



The European House
Ambrosetti



In collaboration with



BANGKOK
HIGH LEVEL DIALOGUE
ON ASEAN ITALY
ECONOMIC RELATIONS

October 4, 2023 - Grand Hyatt Erawan, Bangkok

PRESENTATION BY

VALERIO DE MOLLI

Main Partner



With the Patronage of



Institutional Partner



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Partner



Junior Partner



With the support of



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HIGH LEVEL DIALOGUE ON ASEAN ITALY ECONOMIC RELATIONS – 7th Edition

Valerio De Molli

Managing Partner and CEO, The European House - Ambrosetti

Grand Hyatt Erawan, Bangkok, Thailand

Wednesday, October 4, 2023

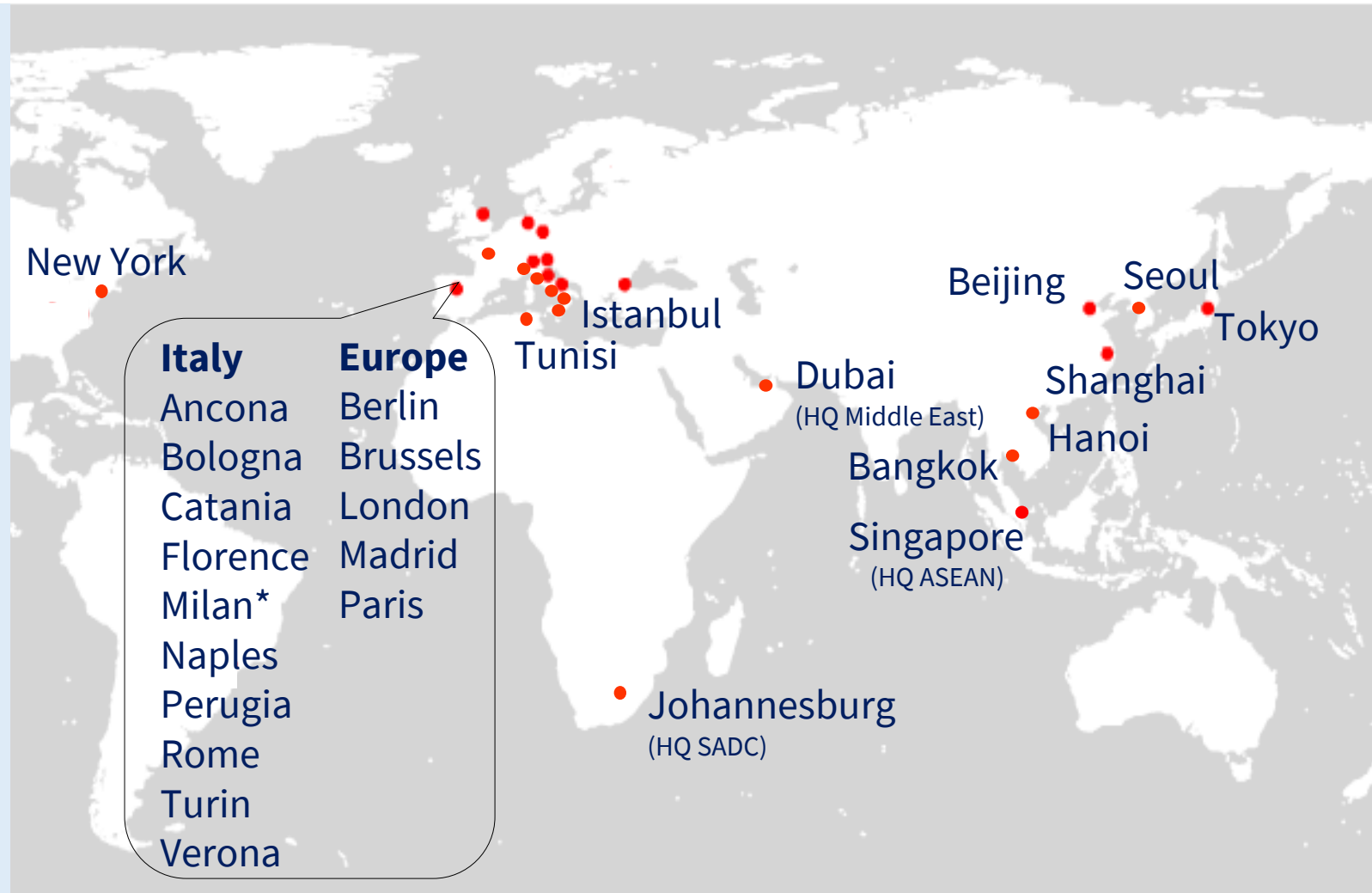


The High-Level Dialogue on ASEAN Italy economic relations

- The dynamicity of ASEAN countries
- ASEAN countries through the lenses of the Global Attractiveness Index
- The role of Italy as partner to ASEAN countries
- Why it is important to strengthen ASEAN-Italy economic relations

The European House - Ambrosetti is an international management consulting Group with a global presence

- Established in **1965**
- Headquartered in Italy with activities in **4 Continents** and direct offices and strategic partners in **18 countries**
- Awarded as **Top Employer 2023** in Italy for the **third consecutive year**
- Awarded as **leading European Think Tank** (1st in Italy and 4th in Europe) by the “Global Go To Think Tanks Report” survey of the University of Pennsylvania since 2013
- Awarded as a **case of excellency by the bilateral Presidential Treaty** (Republic of Italy and Republic of France) in 2021
- **Partner of the G20** Italian and Indonesian Presidencies on various strategic papers



(*) Headquarters

The European House - Ambrosetti

Our Figures, our Successes

More than
550
Events

Organized in 2022, of which 11% digital, 8% physical and 81% phygital

1
Proprietary platform for creating phygital experiences

Proprietary technology and know-how for workshops, seminars and complex digital events

3,000
Experts

National and international engaged each year

17,000
Managers
1,300
Clients

Managers accompanied in their professional growth and consulting clients served each year

42,000
Participants

National and international that attended our events and meetings

More than
250
strategic studies and scenarios

Designed each year for national and international institutions and corporations

#1
Think Tank

Private in Italy, #4 in the European Union and among the most respected and independent – since 2013 – out of 11,175 globally, based on a survey of 73,000 leaders from government and institutions, business and media, in more than 100 countries worldwide (*)

49
Years

of the Cernobbio Forum: those attending the last edition represented managed assets of €50 trillion; 7 governments represented

TOP
EMPLOYER
2023

For the third consecutive year, The European House – Ambrosetti has been recognized as a Top Employer. One of the 141 Top Employers 2023 in Italy, based on the analysis of 6 specific areas of HR policy and over 400 best practices monitored

300
People
54%
Women

Who share the same passion and drive.
42 people abroad (China and the Middle East)

10
Years

For the last ten years, key player in the Italian innovation ecosystem: Corporate Venture Capital, Open Innovation and Startup Accelerator

30
Years

The experience of our sustainability team in made-to-measure solutions and projects to accelerate company transition towards a sustainable future. In the last year alone, more than thirty companies chose us

4
new acquisitions

In 2023, 4 new societies joined the Group: Cybrain, specializing in cyber security services; GDS Communication, specializing in integrated marketing and communication; Oltre Consulting, specializing in the development of international sports entertainment and food projects; Harvard Business Review Italia, the Italian edition of the Harvard Business Review

120
Family - Owned Businesses

Assisted over the last year through consulting in Family Agreements and Governance Systems

7
International Think Tanks

Represented as an international best-practice by the ASEAN Community (7 countries/areas: ASEAN, China, France, Middle East, South Africa, USA, European Union – Brussels).
Mentioned as a case of excellence in the treaty between the Italian Republic and the French Republic for enhanced bilateral cooperation, co-signed by the President of the Italian Council of Ministers and the President of the French Republic

18
Countries

With direct presence or in partnerships.
In 2020, we provided support to Italy's presidency of the G20 through the formulation of eight policy recommendations involving the priority areas for action of the Italian presidency (the "3Ps": People, Planet, Prosperity)

The European House - Ambrosetti's international High Level Dialogues



- **70 Governments** involved
- **>250** speakers every year (ministers, CEOs, economists, etc.)
- **>3,000** business leaders and institution representatives every year



The European House – Ambrosetti

launched the **“High Level Dialogue”**

with the aim of institutionalize a high-level and exclusive

connection platform between ASEAN countries and Italy



The High Level Dialogue has become the reference event for ASEAN and Italy business communities



1st edition
May 2017, Jakarta



2nd edition
April 2018, Singapore



3rd edition
June 2019, Hanoi

4th edition
Digital*
July 2020 to January 2021

5th edition
Digital
July 2020 to January 2021



6th edition**
July 2022, Kuala Lumpur

> **3,000** participants

~**€5 trillion** revenues

150 speakers

>**20** Ministers from ASEAN and Italy

19 Position Papers have been drafted during the 6 editions of the High Level Dialogue addressing the most important topics for cooperation with Italy

1. *“ASEAN area’s economic performance and trade relations with Italy: broadening opportunities”*
2. *“Enhancing connectivity in ASEAN area: what opportunities of cooperation for Italian and ASEAN players”*
3. *“Innovation and technologies in the agriculture value-chain: how to profitably share know-how and match competences”*
4. *“Aerospace, Defense and Security as drivers for growth and technological progress: opportunities for Italy and ASEAN countries cooperation”*
5. *“ASEAN area geo-economic growth: challenges and broadening opportunities”*
6. *“Perspective of Industry 4.0 in ASEAN countries and joint opportunities with Italy”*
7. *“Technology for the future: the role and contribution of the Aerospace, Defense and Security sector as an enabler of development”*
8. *“Trade, global value chains and industrialization in an era of rising protectionism: implications and opportunities for Italy-ASEAN relations”*
9. *“Enhance resilience in ASEAN: best practices, approaches and matching complementarity with Italy”*
10. *“ASEAN Public-Private Partnerships: models, legal and financial structures to boost Italian investments”*
11. *“The political and economic relations among Italy, the European Union and ASEAN countries during the COVID-19 crisis”*
12. *“Opportunities and perspectives for ASEAN-Italy relations in the post-COVID scenario - 2020”*
13. *“The Global Attractiveness Index 2020 in ASEAN countries”*
14. *“The strategic value of AD&S technologies in ASEAN and opportunities for collaboration with Italy”*
15. *“The Global Attractiveness Index (GAI) 2021: focus on ASEAN”*
16. *“Opportunities and perspectives for ASEAN-Italy relations in the post-COVID scenario - 2021”*
17. *“Energy transition and circular economy in ASEAN: state of the art, national plans and investment opportunities”*
18. *“ASEAN Smart Mobility Infrastructure for a Sustainable Future: Trends and Opportunities to Attract Italian Investments”*
19. *“ASEAN Smart Infrastructure for a Sustainable Future. Trends and Opportunities to Attract Italian Investments”*

The direct fallouts of the High-Level Dialogue on ASEAN Italy economic relations as of today (1/2)

Since the launch of the **High Level Dialogue on ASEAN Italy Economic Relations** the ASEAN region observed outstanding results in both investment area and trade commercial relationship with Italy



Inauguration of a new **tyres production plant** in Thailand



Acquisition of a minority stake of an **Italian firm producing cosmetics** by a sovereign fund owned by the Singapore Government



Opening of **production units, design centers** and **service centers** in Vietnam, Thailand and Indonesia by an Italian firm operating in the **metal industry**



Increase in **export of Made in Italy goods in ASEAN**, especially in Singapore, Malaysia, Thailand, and Vietnam



Opening of a production plant by **2 motorcycle Italian manufacturers** (in Thailand and Indonesia)



Introduction of **training and business courses** to access the ASEAN market offered by Italian government agencies

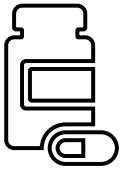
The direct fallouts of the High-Level Dialogue on ASEAN Italy economic relations as of today (2/2)



Conferral to Italy of the status of **Development Partner** of ASEAN in 2020*



Support for the formalization of a **free trade agreement** between the European Union and Singapore



Opening of a **biotechnology lab** in Singapore by a major Italian **pharmaceutical company**



Opening of a branch office of a **leading Italian bank** in the ASEAN region



Expansion of the business of one of the main **Italian high-tech** companies in Singapore



Upcoming opening of an **Italian Cultural Institute** in Vietnam

Thanks to the High Level Dialogue, notable achievements have been attained in the relations between Italy and ASEAN

- Since September 2020, **Italy** officially became a **strategic partner** of the **ASEAN** Region
- The “High Level Dialogue on ASEAN Italy Economic Relations” has become an **official instrument** of the Italian **Ministry of Foreign Affairs** for international relations with ASEAN countries

*“I would like to thank the European House – Ambrosetti for inviting me to today’s Dialogue. It is an **important opportunity for ASEAN and Italy** to discuss how we can deepen our cooperation. I would also like to specifically **encourage Italy to become a development partner of ASEAN**, so as the Region could benefit from the exchange of knowledge and experiences especially in areas of mutual interest”*

Lim Jock Hoi (Secretary-General, ASEAN) during the 1st digital round table of the High Level Dialogue on July 2, 2020

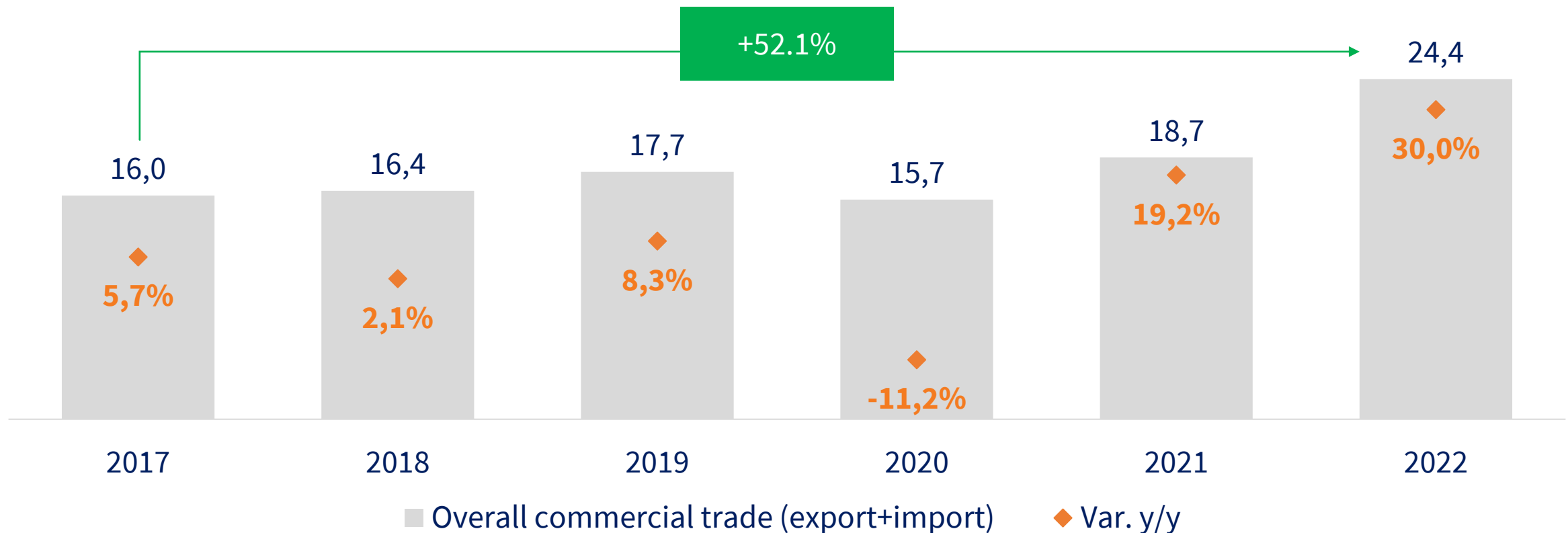


*“The 53rd meeting of the Foreign Ministers of the member countries of ASEAN (Association of Southeast Asian Nations) today **approved Italy's candidature as Development Partner of the Association**”*

Italian Ministry of Foreign Affairs, September 9, 2020

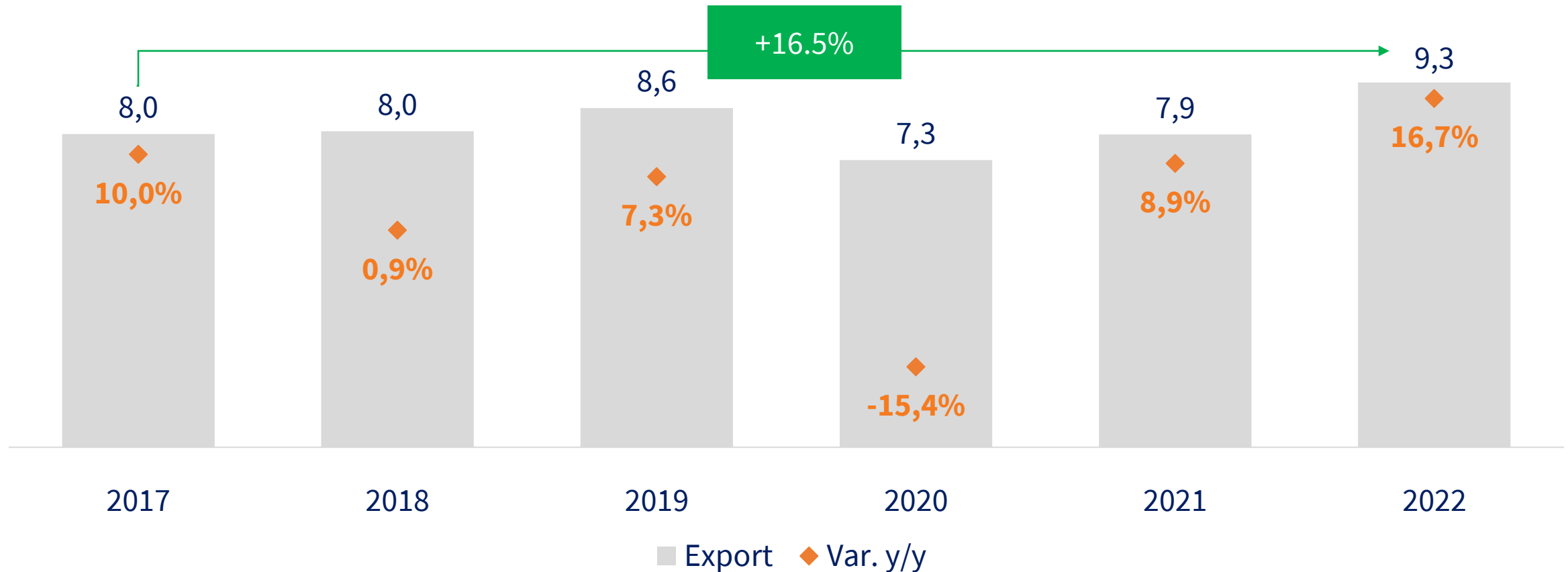
Since the High Level Dialogue has been activated in 2017, trade relations between Italy and ASEAN countries have constantly increased (+52%)...

Overall commercial trade between Italy and ASEAN (export+import, € billion and var. y/y), 2017-2022



...reporting a 17% growth in export from Italy towards ASEAN...

Export from Italy towards ASEAN (€ billion and var. y/y), 2017-2022



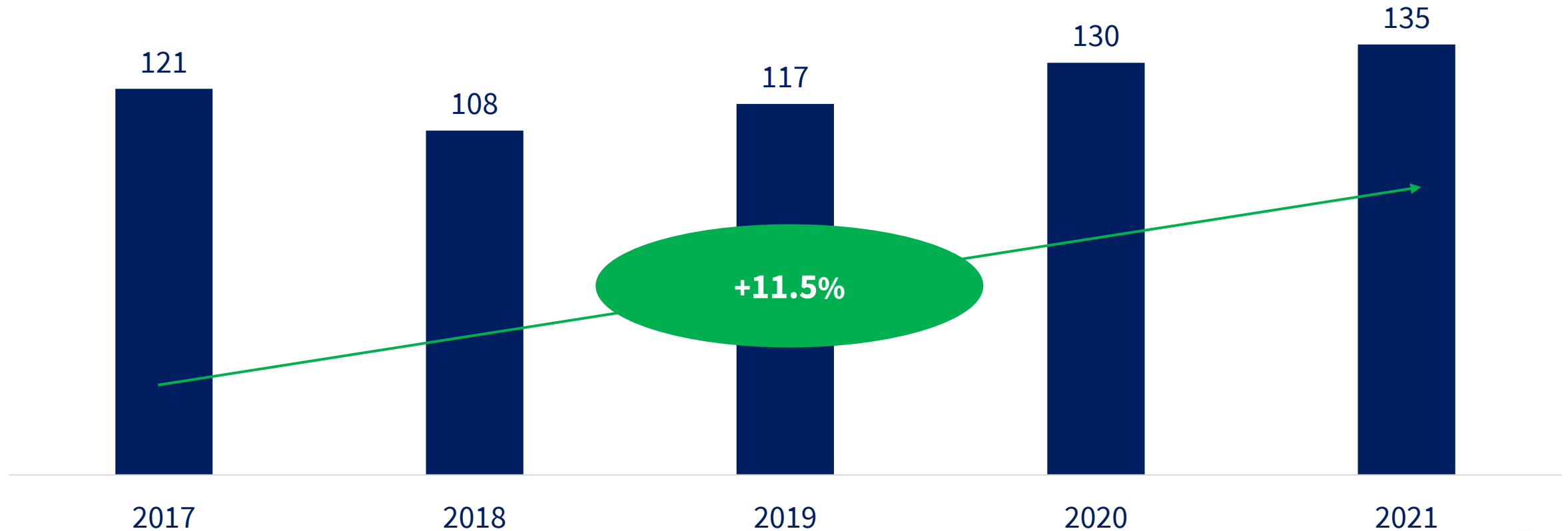
...and an increase of 87% in import from ASEAN in Italy

Import from ASEAN in Italy
(€ billion and var. y/y), 2017-2022



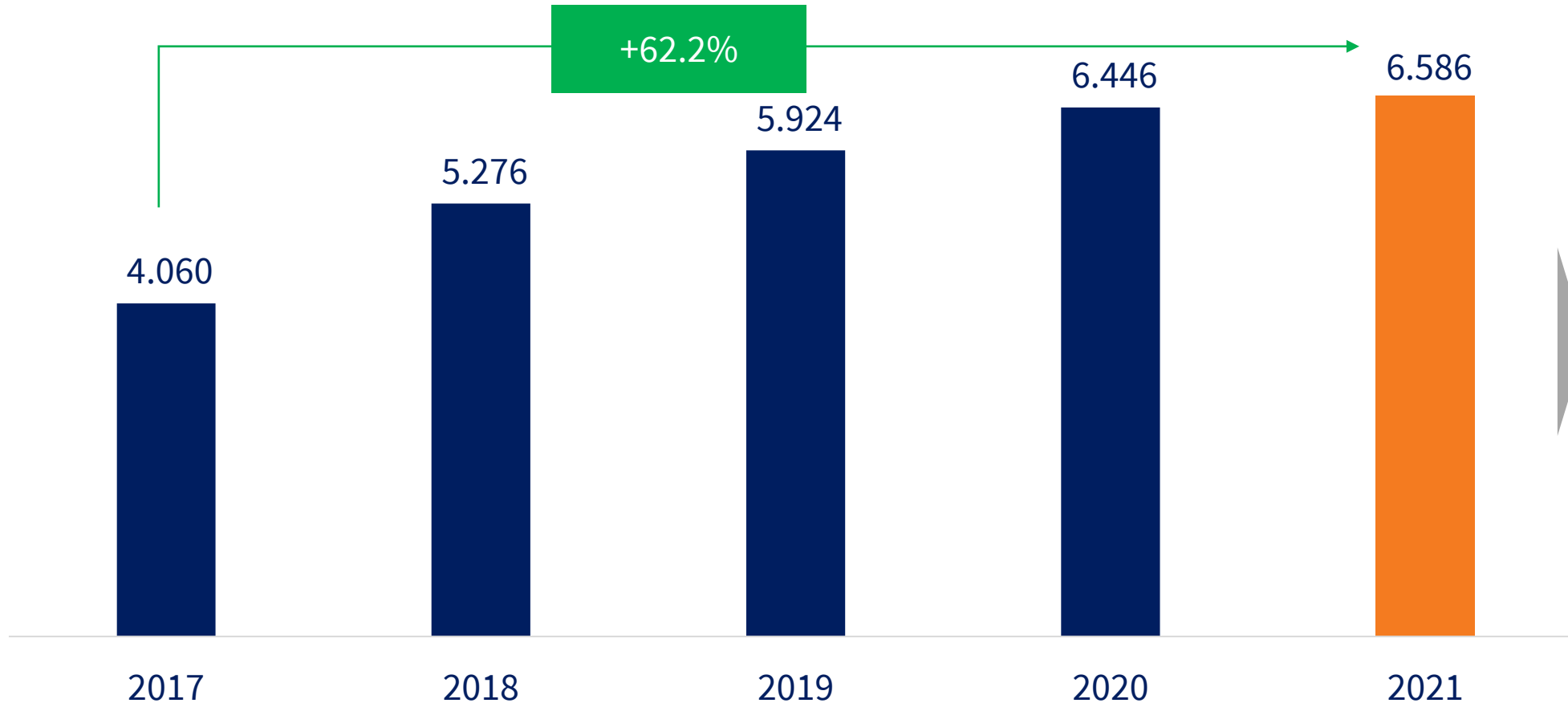
In the last quinquennium, ASEAN countries Foreign Direct Investments towards Italy increased by 11.5%...

Outward FDIs from ASEAN to Italy (€ million), 2017-2021



...as well as Italian FDIs towards ASEAN, which grew by +62.2%
(accounting for 3.8% of total stock of FDIs in ASEAN countries in 2021)

Outward FDIs from Italy to ASEAN (€ million), 2017-2021

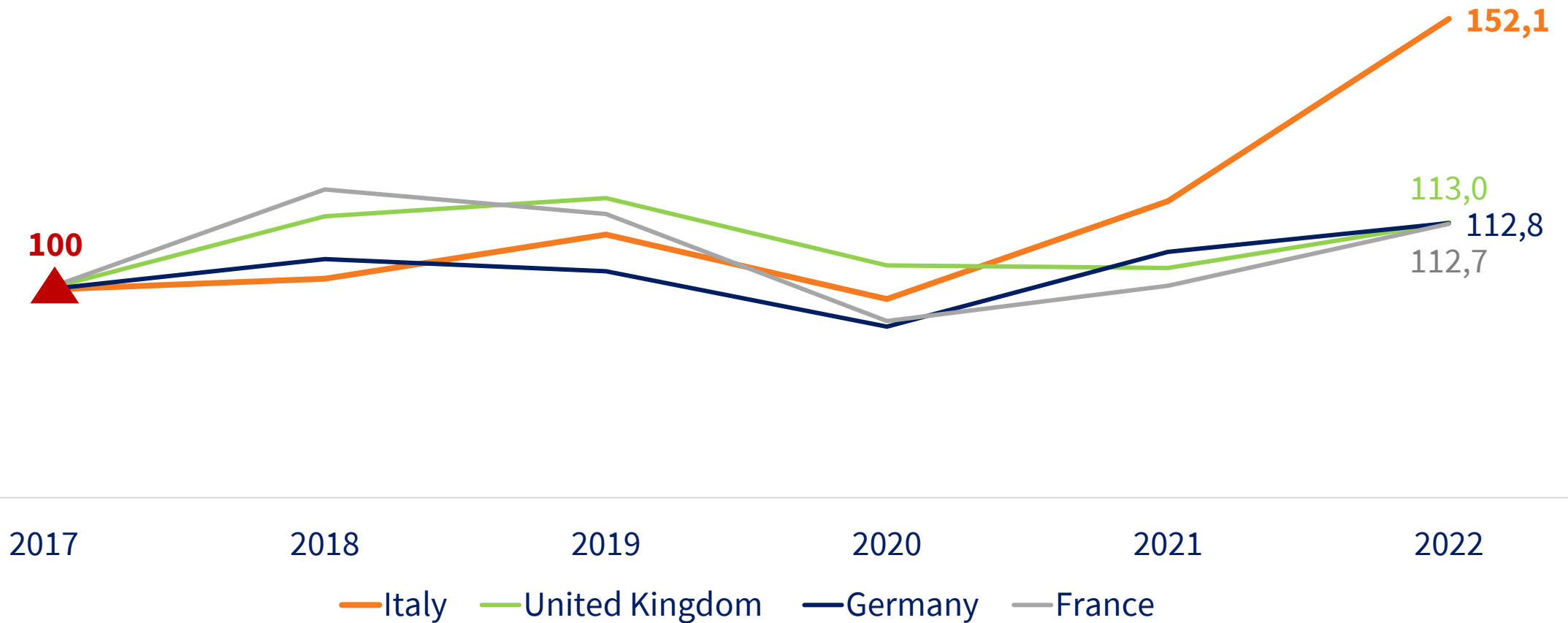


The weight of Italian investments towards ASEAN is constantly increasing and in 2021:

- ASEAN represents **1.3%** of the total outward FDI of Italy (vs. 0.9% in 2017)
- Italy represents **3.8%** of total stock of FDI in Asean countries (vs. 2.6% in 2017)

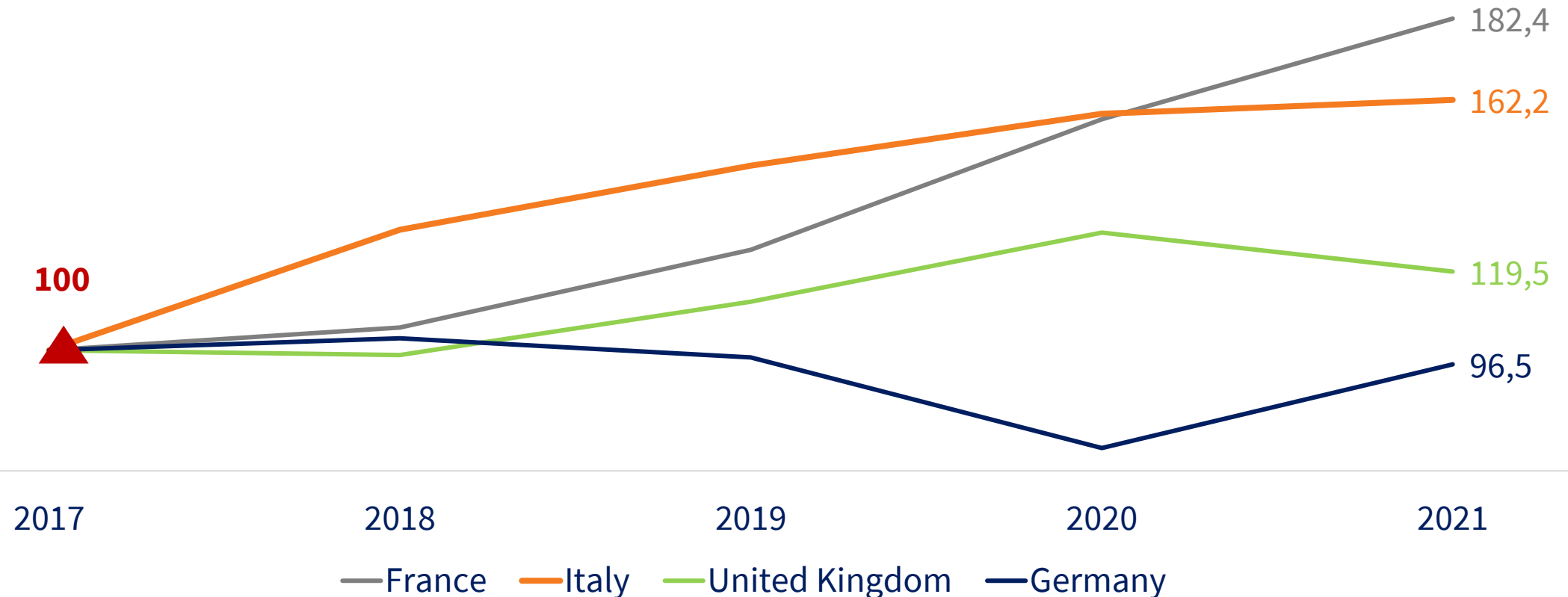
The commercial trade between Italy and ASEAN outperforms the UK, Germany and France and increased by 40 percentage points from 2017

Overall commercial trade between EU big-4 and ASEAN (export+import),
2017-2021 (2017 = 100)



In 2021, the stock of outward FDIs from Italy to ASEAN rose more than UK and Germany

Stock of FDIs toward ASEAN in the EU big-4, 2017-2021 (2017 = 100)



Agenda

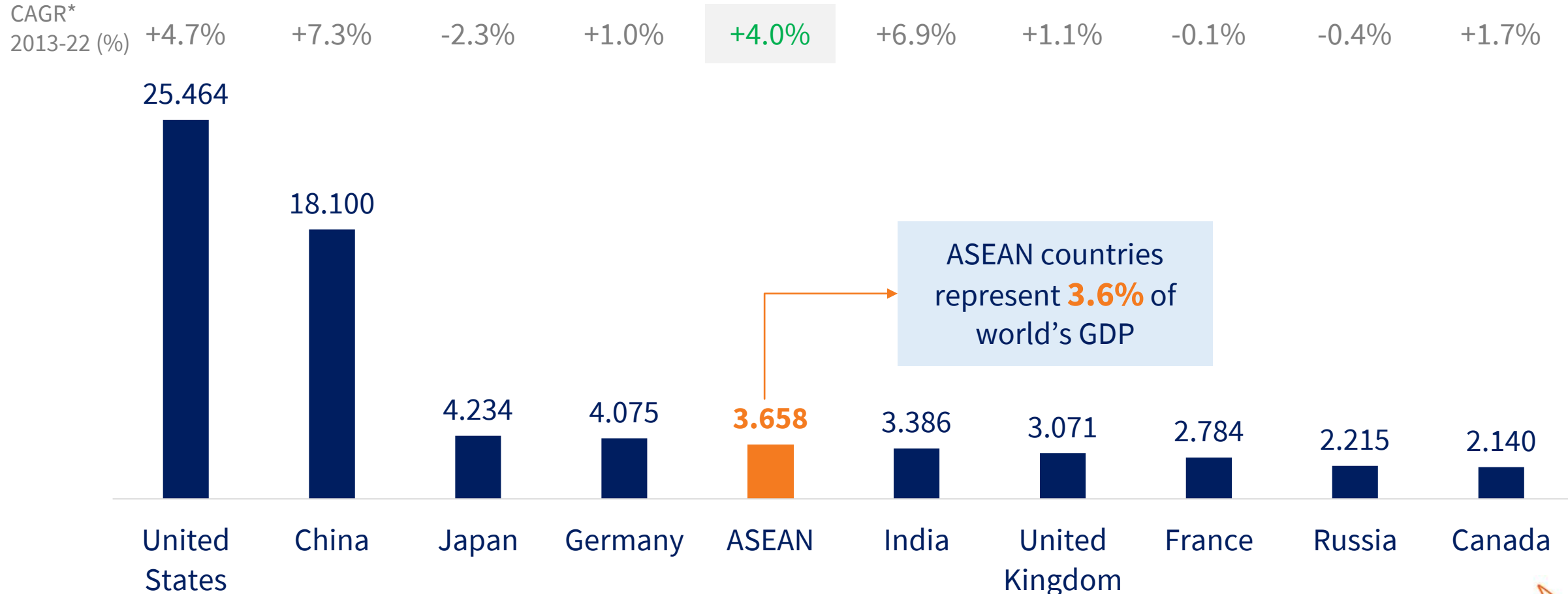
- The High-Level Dialogue on ASEAN Italy economic relations

The dynamicity of ASEAN countries

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If it were a single economy, the ASEAN area would be the 3rd largest in Asia and the 5th in the world...

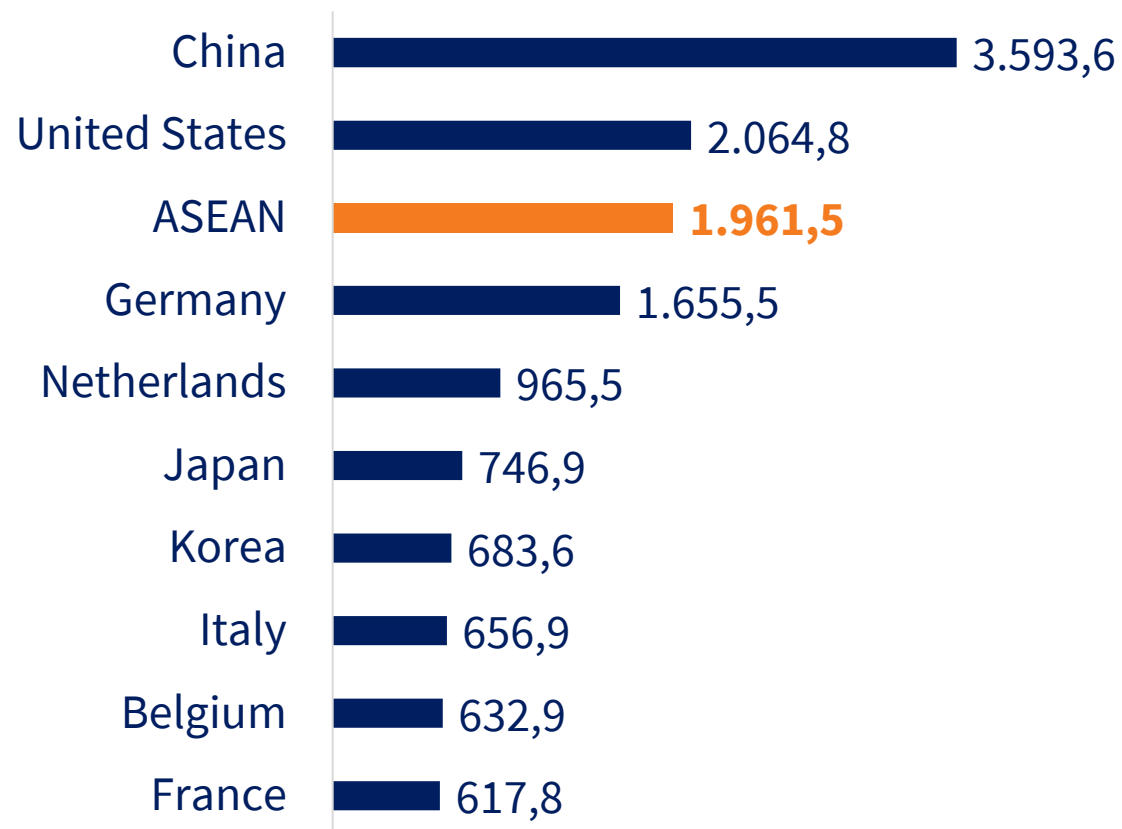
GDP of the first 10 world countries, current prices
(\$ billion), 2022



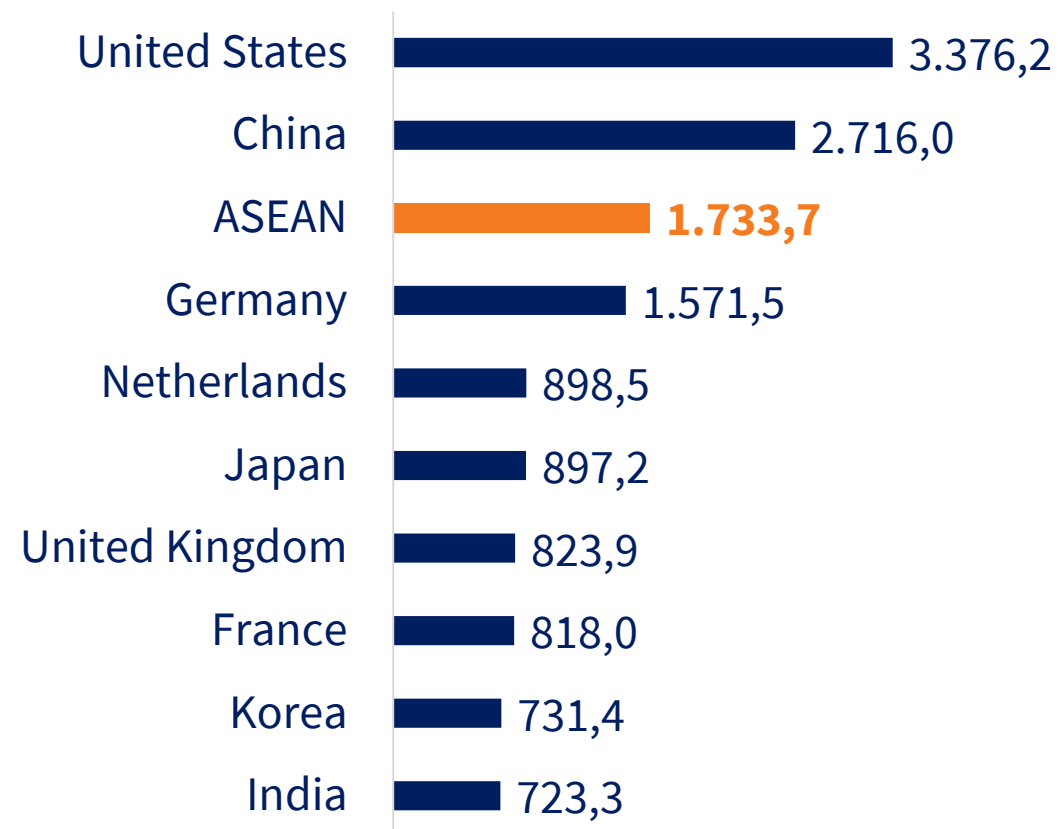
ASEAN countries represent **3.6%** of world's GDP

... as well as one of the largest trading area globally

Export of the first 10 world countries (\$ billion), 2022

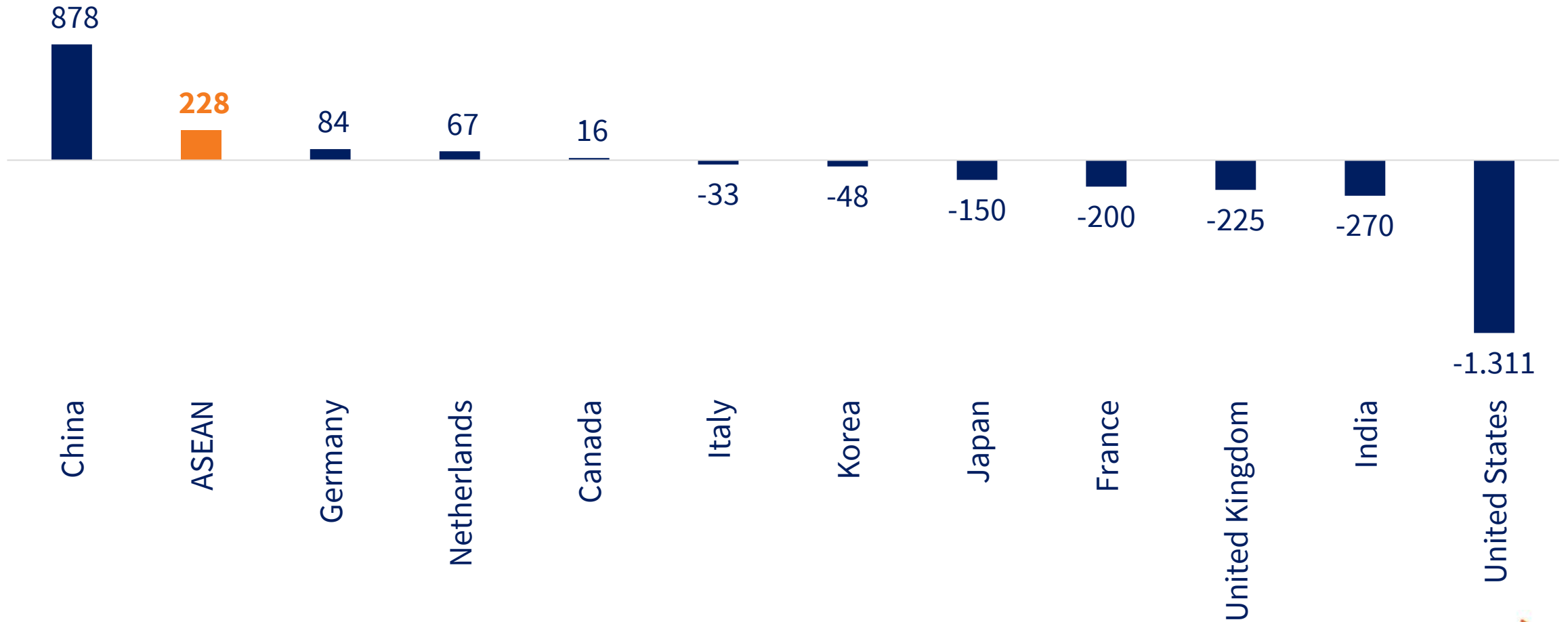


Import of the first 10 world countries (\$ billion), 2022



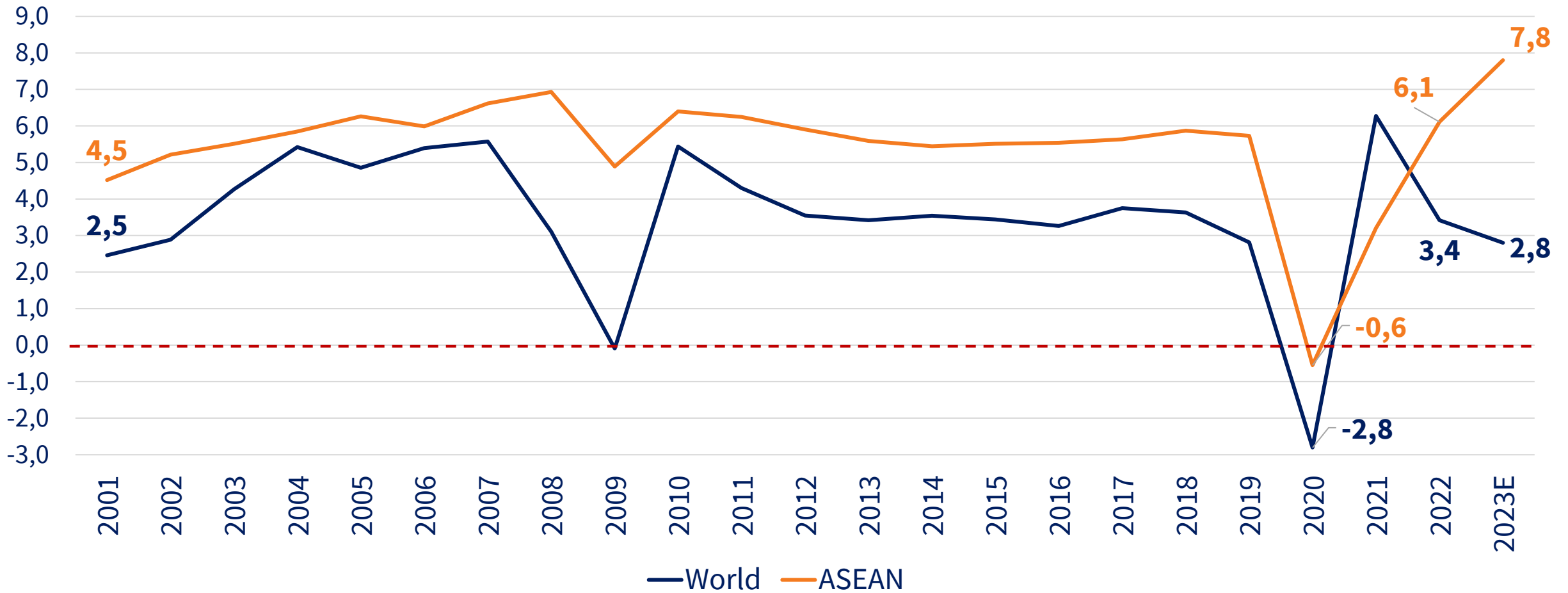
ASEAN region presents a positive trade balance of 228 million Dollars, ranking 2° after China

Trade balance in selected world countries (\$ million), 2022



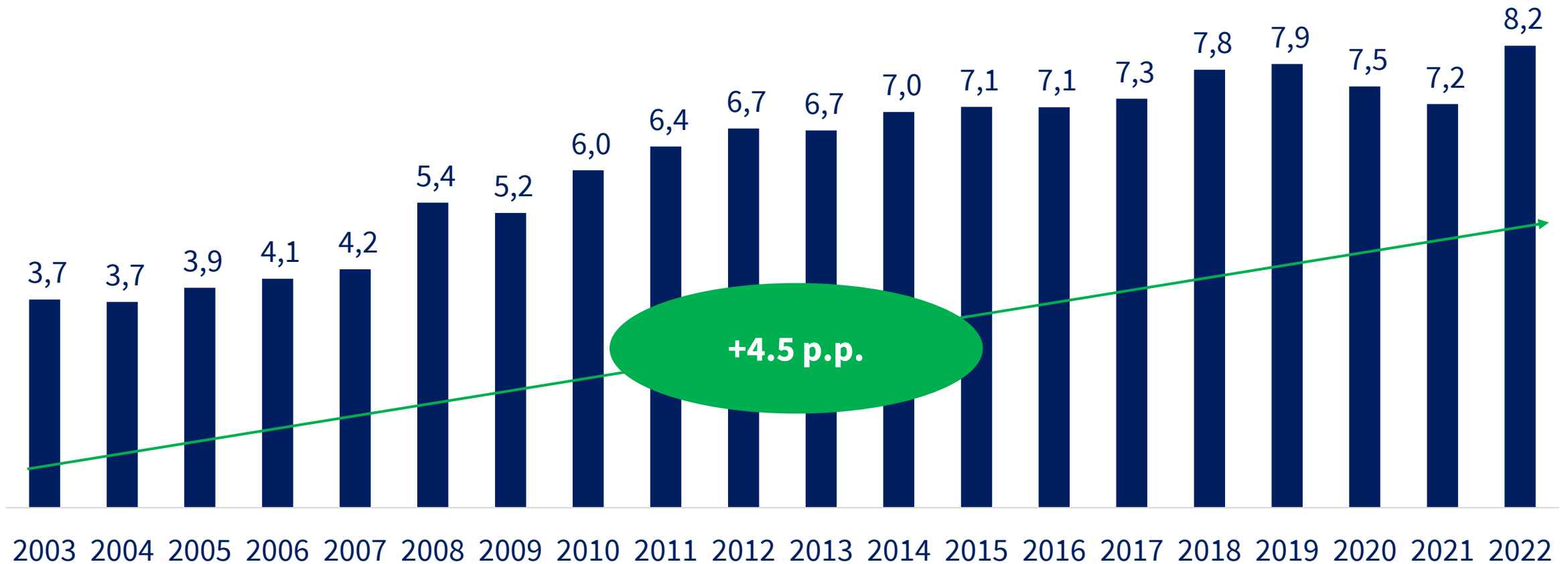
The growth of ASEAN countries steadily outperformed the world average over the last 20 years, also during the 2008 financial crisis and Covid-19

GDP growth in the world and in ASEAN (%), 2003-2023^e



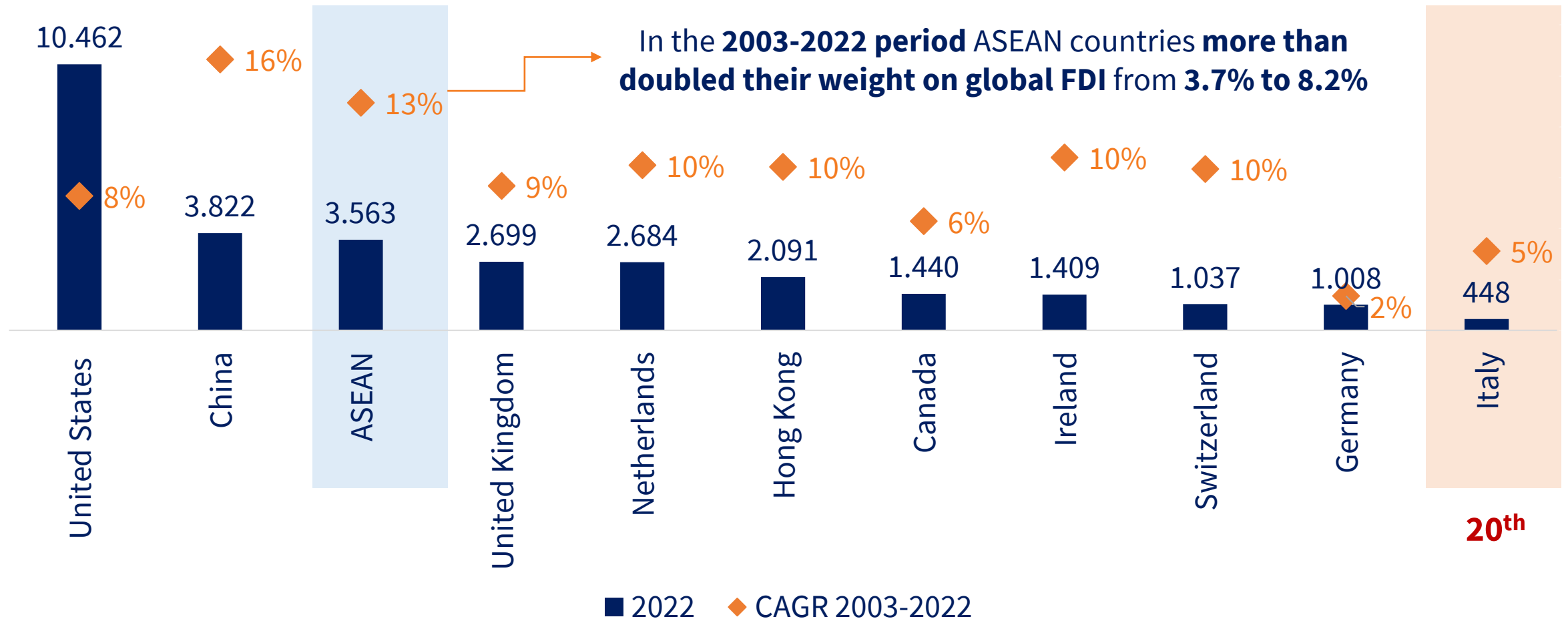
ASEAN countries more than doubled their share of global inward stock of FDI in the last 20 years...

FDIs inward stock in ASEAN countries (% share on global FDI inward stock), 2003-2022



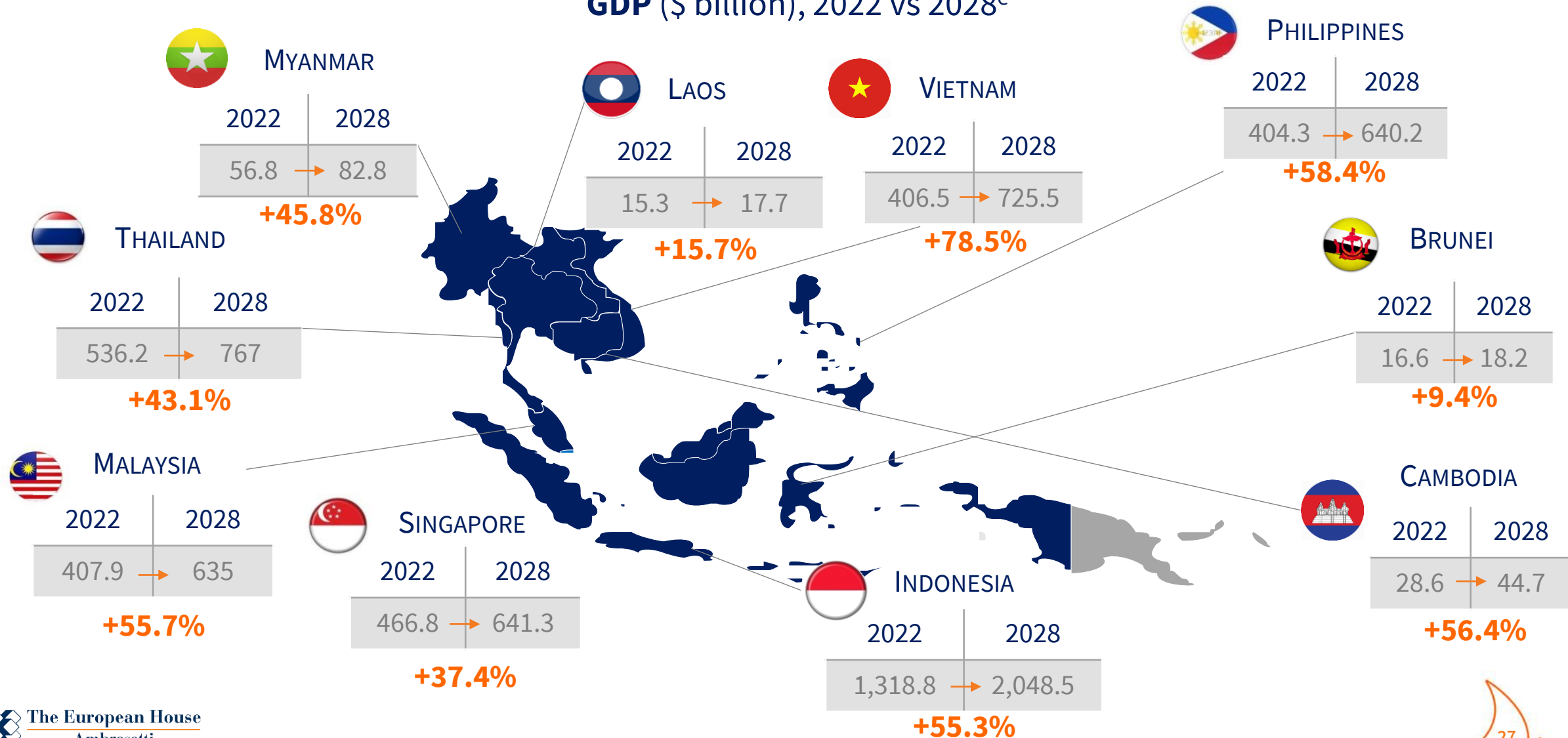
ASEAN countries more than doubled their share of FDI in the last 20 years and have become the 3rd top recipient of FDI in the world

FDIs inward stock in the first 10 world economies + Italy (\$ billion), 2022 and CAGR*(% val.), 2003-2022



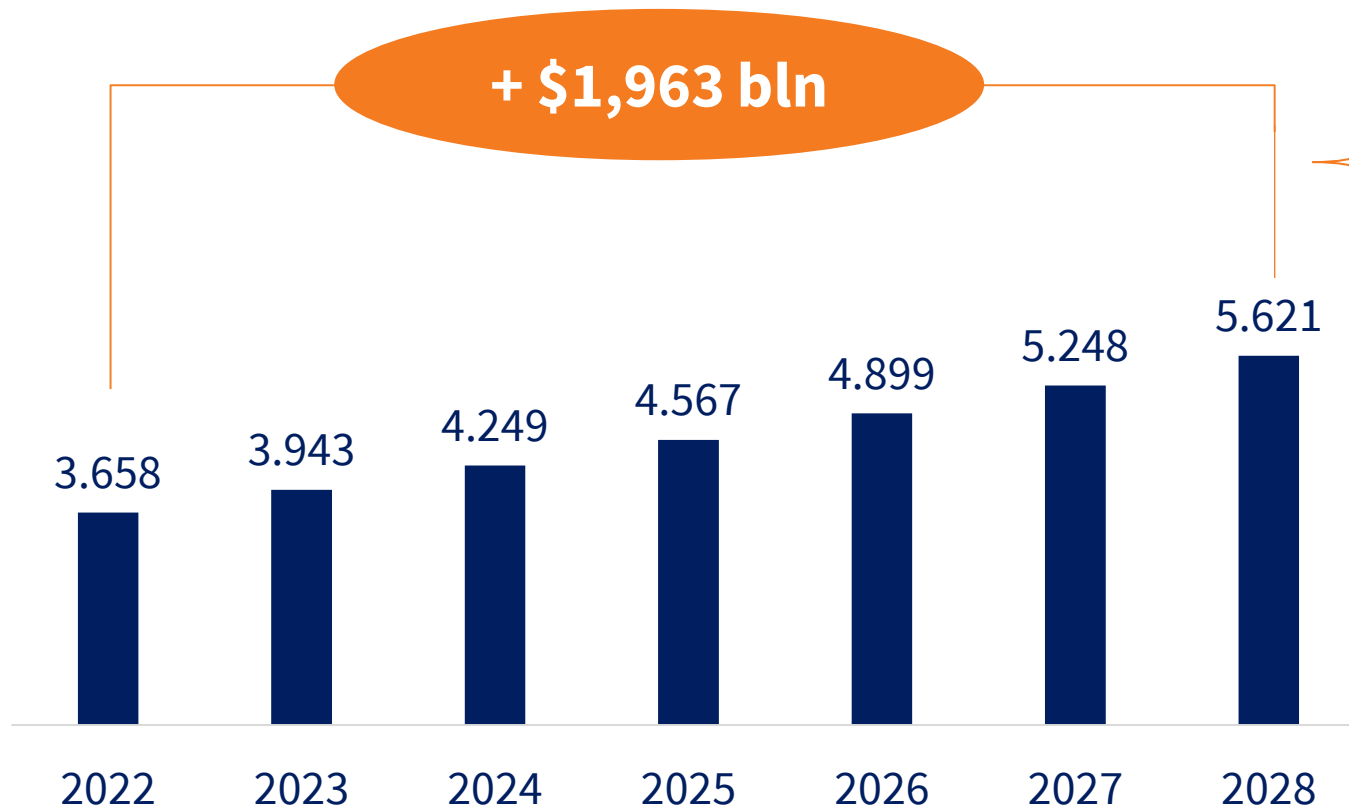
Looking forward, ASEAN countries are expected to experience explosive growth in the next years

GDP (\$ billion), 2022 vs 2028^e



The cumulative GDP growth of ASEAN will amount to \$1.9 trillion by 2028, as much as the entire GDP of Italy (10th largest economy worldwide)

ASEAN GDP (\$ billion), 2022 vs 2028^e



~ Italy's GDP (\$2,012 bln) in 2022
10th largest economy worldwide

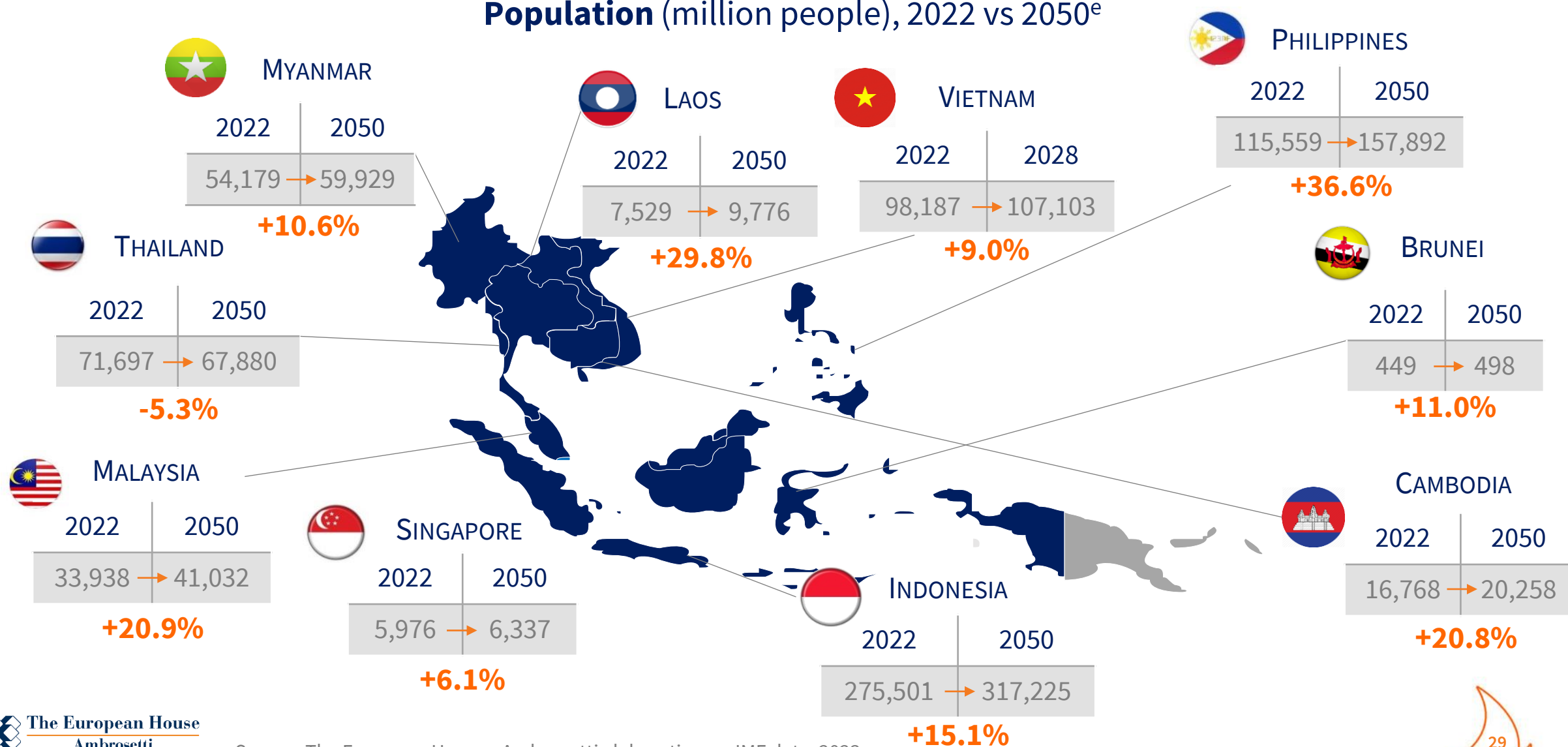
x1.2 Australia's GDP (\$1,701 bln) in 2022
13th largest economy worldwide

x1.4 Spain's GDP (\$1,401 bln) in 2022
17th largest economy worldwide

x2.0 Netherlands' GDP (\$994 bln) in 2022
20th largest economy worldwide

ASEAN countries' population is expected to grow at double-digit rates in the next thirty years

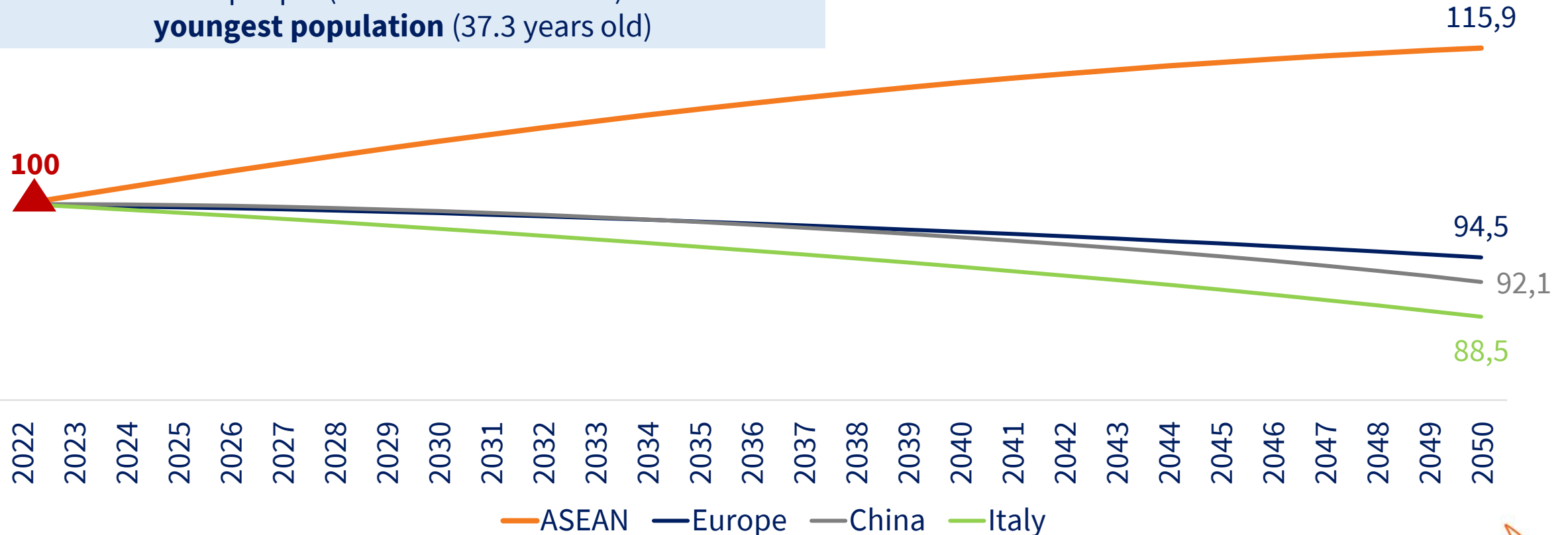
Population (million people), 2022 vs 2050^e



Overall, the ASEAN population is expected to increase by 16% by 2050, reaching 788 million people

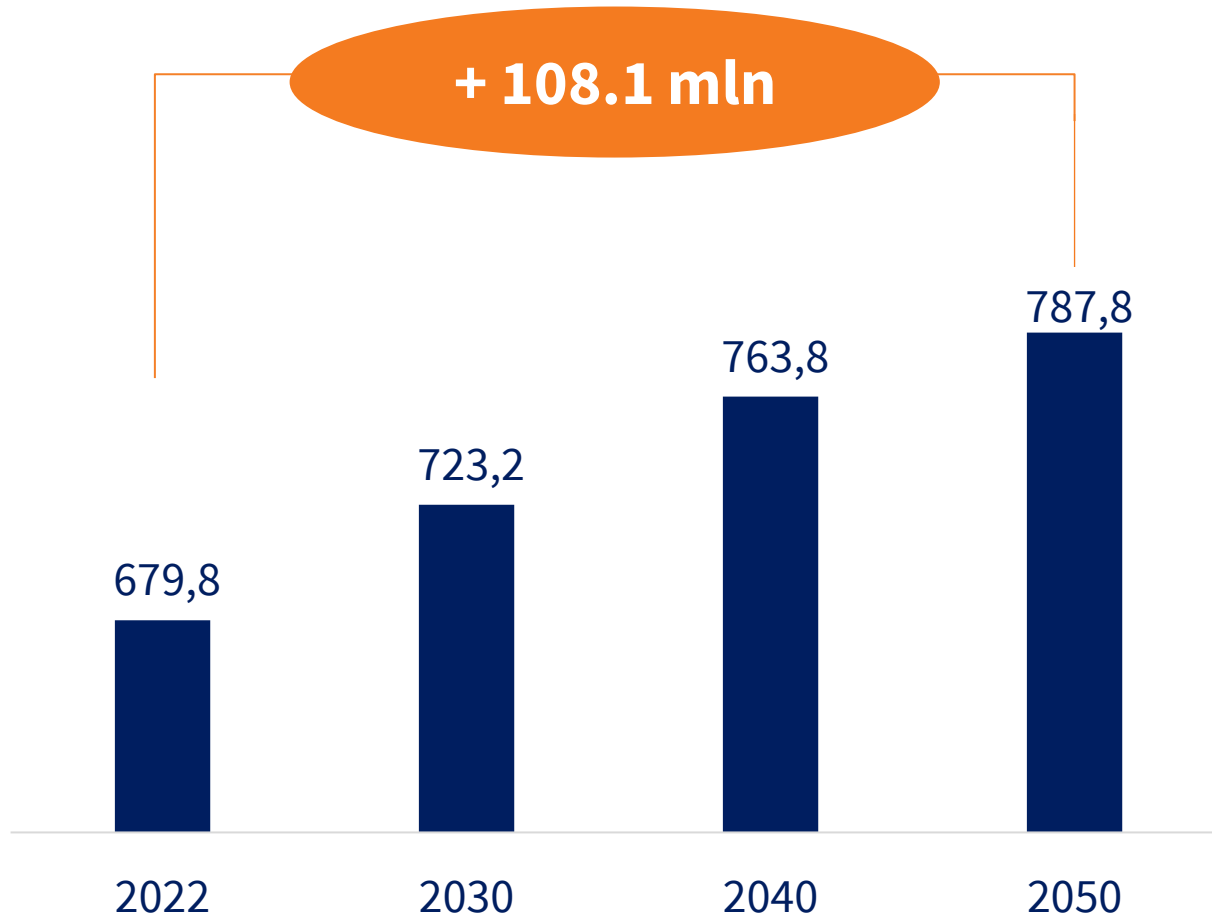
Population forecast to 2050
(Index 100 = 2022)

By 2050 Asean will be the **3rd largest market** in the world with 778 million people (after India and China) and with the **youngest population** (37.3 years old)



The cumulative population growth of ASEAN will amount to 108.1 mln people by 2050, as much as the entire population of Egypt (14th worldwide)

ASEAN population (million people), 2022 vs 2050^e



~ Egypt's population
(110.9 mln people) in 2022
14th largest population worldwide

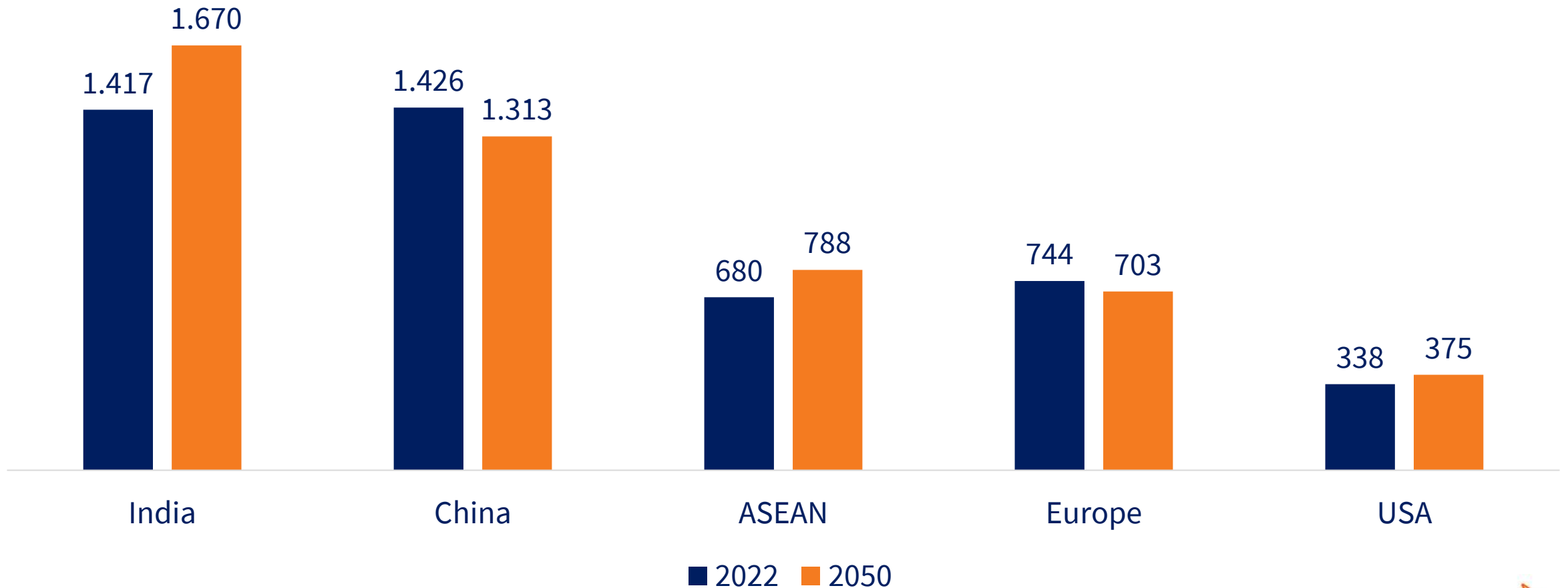
x1.3 Germany's population
(83.3 mln people) in 2022
19th largest population worldwide

x2.0 Italy's population
(59.0 mln people) in 2022
25th largest population worldwide

x2.3 Spain's population
(47.6 mln) in 2022
30th largest economy worldwide

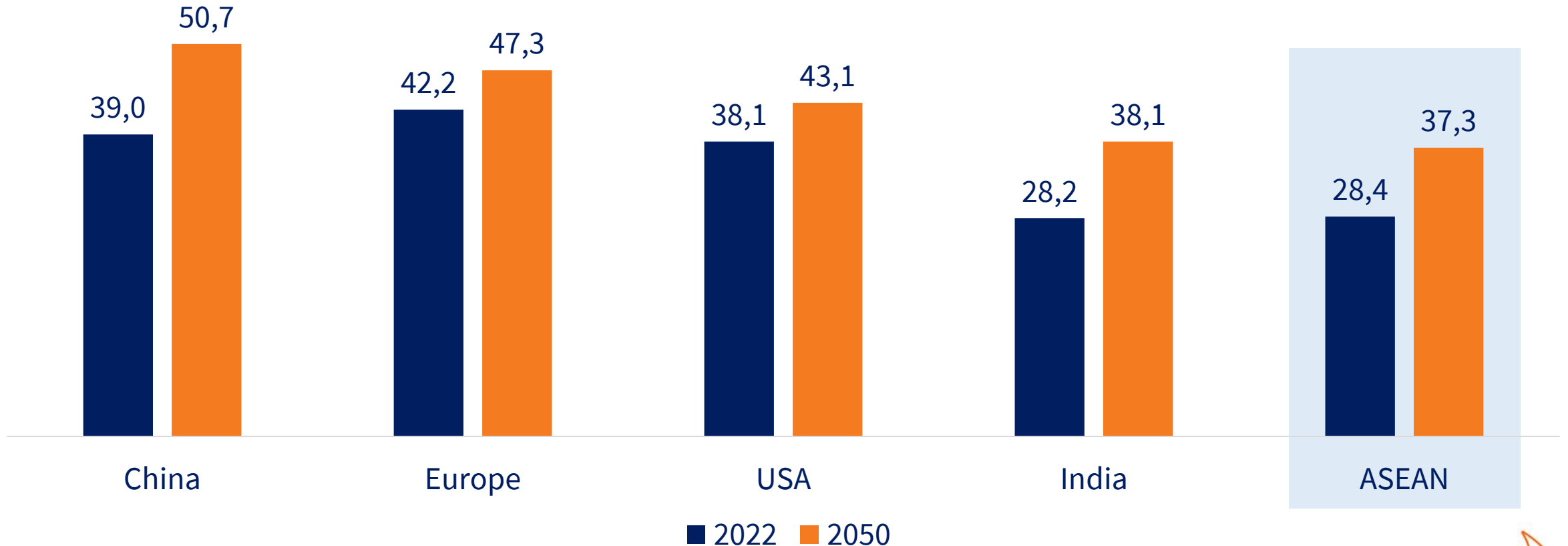
...becoming the 3° largest market in the world, after India and China, with an estimated population of 788 million people

Population in the first 5 countries/regions (million people), 2022-2050



ASEAN countries median age is 28.4 years (well below USA, China and Europe) and by 2050 will also be younger than India (37.3 vs. 38.1)

Median age in selected countries/regions (years), 1990-2050



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ASEAN countries through the lenses of the Global Attractiveness Index

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In 2016, The European House – Ambrosetti launched the Global Attractiveness Index (GAI) with the involvement of governments and companies worldwide

The GAI Working Group carries out a number of the **activities** to reinforce the topic of international rankings as an investment orientation tool:

- Analysis of over **600 indices prepared around the world** and identification of the strengths and weaknesses of the **most accredited rankings**
- Engagement of an international community of over **1,000 CEOs** and ongoing dialogue with decision-makers in **several countries**, including France, Germany, Russia and India
- Meetings with **Chambers of Commerce and Embassies** across the globe
- Annual presentations at the **Ambassadors Conference** organized by the Italian Ministry of Foreign Affairs
- **Ongoing collaboration with a number of national governing bodies** within the ambit of the MAECI/MiSE Interministerial Committee for Foreign Investment Attraction and the Indices Group
- Meetings with **European institutions**, the **OECD** and the **World Bank** from the perspective of strengthening the dialogue and collaboration process
- Consolidation of the positioning of Italy's strong points through the **#ItalyIsDifferent** integrated communications campaign

Features of the Global Attractiveness Index (GAI)

REPLICABILITY

Annual updating, made possible by the use of variables (KPIs) gathered on a regular basis by major international bodies

OBJECTIVITY

Based primarily on **objective quantitative variables** mapped using international databases

SOLIDITY

A small number of proxy indicators, that are as independent as possible

SIGNIFICANCE

Focus on “results” (output) rather than “efforts” (input)

Goal of the GAI: **measure a country’s attractiveness**, a decisive factor in assessing its development capacity

INTERNAL

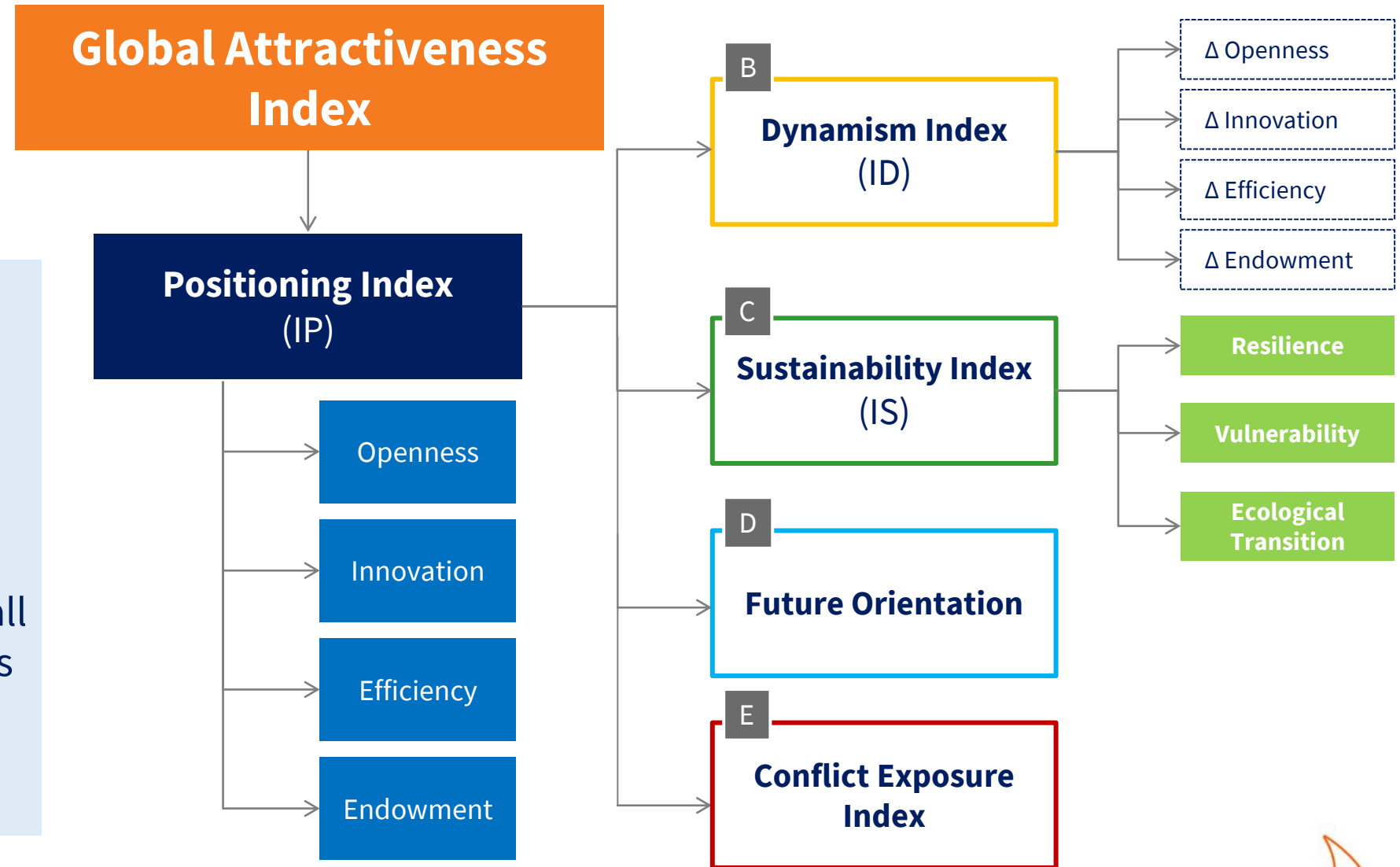
Ability to **retain resources already present** in the country

EXTERNAL

Ability to **attract resources not present** in the country

The structure of the Global Attractiveness Index

- **Historical Index** calculation over **seven years** (2016-2023), the only index with this feature
- More than **75 KPIs analysed** and tested for all Countries and for all years
- Over **1,000,000 data** updates and checks



GAI's Key Performance Indicators (KPIs) of attractiveness for the Positioning Index



Openness	Innovation	Efficiency	Endowment
<ol style="list-style-type: none"> 1. (FDI flows + Country's investments abroad), vs. world tot. 2. (Export+Import), vs. world tot. 3. (Foreign tourists + national tourists abroad), vs. pop. 4. Foreign university students, vs. youth pop. 5. Number of migrants, vs. pop. 	<ol style="list-style-type: none"> 6. Employed in high-tech sectors, compared with employed 7. Export of high-tech goods, compared with world total 8. Technological endowment index 9. Number of scientific publications, vs. world total 10. Internet users, % of population 	<ol style="list-style-type: none"> 11. Unemployment rate 12. Liner Shipping Connectivity Index 13. Total Factor Productivity 14. Rule of Law Index 15. Corporate Tax Rate 	<ol style="list-style-type: none"> 16. Gross Domestic Product, vs. world total 17. Gross National Product (GNP) per capita 18. Gross Fixed Investment, vs. GDP 19. Natural Resource Index 20. College graduates, compared vs. world total 21. PISA Test Score

GAI's Key Performance Indicators (KPIs) of attractiveness for the other sub-indices





SUSTAINABILITY INDEX			FUTURE ORIENTATION	CONFLICT EXPOSURE INDEX
RESILIENCE	VULNERABILITY	ECOLOGICAL TRANSITION		
<ul style="list-style-type: none"> • Human Development Index • Global Peace Index • Life expectancy at birth • World Giving Index • Average number of school years • Income held by the richest 10% • Gender inequality index 	<ul style="list-style-type: none"> • Debt/GDP • Inflation rate • Market concentration index • People affected by natural disasters, per 1,000 people • Number of suicides, % total national population • Population at risk of poverty, % of national total • Working poverty rate 	<ul style="list-style-type: none"> • Deaths from pollution, per million inhabitants • CO2 emissions per capita • Share of energy from renewable sources • Energy Intensity • Material Consumption 	<ul style="list-style-type: none"> • Share of population of working age, 20-year projection • GDP (% of world total), 5-year forecast • GDP per capita (constant prices, PPP dollars) • University enrolment in STEM, as % of total university-age population • Unemployment rate, 5-year forecast 	<ul style="list-style-type: none"> • Exposure on food imports • Exposure on metal imports • Exposure on oil and gas imports • Exposure on non-metal and non-energy commodity imports • Exposure on total exports

The results of GAI 2023

First 20 countries

	GAI rank 2023	GAI score 2023	GAI rank 2022	GAI score 2022	Dynamism 2023	Sustainability 2023	Future orientation 2023	Conflict exposure 2023
Germany	1	100,0	1	100,0	High	High	High	High
USA	2	94,7	2	92,1	High	High	High	High
UK	3	92,7	5	87,5	Medium	High	High	High
Japan	4	90,0	3	90,5	Critical	Low	High	High
China	5	89,8	4	89,4	Low	High	High	High
Korea	6	84,9	6	83,8	Medium	High	High	High
Australia	7	83,1	10	78,7	Medium	High	High	High
 Singapore	8	81,0	8	82,7	Critical	High	High	High
France	9	78,9	11	75,8	Medium	High	High	High
United Arab Emirates	10	78,5	9	79,3	High	High	High	High
Hong Kong	11	77,6	7	83,4	Low	High	High	High
Canada	12	75,2	12	72,2	Medium	High	High	High
Netherlands	13	73,5	13	69,4	Low	High	High	Medium
Switzerland	14	72,0	15	66,2	Critical	High	High	High
Austria	15	69,1	16	65,8	Medium	High	High	High
Ireland	16	68,2	14	66,8	Low	High	High	High
 Italy	17	66,3	20	62,2	Medium	High	Low	High
Denmark	18	64,9	19	63,5	Low	High	High	High
Spain	19	64,6	24	58,7	Medium	High	Low	High
Belgium	20	64,5	21	61,4	Critical	High	Medium	High

Legenda

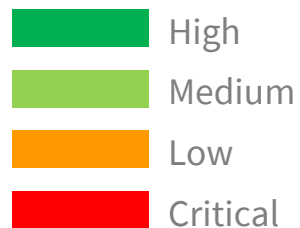
-  High
-  Medium
-  Low
-  Critical

Index from
1=min to 100=max

Focus on ASEAN countries

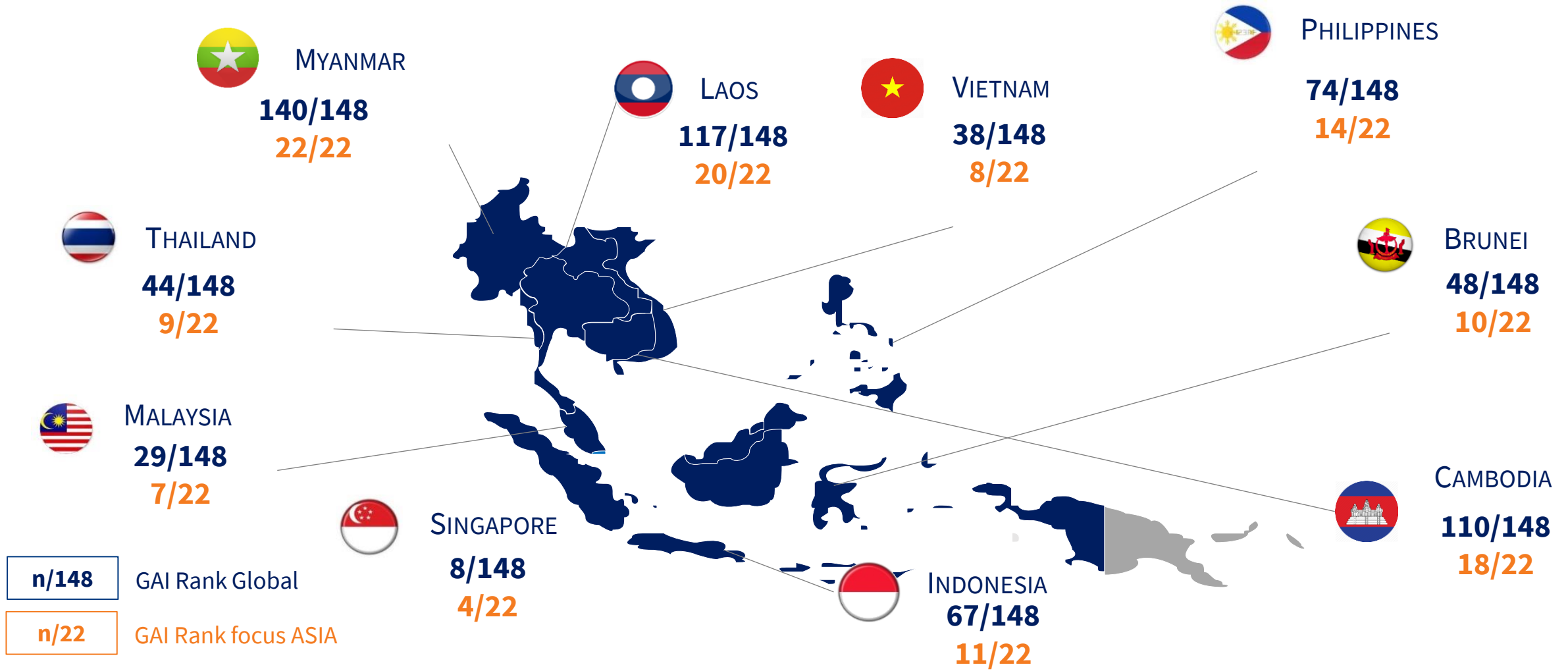
	GAI rank 2023	GAI score 2023	GAI rank 2022	GAI score 2022	Dynamism 2023	Sustainability 2023	Future orientation 2023	Conflict exposure 2023
Singapore	8	81,0	8	82,7	Critical	High	High	High
Malesia	29	58,3	34	51,7	Medium	High	High	High
Vietnam	38	51,9	39	47,1	Low	Medium	High	High
Thailandia	44	49,7	44	44,5	High	Medium	Medium	High
Brunei Darussalam	48	47,2	51	41,9	Medium	High	High	High
Indonesia	67	40,5	60	38,9	Critical	Medium	Medium	High
Filippine	74	37,4	73	33,8	Critical	Low	Low	High
Cambogia	110	28,0	107	22,7	Medium	Low	Low	High
Laos	117	26,3	109	22,7	Critical	Low	Low	High
Myanmar	140	13,0	146	1,0	Critical	Low	Low	High

Legenda



Index from
1=min to 100=max

An overview of ASEAN countries in the GAI 2023



ASEAN countries are among the best performing ones in Asia in the GAI ranking

OVERALL PERFORMANCE OF ASEAN COUNTRIES

Among Asian countries, **5** out of **top-10** countries in the GAI Index are from **ASEAN**

3 ASEAN countries are in the **top-10** Asian countries for **GAI positions gained** in the last year

The **cumulative ASEAN 10 countries** ranking value reached 433.4 points, recording **+46.4 points** compared to the 2022 cumulative value (**+11.9%** vs. **+5%** average increase in Asian countries*)

PERFORMANCE OF ASEAN COUNTRIES IN THE 4 PILLARS OF GAI

5 ASEAN countries are in the **top-10** Asian countries for positions gained in **openness** pillar compared to the last year

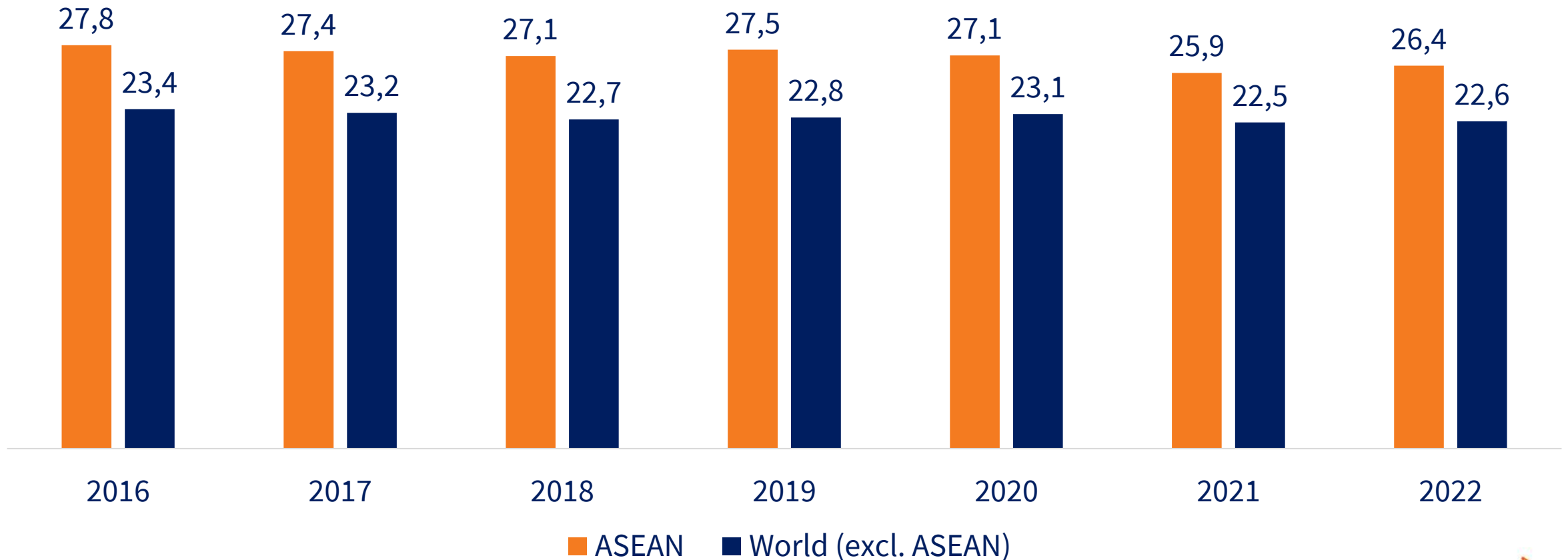
5 ASEAN countries are in the **top-10** Asian countries for positions gained in **innovation** pillar compared to the last year

3 ASEAN countries are in the **top-10** Asian countries for positions gained in **efficiency** pillar compared to the last year

4 ASEAN countries are in the **top-10** Asian countries for positions gained in **endowment** pillar compared to the last year

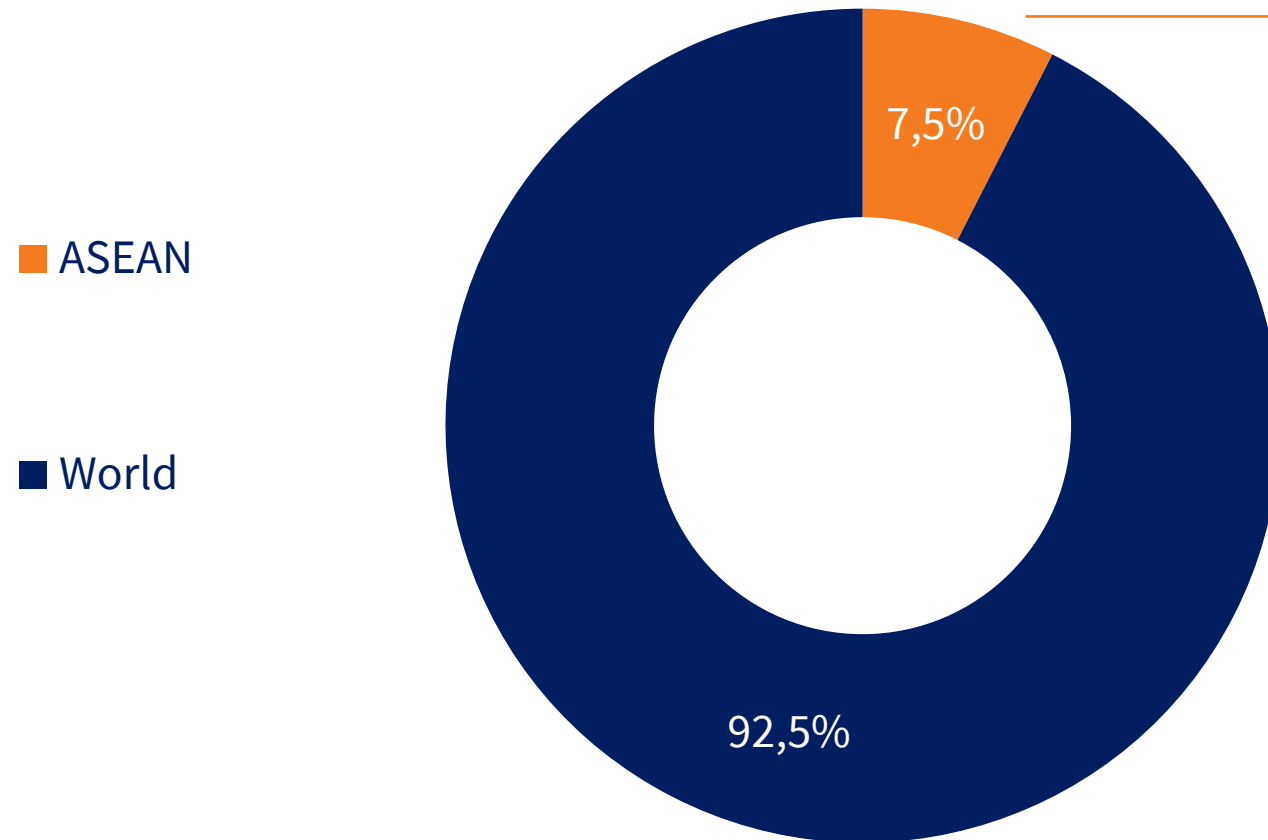
Also at global level ASEAN countries show relevant features: they are constantly above world average for investments on GDP

Gross Fixed Investments on National GDP (% val.), 2016-2022



Commercial trade of ASEAN is worth 7.5% of world's total...

Commercial trade of ASEAN (export+import) on world's total (% val.), 2022








- ASEAN commercial trade is equal to 7.5% of world's total, **2 times higher** the weight of ASEAN GDP on world's total (3.6%)
- This value has increased over the years: in 2017 it was equal to **7.2%**

...a record even higher for export of high-tech goods (15.5% of world's total)

Export of high tech goods (% val. on world's total), 2016-2021








The GAI also highlights the strengths of each ASEAN country (1/2)

- **Brunei** ranks **1st** in the world for the **lowest debt to GDP ratio** (2.10) and **9th** in the world and **2nd** in ASEAN for **Gross national product per capita** (66,940). Also, Brunei Darussalam is **11th** in the world and **2nd** in ASEAN for the **percentage of Gross Fixed Investments (GFCF) on national GDP** (31.1%), and **16th** in the world and **1st** in ASEAN for natural endowment index (TEH-A)*, with an index of 0.14 
- **Cambodia** ranks **2nd** in the world for the **lowest unemployment rate** (0.40%). Also, it ranks **33rd** in the world and **2nd** in ASEAN for **renewable energy share in the total final energy consumption** (53.4%) 
- **Indonesia** ranks **1st** in the world for **world giving index**** (index = 68.00), demonstrating an **excellent level of innovation**. In addition, Indonesia ranks **14th** in the world and **3rd** in ASEAN for the percentage of **Gross Fixed Investments (GFCF) on national GDP** (30.8%). Finally, Indonesia ranks **23rd** for number of scientific publications (1.34%) 
- **Laos** ranks **16th** in the world for **lowest unemployment rate** (2.6%) and **39th** for **corporate tax rate** (20%). Lao PDR presents good results in ecological transition ranking **38th** in the world and **3rd** in ASEAN for **renewable energy share in the total final energy consumption** (48.43%) 
- **Malaysia** presents excellent results in the efficiency level, ranking **5th** in the world and **2nd** in ASEAN for **liner shipping connectivity index***** (index = 98.7) and **9th** for **growth of total factor productivity** (3.2). Moreover, Malaysia ranks **9th** in the world and **3rd** in ASEAN for **percentage of export of high-tech goods** (3.3%) 

(*) Composite index elaborated by The European House - Ambrosetti, composed by the rate of exhaustion of the energetic and mineral resources. (**) The World Giving Index (WGI) is an annual report published by the Charities Aid Foundation which provide a global view on giving trends. (***) The Liner Shipping Connectivity Index (LSCI) is published annually by World Bank and measures how well countries are connected to global shipping networks by measuring the liner shipping connectivity.
Source: The European House - Ambrosetti elaboration, 2023

The GAI also highlights the strengths of each ASEAN country (2/2)

- **Myanmar** ranks 5th in the world for **world giving index** (index = 52), and 16th for the **percentage of Gross Fixed Investments (GFCF) on national GDP** (30.0%). Moreover, presents good results in the sustainability field, ranking 30th in the world and 1st in ASEAN for **lowest percentage of CO₂ emissions** (0.7%) and 32nd in the world and 1st in ASEAN for **Renewable energy share in the total final energy consumption** (57.9%) 
- **Philippines** present outstanding results in the academic field, ranking 8th in the world and 1st in ASEAN for **percentage of graduated in the world** (2%) and in the efficiency pillar, ranking 11th for the **lowest unemployment rate** (2.2%) 
- **Singapore** reports outstanding results in terms of openness ranking 4th in the world for **flows of inward+outward FDIs** (7.6%) and 6th for percentage of **foreign university students** (1%). At the same time, shows an excellent performance in innovation, ranking 5th in the world and 1st in ASEAN for **percentage of export of high-tech goods** (4.8%). Furthermore, Singapore ranks 1st globally for **Gross national product per capita** (102,450) and 3rd for **liner shipping connectivity index** (index = 110.86) 
- **Thailand** is characterized by a high-level of efficiency, ranking 4th in the world and 2nd in ASEAN for the **lowest unemployment rate** (0.9%) and 3rd in the world for **working poverty rate** (0.1%). Moreover, ranks 16th in the world for percentage **export of high-tech goods** (1.3%) 
- **Vietnam** ranks 8th in the world and 2nd in ASEAN for **percentage of export of high-tech goods** (3.3%), 9th in the world for the **lowest unemployment rate** (1.9%), 9th for **Gross Fixed Investments on national GDP** (index = 31.7), 12th for **liner shipping connectivity index** (index = 77.5), and 14th for **percentage of graduates in the world** (1.3%) 

Agenda

- The High-Level Dialogue on ASEAN Italy economic relations
- The dynamism of ASEAN countries
- ASEAN countries through the lenses of the Global Attractiveness Index

The role of Italy as partner to ASEAN countries

- Why it is important to strengthen ASEAN-Italy economic relations

Italy is one of the major global economies



€1,745 billion GDP

(2022) **+5.4% vs 2015**

3rd economy in the EU

10th economy in the world



€494 billion FDI (stock)

(2021) **+17.8% vs 2015**



€625 billion export

(2022) **+51.7% vs 2015**

8th largest exporter in the world



€655 billion import

(2022) **+76.9% vs 2015**

11th largest importer in the world



17% manufacturing Value Added on the total

(2021) compared to 16.7% in the world

2nd largest in the EU



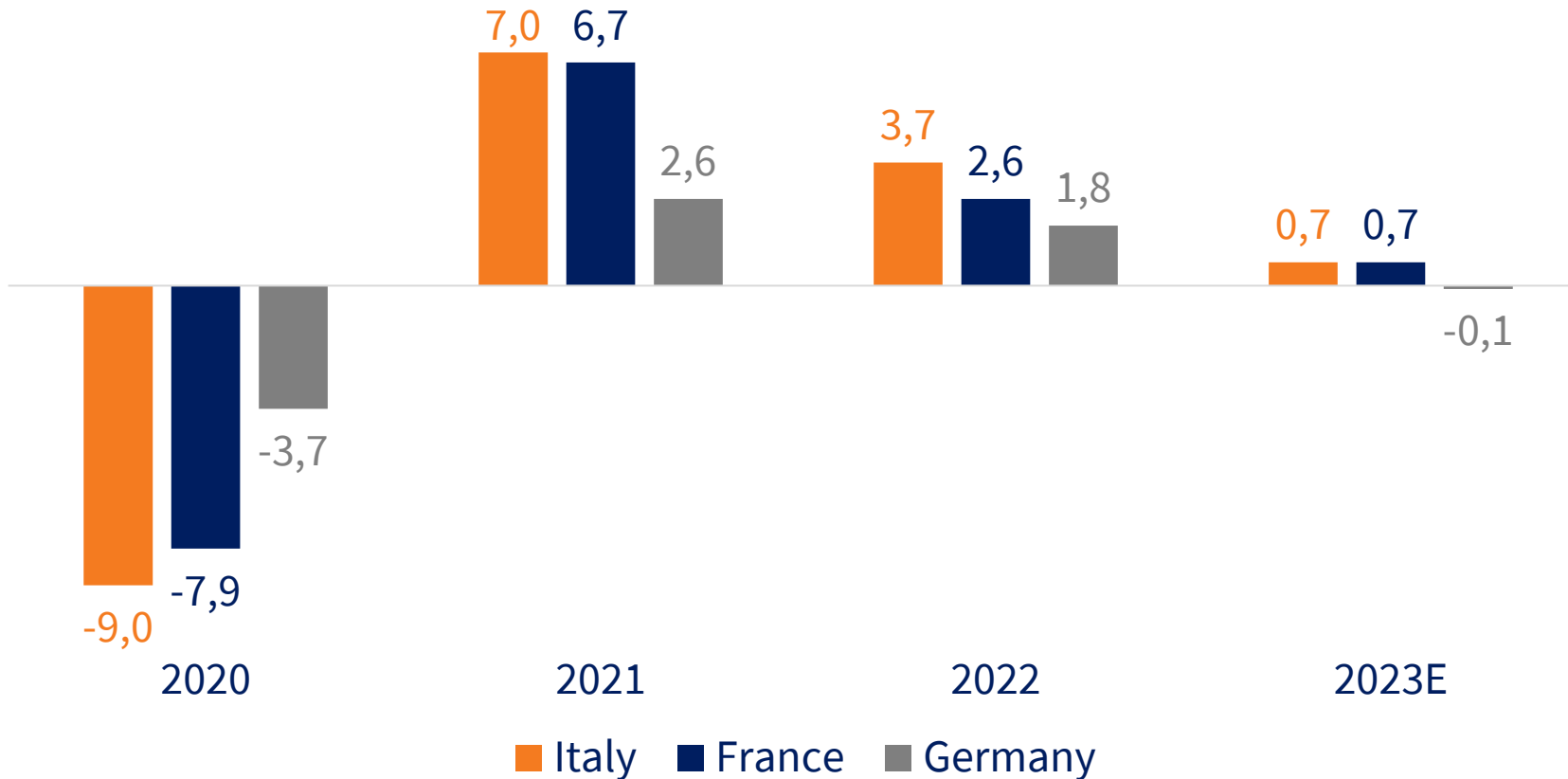
€103 billion manufacturing trade balance (2021)

5th largest in the world

2th largest in the world

Although severely impacted by the Covid-19 crisis, Italian GDP experienced a strong rebound and is performing better than France and Germany

GDP growth in Italy, France and Germany
(var %), 2020, 2021, 2022 and 2023^e

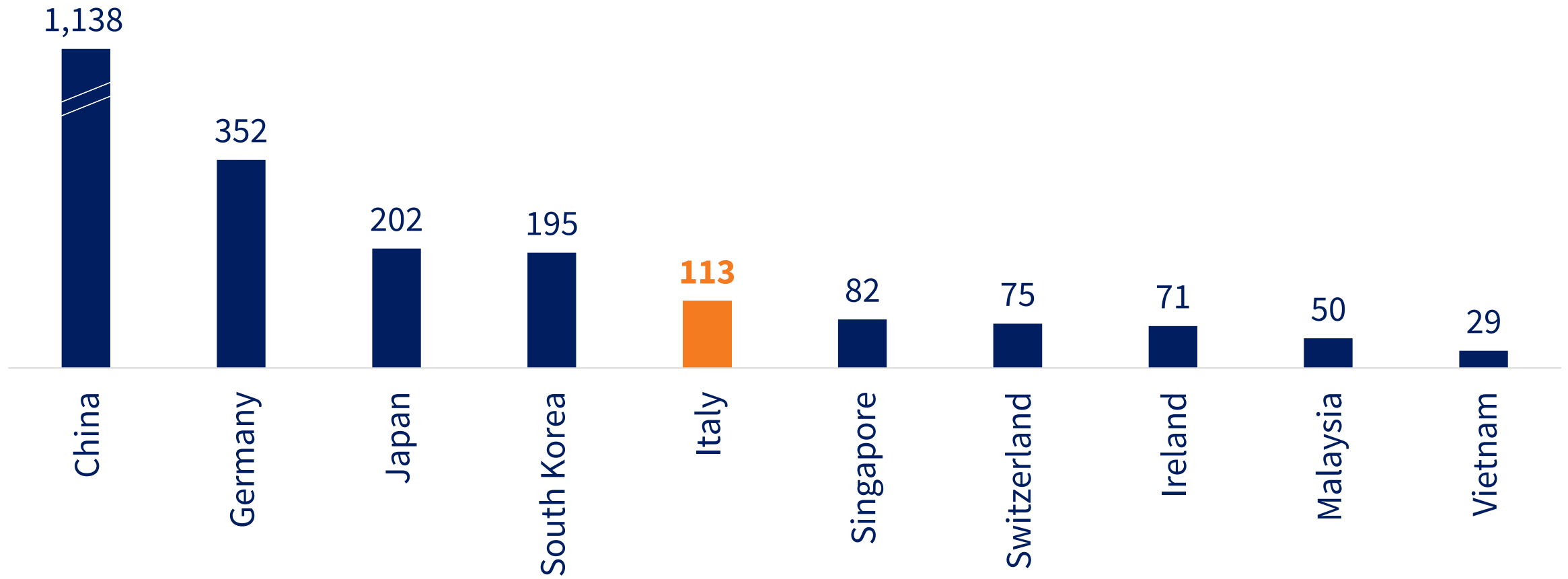


The rebound allowed Italian GDP to **return to pre-crisis levels already in 2022**

At the beginning of the crisis, forecasts indicated that it would be **necessary to wait until 2025**

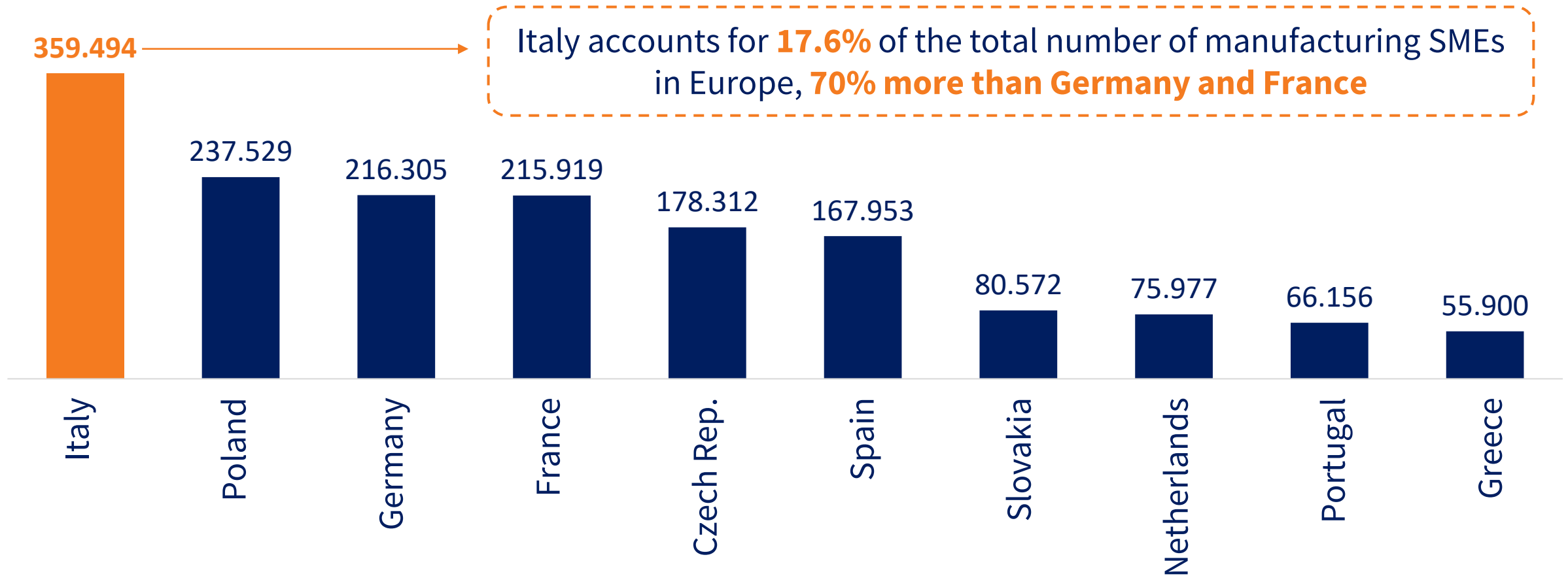
From the industrial perspective, Italy is the second largest manufacturing hub in Europe (after Germany)...

Top-10 countries for manufacturing trade balance (\$ billion), 2021



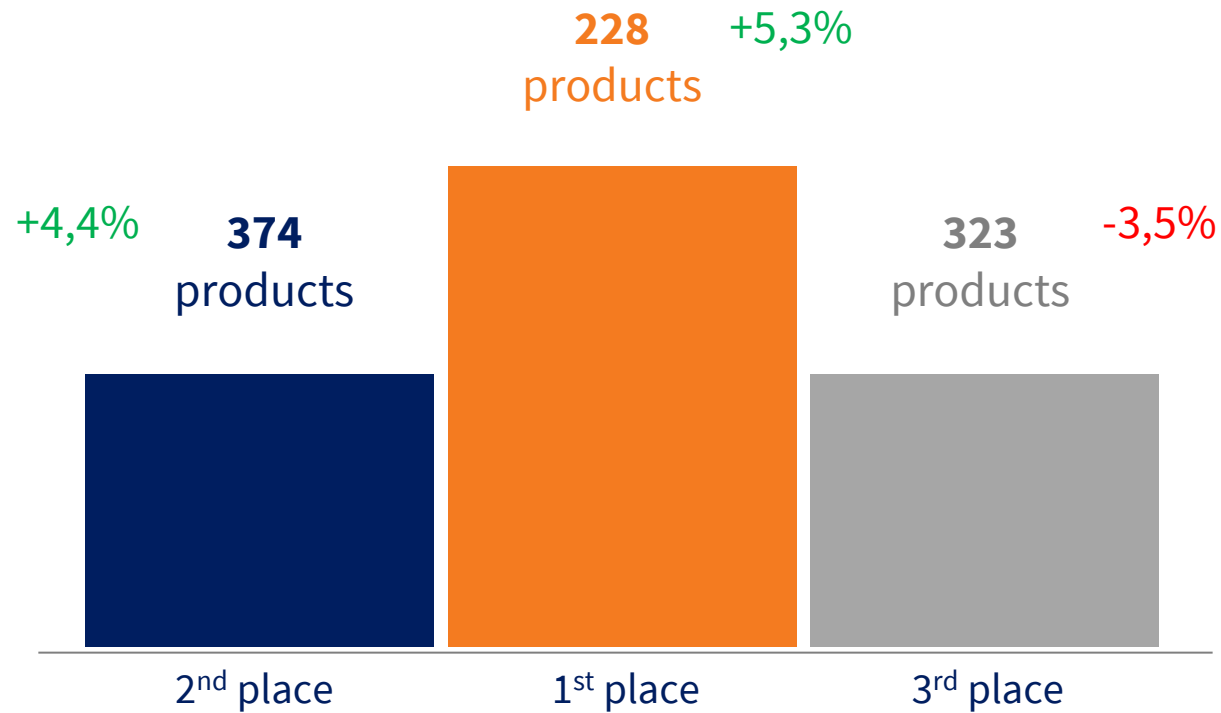
... and Italian manufacturing SMEs represent 1/5 of the European total

Number of manufacturing SMEs in EU top-10 countries
(absolute values), 2022



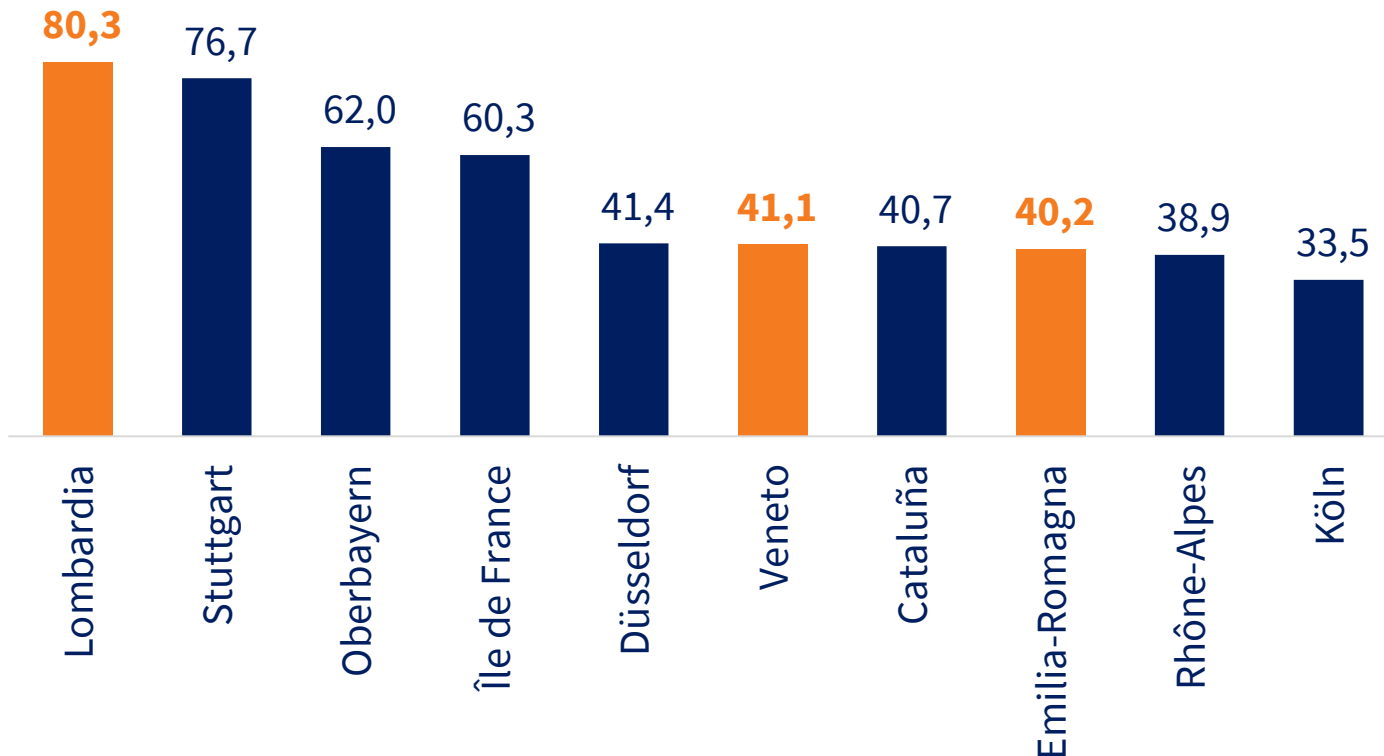
925 Italian products, out of a total of 5,206, are ranked in the world's top 3 by trade surplus

Products ranked 1st, 2nd and 3rd in the world by trade surplus
(absolute value and percentage), latest available value



3 Italian regions are among the top 10 in Europe for manufacturing added value: Lombardia (1st), Veneto (6th) and Emilia-Romagna (8th)

Top 10 European regions by value added generated by manufacturing sector at current values (billion Euro), 2019



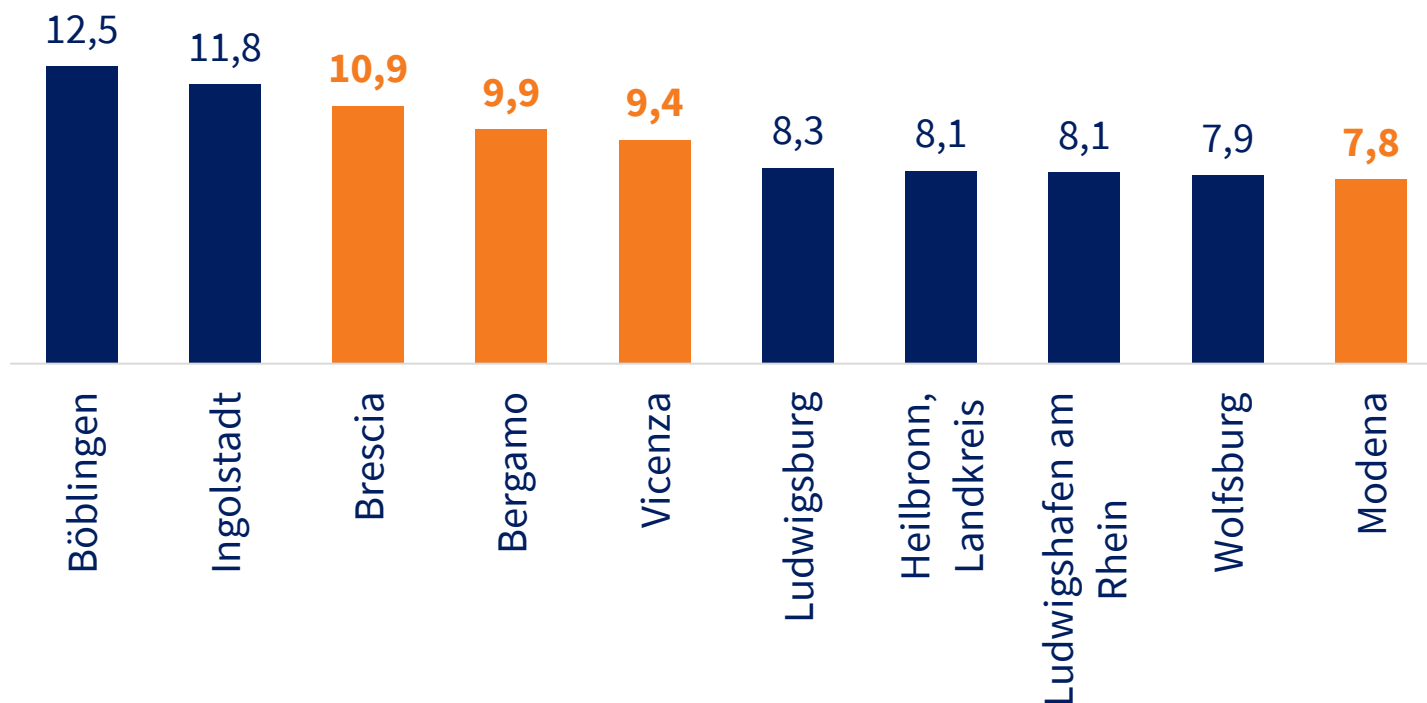
- Europe's industrial engine is driven by the **industrial triangle** that pivots on **Lombardia** and the **North East**
- The top 10 regions are:
 - 4 in **Germany**
 - 3 in **Italy**
 - 2 in **France**
 - 1 in **Spain**

(*) Ireland is not comparable due to the presence of foreign companies for tax reasons thus is excluded from the ranking

Among the top 10 European super-specialized* manufacturing provinces, 4 are Italian

Top 10 European super-specialised manufacturing provinces by added value generated

(billion Euro), 2015

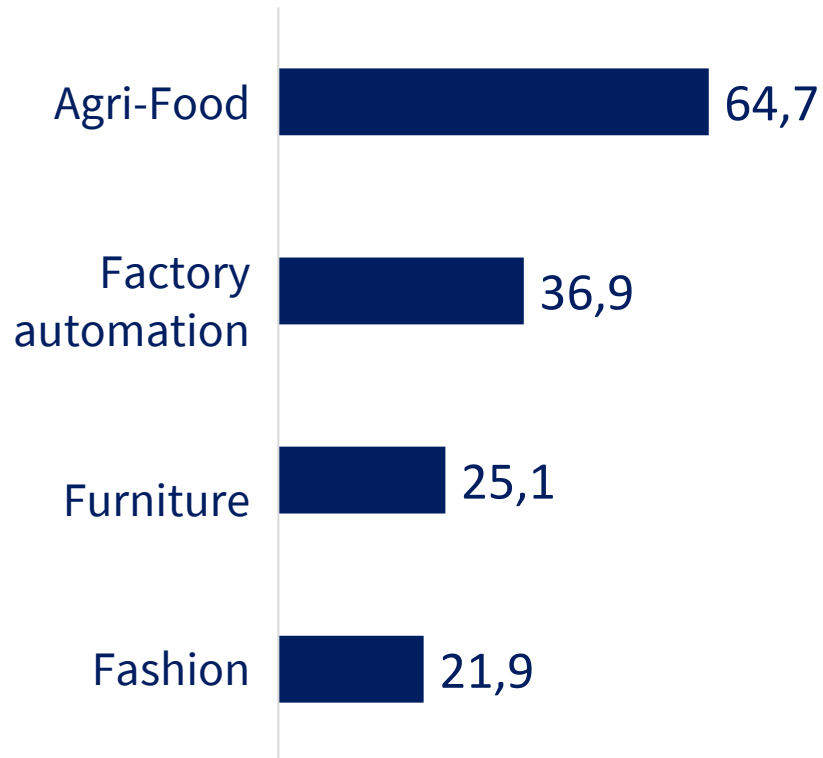


- **4** of the top 10 European super-specialized manufacturing provinces are Italian
- The **top 20** are divided between Germany and Italy:
 - **12** are in **Germany**
 - **8** are in **Italy**: besides the top 4 there are Treviso, **Varese, Monza and Brianza** and Reggio Emilia

(*) The provinces considered are those with the following characteristics: added value of more than €3 billion, more than 20,000 employees in the manufacturing sector, added value per capita of more than €50,000 and industry as a percentage of added value and employment of more than 25%.

The “4F” sectors of Made in Italy generated in 2021 a total added value of 149 billion Euro

Value added in Italian manufacturing “4F”
(€ billion), 2021



More than 3 times the added value generated by the automotive industry of France and Spain

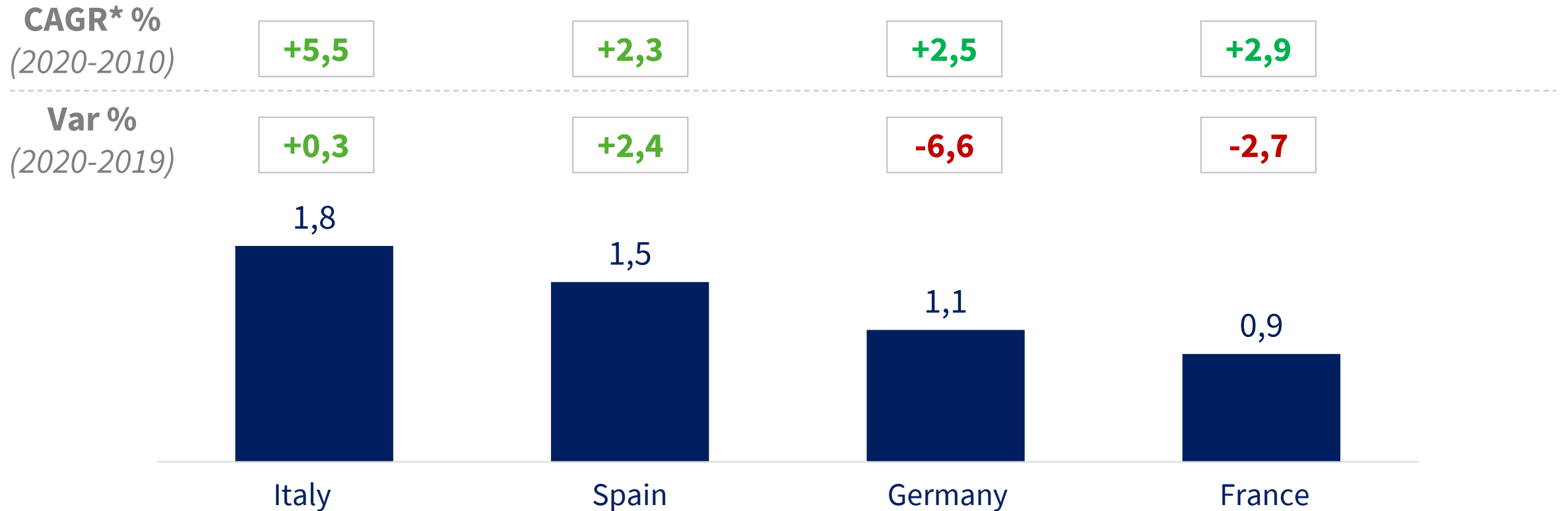
More than twice the added value generated by the aerospace of France, Germany and the UK combined

€148.6 billion

~ Morocco's GDP (\$134.2 bln)

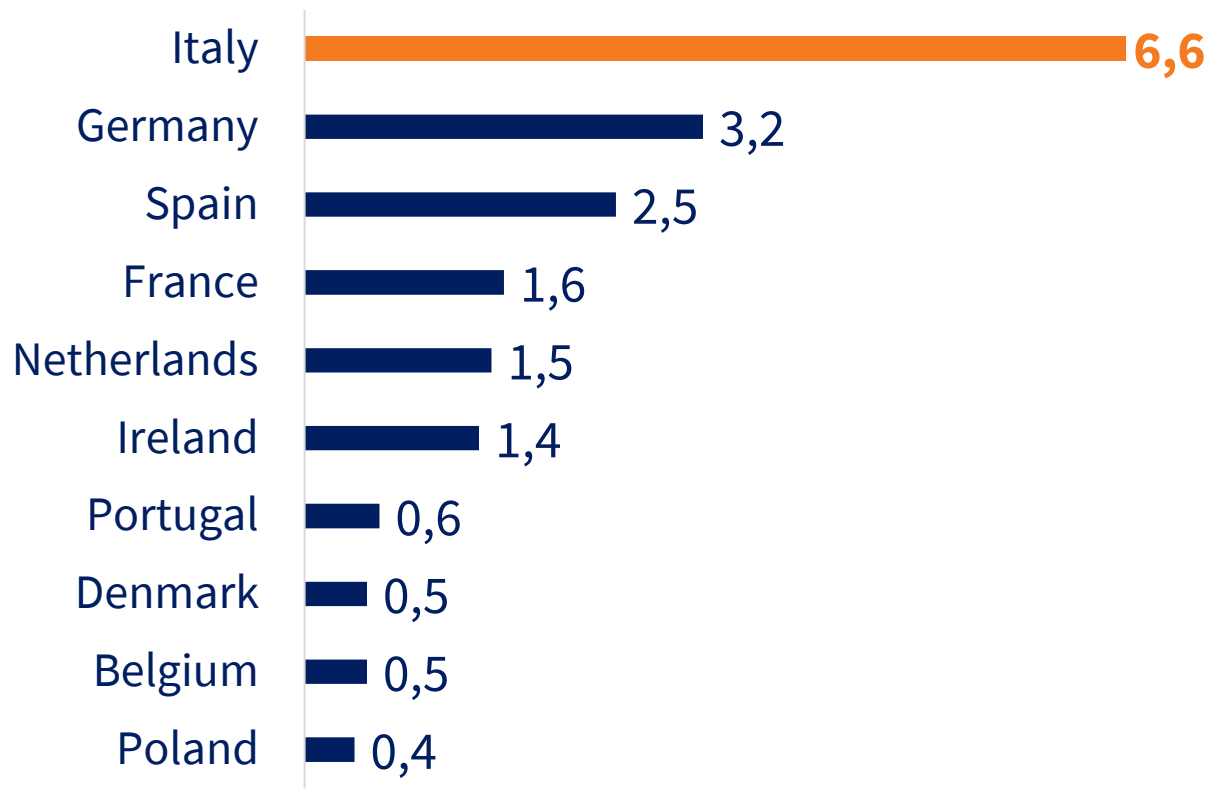
The agri-food industry records a higher average value per kg of exports than its European competitors, thanks to the higher quality of its products

Unit value of agri-food exports from Italy, Spain, Germany and France (Euro/kg), 2021

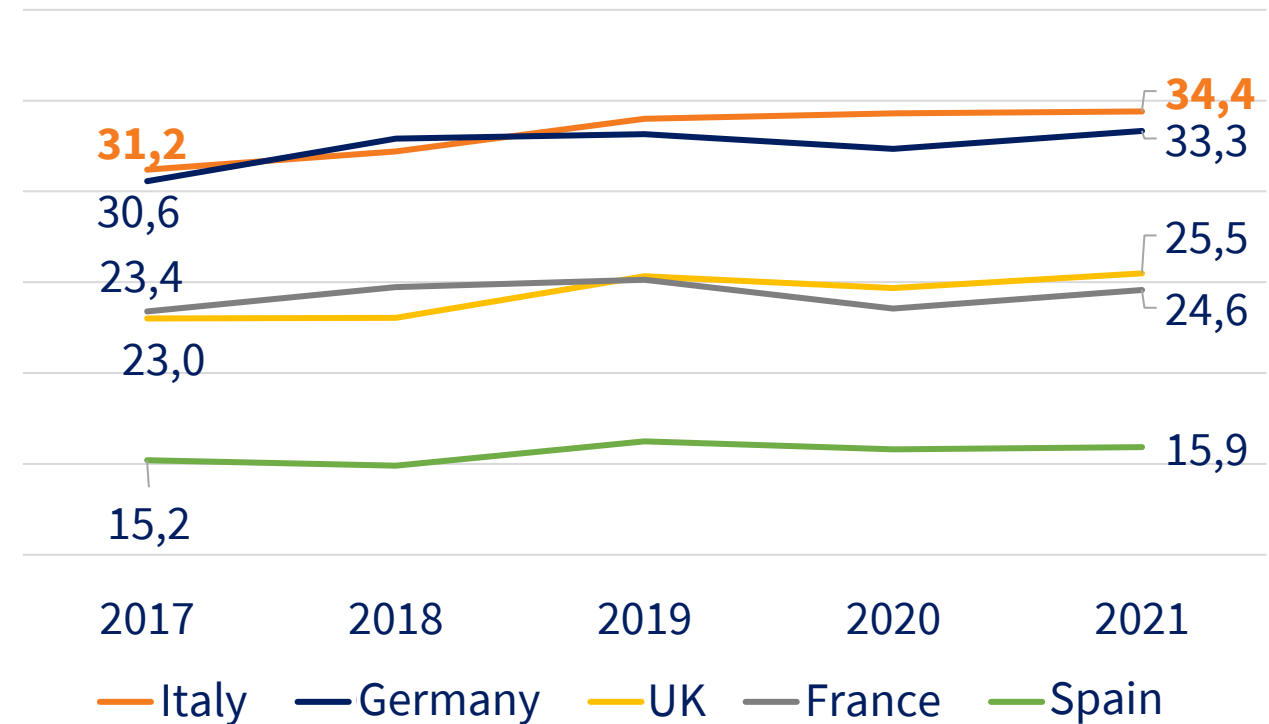


The pharmaceutical production value is the highest in Europe with a strong contribution of SMEs

Top-10 countries in Europe by production value of pharmaceutical SMEs (€ billion), 2022

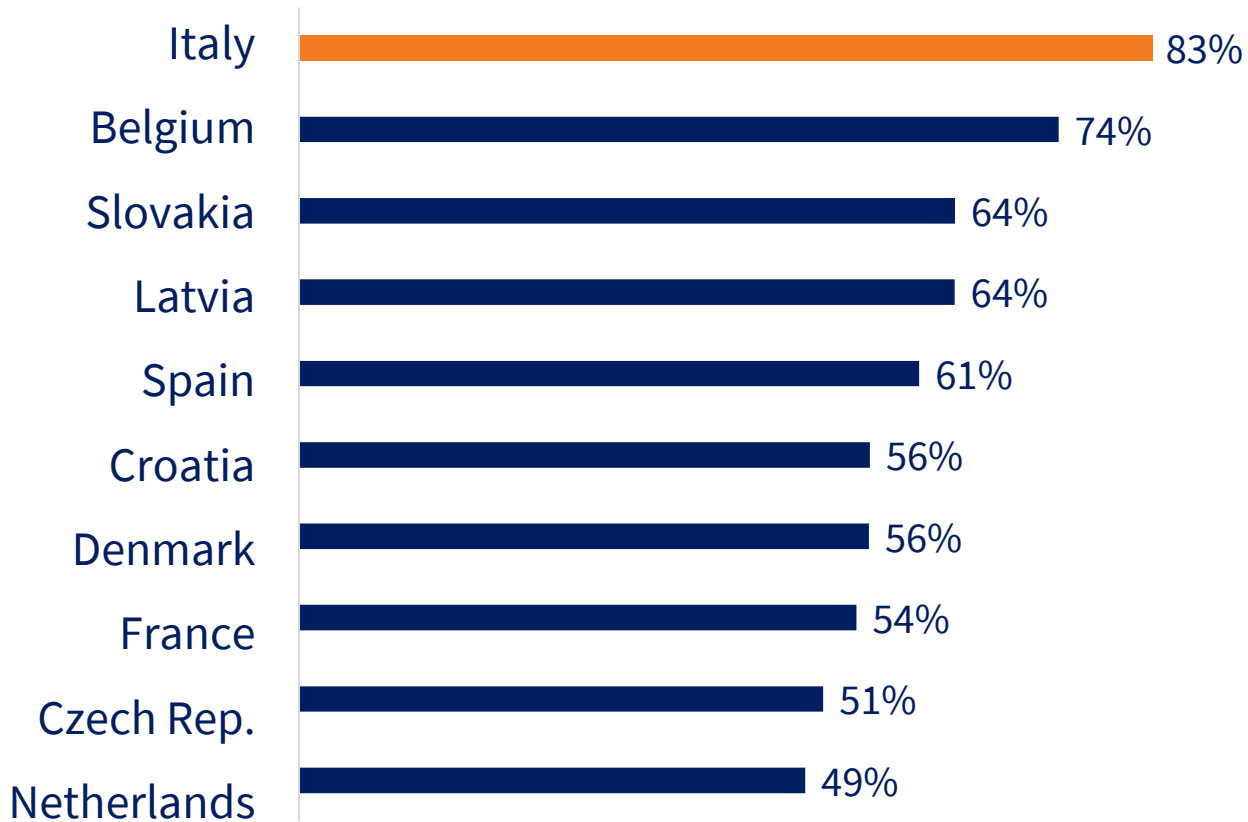


Pharmaceutical production value in the top 5 EU27+UK countries (€ billion), 2017 - 2021

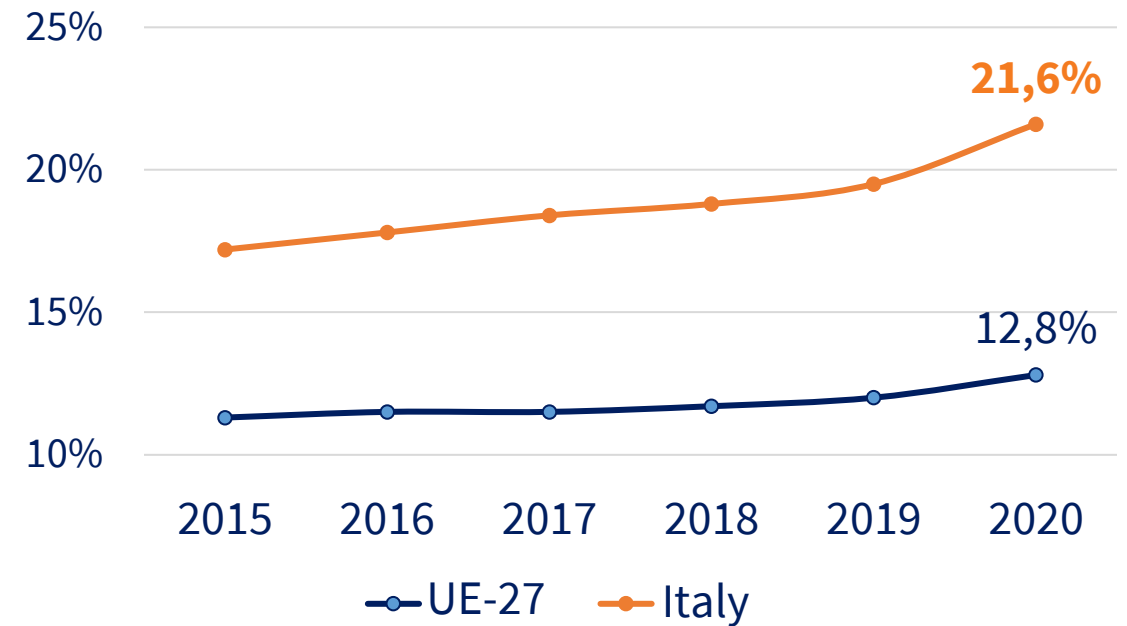


Italy is at the top in Europe in the recycling industry with special attention to the environment

Top-10 EU countries by sorted waste
(percentage values), 2022



Circular material re-utilisation rate from waste in the European Union and Italy
(percentage values), 2015-2020

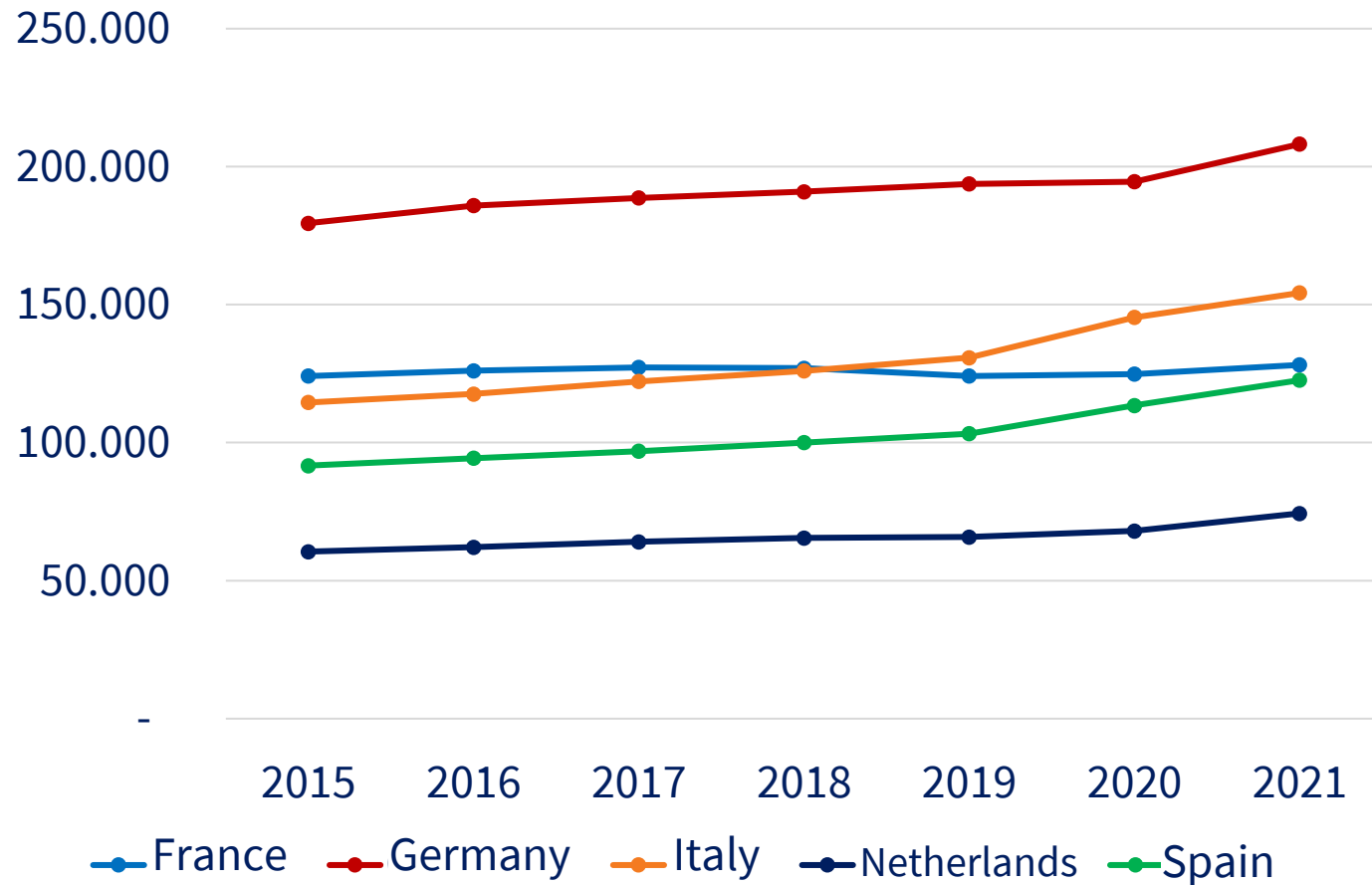


More than **65 Mt of waste** were recovered in 2020 (+115% vs. 2000): of this, **21.6%** is recycled

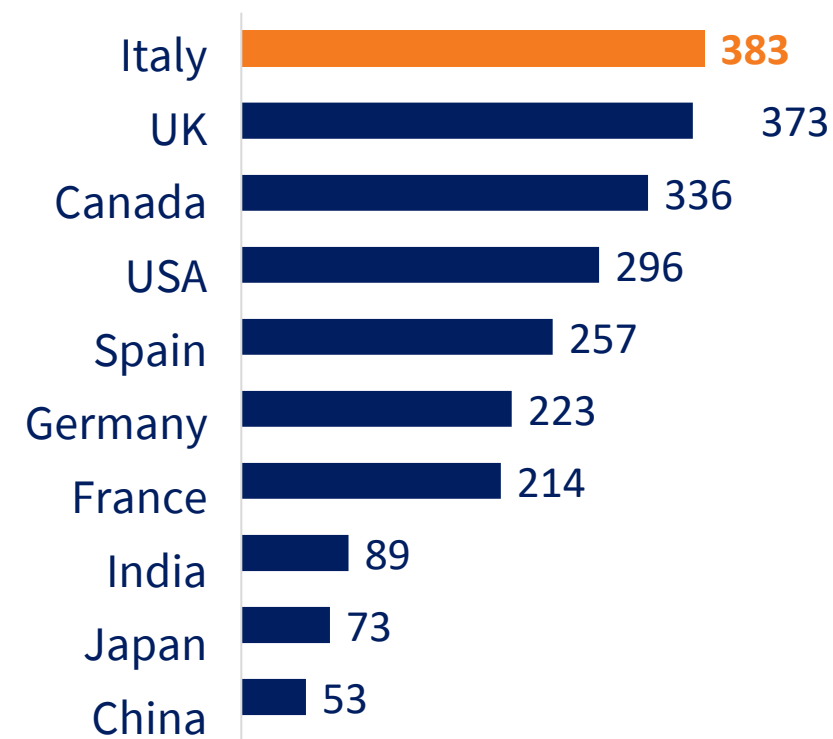
Italy can also count on a research system of excellence

Peer reviewed scientific publications

(absolute value), 2015-2021



Number of citations per researcher: top 10 countries in the world by publications in the last 23 years (absolute value), 1996-2021



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Why it is important to strengthen ASEAN-Italy economic relations

Italy-ASEAN Economic Relations can generate mutual positive spillovers

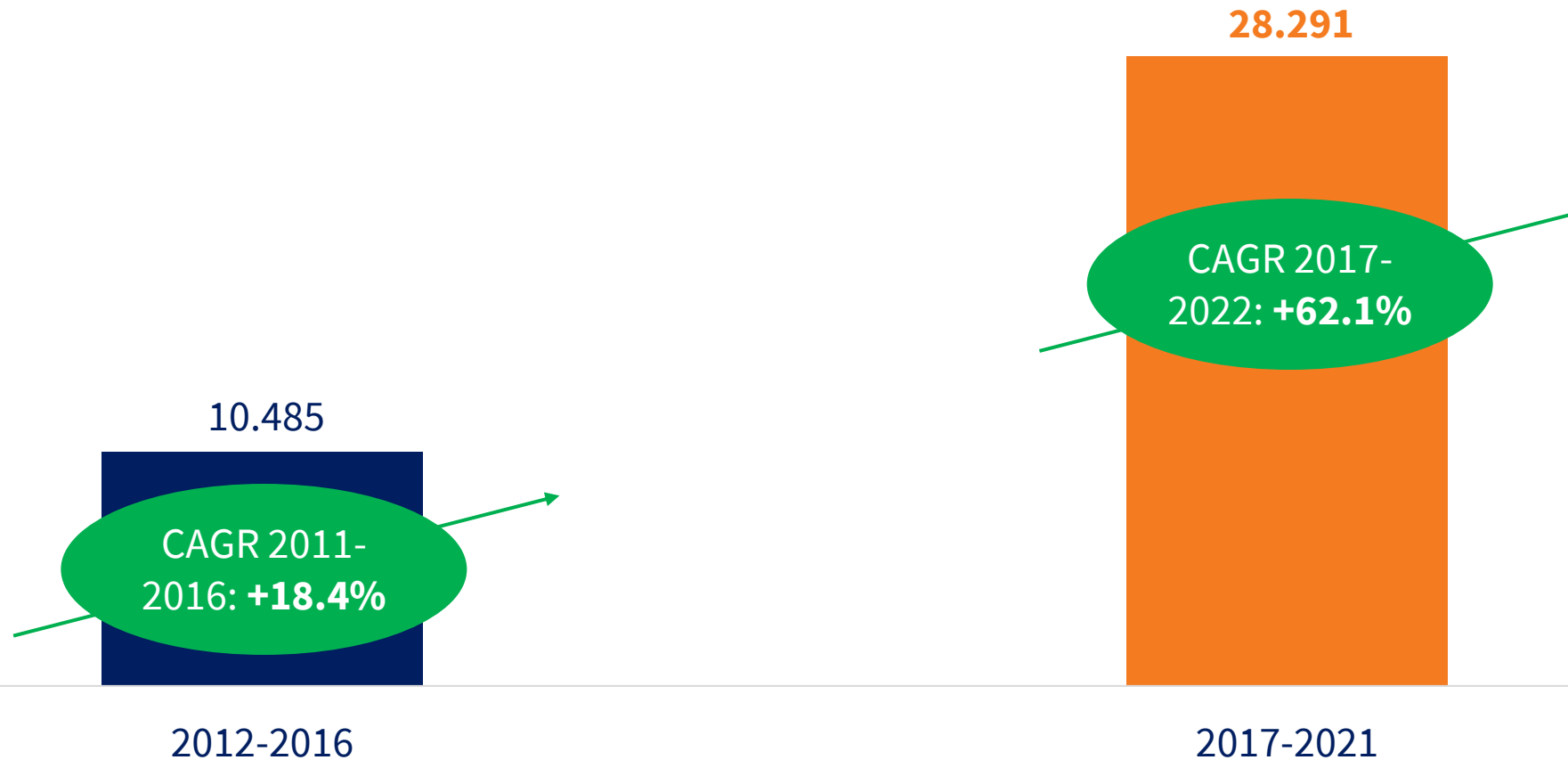
1. The ASEAN Region is an **economic power-house** and one the most **dynamic and thriving** areas of the world
2. Italy thanks to its **industrial strengths** and characteristics can be a preferential partner for ASEAN Countries



Both business ecosystems are a **perfect match**

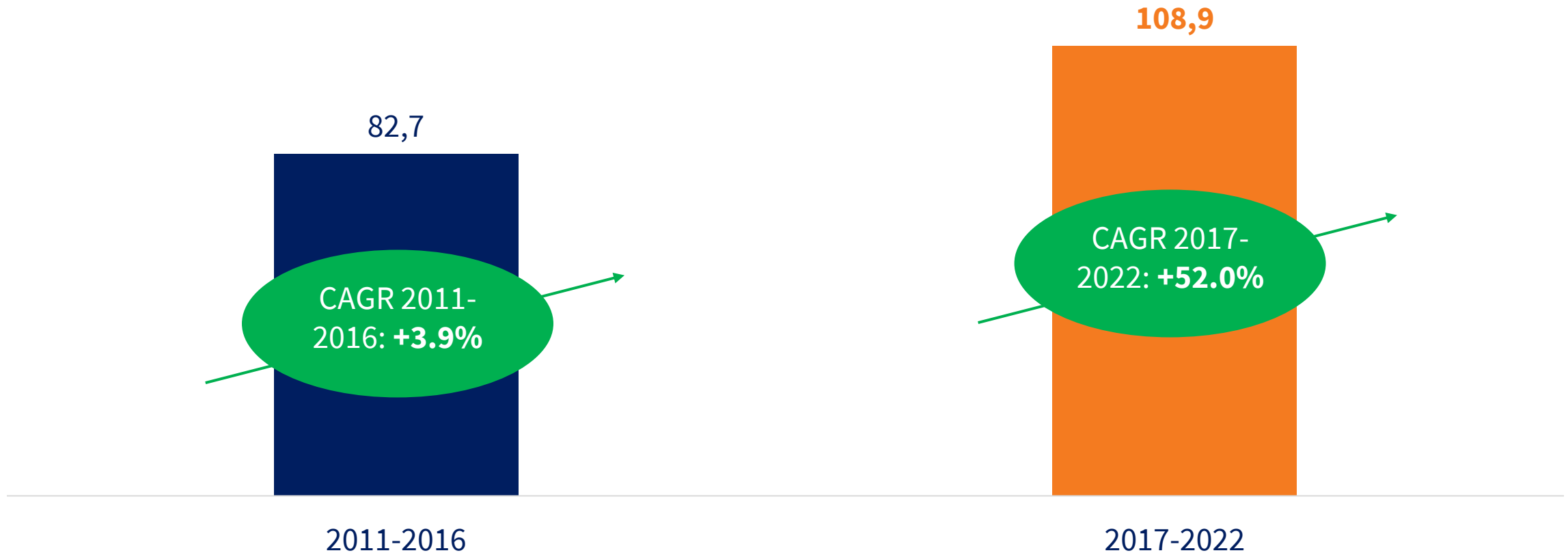
Since the launch of the High Level Dialogue, Italian FDIs towards ASEAN grew at an annual rate of +62.1% (vs. +18.4% previous period)

Outward FDIs from Italy to ASEAN (cumulated value, million Dollars) **and CAGR*** (var.%),
2011-2016 vs. 2017-2022



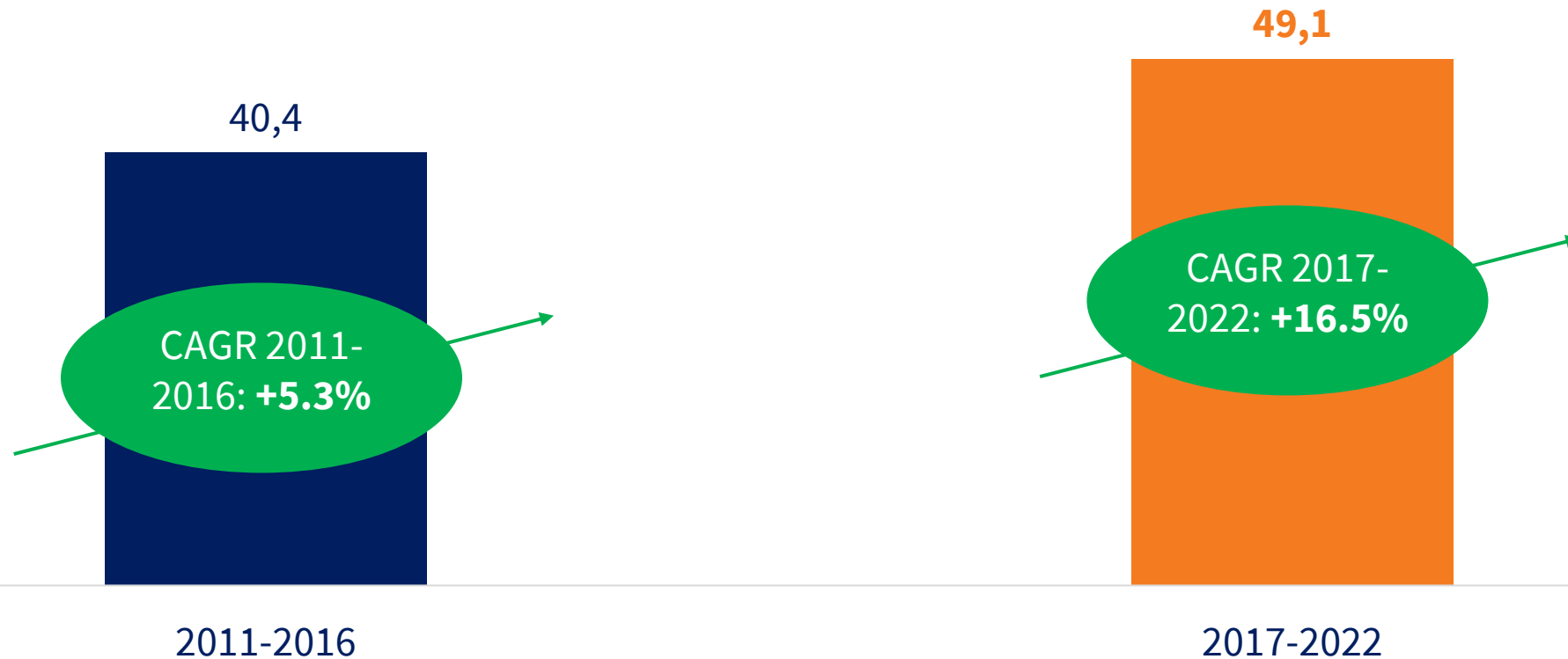
Also, the bilateral commercial trade has increased sharply at an annual rate of +52% (vs. +3.9%) in the previous period

Overall commercial trade between Italy and ASEAN (export+import) (cumulative value, billion Dollars) and CAGR* (var.%), 2011-2016 vs. 2017-2022



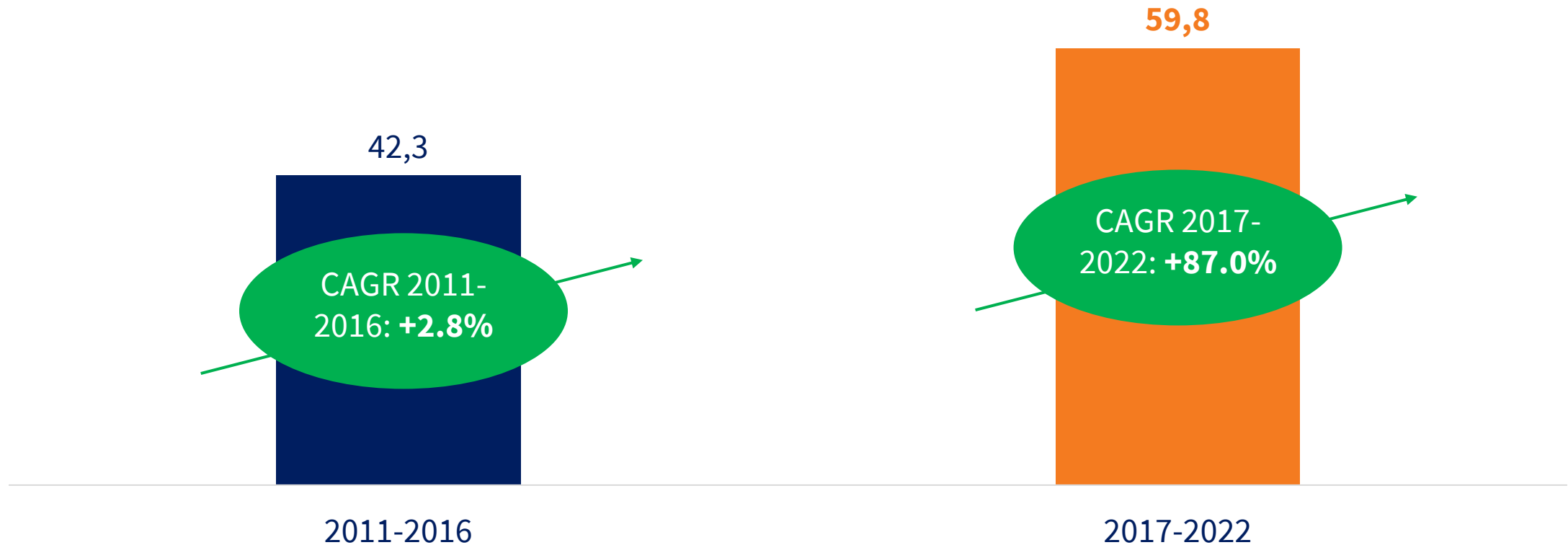
In particular, the export value from Italy to ASEAN reported an annual growth rate of +16.5% (x3 the growth rate of the previous period)...

Export from Italy towards ASEAN (cumulative value, billion Dollars) **and CAGR*** (var.%), 2011-2016 vs. 2017-2022



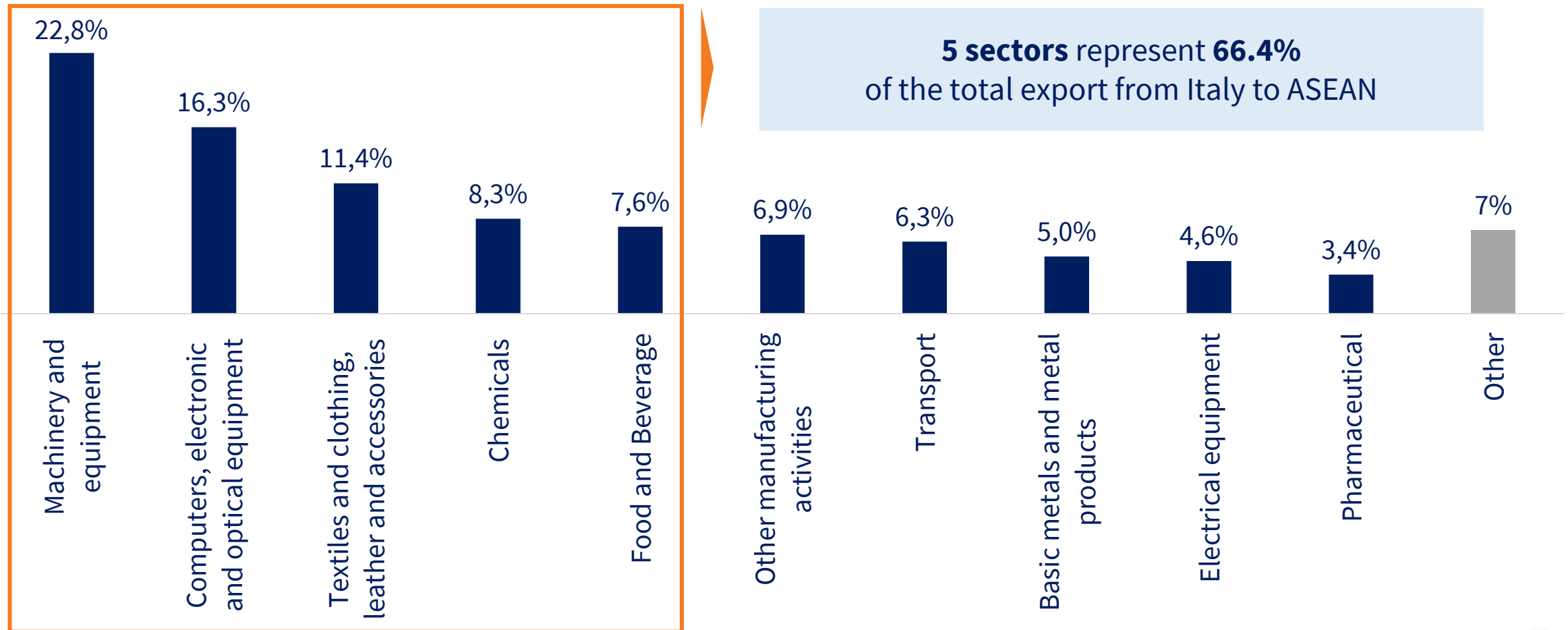
...whereas import from ASEAN to Italy highly increased in the last 6 years compared to the previous six-year period (+87% vs. 3%)

Import to Italy from ASEAN, billion Dollars and CAGR* (var.%), 2011-2016 vs. 2017-2022



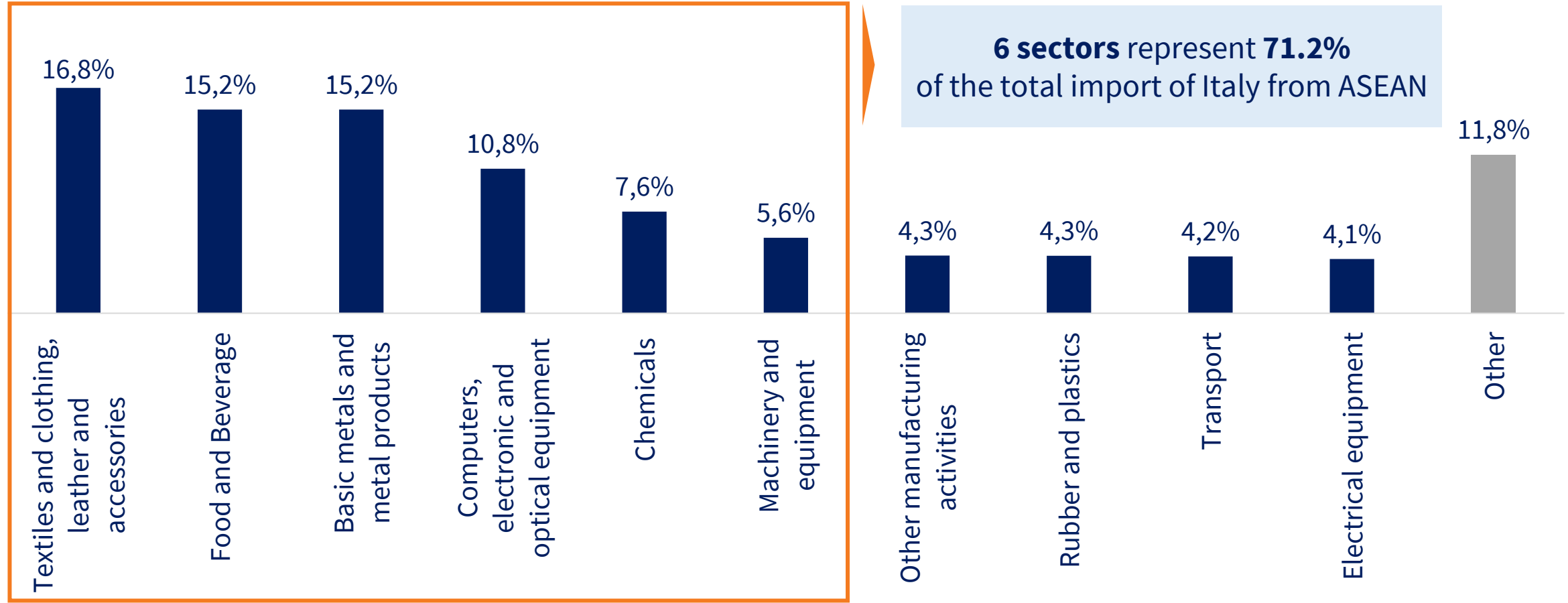
As of today, the Italian export toward ASEAN is sustained by 5 sectors that together account for over 66% of the total...

Export from Italy to ASEAN (% values on total), 2022



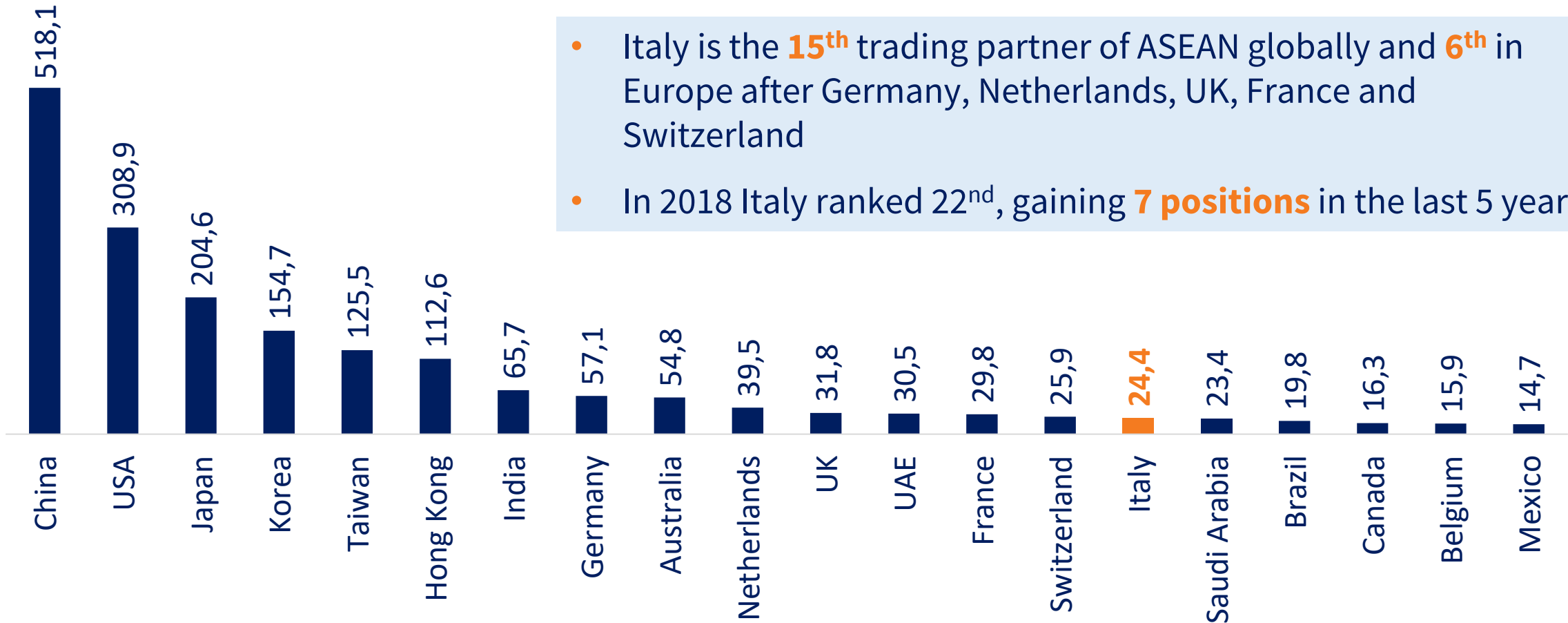
...the same applies to import, where 6 sectors account together for over 71% of the total

Import from ASEAN to Italy
(% values on total), 2022



There is space for more improvement: in 2022 Italy is the 15th trading partner of ASEAN (6th in Europe), but gained 7 positions compared to 2018

First 20 trading partners of the ASEAN region (export+import, € billion), 2022



- Italy is the **15th** trading partner of ASEAN globally and **6th** in Europe after Germany, Netherlands, UK, France and Switzerland
- In 2018 Italy ranked 22nd, gaining **7 positions** in the last 5 years

Thank you for the attention

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Since 2013, The European House – Ambrosetti has been named – in the category Best Private Think Tanks – the no. 1 think tank in Italy, the no. 4 think tank in the European Union and among the most respected independents in the world out of 11,175 on a global level (source: “Global Go To Think Tanks Report” of the University of Pennsylvania)

