

State-of-the-art of Italy and ASEAN economic relationship and partnership opportunities

HIGH LEVEL DIALOGUE ON ASEAN ITALY ECONOMIC RELATIONS – 8th Edition

Dusit Thani Hotel, Manila, Philippines
Wednesday, November 6, 2024



TEHA is an international management consulting Group with a global presence

- TEHA Group, a wholly-owned subsidiary of The European House - Ambrosetti, is a leading management consulting Group established in 1965, with HQ in Italy and offices around the world
- TEHA Group since 2013 - in the “Best Private Think Tanks” category - is **the No. 1 Think Tank in Italy, No. 4 in the European Union and among the most respected and independent out of 11,175 Think Tanks globally***
- TEHA Group was recognized by Top Employers Institute as **one of the 147 Top Employers 2024 in Italy** for the 4th year
- TEHA Group provides:
 - Strategic and managerial consulting services
 - Creation of strategic scenarios and policy-making and advocacy activities (over 350 a year)
 - Territorial development programs (over 60 initiatives in the last 3 years)
 - High-level training programs and leadership forums (over 750 meetings a year)



TEHA Group: key facts and figures

**More than
750 Events**

Organized in 2023, 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 in our various platforms

**45,000
Entrepreneurs
and Managers**

National and international, who attended our events and meetings in Italy and all over the World

**More than
350
strategic studies
and scenarios**

Designed 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 (*)

**50
Years**

of the Cernobbio Forum in 2024: those attending the last edition represented managed assets of €50 trillion; 7 governments represented

**18
Countries**

With direct presence or in partnerships. In 2020, we provided support to Italy's presidency of the G20 through the formulation of 8 policy recommendations involving the priority areas for action of the Italian presidency (the "3Ps": People, Planet, Prosperity)

**TOP EMPLOYER
2024**

For the fourth consecutive year, TEHA Group has been recognized as a Top Employer. One of the 147 Top Employers 2024 in Italy, based on the analysis of 6 specific areas of HR policy and over 400 best practices monitored

**300 People
56% women**

Who share the same passion and drive. 50 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, Startup Accelerator, technological scenarios

**30
Years**

The experience of our sustainability team in tailor-made solutions and projects to accelerate company transition towards a sustainable future

**10
Communities**

Thematic or Local Communities: Cashless Society, Value of Water for Italy, Retail 5.0, Life Sciences, Innotech, Smart Building, Zero Carbon, Floating Wind Offshore, Tuscany, Food

**7
International
Think Tanks and
Summits**

Recognised as an international best-practice by the ASEAN Community. 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

**120
Family-Owned
Businesses**

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

TEHA Group promotes and manages international High Level CEO Dialogues around the globe



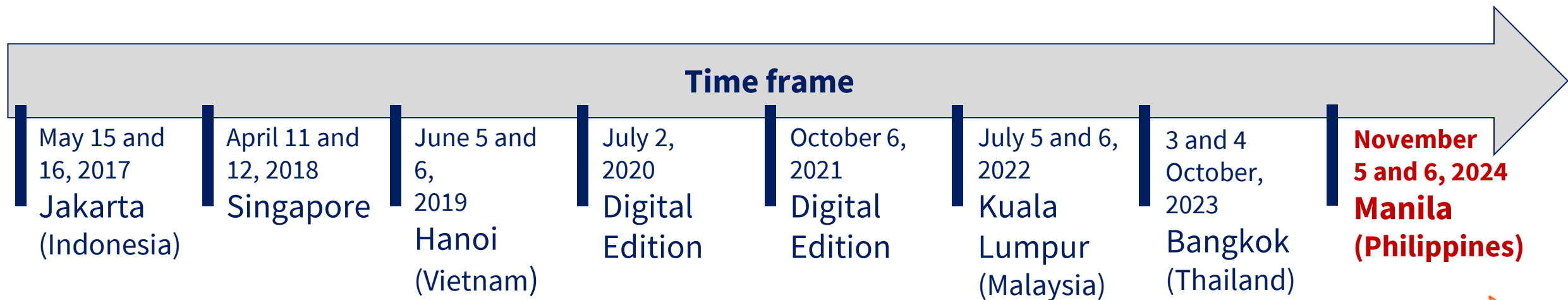
- **70 governments** involved
- **>250** speakers every year (ministers, CEOs, economists, etc.)
- **>3,000** business leaders and institution representatives every year

The High Level Dialogue on ASEAN Italy Economic Relations (HLD)



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

The European House - Ambrosetti in collaboration with Italia ASEAN Association launched the **“High Level Dialogue” (HLD)** to institutionalize an exclusive and influential **connection platform between ASEAN countries and Italy**



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



First Edition
Shangri-La Hotel, Jakarta
Monday, May 15 and Tuesday, May 16, 2017

1st edition

May 2017, Jakarta

2nd edition

April 2018, Singapore

3rd edition

June 2019, Hanoi

4th edition

July 2020 to January 2021, Digital*

5th edition

July 2020 to January 2021, Digital

6th edition**

July 2022, Kuala Lumpur

7th edition

October 2023, Bangkok

> 3,500
participants

~€5 trillion
revenues

> 190 speakers

>40 Ministers from
ASEAN and Italy

21 Position Papers have been drafted during the 7 (2017-2023) editions of the HLD 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 Infrastructure for a Sustainable Future. Trends and Opportunities to Attract Italian Investments”
19. “Competitiveness of ASEAN Countries: the state-of-the-art as measured by The European House - Ambrosetti «Global Attractiveness Index 2023”
20. “The role of Private Capital in ASEAN state-of-the-art, national initiatives and development opportunities for ASEAN-Italy cooperation”
21. “Why Italy is alive and kicking”

21 Position Papers have been drafted during the 7 (2017-2023) editions of the HLD and for the 2024 edition, 2 Position Papers have been realized



«Climate finance in ASEAN: state-of-the-art and opportunities»

«Competitiveness of ASEAN Countries: the state-of-the-art as measured by TEHA «Global Attractiveness Index 2024»*

Main topics addressed:

- Current and future impacts of Climate change in ASEAN
- ASEAN Climate policy initiatives & Action plans, ASEAN Member States commitment to climate actions and net-zero emissions targets
- State of the art of climate finance on the ASEAN region and Multilateral and Development Finance Institutions role

Main topics addressed:

- ASEAN competitiveness as measured by The European House - Ambrosetti “Global Attractiveness Index 2024”
- ASEAN region results in the 4 pillars of the GAI index: Openness, Innovation, Efficiency, and Endowment
- Positioning of single ASEAN Member States according to GAI

POSITION PAPER
Climate finance in ASEAN: state of the art and opportunities
High Level Dialogue on ASEAN-Italy Economic Relations
Manila, the Philippines, November 5-6, 2024

The ASEAN region is among the most vulnerable regions in the world to climate change impacts: according to the Long-Term Climate Risk Index, 3 out of 10 ASEAN countries (Myanmar, Philippines and Thailand) are among the 10 countries most affected by impacts of climate related extreme weather events. Also, challenges are ahead for ASEAN concerning the energy transition, sustainable urban development, water and waste management.

In this context, the goal of ASEAN is to develop a macro-frame of national long-term roadmap to develop synergies and integrate adaptation and mitigation by considering the ASEAN's development context and vision, long-term climate goal, and transition pathways (ACCSP 2023-2030).

In Southeast Asia, most of its around \$15 billion climate finance yearly funds are publicly sourced, mainly through national, multilateral, and bilateral DFIs, that today play a highly strategic role for climate finance in developing countries. The Asian Development Bank (ADB), the biggest contributor, provides about one-third of total tracked multilateral finance in Southeast Asia. Philippines, Vietnam, and Indonesia receive the bulk of the climate finance (31%, 32%, and 24% of total climate finance in the subregion, respectively).

On its side, Italy has excellent competencies and know-how to support ASEAN countries in climate finance and in the path towards clean energy transition and net-zero emissions by 2050, also thanks to the role that Cassa Depositi e Prestiti (CDP) can play in bringing the relationship between Italy and the ASEAN countries to a higher level.

ASEAN: an economic power-house

- The Association of Southeast Asian Nations (ASEAN), if considered as a single economy, is the 3rd largest economy in Asia and the 5th largest in the world after the US, China, Japan and Germany. Established in 1967, ASEAN includes 10 Member States (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and, with a population of 660 million people, is the 3rd largest region globally, after China and India.
- Today, ASEAN is currently one of the fastest-growing regions of the world, reporting in the last decade (2012-2023) a GDP growth of +53%. In 2023, the region's GDP reached approximately \$3.8 trillion, representing a 3.8% increase from the previous year. For 2024, a growth rate of 4.5% is expected, up to 4.7% in 2025. Vietnam and Philippines are the countries with the highest growth rate forecasted for both 2024 (6.0%) and 2025 (6.2%).¹
- This growth is expected to be fueled primarily by a surge in tourism and a resurgence in the global semiconductor and electronics industries. Trade performance in 2024 is also projected to be positive, and easing inflation and stabilizing borrowing costs are expected to create a more favorable financial environment, providing additional support to the region's economic activity.²

Climate change: current and future impacts in ASEAN

The issue of climate change is a major concern to ASEAN, as Southeast Asia is one of the most at-risk regions in the world to the impacts on climate change.

- One factor that could harness ASEAN growth is climate change, as the ASEAN region is among the most vulnerable regions in the world to its impacts. Indeed, according to The Long-Term Climate Risk Index (CRI), 3 out of 10 ASEAN countries (Myanmar, Philippines and Thailand) are among the 10 countries most affected by impacts of climate related extreme weather events (storms, floods, heatwaves, etc.) from 2000 to 2019.
- Considering the overall standings (out of 180 countries), Myanmar ranks 2nd, Philippines ranks 4th, Thailand ranks 9th, Vietnam ranks 13th, Cambodia ranks 14th, Laos ranks 52nd, Indonesia ranks 72nd, Malaysia ranks 116th, Brunei ranks 176th, and Singapore ranks 179th.

have been affected by impacts of climate related extreme weather events (storms, floods, heatwaves, etc.). It scores from 1=most affected to 200=least affected, annual averages.

¹ Source: Asian Development Bank and International Monetary Fund, 2024.
² ASEAN Economic Integration Brief, July 2024.
³ The Long-Term Climate Risk Index (CRI) is a composite index that analyses and ranks to what extent countries and regions

POSITION PAPER
Competitiveness of ASEAN Countries: the state-of-the-art as measured by The European House - Ambrosetti "Global Attractiveness Index 2024"
High Level Dialogue on ASEAN-Italy Economic Relations, Bangkok, Thailand, November 5-6, 2024

Today, the ASEAN countries are one of the fastest-growing regions of the world. If considered as a single economy, the ASEAN region is the 3rd largest economy in Asia and the 5th largest in the world after the US, China, Japan and Germany. In addition, it is becoming pivotal on the international scene and, in fact, in 2023, it ranked 3rd among the top-10 countries for both exports and imports and was the 3rd top recipient of Foreign Direct Investment in the world.

In 2016, The European House - Ambrosetti launched the Global Attractiveness Index (GAI) research project with the aim to make available to business leaders, investors and policymakers an innovative and highly reliable country index that can offer a representative profile of the attractiveness and competitive sustainability of countries.

According to the Global Attractiveness Index 2024, ASEAN countries are among the best performing ones in Asia. Specifically, in 2024, the cumulative ranking value of the 10 ASEAN countries reached 410.6 points performing better than Asian countries (with a 4 times relative speed of growth); among the 22 Asian countries, 5 of the top-10 countries in the GAI index are from ASEAN, 5 ASEAN countries are in the top-10 Asian countries for GAI positions gained in the last year, and 5 ASEAN countries are among the top-10 Asian countries for GAI ranking value gained in the last year.

Outstanding results were also seen in the 4 pillars (Openness, Innovation, Efficiency and Endowment) of the GAI index compared to the previous year.

ASEAN socio-economic analysis and main trends

- Established in 1967, ASEAN currently includes 10 member states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and, with a population of 660 million people, it is the 3rd largest region in the world, after China and India. Also, ASEAN (if considered as a single economy) is the 3rd largest economy in Asia and the 5th largest in the world after the US, China, Japan and Germany.
- Today, ASEAN is one of the fastest-growing regions of the world, reporting in the last decade (2014-2023) a cumulative GDP growth of +46.2%. More specifically, in 2023, the region recorded a GDP of about 3.8 trillion US Dollars (+3.5% compared to 2022) and a growth rate of +4.7% is expected for 2024, above the global average, which is estimated to be +4.1% in 2024.¹
- Linked with its strong growth, Southeast Asia is becoming pivotal on the international scene in both commercial trade and attraction of foreign investment. In international trade, ASEAN is today one of the largest trading areas in the world and in 2023 consolidated its 3rd position among the top 10 countries, after China and the United States, for both exports and imports, with a value of 1,818 billion US Dollars and 1,716 billion US Dollars, respectively.

Figure 1. ASEAN exports of the first ten world countries (billion US Dollars), 2023. Source: TEHA Group elaboration on UNCTAD data, 2024.

Country	Exports (billion US Dollars)
China	1,818
ASEAN	1,716
USA	1,600
Germany	1,400
France	1,300
UK	1,200
India	1,100
Japan	1,000
South Korea	900
Canada	800

Figure 2. ASEAN import of the first ten world countries (billion US Dollars), 2023. Source: TEHA Group elaboration on UNCTAD data, 2024.

Country	Imports (billion US Dollars)
China	1,818
ASEAN	1,716
USA	1,600
Germany	1,400
France	1,300
UK	1,200
India	1,100
Japan	1,000
South Korea	900
Canada	800

Figure 3. ASEAN import of the first ten world countries (billion US Dollars), 2023. Source: TEHA Group elaboration on UNCTAD data, 2024.

- The notable performance of ASEAN countries is also the result of several policies and agreements of cooperation with other countries that, over the years,

¹ Source: International Monetary Fund, 2024.

Thanks to the High Level Dialogue notable achievements have been attained in the Italy-ASEAN relations: **THE POLITICAL DIMENSION**

- 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**.*



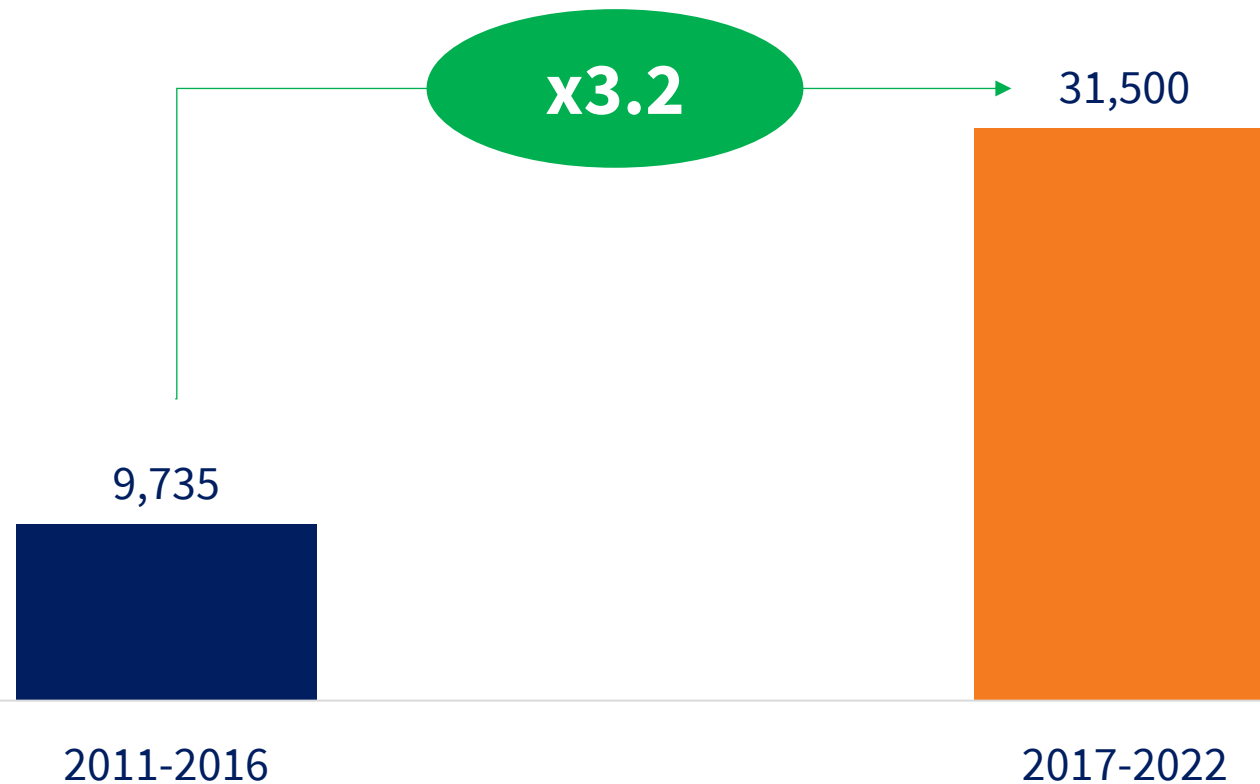
Ministry of Foreign Affairs
and International Cooperation

*“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.

Thanks to the High Level Dialogue notable achievements have been attained in the Italy-ASEAN relations: **THE ECONOMIC DIMENSION (1/2)**

Outward FDIs from Italy to ASEAN
(cumulated value, € million), 2011-2016 vs. 2017-2022



In the last 6 years (2017-2022):

- ASEAN countries Foreign Direct Investments towards Italy increased by **93.1%** (from 121 million Euros in 2017 to 234 million Euros in 2022)
- Italian FDI towards ASEAN, which grew by **+67.4%** (from 4,060 million Euros in 2017 to 6,794 million Euros in 2022)

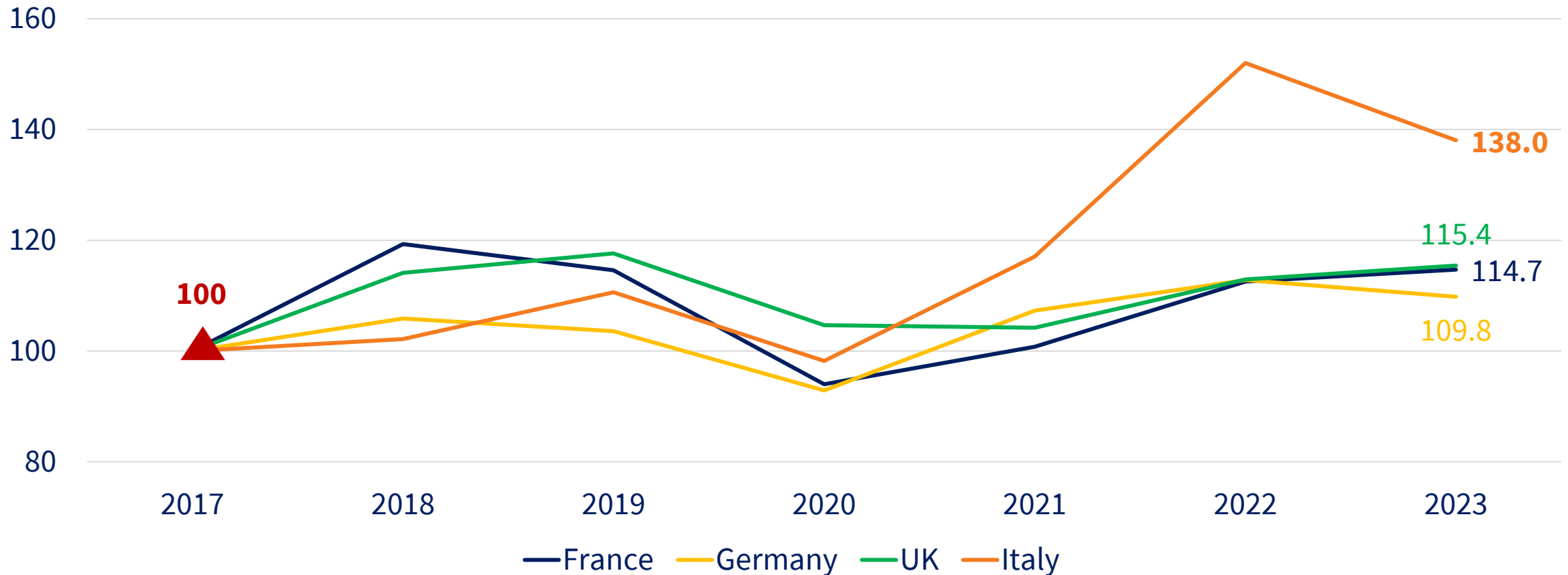
Thanks to the High Level Dialogue notable achievements have been attained in the Italy-ASEAN relations: **THE ECONOMIC DIMENSION (2/2)**

Overall commercial trade between Italy and ASEAN (export+import)
(cumulative value, US \$ billion), 2010-2016 vs. 2017-2023



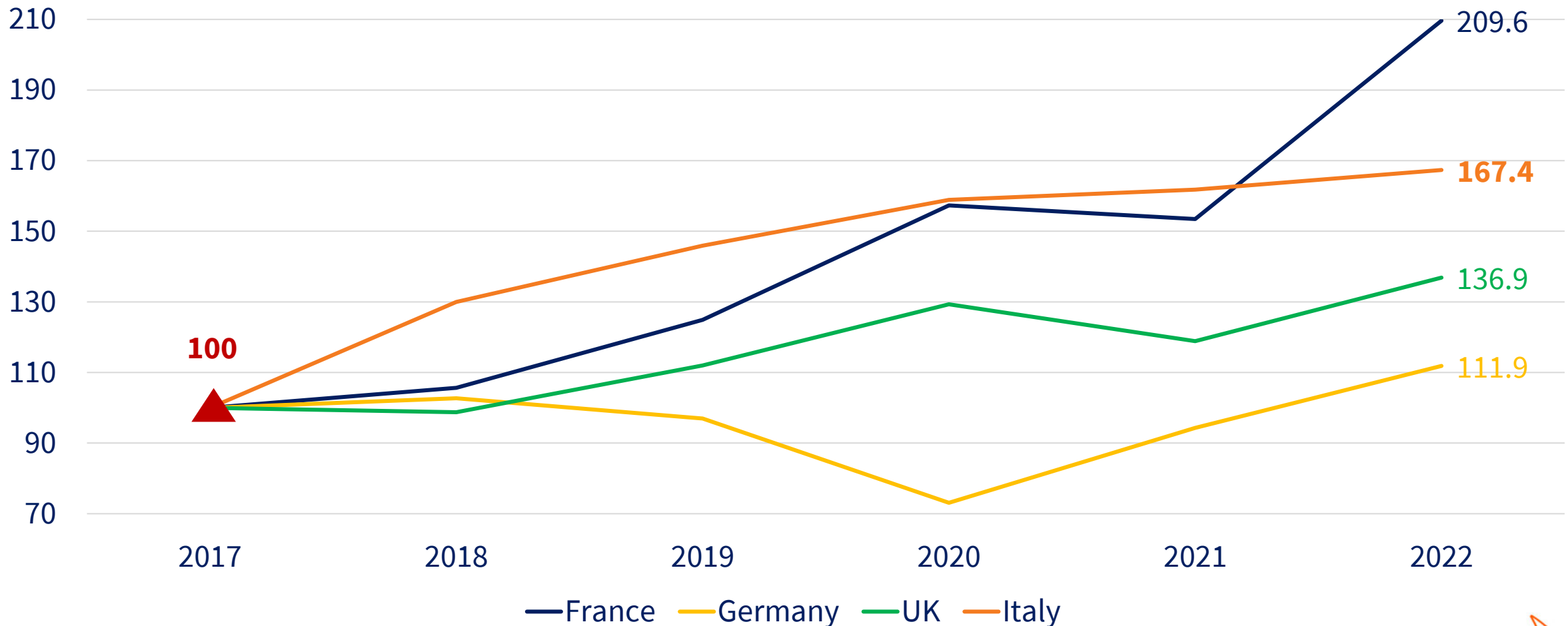
As of 2023, the commercial trade between Italy and ASEAN has increased by 38% compared to 2017, outperforming UK, Germany and France

Overall commercial trade between EU big-4 and ASEAN (export+import),
2017-2023 (2017 = 100)



At the same time, the stock of outward FDIs from Italy to ASEAN rose by 70% (more than UK and Germany) in 2022 vs. 2017

Stock of FDIs toward ASEAN in the EU big-4, 2017-2022 (2017 = 100)



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

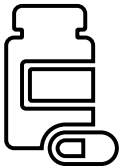
The direct fallouts of the High-Level Dialogue on ASEAN Italy economic relations as of today (2/2)



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



New direct flight Rome (Italy) – Bangkok (Thailand)



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

...and many others!

Italy-ASEAN Economic Relations can generate mutual positive spillovers

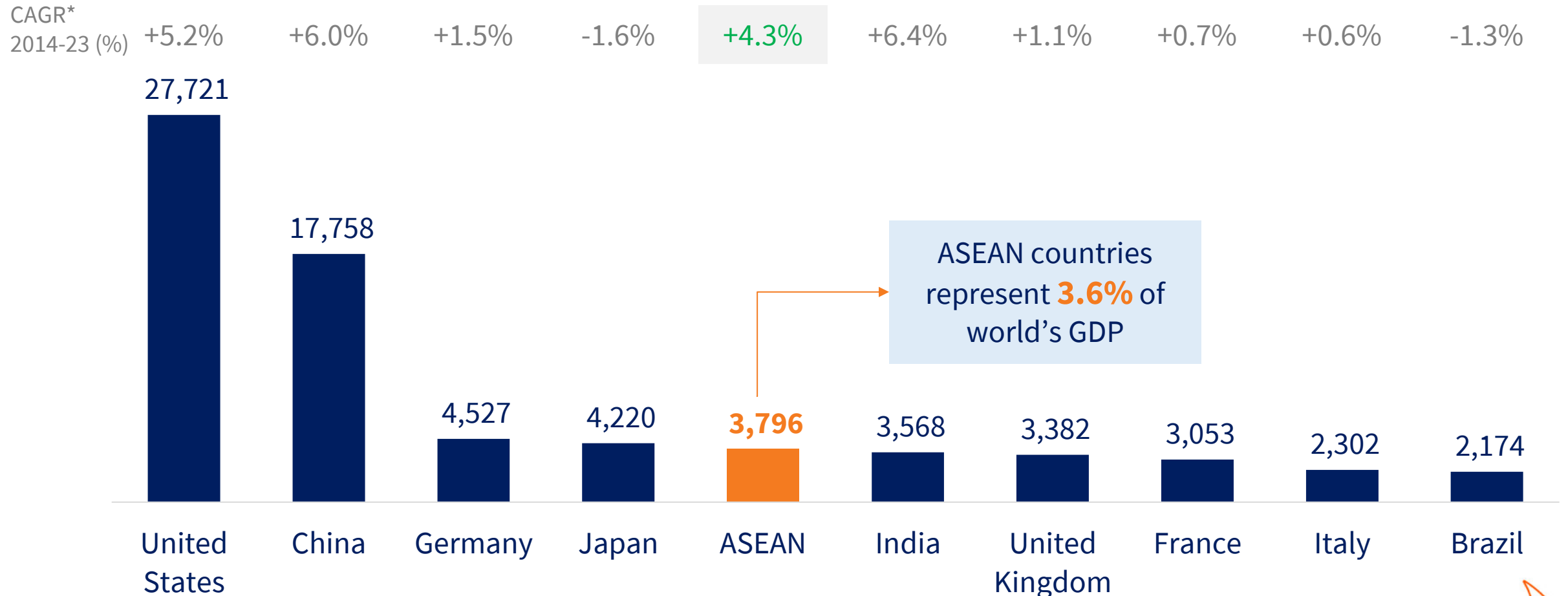
1. The ASEAN Region is an **economic powerhouse** and one the most **dynamic and thriving** areas of the world
2. Italy thanks to its **industrial strengths** and characteristics can be a preferential partner for ASEAN Countries



Both business and industrial ecosystems are a **perfect match**

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

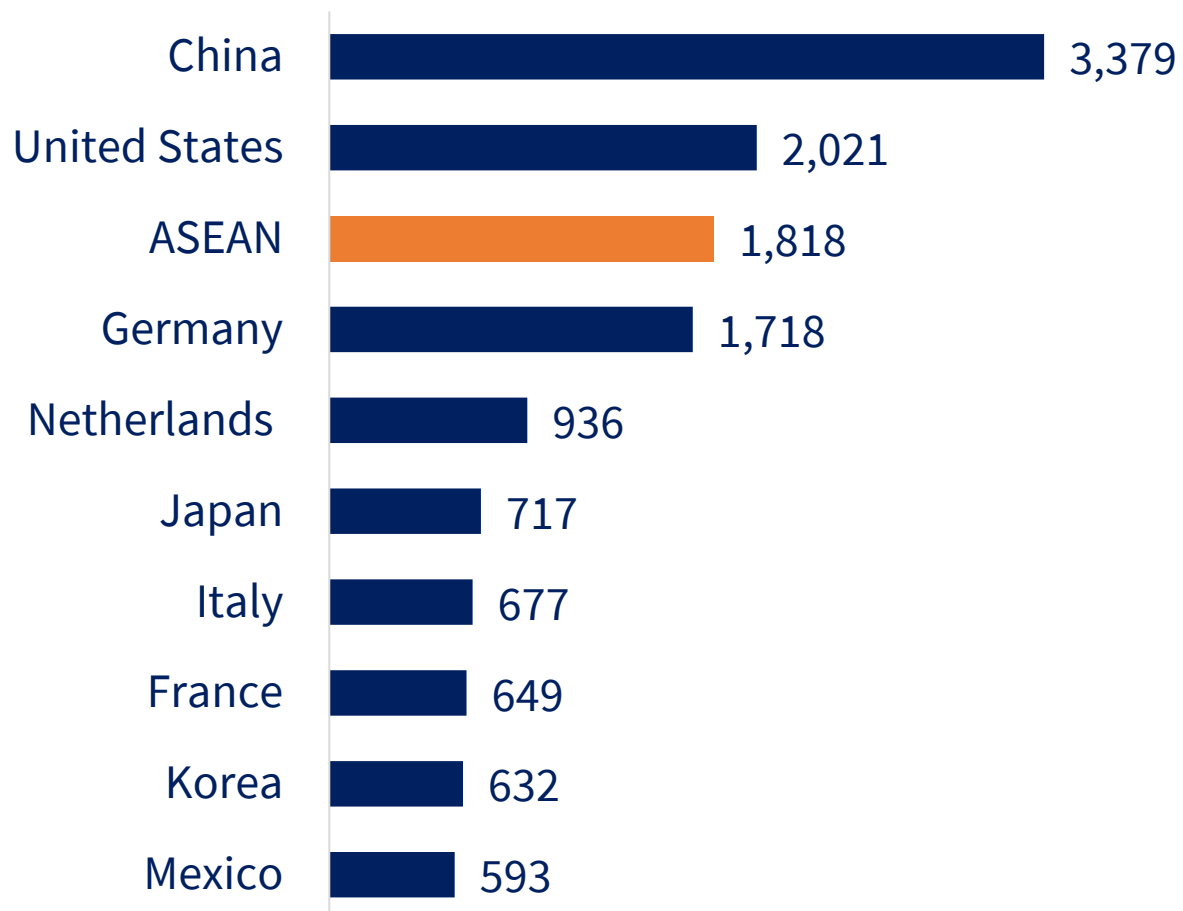
GDP of the first 10 world countries, current prices
(US \$ billion), 2023



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

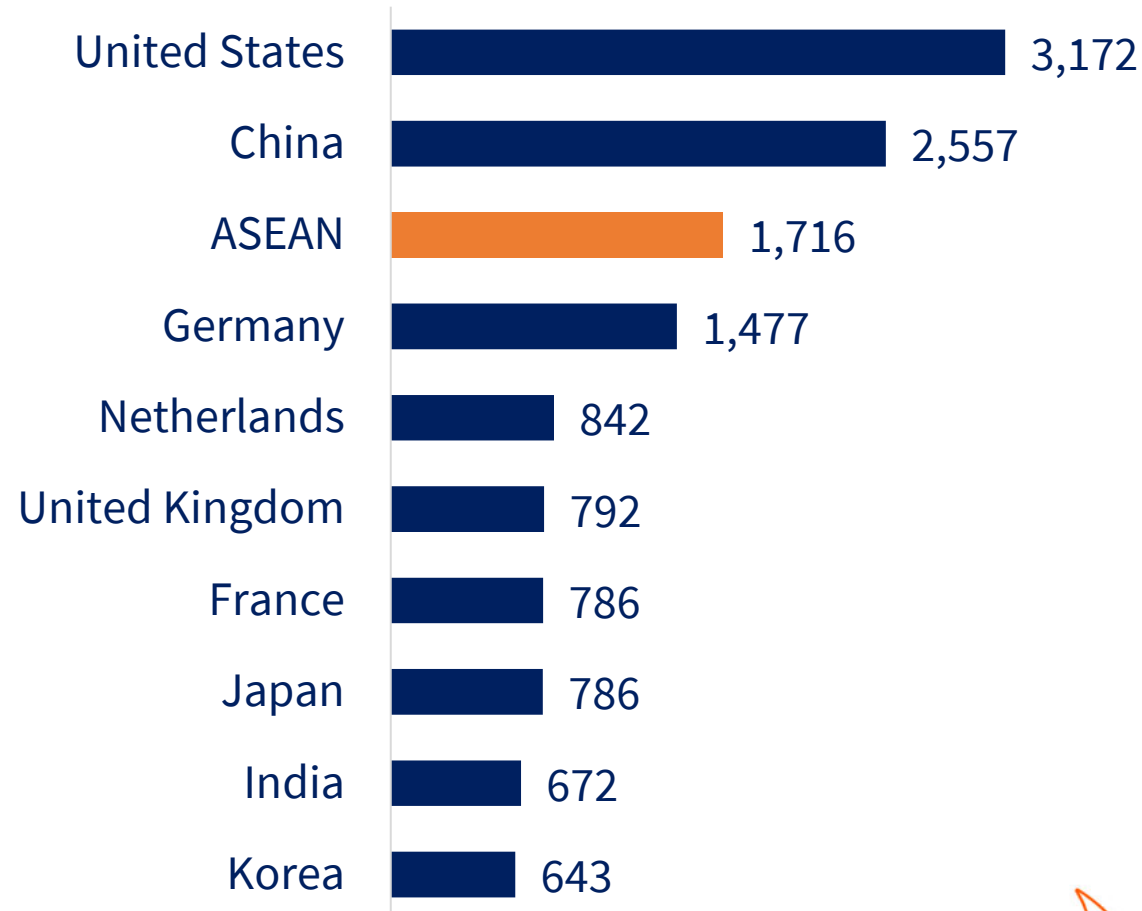
Export of the first 10 world countries

(US \$ billion), 2023



Import of the first 10 world countries

(US \$ billion), 2023



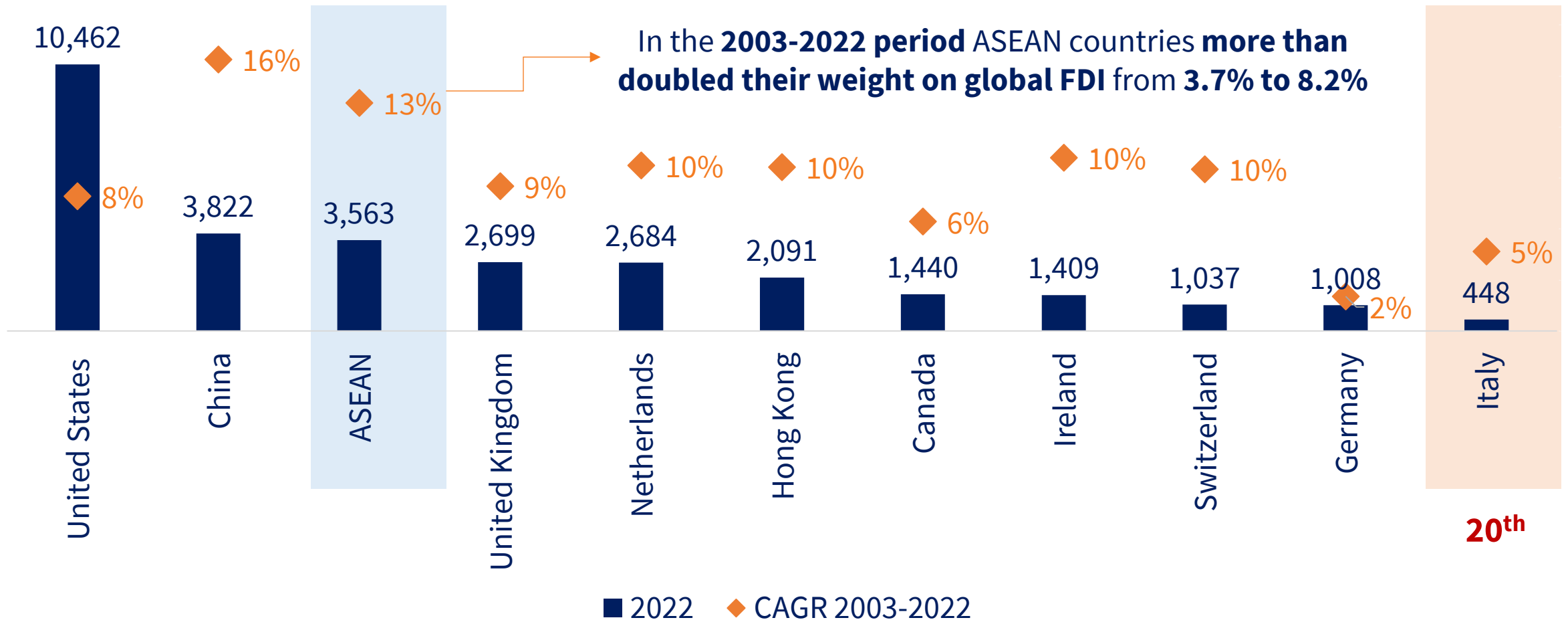
The growth of ASEAN countries steadily outperformed the world average over the last 20 years

GDP growth in the world and in ASEAN (%), 2004-2024^e



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 (US \$ billion), 2022 and CAGR*(% val.), 2003-2022

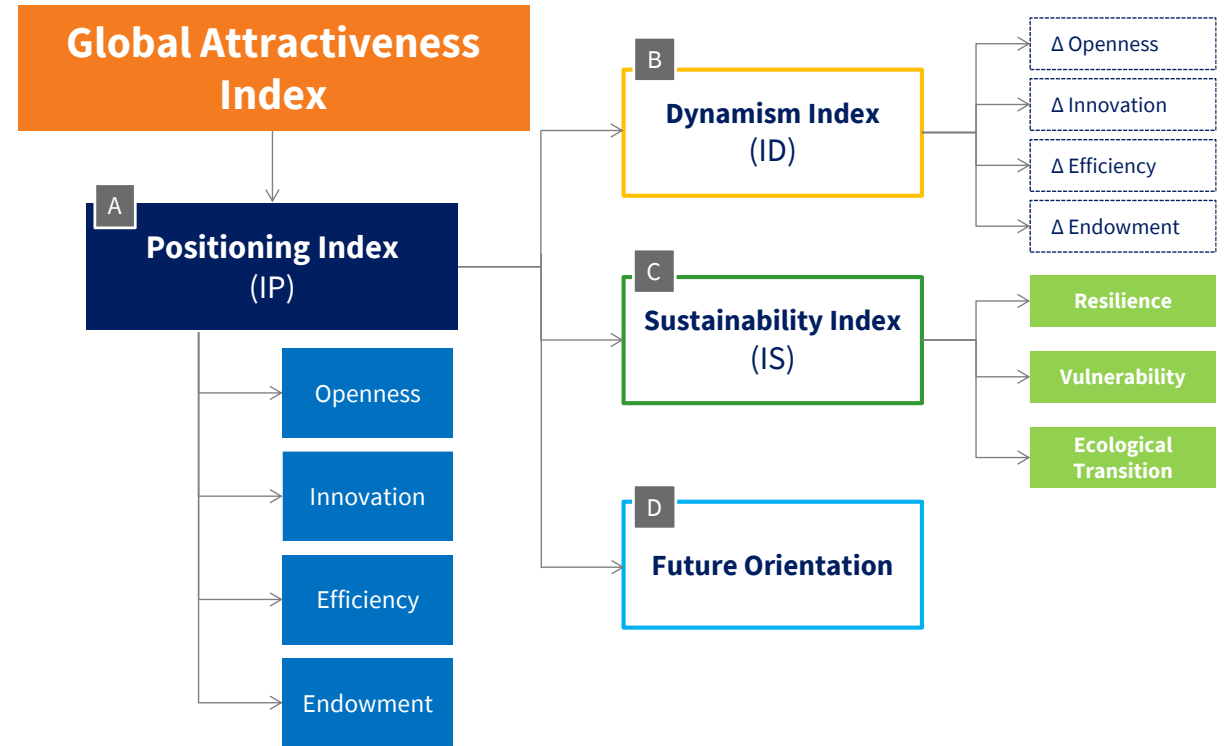


(*) Compound Annual Growth Rate.
Source: TEHA Group elaboration on UNCTAD data, 2024

In 2016, TEHA launched the Global Attractiveness Index (GAI) with the involvement of governments and companies worldwide

The objective of the **GAI** is to make available to investors and public decision-makers an **innovative Country Index** that can offer a representative profile of the attractiveness and sustainability of countries and, thus, **provide reliable information** to support system choices on growth and optimization of the pro-business environment

- Annual statistical audit by the **Joint Research Centre JRC of the European Commission**
- Index accredited among the **official OECD indicators**



- **Historical Index** calculation over **seven years** (2016-2024), 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

According to the Global Attractiveness Index 2024, ASEAN members are among the best performing countries in Asia*

- In 2024, the cumulative ranking value of the 10 ASEAN countries reached **410.6 points**, performing better than Asian countries (with a **4 times** relative speed of growth)
- Comparing the results of ASEAN countries in GAI 2024 with GAI 2020**, **ASEAN countries' cumulative ranking values grew by 11.4%**, also in this case significantly higher than Asian countries on average (**+8.2%**)
- Among Asian countries, **5 out of the top-10 countries in the GAI Index are from ASEAN**: Singapore (2th), Malaysia (7th), Vietnam (8th), Thailand (9th) and Indonesia (10th)

3 ASEAN countries are in the top-10 Asian countries for positions gained in the **Openness pillar** compared to last year: in 2024, Lao PDR gained 65 positions, Thailand 16 positions and the Philippines 3 positions

6 ASEAN countries are in the top-10 Asian countries for positions gained in the **Innovation pillar** compared to last year: in 2024, the Philippines gained 9 positions, Brunei Darussalam 8 positions, Malaysia 7 positions, Myanmar 3 positions, Thailand 3 positions, and Singapore 2 positions

2 ASEAN countries are in the top-10 Asian countries for positions gained in the **Efficiency pillar** compared to last year: in 2024, Malaysia gained 5 and Singapore 2 positions.

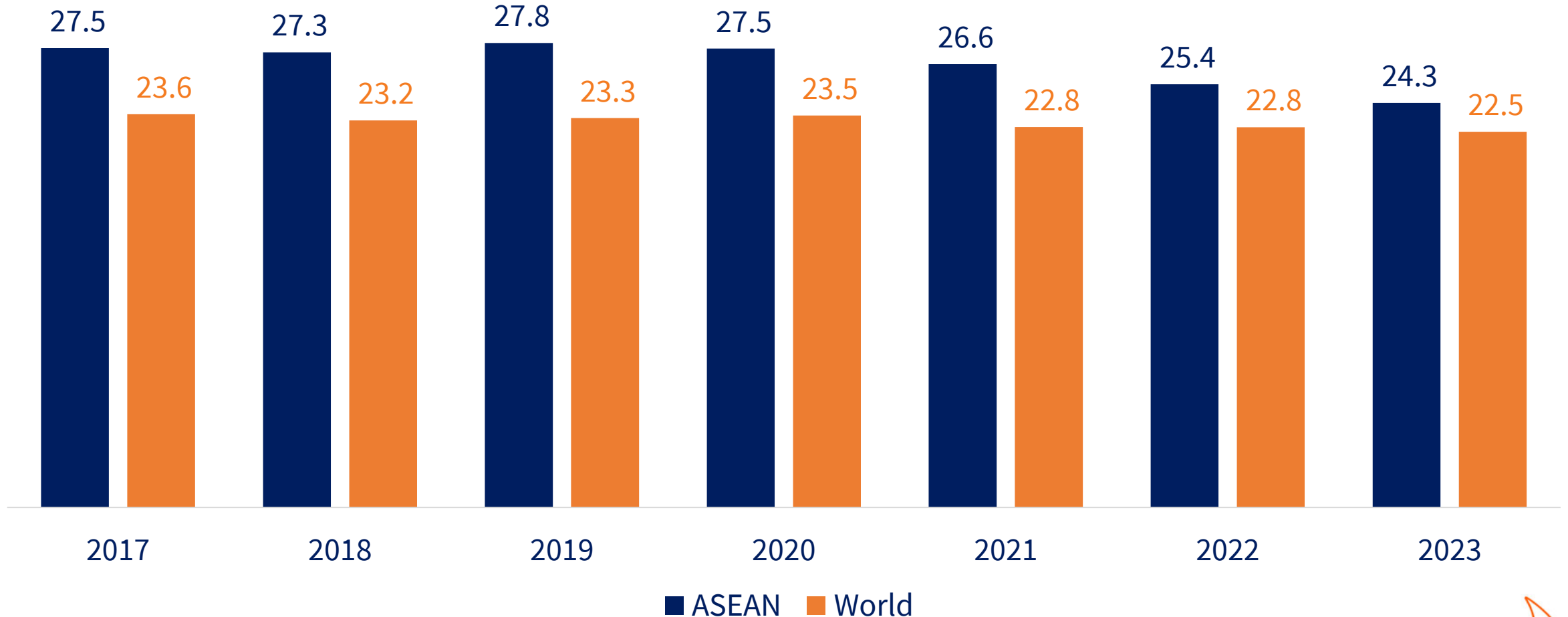
5 ASEAN countries are in the top-10 Asian countries for positions gained in the **Endowment pillar** compared to last year: in 2024, Indonesia and the Philippines gained 6 positions each, Brunei Darussalam 4 positions, Lao PDR 2 positions, and Cambodia 1 position

(*) List of Asian countries considered: Bangladesh, Bhutan, Brunei Darussalam, Cambodia, China, Hong Kong, India, Indonesia, Japan, Rep. of Korea, Lao, Malaysia, Mongolia, Myanmar, Nepal, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand, Timor-Leste and Vietnam. (**) (based on 2019 values, that is pre COVID-19).

Source: TEHA Group elaboration on TEHA Global Attractiveness Index (GAI) data, 2024

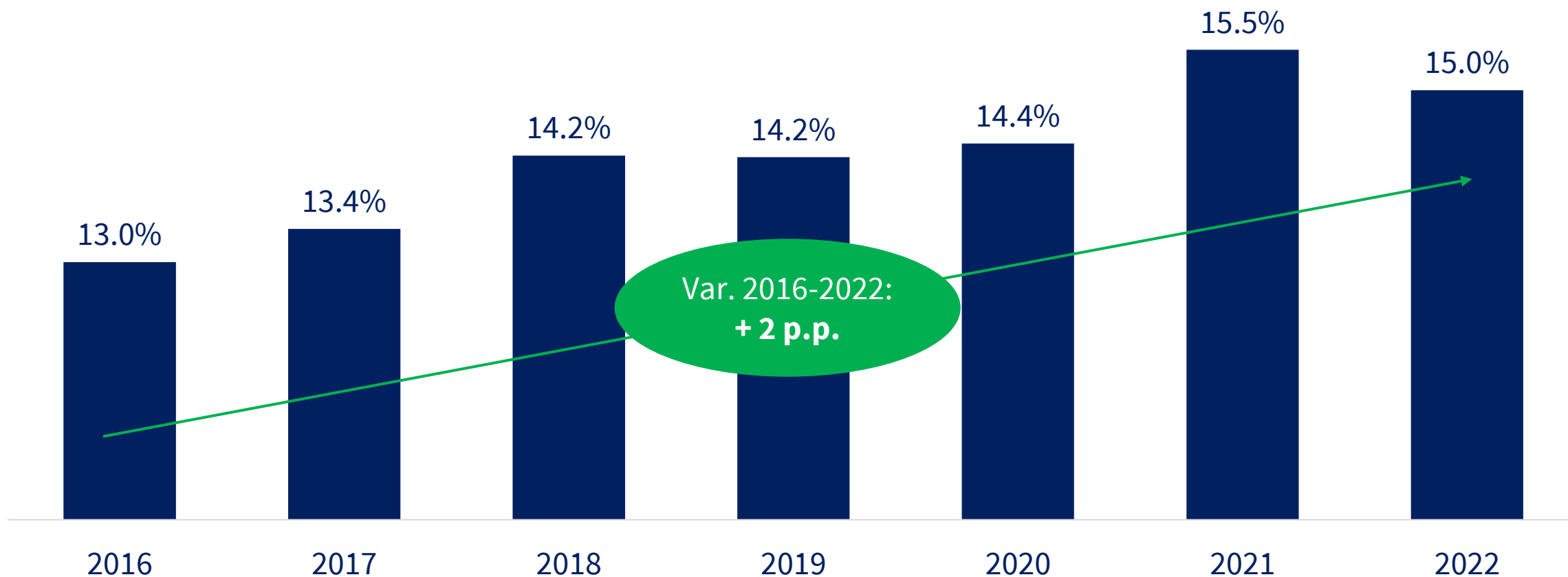
ASEAN shows relevant features also concerning investments, being constantly above world average in percentage on GDP

Gross Fixed Investments on National GDP (% val.), 2017-2023



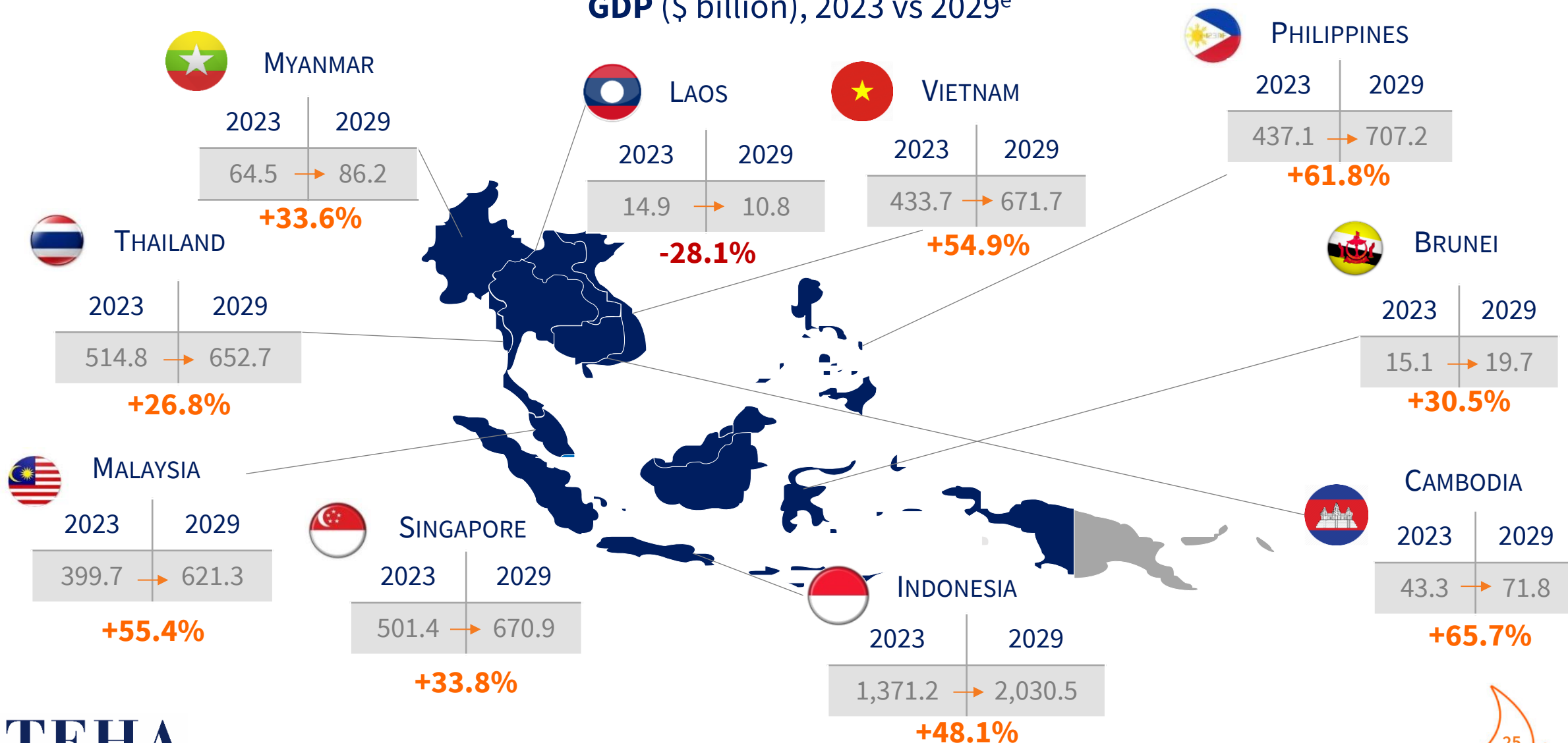
ASEAN reports also an increasing role in export of high tech goods, increasing by 2 p.p. its share on world's total in recent years

Export of high tech goods (% val. on world's total), 2016-2022



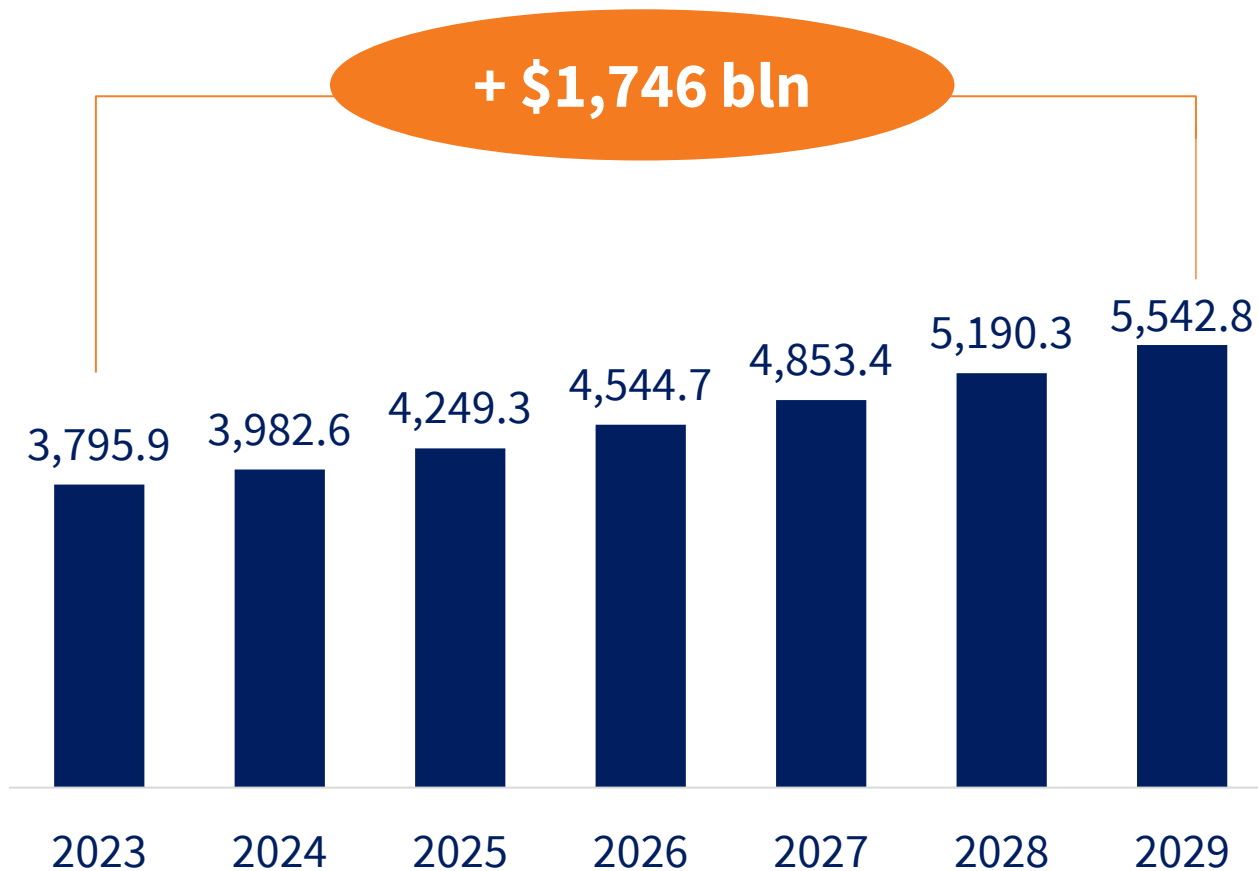
Looking forward, ASEAN countries are expected to experience explosive growth in the next years

GDP (\$ billion), 2023 vs 2029^e



The cumulative GDP growth of ASEAN will amount to \$1.7 trillion by 2029, as much as the entire GDP of Australia (14th largest economy worldwide)

ASEAN GDP (US \$ billion), 2023 vs 2029^e



~ Australia's GDP (US \$1,741 bln) in 2023
14th largest economy worldwide

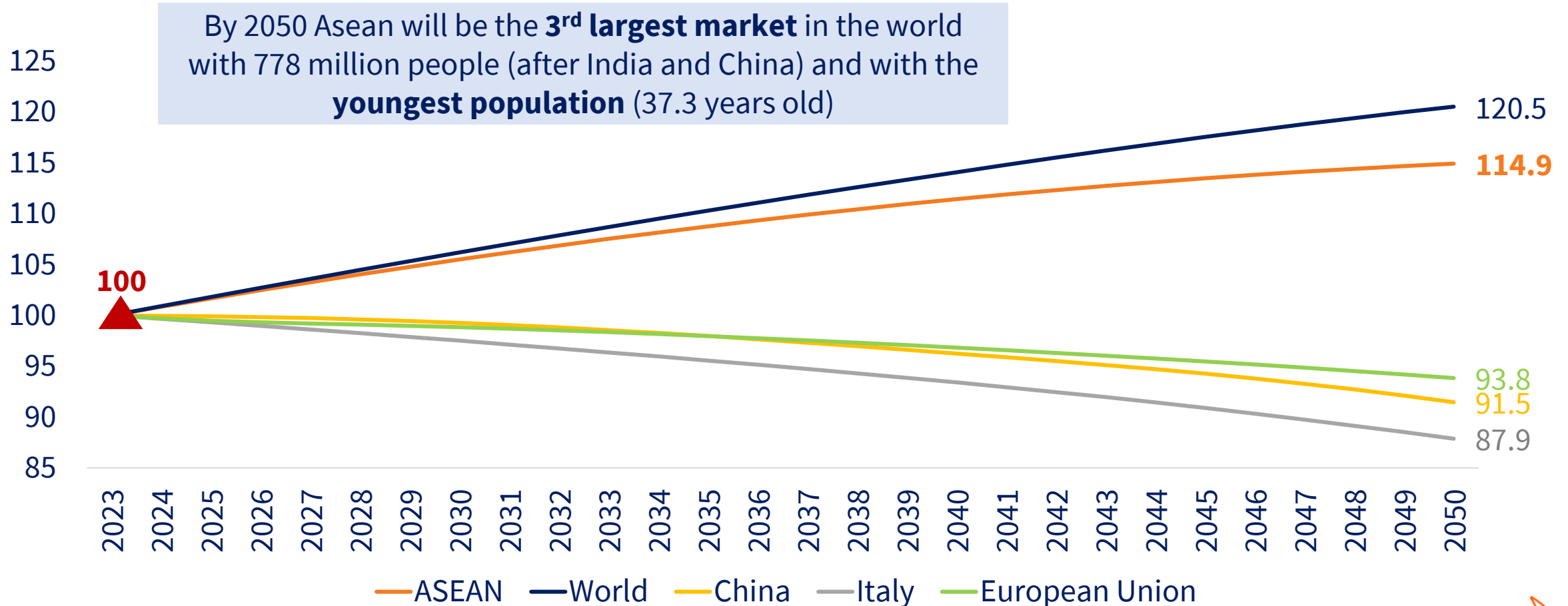
x1.1 Spain's GDP (US \$1,621 bln) in 2023
15th largest economy worldwide

x1.9 Switzerland's GDP (US \$895 bln) in 2023
20th largest economy worldwide

x3.0 Netherlands' GDP (US \$585 bln) in 2023
25th largest economy worldwide

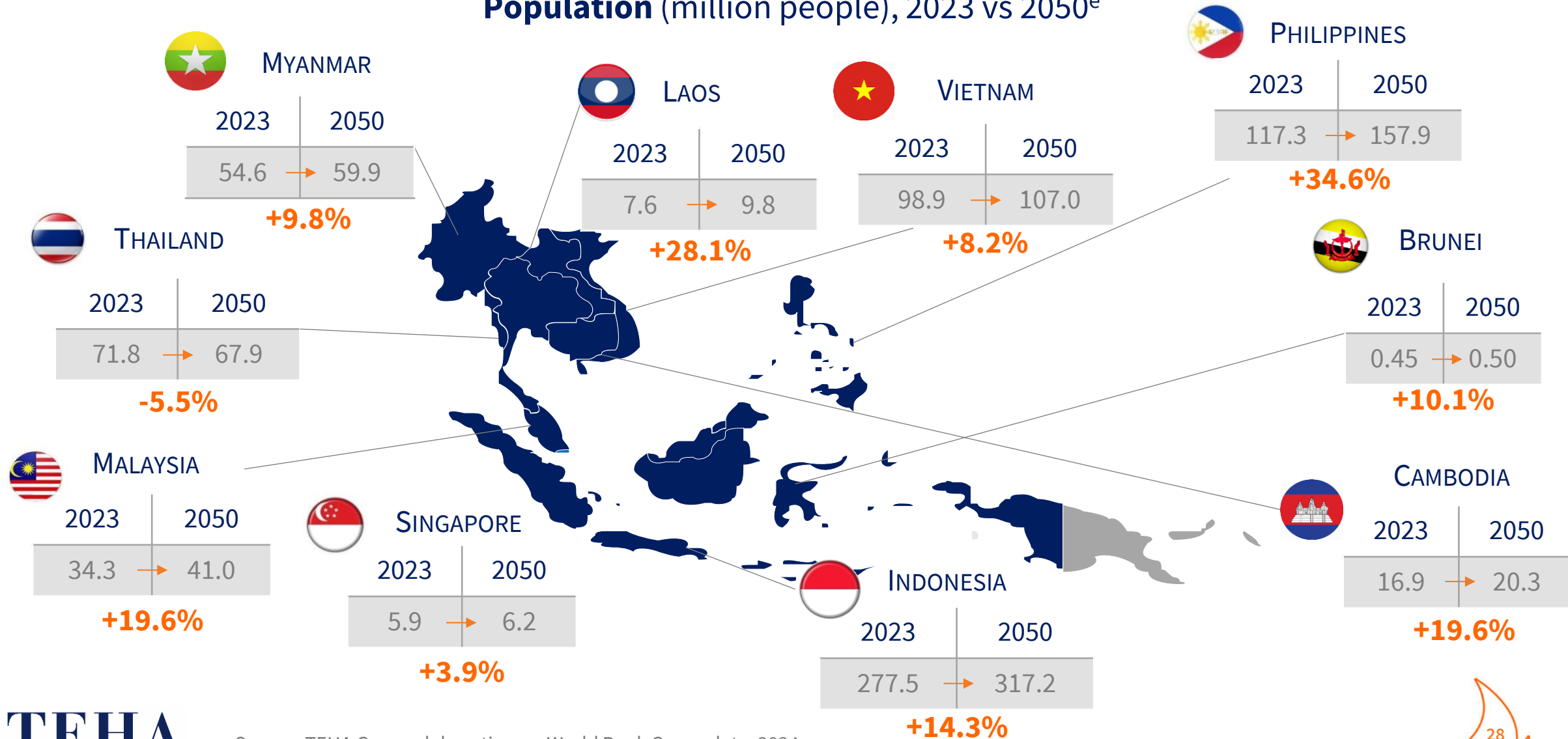
IN ADDITION: the ASEAN population is expected to increase by 15% by 2050, reaching around 800 million people

Population forecast to 2050
(Index 100 = 2023)



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

Population (million people), 2023 vs 2050^e



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 and industrial ecosystems are a **perfect match**

Italy is one of the major global economies



€2,254 billion GDP

(2023) **+22.8% vs 2015**

3rd economy in the EU

8th economy in the world



€494 billion FDI (stock)

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



€793,0 billion export

(2023) **+44.8% vs 2015**

8th largest exporter in the world



€759,3 billion import

(2023) **+54.8% vs 2015**

9th largest importer in the world



16% manufacturing Value Added on the total

(2021) compared to 15% in the world

2nd largest in the EU



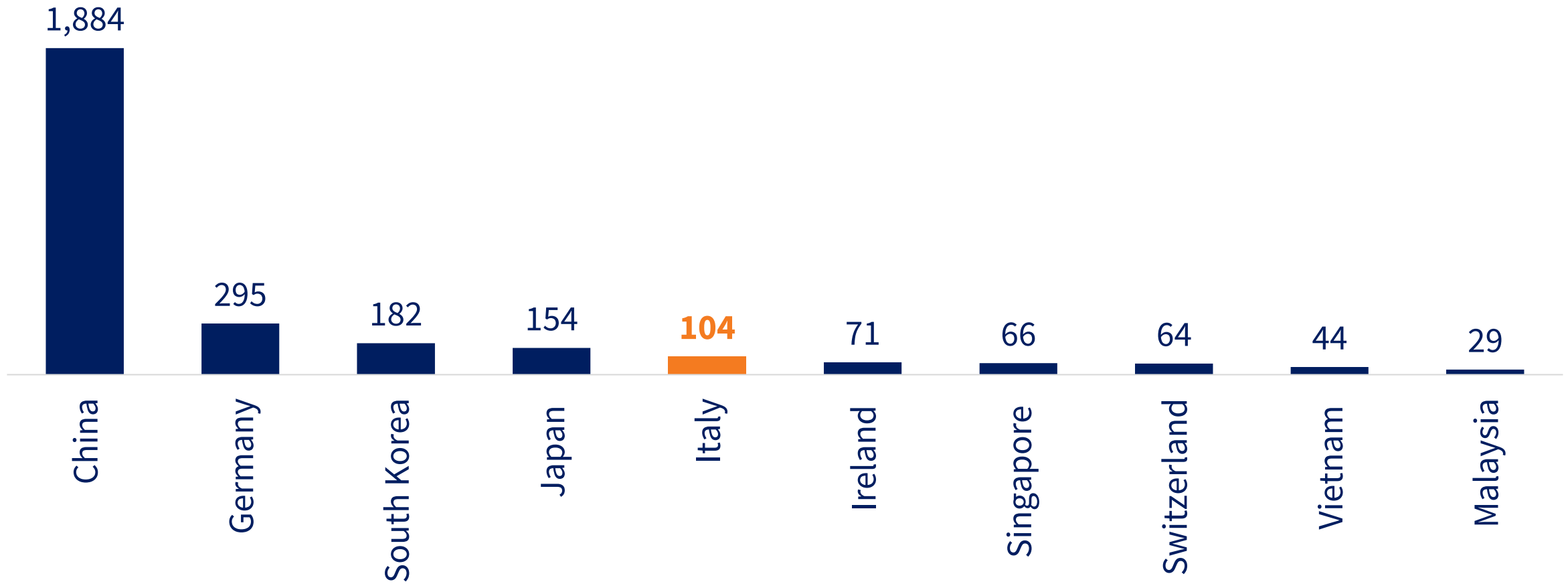
US \$104 billion manufacturing trade balance (2022)

5th largest in the world

2th largest in the EU

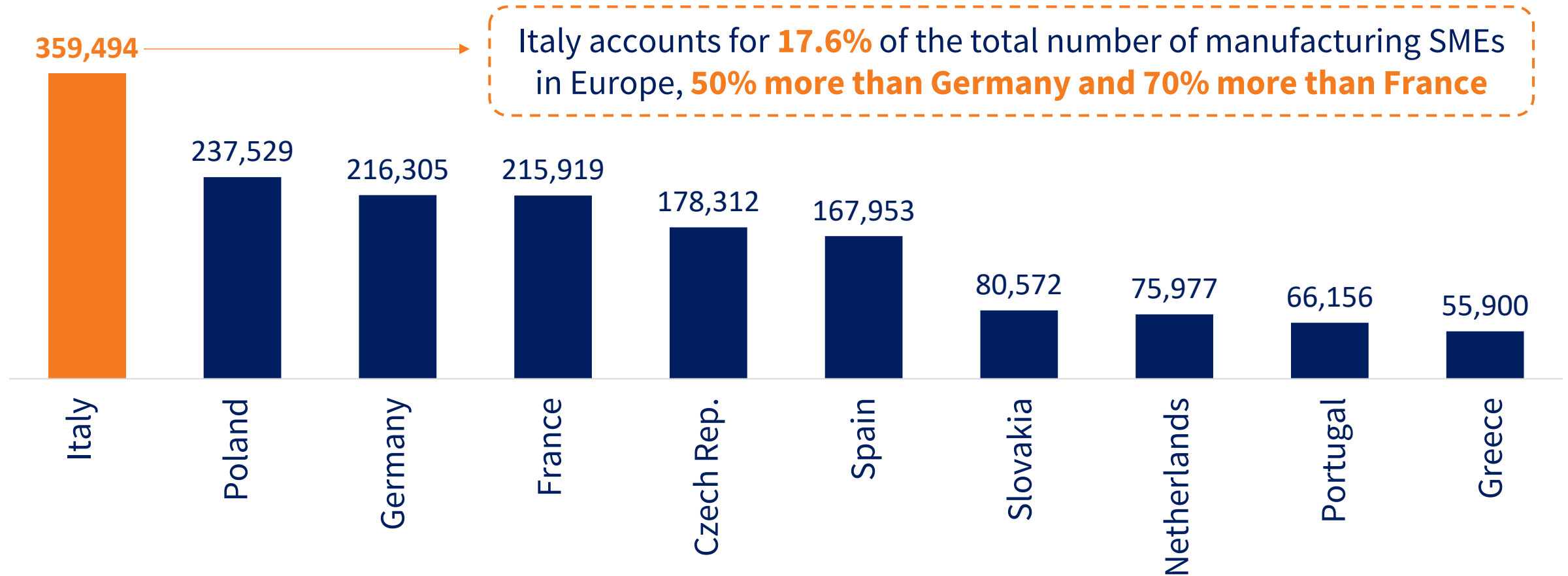
In 2022, Italy is 5th in the world and 2nd in Europe for manufacturing trade balance

Top-10 countries for manufacturing trade balance
(US \$ billion), 2022



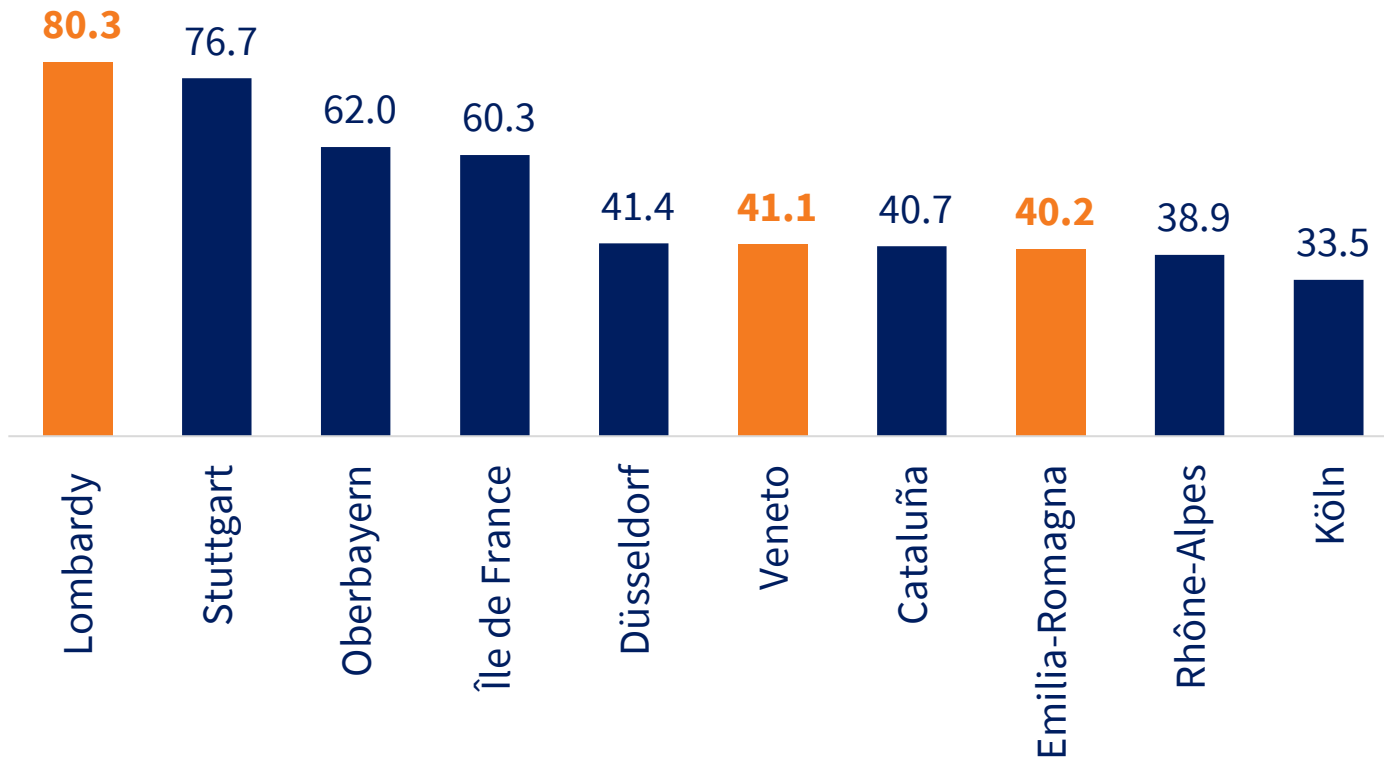
... and Italian manufacturing SMEs represent 1/5 of the European total

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



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

Top 10 European regions* by value added generated by manufacturing sector (billion Euro), latest year available



- Europe's industrial engine is driven by the **industrial triangle** that pivots on **Lombardy** and the **North East**
- The top 10 regions are:
 - 4 in Germany
 - **3 in Italy**
 - 2 in France
 - 1 in Spain
- **4 of the top 10 European super-specialized manufacturing provinces** are Italian** (Brescia, Bergamo, Venice, Modena)

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

(**) 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%.

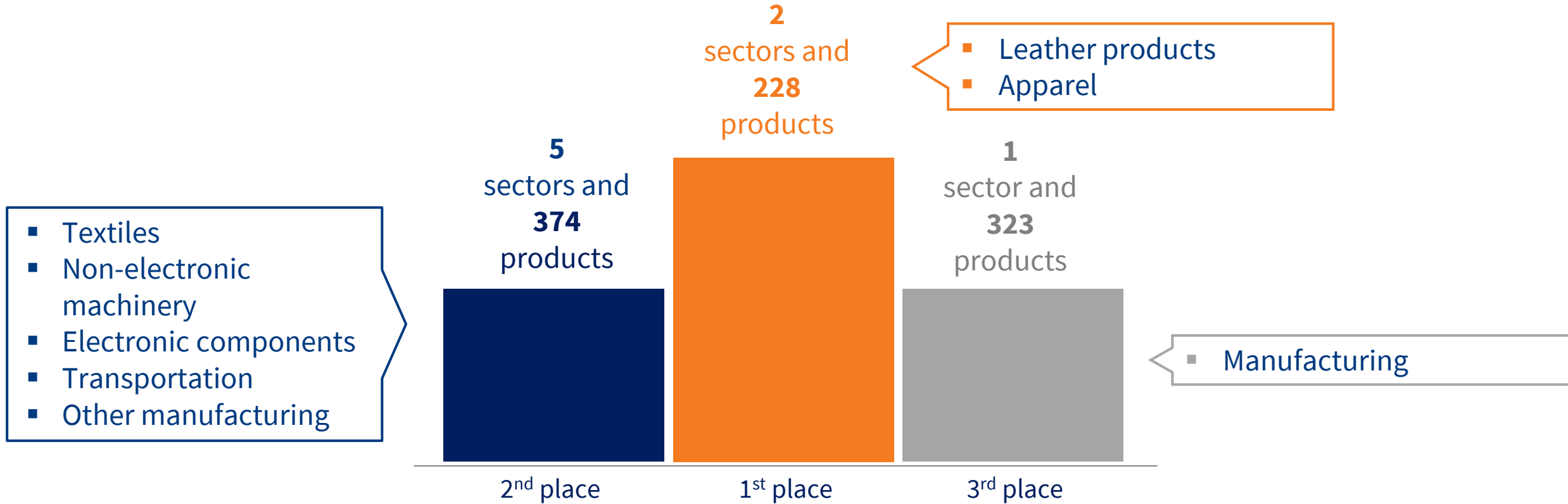
3 Italian regions are among the top 10 European regions for attracting foreign direct investment

Top 10 European Regions by Foreign Direct Investment Attraction Strategy (ranking 'Large European Regions of the Future 2024 - FDI Strategy'), 2024



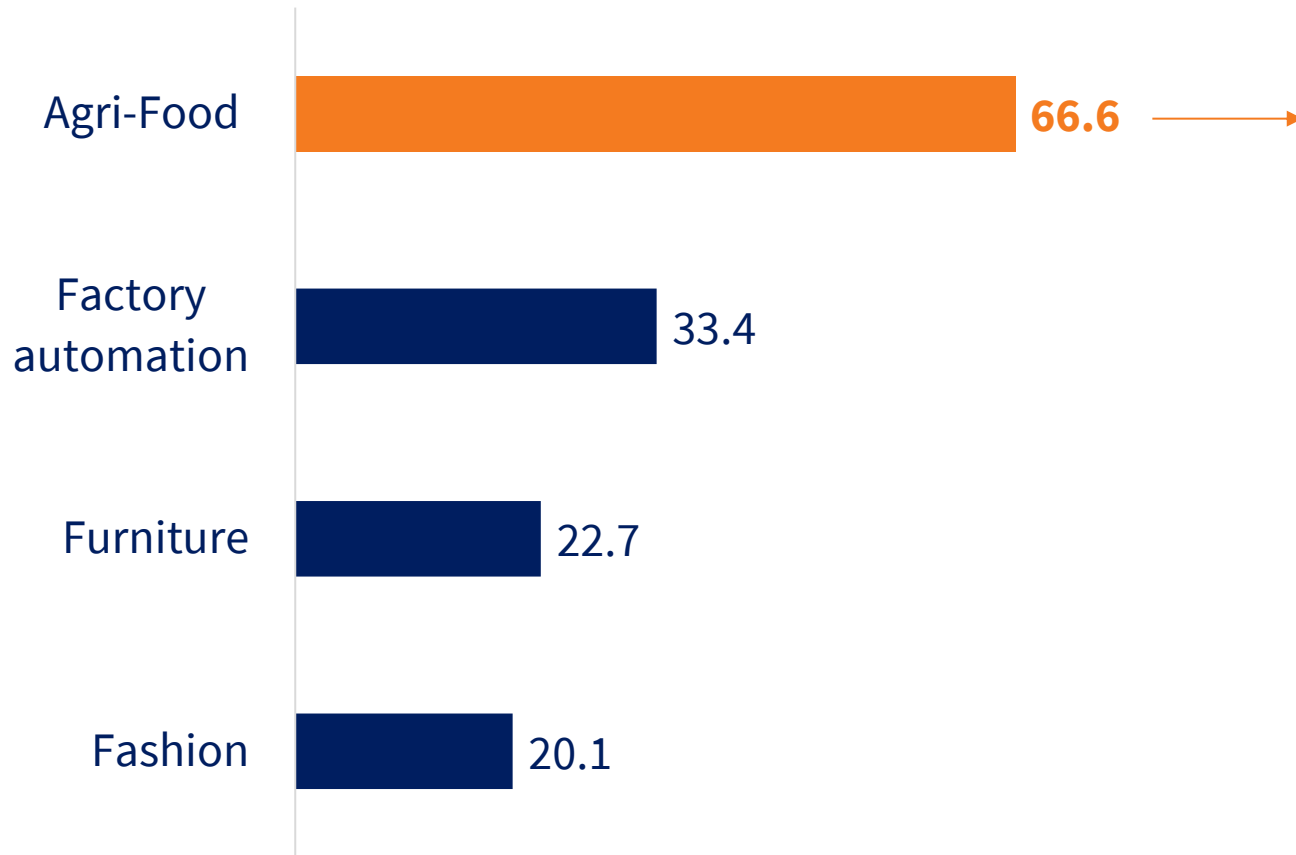
Italy ranks in the world-top 3 positions in 8 out of 14 sectors of the Trade Performance Index

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



The “4F” sectors of Made in Italy generated in 2023 a total added value of 143 billion Euro

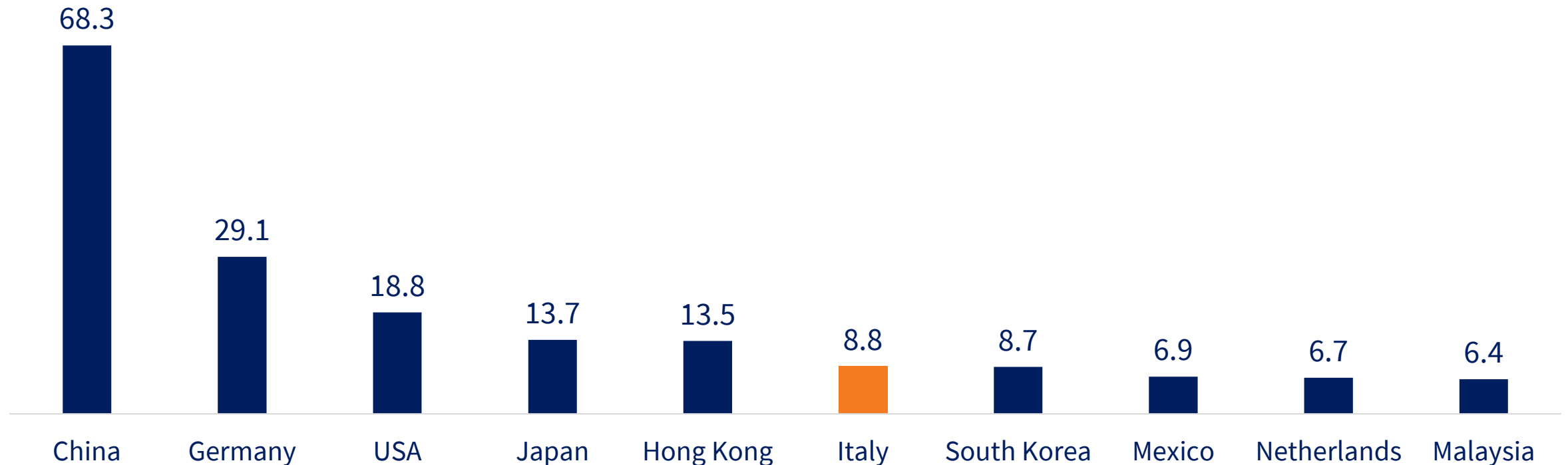
Value added in Italian manufacturing “4F”
(€ billion), 2023



- **2 times** the added value generated by the automotive of France and Spain
- **More than twice** the added value generated by the aerospace of France, Germany and the UK combined
- **1st food and wine destination** in the world: 29.3% of foreign tourists define agri-food production and culinary tradition as a reason for the country's attractiveness
- **1st country** in Europe for **number of certified products** with 890 designations (564 related to wine production and 326 to food production)
- **1st country** in the world for **wine production**, accounting for 19.2% of the total, and **2nd country** in the world for **wine exports** (20.0%), after France (26.1%)

With US \$8.8bn of exports in 2020, Italy is the world's 6th largest exporter (and 2nd in EU) of renewable technologies...

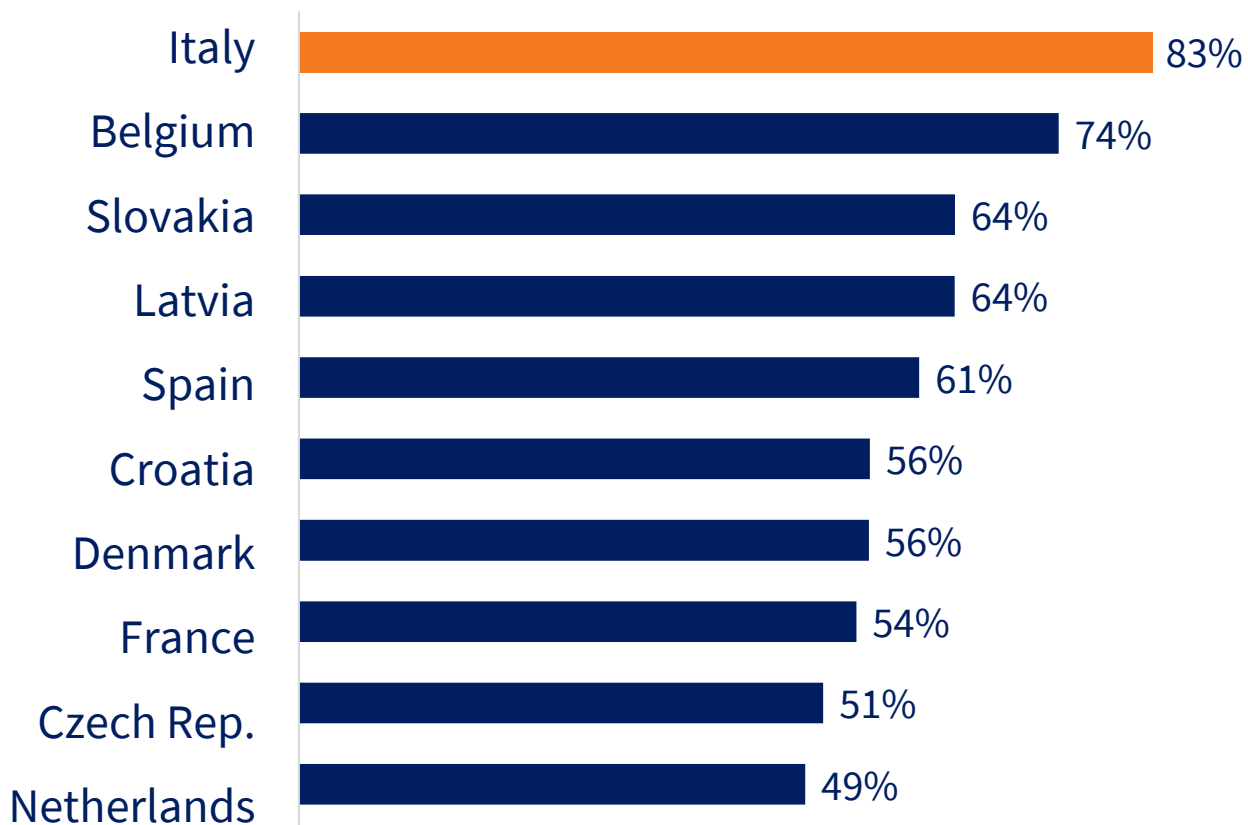
Top 10 renewable technology exporting countries* (US \$ billion), 2020



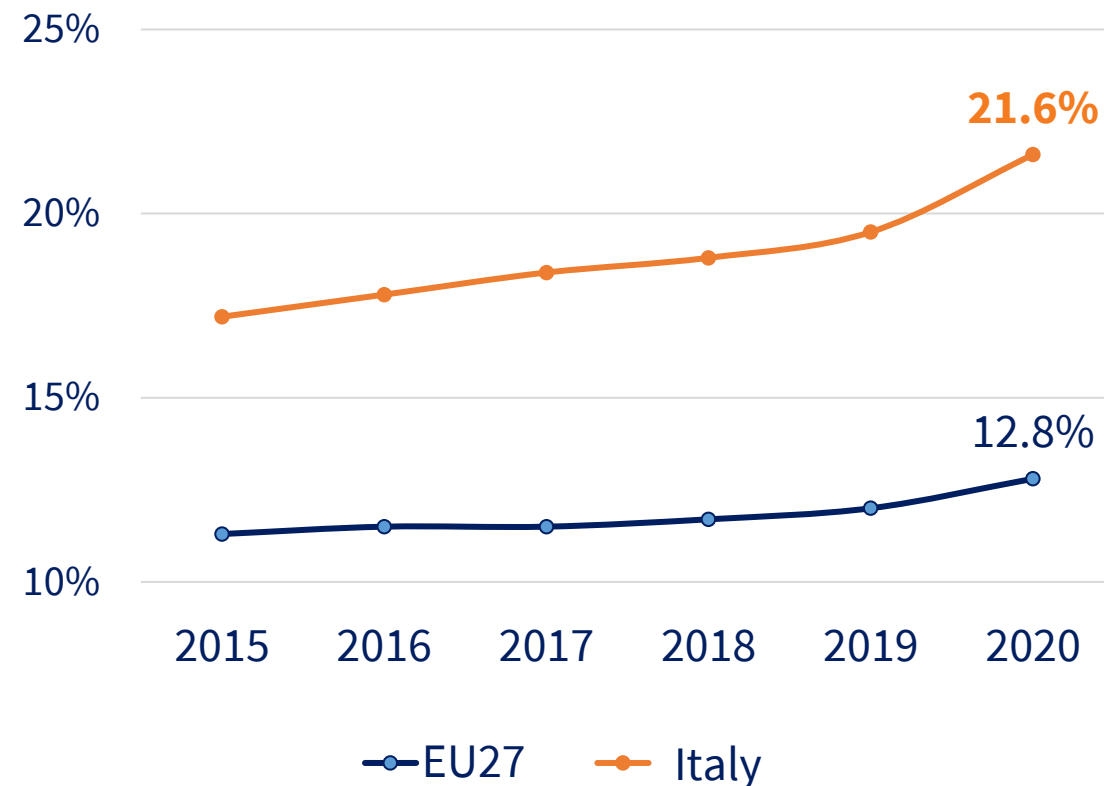
(* The aggregate includes products mainly related to the world of renewable energy sources (so-called core renewables, including technologies for the production of photovoltaic, wind, thermodynamic solar, hydroelectric, etc.) and components not exclusively related to the production of energy from renewable sources and therefore also intended for other sectors (such as, for example, alternators for electric power or towers and pylons for wind turbines).

... Italy is also 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

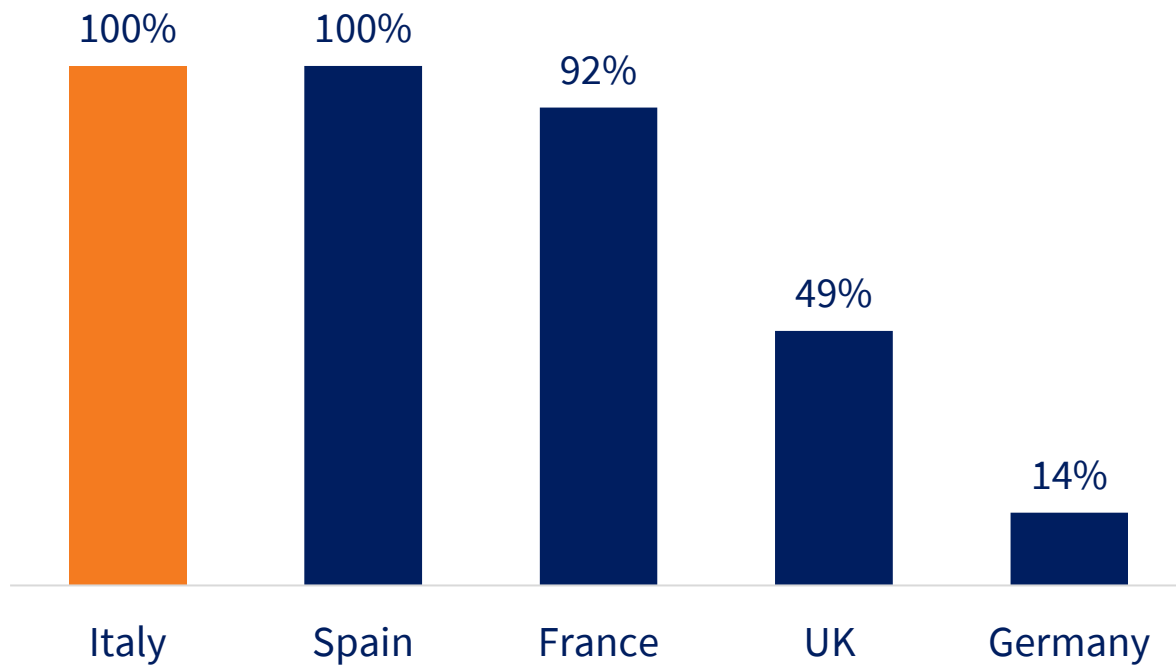


Circular material re-utilisation rate from waste in the EU and Italy (percentage values), 2015-2020

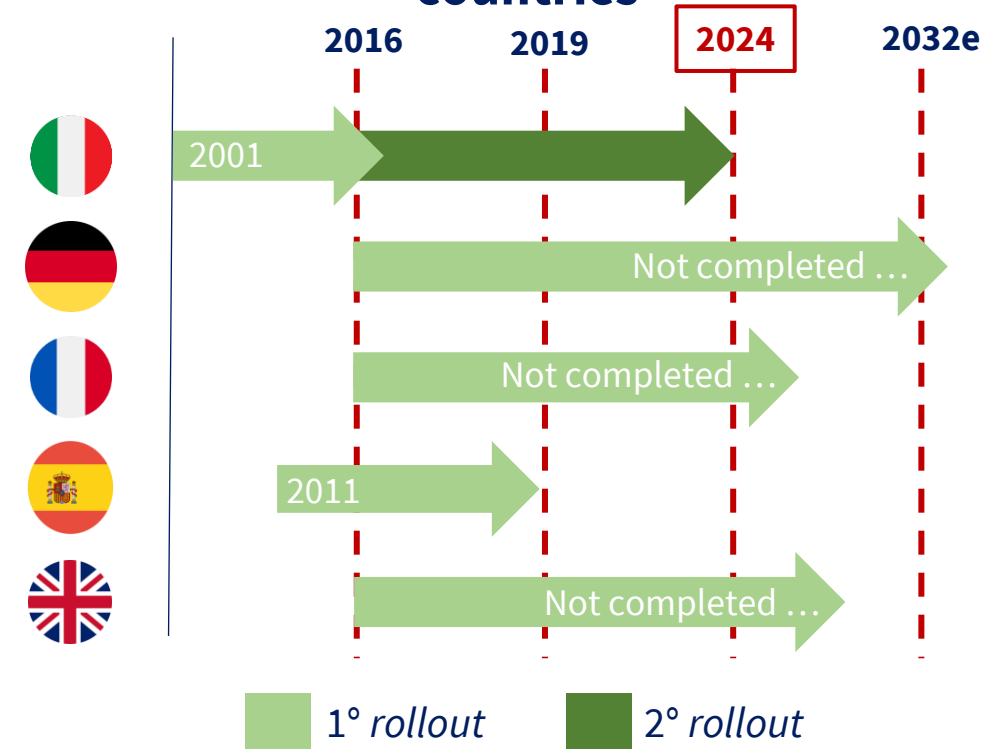


Italy is also at the forefront of the energy transition with a leading competitive position on innovation

Smart meter penetration rate in European countries (% values), 2022



Diffusion of smart meters in European countries



Italy was the **1st country in Europe** (and one of the first in the world) to replace **traditional** (electromechanical) meters with '**smart meters**', electronic meters that allow **complete remote management of utilities** (remote reading, commercial operations of power variation, disconnection and reconnection, etc.)

Also, Italy holds a leading positioning in several other key sectors



Energy

2nd largest exporter in UE (and 6th in the world) of renewable technologies and 1st country in Europe (and one of the first in the world) to replace traditional (electromechanical) meters with 'smart meters'*



Machinery and automation

2nd country in the world by export value (behind Germany)



Ceramics industry

Among the leading manufacturers of ceramic tiles in Europe (85% of revenues from exports)



Aerospace and defence

1st high-tech manufacturing sector in Italy; 3rd country in the world for helicopter exports



Industrial design

35% of the value of production carried out abroad (€ 430 million)



Pharmaceutical

The highest production value in Europe (> € 6.5 bn, x2 the value of Germany the 2nd largest producer in the EU) with a strong contribution of SMEs

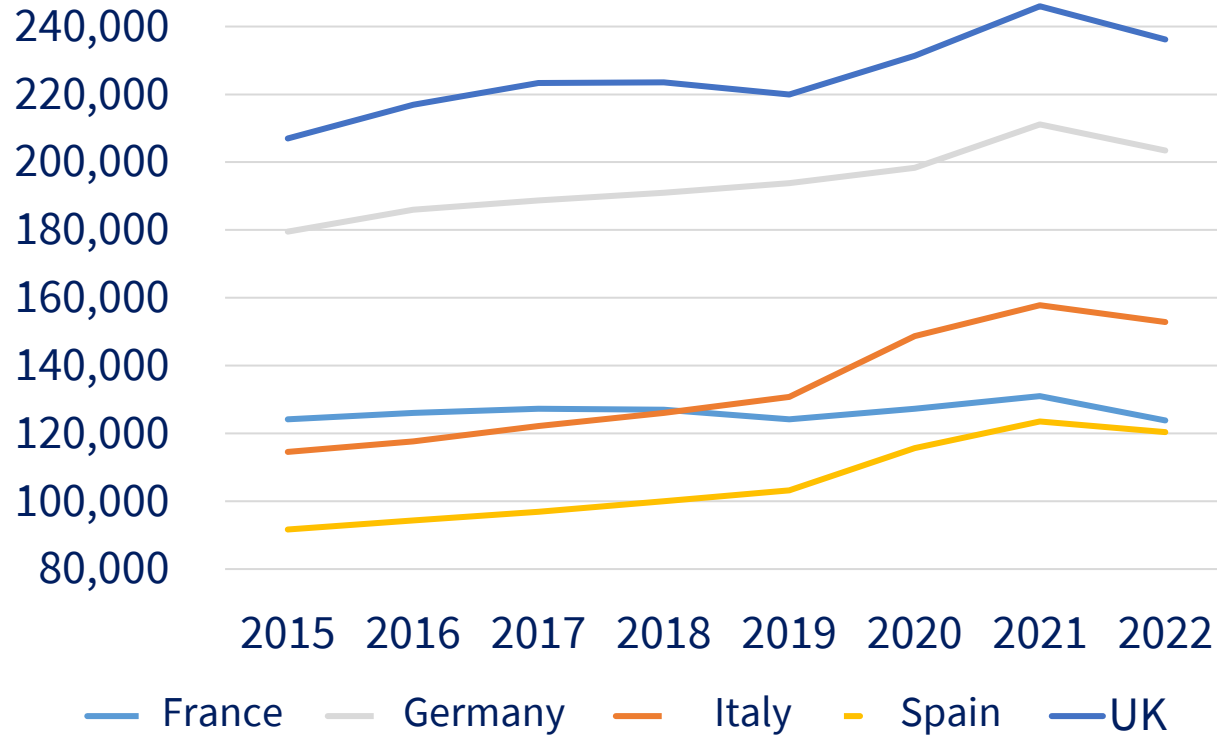
Not to mention **Automotive, Robotics, Scientific instrumentation, Chemicals**, etc.

(*). Electronic meters that allow complete remote management of utilities (remote reading, commercial operations of power variation, disconnection and reconnection, etc.).

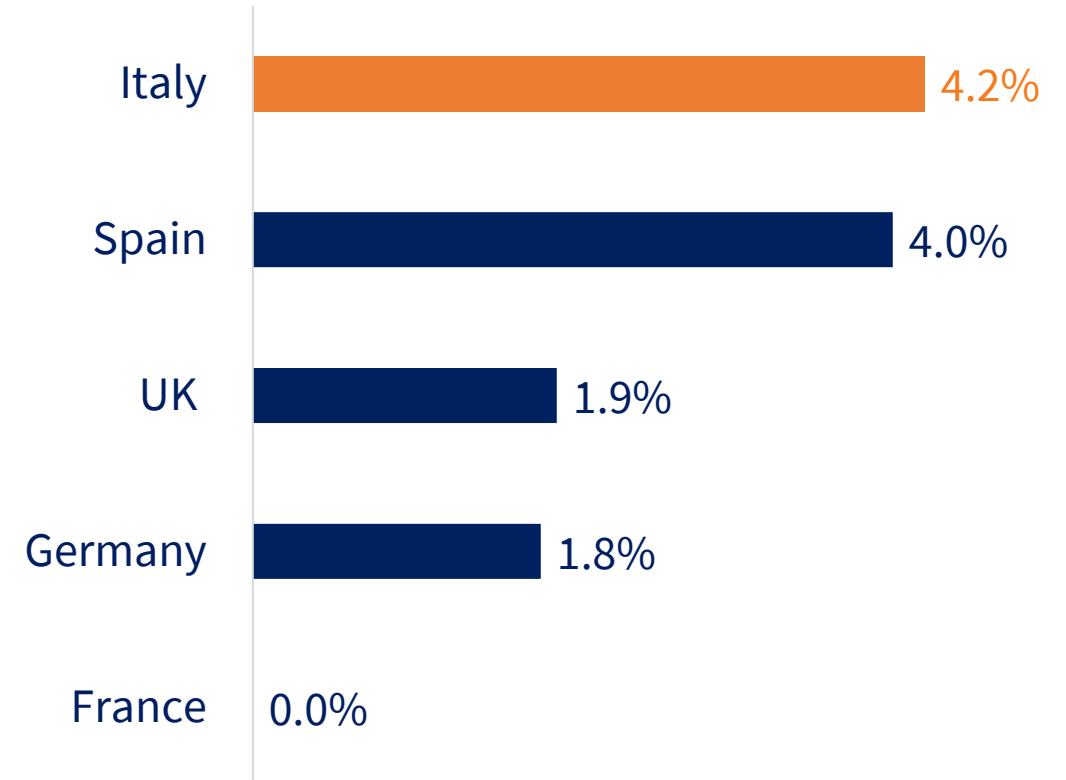
Source: TEHA Group elaboration on various sources, 2024

In addition, Italy is a global scientific powerhouse with a research system of excellence

Peer reviewed scientific publications
(absolute value), 2015-2022



Peer reviewed scientific publications
(% change), 2015-2022



Italy-ASEAN Economic Relations can generate mutual positive spillovers

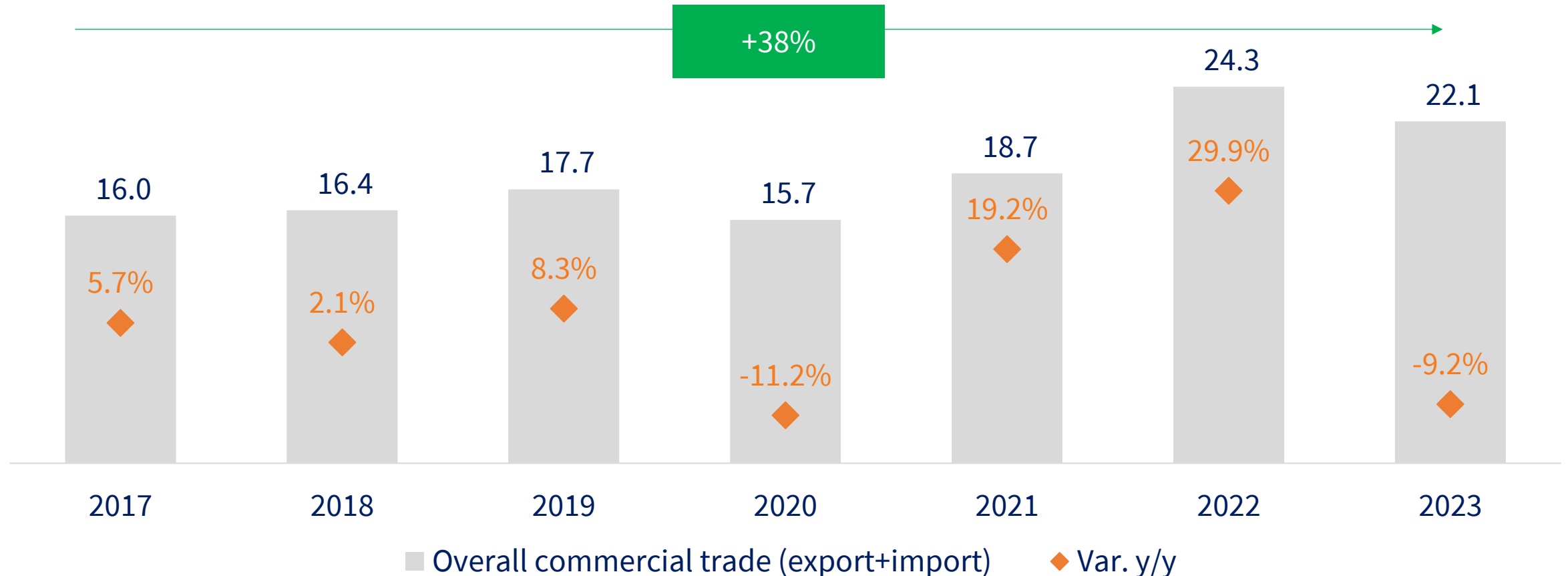
1. The ASEAN Region is an **economic power-house** and one the most **dynamic and thriving** areas of the world
2. Italy thanks to its **industrial strengths** and characteristics can be a preferential partner for ASEAN Countries



Both business and industrial ecosystems are a **perfect match**

Since 2017, trade relations between Italy and ASEAN countries have by +38%

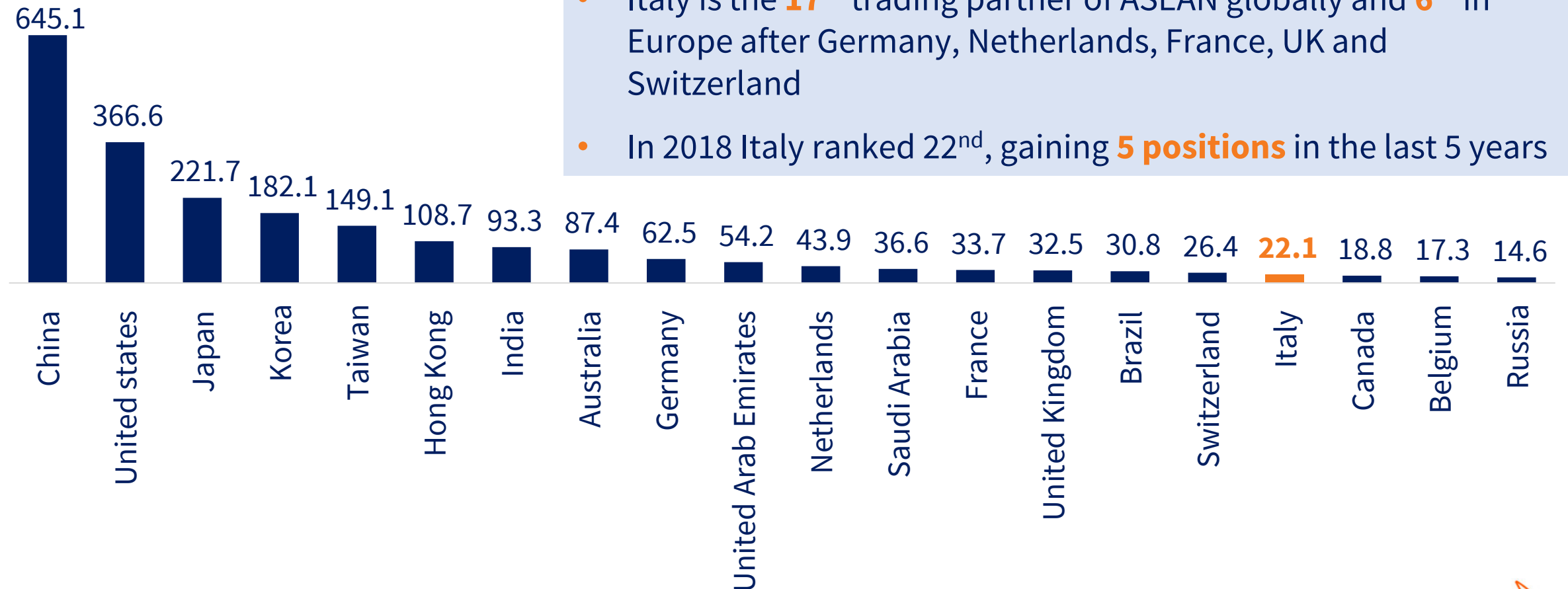
Overall commercial trade between Italy and ASEAN (export+import, € billion and var. y/y), 2017-2023



In 2017-2022, export from Italy to ASEAN grew by **23%** whereas export from ASEAN to Italy grew by **53%**

There is space for more improvement: in 2023 Italy is the 17th trading partner of ASEAN (6th in Europe), but gained 5 positions compared to 2018

First 20 trading partners of the ASEAN region (export+import, € billion), 2023



THERE IS SPACE FOR IMPROVEMENT: new important opportunities are opening up in some key sectors (1/3)

ENERGY TRANSITION

Italy has a large experience from the **legislative and regulatory point of view in renewable energy** and world-leading companies focused on ensuring a **viable transition to green energy**, together with hundreds of small and medium sized firms specialized in the production of highly technological products

One of the challenges that ASEAN faces, where Italy's expertise and technological capabilities may prove useful, is **expanding and securing the electricity grid** such that increasing shares of renewable energy can be effectively integrated within the system

INDUSTRY 4.0

ASEAN's continued digitization is a comparative advantage for the region as it aims to become a **global manufacturing hub**. Given its simultaneous specialization in IT and digitization, **Industry 4.0** is a natural fit for the ASEAN economy

The process towards Industry 4.0 can further strengthen this crucial link between Italy and ASEAN

THERE IS SPACE FOR IMPROVEMENT: new important opportunities are opening up in some key sectors (2/3)

SPACE INDUSTRY

As ASEAN countries continue to prioritize resilience and innovation, high-tech sectors like **Space offer critical support to ensure business continuity, regional stability and cooperation in highly strategic sector**

Italy, renowned for its **expertise in advanced technology and research**, has much to contribute to ASEAN's growth in these areas

The potential for joint projects, technology transfer, and knowledge sharing is significant, providing both regions with **unique collaborative advantages**

CREATIVE INDUSTRY

Creative and cultural industries such as gaming, animation, fashion and design are booming thanks to the technological and digital transformation that is taking place worldwide at an unprecedented rate. According to UNCTAD Creative Economy Outlook 2024, creative services exports surged by **29%** to **\$1.4 trillion in 2022**, while creative goods exports increased by **19%** to **\$713 billion**

In the creative economy ASEAN is becoming an important player in the export and import of creative goods

However, the development of the creative industries in the area is uneven

THERE IS SPACE FOR IMPROVEMENT: new important opportunities are opening up in some key sectors (3/3)

TRANSPORTATION

An interesting opportunity has risen from ASEAN need for **more resilient infrastructures**, to be developed in the following years, concerning railways, road transport, sea transport, air transport

Given the vast amount of projects ongoing (also through PNRR), **Italy's expertise in high-velocity trains, shipping and air transport** and its **firms' extensive know-how** can surely provide a useful contribution to ASEAN's development in this area

AGRI-BUSINESS

On the **demand side**, **population** and **income growth** should lead to a continued **increase in demand for food**, together with a more varied demand across **different products**. This implies the creation of new opportunities for businesses operating in the sector

In the face of these rapid developments, Italy's world-renowned experience in this sector is extremely valuable
In fact, Italy has vast experience in both the **mass production of foodstuffs** and the production of **higher-end organic foodstuff**

Thank you for the attention



*“Coming together is a beginning;
keeping together is progress; working
together is success”*

Henry Ford

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