



2018 Report on the Foreign Activities of Italian Engineering, Architectural and Consultancy Companies

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Association of Italian Engineering, Architectural,
and Technical-Economic Consulting Organizations



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Association of Italian Engineering, Architectural,
and Technical-Economic Consulting Organizations



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OICE is the employers' Association, belonging to Confindustria (the Confederation of Italian Industry), which represents Italian engineering, architectural and technical economic consulting organizations.

Founded in 1965 OICE unites all the major Italian engineering companies and most of the best qualified small and medium firms in the industry. OICE operates in 4 major areas: representing and safeguarding category interests, promoting the culture of organized engineering, providing services for members and promoting internationalization of Italian Engineering. OICE is member of FIDIC – International Federation of Consulting Engineers and EFCA – European Federation of Engineering Consultancy Associations. OICE participates to the international activities and Italian Institutional missions, promotes special partnerships with the engineering Associations, sustains the participation of the Italian Consulting companies to the tenders organized by the International Financial Institutions.

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ITALIAN TRADE AGENCY

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Using the most modern multi-channel promotion and communication tools, it acts to assert the excellence of Made in Italy in the world.

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SUMMARY

Roberto Carpaneto, OICE's Vicepresident for International Affairs

In an overall scenario of uncertainty, due to rising geopolitical tensions, increasing trade protectionism and unclear financial market movements, economic growth has eased worldwide. The global GDP in 2018 is expected to rise by 3.9%, according to the International Monetary Fund (IMF) forecasts, with relevant differences between advanced economies and emerging and developing economies. Growth trends are driven by the United States, China and by a gradual recovery of European markets, while South and East Asian countries lead among emerging markets (including India, Indonesia, and the Philippines).

In addition to the macro-economic and geopolitical scenario, another disruptive element for the very near future is technology and innovation. Especially in the construction sector, projects are now increasingly incorporating systems of digital sensors and IoT elements, 3D printing, drones, robots, machine learning and Artificial Intelligence driving new software applications. And, above all, the key element of the technology transformation: the software platform and control layer, which consists in large part of building information modeling (BIM).

According to results presented in our *"2018 report on the foreign activities of Italian engineering, architectural and consultancy companies"*, in this varied and difficult environment our engineering, architectural and consultancy companies are moving in a consistent way, showing Asia as paramount for foreign activities in terms of value of production, contracts awarded, and order book. Energy, transportation, and construction are the leading sectors of activity. In general, OICE's companies are improving their overall performance compared to the last year performance and this trend seems to continue in the first part of the current year.

But, how can OICE better support our company internationalisation process, especially in the case of smaller companies, in such difficult international "systems competition"? How can OICE help companies still significantly tied to national market?

OICE, together with public and institutional support works to help these companies in defining an internationalization strategy, organizing international missions and meetings with international stakeholders and consequently to encourage them to use the services provided by public and financial institutions to sustain their presence abroad.

In addition, the current situation still shows the limited capability of Italian companies to collaborate with foreign companies and to establish joint ven-

tures in the target countries. The capability to select and choose the right local partner is a winning strategy, both in terms of adaptation to the local context and price competitiveness.

Engineering, architectural and consultancy companies consider, instead, multilateral banks and donors as the preferred choice to start or expand internationalization. This is a good approach but cannot be considered the only one as intrinsically "opportunity based" and only partially based on the attempt to have a stable presence in a specific region. OICE and the single companies are working hard in this sector with good improvements in this market both in terms of number of contracts as well as value.

The report highlights that OICE and its associates are implementing a strong effort to address the international markets: results are visible and, in spite of the difficulties and continuous changes, companies are showing strong commitment and capabilities to expand their presence around the world. Little by little "hopes became reality".

Chapter 1. INTERNATIONAL OUTLOOK

• The Macro-economic context

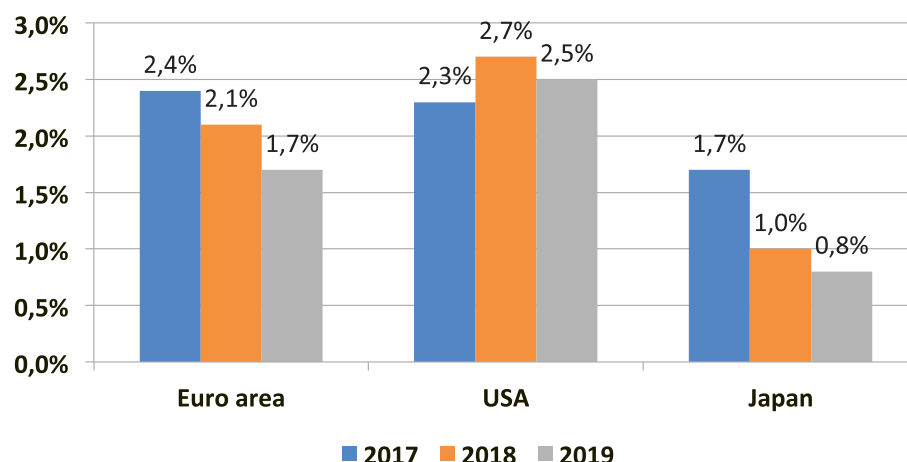
Global growth remains strong but is now slowing

Over 2017 global economic activity accelerated to 3.8 per cent and was both evenly spread across regions and countries and more evenly balanced in terms of spending components, with private fixed investment contributing to a larger share of it.

Headline inflation rates moved closer to the central bank objectives, whereas core inflation remained more subdued. However, global growth seems to be now above the estimated potential (long-run) growth, suggesting that capacity constraints will become more binding in the future and stronger inflationary pressures are expected as the economy continues to heat. The current scenario is indeed unusual in the postwar period because it is not common to have such a long period of expansion, with only modest signs of inflation treat and a persistent labor market slack.

As a matter of fact, economic growth has now eased worldwide: in advanced economies it is projected to decelerate towards potential rates as monetary policy starts normalizing, while in emerging markets growth is expected to remain robust for commodity importers and to rebound the potential growth estimates for commodity exporters. In fact, the withdrawal of monetary policy does not just fuel risk for the outlook, but it has also led to a tightening of global financial conditions, whereas global inflation is only gradually trending up. Furthermore, recent financial conditions in the EMDEs have considerably tightened as the dollar started to appreciate and US long term spread rose, dragging EMDEs currencies under pressure. Tensions were acute in Argentina and Turkey, with the former turning to IMF for support.

In details, in advanced economies activity is still growing above potential and labor markets are tightening, although, in several countries, inflation remains below the central bank's target. However, since inflation expectations have crept up, monetary policy is becoming less expansionary. In the US growth is supported by the recent fiscal stimulus. As these measures have been introduced, inflation has moved towards the target and as a response the Fed is expected to increase the pace of policy tightening. Thanks to the stimulus, US growth is projected at 2.7% in 2018 and to slow down to 2% by 2020, as the fiscal and monetary stimulus fade. In the Euro Area, the +2.4% growth of 2017, following strong consumption and investment growth, is expected to mitigate already in 2018. In Japan, although unemployment is falling to very low levels, inflation remains low and growth weak, due to the fiscal consolidation (e.g. VAT hike scheduled in 2019), which does not support the over-loosing monetary policy.

Figure 1.1 Real GDP growth forecast, advanced economies

Source: World Bank forecast

Among the emerging markets and developing economies it is correct to distinguish between commodity exporters and importers. The formers, in fact, have been heavily affected by the 2014-16 collapse in oil prices and production cuts in key oil exporters (e.g. OPEC, Venezuela, etc.), which have led to large currency depreciations, mainly in energy exporters. Indeed, the declines in metal prices since 2011 and the plunge in oil prices since 2014 drove a wedge between the economic performance of these two groups of EMDEs. As a consequence, although in EMDEs growth is robust as reflected in the sustained growth of investment and consumption, in commodity exporters, mainly energy exporters, the upturn is still lagging and inflation is generally moderating. However, the higher commodity prices observed in the last years, which are at the basis of the commodity exporters recent rebound, are the main reason why growth in commodity importers is gradually slowing, mainly in China, and inflation remains stable, although in some countries like India and Mexico investment growth is notable. In particular, crude oil price rose 10% in the first quarter of 2018. In fact, an agreement between most OPEC members and some non-OPEC oil producers to extend output cuts to the end of 2018 has boosted prices, while demand remains sustained. There is also increasing uncertainty following the US government announcement about the reinstatement of sanctions on the Islamic Republic of Iran and on Venezuela, and the consequent reduction in Iranian and Venezuelan oil exports.

The recovery in commodity exporters has broadened because higher commodity prices have supported the strengthening of investment and the rise of corporate earnings in commodity exporters. The increase in commodity prices was driven primarily by rising oil and natural gas prices. Metals and agricultural commodity prices also rose, although less rapidly than energy prices. In these countries, hence, growth is strong due to both rising trade flows and robust domestic demand. Although 20 percent and 10 percent of commodity exporters were in a recession during respectively 2016 and 2017, most of them are

expected to face a positive growth in 2018, with the ongoing recovery supported by higher commodity prices and dynamic trade. However, activity remains weak in those countries that delayed policy adjustments required to face the earlier oil price drop and the social consequences of this shock: exchange rate misalignments, social tensions, and security issues. The output gap in commodity importers EMDEs was already closed or positive in 2017, and capacity constraint is becoming increasingly binding. Domestic demand is supported in a number of countries by accommodative policy and tight labor market. However due to inflationary pressures stemming from high commodity prices and wage pressures, several countries have started to scale back expansionary policy.

Growth in China has remained solid through 2018, mainly driven by consumption, while investment growth is well below the one observed in the last years, and industrial production has recovered after the cuts of the last years in overcapacity sectors. Fiscal and monetary policies have become less expansionary, mainly to contain the fast-growing stock of debt. Moreover, tight enforcement of capital flow management measures continues to limit the outflows of capital to contrast exchange rate pressures. Increased protectionism and fading fiscal stimulus, make the World Bank project a slowdown in the Chinese economic growth from 2019 and increase its perceived exposure to downside risk of the outlook. Despite the recovery in commodity prices, FDI flows towards EMDEs and mainly China are subdued and well below their long-term trend. The inflation in commodity price has not been sufficient to stimulate a significant revival of investment in resource sectors. Due to tightening global financial conditions, capital flows towards China and other EMDEs are expected to further moderate in the near-term.

Low income countries in Sub-Saharan Africa are facing a slow recovery as well, mainly driven by the recovery of metal prices, which supports mining activity. Other positive factors are the improving harvest following droughts, infrastructure investment, and inflation moderation. Moreover, current account deficits are widening, as a reflection of the pick-up in import-intensive mining investment and the rising in public debt. Non-oil FDI flows have risen along with portfolio inflows, led by sovereign bond issuance. However, debt burdens are high and rising and poverty levels remain elevated (1/2 of the population lives below the poverty line). High population growth is worsening the poverty headcount and most of the economic growth is around capital-intensive sectors, which contribute less to poverty reduction. Finally, while political uncertainty has declined, it remains a key risk for growth and reform momentum.

The expected slower growth of capital spending, due to the normalization of monetary policy in advanced economies and to the drop in FDI flows in China, will contribute to a more moderate global trade growth in the next years. For similar reasons, global interest rates are projected to rise, even faster than expected, carrying an increase in borrowing costs, mainly for EMDEs. Although interest rates are expected to hike only in US, the drawdown of net assets by major central banks is projected to put downward upward pressure on global long-term yields and, combined with dollar appreciation, to contribute to EMDEs' currency falls and capital inflow decelerations. Moreover, recent US fiscal

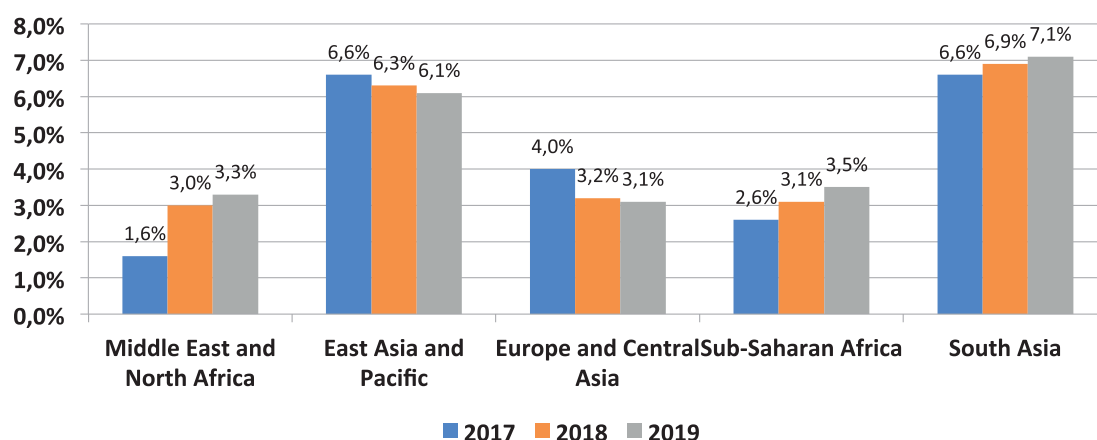
and monetary policy have contributed to bouts of volatility, amplified by the bets of investors on uncertainty and by concerns about overstretched stock valuations. Heightened financial market volatility has led to portfolio outflows from the EMDEs, accompanied by a deterioration of their credit quality. Despite these negative signals, the bond issuance is still growing at a sustained pace. Furthermore, in the medium-term structural factors like slower growth of the global value chain and a reduced appetite for trade liberalization will continue to constraint global trade growth. There is also the risk of escalating trade protectionism from the trade policy front, because of the responses of trade partners to the announcement of new tariffs by US. However, recently there have also been advancements in trade liberalization, like the US-Korea Free Trade Agreements, supporting trade growth in EMDEs countries, especially in Asia.

Although the cyclical recovery is ongoing in most of the EMDE regions with a substantial number of commodity exporters, significant geographical differences persist:

- East Asia and Pacific: growth is projected to slow down from 6.3% in 2018 to 6.1% by 2020, driven by the Chinese structural slowdown, which offsets the modest pick-up of the rest of the region. Conditions are mostly favorable for the region including robust global trade, moderate borrowing costs and sustained capital inflows. Exports benefit from the recovery in global investment and trade, and stronger trade and investment integration within Asia and between Asia and Europe. However, some countries continue to face financial sector vulnerabilities, with elevated levels of debt, fast credit growth, high foreign participation in local currency sovereign bond markets, and sizable fiscal deficits.
- Europe and Central Asia: moderation of activity in commodity importers drives the downgrade of projections of economic growth that will decline up to 3% by 2020. This is mainly the consequence of increasing capacity constraint and less accommodative fiscal and monetary policy.
- Latin America and the Caribbean: growth prospects are expected to improve up to 2.4% in 2019-20, supported by the Brazilian economic recovery and by robust consumption and investment growth. They will be affected positively by US fiscal spillovers and negatively by escalating US trade protectionism.
- MENA: growth is expected to rebound after last year recession due to falling oil price and it is projected at 3% in 2018 and 3.3% afterwards. Growth is further boosted by easing of fiscal stances and momentum from non-oil sectors. Many countries in the region are pursuing large reforms to improve productivity, but growth continues to be challenged by geopolitical tensions and fiscal adjustment. Although the recent VAT introduction in Saudi Arabia and United Arab Emirates, inflation is falling, allowing the central banks to cut interest rates. Finally, growth and potential growth would be supported in the following years by higher fixed investment, public investment programs (e.g. Dubai Expo 2020 or Qatar World Cup 2022) or reform programs like World Bank supported initiatives to improve investment capacity or electricity performance.

- South Asia: growth in this area is strong and expected to remain so, reflecting the strengthening of domestic demand (6.9% in 2018 and 7.2% in 2020). Per capita growth rates in the region are strong and are expected to help bring down poverty in coming years, particularly in India. Nonetheless, addressing underlying structural weaknesses and macroeconomic vulnerabilities remain key challenges in the region.
- Sub-Saharan Africa: Rising oil and metal price as well as improving agricultural production could accelerate growth from 3.1% in 2018 to 3.6% by 2020. Renewed government commitment to critical macroeconomic and governance reforms has boosted investor confidence. However, growth will remain below long-term average and insufficient to reduce poverty.

Figure 1.2 Real GDP growth forecast, emerging and developing economies-



Source: World Bank forecast

Main risks of the scenario

All this considered, the risks to the outlook are tilted to the downside. They mainly mirror the unbalanced post-crisis recovery, its excessive reliance on monetary policy and the building up of persistent financial vulnerabilities and imbalances. The major treats comprise disorderly financial market movements, escalating trade protectionism, and rising geopolitical tensions. However, uncertainty has risen, partially due to the possibility of shocks from the major global players. Specifically, following the shifting monetary policy in most advanced economies, the risk of financial distress and of a sudden tightening of global financial conditions is becoming more acute. Due to both the prolonged expansionary phase and the heavy reliance on monetary policy to support the post-crisis recovery, financial conditions remained very easy in the last years. Although monetary policy is gradually proceeding on the normalization path, term premia remain historically low, credit spreads are usually compressed, credit markets appear to have become increasingly illiquid, while equity price valuations are quite rich. A sudden tightening of global financing conditions

could be triggered, for instance, by a reassessment of inflation risks or by increased concerns about credit risks. The reversal of the buoyant financial conditions might have disruptive consequences, mainly for emerging countries and developing economies (EMDEs), which in the post-crisis have borrowed heavily in US dollars thanks to its depreciation, and have experienced strong portfolio inflows.

Another growing risk regards the increasing trade protectionism amid on-going trade disputes between US and major trading partners, which may lead to worldwide escalation of tariffs and trade losses equivalent to those observed during the Great Recession. The escalation of trade restrictions among major economies could derail the recovery in global trade and dampen confidence and investment.

Other risks relate to the reversal of risk appetite, rising geopolitical tensions, and rising oil price. For instance, a range of factors can trigger a general reversal in risk appetite and since the larger borrowers are non-banks, the consequent financial strain they might find themselves under might lead a curtailing of investments and employment. If these risks materialize, an abrupt slowdown in global growth would occur and several countries, mostly EMDEs, would be unprepared to face this scenario. However, nowadays, EMDEs are better placed to confront financial stress because steps were taken to strengthen their defenses by building reserves, adopting more systematic macroprudential measures, improving their current account positions, and adopting more flexible exchange rate regimes.

• International Investment Trends

Resurgent investment spending in advanced economies and the end of the investment decline in some commodity exporters EMDEs has been important drivers of the uptick of global GDP growth and manufacturing activity during 2017. Across advanced economies the 0.6 percentage point pickup of growth in 2017 with respect to 2016 is entirely explained by investment spending. The end of fixed investment decline in commodity exporters countries played an important role as well in their growth pickup in 2017. The recovery has broadened among this latter group of countries, because higher commodity prices have supported the strengthening of investment and the rise of corporate earnings. These countries are mainly facing a large investment rebounding, as the economy recovers thanks to either increasing commodity production or large infrastructure programs. Of great interest are the case of Brazil and Russia, in which the notable growth of investment is respectively boosted or stabilized by supportive policy. Higher fixed investment growth also supported the growth of commodity importers EMDEs, but to a minor extent. Excluding China, investment in commodity importers remained solid, partially reflecting a cyclical rebound and partially thanks to the support of international programs. In China, investment is falling/has fallen due to a policy-guided deceleration, while in the rest of the East Asia investment spending remains strong, reflecting improved business confidence, capital inflows and high earnings. Robust

investment and sustained exports are also notable in Central Asia and in the MENA region, supported by the steady activity in Russia and the positive spillover from the Euro-Area growth. Other Asian countries are also benefitting from the resurgent Chinese trade and from the substantial investment in infrastructures.

Although the expected loss in momentum for economic growth, a number of mutually reinforcing factors should help to support the global expansion of GDP and investment: (i) household spending will be supported by low unemployment rates, some pick-up in wage growth, and limited expected acceleration in inflation; (ii) above average business confidence and continued accommodative financial conditions should support fixed capital investment; (iii) banking systems are generally better capitalized and more resilient; and (iv) fiscal policy is set to turning highly procyclical, mainly in the US, or neutral. Moreover, to the extent that current investment raises productivity, albeit with a lag, there may be room for the expansion to continue at above-average rates beyond the medium-term, avoiding the emergence of stronger inflationary pressures.

Global trade, which tends to be highly correlated with global investment, recovered strongly in 2017 after two years of weakness: the upsurge was more pronounced in EMDEs, reflecting their improved investment growth and, more generally, the recovery of domestic demand. However, among the few risks on the downside of the outlook, US trade protectionism is the most dangerous for investment trends because it would also negatively affect business confidence. Indeed, there are already signs that the rise in uncertainty associated with the first protectionist steps and the ratcheting-up of rhetoric have already inhibited investment. The escalation of trade restrictions among major economies could derail the recovery in global trade, and dampen confidence and investment. For instance, further trade-restrictive measure between US and China could lead to a cascade of trade costs through global value chains, sectoral dislocations associated with shifting trade patterns, with persistent effects on labor markets and additional negative spillovers through confidence, financial, and commodity-market channel. Therefore, the disrupt of investment might be large, especially for US trade partners, also amplified by the uncertainty surrounding the change in trade policy and outcome of negotiations.

For the development of investment, attention need to be placed also on financial factors, because since 1980's their relevance for business cycle fluctuations has grown exponentially. The major financial risk factor is the reversal of risk appetite: even in absence of inflationary pressures, sentiment-driven swings in business or residential investment could initiate a contraction, not least if profits were to disappoint and undermine stretched equity valuations. Even if the trigger of the materialization of risk need not be financial at all, they are likely to be powerful amplifying forces. When financial cycle turns, financial stress emerges: in the upswing of the financial cycle, new borrowing and rising asset prices boost growth but, over time, the accumulation of debt implies growing and long-lasting debt services commitments. When the financial cycle turns, the positive effects of new credit on spending fade, while the negative ones of the debt services burdens grow. The financial cycles that pose the greatest risk are best captured by combining information from medium-term

fluctuations in credit, property prices, and equity prices. In major advanced economies financial cycles are at a relatively early stage of expansion, hence they can continue to further support a sustainable economic growth in the near term. However, pockets of financial fragility start to surface due to the deterioration of non-financial corporate balance sheets: there is a steady increase in leverage, a significant drop in interest rate coverage ratios, and a decline in the share of firms rated A or higher. By contrast in several advanced small open economies that avoided the crisis, strong financial cycle expansions seem to be coming to an end because growth deceleration in credit and in property prices since 2016. Moreover, in several EMDEs the financial cycle appears to have already turned: in particular, in China credit to corporate sector fell sharply in the last year because the authorities intensified measures to encourage deleveraging and reduce financial stability risk.

Corporate debt in EMDEs has risen over the past decade and had reached levels that significantly exceed its longer-term average and it now rivals the size of government debt. While this phenomenon partly reflects improved and deeper access to capital markets, it raises concern for financial stability: on the one side, excessive corporate debt can lead to distress in the non-financial corporate sectors and systematic balance sheet difficulties in the banking sector, mainly if the cost of debt intensify following the rise in the policy interest rates globally. On the other side, high-levered firms might become more vulnerable to balance sheet shocks, such as currency mismatches, like the ones associated with the recent US dollar appreciation. Indeed, more than one-third of corporate debt in EMDEs is financed by cross-border sources. The elevated corporate debt in the EMDEs not only poses risks for financial stability, but could also dampen investment and longer-term growth. The increase in China's corporate debt has raised concern about investment efficiency. In India and Brazil high corporate leverage is ascribed as one of the causes behind weak private investment in the last decade. Although debt flows may help finance investment, an excessively large stock of debt may eventually constrain investment by creating conflicts between equity and debt holders: the reduced attractiveness of investment from the perspective of the equity holders may lead to underinvestment even in value-enhancing investment projects. A recent IMF analysis confirms that firms with high debt overhang tend to have lower net investment rates. The results suggest that the debt overhang channel is a vulnerability for investment across EMDE firms, especially large and highly leveraged.

SOURCES:

World Bank, Global Economic Prospects, June 2018

BIS, Annual Economic Report, June 2018

International Monetary Fund, World Economic Outlook, April 2018

• Focus on construction and infrastructures opportunities

Renewed Momentum

While over the last forty years the Infrastructures and Construction sector has proven rather sluggish in implementing new technologies, the construction industry is increasingly showing significant changes and rapid evolution. The keys are digitalization and sustainability.

Economic Outlook

A decade on from the global financial crisis, global construction got into its stride in 2017 as the economic backdrop brightened business confidence. Although levels of indebtedness remain high especially in the construction and civil engineering areas, growth prospects are encouraging. The International Monetary Fund (IMF) forecasts global GDP to rise by 3.9% in 2018. Given the strong correlation between the expansion of construction sector and economic growth, a robust increase in GDP can boost the construction sector recovery.

Growth trends are driven by escalating growth rates in the United States, higher-than-expected performances in China and the gradual recovery of European markets. Emerging markets are predicted to achieve substantial growth over the next decade, especially Asian countries including China, India, Indonesia, and the Philippines. Urbanisation, growing population and increasing labour force will underpin the demand growth.

Demand and Growth Potential

By the end of 2018, worldwide turnover of construction companies is expected to reach an overall growth of +3.2% year to year, compared to a +2.4% year to year growth in 2017. This positive trend shows regional differences. Construction companies in the US benefited from the strong demand, as well as those in Europe, except for the UK, where the industry suffered from the after effects of Brexit. The demand growth is to be noticed also in the BRICS countries, with the exception of Brazil due to political uncertainty following the October 2018 elections. Key players in this industry are China, as first global producer and exporter; the US, as first importer and second producer, and Japan, as third producer and importer.

The growth differences between the emerging and the developed countries has significantly tightened (growth gap in 2017 was less than 1% while close to 5% in 2012). This positive dynamic is expected to persist with growing appetite for infrastructure investment in the developed countries. The world infrastructure backlog until 2030 is around \$1tn (without considering Trump's infrastructure plan), which will support orders in both construction and metals sectors. Growth potential lies mostly in infrastructure investment in Europe, the US, China and India.

The dark spot remains in the construction industry's structural weaknesses. Construction companies face problems stemming from raw materials price

variations and long payment delays (construction is among top-3 sectors with the worst payment terms worldwide). Furthermore, the sensitivity to business cycle represents a relevant weakness for this industry, especially because of the long term nature of its activity.

Technological and sustainable constructions as driving forces for future growth

After decades of stagnant productivity and slow reception of technologies, construction projects are now increasingly incorporating systems of digital sensors, 3D printing, drones, robots and new software applications. Skeptical observers have questioned the prospects for a fragmented industry comprising millions of small low-tech enterprises to actually undergo a technology transformation. But major developments have recently been successful in permeating the traditional barriers.

The key element of the technology transformation is the software platform and control layer, which consists in large part of building information modeling (BIM). BIM is a process enabling the creation of a 3D model of the construction, updated to the evolution of the construction project. This software platform serves all stakeholders along the value chain, using virtual modeling and information to simulate any aspect of the asset's life cycle. Indeed, by inserting digital sensors in the construction, it is possible to monitor the variations, oscillations and distances among surfaces of the structure over time. Thus, BIM ensures the control of both decay and security of the structure in the long run.

Along with high-tech transformation, another central element are environmental-friendly developments. The construction sector is responsible for one fifth of global greenhouse gas emissions, that according to the Paris Agreement will have to be cut by 85 percent in the next forty years. Demands for a cleaner environment have created a significant shift in construction practices and investments, not least in the energy sector. This is prompting a global refresh of power generation facilities and ancillary industries based on renewable technologies and materials. Moreover, in mature markets, more advanced and pre-fabricated materials are expected to be used, driven by efforts towards sustainability and controlling pollution.

Challenges Ahead

According to the *International Construction Market Survey 2018*, global construction costs are expected to rise by 4.3 percent in 2018, following a 4.1 percent rise in 2017. 21 of the 46 markets included in the survey are expected to warm up in 2018, while only two are expected to experience a decrease in total costs. This is mostly due to severe volatility in raw material prices which, if not compensated by stable profit, inevitably translates into higher leverage for firms operating in this sector. Thus, one of the main challenges will be the implementation of strategies to combine the adoption of new and sustainable technologies with limiting the risks arising from raw material volatility.

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-World Economic Forum, *What's the future of the construction industry?*, 2016

• Focus on investments and programs in the EU region

While Europe's economy is bouncing back, reaching cruising speed, there are legacy investment deficits and new gaps, arising from the phase shift of the economy in the areas of infrastructure, innovation and skills, and climate change.

In 2018, investments in the European region decreased by 30%, while startup acquisitions registered a slump of 10.8%. This is because the generally improved financing conditions remain uneven across Member States and sectors, and investment financing is still an issue, in particular for young and innovative firms. But the positive data comes from mergers & acquisitions (M&A) of innovative firms, a market that saw 22 thousand operations since 2010, with a total investment ranging to 1.2 trillion dollars.

These figures stress how EU economy experienced a phase change in 2017. As a matter of fact, from 2013 to 2017, business investment in Europe was spurred by sustained demand on the back of high capacity utilization, accommodative financing conditions, and gradually rising corporate profitability. But, most importantly, rise in investments was sustained by a number of European programs launched under the aegis of the European Commission starting from 2015.

Main Investment Funds at European level

EU funds that are available to finance large-scale projects as well as small businesses and startups are the Connecting Europe Facility (CEF) to support trans-European infrastructure networks, the EU's flagship research and innovation programme Horizon 2020. Other investment programs include the EU Programme for Employment and Social Innovation (EaSI) - to modernise employment and social policies, and access to microfinance and social entrepreneurship - and the European Structural and Investment Funds (ESI funds). ESI, include five separate EU funds: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD), and the European Maritime and Fisheries Fund (EMFF). Of crucial importance is the backbone of Juncker's Investment Plan: the European Fund for Strategic Investments (EFSI).

European Fund for Strategic Investments (EFSI)

The European Fund for Strategic Investments (EFSI) is an initiative launched in 2015 jointly by the EIB Group - European Investment Bank (EIB) and European Investment Fund (EIF) - and the European Commission to help overcome the investment gap in the EU, following the financial crisis. Its key aim is to mobilise private financing for strategic investments and provide financing for high-risk projects.

The EFSI was established to mobilise €315 billion of investment over a three-year period in key growth-enhancing areas experiencing investment gaps, by providing €21 billion of financial guarantees. The specific target is to finance large-scale strategic investments in areas such as infrastructure, research and innovation, (through its 'Innovation and Infrastructure Window'), education, renewable energy and energy efficiency as well as risk finance for SMEs (through its 'SME Window').

The EFSI is the key tool for implementing the Commission's 'Investment Plan for Europe', launched in 2014, to mobilise and support investment in the real economy. The 'Investment Plan' further includes the European Investment Advisory Hub (EIAH) and the European Investment Projects Portal (EIPP). The EIAH is a joint initiative of the European Commission and the European Investment Bank, the EIAH supports investors and promoters in project development, capacity building, and financial advice. Instead, the EIPP is a new portal enabling EU-based public and private promoters to showcase their investment project and reach potential investors worldwide.

According to the EIB group, as of 16 May 2017, the approved EFSI financing equaled €36.9 billion, and total mobilised investments relating to these approvals amounted to €194 billion. This corresponds to 62% of the investment goal of €315 billion. Under the infrastructure and innovation window, 224 transactions were approved, and 275 under the SME window.

Future prospects: a European Investment Stabilisation Function

One of the currently debated proposals at the European level is the introduction of a European Investment Protection Fund. This relates to a crucial question in the process of European integration that is the setup of a common macroeconomic stabilisation function, to better deal with shocks that cannot be managed at the national level alone. It would improve the cushioning of large macroeconomic shocks and make EMU more resilient. According to the European Commission such a stabilisation function could build on the European Fund for Strategic Investments as a first step, by identifying a pool of financing sources and investment projects specific to the euro area, to be tapped into.

The European Commission has been pushing for the adoption of such a stabilisation tool since the 'Four President's Report' that envisaged the creation of a fiscal risk-sharing system conditional on the implementation of structural reforms. Despite a consistent push from the European Commission, for more than six years the proposal of a European Investment Stabilisation Function

has been trapped into political resistances and no steps have been undertaken in the direction of setting up a common budget for investments.

It was only in September 2017 that French President Emmanuel Macron called for a eurozone budget, including for investment and macroeconomic stabilization. This call was taken up by German Chancellor Angela Merkel in the Meseberg agreement in June 2018, with the strong condition of enhanced fiscal discipline. Nevertheless, to date a Eurozone-wide agreement on a European Investment Fund for macroeconomic stabilisation is far from being found.

Instead, the European Commission proposed in the Multiannual Financial Framework (MFF) 2021-2027, presented on the 2nd of May 2018, a European Investment Stabilisation Function (EISF) for the whole EU that will “complement existing instruments ... to absorb large asymmetric macroeconomic shocks”. The new instrument is unconditional and automatic, based on loans, with a size “of up to EUR 30 billion”. Nonetheless, critics stress that the new facility would mechanically reduce the lending capacity of other “existing instruments” at EU level, since it is a loan-based instrument, and since, being a non-additional program, it does not increase the lending/borrowing capacity of the EU.

SOURCES:

-European Commission, Multiannual Financial Framework 2012-2027, May 2018

-UNCTAD, World Investment Report 2018, June 2018

-European Parliament, Implementation of EFSI 1.0, May 2017

-European Investment Bank, 2017 Report to the European Parliament and the Council on 2017 EIB Group Financing and Investment Operations under EFSI, December 2017

-European Commission, The Investment Plan For Europe - State of Play, December 2015

-Van Rompuy et al., Four President's Report, 2012



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Chapter 2. THE PRESENCE OF ITALIAN ENGINEERING, ARCHITECTURAL AND CONSULTANCY COMPANIES IN THE WORLD

This chapter analyses the presence of Italian engineering, architectural and consultancy companies in the world. The first section describes the sample, the second shows the results of the survey, the third summarizes the main findings.

- **Sample**

Table 1 summarizes the main features of the sample.

The sample of 143 companies (1/3 of OICE associates) produced in 2017 a turnover of 1789 million euro.

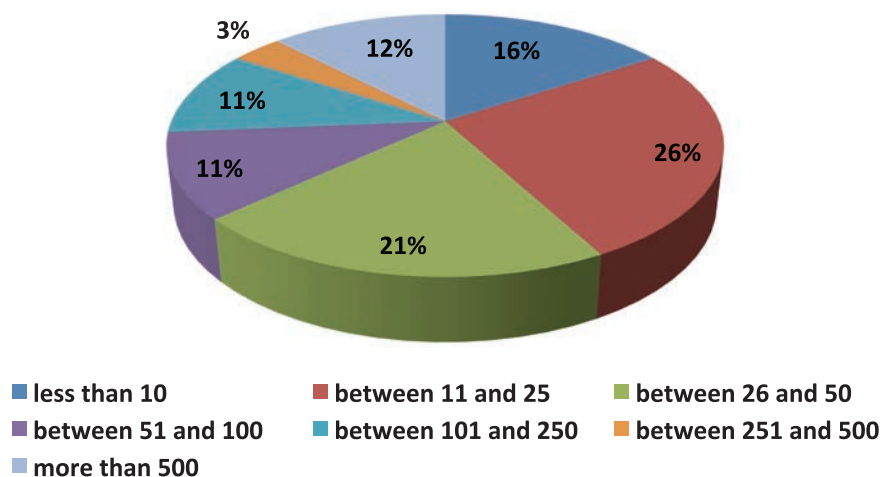
58 companies where active on foreign markets.

The value of their export accounted for 64.8% of the global turnover.

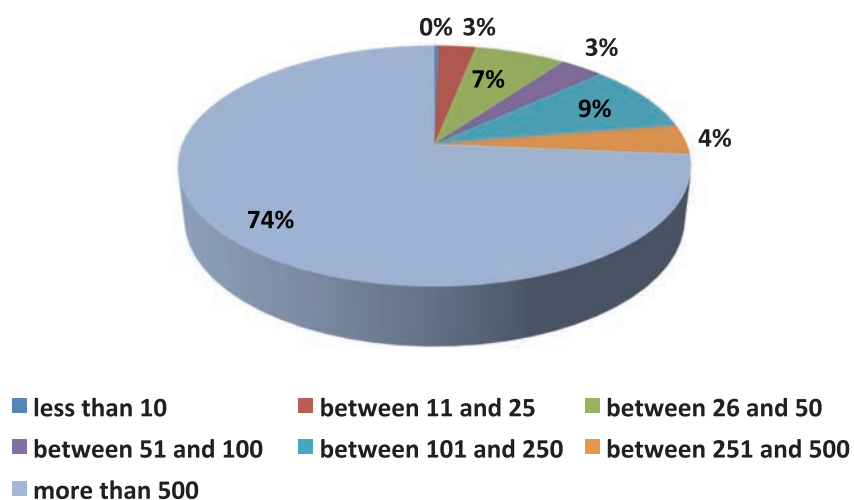
Table 1. Sample Composition

| | |
|-----------------------------------------------------------|-------|
| Number of companies | 58 |
| Production value (Mln euro) | 1789 |
| Production value abroad in percentage of total production | 64.8% |
| Number of Employees | 9850 |

Figure 2.1 illustrates the companies’ size with regard to the number of staff. 47% employ between 11 and 50 staff, 25% between 51 and 500, while 16% arwe micro companies, with less than 10 staff.

Figure 2.1 Company size, by number of employees, 2017

Companies with more than 500 staff (12% of the sample) account for 74% of global turnover (figure 2.2), companies with 101 to 250 staff account for 9% of global turnover, companies with 26 to 50 staff cover 7% of global turnover.

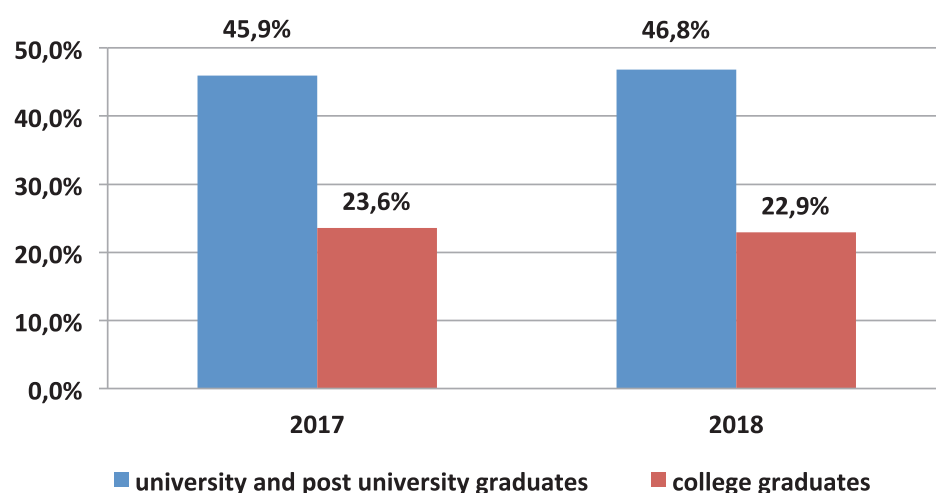
Figure 2.2 Production value, by company size, 2017

• Results of the survey:

- Staff and Turn Over

In 2017, 45.9% of staff held a bachelor's degree or a higher qualification (figure 2.3), This percentage has risen to 46.8% in 2018. Interestingly the number of college graduates has decreased from 23.6% in 2017 to 22.9% in 2018.

Figure 2.3 Employee education



Companies with more than 500 staff hold a higher education certificate (figure 2.4). Companies with 11 to 25 employees have the lowest number of university graduates (18%).

Figure 2.4 Employee education, by company size, 2017

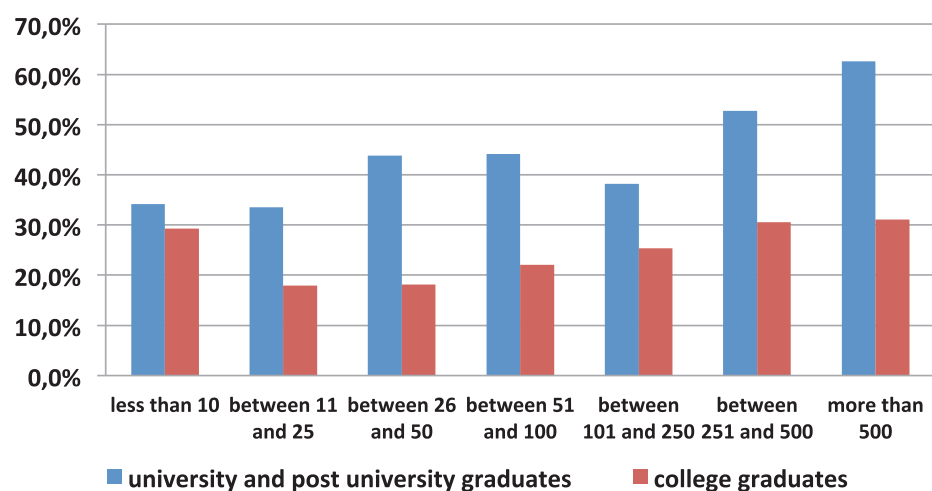
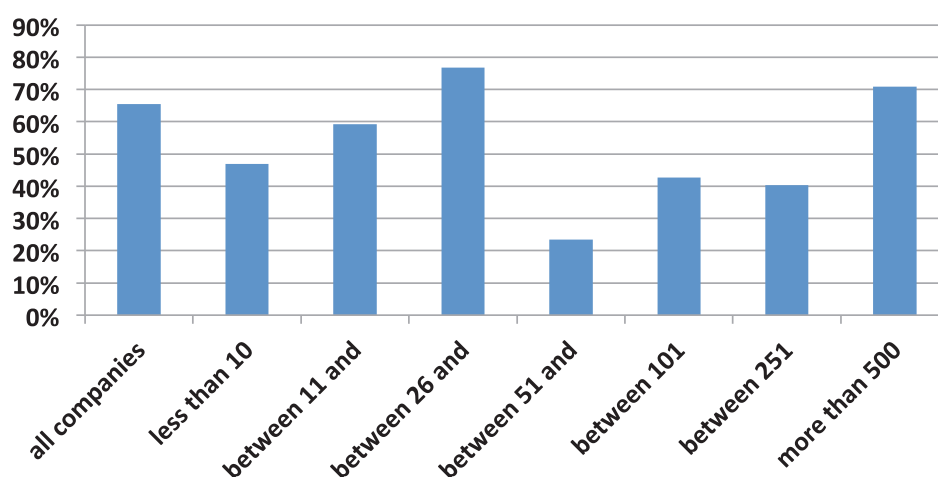


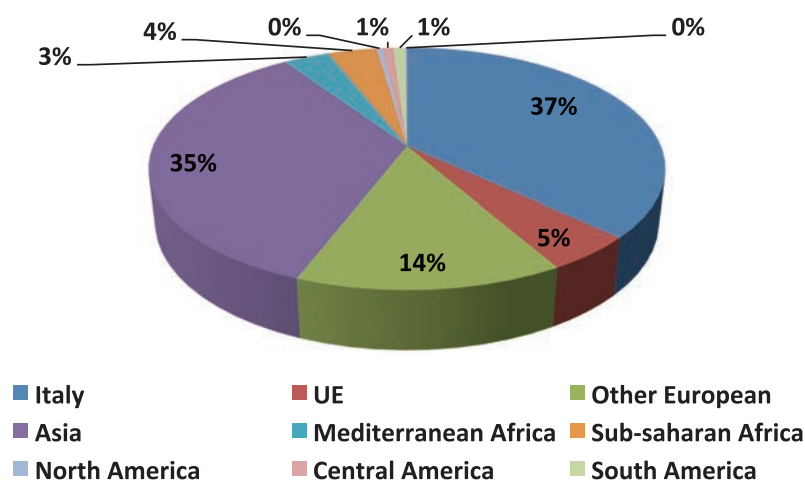
Figure 2.5 provides the percentage of foreign production value, by firm size. Companies with 26 to 50 employees have the highest ratio of foreign production (77% of their total production value), followed by firms with 500+ employees (71% of the total). On the other hand companies with 51-100 staff have the lowest percentage with export corresponding to 23% of their turnover.

Figure 2.5 Share of production value made abroad, by firm size, 2017



Considering the areas of activity, (figure 2.6) the first area of activity is Italy (37%) closely followed by Asia (35%). European countries outside the EU (14%) of global activity. European Union accounts for less than 5%, while Sub-Saharan Africa, Mediterranean Africa, South America, Central America, North America, and Oceania combined account for less than 10%.

Figure 2.6 Production value, by area, 2017



The top sector in terms of value of foreign activity is energy (62%). Construction, urban planning, and transportation account for 23%. The remaining 15% of foreign production value covers manufacturing, infrastructures, environment and agriculture, and ICT sectors (figure 2.7)

Figure 2.7 Foreign production value, by sector, 2017

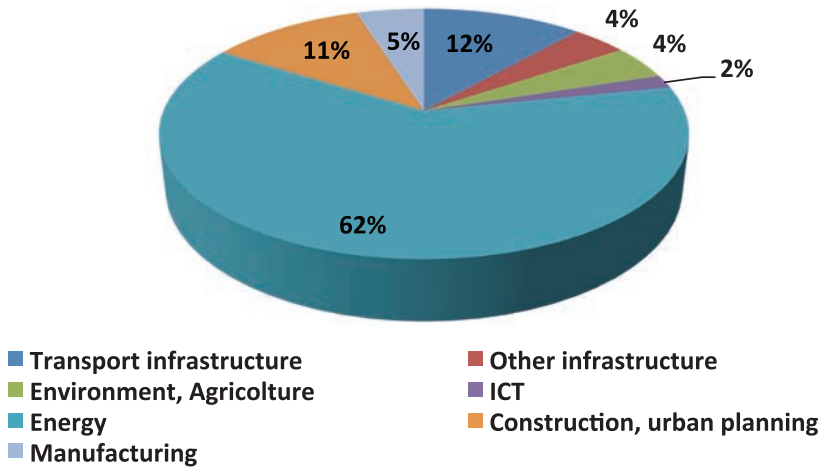
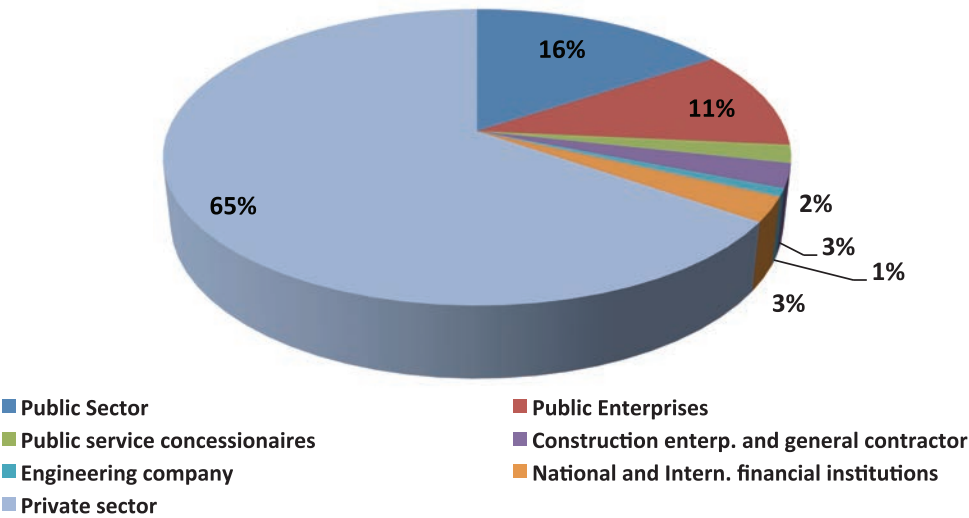


Figure 2.8 illustrates the percentage breakdown of foreign production by client. Private sector costumers account for 65%, followed by public sector 16% and public enterprises 11%.

Figure 2.8 Foreign production value, by client, 2017



- **Contracts awarded**

The current section provides an overview of the contracts awarded abroad to OICE's companies.

Figure 2.9 shows that contracts awarded abroad constitute 49% of the total. The companies with the highest share of contracts awarded abroad are those with 26 to 50 staff (78%) and 11 to 25 staff (71%), while companies with 51-100 and less than 10 staff have the lowest percentages (17% and 20%, respectively).

Figure 2.9 Share of contracts awarded value made abroad, by company size, 2017

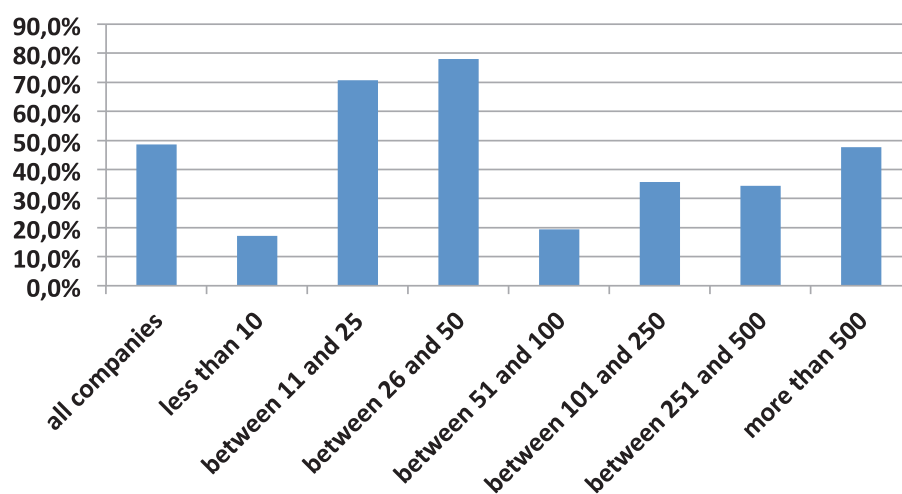
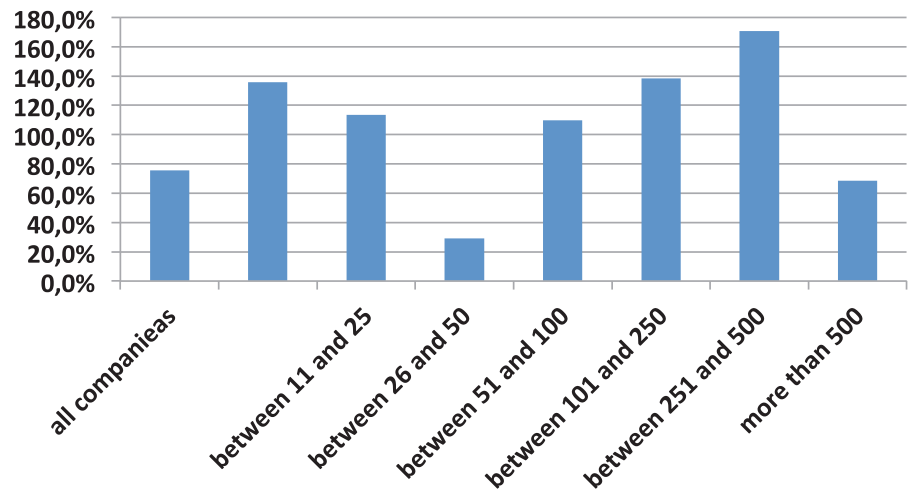


Figure 2.10 provides the ratio between the value of contracts awarded abroad in the first 5 months of 2018, and the total value of contracts awarded abroad in 2017. In average, the value of contracts awarded abroad in the first half of 2018 corresponds to 80% of the 2017 exports. For most clusters, the value of contracts awarded abroad in the first half of 2018 is already well above the values of contracts obtained in 2017. Companies with 251-500 employees have already obtained contracts for a value equivalent to 171% of the total value for 2017. Higher values than in the previous year were also reached by companies with less than 10 staff, between 11-25, between 51 and 100, and between 101 and 205 staff ranging from 110% to 140%.

Figure 2.10 Ratio between value of contracts awarded abroad in 2018 compared to 2017



In 2017 the value of contracts awarded in Italy (51%) and on foreign markets (49%) is almost equivalent (figure 2.11),. Among the most relevant foreign areas for value of contracts awarded we find Asia (30%) and the European Union (8%).

Figure 2.11 Value of contracts awarded, by area, 2017

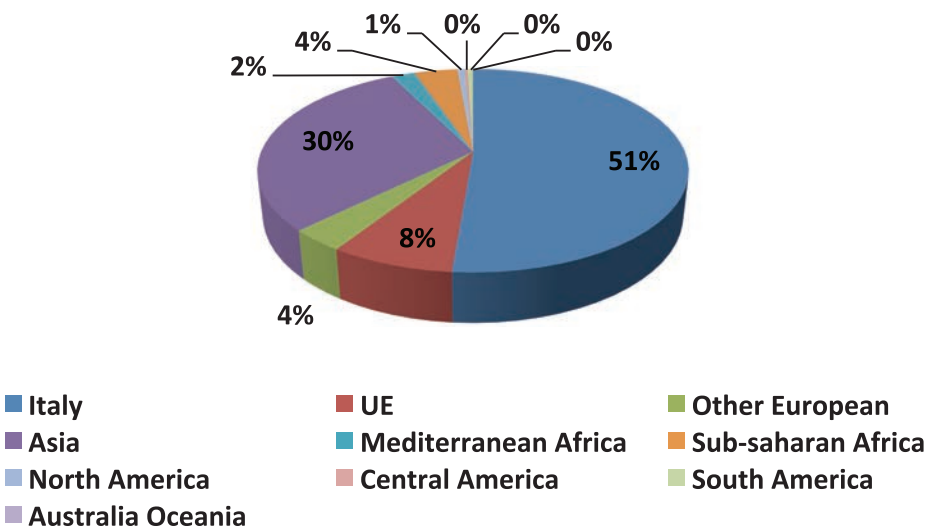
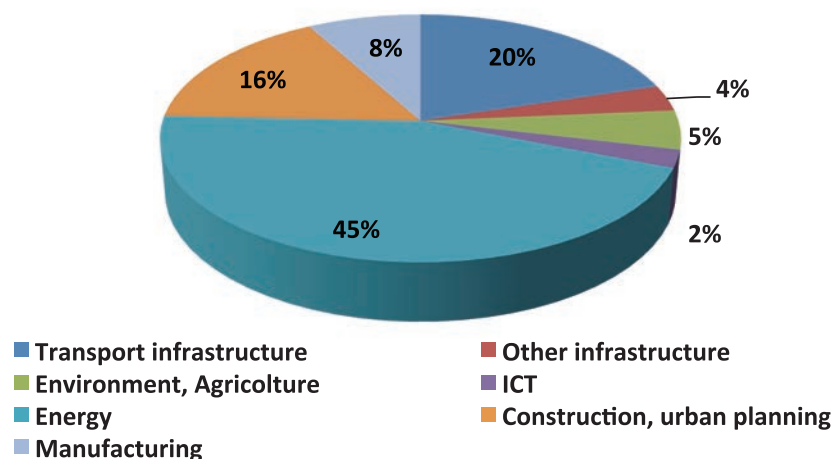
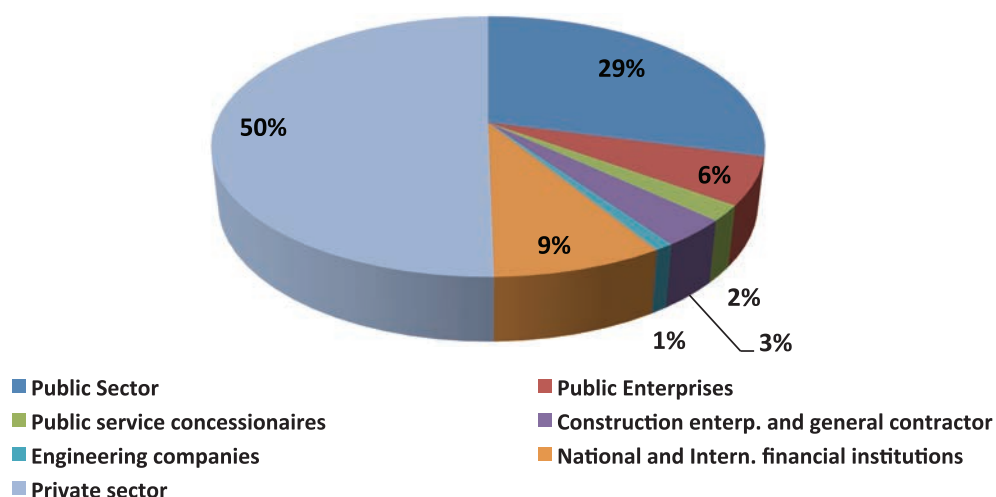


Figure 2.12 Foreign awarded contracts value, by sector, 2017

With regard to foreign clients, private sector is the most relevant (50%) followed by public sector (29%), national and international financial institutions (9%) and public enterprises (6%).

Figure 2.13 Foreign awarded contracts value, by client, 2017

Order book: pipeline of the activities

We now turn our attention to the order book, (figure 2.14) taking into account foreign shares and company size. The value of the foreign order book stands at 52%. Companies with 26 to 50 staff have the highest values, with the for-

foreign shares of the order book being approximately 80%. On the other hand, companies with 51 to 100 staff have the lowest foreign shares of order book's value (13%).

Figure 2.14 Share of order book value made abroad, by company size, 2017

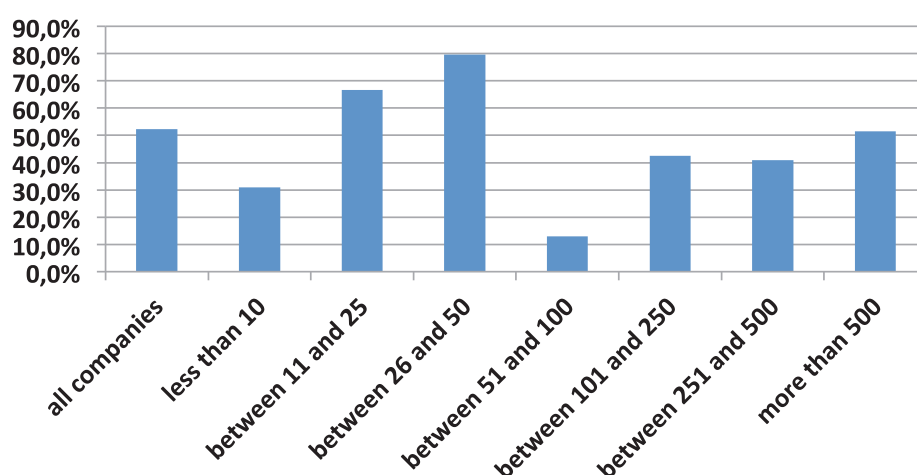
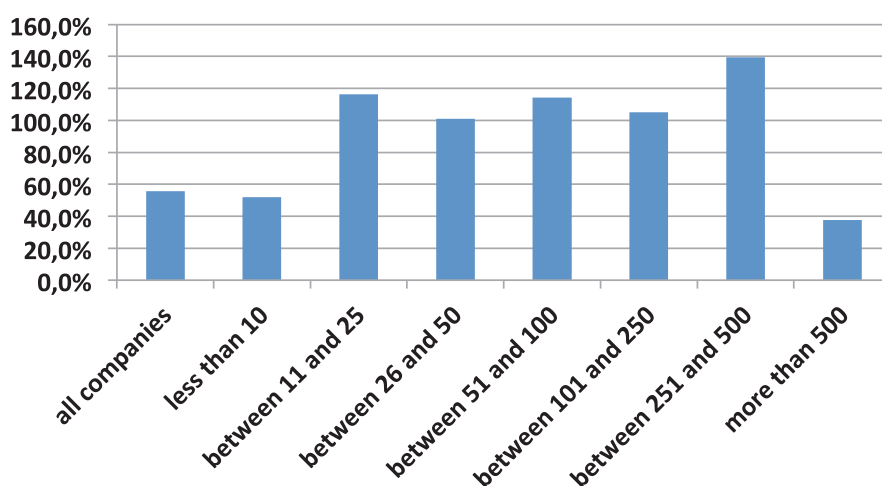


Figure 2.15 presents the ratio between the value of the foreign order book in the first half of 2018 and the total value of the foreign order book in 2017. Overall, the value of the foreign order book in this period equals 56% of 2017 total value. On average, for companies with 11 to 500 staff the value of their foreign order book in the first half of 2018 outmatches the total 2017 value ranging from 116% to 140%.

Figure 2.15 Ratio between foreign order book value in 2018 and in 2017



Just as for contracts awarded, the value of the order book in 2017 was evenly distributed between domestic (47%) and foreign (53%) activities (figure 2.16). Beyond Italy (47%), Asia (35%) and the European Union are relevant geographic areas for the order book. In 2018, the share for Italy has risen to 60%, followed again by Asia (25%) and the European Union (4%) (figure 2.17).

Figure 2.16 Order book value, by area, 2017

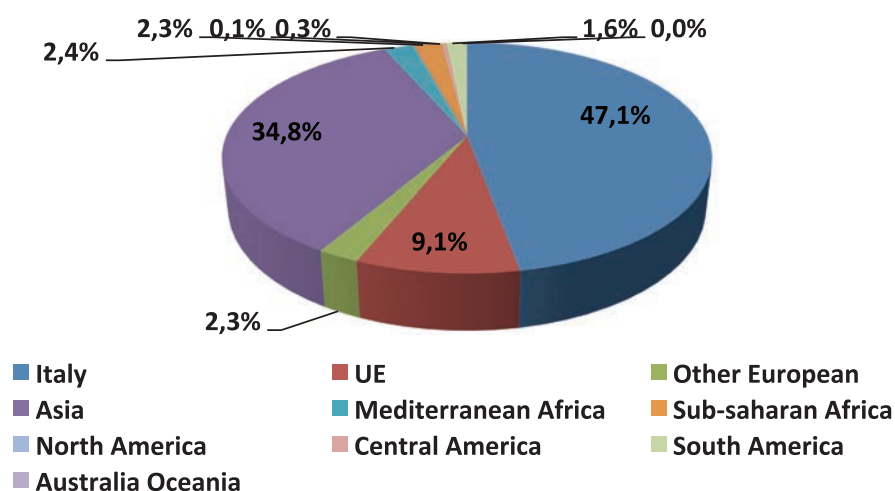
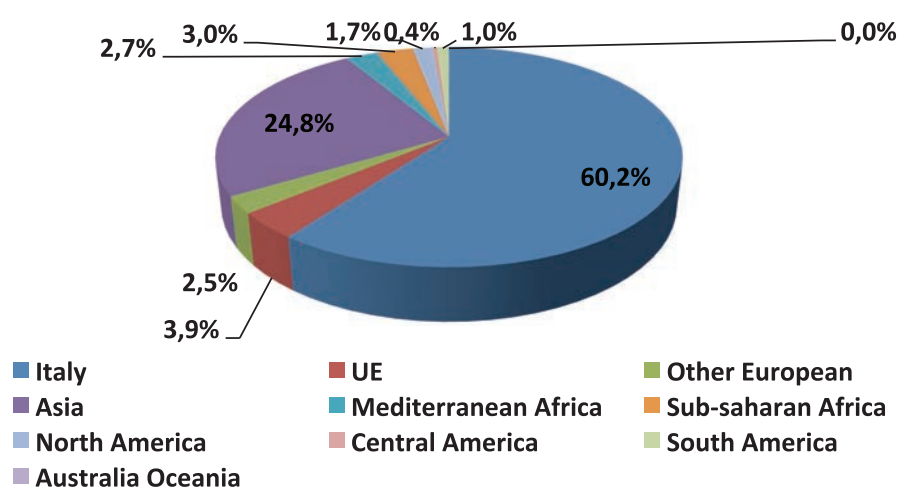


Figure 2.17 Order book value, by area, 2018



In 2017 and 2018, energy is the relevant sector for the value of the order book on foreign markets, with shares however decreasing from 52% (2017) to 29% (2018) (figures 2.18 and 2.19). Transportation infrastructure sector increased

from 20% in 2017 to 25% in 2018. Construction and urban planning sector also increased from 13% (2017) to 19% (2018).

Figure 2.18 Foreign order book value, by sector, 2017

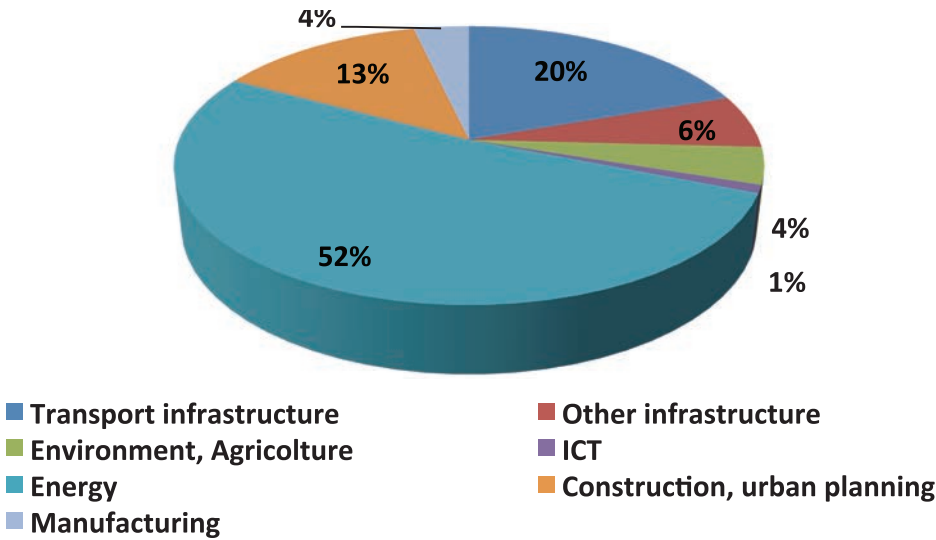


Figure 2.19 Foreign order book value, by sector, 2018

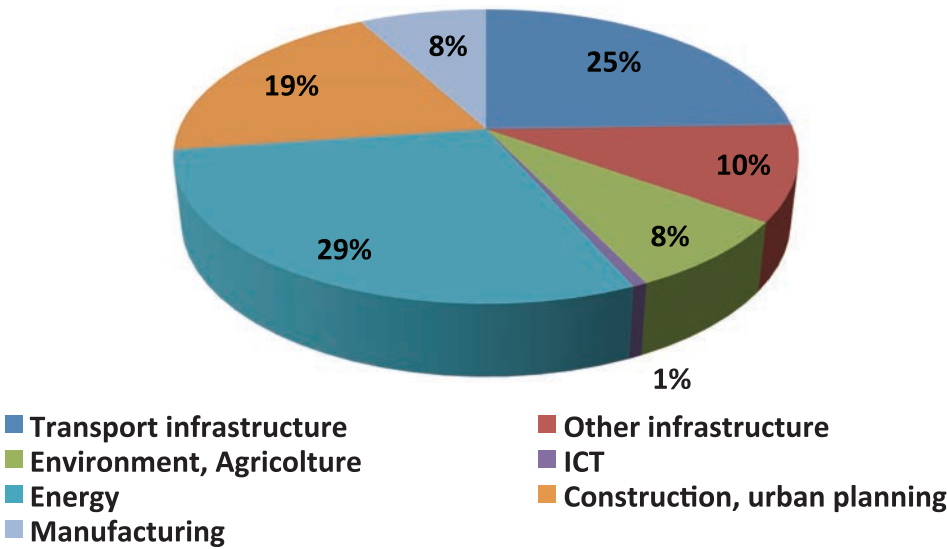
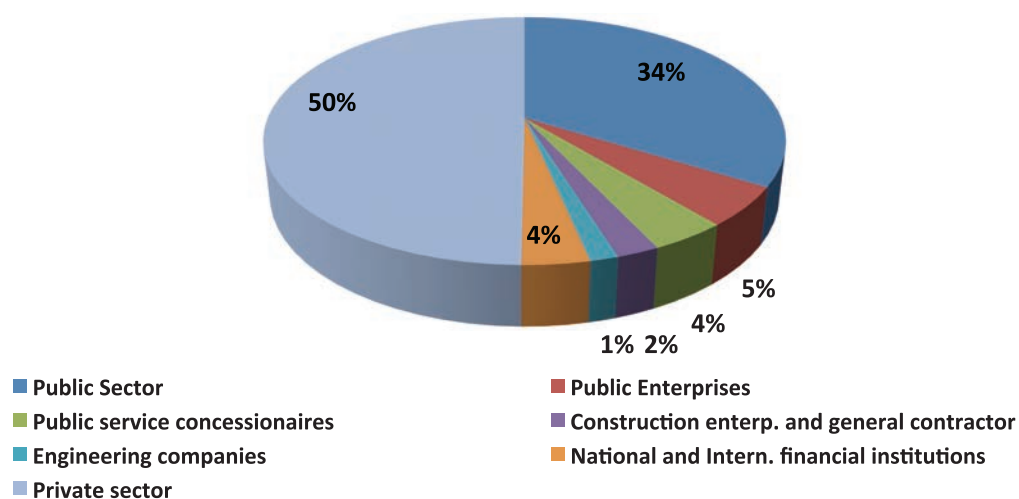
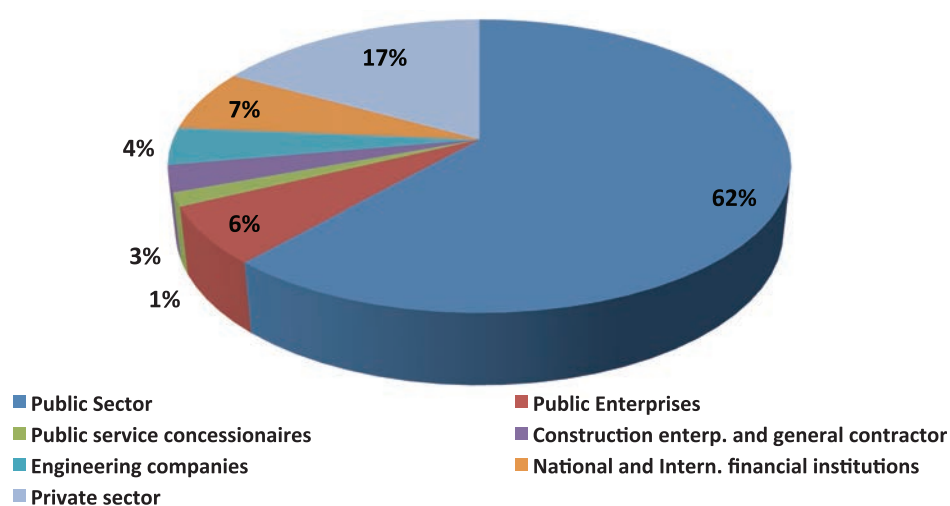


Figure 2.20 Foreign order book value, by client, 2017

Private sector accounting for 50% of the total foreign order book's value was the most relevant in 2017 (figure 2.20). Public sector follows with a 34% share. The ranking reversed in 2018. This year the public sector's share had risen to 62% and the private sector's one has declined to 17% (Figure 2.21).

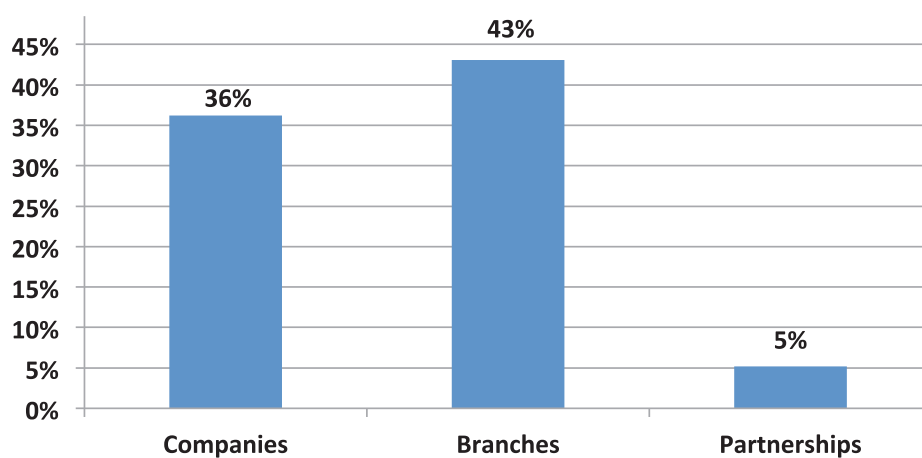
Figure 2.21 Foreign order book value, by client, 2018

- **Operational organization: companies, branches and partnerships abroad**

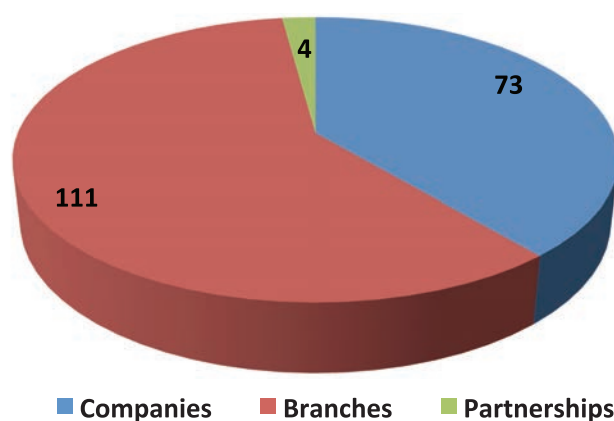
This section provides a description of the operational organization of OICE's companies, specifically focusing on the number of companies, branches and partnerships abroad.

In 2017, 43% of the companies had a branch abroad, adding up to a total number of 111 branches (figure 2.22 and 2.23) whereas 36% of the companies had a share in the ownership of a foreign company higher than 25% (for a total of 81 foreign companies) and 5% had a partnership abroad (4 partnerships in total).

Figure 2.22 Share of companies with branches, partnership or companies* abroad, 2017



**The Italian company has a share in the ownership of the foreign company higher than 25 per cent.*

Figure 2.23 Number of companies*, branches and partnership abroad, 2017

**The Italian company has a share in the ownership of the foreign company higher than 25 per cent.*

With regard to the number staff Italian engineering, architectural and consultancy companies employ abroad, 1,459 people work in foreign branches, 1,070 are employed in foreign companies, and 236 are involved in partnerships (figure 2.24).

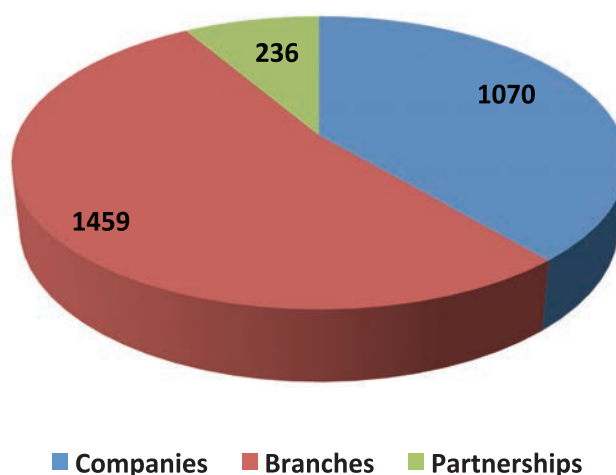
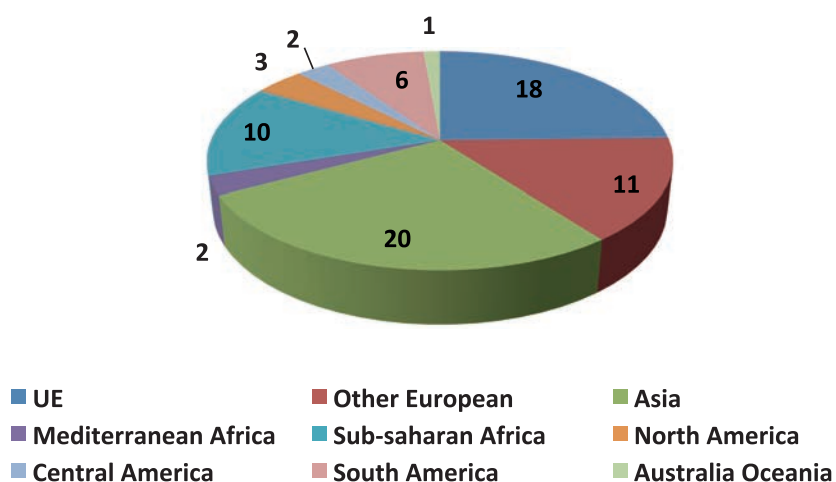
Figure 2.24 Number of employees in companies, branches and partnership abroad, 2017

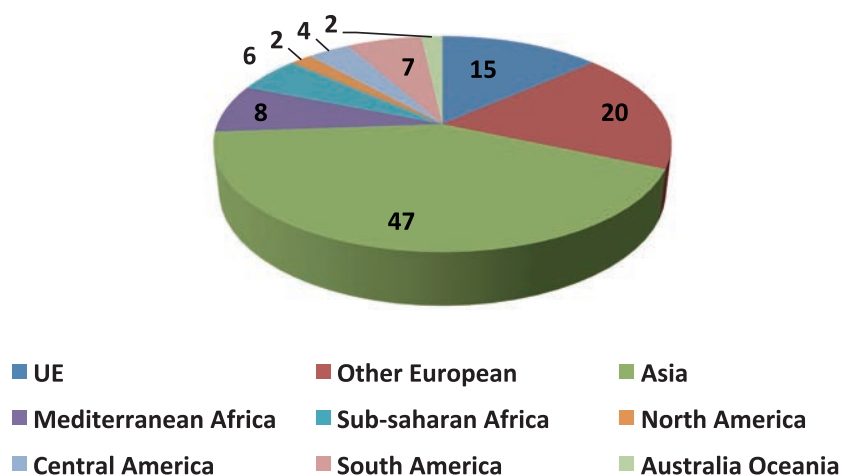
Figure 2.25 outlines that out of 73 foreign branches, 20 are located in Asia, 18 in the European Union, 11 in other European countries, and 10 in Sub-Saharan Africa.

Figure 2.25 Number of foreign companies, by area, 2017



With regard to the number of branches abroad in 2017, 47 out of a total of 111 were located in Asia, 15 in the European Union, and 20 in other European countries (Figure 2.26). The four stable partnerships were established in Asia, South America, North America, and Sub-Saharan Africa.

Figure 2.26 Number of foreign branches, by area, 2017



This chapter highlights some relevant aspects of Italian engineering, architectural and consultancy companies' activities and organization of foreign markets. Asia is paramount for foreign activities in terms of value of production,

contracts awarded, and order book. The other relevant geographic area is Europe, considering both the EU and countries extra EU. Energy, transportation, and construction are the leading sectors of activity. The most significant clients are private and public sectors.

Finally, the data available for the first half of 2018 provides an overall positive picture. The performance of many groups of companies in terms of contracts awarded and order book has already improved upon their overall performance in 2017.



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Chapter 3. OUTLOOKS, STRATEGIES AND TRENDS 2018-2021

The 143 companies sample provides indications that allows to focus on out-looks, strategies and future trends.

43% (61 companies) are active on foreign markets. However there is a symmetrical combination between staff number and international activity. Only 28% of companies with less than 10 staff are active on international markets. Beyond the 251 employee threshold they all operate internationally.

Figure 3.1 Percentage of companies with international activities by size

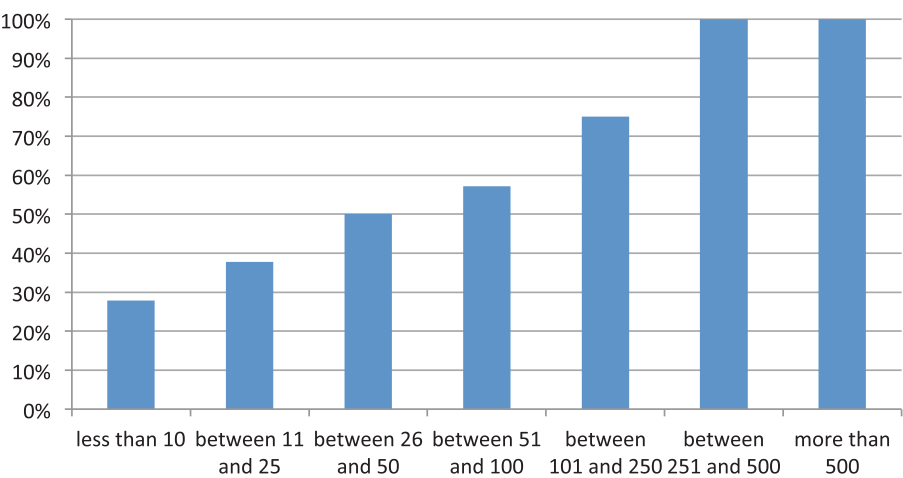
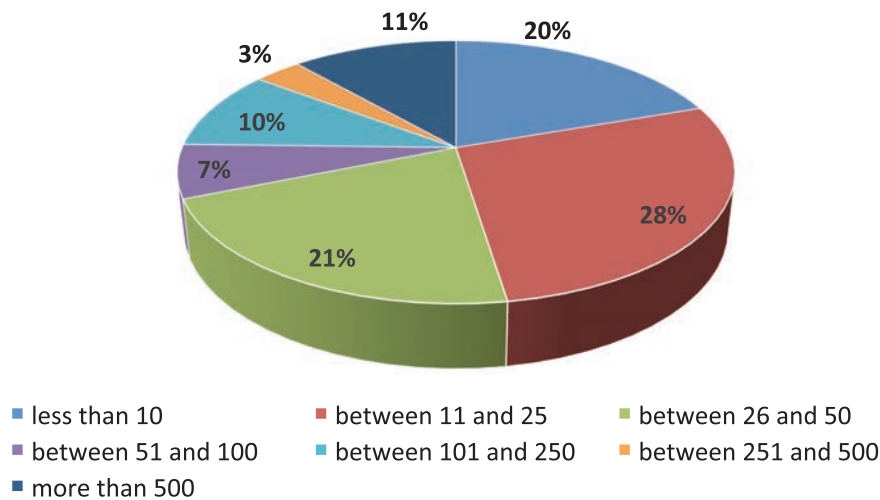


Figure 3.2 reflects the distribution in terms of size of OICE’s associated companies active on foreign markets. The largest slot 28% has between 11 and 25 staff while companies with employees between 26 and 50 staff represent 21% of those active abroad. Companies with less than 10 employees correspond to 20% of the companies active abroad.

Figure 3.2 Size of companies active abroad

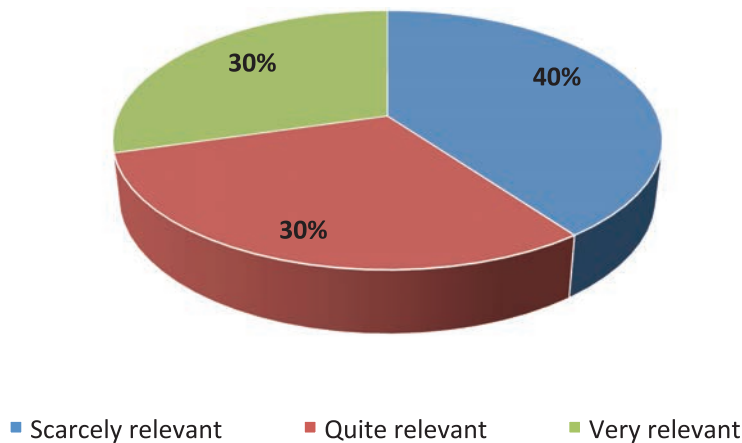


Even though size is an influencing factor that impacts on internationalization, associated companies with less than 50 employees represent almost 70% of the total of those active abroad. This consideration will be relevant when we consider the services useful to sustain and enhance internationalization activities among Italian engineering companies.

• Challenges and opportunities related to foreign activities

60% of companies active on international markets say that foreign activity is very or quite relevant for their strategy (figure 3.3)

Figure 3.3 Relevance of international activities on company strategy



Among the companies not operating abroad (figure 3.4) 28% say that the focus on national market is the most important reason for disregarding foreign markets, 25% consider that the lack of contacts in foreign markets prevents international activity, 18% consider that the lack of trained and skilled staff impedes internationalization.

Figure 3.4 Why is your company not active abroad?

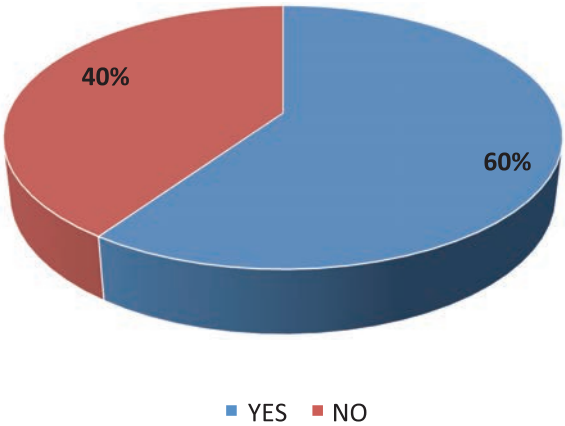


There is therefore a strong need for support to promote internationalization. This is a major challenge for the industry's associations and for public institutions and organizations that must improve the quality of their services and their capacity to meet SMEs expectations.

• Foreign business development strategies

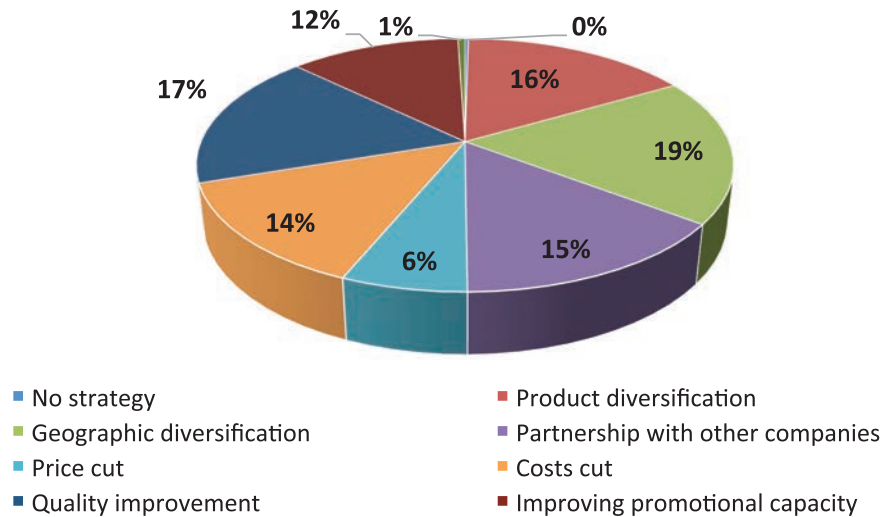
Considering the strategies adopted to implement foreign activities, 60% of the sample (figure 3.5) considers multilateral banks and donors the preferred choice to start or expand internationalization. Given the relevance of this topic, chapter 4 is entirely focused on International Financial Institutions (IFI).

Figure 3.5 Could multilateral banks and donors be your preferred choice to start or expand internationalization?



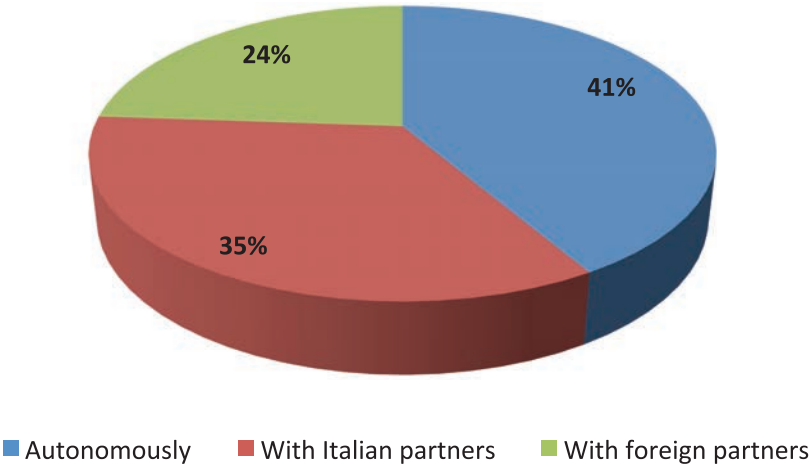
Focusing on the strategies adopted by the companies (figure 3.6) the main motivation is “geographic diversification”, followed by “quality improvement” and by “product diversification”. This means that companies are willing to develop opportunities on foreign markets. Qualitative engineering and niche expertise are the fundamentals in order to meet a substantial and increasing international demand for Italian design.

Figure 3.6 What are the ongoing strategies of your company?



With regard to the way companies carry out their internationalization activity (figure 3.7), 41% carry out their internationalization activity autonomously, 35% do it with Italian partners while 24% establish JVs with foreign partners.

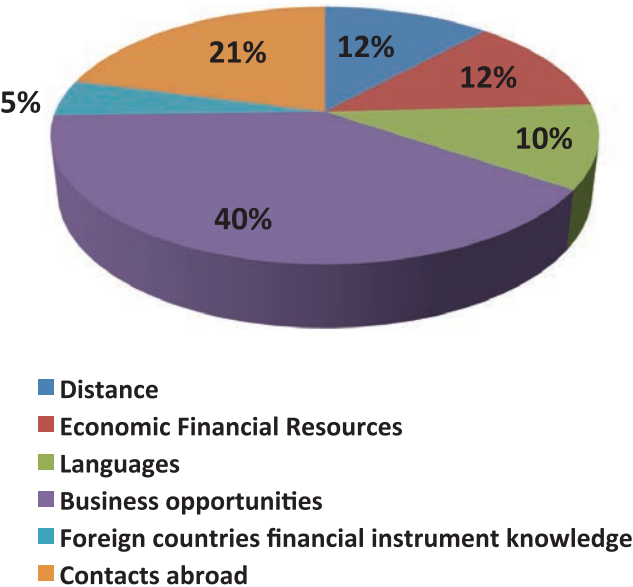
Figure 3.7 How do you carry out your internationalization activity?



• Geographic priorities

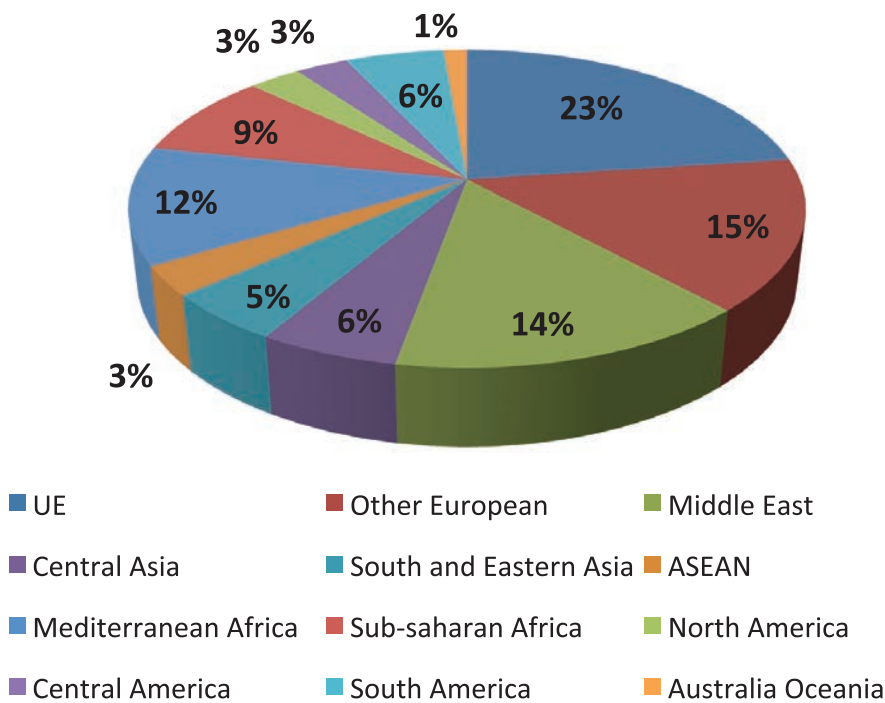
With regard to the motivations that determine the choice of a specific foreign market or a geographic area for the coming years (figure 3.8), 40% of companies select a foreign market according to its business opportunities, 21% choose a foreign market because they have contacts in that particular area, 12% make their choice on the basis of economic and financial resources and another 12% base their choice on the geographical distance assessment between Italy and foreign markets. Only 10% make their choice upon foreign market for the language and a residual 5% on the knowledge of the foreign country’s financial allocations.

Figure 3.8 Selection criteria for foreign markets



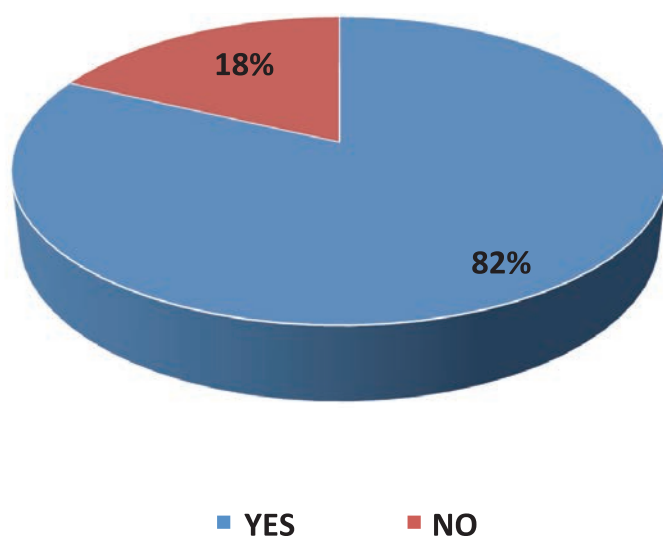
Concerning the areas of interest for the next three years (figure 3.9), 23% prefer the European Union, 15% the non EU European countries, 14% the Middle East and 12% Mediterranean Africa. Geographical distance remains a paramount concern in companies' choices. This is due to an average middle size engineering industry with limited access to distant foreign markets.

Figure 3.9 Foreign areas of interest for the next three years

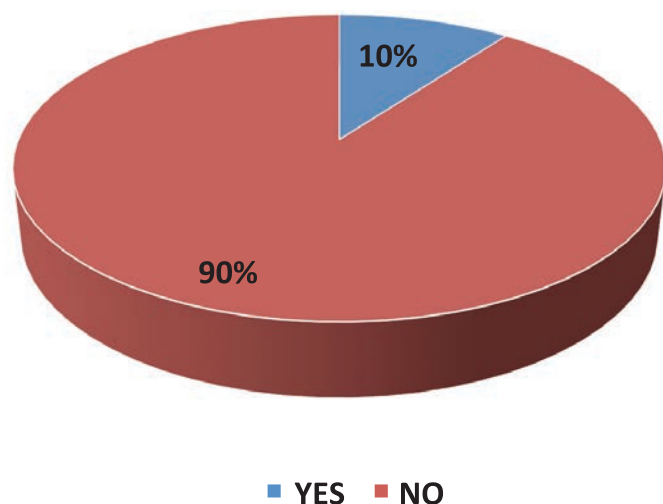


• Institutional support

With regard to institutional support required in order to strengthen international activity, 82% are interested in sharing their own experience abroad with other companies (figure 3.10). Pooling information and experience will further enhance the number of companies that carry out internationalization with Italian partners. This process allows increasing geographic diversification.

Figure 3.10 Are you interested in sharing your company's experiences abroad?

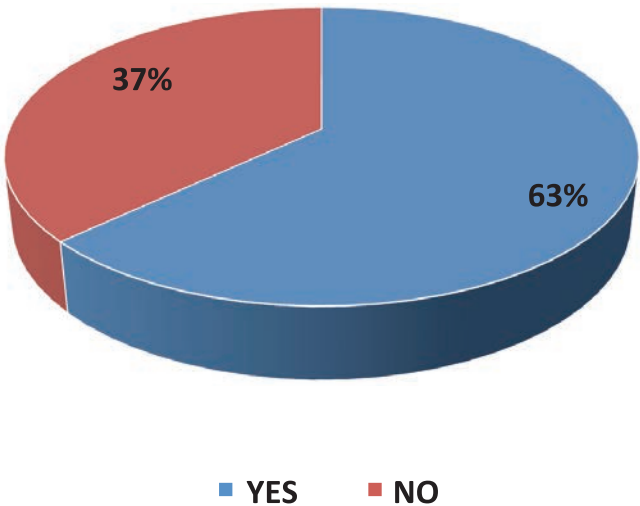
90% of respondents do not use services provided by public financial and insurance agencies such as SACE (Insurance), SIMEST and Cassa Depositi e Prestiti (Finance), (figure 3.11) The number of companies not availing public internationalization support is always higher than the number of companies using these services regardless their size. Companies with less than 10 employees simply do not use services provided by public financial and insurance agencies.

Figure 3.11 Did your company use services offered by SACE, SIMEST, CdP?

63% of companies are interested in consultancy or training on financing instruments to enhance their internationalization activity (figure 3.12). Demand

for services offered by public financial and insurance agencies will probably increase in the near future.

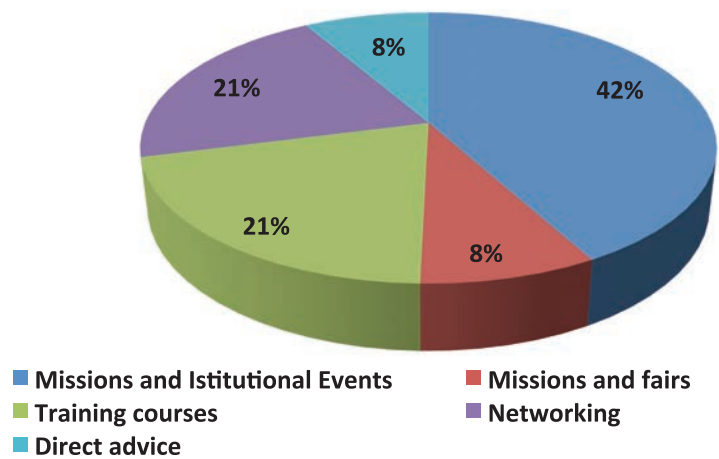
Figure 3.12 Is your company interested in consultancy on internationalization and training on financing instruments?



With regard to services provided by OICE (figure 3.13) 55% of companies use the Association’s services. Relevant services are “missions and institutional events” 42%, “training courses” 21% and “networking” 21%.

These results are in line with the activities provided by the Association. OICE organizes institutional missions in foreign markets, supports networking activities among Italian associates and with foreign partners and promotes training to foster companies’ capacity to work with International Financial Institutions.

Figure 3.13 Which internationalization services provided by OICE did you use?



Conclusions

Within the increasing international activity process, smaller companies still show a low level of foreign market projection. Public and institutional support must be increased in order to help these companies start and organize an internationalization strategy. Furthermore smaller companies do not use the services provided by public insurance and financial institutions such as SACE, SIMEST and CdP. These agencies must increase their involvement with SMEs’ in order to sustain their presence abroad.



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Chapter 4. FOCUS ON THE ITALIAN RANKING WITHIN THE IFIs

This focus on **International Financial Institutions (IFIs)** highlights their consulting activity and presents data related to contracts awarded to Italian companies. Three charts sum up data related to consultancy contracts at the end of the chapter.

- **World Bank (WB)**

With 189 member countries, staff from more than 170 countries, and offices in over 130 locations, the World Bank Group is a unique global partnership: five institutions working for sustainable solutions that reduce poverty and build shared prosperity in developing countries. The World Bank Group works in every major area of development. It provides a wide array of financial products and technical assistance, and it helps countries share and apply innovative knowledge and solutions to the challenges they face. The World Bank Group operates in more than 170 countries, working with partners in the public and private sectors in their efforts to end poverty and tackle some of the most pressing development challenges.

In the fiscal year 2018 (July 2017-June 2018), the WB assigned 1,346 consultancy contracts for a total value of approximately 1.2 billion dollars. The contracts awarded to Italian consultants or consultancy companies were 16, for a value of 29.6 million dollars, accounting for 2.46 percent of the total. Italy ranked tenth for contract assignments among the Bank's member countries, behind developed countries such as France, Canada, the USA, the Netherlands and Germany.

- **Asian Development Bank (AsDB)**

The Asian Development Bank was conceived in the early 1960s as a financial institution that would be Asian in character and foster economic growth and cooperation in one of the poorest regions in the world. AsDB assists its members, and partners, by providing loans, technical assistance, grants, and equity investments to promote social and economic development. AsDB is composed of 67 members, 48 of which are from the Asia and Pacific region.

In 2017, the AsDB awarded consultancy contracts for an overall value of around 742.7 million dollars. The contracts awarded to Italian consultants and consultancy companies have been 22, for a value of about

28.9 million dollars, accounting for 3.89 percent of the total amount, positioning Italy as sixth country for contract assignments.

- **African Development Bank (AfDB)**

The African Development Bank was founded in 1964 and comprises three entities: The African Development Bank, the African Development Fund and the Nigeria Trust Fund. The AfDB's mission is to fight poverty and improve living conditions on the continent through promoting the investment of public and private capital in projects and programs that are likely to contribute to the economic and social development of the region. The AfDB is a financial provider to African governments and private companies investing in the regional member countries.

In 2017, the Bank awarded 1,079 consultancy contracts for a total value of 315.5 million dollars. The contracts awarded to Italian consultants and consultancy companies have been 21, for a value of approximately 13.2 million dollars, representing 4.16 percent of the total. Italy was fifth for contract assignments among the non-regional countries, that include all G7 countries and 15 EU member states.

- **Interamerican Development Bank (IDB)**

The Inter-American Development Bank is the largest source of development financing for Latin America and the Caribbean. Established in 1959, the IDB supports Latin American and Caribbean economic development, social development and regional integration by lending to governments and government agencies, including State corporations. The Bank is owned by 48 sovereign states, which are its shareholders and members. Only the 26 borrowing countries are able to receive loans.

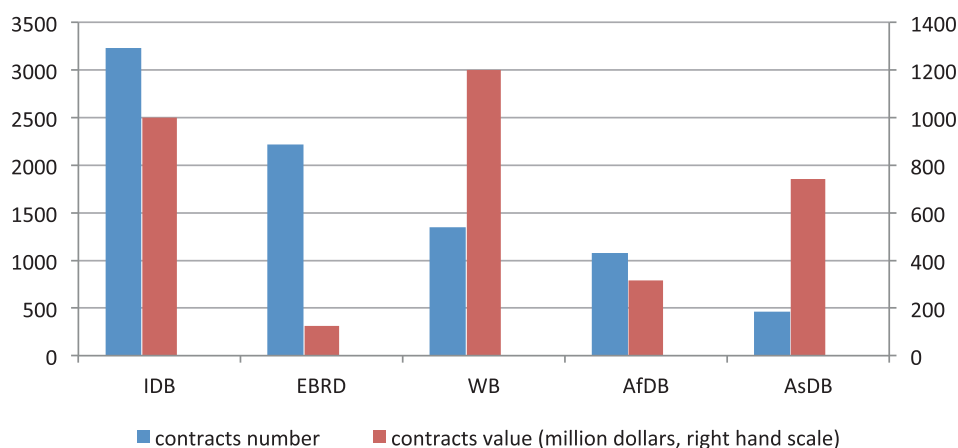
In 2017, the IDB awarded 3,228 consultancy contracts for an overall value of 1 billion dollars. 4 contracts have been awarded to Italian consultants and consultancy companies for a value of approximately 15.3 million dollars, accounting for 1.4 percent of the total, positioning Italy as first country among non-borrower countries, that include all G7 countries and 16 EU member states.

- European Bank for Reconstruction and Development (EBRD)

The European Bank for Reconstruction and Development (EBRD) was founded in 1991 to create a new post-Cold War era in central and eastern Europe, furthering progress towards market-oriented economies and the promotion of private and entrepreneurial initiative. The European Bank for Reconstruction and Development (EBRD) helps businesses and economies thrive. Through its financial investment, business services and involvement in high-level policy reform, EBRD promotes entrepreneurship and change lives. The EBRD goal is to advance the transition to open market economies, whilst fostering sustainable and inclusive growth.

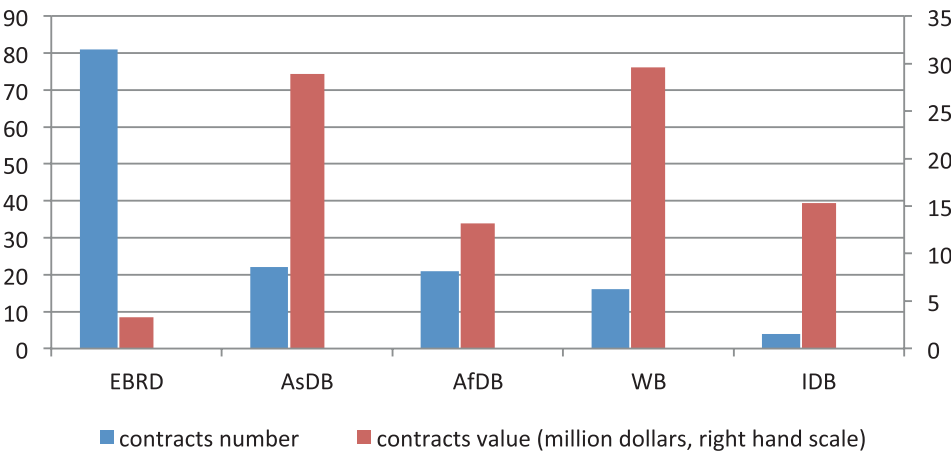
In 2017, the EBRD awarded 2,215 consultancy contracts for an overall value of 110.8 million euros (125 million dollars). The contracts awarded to Italian consultants and consultancy companies were 81, for a value of about 3 million euros (3,4 million dollars), equal to 2.8% of the total amount. Italy ranked eighth for contract assignments after Great Britain, Germany, Turkey, Austria, Ukraine, France and the USA, and so it ranked fifth both among G7 countries (after UK, Germany, France and the USA) and among EU countries (after UK, Germany, Austria and France).

Figure 4.1. Total number and value of consultancy contracts, by bank



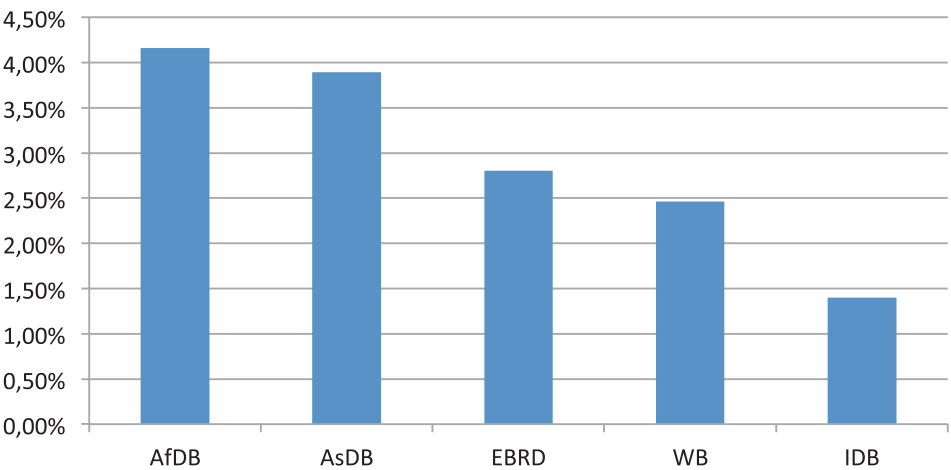
Source: elaboration on Italian Ministry of Economy and Finance data

Figure 4.2. Number and value of consultancy contracts awarded to Italian consultants and consultancy companies, by bank



Source: elaboration on Italian Ministry of Economy and Finance data

Figure 4.3. Percentage of the Italian consultancy contracts value, by bank



Source: elaboration on Italian Ministry of Economy and Finance data

Sample of OICE associated companies

3TI PROGETTI ITALIA - INGEGNERIA INTEGRATA SpA
A.R.S. Spa Progetti Ambiente, Risorse Sviluppo
A.T. Advanced Technologies s.r.l.
AGRICONSULTING S.p.A.
AI STUDIO
AICOM s.r.l. Ingegneria & Consulting
AIRES INGEGNERIA - STUDIO TECNICO ASSOCIATO
ALPINA S.p.A.
AMBIENTE ITALIA PROGETTI srl
ambiente s.c.
ARCHEFICE ASSOCIATI
ARCHITECNA ENGINEERING s.r.l.
ARCLIVING srl
AREATECNICA s.r.l.
ARTELIA ITALIA SpA
ASTRA ENGINEERING srl
BMSTUDIO srl PROGETTI INTEGRATI
BONIFICA S.p.A.
C. LOTTI & ASSOCIATI Società di Ingegneria S.p.A.
C.E.I.S.T. CONSORZIO ESTRATTORI INERTI SUL TAGLIAMENTO
CILENTO INGEGNERIA s.r.l.
CONSILIUM Servizi di Ingegneria s.r.l.
COOPROGETTI Srl
COOPROGETTI società cooperativa
DBA PROGETTI S.p.A.
DP INGEGNERIA SRL
DUEGIELLE srl
DUOMI Srl
E.D.IN. S.r.l. - società di ingegneria
ECOTEC s.r.l.
ENSER s.r.l. Società di Ingegneria
ERRE.VI.A. Ricerca Viabilità Ambiente S.r.l.
ETACONS s.r.l.
ETATEC STUDIO PAOLETTI S.r.l.
ETC Engineering s.r.l.

ETS srl a Socio unico
European Engineering - Consorzio Stabile di Ingegneria
EUROPROGETTI s.r.l.
F&M Ingegneria S.p.A.
FERROTRAMVIARIA ENGINEERING SpA
finepro s.r.l.
G.T. ENGINEERING srl
GEODES s.r.l.
GRANDE & PARTNERS ENGINEERING SRL
HMR s.r.l.
HYDEA S.p.A.
HYDROARCH s.r.l.
HYDRODATA S.p.A.
I.G.&P. - Ingegneri Guadagnuolo & Partners s.r.l.
ICIS s.r.l. - Società di Ingegneria
ICONIA INGEGNERIA CIVILE srl
IG OPERATION AND MAINTENANCE S.p.A.
IMPEL SYSTEMS s.r.l.
IN.CO.SE.T. srl SOCIETA' DI INGEGNERIA CONSULENZE
E SERVIZI PER L'AMBIENTE E IL TERRITORIO
ING. CLAUDIO MARCELLO srl
ING. VITO PRATO ENGINEERING s.r.l.
INGEGNERI RIUNITI S.p.A.
INGEGNERIA E SVILUPPO I.E.S. srl
INTE.CO. ENGINEERING s.r.l.
INTEGRA AES srl
IRD Engineering s.r.l.
ITALCONSULT S.p.A.
ITALFERR S.p.A.
ITS SRL
JACOBS ITALIA S.p.A.
Keios srl Development Consulting
LENZI CONSULTANT s.r.l.
LEONARDO srl
MAIN - MANAGEMENT & INGEGNERIA SpA
MAJONE&PARTNERS srl
MATE società cooperativa
MATILDI + PARTNERS Studio Associato di Ingegneria Civile
METASSOCIATI
MITO Ingegneria srl
MM S.p.A.
NET Engineering S.p.A.
NO.DO. E SERVIZI SRL
NORD_ING s.r.l.

OIKOS RICERCHE srl
PACE & PARTNERS srl
POLIS srl
POLITECNICA srl
POLITECNICA - INGEGNERIA E ARCHITETTURA - Società Cooperativa
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PROMEDIA srl
R & P ENGINEERING SRL
RA Consulting s.r.l.
RECCHIENGINEERING SRL
RINA CONSULTING S.p.A.
S.J.S. ENGINEERING s.r.l.
S.T.E. Structure and Transport Engineering s.r.l.
SEPI s.r.l. Studi Esecuzione Progetti Ingegneria
SERTEC s.r.l.
SERVIZI INTEGRATI s.r.l.
SETECO ingegneria s.r.l.
SIDERCAD S.p.A.
SIM Società Italiana di Monitoraggio S.p.A.
SINERGO SpA
SINT Ingegneria s.r.l.
SINTAGMA s.r.l.
SIPAL SpA
SITEC engineering s.r.l.
SITECO s.r.l.
SO.TEC. s.r.l. Società Tecnica di Ingegneria
Spea Engineering S.p.A.
STUDIO AMATI s.r.l.
STUDIO CANGEMI s.a.s.
STUDIO COMETTO s.r.l. Società di ingegneria
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PHOTO GALLERY





- 3TI PROGETTI
- QATAR
- DOHA METRO RED LINE SOUTH UNDERGROUND PROJECT



- 3TI PROGETTI
- SAUDI ARABIA
- RIYADH METRO PROJECT (PACKAGE 2) LINE 3- WESTERN STATION 3B2



- ARTELIA ITALIA
- ITALY
- REOPENING OF CEFALÙ CLUB MÉDITERRANÉ VILLAGE



- ARTELIA ITALIA
- LIBYA
- ARTELIA ITALIA DESIGNS THE BUSINESS DISTRICT OF BENGASI IN LIBYA



- MM Spa
- SAUDI ARABIA
- RIYADH METRO LINE 3



- MM Spa
- GREECE
- THESSALONIKI METRO



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- **KENYA**
- **EAKI - EAST AFRICAN KIDNEY INSTITUTE NAIROBI**



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- **ITALY**
- **DIAMOND TOWER, FIT-OUT OF THE NEW BNP PARIBAS HEADQUARTERS**



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- **ITALY**
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