INTESA SANPAOLO

Gulf Countries (GCC)

Trade and FDI

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Note

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Multilateral and bilateral trade with Italy recovered in 2017. Vision 2030, EXPO 2020, the FIFA World Cup 2022, and projects tied to the BRI are estimated to generate investments worth over 1,000 billion dollars.

- In the past decade, the import-export trade of Gulf countries[1] has increased significantly, to a peak of over 1,870 billion dollars in 2014. Trade volumes dropped in 2015 and 2016 to 1,469 and 1,336 billion dollars respectively (UNCTAD data), on the decline of energy prices. IIF estimates for 2017 point to a recovery in the foreign trade of Gulf countries (+8.4%), supported by the partial recovery in oil prices.
- Export data broken down by product type highlights energy products as the main item by far (54% in 2016), followed by "other goods" (20%), stones, glass and ceramics (6.5%), rubber and plastic (4%), chemical products, metals and machinery (accounting for around 3% each). Imports are led by machinery (22%), "other goods" (16%), means of transport (13%), stones, glass and ceramics (12%), agri-food products (11%), and metals (7%).
- Italy's import-export trade with the Gulf Countries peaked at 31 billion euros in 2011, subsequently dropping to 24 billion dollars in 2016 as a result of the adverse economic cycle phase in Italy (2012-14 period) and of the plunge in energy prices (2015-16). In the first 11 months of 2017, trade volumes rose back up (+15.6% y/y). Imports in particular increased (+40.8% y/y) to 12.0 billion euros, whereas exports decreased slightly (-0.6% y/y), to 13.1 billion euros.
- Italy (2017 data) mostly imports minerals (75.5%), refined oil products (11%), chemical products (5%), metals (4%), other manufacturing activities, and exports mechanical machinery (34%), electric equipment (9%), metals (9%), and textile and clothing products (6%).
- The trade balance – positive for Italy – amounted to around 5.3 billion euros in 2016 (1.1 billion euros in the first 11 months of 2017), with significant differences by country. The balance of trade is markedly negative with Iraq and Iran, given the size of energy mineral imports, but positive towards the UAE, Oman, Saudi Arabia and Bahrain, thanks to the exports of machinery and "Made in Italy" sector products.
- Based on UNCTAD data, the stock of FDI addressed to Gulf Countries amounted in 2016 to around 503 billion dollars. On the world total, the Gulf Countries account for around 1.9%. The stock of outward FDI in the same year amounted to 305 billion dollars (1.2% of the global total).
- At the end of 2016, Italy commanded FDI worth almost 20 billion dollars in the Gulf, with a presence of companies operating in the energy, construction, industrial plant building, instrumentation engineering and food sectors.
- The governments of the Gulf Countries have announced in recent years important investment plans, under the name *Vision 2030,* geared to strengthening infrastructure (transport and logistics, urban construction and tourism), supporting sector diversification, in particular to the advantage if high-tech industries, biotechnology, water processing and renewable energy sources, developing services in the healthcare, commercial, and financial fields. Ad hoc plans have also been drawn up, on occasion of important international events, such as the 2020 EXPO in the UAE, and the FIFA World Cup and athletics World Championships in Qatar. The Chinese Belt and Road Initiative, in turn, has encouraged the drafting of investment plans in the logistics segment. Based on the plans unveiled, investments are estimated to be worth over a thousand billion dollars.
- Several countries of the region offer incentives and facilitations to encourage FDI in special zones, with the application of reduced tax rates and slimmer bureaucratic and administrative processes, as well as financial incentives. The Italian Ministry of Foreign Affairs signals the existence of important investment opportunities in the fields of infrastructure, capital goods I support of production diversification, and high quality consumer goods.

[1] The Gulf Countries considered are: Saudi Arabia, Kuwait, Bahrain, Qatar, EAU, Oman (GCC), Iran and Iraq.

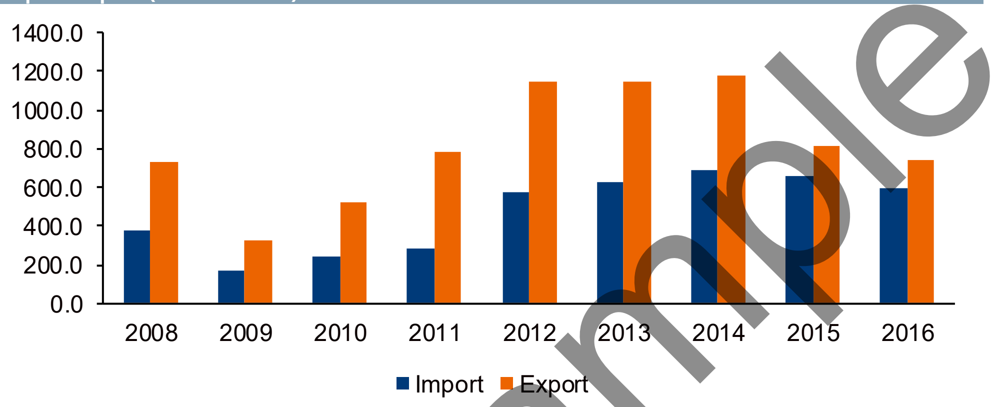
For important communication please refer to the last page

The Multilateral Trade of Gulf Countries

Import-export trade in the Gulf Countries grew considerably between 2006 and 2016, driven by the strong trend of international trade (ITC Comtrade data), both in terms of commodities (the main export item in the region), and consumer goods and investments (on the import side). Import-export trade peaked (in value) in 2014 at 1,870 billion dollars, down in the 2015-16 biennium respectively to 1,469 and 1,336 billion dollars[2], following the significant drop in energy prices. In 2016, exports had amounted to around 745 billion (from 1,182 billion in 2014), whereas imports amounted to almost 591 billion dollars (from 688 billion in 2014).

IIF estimates for 2017 point to a recovery in exports (+12.7% y/y), supported by a partial recovery in oil prices and energy prices in general (average price of Brent up by 55% vs. 2016) and, to a lesser extent, of imports (+2.6% y/y). Total import-export trade rose back to 1,447 billion dollars, up by 8.4% y/y, but stayed below the 2014 peak.

Import/Export (billion dollars)



Source: ITC Comtrade. UAE: no data for 2006-2009-2010-2011; Iran: no for 2007-2008-2009, mirror data starting from 2012; Iraq: no data until 2013, mirror data from 2015.

Trend of imports/exports (billion dollars)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*
Imports	162.0	287.1	381.8	167.1	240.0	285.0	577.8	631.1	688.0	656.0	590.8	583.5
Exports	397.4	532.6	728.6	327.8	524.7	781.5	1142.4	1148.7	1182.2	812.5	745.1	863.2
Import-export	559.4	819.7	1110.4	494.9	764.7	1066.5	1720.2	1779.8	1870.3	1468.5	1336.0	1446.7
Balance	235.3	245.4	346.7	160.7	284.7	496.5	564.6	517.6	494.2	156.5	154.3	279.8
Imp. y/y % chg.	-21.0	77.2	33.0	-56.2	43.6	18.7	102.7	9.2	9.0	-4.7	-9.9	2.6
Exp. y/y % chg.	-3.2	34.0	36.8	-55.0	60.1	48.9	46.2	0.6	2.9	-31.3	-8.3	12.7
IE trade y/y % chg.	-9.1	46.5	35.5	-55.4	54.5	39.5	61.3	3.5	5.1	-21.5	-9.0	8.4
Imports/world	1.3	2.0	2.3	1.3	1.6	1.6	3.1	3.3	3.6	4.0	3.7	
Exports/world	3.3	3.9	4.6	2.7	3.5	4.3	6.2	6.1	6.3	5.0	4.7	
Imp-Exp/world	2.3	2.9	3.4	2.0	2.5	2.9	4.7	4.7	5.0	4.5	4.2	
World y/y % chg.	15.5	15.2	15.9	-22.9	21.9	19.8	1.3	2.4	0.0	-12.6	-3.1	
Brent Price (Δ%)	52.37	1.22	58.87	-60.42	108.90	23.66	11.38	3.15	0.16	-50.33	-33.47	51.55

Source: ITC Comtrade. UAE: no data for 2006-2009-2010-2011; Iran: no for 2007-2008-2009, mirror data starting from 2012; Iraq: no data until 2013, mirror data from 2015; * 2017 Source: IIF. Changes calculated on IIF estimates for 2016.

Exports broken down by category highlight the strong predominance of minerals, and energy minerals in particular (54% in 2016), followed by "Miscellaneous products" (20.3%), stones, glass and ceramics (6.5%), rubber and plastic (3.8%), and chemical products (3.2%). Major import

[2] Data as at 2016 still provisional, and based on mirror data for Iran and Iraq.

items are machinery (overall percentage of almost 22% in 2016), "Miscellaneous products" (16%), Transport equipment (13%), stones, glass and ceramics (12%), agri-food products (11%).

Imports broken down by product category (2016)

	%	USD Bn
Rubber and plastic	2.9	17.42
Wood, paper and print	1.6	9.64
Machinery	21.8	128.70
Miscellaneous products	15.9	93.80
Metals	6.9	40.79
Transport equipment	12.7	75.11
Minerals	2.7	15.96
Furniture	1.3	7.90
Stones, glass and ceramics	12.3	72.39
Agricultural products, food and tobacco	10.8	64.06
Chemical products	6.4	37.76
Textiles, clothing, shoes and leather	4.6	27.32

Note: * Provisional data; mirror data for Iran and Iraq.
Source: Intesa Sanpaolo elaborations on ITC Comtrade data

Exports broken down by product category (2016*)

	%	USD Bn
Rubber and plastic	3.8	28.10
Wood, paper and print	0.4	2.93
Machinery	2.9	21.97
Miscellaneous products	20.3	151.29
Metals	3.0	22.04
Transport equipment	2.6	19.01
Minerals	54.4	405.72
Furniture	0.1	0.99
Stones, glass and ceramics	6.5	48.75
Agricultural products, food and tobacco	2.0	14.93
Chemical products	3.2	23.85
Textiles, clothing, shoes and leather	0.7	5.56

Note: * Provisional data; mirror data for Iran and Iraq.
Source: Intesa Sanpaolo elaborations on ITC Comtrade data

Broken down data on the imports of the various countries show that the machinery component is predominant across the board, with shares in excess of 29% in Qatar, Kuwait and Iran, and 16% in the Emirates. The main components of the Transport equipment item are vehicles and aircraft. The most important share is commanded by Qatar, with over 19%, as opposed to just over 5% for Iraq. Stones mostly include precious stones and metals, in particular jewellery and diamonds. The main importers of this category of products are the UAE (stones, glass and ceramics, which include precious stones and metals, account for around 20% of the total imported by the country), Iraq (12%), Oman and Iran (6%), Kuwait and Bahrain (5%), Qatar and Saudi Arabia (4%). The largest importers of agri-food products are Iraq, with almost 20%, Oman (16%), Kuwait, Saudi Arabia and Iran with 15%, followed by Bahrain (12%), Qatar (10%) and the UAE (6%). Imported minerals mostly consist of refined oil and iron ore. Minerals account for over one fourth of Bahrain's total imports (26%), led by crude oil. The main items which make up the "metals" category are iron and steel, as also commodities. The main importers of metals are Oman (13%), followed by Kuwait (11%), Qatar (10%), and Saudi Arabia (9%).

Import breakdown by sector and country in % terms (2016*)

Quote %	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	UAE	Total GCC	Iran	Iraq	Total Gulf
Rubber and plastic	2.9	3.1	4.1	3.2	3.7	1.8	2.6	5.4	4.4	2.9
Wood, paper and print	1.9	2.1	1.7	1.7	2.3	0.8	1.4	3.2	2.1	1.6
Machinery	16.5	29.5	22.8	29.3	27.4	15.9	20.9	29.1	23.1	21.8
Miscellaneous products	0.6	1.1	0.7	4.0	4.5	30.7	18.1	2.3	4.9	15.9
Metals	5.3	10.9	13.0	9.7	9.2	4.4	6.8	7.9	7.2	6.9
Transport equipment	16.2	13.2	12.8	19.3	16.8	11.0	13.4	11.2	5.2	12.7
Minerals	25.9	2.2	12.3	4.0	1.4	1.5	2.9	0.7	3.0	2.7
Furniture	1.2	2.2	1.4	2.7	1.6	0.8	1.2	1.3	2.6	1.3
Stones, glass and ceramics	4.6	5.3	6.0	4.3	3.7	20.3	12.9	6.1	12.2	12.3
Agricultural products, food and tobacco	12.0	15.3	15.7	10.1	15.0	6.0	9.8	14.9	19.9	10.8
Chemical products	8.8	9.0	7.5	7.3	9.3	3.9	6.1	8.6	6.7	6.4
Textiles and clothing	4.1	6.2	2.0	4.3	5.2	3.1	3.8	9.2	8.7	4.6
Total (billion dollars)	14.75	30.83	23.26	32.06	129.80	270.88	501.57	55.06	34.21	590.84

Note: * Provisional data; mirror data for Iran and Iraq. Source: Intesa Sanpaolo elaborations on ITC Comtrade data

Although the predominant export item for all the countries in the region, with the exception of the UAE, are energy minerals, there are some peculiarities in terms of the type of specialisation in the non-hydrocarbon sector. In Bahrain, metals are the second export item, accounting for around 19% of the total, which include iron ore and steel in the first stages of processing, in addition to aluminium and machined aluminium. Oman also exports Transport equipment (11%), chemical products (6%) and agri-food products (6%). Kuwait exports chemical products (3%), as also Qatar (6%), in addition to rubber and plastic products (5%), and in Saudi Arabia as well chemical products (5.5%) hold relative weight, together with processed rubber and plastic (7%). A similar situation is found in Iran, where chemicals account for around 6% of exports, as also rubber and la plastic (6%). Important export items for the UAE are also stones, glass and ceramics (15%), in particular gold and diamonds in the initial stages of processing. In addition to minerals, which account for almost 95% of the total, Iraq exports stones, glass and ceramics, which account for the residual 5% (with jewellery products).

These percentages, on exports in particular, are based in part on mirror data (which exclude part of energy transits). It should also be noted in UAE exports, the "Miscellaneous products" item has progressively increased in importance (from 22% in 2012 to 50% in 2016), effectively compressing the weight of other items, and in particular minerals (down in the same period from 34% to 16%).

Exports broken down by product category for each country in % terms (2016*)

Quote %	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	UAE	Total GCC	Iran	Iraq	Total Gulf
Rubber and plastic	1.8	1.5	1.6	5.1	7.0	2.1	3.9	6.0	0.0	3.8
Wood, paper and print	0.6	0.2	0.2	0.0	0.4	0.6	0.4	0.0	0.0	0.4
Machinery	7.5	0.9	3.2	1.7	1.4	5.2	3.3	0.7	0.0	2.9
Miscellaneous products	0.2	0.3	0.2	0.3	0.3	50.3	23.3	0.6	0.0	20.3
Metals	18.6	0.5	5.7	3.2	1.8	3.4	3.0	4.9	0.0	3.0
Transport equipment	3.3	1.7	10.6	1.5	1.9	3.4	2.9	0.1	0.0	2.6
Minerals	54.6	89.7	64.7	81.9	79.0	15.6	49.8	76.2	94.6	54.4
Furniture	0.7	0.1	0.2	0.0	0.0	0.2	0.2	0.0	0.0	0.1
Stones, glass and ceramics	2.2	0.4	1.2	0.2	0.7	14.6	7.1	0.8	4.9	6.5
Agricultural products, food and tobacco	2.9	1.1	5.7	0.1	1.7	2.3	2.0	4.2	0.3	2.0
Chemical products	3.7	3.3	6.4	5.8	5.5	0.9	3.3	5.7	0.0	3.2
Textiles and clothing	4.2	0.3	0.2	0.1	0.3	1.3	0.8	0.6	0.1	0.7
Total (billion dollars)	12.89	46.24	24.45	57.31	207.57	298.65	647.12	48.64	49.37	745.14

Note: * Provisional data; mirror data for Iran and Iraq. Source: Intesa Sanpaolo elaborations on ITC Comtrade data

For some states, trade balances are affected by incomplete data in the mineral segment, a leading export item for the countries of the region, due to the use of mirror data. In any case, the importance of the deficit in the machinery segment must be stressed, especially evident in Saudi Arabia, the Emirates and Iran, as is also the case for agri-food products. Bahrain can boast a positive trade balances the metals, whereas Saudi Arabia, the UAE and Qatar show surpluses in the trade of rubber and plastic.

Broken down trade balance for each country (2016)

Billion dollars	Bahrain*	Kuwait*	Oman	Qatar	Saudi Arabia*	UAE*	Total GCC	Iran*	Iraq*	Total Gulfo
Rubber and plastic	-0.19	-0.28	-0.54	1.88	9.75	1.60	12.21	-0.05	-1.49	10.68
Wood, paper and print	-0.20	-0.54	-0.35	-0.53	-2.23	-0.39	-4.24	-1.77	-0.70	-6.71
Machinery	-1.47	-8.68	-4.53	-8.42	-32.66	-27.40	-83.17	-15.68	-7.88	-106.73
Miscellaneous products	-0.07	-0.22	-0.12	-1.11	-5.35	66.99	60.13	-0.98	-1.66	57.49
Metals	1.62	-3.13	-1.62	-1.27	-8.24	-1.69	-14.34	-1.96	-2.44	-18.74
Transport equipment	-1.96	-3.29	-0.39	-5.31	-17.88	-19.41	-48.24	-6.08	-1.78	-56.10
Minerals	3.21	40.80	12.96	45.67	162.19	42.58	307.41	36.69	45.66	389.76
Furniture	-0.09	-0.62	-0.27	-0.86	-2.02	-1.42	-5.28	-0.73	-0.90	-6.91
Stones, glass and ceramics	-0.40	-1.43	-1.09	-1.29	-3.25	-11.47	-18.92	-2.97	-1.75	-23.64
Agricultural products, food and tobacco	-1.41	-4.21	-2.24	-3.17	-15.83	-9.42	-36.27	-6.17	-6.69	-49.13
Chemical products	-0.82	-1.24	-0.18	0.97	-0.59	-7.80	-9.65	-1.97	-2.28	-13.91
Textiles and clothing	-0.07	-1.76	-0.44	-1.32	-6.10	-4.40	-14.08	-4.75	-2.93	-21.76
Total	-1.86	15.42	1.19	25.25	77.78	27.77	145.55	-6.41	15.16	154.30

*I Provisional data and mirror data for Iran and Iraq Source: Intesa Sanpaolo elaborations on ITC Comtrade data

The geographical breakdown of data is based unfortunately on uneven data, as some countries cannot provide updated data: broken down data is available only up to 2011 for Iran, and up to 2014 for Iraq.

The main market for both exports and imports is Asia, which accounts for entertain almost 44% of Gulf Country imports and 35% of exports. Within the Asian continent, China and India play a leading role, followed by Gulf area countries: the latter account for over 12% of imports, and over 8% of exports, whereas from China and India the Gulf Countries acquire 17% of imports, and sell 12% of exports. Europe is relatively important as a supplier, with a share of 22%, but is a much smaller customer, accounting for a share of around 8%.

As regards the geographical destination of exports, and oil exports in particular, it should be noted that part of the exports of energy minerals transit without customs destination, often from terminals which enjoy extra-territorial status, classified in statistics as "unspecified areas".

Geographical breakdown of imports (2016*)

	%
Europe	**22.2**
of which: EU27	17.5
Asia	**43.9**
of which: Gulf	12.1
China, India and Taiwan	17.0
Americas	**10.7**
USA and Canada	8.9
Africa	**4.7**
North Africa	1.4
Other, unspecified areas	**18.5**

Note: * Data as at 2014 for Iraq and al 2011 for Iran
Source: Intesa Sanpaolo elaborations on ITC Comtrade data

Geographical breakdown of exports (2016*)

	%
Europe	**7.6**
of which: EU27	2.9
Asia	**35.4**
of which: Gulf	8.4
China, India and Taiwan	11.6
Americas	**1.2**
USA and Canada	0.9
Africa	**2.4**
Nord Africa	0.8
Other, unspecified areas	**53.4**

Note: * Data as at 2014 for Iraq and 2011 for Iran
Source: Intesa Sanpaolo elaborations on ITC Comtrade data

Sanctions against Iran

Trade and financial relations with Iran have undergone progressive restrictions in the past by the major world communities and some states, only to be removed in part again in 2016.

Ever since 1979, the year of the Iranian revolution, the United States froze all trade relations with Iran, other than those tied to aid, medicines and the media sector. Embargo measures were introduced by the United Nations and the European Union in 2002[3], and intensified in 2011, following the Teheran government's refusal to collaborate with the International Atomic Energy Agency (IAEA) on an assessment of the country's plans to develop nuclear power stations and uranium enrichment plants. The sanctions progressively led to the freezing of trade in military technology and armaments, and of all energy and non-energy minerals, their derivatives and semi-processed products, as well as exports of all the components necessary for the extraction and use of energy minerals, technological, and dual use products.[4] Transactions were also blocked with the country's financial institutions and banks, including the central bank, insurance business services companies, and financial goods and transfers were prohibited. The impact on the economy has been particularly significant.

In July 2015, the countries of the 5+1 Group (USA, Russia, France, the United Kingdom, China, Germany) signed an agreement (reversible) to gradually remove sanctions in the event of Iran stepping down its nuclear commitment and allowing IAEA controls of Iranian sites. Respect of the

3 http://ec.Europe.eu/trade/policy/countries-and-regions/countries/iran/

4 http://www.ispionline.it/it/articoli/articolo/sicurezza-mediterraneo-medio-oriente/background-le-sanctions-contro-liran-11656

conditions led in January 2016 to the removal of part of the 5+1 Group sanctions[5]. Starting in August 2017, the USA began considering the unilateral reinstatement of sanctions. Faced with this prospect, President Rouhani warned of the possibility of Iran reopening its nuclear programme. Last January, however, all countries of the 5+1 Group renewed the extension of the suspension of sanctions for a further four months, following verification by IAEA of failure to respect the terms of the agreement.

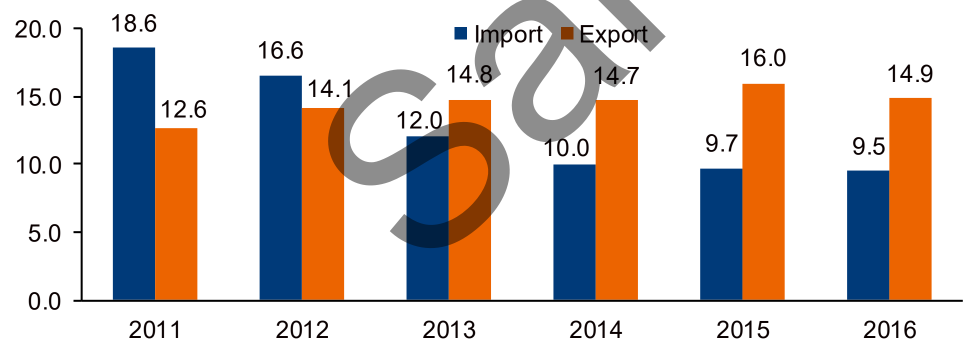
Italy's import-export trade

Italy's import-export trade with the Gulf Countries increased over the years, and in 2011 totalled around 31 billion euros. Since 2012, trade has progressively slowed, due both to internal tensions in some countries of the region, and to the slowdown of the global economy, and of the Italian economy in particular. The trend of commodity prices since 2015, and of energy commodities especially, has also played a role. Data on 2016 show a contraction (-5.3% y/y), with the value of import-export trade on the decline to 24.4 billion euros. Imports stabilised somewhat (-2.2% y/y), levelling off at 9.5 billion euros in value, whereas exports decreased more (-7.2% y/y), dropping to 14.9 billion euros.

Data referred to the first 11 months of 2017 outline a sharp recovery in imports (+40.8% y/y), explained by recovery of commodity prices, by the appreciation of the euro against the dollar, by the acceleration of domestic demand, by the resumption of energy mineral imports from Iran: imports totalled 12 billion dollars in value, whereas exports decreased somewhat (-0.6% y/y) to 13.1 billion dollars.

Trade with the Gulf Countries account for around 3.1% Italy's total trade balance in 2016 and 3.2% in the first 11 months of 2017.

Trend of Italy's import/export trade with the Gulf Countries (billion euros)



Source: Istat

5 http://www.ispionline.it/it/articoli/articolo/mediterraneo-medio-oriente/cadono-le-sanctions-international-si-apre-un-nuovo-capitolo-liran-14457; http://www.confindustria.vr.it/confindustria/verona/istituzionale.nsf/($linkacross)/2DB7F406B26BAAEAC1257F41005D14B7/$file/Iran_Nota%20Informativa_genn%202016.pdf?openelement

Italy's import-export trade (billion euros)	2008	2009	2010	2011	2012	2013	2014	2015	2016
Imports	12.9	7.3	13.4	18.6	16.6	12.0	10.0	9.7	9.5
Exports	13.8	11.1	11.0	12.6	14.1	14.8	14.7	16.0	14.9
Balance	1.0	3.8	-2.4	-5.9	-2.4	2.8	4.7	6.3	5.3
Import-export trade	26.7	18.4	24.4	31.2	30.7	26.8	24.7	25.7	24.4
Imports: y/y % chg	14.0	-43.3	83.6	38.6	-10.9	-27.4	-17.0	-2.5	-2.2
Exports: y/y % chg	12.2	-19.7	-1.2	15.1	11.8	4.8	-0.7	8.9	-7.2
Import-export trade: y/y % chg	13.0	-31.1	32.4	28.0	-1.7	-12.6	-8.0	4.3	-5.3
Share of world imports	3.4	2.5	3.6	4.6	4.4	3.3	2.8	2.6	2.6
Share of world exports	3.7	3.8	3.3	3.4	3.6	3.8	3.7	3.9	3.6
Share of world import-export trade	3.6	3.1	3.5	4.0	4.0	3.6	3.3	3.3	3.1
EUR/USD	1.46	1.39	1.43	1.34	1.30	1.32	1.38	1.21	1.09
Brent oil price: y/y % chg.	58.87	-60.42	108.90	23.66	11.38	3.15	0.16	-50.33	-33.47

Source: Istat

Italy's import-export trade (billion euros) January-November 2016*	
Imports	8.5
Exports	13.2
Balance	4.7
Import-export trade	21.7
Imports: y/y % chg.	-6.2
Exports: y/y % chg.	-8.2
Import-export trade: y/y % chg.	-7.4
Share of world imports	2.5
Share of world exports	3.5
Share of world import-export trade	3.0

Note: (*) revised data. Source: Istat

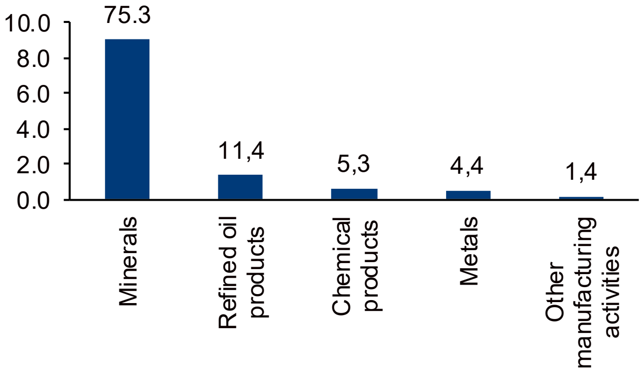
Italy's import-export trade (billion euros) January-November 2017*	
Imports	12.0
Exports	13.1
Balance	1.1
Import-export trade	25.1
Imports: y/y % chg.	40.8
Exports: y/y % chg.	-0.6
Import-export trade: y/y % chg.	15.6
Share of world imports	3.2
Share of world exports	3.2
Share of world import-export trade	3.2

Note: (*) provisional data. Source: Istat

In the first 11 months of 2017, Italy mostly imported mining products (75.5%), in particular oil and natural gas. Refined oil products ranked second (11.4%), followed by chemical products (5.3%), and especially organic chemistry products and plastic materials in unprocessed forms, metals (4.4%), mostly made up of aluminium and iron, other manufacturing activities (1.4%).

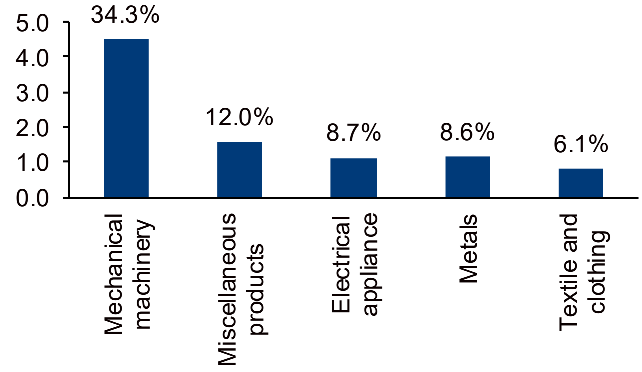
Italian exports mostly consisted of machinery and equipment, which accounted for over 46% of total Italian exports to the Gulf Countries in the year. Mechanical equipment and machinery represented 34.3% of this portion (machinery for special and generic uses, refrigerators, pumps and compressors, taps and valves, motors, lifting machines, and machinery for the food and extraction sectors), followed by electrical machinery (8.7%), led by generators and transformers, equipment for power distribution networks and control, electrical appliances, cables, electronic machinery and computers (3.2%). "Miscellaneous products" follow (12%), represented by jewellery, metals and processed metal items (8.6%), mostly pipes, metal structures, locks, tools, weapons and ammunition, various articles in metal, and textiles and clothing (6.1%).

Shares of Italian imports from the Gulf Countries broken down by sector (2017*)



Note: (*) January–November provisional data. Source: Istat

Shares of Italian exports by sector vs. the Gulf Countries (2017*)



Note: (*) January–November provisional data. Source: Istat

A breakdown of Italian imports from the various Persian Gulf countries highlights interesting differences. While for most countries mining products play a decisive role, with generally very high shares (over 99% for Iraq, 91% for Kuwait, 89% for Iran, and 85% for Qatar), for other countries, such as the Emirates, Oman and Bahrain they are by all means very marginal, with refined oil products leading the way. Imports of oil derivatives amount to over 56% of the total for the Emirates, over 13% for Bahrain and almost 22% for Saudi Arabia. Imports from Bahrain mostly include metals (72%, principally aluminium), refined oil products (13%), and rubber and plastic (12%). Oman also supplies Italy with metals (58%, iron, cast iron and steel in unprocessed forms, aluminium) and chemical products (25%, organic chemistry products and plastic materials in unprocessed forms). Metals are also purchased from the Emirates (24%, aluminium and precious metals) and Iran (5%, various metal products and aluminium).

Percentage shares of Italian imports to the Gulf Countries by sector in % (January-November 2017*)

Quote %	Saudi Arabia	Kuwait	Bahrain	Qatar	UAE	Oman	GCC	Iran	Iraq	Gulf Countries
Agricultural products	0.00	0.00	0.00	0.00	0.09	1.65	0.03	1.17	0.00	0.31
Mining products	60.33	90.71	0.00	85.09	0.00	0.00	59.50	88.65	99.60	75.28
Food products, beverages	0.08	0.00	0.00	0.00	0.18	6.37	0.12	0.43	0.17	0.20
Textile products, clothing	0.11	0.16	0.36	0.20	0.72	0.19	0.23	0.17	0.18	0.20
Wood and wooden products	0.12	0.00	0.01	0.00	0.05	0.08	0.07	0.01	0.00	0.04
Refined oil products	21.76	5.42	13.38	2.90	56.21	0.07	20.47	1.65	0.00	11.42
Chemical products	12.93	3.09	0.00	7.05	3.35	24.89	8.81	2.10	0.00	5.27
Pharmaceuticals	0.06	0.00	0.00	0.00	0.01	1.66	0.04	0.01	0.00	0.02
Rubber and plastic	0.69	0.01	12.33	0.01	3.77	2.84	1.11	0.05	0.00	0.61
Metals and metal products	1.03	0.10	72.04	0.01	24.38	57.65	5.65	5.27	0.01	4.37
Electronic equipment, computers	0.07	0.07	0.13	0.11	0.45	0.14	0.13	0.02	0.00	0.08
Electrical equipment	0.04	0.01	0.06	0.17	0.75	0.48	0.16	0.31	0.00	0.17
Mechanical machinery	0.20	0.08	0.21	0.20	2.11	1.47	0.46	0.08	0.02	0.27
Transport equipment	0.24	0.08	0.05	0.44	1.92	1.48	0.50	0.07	0.00	0.28
Miscellaneous products	0.04	0.04	0.79	0.14	1.21	0.06	0.23	0.01	0.00	0.13
Other manufacturing activities	2.30	0.23	0.65	3.68	4.80	0.95	2.50	0.02	0.02	1.35
Total (billion euros)	3.20	1.09	0.10	1.07	0.92	0.05	6.44	3.02	2.52	11.97

Note: (*) revised data. Source: Istat

Exports of mechanical machinery are addressed to Iraq, where they account for almost 57% of the total, Oman and Iran (both with 54%), Kuwait (39%), Saudi Arabia (36%), Bahrain and the Emirates (both with 24% shares), and Qatar (23%). Miscellaneous products, which include Italian jewellery products, are mostly exported to the Emirates (22%), Qatar (13%), Bahrain (11%), Kuwait (7%), and Saudi Arabia (6%), whereas metals are mostly sold to Oman (15%), Kuwait (14%), Qatar (10%), Bahrain and Saudi Arabia (both with shares of around 8%). Textile products and clothing stand out in Qatar (12%) and Bahrain (10%), followed by Kuwait and the Emirates (both with around 8% shares).

Percentage shares of Italian exports to the Gulf Countries by sector (January-November 2017*)

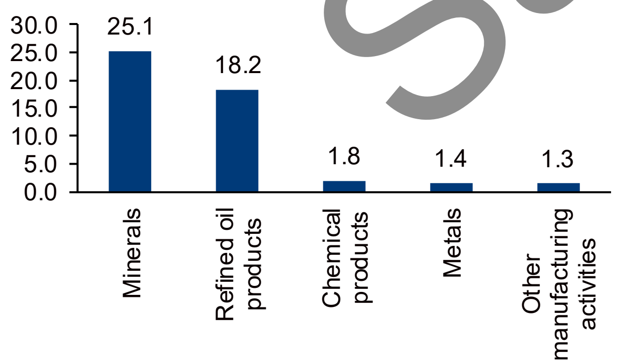
	Saudi Arabia	Kuwait	Bahrain	Qatar	UAE	Oman	GCC	Iran	Iraq	Gulf Countries
Agricultural products	1.58	0.31	0.92	0.61	1.58	0.51	1.32	0.26	1.38	1.20
Mining products	0.10	0.06	0.07	0.23	0.42	0.07	0.24	0.43	0.07	0.26
Food products, beverages	4.70	4.61	8.36	3.76	3.39	1.95	3.98	1.51	2.44	3.63
Textile products, clothing	4.76	7.99	9.92	12.01	7.64	1.40	6.81	2.49	1.84	6.11
Wood and wooden products	1.58	1.01	1.17	2.96	1.84	0.64	1.69	1.10	0.99	1.59
Refined oil products	8.74	0.01	0.08	0.12	3.89	0.01	4.51	0.10	0.21	3.82
Chemical products	6.34	3.24	5.91	4.09	5.99	2.22	5.51	9.07	3.13	5.82
Pharmaceuticals	2.33	0.89	0.27	0.39	0.84	0.43	1.25	3.11	2.46	1.52
Rubber and plastic	4.76	6.18	6.76	8.56	4.47	3.53	5.03	4.98	3.03	4.95
Metals and metal products	8.20	13.72	8.31	9.67	7.26	14.99	8.77	7.07	9.06	8.59
Electronic equipment, computers	2.68	2.43	8.02	2.20	3.76	2.25	3.18	3.08	2.37	3.14
Electrical equipment	8.55	8.23	8.80	12.97	8.15	8.98	8.70	7.76	10.93	8.68
Mechanical machinery	35.95	39.51	24.03	22.99	23.64	54.06	30.60	53.51	56.84	34.33
Transport equipment	3.65	5.17	6.42	6.17	4.76	5.60	4.63	1.85	2.49	4.22
Miscellaneous products	5.89	6.56	10.72	13.12	22.14	3.16	13.59	3.65	2.67	11.99
Other manufacturing activities	0.17	0.09	0.24	0.13	0.24	0.19	0.19	0.04	0.09	0.17
Total (billion euros)	3.53	1.05	0.23	0.83	4.85	0.57	11.05	1.53	0.53	13.11

Note: (*) provisional data. Source: Istat

The trade balance is positive overall for Italy: in the first 11 months of 2017, the surplus amounted to around 1.1 billion euros (5.3 billion euro in 2016 as a whole). The largest deficit was recorded in 2011, at 5.9 billion euros. Within the region, however, there are significant differences: whereas the trade balance is negative towards Iran, Iraq and, to a lesser extent, Qatar and Kuwait, given the size of energy mineral imports from these economies (in the first 11 months of 2017 respectively -1.5, -2.0, -0.2 and -0.04 billion euros), Italy shows a trade surplus against UAE (+3.9 billion euros), Oman (+0.5 billion), Saudi Arabia (+0.3 billion), and Bahrain (+0.1 billion euros).

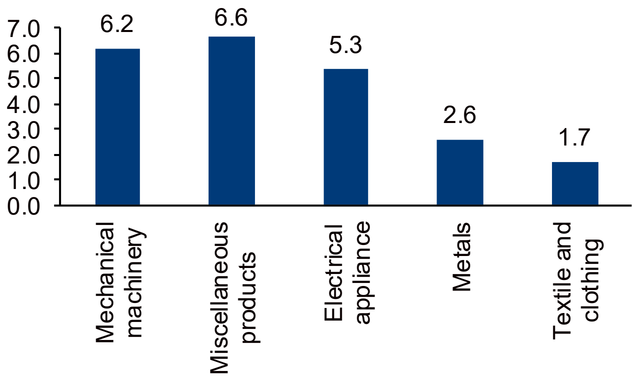
Foe what concerns the shares of Italian imports and exports by sector, the Gulf Countries account for over 25% of the imports of mining products and over 18% of refined oil products; on the export side, the absorb almost 7% of Miscellaneous products, over 6% of mechanical machinery, and over 5% of electrical equipment.

% share of total Italian sector imports from the Gulf Countries (2017*)



Note: (*) January – November provisional data. Source: Istat

% share of total Italian sector exports to the Gulf Countries (2017*)



Note: (*) January – November provisional data. Source: Istat

The net balance of the main product categories which made up import-export trade with the Gulf Countries in the first 11 months of 2017 outlines positive net exports for Italy in terms of mechanical machinery to all the economies (1.4 billion euros to Saudi Arabia, around 1.2 billion to UAE, and around 840 million euros to Iran), Various goods (mostly represented by jewellery items), electrical equipment, Transport equipment, textiles and clothing, and rubber and plastic. The trade balance for chemical products is negative towards Saudi Arabia and Qatar, and positive towards UAE, Bahrain, Iran and Iraq. Balances differ in sign also in the metals segment: positive against all the countries except Iran, towards which Italy shows a deficit of 51 million euros, and Bahrain with a deficit of 55 million euros. Refined oil products result in a deficit towards all the countries of the region, except Iraq, with a surplus of around one million euros. The deficit towards Saudi Arabia and the Emirates are particularly large, respectively worth around 388 million euros and 328 million. The balance in terms of mining products is markedly negative, especially towards Iran, Iraq and Saudi Arabia (respectively 2.7 billion euros towards Iran, 2.5 towards Iraq, and 1.9 towards Saudi Arabia), as also towards Kuwait (988 million euros), and Qatar (911 million euros). The Emirates, Bahrain and Oman show a very marginal surplus, explained by Italian exports of ornamental construction materials.

Italy's sector trade balances by country (January-November 2017*)

Million euros	Saudi Arabia	Kuwait	Bahrain	Qatar	UAE	Oman	Total GCC	Iran	Iraq	Total The Gulf Countries
Agricultural products	55.9	3.2	2.1	5.0	75.9	2.0	144.2	-31.2	7.3	120.3
Mining products	-1927.3	-986.7	0.2	-910.5	20.2	0.4	-3803.8	-2668.8	-2505.6	-8978.2
Food products, beverages	163.5	48.4	18.9	31.1	162.9	7.6	432.4	10.1	8.7	451.3
Textile products, clothing	164.7	82.2	22.0	97.3	364.1	7.8	738.1	32.8	5.3	776.3
Wood and wooden products	52.0	10.5	2.6	24.5	88.9	3.6	182.2	16.7	5.2	204.1
Refined oil products	-387.5	-58.9	-13.6	-30.1	-328.8	0.0	-818.9	-48.5	1.1	-866.3
Chemical products	-189.8	0.4	13.3	-41.7	259.9	-0.7	41.4	75.1	16.6	133.0
Pharmaceuticals	80.3	9.4	0.6	3.3	40.5	1.5	135.6	47.3	13.0	195.9
Rubber and plastic	146.1	64.8	2.6	70.8	182.2	18.5	485.0	74.3	16.0	575.4
Metals and metal products	256.6	143.0	-55.3	79.9	127.9	54.1	606.2	-51.0	47.8	603.0
Electronic equipment, computers	92.6	24.7	18.0	17.0	178.1	12.7	343.1	46.5	12.5	402.0
Electrical equipment	300.8	86.4	19.8	105.6	388.4	50.6	951.5	109.0	57.8	1118.3
Mechanical machinery	1263.5	414.1	54.0	188.1	1127.2	305.3	3352.3	814.3	300.5	4467.0
Transport equipment	121.0	53.4	14.4	46.3	213.2	30.9	479.4	26.0	13.2	518.6
Miscellaneous products	206.9	68.4	23.4	107.2	1062.9	17.9	1486.6	55.3	14.2	1556.1
Other manufacturing activities	-67.6	-1.5	-0.1	-38.4	-32.5	0.6	-139.5	0.1	0.0	-139.4
Total	**331.8**	**-38.1**	**122.9**	**-244.5**	**3930.9**	**512.8**	**4615.6**	**-1492.1**	**-1986.4**	**1137.2**

Note: (*) provisional data. Source: Istat

There are no particular changes compared to data for 2016 as a whole: the largest deficits are generated by mining products, specifically towards Iraq (-2.9 billion euros), Saudi Arabia (1.6 billion euros), Kuwait and Qatar (both with around 0.8 billion euros), Iran (0.7 billion euros), as also by refined oil products towards the Emirates (0.2 billion euros). A substantial surplus was recorded by machinery sales to the Emirates (1.9 billion euros), Saudi Arabia (1.8 billion euros), Iran (just under one billion euros) and Kuwait (around half a billion euros). A substantial positive trade balance was recorded in the segment of Miscellaneous products towards the Emirates (1.2 billion euros), textiles and clothing also towards the Emirates (0.4 billion euros), and metals towards Saudi Arabia and Kuwait (both with around 0.2 billion euros).

Italy's sector trade balances by country (2016*)

Million euros	Saudi Arabia	Kuwait	Bahrain	Qatar	UAE	Oman	Total GCC	Iran	Iraq	Total The Gulf Countries
Agricultural products	73.4	4.5	2.0	4.4	117.3	2.0	203.6	-24.7	6.0	184.8
Mining products	-1592.2	-826.5	0.1	-767.8	5.2	0.5	-3180.7	-701.4	-2931.3	-6813.4
Food products, beverages	205.1	52.5	16.7	30.9	197.8	9.6	512.6	3.0	12.2	527.8
Textile products, clothing	181.8	85.0	24.3	95.1	404.0	7.2	797.5	28.5	1.6	827.5
Wood and wooden products	50.8	8.3	3.5	17.7	88.5	3.9	172.8	17.9	4.6	195.2
Refined oil products	270.7	-18.9	-62.6	-7.2	-190.9	36.4	27.5	-2.0	0.1	25.6
Chemical products	-253.3	-31.4	19.3	-88.0	274.2	4.4	-74.9	82.3	20.5	28.0
Pharmaceuticals	79.4	9.7	1.1	2.2	46.7	0.2	139.3	44.1	13.9	197.4
Rubber and plastic	189.6	80.3	19.2	70.7	221.0	23.6	604.3	85.7	18.5	708.5
Metals and metal products	219.8	177.4	-32.2	49.6	-48.1	78.3	444.9	-113.7	67.7	398.9
Electronic equipment, computers	88.3	13.4	8.1	14.8	243.6	23.6	391.9	46.6	28.0	466.5
Electrical equipment	346.3	101.8	13.0	104.0	444.8	36.2	1046.2	95.4	82.5	1224.1
Mechanical machinery	1392.5	375.9	50.3	265.3	1188.9	288.6	3561.5	839.3	309.7	4710.5
Transport equipment	145.3	63.2	54.3	68.8	279.2	230.7	841.4	35.6	25.4	902.3
Miscellaneous products	243.5	70.7	23.1	126.6	1232.5	20.2	1716.6	55.1	15.4	1787.1
Other manufacturing activities	-12.4	0.3	-0.9	1.9	-25.6	0.2	-36.6	0.1	0.6	-35.9
Total	1628.7	166.1	139.2	-10.9	4479.1	765.5	7167.8	491.9	-2324.6	5335.0

Note: (*) provisional data. Source: Istat

Foreign direct investments

The stock of FDI in the Gulf Countries in 2016 amounted to around 503 billion dollars, based on UNCTAD data, up by 30% compared to 2011 (387 billion dollars), and by 3% compared to 2015 (488 billion dollars). The Gulf Countries account for around 1.88% of the world total (from 1.84% in 2011). The GCC countries attract the most FDI, worth 445 billion dollars in 2016 (1.66% of the world total).

Data broken down by country shows a prevalence (in absolute values) of FDI directed to Saudi Arabia, where the stock amounted to around 231.5 billion dollars in 2016. The Emirates follow with 117.9 billion dollars, and Iran with 48.5 billion dollars.

The trend of FDI flows in the past five years shows that the evolution of foreign capital movements addressed to the various Gulf Countries has been mixed over time. While direct foreign investment flows directed to Saudi Arabia decreased from over 16 billion dollars in 2011 to 7.5 billion dollars in 2016, as also those addressed to Iraq, from 2 billion dollars to -6 billion dollars (peaking in 2014 at -10.3 billion dollars), between 2014 and 2016 Qatar experienced a general stabilisation at around one billion dollars. FDI flows to Iran, after reaching 4.7 billion dollars in 2012, dropped to 2.1 billion dollars in 2014 and 2015, also as a result of the sanctions, and subsequently rose back in 2016 to 3.4 billion dollars. The Emirates, after seeing foreign capital inflows grow to 10.8 billion dollars in 2014, FDI amounted to around 9 billion dollars a year in the 2015-2016 biennium.

Estimates provided by the IIF for 2017 point to a recovery in inward FDI flows to 23.9 billion dollars. Broken down data highlight a recovery of investments in all the countries of the area, and in particular the Emirates, which attract the largest amount of foreign investments, with 9.3 billion dollars, followed by Saudi Arabia (7.1 billion dollars) and Iran (3.7 billion dollars).

Inward FDI flows (billion dollars)

	2011	2012	2013	2014	2015	2016	2017*
Saudi Arabia	16.3	12.2	8.9	8.0	8.1	7.5	7.1
Bahrain	0.1	1.5	3.7	1.5	-0.8	0.3	0.3
United Arab Emirates	7.2	8.8	9.5	10.8	8.8	9.0	9.3
Kuwait	3.3	2.9	1.4	1.0	0.3	0.3	0.3
Oman	1.6	1.4	1.6	1.5	-2.7	0.1	1.8
Qatar	0.9	0.4	-0.8	1.0	1.1	0.8	0.7
Iran	4.3	4.7	3.1	2.1	2.1	3.4	3.7
Iraq	1.9	3.4	-3.3	-10.3	-7.8	-5.9	0.7
The Gulf Countries	35.5	35.3	24.1	15.6	9.1	15.4	23.9

Source: UNCTAD; (*) Source IIF (estimates)

The stock of Outward FDI flows from the Gulf Countries in 2016 amounted to 305 billion dollars (1.2% of the world total), almost twice the 2011 figure of 163 billion dollars, and 16% higher than in 2015 (263 billion dollars). The stock invested by Gulf Countries abroad also outlines a very mixed trend: whereas Saudi Arabia, the Emirates and Qatar increased their foreign investments significantly, the other countries kept their position essentially unchanged.

Outward FDI flows hit a high in 2013, at over 40 billion dollars, and levelled off at just over 27 billion dollars in 2016. The most active countries investing abroad are the Emirates (15.7 billion dollars in 2016 and 16.3 billion estimated in 2017), followed by Saudi Arabia (8.4 billion dollars in 2016) and Qatar (7.9 billion dollars in 2016).

Outward FDI flows (billion dollars)							
	2011	2012	2013	2014	2015	2016	2017*
Saudi Arabia	3.4	4.4	4.9	5.4	5.4	8.4	--
Bahrain	-0.9	0.5	0.5	-0.4	0.5	0.2	--
United Arab Emirates	2.2	2.5	8.8	11.7	16.7	15.7	16.3
Kuwait	10.8	6.7	16.6	-10.5	5.4	-6.3	--
Oman	1.2	0.9	0.9	1.4	0.3	0.9	--
Qatar	10.1	1.8	8.0	6.7	4.0	7.9	--
Iran	0.3	1.4	0.2	0.0	0.1	0.1	--
Iraq	0.4	0.5	0.2	0.2	0.1	0.3	--
The Gulf Countries	27.4	18.8	40.3	14.6	32.6	27.2	--

Source: UNCTAD; * Source IIF (estimates)

FDI: Regional comparison

Inward FDI stock (billion dollars)		
	2011	2016
Saudi Arabia	186.8	231.5
Bahrain	22.3	28.6
United Arab Emirates	71.0	117.9
Kuwait	15.2	14.3
Oman	16.6	18.5
Qatar	31.5	33.9
Iran	33.2	48.5
Iraq	9.8	9.5
Total GCC	343.0	445.0
Total The Gulf Countries	386.5	503.0

Source: UNCTAD data

Outward FDI stock (billion dollars)		
	2011	2016
Saudi Arabia	30.0	80.4
Bahrain	13.5	14.8
United Arab Emirates	57.7	113.2
Kuwait	32.3	31.3
Oman	4.0	8.4
Qatar	22.7	51.2
Iran	2.0	3.7
Iraq	1.0	2.4
Total GCC	160.0	299.0
Total The Gulf Countries	163.1	305.0

Source: UNCTAD data

FDI stock/GDP inward		
	2011	2016
Saudi Arabia	27.89	33.63
Bahrain	77.61	87.65
UAE	20.38	30.73
Iran	5.61	11.44
Iraq	6.25	5.70
Kuwait	9.85	11.89
Oman	24.46	25.81
Qatar	18.78	19.51

Source: UNCTAD data

FDI stock/GDP outward		
	2011	2016
Saudi Arabia	46.83	45.33
Bahrain	16.57	29.50
UAE	0.33	0.88
Iran	0.63	1.44
Iraq	20.94	26.14
Kuwait	5.91	11.62
Oman	13.50	29.43
Qatar	10.92	16.84

Source: UNCTAD data

Percentage share of total global inward flows		
	2011	2016
Saudi Arabia	0.891	0.866
Bahrain	0.107	0.107
UAE	0.339	0.441
Iran	0.159	0.181
Iraq	0.047	0.036
Kuwait	0.072	0.053
Oman	0.079	0.069
Qatar	0.150	0.127

Source: UNCTAD data

Percentage share of total global outward flows		
	2011	2016
Saudi Arabia	0.140	0.307
Bahrain	0.063	0.057
UAE	0.270	0.433
Iran	0.009	0.014
Iraq	0.005	0.009
Kuwait	0.151	0.120
Oman	0.019	0.032
Qatar	0.106	0.196

Source: UNCTAD data

Inward per capita FDI stock	2011	2016
Saudi Arabia	6.487	7.199
Bahrain	17.1	20.48
UAE	8.131	12.727
Iran	0.442	0.606
Iraq	0.309	0.253
Kuwait	4.685	3.559
Oman	5.176	3.985
Qatar	16.533	14.813

Source: UNCTAD data

Outward per capita FDI stock	2011	2016
Saudi Arabia	1.041	2.501
Bahrain	10.318	10.592
UAE	6.61	12.22
Iran	0.026	0.047
Iraq	0.031	0.064
Kuwait	9.956	7.821
Oman	1.252	1.794
Qatar	11.889	22.34

Source: UNCTAD data

Italian FDI

According to the Italian Ministry of Foreign Affairs, at the end of 2015 over 450 Italian companies were active in the Gulf Countries, both through own branches and participations with local businesses, in the energy sector, construction, plant building, instrumentation engineering, and food sector. In the GCC area alone, 400 Italian companies were active.

Some of the major names active in the region are Agusta (means of transport), Maserati (auto), Ansaldo, Ansaldo Energy, Gewiss, Techint (plant building), Astaldi, Impregilo, Tecnimont (construction), Marcegaglia, Danieli (steel and metal works), ENI, Saipem, Snamprogetti (energy), Mapei, Italcementi (construction materials), Italtel, Sirti (telecommunications), Prysmian (cables), Merloni (taps and valves), Pirelli (tyres), Safilo, Luxottica (eyewear), Perfetti (food). In the services sector, Generali (insurance), Alitalia (transport), Intesa Sanpaolo and UniCredit (credit).

Net Italian FDI in the Gulf Countries (million euros)									
Net FDI flows	2009	2010	2011	2012	2013	2014	2015	2016	Stock 2016
Saudi Arabia	249	1113	2123	1970	-2076	1231	487	248	5705
Bahrain	22	17	22	18	0	0	0	1	177
UAE	424	1222	574	1331	1161	1223	421	-257	8662
Iran	169	335	488	426	-2051	16	227	13	1594
Iraq	21	-4	1	1	60	45	45	2	193
Kuwait	92	345	470	773	718	334	-1488	54	1628
Oman	6	18	63	155	30	151	152	224	1051
Qatar	30	507	364	356	-1035	-927	-688	46	828
Total GCC countries	**823**	**3222**	**3616**	**4603**	**-1202**	**2012**	**-1116**	**316**	**18051**
Total Gulf Countries	**1013**	**3553**	**4105**	**5030**	**-3193**	**2073**	**-844**	**331**	**19838**

Source: Ministry of Foreign trade

According to the Economic Department of the Italian Ministry of Foreign Affairs, there is still unexploited potential in terms of developing investment and import-export trade with the countries of the Gulf area. The Ministry signals investment opportunities in the food segment, construction, rubber articles and plastic materials, machinery for the oil and extraction industry, information technology, metal works and metal products, clothing, oil refining, infrastructure and construction. Trade opportunities are highlighted for "Made in Italy" products especially in the "luxury" segment, in addition to the machinery sector, although the latter is being affected by Asian competition, IT, water desalination technologies, and waste water processing, waste processing, infrastructure and construction in general.

Special zones

Some Gulf states have established "special zones" in which foreign direct investments are encouraged and facilitated, by means of reduced corporate taxation and the possibility of accessing targeted financing schemes. The main measures put in place by the various countries are summarised below (Source: MAE, MEED, embassies):

- Saudi Arabia: No personal income tax, corporate tax of 20% of net profits, possibility of accessing special financing schemes designed by the Arab Fund for Economic and Financial Development, Islamic Development Bank, Arab Monetary Fund, Arab Trade Financing Fund, Real Estate Development Fund, Saudi Industrial Development Fund. Direct investments may be made, with no need for joint ventures. The most important special zones are: Jubail Industrial City, Yanbu Industrial City, Ras al-Khair Minerals City, Jizan Economic City, King Abdullah Economic City, King Abdullah City for nuclear power and renewable energy sources, Sudair City for industry and business, Jeddah Cities, Al-Madina al Munaswwara, Tabuk, Jizan, Riyadh Cities, Dammam Cities, Mecca al-Mukarrama, Al-Qassim City, Al-Jouf, Al-Ahser City (Source MEED).
- Bahrain: Possibility of owning 100% of the invested capital with not need to share the investment in joint ventures with local companies, free access to the GCC country and US markets, exemption from tariffs on commodity and machinery imports, tax exemption on the repatriation of earnings and capitals, 10-year exemption from corporate income tax. There are two special zones dedicated to logistics, namely Khalifa bin Salman and the Bahrain international airport, and as one special one dedicated to investments (BIIP) (Source: MEED).
- United Arab Emirates: Special zones have been established dedicated to both production and export (around 40 are currently operational), in which foreign investors are allowed to hold 100% capital ownerships (outside these zones, foreign investors may only operate through joint ventures with local partners, or hold shareholdings of 49% maximum), and tax incentives are offered, such as exemption from customs duty, a 15-year exemption from corporate income tax, renewable, exemption from persona income tax, exemption from the taxation of capital movements, slimmer bureaucracy, and assistance and incentives in the recruiting of labour. The main special zones are Jafza, the technology parks in, DAZ (Dubai Auto Zone), the industrial citadels of Abu Dhabi and of the port of Khalifa, Dubai Industrial City, Dubai Multi Commodities Centre (DMCC), Dubai International Financial Centre (DIFC), Dubai Internet City, Dubai Media City, Dubai Studio City, Dubai International Academic City, and the city of Sharjah. Special zones for trade include Jebel Ali Free Zone, Sharjah Airport International Free Zone, Dubai Airport Free Zone, Dubai Media City, Dubai Internet City, RAK Free Trade Zone (Source: UAE Embassy in London).
- Kuwait: Personal income tax and corporate income tax exemption since 2001, no restrictions on the share of capital owned by foreign investors, which may reach 100%, no limitations on the exchange of foreign currency. The special zone is located in Shuwaikh, to the west of Kuwait City, and is dedicated to trade (Source: MEED).
- Iran: The first special zones were established in the 1990s. There are currently over 30 special zones in the Iranian territory, split between Industrial Parks (IP), Export Processing Zones (EPZ), scientific research centres, and technology parks. The incentives made available by the government to companies that locate their manufacturing plants in these zones are mostly administrative and financial, and offer support in recruitment, slimmer bureaucracy, and better access to infrastructures.
- Iraq: In addition to the three special zones located a Basra, in Southern Iraq, in Nineveh in the North, and in Anbar Al-Qaem in the Western region, established at the end of the 1990s, new ones were created in 2013: a zone near Baghdad, one in Babylon, one between the provinces of Najaf and Kerbala (Middle Euphrates Investment Zone), and one in Diyala. In addition to support in terms of logistics, trade, and services, special tax and bureaucracy schemes are offered. The most important are total tax exemption on both income and capital movements[6].

[6] http://www.iraq-jccme.jp/pdf/archives/1-iraq-map2017.pdf

- Oman: foreign companies may invest in Oman in the special zones, even owning 100% of the capital invested. Tax regulations are particularly favourable, and offer exemption from corporate income tax (for 10 years in some zones, for 30 years in others), customs duty on goods directed to other GCC countries are limited, and there are exemptions for some areas. Four special zones have been created to support exports, located near the city of Sohar, in the port of Salalah, in Duqm and Mazunah, near the border with Yemen. There are also zones dedicated to industry, located in the surroundings of Muscat, Salalah, and on the border with the Emirates (Source MEED).
- Qatar: several special zones have been established, dedicated to production and exports. The most important is the Science and Technology Park of Qatar. The foreign companies active in this special zone include Chevron, Cisco, GE, Microsoft, Rolls-Royce, Tata. Other special zones are located around the city of Doha (Doha Industrial Estate, Mesaieed Industrial City, Dukhan Petroleum City, Ras Laffan Industrial City, all with a predominant vocation for the hydrocarbon industry and, to a lesser extent, metal works). A further three zones are being completed: the first near the Hamad international airport, dedicated to technology and manufacturing, the second to the south of the Doha industrial area, geared to the development of manufacturing and transport companies, and the third to the south of Al-Wakrah, which will support the creation of a new port (Source MEED).

The main infrastructure projects

In the past few years, the governments of the Gulf Countries have announced impressive investment plans, under the denomination "Vision 2030" (or later data) aimed at improving infrastructural endowment (transport and logistics, urban construction and tourism), encouraging sector diversification, in particular to the advantage of verso high-tech sectors, biotechnologies, water processing, and renewable energy sources, and developing services in the health care, trade, and financial sectors. Ad hoc programmes have also been added, tied to some major international events, such as EXPO 2020 in the UAE and the FIFA World Cup and Athletics World Championships in Qatar. The Chinese "Belt and Road Initiative" (BRI)[7] has also prompted the drafting of investment plans, in the logistics sector in particular, given the geographical position of the Gulf Countries along the ancient Silk Road. A list follows below of the main infrastructural development programmes announced by the authorities of each country[8].

Saudi Arabia: the Saudi kingdom's infrastructural development plan, presented in 2016 (*Vision 2030*)[9] includes, among other initiatives, strengthening he enhancement of connections (roads, ports, airports and railways) and logistics, the development of the agricultural sector, health care improvements, and the management of waste water. Most importantly, there are plans for the construction of a new housing, industrial and office building complex covering a surface of over 26,500 Km^2 in the Gulf of Aqaba, on the northern shore of the Red Sea, which should also see the involvement of Egypt and Jordan. The project (called NEOM), is self-sufficient in terms of power thanks to the use of renewable energy sources (solar and wind power in particular), and provides for investments in biotechnologies, high technological content manufacturing, and robotics. The investments will be financed by around 500 billion dollars in total by the government and the Saudi Arabian Public Investment Fund, with the rest covered by capitals from local and

[7] The list of Italian companies active in the Gulf Countries is based on reports by the Italian Ministry of Foreign affairs Affari Esteri (http://www.infomercatiesteri.it/countries.php#4); information on investments was drawn from the websistes of the companies involved as well as from local sources, as indicated.

[8] On aspects tied to the theme of diversification, see *La difficile diversificazione. Vision 2030*, in G. Salsecci *et. al*, Nota Medio Oriente e Nord Africa, Direzione Studi e Ricerche ISP, October 2017.

[9] https://www.esteri.it/mae/resource/doc/2017/12/arabia_saudita_web_v3.pdf

international investors[10]. Also in Saudi Arabia, the construction of a huge luxury tourist resort is planned (Red Sea Project), covering around 50 islands on the Red Sea over a total surface of 34 thousand square kilometres, and a 334 Km^2 theme park in Al-Qidiya, 40 kilometres from Riad. There are also plans for the construction of an Islamic Culture Museum, that will add to the offer of attractions for visitors and pilgrims. Furthermore, by the end of 2018 a tender call will be published for the construction of the railway link between the Red Sea and the Persian Gulf (1,600 Km), and the development of the respective port terminals.

The Italian companies involved in the Saudi initiatives include Salini-Impregilo, with orders worth 300 million dollars as part of the Al Faisaliah District Redevelopment Project, which includes the extension of a shopping mall and of an attached hotel, expected to be completed within three years, and a 1.3 billion dollar contract for a town development project[11]. Through one of its subsidiaries (Fisia Impianti), Salini-Impregilo has also won, in a joint venture with a Spanish firm, a contract for the feasibility study and realisation of a desalination plant worth 240 million dollars. Saipem has in turn won a new contract to carry out engineering and construction activities in some offshore extraction fields in the Persian Gulf, worth around 400 million dollars[12].

Bahrain: The country was one of the first in the region to draw up major development plans, with the launching in 2008 of *Vision 2030*[13]. Infrastructural growth is being promoted in various sectors, and in particular town planning, tourist facilities, health care and road links, for a total worth of over 32 billion dollars. Alongside the expansion of transport connections, investments will also be addressed to the tourist sector. All investments will be implemented through private-public partnerships, with the direct participation of both government funds and private funds[14]. In this country as well, the use of renewable energy sources will be encouraged, in the form of solar plants in particular[15]. In the first half of 2017, projects worth 200 million dollars were implemented for the development of manufacturing and logistics, mostly in the special zones[16].

United Arab Emirates: In line with the *Vision 2030* plan launched in 2008[17] and in view of the EXPO in 2020, the Emirates have undertaken work to strengthen infrastructure. In 2017, further investments worth over 160 billion dollars were announced in the field of renewable energy sources, with the aim of significantly reducing dependence on fossil combustibles. Investments related to EXPO 2020 will amount to around 33 billion dollars, focused on expanding transports and road and rail inks, and developing urban and tourist structures. The expansion of the Al Maktoum International Airport in Dubai will be a priority, both in terms of its surface and capacity to handle the transit of passengers and goods. As well as by domestic investors, the works will be also financed by foreign capitals. Among the Italian companies involved, Salini-Impregilo will build

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[10] Important financial support for the project will be obtained through the floating on the market of Saudi companies, and in particular of a share (of around 5%, for an estimated value of around 100 billion dollars) of oil company Aramco in 2018.

[11]http://www.affaritaliani.it/economia/salini-impregilo-contratto-da-13-mld-dollari-in-arabia-saudita-526099.html;

[12] http://www.saipem.com/static/documents/CS%20Saipem%2016_11_2017.pdf

[13].https://www.bahrain.bh/wps/portal/!ut/p/a1/jdDBDoIwDAbgN6KVIeBxKAhEokEQ3MVgMieKzCARH1_UkxqU3pp8Tf8WGKTAyuyai6zOZZkVj57pG3eO-kA1VR-j2EE6X2ruzHYJhkYL1m-AELsFurEwViNVN7HfPKrBeOBpLQgCRGpa4SxyxohT0nO-o-jf_UteQgLsg31f8QS_Yr5Adw4fmCjktv1pYgHzvcn5KB7pabklpgBW8R2veKXs5aWGtGkaRUgpCq7kNZxPcZzevMPwmNA7c338MQ!!/dl5/d5/L2dBISEvZ0FBIS9nQSEh/

[14] http://bahrainedb.com/latest-news/bahrain-tourism-projects-valued-us-13-billion/

[15] https://aawsat.com/english/home/article/1061061/bahrain-unveils-projects-attract-investment

[16] See EDB - Barhain Economic Development Board

[17] https://government.ae/en/about-the-uae/strategies-initiatives-and-awards/local-governments-strategies-and-plans/abu-dhabi-economic-vision-2030

by the end of 2020 a five-kilometre road link between the capital district and the business citadel, crossing and important mangrove forest reserve, requiring a total investment of 200 million dollars[18].

Saudi and Chinese FDIs are also impressive. China, as part of the BRI initiative, has already invested around three billion dollars in the Emirates for the extension of the airport and port system, as well as for the creation of a manufacturing and free trade zone near the Khalifa port, in which Chinese companies will operate in the fields of renewable energy sources, mining, steel works, construction materials, and environmental protection technologies[19].

Kuwait: The *Vision 2035*[20] development programme announced by the government provides for the implementation of infrastructure projects worth around 124 billion dollars, addressed to expanding the road network and housing system, extending the Kuwait City underground line, building a new airport, a rail system which could extend to all five GCC countries, the building of five new cities, the extension of the port of Mubarak Al-Kabeer on the Island of Bubiyan, and to a vast number of investments in the oil sector, including construction of a new refinery[21]. The government has also appropriated four billion dollars to improve the country's health care and hospital systems, which could be increased to 18 billion dollars by the end of 2030.

Of the Italian companies involved, Saipem[22] won a 850 million dollar contract last August for the construction of a network of oil pipelines totalling around 450 kilometres in length, which will connect the oil fields with the new refinery in Al Zour. The project also includes the construction of a network of oil pipelines for the transport of refined oil products in a storage area in the Mina Al Ahmadi refinery. The refined oil will also be used to fuel the Northern Power Station, owned by the state. Trevi will take charge of construction of the road connecting Kuwait City with the port of Shuwaikh and the city of Subiya. The investment will be worth around 3.7 billion dollars and the road link will be 37 Km long, crossing the Kuwait Bay. Trevi will also manage the project for the construction of Silk City (Madinat al-Hareer), worth 77 billion dollars in total, on the Iraqi border[23].

Oman: The country launched a plan called *Vision 2040* in May 2016[24]. The Italian companies involved in the project include Salini-Impregilo, that is working on the construction of a desalination plant (100 million dollars) in Salalah[25], whereas Saipem won a contract in 2017 to manage engineering, procurement and construction activities of the warehousing and export terminal in the port of Duqum, and for the construction of eight storage tanks in the Ras Markaz warehousing area, and the 80 Km oil pipeline that will connect the storage area with the port of Duqm. The contract is estimated to be worth around 750 million dollars[26]. ENI[27] has signed an

[18] https://www.salini-impregilo.com/it/lavori/ultime-aggiudicazioni/collegamento-stradale-ad-abu-dhabi.html

[19] https://thediplomat.com/2017/05/what-the-gulf-states-think-of-one-belt-one-road/

[20] http://www.newkuwait.gov.kw/en/plan/

[21] https://infrastructurekuwait.iqpc.com/

[22]http://www.saipem.com/sites/SAIPEM_en_IT/considedx/Press%20releases/2017/onshore%20contract%20in%20kuwait.page

[23] http://www.trevispa.com/en/sheikh-jaber-al-ahmed-al-sabah-causeway

[24] https://www.scp.gov.om/en/Page.aspx?I=15

[25] https://www.salini-impregilo.com/it/lavori/ultime-aggiudicazioni/impianto-di-desalazione-a-salalah-oman.html#

[26] http://www.saipem.com/sites/SAIPEM_en_IT/con-side-dx/Press%20releases/2018/Oman.page

[27] https://www.eni.com/it_IT/media/2017/11/eni-firma-un-exploration-and-production-sharing-agreement-per-il-blocco-52-nelloffshore-delloman

offshore hydrocarbon exploration agreement (bloc 52) with state-owned company OOCEP. The area is located in Southern Oman and covers a surface of around 90,000 Km^2.

Qatar: In addition to the projects laid out in the *Vision 2030* plan unveiled in 2008[28], the Athletics World Championships next year, and the FIFA World Cup in 2022, have prompted the government authorities to plan infrastructural investments which, as well as a dozen stadiums, include the extension of hotel accommodation capacity and transport, road and rail links. Investments are also planned in the health care and education sectors. Investments could total over 100 billion dollars, most of which implemented through joint ventures or PPPs. Construction of the Al Bayt Stadyum stadium in Al-Kohr has been assigned to two Italian companies, Salini-Impregilo and Cimolai, and the facility will be completed by the end of 2018[29], with an investment of around 770 million euros. The Doha underground will include three lines, a total of 100 stations, will be 215 kilometres long and is estimated to serve 600 thousand passengers in 2021. The rail system will be extended, with investments of around 40 billion dollars, as also the road network (around 15 billion dollars) and the port of Doha (7 billion dollars). The Doha airport will also be made larger (10 billion dollars).

Iran: With the lifting of sanctions, foreign investment inflows resumed in the country, although they remain well below potential. The Iranian government has declared that the extraction-mining sector needs at least 50 billion dollars in FDI for the metal-working sector alone, and an equal amount need to be invested in the other mining sectors[30]. Iran will be involved in the Chinese BRI initiative, both in terms of the construction of roads and rail links, and ports connecting the country with the Far on the one side, and Europe on the other. Lastly, in January 2018, the Italian and Iranian governments signed an agreement for the issue of five billion euros in credit lines addressed to supporting the investments of Italian companies in the Middle Eastern country[31].

Among the main Italian companies[32], ENI signed a deal in 2017 with the National Iranian Oil Company (NIOC) to resume gas extraction activities in the Kish fields, and to complete work in the Darkhovine oil fields, in the south of the country[33]. Last November, Ansaldo signed an agreement with the most important Iranian energy companies for the exploitation of one of the largest offshore gas fields, in South Pars (reserves are estimated at 14 billion cubic metres of gas), which will allow the transformation of gas into power by means of special turbines[34]. Last October, Maire Tecnimont signed a cooperation deal with the Ibn-e Sina petro-chemical complex in Hamedan for the development of extraction capacity and the processing of oil products, which adds itself to the contract for the development of the petro-chemical plant in Assaluyeh, in cooperation with the Sadaf and Jam oil companies[35]. Previously, Maire Tecnimont had signed a memorandum of understanding worth one billion euros with the Persian Gulf Petrochemical Industries Company (Pgpic) for the construction of refineries and petro-chemical plants[36]. Saipem has signed cooperation agreements for oil pipeline projects, capacity increases for refineries, and

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[28] https://www.mdps.gov.qa/en/qnv1/pages/default.aspx

[29] https://www.salini-impregilo.com/it/lavori/in-corso/ediliziy/yl-khor-complesso-sportivo.html

[30] http://theiranproject.com/blog/category/irans-economy/

[31] http://www.mef.gov.it/ufficio-stampa/comunicati/2018/comunicato_0008.html

[32] http://www.infomercatiesteri.it/presenza_italiana.php?id_countries=104

[33]https://www.esteri.it/mae/en/sala_stampy/yrchivionotizie/approfondimenti/2017/06/iran-eni-firma-mou-per-realizzazione.html

[34] https://www.naturalgasworld.com/iran-ansaldo-sign-deal-on-flaring-56120

[35]. http://www.valve-world.net/news-italy/71980/nuovo-accordo-iran-maire-tecnimont.html

[36].http://www.rubbernews.com/article/20160303/NEWS/160309991/iran-italy-sign-1-billion-rubber-agreement; http://simeng.co.uk/blog/news-item/iran-launch-1st-polymer-park-italian-petchem-giants/

the development of the Tous gas fields[37], whereas Ferrovie dello Stato have signed a 1.2 billion euro agreement for the construction of a high-speed rail link between Qom and Arak[38]. The Danieli Group signed agreements in 2016 worth around 5.7 billion euros, tied to a joint-venture and to orders for the supply of machinery and plants to be built in the Iranian territory[39].

Iraq: The rebuilding of the country after years of conflict calls for massive investments; most of the country's infrastructure needs to be rebuilt, embracing the commercial, logistics, structural, social, mining and industrial fields, and must be adapted to the current potential of the Iraqi economy[40]. In addition to rebuilding and enhancing extraction facilities, road and rail links, industrial facilities, services and the transport system, the Iraqi government intends to support the tourism business, given the presence of numerous archaeological sites and places of interest.

Among Italian companies, ENI, active in Iraq since 2009, has built several oil and gas extraction plants, in addition to producing and distributing electricity[41]. Technital, a Veneto-based engineering companies, has won a tender call for the construction of an oil platform in the port of Al Faw in Basra[42]. Trevi won a tender in 2016 for the repair and maintenance of the Mosul dam[43]. There are investment opportunities in the communications sector, ranging from optical fibre to television, from Internet to data transmission; in health care and environmental protection; in both residential and commercial construction; in transport (roads, railways, ports and airports); in industrial development, both in the energy sector and other sector such as food processing, chemicals, construction materials, textiles; in education, with the construction of numerous schools of all kinds and grades, located throughout the country, and specialist poles dedicated to research in the special zones; in services dedicated to sport and leisure, and to trade; in agriculture, with the improvement of the water network and the optimisation of crops[44].

[37]http://www.saipem.com/sites/SAIPEM_it_IT/considedx/comunicato%20stampa/2016/Saipem%20MoU%20Toos%20Gas%20Field%20Iran.page;http://oilgasnews.it/liran-affida-alleni-lo-studio-di-fattibilita-per-due-giacimenti/; https://aa.com.tr/en/energyterminal/natural-gas/saipem-snam-sign-mou-for-gas-infrastructure-projects/14477; https://www.teleborsa.it/News/2016/04/12/saipem-firma-un-mou-in-iran-per-il-progetto-toos-gas-field-253.html#.WpfVVuSGPcs

[38] http://www.fsnews.it/fsn/Gruppo-FS-Italiane/FS-Italiane-sigla-accordi-per-lo-sviluppo-del-sistema-ferroviario-iraniano

[39]https://www.danieli.com/en/_37_59.htm

[40] www.investpromo.gov.iq

[41] *https://www.eni.com/enipedia/it_IT/presenza.../asia.../le-attivita-di-eni-in-iraq.page*

[42] http://www.technital.it/fr/dans-le-monde/plan-des-projets/810.html

[43] http://www.trevispa.com/it/DigaMosul

[44] http://www.infomercatiesteri.it/country.php?id_countries=105

Some of the main investment plans announced in the Gulf region

Country	Project	Estimated worth (billion dollars)	Main Italian companies involved	Year indicated for work completion
Saudi Arabia	NEOM	500000		2030
	Al Faisaliah District	300	Impregilo	2021
	Desalination plant	240	Impregilo - Fisia	
	Housing construction	1300	Impregilo	
	Offshore plants	400	Saipem	2021
Bahrain		32000		
UAE		160000		
	EXPO	33000		
	Road network	200	Impregilo	2020
Kuwait		124000		2020
	Health care facilities	18000		2030
	Oil pipeline	850	Saipem	
	Road network	3700	Trevi	
	Silk City	77000	Trevi	
Oman	Desalination plant	100	Impregilo	
	Oil pipeline and warehousing	800	Saipem	
			ENI	
Qatar	Athletics World Championships and FIFA World Cup	100000		2022
	Rail system	40000		
	Road system	15000		
	Doha Port	7000		
	Doha Airport	10000		
Iran	Mining sector	50000		
	Mining metal works sector	50000		
	Energy extraction sector		ENI	
	Energy extraction sector		Ansaldo	
	Energy extraction sector		Maire Tecnimont	
	Oil pipelines and energy extraction sector		Saipem	
	Plant building for machinery	5700	Danieli	
	Credit lines for the investments of Italian businesses	5000	Italian government	
Iraq	Gas and oil extraction plants, power		ENI	
	Extraction platform		Technital	
	Mosul dam maintenance		Trevi	

Source: MAE; companies involved

Business and logistics climate

The Doing Business index calculated in 2018 by the World Bank for the Gulf Countries generally confirms the levels reached in 2017. Specifically, the Emirates made progress compared to the previous year, rising by five places to 21st in the ranking. Bahrain dropped to 66th place, and Saudi Arabia, while improving slightly, stopped at 92nd. Oman lost ground, dropping to 71st place, whereas Kuwait recovered to 96th. Both Iran and Iraq stabilised further, ranking respectively 124th and 168th.

Doing Business Index* (regional table)

	2018	2017
Saudi Arabia	92	94
Bahrain	66	63
UAE	21	26
Iran	124	120
Iraq	168	165
Kuwait	96	102
Oman	71	66
Qatar	83	83

Note: * ranking of 190 countries. Low numbers indicate greater efficiency
Source: World Bank

According to the LPI Index for 2016, also published by the World Bank, the Gulf Countries are positioned relatively well in the ranking (among the top 60 countries, out of 160 considered), with the exception of Iran and Iraq, which remain at a distance (respectively 149th and 96th). A place in the Top 30 was secured by the Emirates (13th) and Qatar (30th).

LPI Index – Regional comparison

Country	Ranking	LPI 2016	Customs and customers	Infrastructure	Shipping	International competence	Logistics traceability	Timing and tracing
Saudi Arabia	52	3.16	2.69	3.24	3.23	3.00	3.25	3.53
Bahrain	44	3.31	3.14	3.10	3.33	3.38	3.32	3.58
UAE	13	3.94	3.84	4.07	3.89	3.82	3.91	4.13
Iraq	96	2.60	2.33	2.67	2.67	2.67	2.44	2.81
Iran	149	2.15	2.01	1.87	2.33	1.97	1.98	2.66
Kuwait	53	3.15	2.83	2.92	3.62	2.79	3.16	3.51
Oman	48	3.23	2.76	3.44	3.35	3.26	3.09	3.50
Qatar	30	3.60	3.55	3.57	3.58	3.54	3.50	3.83
m.i. Italy	21	3.76	3.45	3.79	3.65	3.77	3.86	4.03

Note: Ranking out of 160 countries. Source: World Bank

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Analyst certification and other important information

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