



SPRING 2011 REFORM BAROMETER - ITALY

	<u>Level</u>			<u>Rank</u>			<u>Gap</u>		<u>Areas of Action</u>	
	2009	2010	Change	2009	2010	change	EU top 5	Gap ¹	2010	
Pillar I	1 GDP per capita (Purchasing Power Parity- PPP)	23967	24624	2,7%	18	18	0	NL IE SE AT DE	-19%	
	2 GDP per capita (€ at 2000 prices)	20193	20240	0,2%	17	17	0	DK SE IE FI AT	-34%	
	3 Labour productivity per hour worked (PPP)	32,8	34,1	4,0%	16	16	0	NL BE FR DE IE	-18%	
	4 Labour productivity per person employed (PPP)	58148	60293	3,7%	12	12	0	IE BE FR SE NL	-10%	
	5 Private investment (excluding non residential, %GDP)	11,0	11,7	0,8	9	7	2	BG BE AT DE IT	-1,8	
	6 Industrial activity (% total value added)	20,9	19,4	-1,5	18	18	0	IE SK CZ FI SI	-13,3	
	7 R&D expenditure (% GDP) *	1,2	1,3	0,1	22	22	0	FI SE DK DE AT	-1,9	
	8 Operating surplus (% total value added)	40,6	41,2	0,6	15	16	-1	BG GR MT SK IE	-13,2	
Pillar II	9 Current Account (% GDP)	-3,2	-3,2	-0,1	24	22	2	LU SE NL DE DK	-9,1	
	10 Export market share (gain from 2000)	-29,9	-30,7	-0,8	31	31	0	RO LT CZ HU BG	-94,2	
	11 Net export contribution to GDP	-1,2	0,1	1,4	27	24	3	BG IE GR HU CY	-3,8	
	12 Share in global trade	3,3	3,1	-0,2	7	7	0	DE FR NL UK IT	-1,2	
	13 Relative unit labour cost (gain from 2000)	7,7	8,0	0,3	19	19	0	DE PL AT SE FR	15,8	
	14 High-tech exports (% total exports) **	6,0	6,0	-0,1	22	22	0	MT LU IE HU CY	-22,8	
Pillar III	15 Employment rate (% working age population)	57,5	56,9	-0,6	17	18	-1	NL DK SE AT DE	-11,8	
	16 Employment rate 15-24 (% population 15-24)	21,7	20,6	-1,1	30	28	2	NL DK AT UK DE	-33,0	
	17 Employment rate 55-64 (% population 55-64)	35,7	36,4	0,7	27	28	-1	SE DE UK CY DK	-23,3	
	18 Annual hours worked (per capita)	1773	1768	-0,3%	13	13	0	PL GR HU LV CZ	-10%	
	19 Labour participation (% working age population)	63,6	63,5	-0,1	30	30	0	DK SE NL PT DE	-16,5	
	20 Working age population (as % total population)	65,7	65,6	-0,1	28	28	0	SK PL CY CZ RO	0,9	
	21 Unemployment rate (% labour force)	7,8	8,4	0,6	17	18	-1	AT NL LU MT CY	2,8	
Pillar IV	22 Gross debt - general government (% GDP)	116,0	118,9	3,0	29	29	0	EE LU BG RO LT	94,9	
	23 Net debt - general government (% GDP)*	89,9	89,9	0,0	30	28	2	FI EE SE BG CZ	98,5	
	24 Government budget balance (% GDP)	-5,3	-5,0	0,3	13	13	0	SE EE LU FI DE	-2,9	
	25 Primary balance (% GDP)	-0,6	-0,4	0,3	8	6	2	HU SE IT EE MT	0,0	
	26 Tax burden (% GDP)	43,4	42,7	0,0	27	26	1	LV SK RO BG LT	12,2	
	27 Highest marginal tax rate, individual rate (%)*	43,0	43,0	0	24	23	1	BG CZ LT RO SK	25	
	28 Public investment (% total public expenditure)	5,1	4,6	-0,1	28	27	1	PL CZ RO BG LV	-9,4	
	29 Budgetary adjustment related to age (% GDP)	N/A	1,4	N/A	N/A	9	N/A	PL EE HU BG SE	1,3	
	Pillar V	30 Net foreign assets (% GDP) *	9,9	9,9	0,0	8	10	-2	NL BE DE DK FI	34,2
31 Net financial assets, households (% GDP) *		165,1	165,1	0,0	3	3	0	BE IT NL FR DE	6,7	
32 Net financial liabilities, non financial corporations (% GDP)*		100,3	100,3	0,0	13	12	1	SK NL DE GR PL	37,8	
33 Regulatory tier 1 capital to risk weighted assets *		10,8	12,1	1,3	24	27	-3	MT LU BE BG EE	-5,1	
34 Non performing loans to total gross loans *		4,9	7,0	2,1	26	24	2	FI LU SE SI AT	5,3	
35 Loans to private sector (% GDP)		104,3	109,4	5,1	14	15	-1	RO SK PL CZ HU	51,8	
36 Bank liabilities (%GDP) *		N/A	N/A	N/A	N/A	N/A	N/A	SK RO PL LT BG	N/A	

■	Five best
■	Lowest third

1. Percentage points, when not indicated otherwise

* 2008/ 2009 data
 ** 2007/ 2008 data

PRIORITIES FOR REFORM: ANSWERS FROM CONFINDUSTRIA (ITALY)

	Policy Area	Concrete Recommendations	Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	5	Simplification of the business regulatory framework; reduction of the tax burden on firms in the context of a fiscal system reform	X	
Priority 2	16	Reduction of primary expenditure; implementation of spending review; the cut of unuseful public bodies (such as Provinces)	X	
Priority 3	18	Planning an increase in public investment expenditure of up to 2.5% of GDP; promoting Public-Private partnership; introducing new rules to speed up the approval of investment projects	X	
Priority 4	17	Better definition of decentralized governments' functions to reduce demarcation disputes; reduction of the administrative burden for firms; increase the productivity of public employees	X	
Priority 5	8	Reforming the education system in order to increase the percentage of graduates and highly-skilled professionals; developing training programs aimed at re-introducing in the labour market people who have lost their job; implementing policies to enhance labour participation especially among women	X	

<u>Policy areas</u>
1. Business Environment - Regulatory barriers to entrepreneurship
2. Business Dynamics - Start-up conditions
3. R&D and Innovation
4. ICT
5. Competition policy framework
6. Sector specific regulation (telecom, energy)
7. Market integration - Openness to trade and investment
8. Active labour market policies
9. Job protection
10. Labour supply measures for specific groups (older workers, women...)
11. Wage bargaining and wage-setting policies
12. Labour market mismatch and labour mobility
13. Making work-pay: interplay of tax and benefit system
14. Pension and health care reforms
15. Quality of fiscal institutions and budgetary framework
16. Consolidation of public expenditures
17. Public sector efficiency
18. Public investment
19. Tax reforms
20. Access to bond markets
21. Access to equity markets
22. Venture capital and SME financing instruments
23. Bank lending conditions
24. Long term investment instruments