ITALY

INVESTMENT CLIMATE STATEMENT

2015

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Executive Summary

Italy is located Southern Europe, on a peninsula that extends out into the central Mediterranean Sea. Italy's economy, the eighth largest in the world, is fully diversified, but dominated by small and medium-sized firms (SMEs), which comprise 99.9 percent of Italian businesses. Italy is an original member of the 19-nation Eurozone. Germany, France, the United States, Spain, Switzerland, and the United Kingdom are Italy's most important trading partners, with China continuing to gain ground. Tourism is an important source of external revenue, as are exports of pharmaceutical products, furniture, industrial machinery and machine tools, electrical appliances, automobiles and auto parts, food and wine, as well as textiles/fashion. Italy continues to lag behind many industrialized nations as a recipient of foreign direct investment, and Italy does not have a bilateral investment treaty with the United States.

Italy's relatively affluent domestic market, proximity to emerging economies in North Africa and the Middle East, and assorted centers of excellence in scientific and information technology research remain attractive to many investors. The government in 2014 remained open to specific foreign sovereign wealth funds to invest in shares of Italian companies and banks and continued to make information available online to prospective investors. The Italian government's efforts to implement new investment promotion policies to position Italy as a desirable investment destination were undermined in part by Italy's ongoing economic weakness, setbacks to reform initiatives, and lack of consistent progress on structural reforms that could repair the lengthy and often inconsistent legal and regulatory systems, unpredictable tax structure and layered bureaucracy. However, Italy's economy is moving into fragile recovery after its longest recession in recent memory and there appears to be political momentum for improvements to Italy's investment climate.

1. Openness To, and Restrictions Upon, Foreign Investment

Attitude toward Foreign Direct Investment

Italy welcomes foreign direct investment (FDI). As a European Union (EU) member state, Italy is bound by the membership's treaties and laws. Under the EU treaties with the United States, Italy is generally obliged to provide national treatment to U.S. investors established in Italy or in another EU member state. Exceptions include access to government subsidies for the film industry; capital requirements for banks domiciled in non-EU member countries; and restrictions on non-EU-based airlines operating domestic routes. Italy also has investment restrictions in the shipping sector.

EU and Italian antitrust laws provide local authorities with the right to review mergers and acquisitions over a certain financial threshold. The Italian government may block mergers involving foreign firms if it is determined to be essential to the national economy or if the government of the foreign firm applies discriminatory measures against Italian firms. Foreign investors in the defense or aircraft manufacturing sectors are more likely to encounter resistance from the many ministries charged with approving foreign acquisitions. Finmeccanica, a state-controlled defense conglomerate, operates domestically in these sectors.

The Government of Italy (GOI) retains a controlling interest (approximately 30 percent of shares of Eni, Finmeccanica, and Terna, and 25 percent of ENEL), either directly or through quasi-sovereign wealth fund Cassa Depositi e Prestiti, in former monopoly operators ENEL (electricity), Eni (oil/gas), Finmeccanica (industrials/defense), as well as Terna (electricity transmission). Moreover, while it does not own any shares in former monopoly Telecom Italia (TI), the GOI retains a de facto golden share (veto power over ownership and investment decisions thought to pose a danger to national security), claiming that TI is of strategic importance because it still owns the largest portion of Italy’s telecommunications infrastructure. Government policy in these key economic sectors may take into account the interests of these specific firms. As part of government reforms to liberalize some services in Italy’s economy, the GOI privatized natural gas distribution in 2012, unbundling it from the monopoly operator Eni. Separately, General Electric Co. (GE) bought Avio’s aviation parts business for USD 4.3 billion; Finmeccanica had been its largest shareholder prior to GE’s purchase. Finmeccanica retained 14 percent of Avio space assets.

According to the latest available figures from the Italian Trade Commission (ICE) from December 2011, 8,492 foreign companies operate in Italy, employing 886,254 workers with overall sales of EUR 498.5 billion. According to Bank of Italy data, the FDI stock in Italy in 2013 (the most recent available) was 15.6 percent of GDP, lower than in many EU countries. Approximately 82 percent of foreign companies operating in Italy are located in the north, a percentage that has grown in recent years as the number of companies in the southern Italy has contracted.

Other Investment Policy Reviews

There has been no OECD, WTO or UNCTAD investment policy review the past three years. However, Italy cooperates with the European Commission and OECD to produce country reports on the economic situation, which may include investment climate issues (links to both: http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/ and http://www.oecd.org/italy/).

Laws/Regulations of Foreign Direct Investment

Italy is bound by EU laws.

Industrial Promotion

Information not available.

Limits on Foreign Control

Information not available.

Privatization Program

Information not available.

Screening of FDI

Information not available.

Competition Law

Information not available.

Investment Trends

Information not available.

Table 1

Measure	Year	Index or Rank	Website Address
TI Corruption Perceptions index	2014	69 of 175	transparency.org/cpi2014/results
World Bank's Doing Business Report "Ease of Doing Business"	2015	56 of 189	doingbusiness.org/rankings
Global Innovation Index	2014	31 of 143	globalinnovationindex.org/content.aspx?page=data-analysis
World Bank GNI per capita	2013	USD 35,540	data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

Foreign Exchange

In accordance with EU directives, Italy has no foreign exchange controls. There are no restrictions on currency transfers; there are only reporting requirements. Banks are required to report any transaction over EUR 2,000 (lowered from EUR 15,000) due to money laundering and terrorism financing concerns. Profits, payments, and currency transfers may be freely repatriated. Residents and non-residents may hold foreign exchange accounts. As a means of controlling tax-evasion, a measure was put in place in 2011 that requires all payments for goods or services over EUR 1000 to be made electronically. Enforcement remains uneven. The rule exempts e-money services, banks and other financial institutions, but not payment services companies.

Remittance Policies

Information not available.

3. Expropriation and Compensation

The Constitution allows expropriation of private property for public purposes, defined as essential services or measures indispensable for the national economy, with fair and timely compensation.

4. Dispute Settlement

Legal System, Specialized Courts, Judicial Independence, Judgments of Foreign Courts

Italian law is based on Roman law and on French Napoleonic code law. The Italian judicial system consists of a series of courts and a body of judges, which are all employed as civil servants. The system is unified, every court being part of the national network. Though notoriously slow, the Italian civil legal system meets the generally recognized principles of international law, with provisions for enforcing property and contractual rights. Italy has a written and consistently applied commercial and bankruptcy law. Foreign investors in Italy can choose among different means of dispute resolution, including legally binding arbitration.

In January 2012, the government introduced new “business tribunals,” intended to expedite the resolution of business disputes. These are specialized sections of already-existing tribunals, and their impact on court efficiency is yet to be seen. The government also introduced measures designed to streamline the legal system, and to promote alternative dispute resolution techniques, such as mediation and decriminalization of minor offenses. The World Justice Project’s 2014 Rule of Law Index scored Italy as 19th out of the 24 countries in the Western Europe and North America Region in each of the eight factors it evaluates.

In 2014, the government introduced a package of justice reforms intended to reduce the backlog of civil cases and speed newly filed cases to conclusion. These reforms included a new emphasis on alternative dispute resolution and methods to make collecting judgments easier. In a positive sign, a civil court in Torino halved the average duration of its civil cases by implementing new internal practices: assigning one judge to the case, thus increasing accountability, and requiring judges to transfer incomplete cases to a colleague if going on an extended leave. The judge responsible for these changes now serves as a legal reform advisor to the Presidency of the Council of Ministers and is working to expand these changes nationwide.

Italy is a member state to the World Bank's International Centre for the Settlement of Investment Disputes (ICSID convention). Italy has signed and ratified the convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York Convention).

Bankruptcy

Italy’s bankruptcy regulations are somewhat analogous to U.S. Chapter 11 restructuring, and allow firms and their creditors to reach a solution without declaring bankruptcy. In recent years, the judiciary’s role in bankruptcy proceedings has been reduced in an attempt to simplify and expedite proceedings. In the World Bank’s Doing Business Report, Italy ranks 29th out of 189 economies in the category of Ease of Resolving Insolvency.

Investment Disputes

Italy has had very few investment disputes involving a U.S. person in the last 10 years. Post identified less than five such disputes at the time of the drafting of this report.

International Arbitration

Information not available.

ICSID Convention and New York Convention

Italy is a member state to the World Bank's, International Centre for the Settlement of Investment Disputes (ICSID convention). Italy has signed and ratified the convention on the Recognition and Enforcement of Foreign Arbitral Awards (1958 New York Convention).

Duration of Dispute Resolution

Information not available.

5. Performance Requirements and Investment Incentives

WTO/TRIMS

The GOI is in compliance with World Trade Organization (WTO) Trade-Related Investment Measures (TRIMs) obligations. Foreign investors face specific performance requirements only in the telecommunications sector.

Investment Incentives

The GOI offers modest incentives to encourage private sector investment in economically depressed regions, particularly southern Italy. The incentives are available to foreign investors as well, and U.S. companies can usually access grants if the planned investment is located in priority (less developed) regions and if the companies have subsidiaries in the EU or are partnered with local firms.

The Minister of Education, University and Research has identified, funded, and signed Framework Program Agreements with eleven "Technology Districts" and public-private joint laboratories focused on strategic sectors. The GOI has created Technology Districts to facilitate cooperation between public and private researchers and venture capitalists, support the research and development of key technologies, strengthen industrial research activities, and promote innovative behavior in small- and medium-sized enterprises.

The Italian tax system does not discriminate between foreign and domestic investors. Corporate income tax (IRES) rates are 27.5 percent. In addition, companies may be subject to a regional tax on productive activities (IRAP) at a 3.9 percent rate. The World Bank estimates Italy’s effective tax rate at 65.4 percent of commercial profits in 2014, the highest rate in the EU. Project financing through bonds for companies undertaking public infrastructure projects is granted the same tax advantages as direct government debt. IRAP produced EUR 21 billion in tax revenue for the GOI during 2014, a drop of 16 percent from 2013. Companies hiring women and youth or hiring in the south may claim a greater deduction from IRAP. As of March 2015, employers may also claim an IRAP deduction for up to EUR 15,000 for each permanent new hire.

In part to increase tax revenues, Italy introduced new financial transactions taxes (FTT, a.k.a. Tobin Tax) in 2013. Financial trading is taxed at 0.1 percent in regulated markets and 0.2 percent in unregulated. The tax will apply to daily balances rather than to each transaction. As of July 1, 2013, an FTT applies to trade in derivatives. The fee will be from EUR 0.025 to EUR 20 for non-speculative transactions and from EUR 12.50 to EUR 100 for speculative transactions. Also, high frequency trading is subject to a 0.02 percent tax on trades occurring every 0.5 seconds or faster (e.g., automated trading).

These financial transactions taxes will not apply to "market makers," pension and small-cap funds, donation and inheritance transactions, purchases of derivatives to cover exchange/interest-rate/raw-materials (commodity market) risks, and financial instruments for companies with a capitalization of less than EUR 500 million.

The FTT only yielded EUR 285 million in revenues in 2013, less than one quarter of the GOI's 2012 estimate of EUR 1.2 billion. Despite the disappointing revenue, the FTT is still in force and is expected to yield about EUR 400 million in revenues in 2014. The GOI has not reported FTT revenue for 2014 as of late March 2015.

In 2009 the U.S. and Italy enacted an income tax agreement to prevent double-taxation of each other's nationals and firms, and to improve information sharing between tax authorities.

The government has sought to curb rampant tax evasion by improving enforcement and changing popular attitudes. The GOI actions include a public communications effort to reduce tolerance of tax evasion; increased and very visible financial police controls on businesses (e.g., raids on businesses in vacation spots at peak holiday periods); and audits requiring individuals to prove claims that they make less than the tax authorities believe. The GOI is also engaged in limiting tax avoidance.

On January 10, 2014 representatives of the governments of Italy and the United States in Rome signed an intergovernmental agreement to implement provisions of U.S. law known as FATCA (Foreign Account Tax Compliance Act). The FATCA intergovernmental agreement (IGA) allows for the automatic exchange of information between tax authorities and reflects an agreement negotiated between the United States and five European Union countries (France, Germany, Italy, Spain, and the United Kingdom). The automatic exchange of information takes place on the basis of reciprocity, and includes accounts held in the United States by persons resident in Italy and those held in Italy from U.S. citizens and residents.

The Italian government approved a decree in January 2014 providing incentives for Italians to repatriate funds they had improperly moved to offshore accounts. In this voluntary disclosure program, those who repatriate funds and file the appropriate paperwork will be allowed to pay the outstanding taxes but will be spared a fine. The Finance Ministry estimates that EUR 200 billion has been removed from Italy for the express purpose of evading taxes, and that the agreement could incentivize the repatriation of up to EUR 80 billion in previously undeclared or under-declared assets. This could translate into almost EUR 15 billion in additional tax revenues if successful. Individuals will have until September 30, 2015 to participate in the program.

In 2015, the GOI signed tax information exchange agreements (TIEAs) with Lichtenstein, Switzerland and Monaco. These agreements were signed before the March 2 deadline to remove countries from Italy's black list of tax avoidance countries. Removal from the black list will allow Italians with undisclosed assets in these countries to participate in Italy's voluntary disclosure program. Although the information exchange with Switzerland will not begin until 2017 and will become fully operational only in 2018, the eligible time period covered by the Italy-Switzerland TIEA began immediately following the official signatures in February.

In February 2014, Italy's Parliament approved the enabling legislation for a major package of tax reforms. The implementation of these reforms requires ten implementing decrees, which the GOI is expected to issue by September 2015. Once implemented, the legislation intends to reform the cadastral (real property) register (by basing real estate values on square footage of residences rather than number of rooms), simplify tax filing procedures, and tighten rules against tax evaders.

Research and Development

Information not available.

Performance Requirements

Information not available.

Data Storage

As a member of the EU, Italy does not follow forced localization policies in which foreign investors must use domestic content in goods or technology.

6. Right to Private Ownership and Establishment

There is no limitation in the Italian constitution or civil law on the right to private ownership and establishment of investments.

7. Protection of Property Rights

Real Property

According to the World Bank, Italy ranks 41st worldwide for the ease of registering property. Real property registration takes an average of 16 days, requires six procedures and costs an average of 4.4 percent of the value of the property. Real property rights are enforced in Italian courts. Mortgages and judgment liens against property do exist in Italy and the recording system is reliable. Although Italy does not publish official statistics, post estimates that less than 10 percent of the land in Italy does not have clear title.

Intellectual Property Rights

Italy was removed from the Watch List in USTR's 2014 Special 301 Report, primarily due to the Italian Communications Authority (AGCOM) issuance of a new regulation to combat digital copyright theft on December 12, 2013. The regulation, which entered into force on March 31, 2014, provides AGCOM with the administrative authority to block domestic sites and access to international sites offering illegal content. This has provided a streamlined procedure to address illegal content, largely reducing the need to go through the lengthy court system. In the year since its inception, this regulation has effectively allowed AGCOM to block access to pirate websites and has seen an increase in sites voluntarily cooperating with rights holders to remove copyrighted material.

Copyrighted works sold in Italy generally must bear a sticker issued by SIAE, Italy's royalty collection agency operating under loose authority from the Ministry of Culture. Business software is exempted, though obtaining this exemption requires extensive paperwork. The music and film industries previously supported application of the sticker, but are now less happy with the system, asserting it has become overly burdensome and costly, and has failed to provide adequate protection from piracy.

Italy is a member of the Paris Union International Convention for the Protection of Industrial Property (patents and trademarks), to which the United States and about 85 other countries adhere. U.S. citizens generally receive national treatment in acquiring and maintaining patent and trademark protection in Italy. After filing a patent application in the United States, a U.S. citizen is entitled to a 12-month period within which to file a corresponding application in Italy and receive rights of priority. Patents are granted for 20 years from the effective filing date of application and are transferable. U.S. authors can obtain copyright protection in Italy for their work first copyrighted in the United States, merely by placing on the work, their name, date of first publication, and the symbol (c).

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at http://www.wipo.int/directory/en/.

Local lawyers list: http://italy.usembassy.gov/acs/professionals/lawyers/lawyers-main.html

Resources for Rights Holders

Embassy point of contact:
Ryan Miller
Economic Officer
MillerRS1@state.gov
Local lawyers list: http://italy.usembassy.gov/acs/professionals/lawyers/lawyers-main.html

8. Transparency of the Regulatory System

Italy is subject to single market directives mandated by the EU, which are intended to harmonize regulatory regimes among EU countries.

Italy is slowly tackling some of the red tape and other obstacles that have hampered business in the past. The World Bank's 2015 edition of its "Doing Business" guide ranks Italy 56th out of 189 countries, (up 9 places from last year and 17 places from two years ago) for ease of doing business. A "liberalization" decree in January 2012 provided limited incentives for entrepreneurs under age 35 starting a new businesses, including cutting the registration fee to one euro and reducing filing requirements. The government issued a broader simplification decree in early February 2012 that eliminated 15 obsolete laws to reduce the amount of red tape and fees required for anyone seeking to open a business. In December 2012, the government passed a decree providing tax credits for startups and incubators, as well as for private infrastructure investment. The decree also authorized creation of a new "Desk Italia" a single contact point at the Ministry of Economic Development to attract FDI and support investors willing to invest in Italy. Desk Italia was subsequently followed by Destinazione Italia, a package of measures designed to simplify and improve the investment climate via a combination of both parliamentary actions and administrative procedures in cooperation with local Chambers of Commerce, regional authorities, the Institute for Foreign Trade (ICE) and Invitalia. Desk Italia still doesn't have a budget, staff, website or phone number as of early 2015. A web of contradictory laws and regulations serves as a useful tool at times for vested interests to use against foreign competitors. In addition, in some industries, such as new media and financial services, investors have complained that local judicial authorities seem to lack the technical capacity to enforce Italian laws on, for example, consumer protection, IPR, and competition.

9. Efficient Capital Markets and Portfolio Investment

Information not available.

Money and Banking System, Hostile Takeovers

The Italian banking system remains sound, though profit margins have suffered since 2011 as a result of tensions in the sovereign debt market, tightening of European rules for evaluating bank assets, and related requirements to increase banks' capital. According to the Bank of Italy (BOI), the recession brought a pronounced worsening of the quality of banks' assets. The ratio of non-performing loans on total outstanding loans increased significantly, especially for lending to non-financial firms. Non-performing loans doubled in four years to EUR 185 billion and accounted for 9.7 percent of all loans as of January 2015, though BOI expects this lagging indicator to peak in 2015.

Banks are buying government bonds and stockpiling cash, according to BOI statistics. Italian bank loans to businesses fell by 5.3 percent in value from a year earlier as of December 2014, after falling by 3.4 percent the year before. This is the longest and deepest decline in lending in at least a decade. Lending to businesses continued to be affected both by the weak demand and risk aversion by banks, which have strengthened lending criteria to riskier customers thanks to the effect of the lengthy recession on banks' balance sheets. The latest business surveys confirm the difficulty in gaining access to credit, especially for smaller firms.

The banking system in Italy consolidated significantly since the financial crisis, but Italy is still considered overbanked and BOI would like to encourage consolidation in the sector. As of September 2014, there were 672 total banks in Italy, 34 less than a year earlier. In March, the GOI approved a reform of Italy's cooperative banks (popolari), which comprise approximately 25 percent of Italian bank loans. The reform requires cooperative banks with annual revenue above EUR 8 billion to convert to joint-stock companies within 18 months. This would put an end to the "one shareholder one vote" governance that allowed small stakeholders to remain in control of the largest cooperative banks. This reform is in line with IMF, EC, and ECB recommendations. The new rules will accelerate consolidations in the Italian banking sector, particularly among the small cooperative banks.

Italy's banking sector performed well in the European Central Bank's 2014 comprehensive assessment (stress test and asset quality review). The comprehensive assessment evaluated 15 banks, but only four Italian banks faced unresolved capital shortfalls (collectively totaling EUR 3.3 billion). Over 88 percent of this shortfall (EUR 2.9 billion) can be attributed to two banks: Monte dei Paschi di Siena (MPS) and Banca Carige. In addition to ECB supervision of larger Italian banks, BOI maintains strict supervisory standards and its definition of non-performing loans remains among the strictest in Europe.

Financial resources flow relatively freely in Italian financial markets and capital is allocated mostly on market terms. Foreign participation in Italian capital markets is not restricted. While foreign investors may obtain capital in local markets and have access to a variety of credit instruments, access to equity capital is difficult. Italy has a relatively underdeveloped capital market and businesses have a long-standing preference for credit financing. The limited venture capital available is usually provided by established commercial banks and a handful of venture capital funds.

The London Stock Exchange owns Italy's only stock exchange: the Milan Stock Exchange (Borsa Italiana). The exchange is relatively small -- fewer than 300 companies -- and is effectively an inaccessible source of capital for most Italian firms. To encourage SMEs to seek equity financing, Borsa Italiana created "AIM Italia" in 2012 as an alternative exchange with streamlined filing and reporting requirements. Additionally, while Italian firms prefer to get capital from banks, the BOI and the Ministry of Economy and Finance have initiated some programs to encourage firms of all sizes to seek alternative forms of financing, including through venture capital and corporate bonds. The Italian Companies and Stock Exchange Commission (CONSOB), established in 1974 and strengthened in 2005 after a spate of scandals, is the Italian securities regulatory body. In 2011, EU Member States established three EU-level regulatory agencies for financial services and related activities: A London-based banking oversight institution (EBA), a Paris-based financial market oversight institution (ESMA), and a Frankfurt-based insurance and pension funds oversight institution (EIOPA).

Most non-insurance investment products are marketed by banks, and tend to be debt instruments. Italian retail investors are conservative, valuing the safety of government bonds over most other investment vehicles. Less than ten percent of Italian households own Italian company stocks directly. Of those who do own stocks, the weight of direct stock shareholding in their portfolios averaged 23 percent in 2014, a significant increase from the 14 percent share in 2011. A few banks have established private banking divisions to cater to high-net-worth individuals with a broad array of investment choices, including equities and mutual funds.

There are no restrictions on foreigners engaging in portfolio investment in Italy. Financial services companies incorporated in another EU member state may offer investment services and products in Italy without establishing a local presence. Cross-EU standardization of regulations should address U.S. and other foreign banks' complaints that Italian interpretation of EU financial regulations tends to be stricter than in other countries. Any Italian or foreign investor acquiring a stake in excess of two percent of a publicly traded Italian corporation must inform CONSOB, but does not need its approval. Any Italian or foreign investor seeking to acquire or increase its stake in an Italian bank equal to or greater than ten percent must receive authorization from the Bank of Italy. See http://www.informazione.it/a/A6D77212-C268-4CA2-B0DA-05AB91CD21F4/Banche-autorizzazione-Bankitalia-adesso-solo-per-quote-oltre-10 A.

10. Competition from State-Owned Enterprises

The Italian government has in the past owned and operated a number of monopoly or dominant companies in certain strategic sectors. However, beginning in the 1990s and through the early 2000s, the government began to privatize most of these state owned enterprises. Notwithstanding this privatization effort, the government still retains a 30 percent interest in several key industrial firms, including Finmeccanica (a defense/aerospace/security conglomerate) and Eni (oil and gas), and a 25 percent share in ENEL (electricity). The GOI also for the time being maintains ownership of Trenitalia (transportation) and Poste Italiane (Italian Posts which also offer banking and insurance services). Although the GOI no longer owns Telecom Italia, Italy's former telecoms monopoly operator, it can restrict foreign (non-EU) companies from buying large stakes in the company according to "golden rule" provisions which allow the GOI to protect companies of national strategic interest. The GOI also owns controlling interest in sovereign-wealth fund Cassa Depositi e Prestiti, which invests in public sector projects and in companies of public interest such as electricity transmission operator TERNA and gas distributor SNAM. However, the companies are operating in a competitive environment (domestically and internationally) and are increasingly responsive to market driven industrial decisions rather than GOI demands.

OECD Guidelines on Corporate Governance of SOEs

Information not available.

Sovereign Wealth Funds

GOI launched the Italian Strategic Fund in 2011.

11. Corporate Social Responsibility

Since 2000, when it signed the Declaration on International Investment and Multinational Enterprises, Italy has supported and encouraged compliance with the OECD's Guidelines for Multinational Enterprises ("Guidelines"), which are recommendations addressed by governments to multinational enterprises operating in or from adhering countries (the OECD members plus Argentina, Brazil and Chile). They provide voluntary principles and standards for corporate social responsibility, in a variety of areas including employment and industrial relations, human rights, environment, information disclosure, competition, taxation, and science and technology.

Key links: OECD Guidelines: http://www.oecd.org/dataoecd/12/21/1903291.pdf

Full text in English: http://www.oecd.org/dataoecd/56/36/1922428.pdf

The Italian National Contact Point (NCP) for encouraging observance of the Guidelines in Italy and for ensuring that the Guidelines are well known and understood by the national business community and by other interested parties is located in the Ministry of Economic Development. The NCP spreads and enforces the Guidelines, disseminates related information, promotes the collaboration among national and international institutions, the economic world and the civil society.

Key link: Italian NCP: http://pcnitalia.sviluppoeconomico.gov.it/en/

The NCP also maintains a list of partners and stakeholders that are involved in CSR. The list can be found here: http://pcnitalia.sviluppoeconomico.gov.it/en/partners

OECD Guidelines for Multinational Enterprises

Information not available.

12. Political Violence

Political violence is not a threat to foreign investments in Italy, but corruption, especially associated with organized crime, can be a major hindrance, particularly in the south – see next section.

13. Corruption

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

Corruption and organized crime are significant impediments to investment and economic growth in parts of Italy. Corruption costs Italy an estimated EUR 60 billion annually in wasted public resources, and effectively combating corruption has been a goal for successive Italian governments. In October 2012, the Italian parliament passed an anti-corruption law promoting transparency in public administration and prohibiting persons found guilty of serious crimes from holding public office. The law also provides for the appointment of an Anti-Corruption High Commissioner to head the new National Anti-Corruption Authority (ANAC – previously known as CiVIT), which is responsible for adopting a public administration anti-corruption plan; monitoring its implementation; recommending measures to be taken by other agencies; and conducting inspections and investigations in conjunction with the financial police. The legislation included stiffer penalties for those convicted of bribery-related offenses, protective measures for whistleblowers, and requirements for greater transparency in public contracts. It also prohibits anyone convicted of a serious crime from holding certain public administration positions. In March 2014, Prime Minister Renzi nominated respected prosecutor Raffaele Cantone, already a national figure for his courageous anti-mafia work, to head ANAC. The Italian Council of Ministers also approved a proposal to further toughen anti-corruption laws and penalties in December 2014. The Italian Senate approved the bill in April 2015; it will require further action in the lower chamber of Parliament before becoming law.

Organized crime is particularly prevalent in four regions of the south (Sicily, Calabria, Campania, and Apulia). Organized crime (Mafia, Camorra, 'Ndrangheta and Sacra Corona Unita) has an estimated turnover of EUR 150 billion, or roughly 10 per cent of Italy's GDP. Organized crime is involved in murder, racketeering, loan-sharking, drug smuggling, illegal toxic waste disposal, money laundering, corruption of public officials, illegal construction, the manufacture and distribution of pirated and counterfeit products, and prostitution. There is anecdotal evidence that organized crime groups may be attempting to profit from the tight credit climate, by increasing their loan-sharking activities. However, organized crime is not limited to the south; in fact, the main crime syndicates are heavily involved in money laundering and drug trafficking throughout the country and abroad. There is increasing organized crime influence in the northern regions, particularly Lombardy, Emilia Romagna and Liguria. Last year (2014) featured several high-profile corruption scandals, including a major public sub-contracting scandal in Rome known as Mafia Capitale, which exposed not only public corruption but ties between violent organized criminals and government officials. The by-laws of Italy's main business association (Confindustria) require it to expel members found to be paying protection money and to assist those in reporting extortion attempts to authorities.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U.S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act

In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: http://www.justice.gov/criminal/fraud/fcpa/

Other Instruments

It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Italy is party to the OECD Antibribery Convention and the UN Convention, and has signed but not ratified the Council of Europe Conventions. Generally all countries prohibit the bribery and solicitation of their public officials.

OECD Antibribery Convention

The OECD Antibribery Convention entered into force in February 1999. As of April 2012, there are 39 parties to the Convention including the United States (see http://www.oecd.org/daf/briberyininternationalbusiness/anti-briberyconvention/40272933.pdf). Major exporters China and India are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Italy ratified the 1997 OECD Convention on Combating Bribery and implemented its provisions in September 2001.

UN Convention

The UN Anticorruption Convention entered into force on December 14, 2005, and there are 165 states to it as of December 2012 (see http://www.unodc.org/unodc/en/treaties/CAC/signatories.html). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Italy enacted the United Nations Convention against Corruption in 2009.

Council of Europe Criminal Law and Civil Law Conventions
Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and account offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States). As of January 2015, the Criminal Law Convention has 50 parties and the Civil Law Convention has 42. Italy is a party to both. (See http://www.coe.int/t/dghl/monitoring/greco/default_en.asp.)

Free Trade Agreements
While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative Website: http://www.ustr.gov/trade-agreements/free-trade-agreements. Italy does not have an FTA with the U.S.

Local Laws
U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel. Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above. Corruption is punishable under Italian law. As in all judicial processes, much discretion regarding punishment is left to the presiding judge. Most corruption in recent years has involved government procurement or bribes to tax authorities. Bribes are not considered deductible business expenses under Italian tax law.

Assistance for U.S. Businesses
The U.S. Department of Commerce offers services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service provide services that may assist U.S. companies in conducting their due diligence as part of the company’s overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in major U.S. and foreign cities, or through its Website at www.trade.gov/cs.

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report a Trade Barrier" Website at tcc.export.gov/Report_a_Barrier/index.asp.

Guidance on the U.S. FCPA

The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at www.justice.gov/criminal/fraud/fcpa. Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Commerce, U.S. Department of Commerce Website at http://www.commerce.gov/os/ogc/international-commerce. More general information on the FCPA is available at the Websites listed below.

Anti-Corruption Resources

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

Information about the U.S. Foreign Corrupt Practices Act (FCPA), including the Lay-Person's Guide to the FCPA, is available at the U.S. Department of Justice's Website at: http://www.justice.gov/criminal/fraud/fcpa.

Information about the OECD Antibribery Convention including links to national implementing legislation and country monitoring reports is available at: http://www.oecd.org/department/0,3355,en_2649_34859_1_1_1_1_1,00.html. See also new Antibribery Recommendation and Good Practice Guidance Annex for companies: http://www.oecd.org/dataoecd/11/40/44176910.pdf.

General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce Website: http://www.ogc.doc.gov/trans_anti_bribery.html.

Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 176 countries and territories around the world. The CPI is available at: http://cpi.transparency.org/cpi2014/results/. In the 2014 CPI report, TI placed Italy in 69th position alongside Brazil, Bulgaria, Greece, Romania, Senegal and Swaziland. Italian authorities claim that the CPI index is misleading and unfair to Italy. While highly publicized anti-corruption enforcement activities have been underway for years, there is general agreement that a high level of corruption limits Italy's economic growth and ability to attract foreign investment. TI also publishes an annual Global Corruption Report (GCR) which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents and an overview of the latest research findings on anti-corruption diagnostics and tools. See http://www.transparency.org/research/gcr.

The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 215 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law and Control of Corruption. See http://info.worldbank.org/governance/wgi/index.asp. The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: http://data.worldbank.org/data-catalog/BEEPS.

The World Economic Forum publishes the Global Enabling Trade Report, which presents the rankings of the Enabling Trade Index, and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See http://www.weforum.org/s?s=global+enabling+trade+report.

Additional country information related to corruption can be found in the U.S. State Department's annual Human Rights Report available at http://www.state.gov/g/drl/rls/hrrpt/.

Global Integrity, a nonprofit organization, publishes its annual Global Integrity Report, which provides indicators for 109 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at: http://report.globalintegrity.org/.

UN Anticorruption Convention, OECD Convention on Combatting Bribery

Italy has signed and ratified the UN Anticorruption Convention.

Italy has signed and ratified the OECD Convention on Combatting Bribery.

Resources to Report Corruption

Autorità Nazionale Anticorruzione (ANAC)
c/o Galleria Sciarra
Via M. Minghetti, 10 - 00187 Roma
Phone: +39 06 367231
Fax: +39 06 36723274
Email: protocollo@pec.anticorruzione.it

Whistleblower hotline email: whistleblowing@anticorruzione.it
Whilstelblower hotline phone: +39 02 49520512

Transparency International Italia
Via Zamagna 19
20148 Milano – Italy
Phone: +39 02 40093560
Fax:: +39 02 406829
Email: info@transparency.it

14. Bilateral Investment Agreements

Italy has not signed a bilateral investment treaty with the United States.

Italy has bilateral investment agreements with the following countries:
Albania, Algeria, Angola, Argentina, Armenia, Azerbaijan, Bahrain, Bangladesh, Barbados, Belarus, Belize (signed, not in force), Bolivia, Bosnia and Herzegovina, Brazil (signed, not in force), Cameroon, Cape Verde (signed, not in force), Chad, Chile, China, Congo, Cote d'Ivoire (signed, not in force), Croatia, Cuba, Cyprus (signed, not in force), Democratic Republic of Congo (signed, not in force), Djibouti (signed, not in force), Dominican Republic, Ecuador, Egypt, Eritrea, Ethiopia, Gabon, Georgia, Ghana (signed, not in force), Guatemala, Guinea, Hong Kong, India, Indonesia, Iran, Islamic Republic of, Jamaica, Jordan, Kazakhstan, Kenya, Korea, DPR of (signed, not in force), Korea, Republic of, Kuwait, Lebanon, Libya, Macedonia, Republic of, Malawi (signed, not in force), Malaysia, Mauritania (signed, not in force), Mexico, Moldova, Republic of, Mongolia, Morocco, Mozambique, Namibia (signed, not in force), Nicaragua (signed, not in force), Nigeria, Oman, Pakistan, Panama, Paraguay (signed, not in force), Peru, Philippines, Qatar, Russian Federation, Saudi Arabia, Senegal (signed, not in force), Serbia, South Africa, Sri Lanka, Sudan (signed, not in force), Syrian Arab Republic, Tanzania, United Republic of, Tunisia, Turkey, Turkmenistan (signed, not in force), Uganda, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Venezuela (signed, not in force), Vietnam, Yemen, Zambia (signed, not in force), Zimbabwe (signed, not in force).

Bilateral Taxation Treaties

Italy has a bilateral taxation treaty with the United States.

15. OPIC and Other Investment Insurance Programs

The Overseas Private Investment Corporation (OPIC) does not operate in Italy.

Italy’s Export Credit Agency, SACE, is a member of the World Bank's Multilateral Investment Guarantee Agency (MIGA).

16. Labor

As a result of its longest recession in post-war history, Italy's unemployment rate reached as high as 13.4 percent in November of 2014. In February 2015 the unemployment rate decreased to 12.7 percent. The February data are still well above the corresponding rate in euro area of 11.3 percent.

Most observers expect the unemployment rate, as a lagging indicator, will decrease only slightly in 2015 and 2016, notwithstanding new reforms to labor law and easing macroeconomic conditions due to the euro exchange rate and low oil prices. The official unemployment data does not account for temporarily laid-off employees who receive benefits from Italy's "wage guarantee fund" (for struggling or restructuring companies) and people who are discouraged and not looking for a job. Participation in the labor market is among the lowest in the industrialized world, especially among women, the young and the elderly.

In January 2015 the unemployment rate for youth between the ages of 14 and 25 decreased to 41.2 percent, but is still one of the highest in Europe and is higher in the southern part of the country. The level is well above the EU28 average (21.2 percent) and Euro Zone average (22.9 percent); only Spain, Greece, Spain and Croatia have higher rates. An estimated 2.2 million Italians between the ages of 15 to 34 do not study, do not work, and are not looking for a job. Of those who do find work, most are hired under temporary contracts. The GOI plans to address this with the Youth Guarantee Plan and the Jobs Act labor reform, and a provision in the 2015 budget that reduces social contributions for new hires this year.

Traditional regional labor market disparities remain unchanged, with the southern third of the country posting a significantly higher unemployment rate compared to northern and central Italy. Despite these differences, internal migration within Italy remains modest, while industry-wide national collective bargaining agreements set equal wages across the entire country. Immigrants from Eastern Europe and North Africa often supplement the shortages in the north of unskilled and semi-skilled labor. Skilled labor shortages are also a problem in the north. On paper, companies may bring in a non-EU employee after the government-run employment office has certified that no qualified, unemployed Italian is available to fill the position. In reality, the cumbersome and lengthy process acts as a deterrent to foreign firms seeking to comply with the law, and there are language barriers that prevent outsiders from competing for Italian positions. Work visas are subject to annual quotas, although intra-company transfers are exempt from quota limitations.

There are substantial legal obstacles to hiring and firing workers although in recent years, the Italian labor market has become slightly more flexible. Two successive governments have taken steps to facilitate hiring of contract workers. High costs and legal obstacles associated with laying off workers still remain a disincentive to adding permanent employees. Companies have been hesitant to hire new employees on permanent contracts because job protection laws make it difficult to later fire them, despite new flexibility on the hiring side as noted below. Ironically given the high youth unemployment rate, firms interested in investing in Italy may have difficulty finding specialized and experienced young employees. This is at least partially a result of Italy's "brain drain" of especially well-educated young workers.

The GOI is currently implementing the labor reform enabling legislation a.k.a. "Jobs Act" that the parliament approved in mid-December 2014 (law 183/2014). The text provided only a general outline for reforms that will be fleshed out in implementation decrees. The first two decrees focused on a new labor contract with increasing protections during a three-year "probationary period" and the establishment for the first time of a universal unemployment benefit, and went into force in early March 2015. Two other decrees on other labor contracts and universal maternity leave are under review in parliament. The GOI plans to approve all remaining implementation decrees by the mid-June deadline (six months after the approval of the enabling legislation) and complete the implementation of the Jobs Acts before the summer recess. Rapid execution is pivotal to improving the employment outlook.

Italy is an International Labor Organization (ILO) member country. Terms and conditions of employment are periodically fixed by collective labor agreements in different professions. Most Italian unions are grouped into four major national confederations: the General Italian Confederation of Labor (CGIL), the Italian Confederation of Workers' Unions (CISL), the Italian Union of Labor (UIL), and the General Union of Labor (UGL). The first three organizations are affiliated with the International Confederation of Free Trade Unions (ICFTU), while UGL has been associated with the World Confederation of Labor (WCL). The confederations negotiate national level collective bargaining agreements with employer associations, which are binding on all employers in a sector or industry irrespective of geographical location.

Italy does not waive existing labor laws in order to attract or retain investments.

17. Foreign Trade Zones/Free Ports/Trade Facilitation

The main free trade zone in Italy is located in Trieste, in the northeast. At Trieste FTZ, customs duties are deferred for 180 days from the time the goods leave the FTZ and enter another EU country. The goods may undergo transformation free of any customs restraints. An absolute exemption is granted from any duties on products coming from a third country and re-exported to a non-EU country. Legislation to create other FTZs in Genoa and Naples exists, but has yet to be implemented. A free trade zone operated in Venice for a period but is being restructured. Currently, goods of foreign origin may be brought into Italy without payment of taxes or duties, as long as the material is to be used in the production or assembly of a product that will be exported. The free-trade zone law also allows a company of any nationality to employ workers of the same nationality under that country's labor laws and social security systems.

An urban tax-free zone has also been set up in the city of L’Aquila that was hit by the earthquake in April 2009. Small and medium sized enterprises that set up activities in the city will pay no or reduced corporate income tax, property tax and payroll taxes for five years. The incentives are not automatic and must be applied for at the beginning of each calendar year until the EUR 50 million set aside are committed and will not exceed EUR 200 thousand per company. A “tax free zone” has also been approved and financed by the Government of Italy for the Province of Caltanissetta in central Sicily with EUR 50 million in European structural funds. The project was to have been launched in 2013, but has not moved out of the planning and discussion phase.

U.S. Companies in Italy
The largest U.S. companies in Italy, based on number of employees, are: IBM, General Electric, Pfizer, Whirlpool, Electronic Data Systems (EDS), Lear, and United Technologies.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Table 2: Key Macroeconomic Data, U.S. FDI in Host Country/Economy

	Host Country Statistical source*		USG or international statistical source		USG or International Source of Data: BEA; IMF; Eurostat; UNCTAD, Other
Economic Data	**Year**	**Amount**	**Year**	**Amount**	
Host Country Gross Domestic Product (GDP) ($T USD)	2014	2.14	2013	2.15	www.worldbank.org/en/country
Foreign Direct Investment	**Host Country Statistical source***		**USG or international statistical source**		**USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other**
U.S. FDI in partner country ($M USD, stock positions)	2013	17, 351	2013	27,560	http://bea.gov/international/factsheet/factsheet.cfm?Area=314
Host country's FDI in the United States ($M USD, stock positions)	2013	34,093	2013	25,384	http://bea.gov/international/factsheet/factsheet.cfm?Area=314
Total inbound stock of FDI as % host GDP	2013	.81%	2013	1.28%	

*Italian GDP data taken from Istat, the official statistics agency. Italian FDI Data are from the Bank of Italy.

Table 3: Sources and Destination of FDI

The statistics below show Italy's largest investment partners to be within the European Union and the United States. This is consistent with Italy being fully integrated with its EU partners and the United States.

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations *(US Dollars, Millions)*					
Inward Direct Investment			**Outward Direct Investment**		
Total Inward	360,911	100%	Total Outward	520,829	100%
Netherlands	78,430	22%	Netherlands	96,407	19%
Luxembourg	74,391	21%	Spain	49,159	9%
France	60,512	17%	Germany	46,756	9%
United Kingdom	30,480	9%	Austria	34,964	7%
Germany	25,138	7%	United States	32,004	6%
"0" reflects amounts rounded to +/- USD 500,000.					

Source: IMFs Coordinated Direct Investment Survey, 2013

Table 4: Sources of Portfolio Investment

The statistics below show Italy's largest investment partners to be within the European Union and the United States. This is consistent with Italy being fully integrated with its EU partners and the United States.

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			**Equity Securities**			**Total Debt Securities**		
All Countries	1,146,207	100%	All Countries	603,385	100%	All Countries	542,822	100%
Luxembourg	396,999	35%	Luxembourg	364,499	60%	France	87,116	16%
France	151,743	13%	Ireland	71,025	12%	Germany	64,381	12%
Ireland	110,436	10%	France	64,358	11%	Spain	52,302	10%
Germany	79,769	7%	United States	27,232	5%	Netherlands	50,079	9%
United States	69,221	2%	United Kingdom	21,114	3%	United Kingdom	44,645	8%

Source: IMF Coordinated Portfolio Investment Survey, 2013

19. Contact for More Information

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• barbianjw@state.gov