

Results and potential of the Italian firms in ADB

With a focus on the ASEAN region



CONFININDUSTRIA

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The data (2019-2023)

ADB



\$ of awarded projects:
81.0 bln.

of projects:
34,717

Average \$ size per
project:
2.3 mln.

WB



\$ of awarded projects:
47.4 bln.

of projects:
93,717

Average \$ size per
project:
0.5 mln.

AfDB



\$ of awarded projects:
12.9 bln.

of projects:
15,014

Average \$ size per
project:
0.9 mln.

IDB

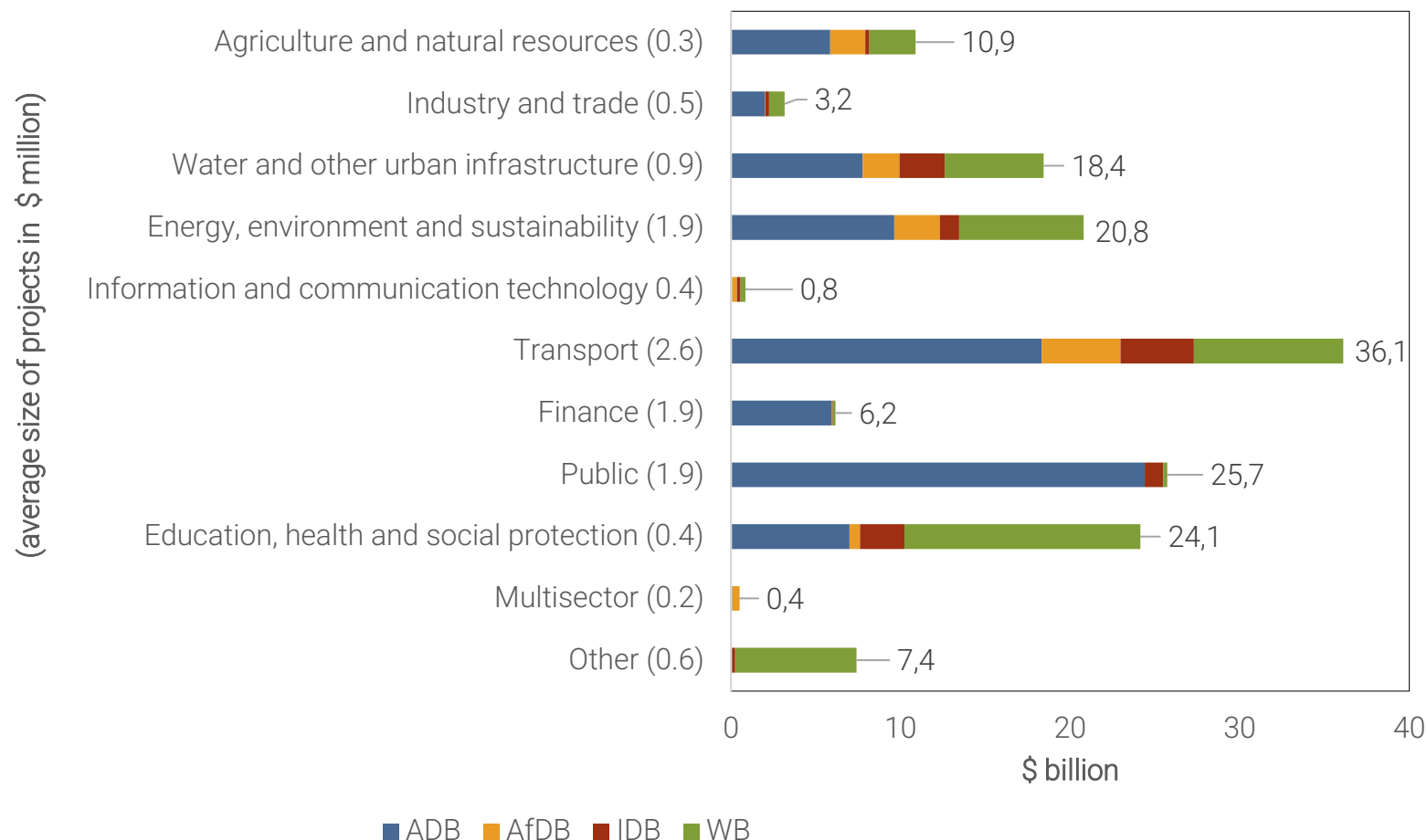


\$ of awarded projects:
12.8 bln.

of projects:
33,253

Average \$ size per
project:
0.4 mln.

The value of awarded financed project by sector in 2023



- To have comparable results across different banks, sectors have been classified using a shared taxonomy
- *Transport* is the sector attracting the greater part of finance
- *Finance* and *Public* sectors play a prominent role in ADB
- The average size of projects is larger in sectors with a stronger ADB presence

How are the Italian firms doing? (2019-2023)



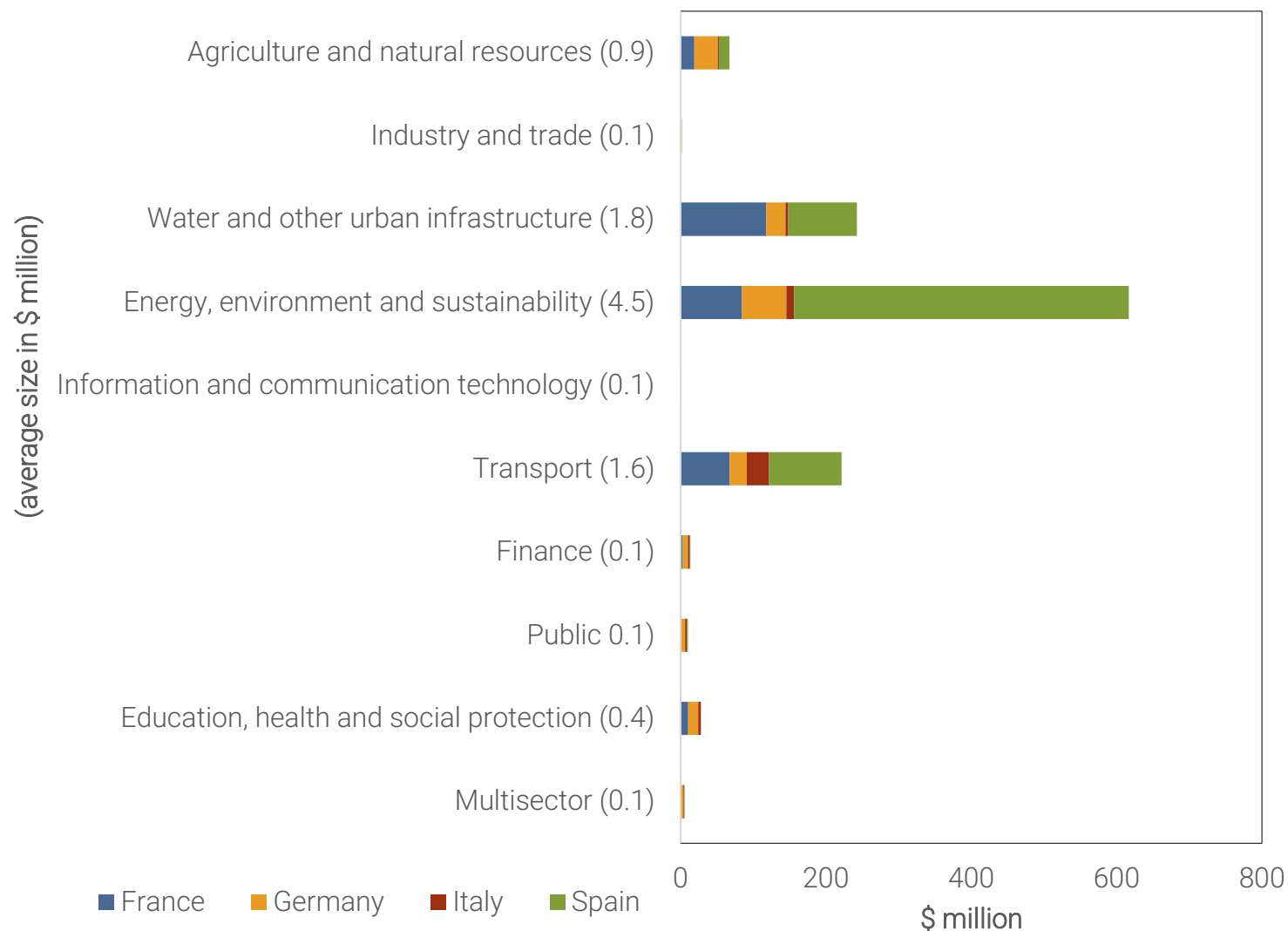
\$ million	56,2	89,0	139,6	414,2
% of bank total awarded funds	0,07	0,69	1,09	0,87
Ranking based on value	43/67	29/108	22/47	23/214
# of projects	169	84	34	254
% all bank projects	0,49	0,56	0,10	0,27
Ranking based on # of projects	31/67	42/108	32/47	81/214

A comparative perspective with EU peers (ADB, 2019-2023)



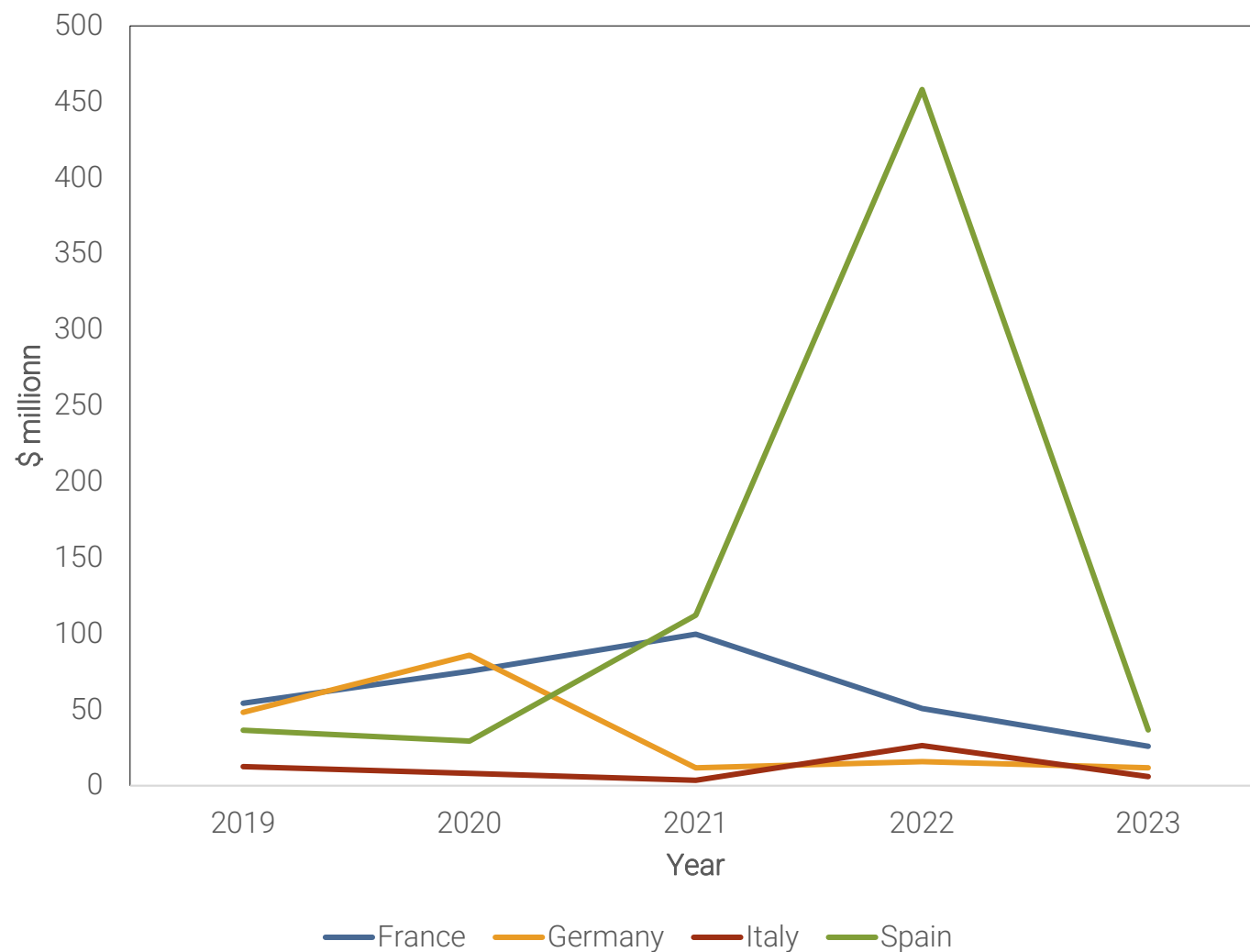
\$ million of awarded funds	672,8	305,6	173,2	56,2
% of bank total awarded funds	0,83	0,38	0,21	0,07
Ranking based on value	19/67	27/67	33/67	43/67
# of projects	153	242	297	169
% of all bank projects	0,44	0,70	0,86	0,49
Ranking based on # of projects	32/67	25/67	24/67	31/67
\$ billion of capital subscription to ADB	0,47	3,31	6,16	2,5

Comparison by sector (ADB, 2019-2023)



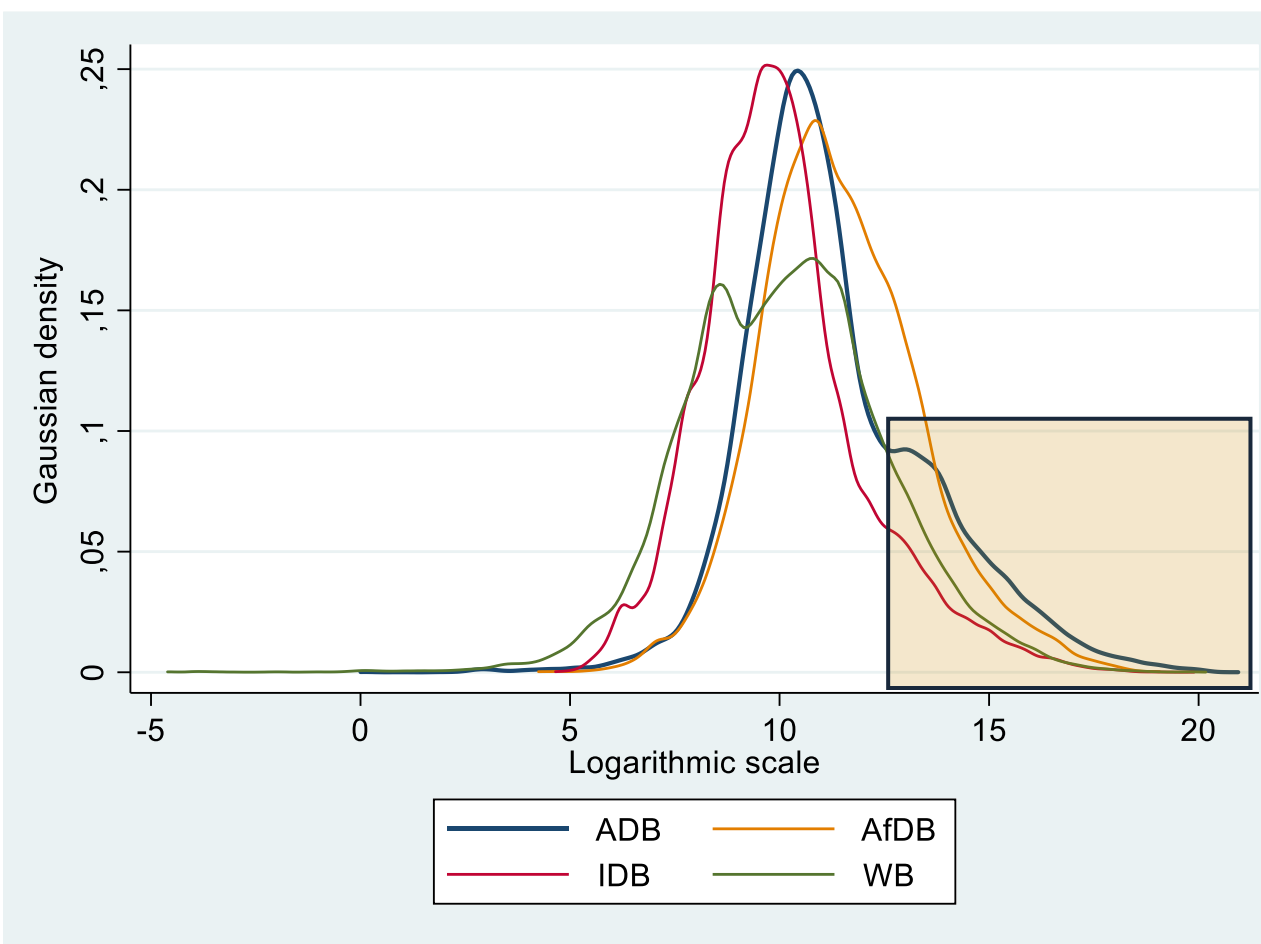
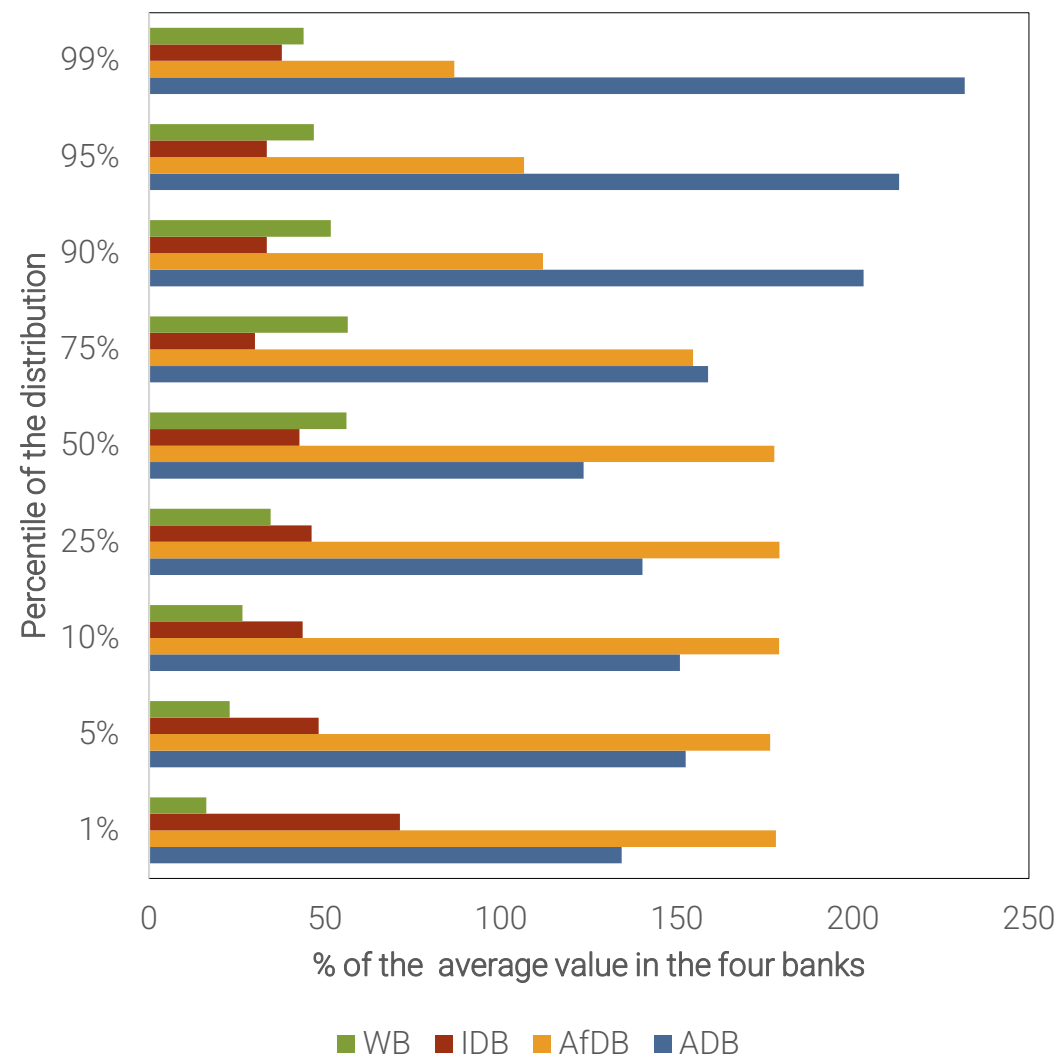
- Italy loses ground in key sectors such as *Water and other urban infrastructure* and *Energy environment and sustainability*
- The only sector where the Italian presence is more pronounced is *Transport*
- Spanish presence is very concentrated in one sector: *Energy environment and sustainability*

Comparison over time (ADB)

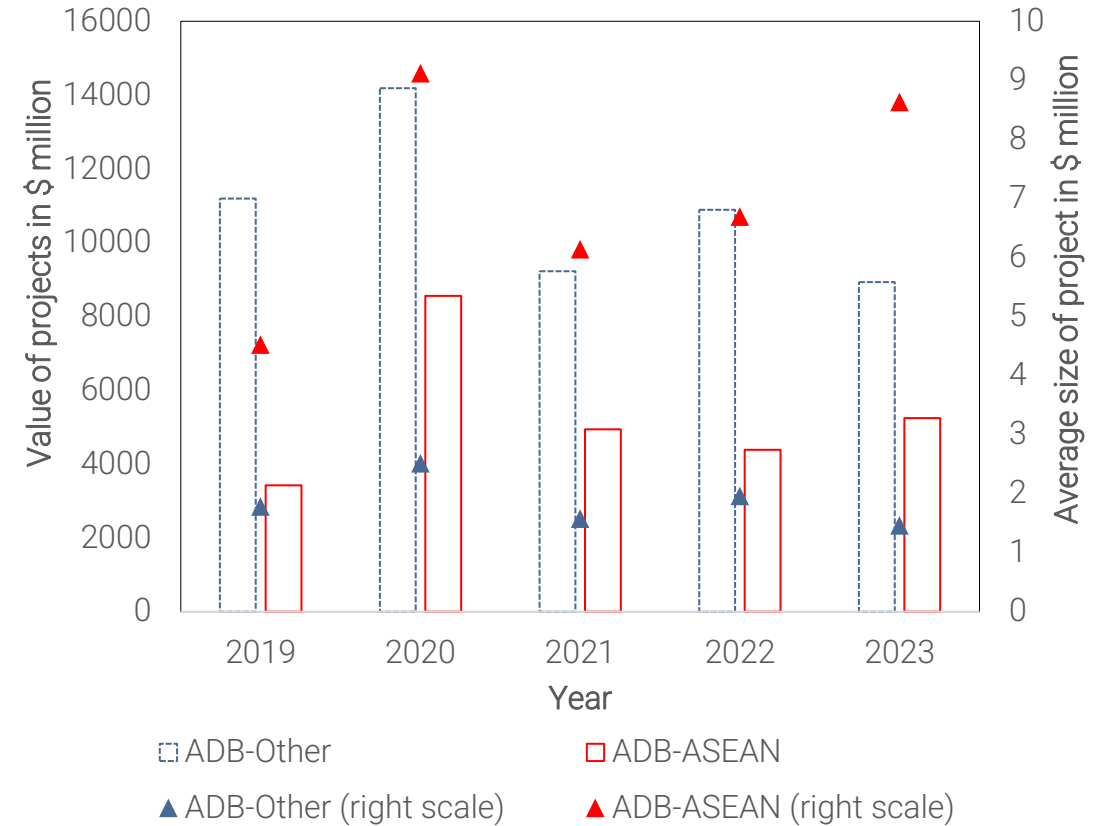
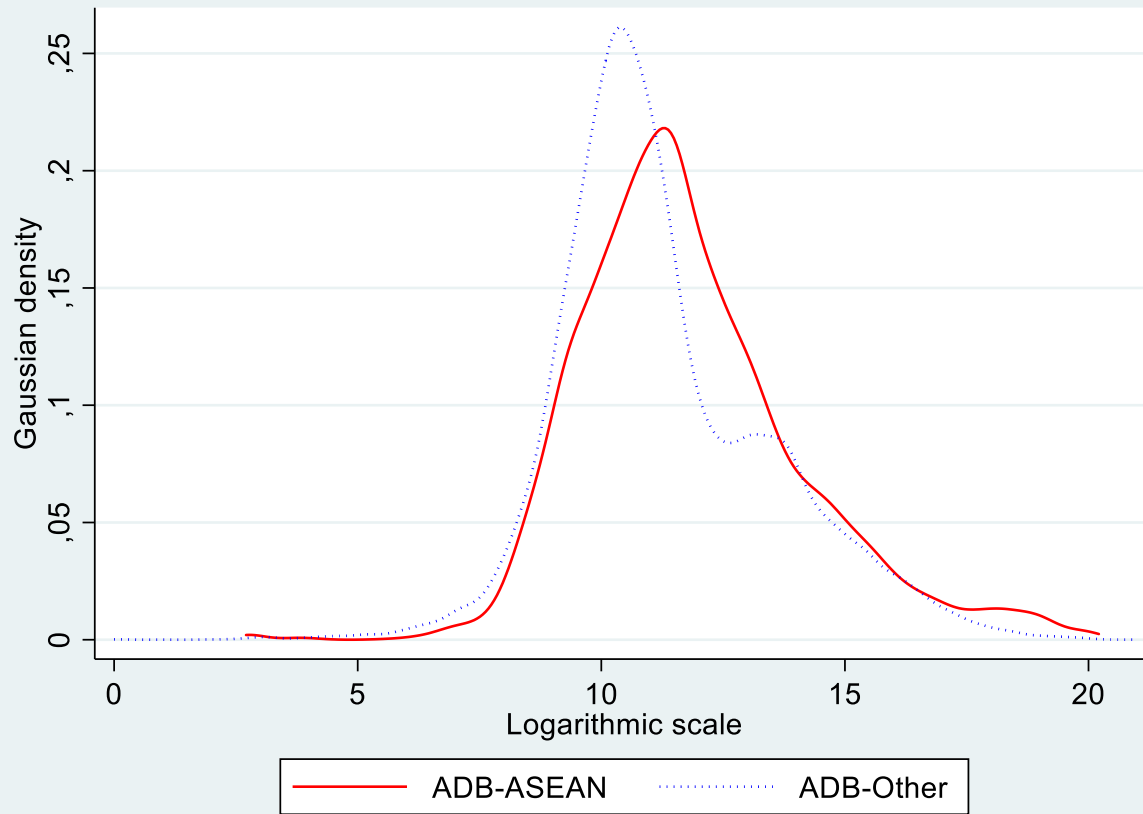


- The time series enlightens as it put in clear perspective the positioning of Spain over the five years
- The spike in 2022 is related to a single project of very large size
- The superior performance of Spain is therefore related to a 'jackpot' effect

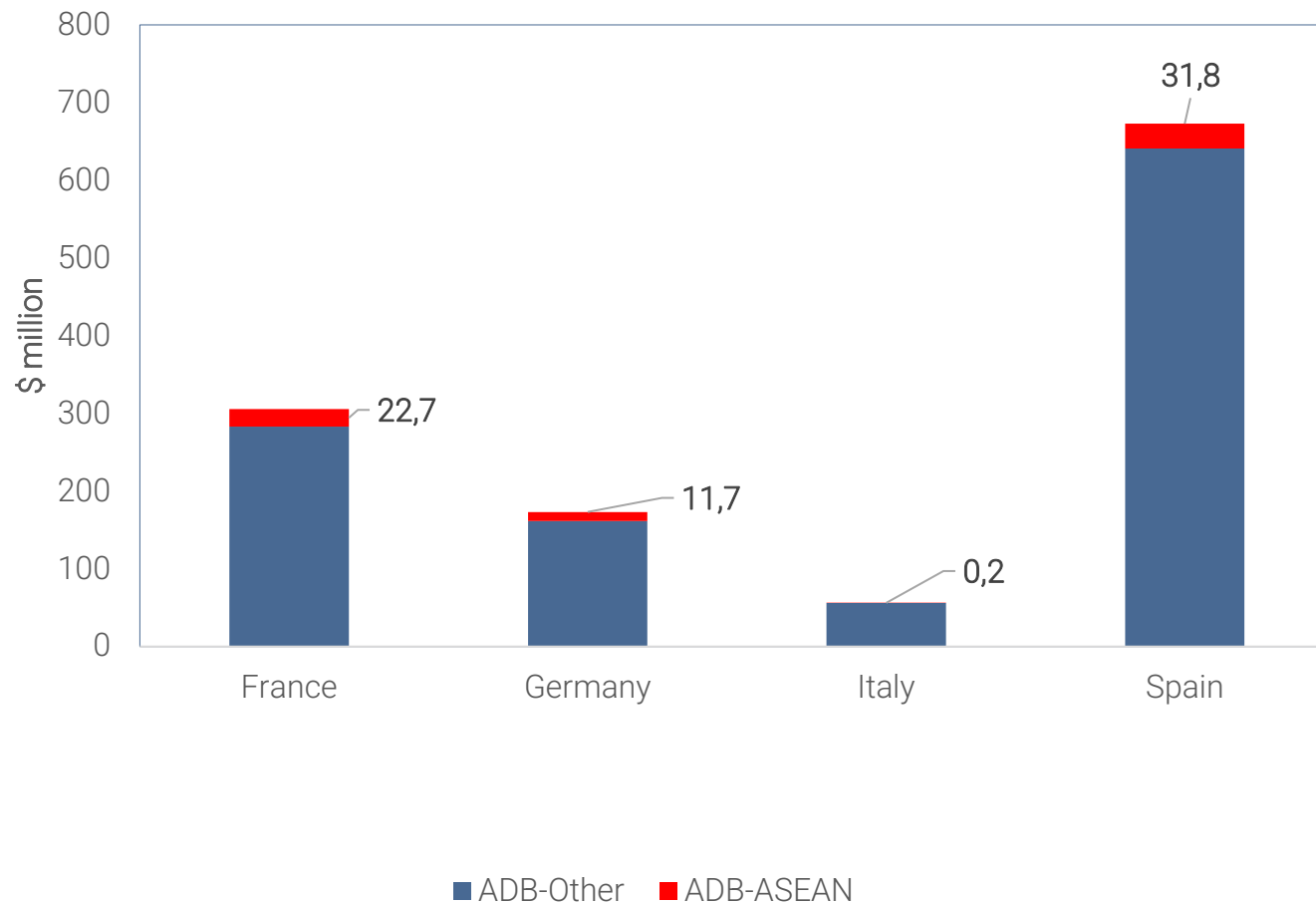
ADB distribution of value is skewed towards very large projects



Larger ADB projects are in the ASEAN region

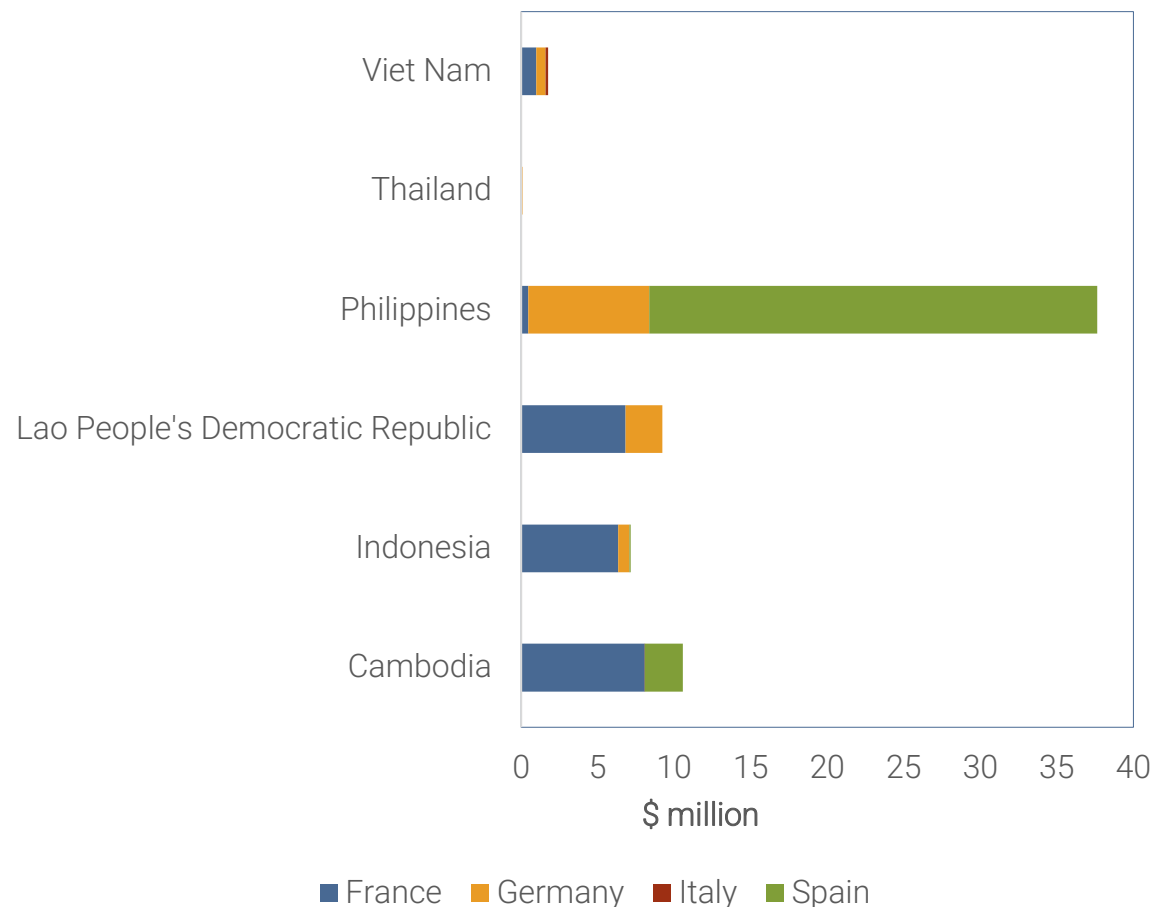


Italy and EU peers in the ASEAN



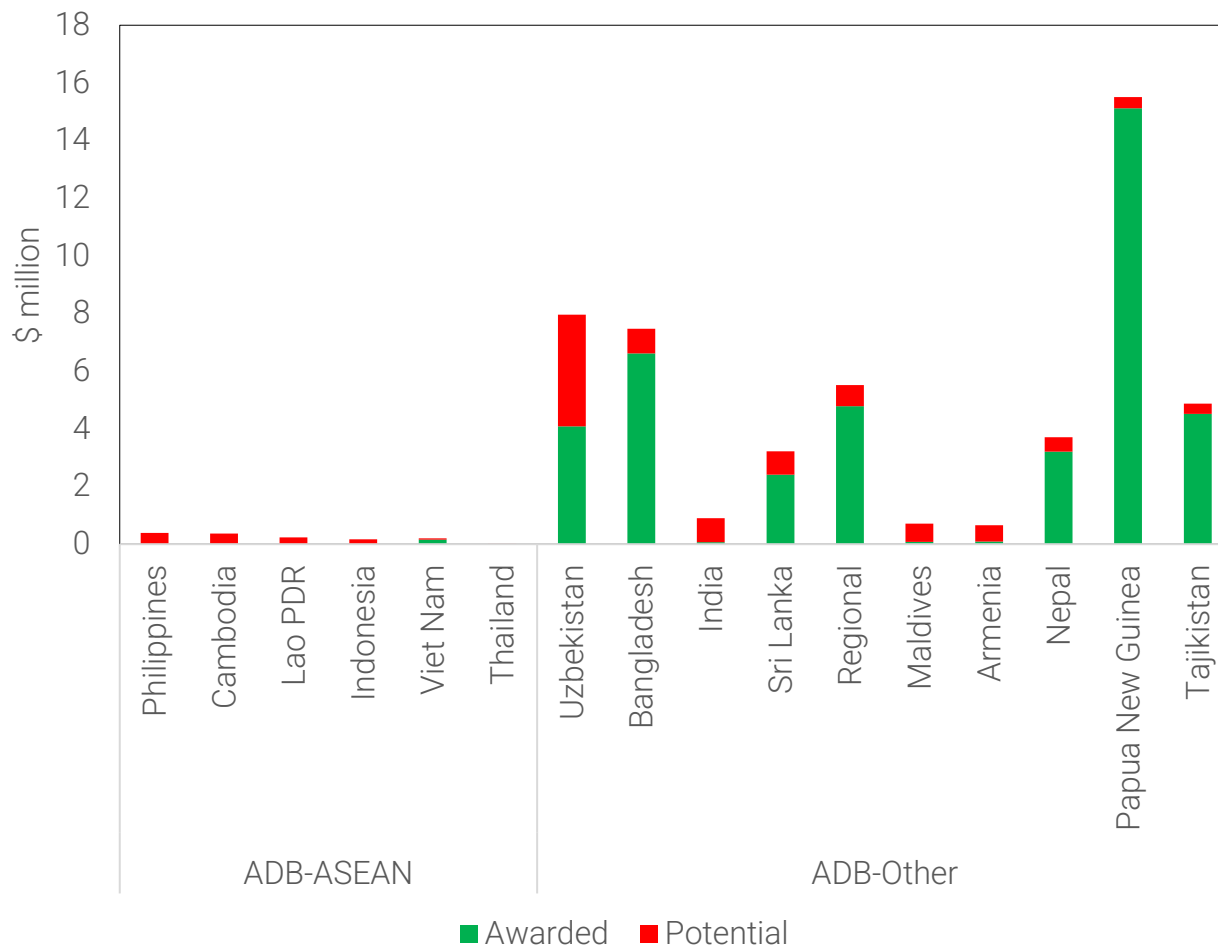
- The EU presence in the area is very weak: ADB finance in ASEAN accounts for 32.8% of the total, whereas it is just 5.5% of EU awarded ADB funds.
- Italy is almost absent in the ASEAN (0.3% of its awarded funds)
- France is the country with the higher incidence of its awarded ADB funds in the area (7.4% of French total), followed by Germany (6.8%) and Spain (5.5%)

Italy and EU peers in the ASEAN countries



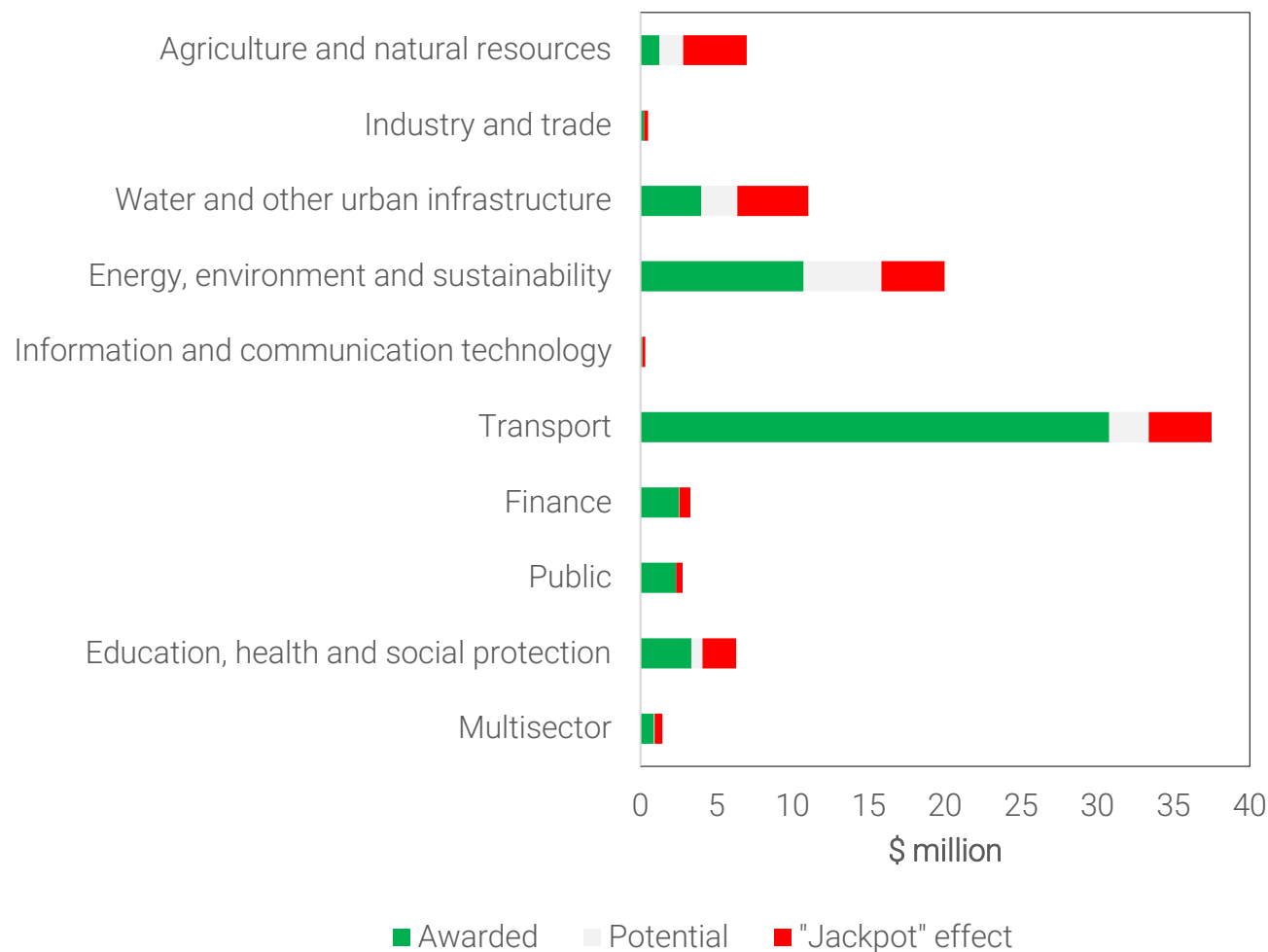
- Italy is just present in Viet Nam and Cambodia, with a single project in each of these two countries
- France has the most diversified presence across the ASEAN countries
- Spain is very concentrated in the Philippines (91.9 % of the total in the area)
- Historical links seem to play a role in determining results

The potential for Italian firms (ASEAN and top 10 ADB)



- The potential is based on the value of ADB funds awarded to EU27 countries by sector and the overall share of Italy in ADB, AfDB, IDB and WB awarded funds by sector
- A first reasonable objective could be to increase Italian awarded finance by \$12.5 million (+22.2%) over the next five years
- In the ASEAN, Italy could win nearly 7 times more than it currently does.

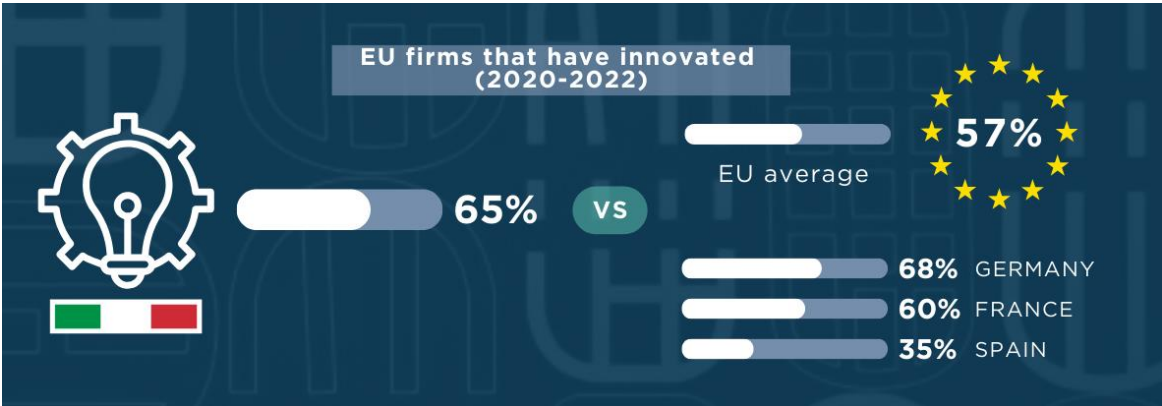
The potential for Italian firms by sector (total ADB)



- Italy could further improve its potential by targeting single projects at the 90th percentile of value distribution
- The 'Jackpot' effect (or size premium) is estimated in \$21.4 million
- Overall Italy has a potential of growth estimated in \$33.9 million (+60.3%)
- The greatest potential is in *Energy, environment and sustainability*: \$9.3 million (+86.4%)

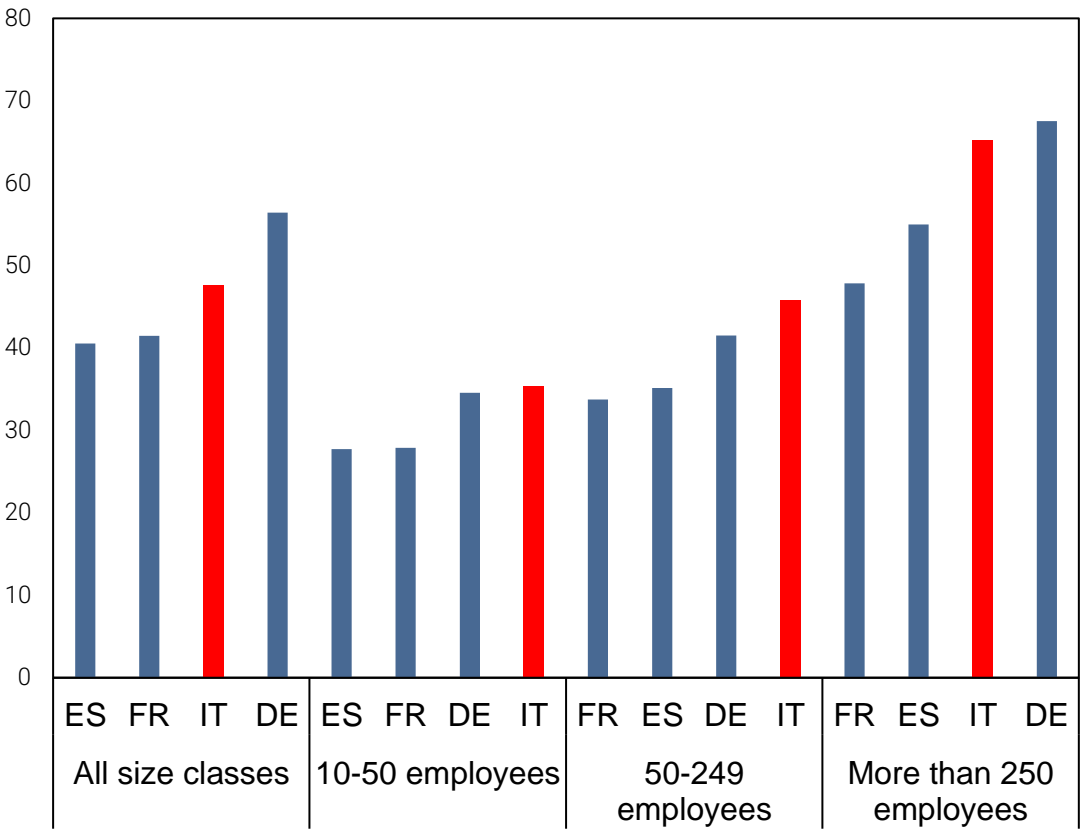
A large, diversified and productive manufacturing sector

One of the global leaders in manufacturing



Highly productive manufacturing sector

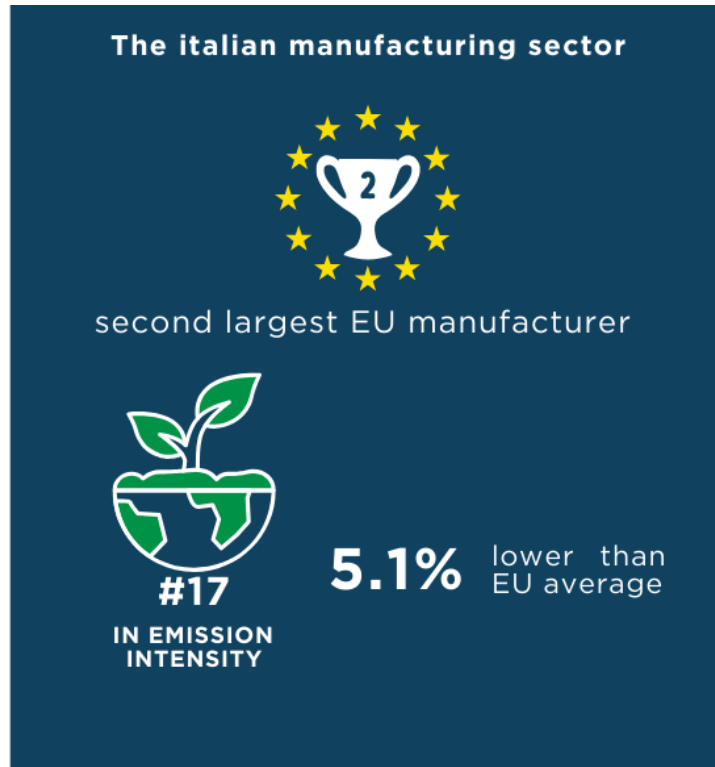
(Value added per hour worked, 2022)



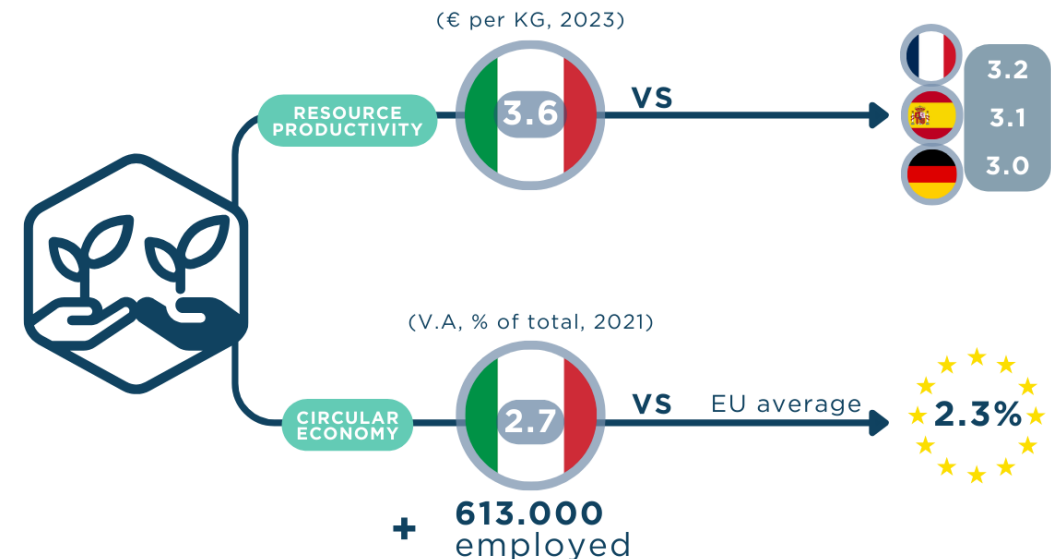
Note: All values are expressed in 2015 PPP EUR.

A sustainable economy

- Italy stands out among G20 and EU countries as a sustainable and efficient economy;

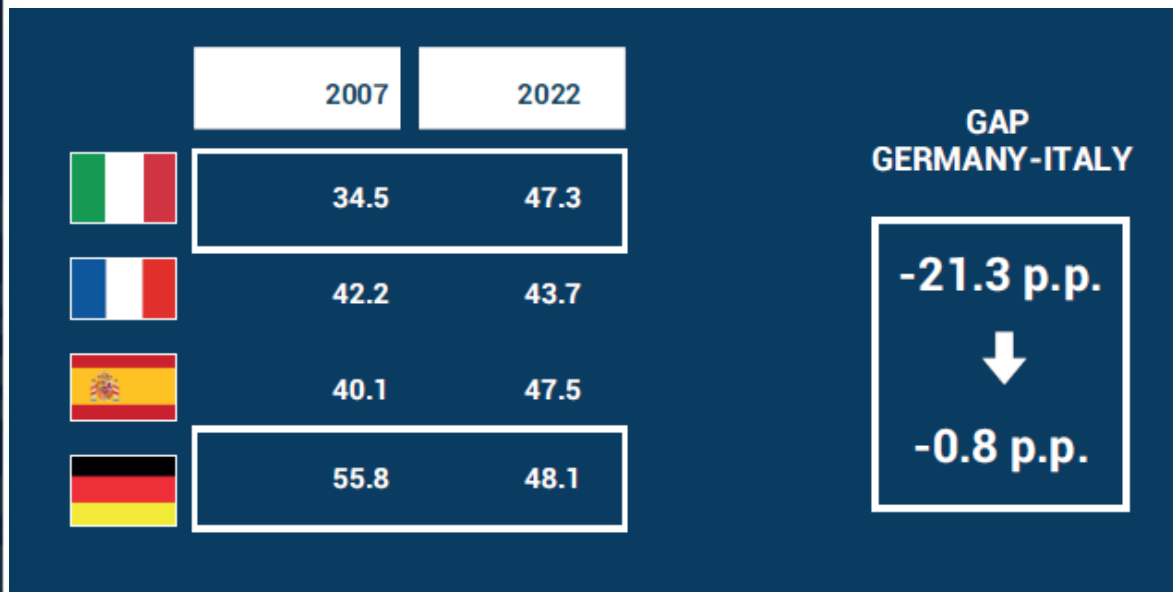


- Italy's renewable energy capacity increased by 31%, from 52.8 GW in 2013 to 69.2 GW in 2023;
- VA of Circular economy grew, on average, by 3.6 percent in 2023, compared to 1.2 for the whole economy.



A well capitalized corporate sector

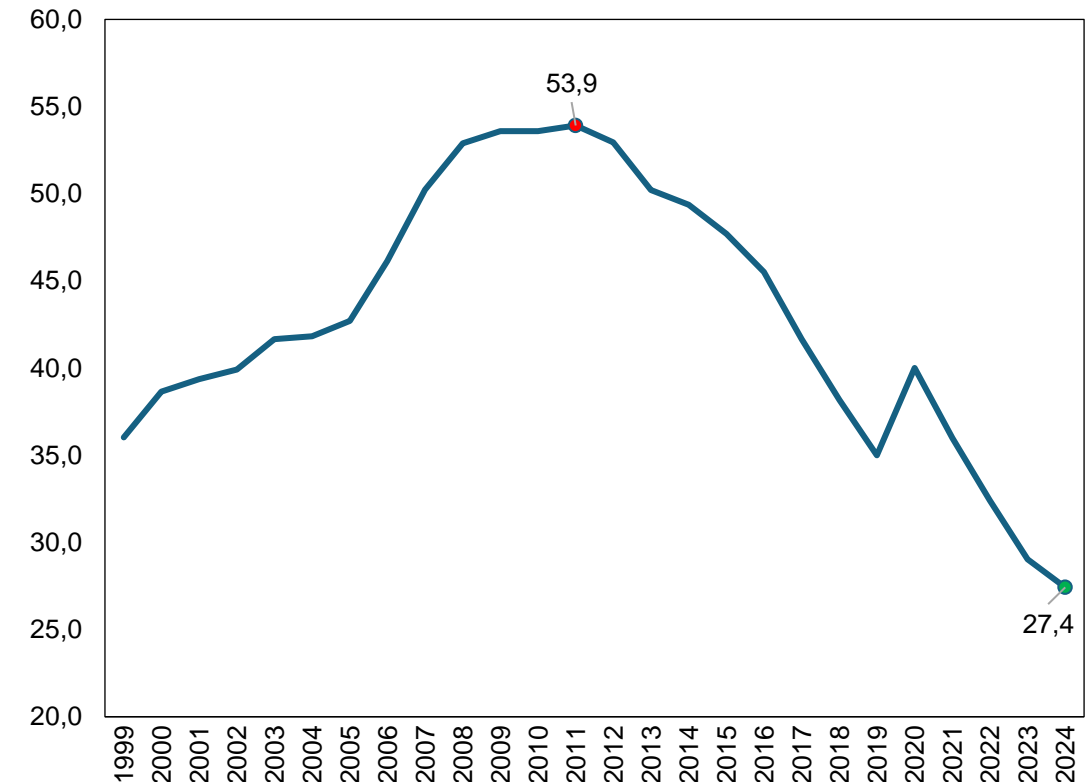
- Firms' capital buffers have been rising



- Key financial reforms:
 - ✓ Simplified path to listing
 - ✓ Minibond for SMEs

A sharp declining trend in firms' debt ratio

(Stock of non-financial firms' bank loans, % of GDP)



Miraculous catch



- If Italy won a single project as Spain did in Uzbekistan in 2022 (exceeding \$440 million, 14th per size among all ADB projects over the period 2019-2023, 1st per size awarded out of the beneficiary country) , could even increase its ADB funds by a scale of 10
- The next largest project awarded to EU27 countries is \$48.8 million, awarded to France in Sri Lanka
- Is the Spanish case misreported data? Well then it is a beautiful mistake that let us raise the bar

Thank you for your attention



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