



Italy

Italy is a highly developed market and the country is one of the UK's closest trading partners and biggest export destinations. It presents significant opportunities for British businesses, especially for those operating in cyber security and the wider technology sectors. Trade with Lombardy and other regions in Northern Italy is especially strong. Total trade between the UK and Italy reached £44.5 billion in 2018, an increase of 3.4% YoY.

Eco and Natural Products

Italian consumers are becoming more mindful of their purchases and the impact they have on people's wellbeing and on the environment; such trend, remarkably driven by younger generations, requires retailers and stores to offer brands that have a clear sustainable core/mission and offer transparency on their supply chain, firstly via their products labelling. This trend affects both fashion, toiletries and cosmetics, as well as the F&D industry. Concerning the latter, organic solutions are drawing increasing attention, while Italians opting for vegetarian, vegan and free-from products are equally growing in number. Younger generations also appear to be more open to different culinary traditions and novel foods.

Great Tech

Italy's industrial strategy has a strong focus on innovation. There are opportunities in sectors witnessing considerable transformation and that are characterised by a high degree of innovation, such as cyber security, smart cities, big data/data analytics, AI and IoT technologies. The ICT market is forecast at €31.5 bn in 2020, with IT services accounting for 36% and growing (particularly hosted application management and hosting infrastructure services are set to grow the most). Software products account for 23% and are expected to grow by 6.3% (especially 'Collaborative & Content Applications', CRM, ERP and Security Software). IoT is growing considerably in the near future, whereas AI is still relatively small in size but set to expand, as the Italian Government devotes growing attention to it. Technologies enabling clean growth will meet considerable interest as the UK and Italy are preparing to co-host COP26 in 2020. Smart cities, smart mobility, energy efficiency, sustainable architecture are of particular interest. As the second largest manufacturing country in Europe, innovation for manufacturing is also of considerable importance in Italy. On the retail tech side, innovative solutions for payments, shopping experience and visual merchandising have strong potential in the market.

Life Sciences

The Life Sciences Sector plays a strategic role for Italy's growth and competitiveness. It supports the Italian public healthcare, whose structure is very similar to the UK NHS and which requires a general reform and modernization to adapt and face the new challenges and pressures of an increasingly ageing population. The Italian biotechnology industry is highly intensive in research innovation. It is characterized by small and medium sized companies (nearly 80% of companies active in the Italian biotechnology sector) and has constantly increased in the last 10 years. In Red Biotech sub-sector, the areas of excellence driving research activities are rare disease, advanced therapies and GPET (Genomics, Proteomics and Enabling Technologies). The pharmaceutical industry is a driving force of Italian economy and most competitive sector for the country. In 2018 Italy was the first country in Europe for pharmaceutical production/manufacturing. 80% of production is exported. In 2018 total investments in the pharmaceutical sector were equal to €3 billion. The Italian Biomedical/Medtech sector covers a wide range of products including Medical Devices (such as orthopedics, dialysis, cardio, sutures, incontinence, anesthesiology, breast prosthesis, wound care, urology etc...) and In Vitro Diagnostics (IVD) devices (such as kits for Cytogenetics, self-diagnosis/self-monitoring tests). This sector is characterized by strong import activities from foreign markets also due to the demand for better quality services and products. The Medtech sector also includes e-health/ telecare/ digital devices/ surgery equipment/ diagnostic software/ clinical equipment, essential to adapt hospital infrastructures to current health needs.

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