme priority by company segment

- ** Programme priority for the segment
- * Programme available for the segment
- Programme not targeted to the segment (which is not, in any case, excluded from possible collaboration)

The Plan also sets out the creation of scouting activity in Lazio, aimed at identifying the "International Champions".

3.1.4 Direct interventions

The majority of the actions described above will be implemented through direct interventions, or rather, through the concessions of contributions to the local SMEs.

The direct interventions are aimed at financing internationalization services and interventions for the companies, in both individual and grouped forms, and are mainly divided into two measures:

a) *Vouchers to operate in foreign markets.*

The financial instrument that allows SMEs to:

1. acquire management, technical, technological skills, such as:
 - i. Programme Manager - Management of the internationalization path
 - ii. Innovation Manager - coaching for innovation and digital transformation of products and company business models
 - iii. Export Manager - Analysis of target country, market analysis, product adaptation, etc.
2. support participation in fairs, B2B missions, customized meetings with foreign operators in Italy (incoming) or abroad (outgoing) and international events.

b) *Calls for financing of structured projects.*

These calls are aimed at co-financing for the companies of more complex internationalization projects, generally in networks and in consortium, and to support the participation in initiatives of qualified international promotion in priority sectors and areas related to the Regional Smart Specialization Strategy.

3.1.5 Indirect interventions

Another range of internationalization pathways articulated in the three action lines described above (human capital, basic skills, innovation) will be implemented through indirect or regionally managed interventions. These include actions aimed at strengthening the capacity of the regional economic system to work in international contexts, through:

- i) exploration of the possibility of constructing institutional, technological, economic and commercial cooperation networks
- ii) search for partners and investors
- iii) identification of market spaces, focusing the action towards priority sectors and identified target markets
- iv) organization of round-tables, seminars, conferences, debates and training initiatives for sector operators, relating to the specialized aspects on themes connected to international markets and to international cooperation
- v) participation in events and international fairs, B2B missions

- vi) organization of institutional and technical missions to strengthen the international relations in support of Lazio companies
- vii) dissemination of commercial, production and financial information, on instruments available on a regional, state and community level, also through the promotion of connection with structures of the European Union and other international bodies.

System governance

The indirect interventions described above, falling within the information, consulting and training services for companies on the themes of internationalization, will constitute the lines of action defined as "*system governance*".

As part of the system governance actions, the regional service platform **Laziointernational.it**, an instrument for the internationalization of the Lazio economic system, will continue to be updated and strengthened.

Economic diplomacy

Replicating the type of successful actions that characterized the previous programme of internationalization interventions, *Economic Diplomacy* will continue with those countries and regions with which it is considered useful to open and deepen relations, on the basis of potential for socio-economic development and with which the same priorities of the production sectors and market are shared. In establishing privileged economic relations will be evaluated both the experience gained and the geopolitical and economic characteristics of the areas, which will generally be among those of the target countries identified in paragraph 3.1.6.

Decentralized cooperation and development

Actions of decentralized cooperation will also be developed, aimed at promoting:

- the positioning of Lazio in developing countries, in line with the Inclusive Business Model adopted by the Country System following the reform of the national law on the subject (L. 125/2014)
- the economic development and the business system of developing countries identified in the context of the regional programme and in agreement with the local authorities, promoting awareness of mutual economic realities in order to identify joint opportunities for business initiatives, investment, trade and production activities in such countries (L.R. Regional Law 19/2000 and L.R. Regional Law 1/2015).

3.1.6 Target markets

It is useful to distinguish the three types of markets: i) assets to maintain and grow; ii) medium-term targets; iii) potentials to explore.

The first group includes geographic markets where Lazio companies already have a consolidated presence and are in relatively better conditions to compete. The “medium-term target” group includes areas where there is considerable space for growth in terms of volume and value. These opportunities, however, require a production dimension and commercial capacity that only few Lazio exporting companies possess at the moment. The “potentials to explore” include countries that do not currently have consistent characteristic to represent priority targets, but that, for various reasons, may evolve in a favourable way to the presence of the Italian companies and Lazio.

Assets to maintain and grow	Medium-term targets	Potentials to explore
<ul style="list-style-type: none">• Germany• France• Spain• UK• Mediterranean• African countries	<ul style="list-style-type: none">• United States• Russia• United Arab Emirates	<ul style="list-style-type: none">• Australia• Albania, Romania, Croatia, Slovenia, Serbia• Other African countries where Italy has elevated market share• China and South East Asia (ASEAN)• Middle Eastern countries• Other BRICST countries (Brazil, India, South Africa and Turkey)

3.2 The strategy to attract production investments from abroad

3.2.1 Introductory remarks on the attractiveness of foreign investments

It has been observed that there is a significant positive correlation between direct foreign investments and exports. A large part of these investments are operations structures in the global production chains; they generate output not for the local market, but to feed a successive phase of the production process in another geographic area, leading to an export.

It should also be remembered that many empirical studies in various areas of the world have shown the advantages generated by direct foreign investments for the sustainable development of the territory that receives them. Amongst others there are: i) improvement of the quality of the human capital; ii) qualitative-quantitative growth of the system of local suppliers; iii) strengthening of the international visibility and reputation of the territory; iv) alignment with standards of international behaviour.

The commitment to attract direct foreign investment, which is naturally consistent with the sustainable development model pursued, must be as strong as the commitment to support the international expansion of local companies.

3.2.2 Regional context data

Given the importance of global investment flows as a pillar of regional economic development, it is useful to underline that flows of direct foreign investment (DFI) have seen a growing trend in recent years. The flows towards the European Union equalled 566 billion dollars in 2016 thanks to the growth of direct investments towards the United Kingdom (which is the highest recipient of the EU, and the second at a global level), the Netherlands, Belgium and Italy in particular. The flows into Italy were equal to 29 billion dollars (with a 50% increase). The other European countries not members of the EU have, instead, shown a downturn, in some cases even substantial.

Analysing the position of our region in greater detail in this context, the greenfield-type direct foreign investment in the region, after having registered a period of growth starting from 2003, in line with global trends of increasing internationalization of the European economies, showed an inversion in the trend from 2008, with evidence of the economic crisis.

Without a doubt, a fundamental role in the regional economic development is performed by multinational companies. The crucial role played by foreign invested companies in the process of creating and disseminating new technological and organizational knowledge highlights the strong dynamic potential both for the growth of the company itself and for the development, reorientation and upgrading of local host environments, and therefore local companies.

3.2.3 Measures for strengthening the attractiveness of Lazio to companies

The attraction of new investments for the economy has been identified as the strategic objective of the current term in continuity with the *"Guidelines of Policies for Internationalization of the Lazio Production System - 2016-2017 Intervention programme"*. For this reason, Lazio Region aims to establish a structured system for promoting and managing foreign investment as a complementary sector to internationalization, with the main purpose of increasing the number of companies and, consequently, increasing the high-value-added employment level of the region.

For this purpose, a Memorandum of Understanding between MISE, Lazio Region and ICE has already been signed (approved by DGR of 17 January 2017), with which Lazio Region, in the context of national coordination, identifies strategies and instruments for attracting foreign investment.

In addition, the Regional Council, with the report about "Labour and Development in Lazio", has proposed measures aimed at defining sets of instruments to monitor the state of companies and employment in the territory and to promote Lazio as a destination for investments. It is also envisaged the creation of a development unit to attract investments, with the objective of performing and promoting:

- attraction of investment activities, even coordinating a census of abandoned industrial areas
- actions supporting re-industrialization and industrial reconversion programmes
- assistance to companies and workers
- management of company crises and definition of worker relocation and retraining plans

- monitoring of the regional labour market, also at a sector-based and territorial level.

The Region, also through this unit, will focus the following objectives:

- improvement of available production sites
- increase of qualified human capital (resource critical for competition)
- improvement of the general attractiveness of Lazio

A role in promoting and facilitating the attraction of investments and some specific activities set out by the Plan (for example, among the “Improvement of available production sites” objectives of the following table) may be performed by industrial Consortia and, in the perspective, by the Consorzio Industriale Unico del Lazio (Single Industrial Consortium of Lazio), currently being established.

For each objectives, the Plan sets a series of measures.

OBJECTIVE	PROGRAMME
<p>Improvement of available production sites</p>	<ul style="list-style-type: none"> • Start/complete mapping of public areas available for settlements (expandable to private areas at a later date) • Promote a single access point to the Region for company requests on all types of administrative questions (i.e. company opening, tax advice, administrative procedures, residence permits, visa issuance, etc.) • Provide information and promote investment opportunities in the territory • Guarantee promotion of location opportunities identified at a national and international level • Provide qualified technical assistance for the recognition of documentation relating to the locations identified • Offer administrative instruments for the collection of data relating to the locations • Create a single portal at the regional level for the presentation and promotion of the available territorial offer • Provide a specialist service to support the management of relationships with potential investors and to connect with the various public authorities involved in the administrative process of the project.

<p>Reinforcement of human capital for competition</p>	<ul style="list-style-type: none"> • Mapping of the skills required by international companies and the qualitative and quantitative gaps in the offer • Mapping of secondary scholastic institutions and universities potentially able to close the offer gap • Promotion of agreements with the local universities to make the research of scientific and technological skilled professionals easier and to simultaneously curb the problem of “brain drain”.
<p>Improvement of the general attractiveness of Lazio</p>	<ul style="list-style-type: none"> • Organization of a structured cycle of meetings with international companies divided by sector • Organization of periodic meetings to present the incentives of the territory for the purpose of facilitating their access • Coordination with similar work groups activated by the trade associations • Coordination with Public Administrations at various levels for test and implementation of measures addressed to international companies, with reference first of all to regulatory simplification and bureaucratic streamlining • Coordination with ITA-attraction investments and competent Ministries for the participation in international roadshows and organization of “<i>business matching</i>” with potential investors • Customized assistance for international companies interested in investing in Lazio • Customized assistance for Lazio companies for reshoring their production activities • Leveraging the multinationals already present in the territory as influencers, sponsoring them as best practice for the purpose of improving the image of Italy, and specifically, of Lazio, so favouring further settlements and co-localization processes. It will also be useful to involve the Council of International Companies of Lazio, established with DGR 292/2018.

3.3 Plan implementation

3.3.1 Budget

The resources available for implementing the *2019-2021 Internationalization Plan for the Lazio Production System* derive from the Regional funds of the ERDF Regional Operational Programme 2014-2020 and from the economic resources of the Regional Law L.R. no. 5 of 27 May 2008.

Specifically:

- a) the “direct interventions”, in view of their consistency with the objectives of the Regional Smart Specialization Strategy, shall be financed by the ERDF Regional Operational Programme 2014-2020 with resources of 15 million euros, for the implementation of:
- action 3.4.2 “Incentives for the acquisition of services supporting internationalization of the SMEs” and for “vouchers”, in line with the indications of Chapter 3.1
 - action 3.4.1 “Projects promoting exports for companies and their aggregate forms identified on a sector and territorial basis”, and the more complex projects indicated in Chapter 3.1
- b) the “indirect interventions” shall be financed by the resources allocated to Regional Law no. 5 of 28 May 2008 “Guidelines of regional interventions supporting the internationalization of small and medium companies in Lazio” and, specifically:
- € 650,000.00 of regional budget for the 2019-2021 three-year period
 - € 2,138,335.00 of ascertained residuals from previous programmes.

The financial allocation of the Plan may be, by specific administrative acts:

- a) increased, as regards the indirect interventions, using further regional budget , and in case of determination of further residuals arising from prior programming periods
- b) increased and/or restructured, as regards the direct interventions, in case of need arising from the implementation of the Plan and/or the ERDF Regional Operational Programme 2014-2020.

ENDOWMENT	SOURCE OF FINANCING	
	ERDF Regional Operational Programmess 2014-2020	Regional Law 5/2008
A. Direct interventions	€ 15,000,000.00	
B. Indirect interventions		€ 2,788,335.00
Total: € 17.788.335,00		

3.3.2 Programme implementation method

The *2019-2021 Plan for internationalization of the Lazio Production System* shall be implemented in 3 different ways.

- a) Public notices for the grant of aid and contributions to the SMEs, for the various activities and services described in the Plan.
- b) Partnership agreements with previously identified authorities. Lazio Region, following specific agreements - signed or to be signed - with the institutional authorities identified in the present Plan, shall approve the relative project description by specific administrative act, instructing Lazio Innova to supervise the consequent implementation reports.
- c) Implementation performed by the Region: Lazio Region, where considered appropriate that certain activities be implemented directly, shall approve the relative project description with a specific administrative act, instructing Lazio Innova to supervise the implementation.

The interventions concerning the activities identified in the preceding letter a) shall be executed in compliance with the relative implementing provisions of ERDF Regional Operational Programme 2014-2020. In particular, the provisions rules for selection of the operations shall be established with the following administrative approval measures of the individual public notices.

The interventions relating to the activities referred to in points b) and c) shall be executed in accordance with the provisions of Regional Law. no. 5/2008 and on the basis of determinations of the Regional Director for Economic Development, with successive administrative acts approving the individual project descriptions.

