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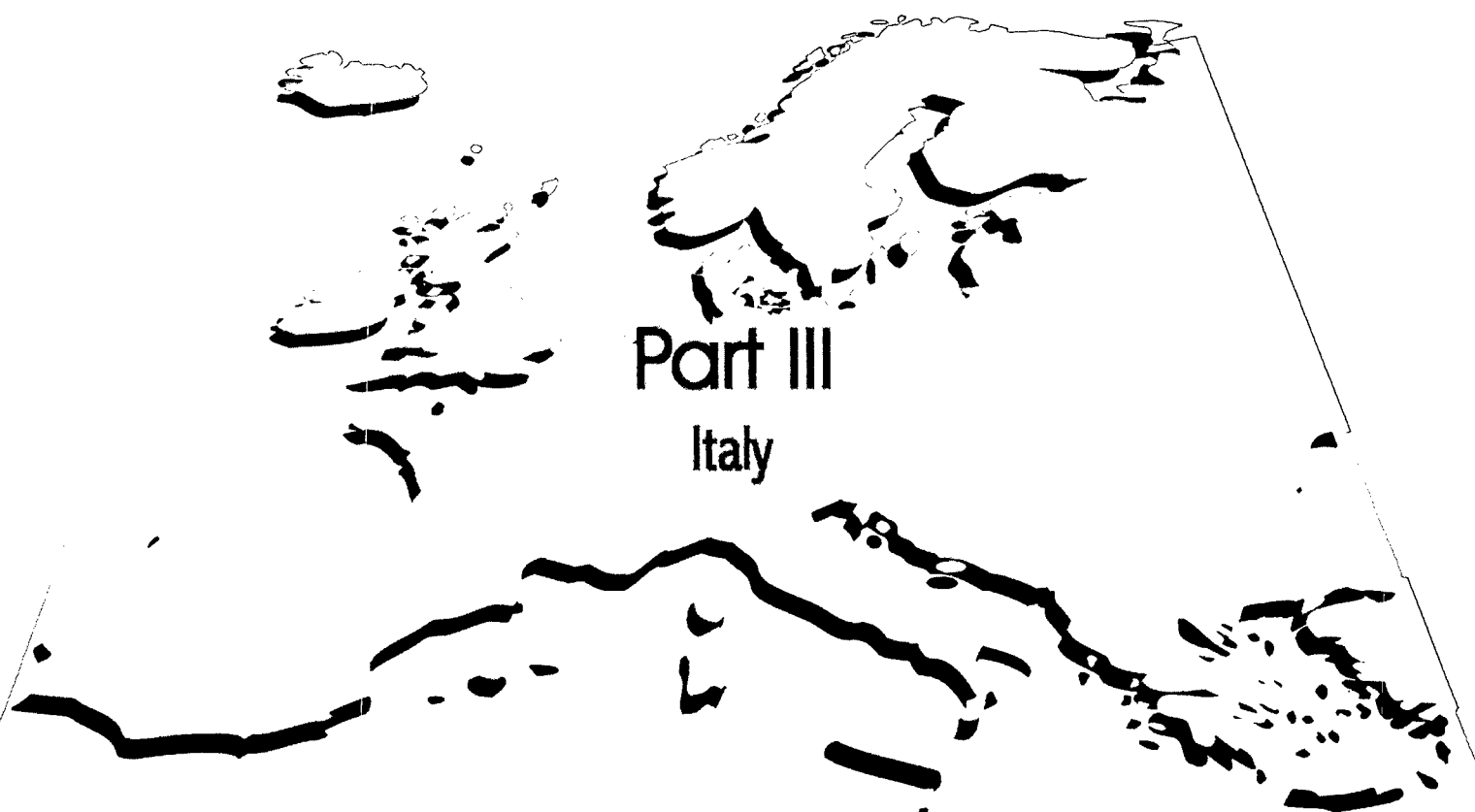
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United Nations Industrial Development Organization

**A Comparative Analysis of
SME Strategies, Policies and Programmes
in Central European Initiative Countries**



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ITALIAN POLICIES IN
FAVOUR OF SMEs

Rome 1995

CONTENTS

OVERVIEW ON SMEs POLICY IN ITALY

NATIONAL FINANCING FOR SMALL AND MEDIUM ENTERPRISES

LAW 49/857 - MEASURES FOR CO-OPERATION CREDIT AND URGENT MEASURES SAFEGUARDING EMPLOYMENT LEVELS

LAW 44/86 - YOUNG ENTREPRENEURS

MAIN ITALIAN LAWS IN FAVOUR OF RESEARCH AND DEVELOPMENT

LAW 46/89 - INTERVENTION IN FAVOUR OF SECTORS BELONGING TO ADVANCED ECONOMY IN ITALY

LAW 346/88 - MODIFICATION TO LAW 46/82 AND PARTICIPATION IN INTERNATIONAL AND EUROPEAN R&D PROGRAMMES

LAW 317/91, ARTICLE 8 - INTERVENTION IN FAVOUR OF INNOVATION AND DEVELOPMENT OF SMES

INCENTIVES TO PRODUCTIVE ACTIVITIES

LAW 1329/65 - MACHINERY PURCHASE OR LEASING

LAW 488/92 - INTERVENTIONS IN FAVOUR OF DEPRESSED AREAS

LAW 598/94 - MEASURES IN FAVOUR OF INNOVATING INVESTMENTS AND OF ENVIRONMENT PROTECTION

NATIONAL LAWS IN FAVOUR OF INTERNATIONALISATION

SACE (Special Section for the Assurance of Export credit)

LAW 394/81 - MEASURES IN FAVOUR OF ITALIAN EXPORT

LAW 49/87 ARTICLE 7

LAW 83/1989 - EXPORT CONSORTIA

LAW 304/90 - FINANCIAL FACILITIES IN FAVOUR OF THE PARTICIPATION IN INTERNATIONAL BIDDINGS

LAW 100/90 - SIMEST S.p.A

FACILITATED LOANS EX ARTICLE 4 LAW 100/90

Italian policy for small firms is addressed to reduce disadvantages of small-scale production by facilitating financial support. The main objectives envisaged by governmental measures are:

- 1) *modernization* of production equipment and technology transfer, to improve the competitiveness and productivity of small firms;
- 2) *promotion* of research and applied research;
- 3) *stabilization* or improvement of SMEs' position on foreign markets;
- 4) *improvement of quality* and increase in quantity of services to SMEs. In other words, assistance should not only cover financial aid, but it should also include other kinds of aids, such as the supply of particular forms of counselling and training courses;
- 5) *deregulation* in respect of labour law with the aim of higher employment and reduced black-market employment.
- 6) *internationalization* and development of foreign trade.

In recent years, more attention has been devoted to the creation of new business.

Organization of SME policy

The *Ministry of Industry* is responsible for most of central government measures for the development of economic strategies in Italy concerning large and small scale companies. The Ministry's main objective is the coordination of the several national economic activities in industry, commerce and crafts. The Ministry is competent for the internal policy concerning "Mezzogiorno" (Southern Italy and the Isles, since they are less developed).

The Ministry of Industry also provides financial aid for the purchase of machines and the implementation of research and innovation. Subsidy for the purchase or lease of high-technology instruments and machines are ruled by *Law n. 1329/65 (Legge Sabatini)*. The main law concerning the discipline of SMEs are: *Law n. 317/91* for the development and the innovation applied to SMEs; and the more recent *Law n. 488/92*, concerning specific financial intervention in the least development areas.

Other laws provide soft loans to finance research and technological innovation projects, which is the case of *Law n. 46/82*, *Law n. 346/88* as well as *Law n. 317/91 art.8*, where part of the available budget is reserved for SMEs. Small firms can apply for support for all projects, while larger companies can only receive loans for projects in certain fields.

Besides the Ministry of Industry also the *Ministry of the University and of the Scientific Research* is partially responsible for Research and Development projects.

Financial support to industrial actions, is also provided by two public institutions, *Mediocredito centrale* and *SIMEST*, as well as by *Artigiancasse* for the crafts sector. Banks refinance loans issued by commercial banks and they also issue soft loans for the purchase of means of production and transport.

The *Ministry of Foreign Trade* is responsible for aid policy relating to export. Through its export policy, the Italian government tries to increase the competitiveness of Italian products and services. Export policy involves:

- * promoting information of export consortia consisting of small firms, by offering financial support in the field of export promotion and marketing (e.g. information, technical assistance, participation in trade-fairs, organization of trade missions);
- * schemes of insurance and financing of export activities and guarantees;
- * soft loans for export activities by companies in Southern Italy.

In collaboration with *Mediocredito centrale*, the Ministry also issues loans for export activities toward countries outside the EEC.

The most important laws concerning foreign trade are:

- * **Law No. 227/77 (Legge Ossola) for supporting export;**
- * **Law No. 394/81 and Law n.°100/90 for the support to the internationalization process;**
- * **Law No. 49/87 concerning public support to international development.**

Information and counselling about SMEs is also provided by the Chambers of Commerce which are part-subsided by the government. Many Euro-Info Centres have also been opened in Italy. Their aim is to give assistance to development and business opportunities for SMEs, as well as to give information about financing investment projects through national or EC regulations.

***NATIONAL FINANCING
FOR SMALL AND MEDIUM ENTERPRISES***

LAW 317/91
INTERVENTION FOR INNOVATION AND DEVELOPMENT OF SMES

- Objectives** In Italy, Law 317/91 is the most important financial support ever created in favour of SMEs, and it can facilitate expenses in:
- * Innovative investments (articles 5, 6 and 12), that is purchase of software for networks establishment;
 - * Real services (articles 7 and 12), that is activities meant to improve productivity, tech. transfer, new market research, quality systems;
 - * Research (article 8), that is research expenses for those activities positively influencing products and productive processes.
- Recipients** SMEs as defined in Ministerial decree 1.06.93, that is:
- * **Number of employees:**
 - * industrial medium enterprise up to 250;
 - * service medium enterprise 21 - 95;
 - * industrial small enterprise up to 50;
 - * service small enterprise up to 20;
 - craft enterprises those ones producing goods according to Law 443/85
 - * **Turnover** up to 20 mio Ecu, for medium enterprises
up to 7,5 mio Ecu for small enterprises
instead of the Turnover
 - * **Assets and liabilities** up to 10 mio Ecu for medium enterprises
up to 3,75 mio Ecu for small enterprises
- Facility features** contribution in capital account or tax-credit

Contribution limits

KIND OF INVESTMENT	SIZE OF CONTRIBUTION
1) <i>Implementation of innovative investments</i> (art. 5, 6 e 12)	<i>Small and Craft Enterprises:</i> * 37,5% (ob.1); 20% (ob. 2 e 5b); * 15% for other areas. <i>Medium Enterprises:</i> * 30% (ob.1); 10% (ob. 2 e 5b); * 15% for other areas.
2) <i>Purchasing of real services</i> (art. 7)	<i>All over national territory,</i> <i>independent from enterprise size: 50%</i>
3) <i>Expenses for Research</i> (art. 8)	<i>Only Tax Offset</i> <i>Ob. 1, 2 e 5b: 45%; other Areas: 30%.</i>

Limits of contribution

OPERATIVE INVESTMENT	LIMITS OF THE CONTRIBUTION
1) <i>Implementation of innovative investments</i> (art. 5, 6 e 12)	<i>SMEs and Craft Enterprises of ob. 1, 2 e 5b:</i> * 675 millions Italian Lira <i>Other Areas:</i> * 450 millions Italian Lira
2) <i>Purchasing of real services</i> (art. 7)	<i>Enterprises located alla over national territory</i> * 80 millions Italian Lira
3) <i>Expenses for Research</i> (art. 8)	<i>SMEs of ob. 1, 2 e 5b.</i> <i>Only Tax Offset</i> * 500 millions Italian Lira

Application The application has to be presented to the Italian Ministry of Industry, since it gives the contributions.

The application form can be asked to: ABI (Italian Banks Association), Unioncamere (Italian Union of Chambers of Commerce), CC (Chambers of Commerce), banks and Leasing companies.

It has to be completed with the following papers:

Certificate attesting the regularity of assertions made in the application form;

Jured expert evidence describing goods required in the application form;

Documents for requiring anti-mafia certificate (to be required by the Ministry)

Donor Italian Ministry of Industry, Commerce and Craft

Information Ministero dell'Industria, del Commercio e dell'Artigianato

Via Molise, 2 - 00187 ROMA

Tel.: 06/47051

Direzione generale della produzione industriali - Div. III

Ing. Gerletta

Tel.: 06/4705.2497; Fax: 06/4705.2371

LAW 49/857
MEASURES FOR CO-OPERATION CREDIT AND URGENT MEASURES SAFEGUARDING
EMPLOYMENT LEVELS

Objectives Promotion of investments made by cooperatives getting together workers dismissed from businesses in crisis. Law 49/85 operates through two different tools:

Rotation Fund for promoting and developing permanent co-operation (Foncooper), which gives financial contribution to cooperatives in difficult conditions;

Special Fund for interventions in favour of employment levels, for contribution addressed to the capitalization of cooperatives created by workers coming from businesses in crisis.

Here, only the Rotation Fund will be described.

Recipients 1. Cooperatives, so called "normal" - according to the requirements of law decree 14.12.47, No. 1577

2. Cooperatives so called "particular" - created in accordance with Law 49/85, article 14, or started in accordance with Law 263/93, later than March 6th 1982

3. Social Cooperatives and Consortia they do create, in accordance with Law 381/91.

Financed operations

As far as "Normal" cooperatives are concerned:

- * modernisation of productions means and/or technical, administrative, commercial services;
- * product quality improvement;
- * commercial network rationalisation;
- * substitution of the financial loss (max. 50%), for the rationalisation of the afore mentioned tools;
- * reconversion and restructuring of plants.

As far as "Particular" cooperatives are concerned:

- * creation and purchase of plants/means in sectors such as production, distribution, tourism and service;
- * modernisation, empowering and widening of projects either worked out or implanted by "normal" cooperatives.

Expences afforded earlier than two years from the presentation of the application are excluded.

Facility features

1) Grant contribution

2) Low rate financing

Contribution Limits

70% of investment. In Southern Italy the contribution can be 100% of the investment.

Financing issuing

Amount	Interest rate	Term	Conditions
200 millions Lira	50% of sectorial indicative rate ¹	8 years (including maximum one year of pre-amortization) ²	* reorganization * better production quality * better distribution * Substitution of liability up to 50%
2 billions Lira	50% of sectorial indicative rate	8 years (including maximum one year of pre-amortization)	* reorganization & reversion * investments of co-operative for implementation or purchasing of plants or reorganization, empowerment or enlargement of above mentioned projects, up to 200 millions Lira.
<p>¹ The rate can be cut up to 25% for co-operatives:</p> <ul style="list-style-type: none"> - created by qualified employees ex art. 14, Law 49/85 ; - located in the South of Italy; - in case of subscription of partnership's capital at least of 20% of the investment value; <p>For Services Sector, it is considered the sector indicative rate, for agro co-operatives it is considered the agricultural loan.</p>			
<p>² In case of projects focused on purchasing or implantation of industrial areas or premises, the maximum term can be extended up to 12 years.</p>			

According to Italian law, some exceptions for the contribution are envisaged.

Donor Special Section for Cooperation Credit at BNL (Banca Nazionale del Lavoro), on the Foncooper.

Application Application form made by Foncooper, to be sent in double copy to:
Sezione Speciale per il credito alla cooperazione;
BNL branch office, situated where the cooperative has its social seat.

Information Ministero dell'Industria, del commercio e dell'artigianato
Via Molise, 2 - 00187 ROMA
Tel.: 06/470521

Direzione della produzione industriale - Divisione III
Dott. Carlo de Vincentiis, Dott.ssa Flavia Gerardi
Tel.: 06/4705.2781; Fax: 06/47052.371

Copercredito Spa
c/o Banca Nazionale del Lavoro
Piazza San Bernardo, 101 - 00187 ROMA
Dott. Giovanni Maria Bonella, Dott. Danilo Pedretti
Tel.: 06/4702.5026-28; Fax: 06/4702.5032

**LAW 44/86
YOUNG ENTREPRENEURS**

Objectives	Law 44/86 does support new investment and promotion of business approach for young generations in areas economically depressed.
Recipients	<ul style="list-style-type: none">* companies and cooperatives, apart from individual firms and de facto companies. The company has to be already set up to present its application for contribution. * young people: absolute majority of young, that is the capital has to be owned mostly by young members (aged between 18 - 29 and more in number than other members), resident in areas of application of this Law; totality of young, that is aged between 18 - 35 and resident in areas of application of this Law; * Seat (legal, administrative and operational), in areas of application of this Law.
Concerned area	areas belonging to Objectives 1 (underdevelopment), 2 (industrial decline) and 5b (rural) of the European Structural Funds Reform.
Financed operations	<p>New initiatives in goods production (in agriculture, crafts and industry) and service provision for businesses.</p> <p>The following expences can be financed for implementing new initiatives:</p> <ul style="list-style-type: none">* feasibility study* land;* buildings;* connections (energy, telecommmunitations, etc.)* brand new machinery, plants and equipment, patents;* material and non-material goods needed in the production-cycle for several years. <p>Main plant running expences for:</p> <ul style="list-style-type: none">* raw materials;* goods;* interests;* services received;* finished products;* office rental;* leasing rates.
Facilities features	Grant contribution; facilited loans; grant contributions for running expences; technical assistance; training and professional up-grading.

AREAS	FINANCING	FINANCING CONDITIONS
area ob. 1 zone A ¹ (Zone 92.3, a)	65% Esm	* 50% first 2 years * max50.000 ECU 3rd year
Areae ob. 1 zone B ² (Zone 92.3, a)	55% Esm	* 50% first 2 years * max50.000 ECU 3rd year
Abruzzo	30% Esm up to 31.12.96	* max50.000 ECU 3rd year
Molise ³	* 45% up to 31.12.96 * 40% up to 31.12.98 * 30% up to 31.12.99	* 50% first 2 years * max50.000 ECU 3rd year
Zones 92.3, c ⁴	30%	* max50.000 ECU 3rd year
Areas ob. 2 e 5b, excluded from areas 92.3, c	15%	* max50.000 ECU 3rd year
¹ Obj.1 zone A: Agrigento, Benevento, Caltanissetta, Catanzaro, Cosenza, Enna, Messina, Nuoro, Oristano, Reggio Calabria, Trapani, Potenza, Vibo Valentia.		
² Obj. 1 zone B: Avellino, Bari, Brindisi, Cagliari, Caserta, Catania, Foggia, Lecce, Matera, Napoli, Palermo, Ragusa, Salerno, Sassari, Siracusa, Taranto		
³ Other regions entirely included: Campania, Puglia, Basilicata, Calabria, Sicilia and Sardegna.		
⁴ As far as Lombardia region is concerned the Commons included are those ones belonging to the provinces of Varese (Arsago Seprio, Busto Arsizio, Castellanza, Gallarate, Samarate, Vergiate) and of Milano (Canegrate, Legnano, Nerviano, Parabiago, rscaldina, San Girogio su Legnano, San Vittore Olona)		

Donor Società per l'imprenditoria giovanile Spa

Application The application form has to be sent to Società per l'imprenditoria giovanile Spa, with the following papers:

- * Statute (copy of);
- * certificate of existancy;
- * certificates attesting that seat and composition of the company are in accordance with the requirements of this Law;
- * certificate attesting Antimafia;
- * feasibility study.

Information Società per l'imprenditoria giovanile Spa
Settore promozione
Via P. Mascagni, 160 - 00199 ROMA
Tel.: 06/862641. Fax: 06/86264226
Numero verde: 167-020044

"Sportelli della Legge 44" delle Camere di Commercio, Industria, Artigianato e Agricoltura, where activated.

MAIN ITALIAN LAWS IN FAVOUR OF RESEARCH AND DEVELOPMENT

LAW 46/89
INTERVENTION IN FAVOUR OF SECTORS
BELONGING TO ADVANCED ECONOMY IN ITALY

Objectives This Law is specifically addressed at supporting:

- 1) Applied research programmes, autonomously undertaken by enterprises (prototypes of new products and/or processes), bringing substantial improvements compared with those ones already existing, and the amount of which is less than 10 billion liras. This is possible through the *Special fund for applied research* (articles 2 and 7).
- 2) Scientific knowledge and know-how transfer to SMEs. Contribution is granted through the *Special fund for applied research* (article 4).

Recipients all kinds of businesses located in Italy.

Facility features Facilities do vary according to size and location of enterprises (see table 6)

articles 2 and 7: low rate financing;
 grant contribution (for particularly innovative projects, and at high industrial risk).

ART. 2, 7 OR 1, 2 e 5b	BASIC RESEARCH	APPLIED RESEARCH
92.3,a (zones A e B)	65% SME <i>esl</i> 60% large enterprises	40% SME <i>esl</i> 35% large enterprises
<i>Abruzzo</i>	like areas 92.3a until 31.12.96	
<i>Molise</i>	like areas 92.3a until 31.12.99	
92.3,c	50% SME <i>esl</i> 40% large enterprises	35% SME <i>esl</i> 25% large enterprises

article 14: low rate financing (min 35% max 55% project costs, for a period of 15 years, of which 5 are pre-redempted)

INDICATIVE RATE OF INTEREST (ART. 14)		
	Zones Ob. 1,2 e 5b	Other zones
<i>SMEs</i>	25%	50%
<i>Large Enterprises</i>	36%	60%

Donor articles 2 and 7: IMI (Istituto Mobiliare Italiano)

article 14: Ministry of Industry

Application articles 2 and 7;

article 4: The Application form has to be sent to IMI, which does manage the Special Fund.

article 14: Italian Ministry of Industry

Information **Istituto Mobiliare Italiano (IMI)**
Viale dell'Arte, 25
Tel.: 06/59591

Ufficio Ricerca applicata
Dott.ssa Lucia Caterini
Tel.: 06/59591. 3735; Fax: 06/59591. 3116

Ministero dell'Università e della Ricerca Scientifica
P.le Kennedy, 20- 0144 ROMA
Tel.: 06/59911

Dipartimento della Ricerca Scientifica e tecnologica - Uff. IV
Dott. Gaetano Tatò
Tel.: 06/5991.2863; fax: 06/5991.2281

Ministero dell'Industria, Commercio e dell'Artigianato
Via Molise, 2 - 00187 ROMA
Tel.: 06/47051

LAW 346/88
MODIFICATION TO LAW 46/82 AND
PARTICIPATION IN INTERNATIONAL AND EUROPEAN R&D PROGRAMMES

- Objectives** This Law is specifically addressed at supporting:
- 1) Applied research programmes, autonomously undertaken by enterprises (prototypes of new products and/or processes), bringing substantial improvements compared with those ones already existing, and the amount of which is more than 10 billion liras. This is possible through the Special fund for applied research (articles 2 and 7).
 - 2) Scientific knowledge and know-how transfer to SMEs. Contribution is granted through the Special fund for applied research (article 4).
- Recipients** all kinds of businesses located in Italy.
- Facility features** Low rate financing
grant contribution (for particularly innovative projects, and at high industrial risk).
- Facility amount** up to 70% of project costs, for a period of 10 years.
- Information** **Istituto Mobiliare Italiano (IMI)**
Viale dell'Arte, 25
Tel.: 06/59591
Ufficio Ricerca applicata
Dott.ssa Lucia Caterini
Tel.: 06/59591. 3735; Fax: 06/59591. 3116
- Ministero dell'Università e della Ricerca Scientifica**
P.le Kennedy, 20- 0144 ROMA
Tel.: 06/59911
Dipartimento della Ricerca Scientifica e tecnologica - Uff. IV
Dott. Gastano Tatò
Tel.: 06/5991.2863; fax: 06/5991.2281

LAW 317/91, ARTICLE 8
INTERVENTION IN FAVOUR OF INNOVATION AND DEVELOPMENT OF SMES

- Objectives** This Law allows financial facilities for SMEs committed in investments for new innovative businesses. The following can be financed:
1) projects aiming at implementing research programmes (purchase of equipment materials needed in laboratories; technical consultancy for innovation and development; external laboratories utilisation);
2) innovative investments, when afforded by newly created enterprises which operate in particularly relevant technological sectors.
- Recipients** Industrial SMEs (according to the definition given in the Structural funds Reform), service and production craft enterprises (created before Oct. 25. 91), which have already a relevant turnover in sections considered relevant for technological improvement;
SMEs operating in particularly relevant technological sectors (created before Oct. 25. 91).
- Financed operations** Research expences are considered as follows:
Data-bases connection;
Salary for specialised personnel required for R&D projects;
Purchase of equipments and materials needed in research laboratories within the enterprise;
Technical consultancy for innovation and development;
External laboratories assistance.
- Beyond that, for SMEs operating in particularly relevant technological sectors, also the following is considered:
Building, energy connections and others needed for the construction of new plants;
Purchase of machinery and new equipment particularly innovating;
Training of the personnel.
- Facility features** Tax -credit (equal to 30% of expences financed, non overcoming 500 million liras; for enterprises located in Objectives 1, 2 and 5b areasm the amount of the facility can achieve 45% of afforded expences but cannot overcome 750 million liras per each beneficiary).
- Donor** Italian Ministry of Industry, Commerce and Craft
- Application** The application has to be presented to the Italian Ministry of Industry, since it gives the contributions.
The application form can be asked to: ABI (Italian Banks Association), Unioncamere (Italian Union of Chambers of Commerce), CC (Chambers of Commerce), banks and Leasing companies.
It has to be completed with the following papers:
Certificate attesting the regularity of assertions made in the application form;
Jured expert evidence describing goods required in the application form;
Documents for requiring anti-mafia certificate (to be required by the Ministry)
- Information** Ministero dell'Industria, Commercio e dell'Artigianato
Via Molise, 2 - 00187 ROMA
Tel.: 06/47051
- Direzione della produzione industriale - Divisione III
Tel.: 06/47052.497; fax: 06/47052.371

**NATIONAL MEASURES IN FAVOUR OF R&D
SUMMARY**

	<i>Beneficiaries</i>	<i>Area</i>	<i>Kind of Measure</i>	<i>Size of financing</i>	<i>Responsible Organization</i>
*L. 46/82 artt.2 e 7	SMEs, consortia public companies and R&D centres	All over national territory	*Financing facility *Grant	Dependent on location and enterprise's size	IMI; application form to Min. University R&DT
*L. 346/88	SMEs, consortia public companies and R&D centres	All over national territory	*Financing facility *Grant	Up to 70% of costs until 10 years . rate of interest of del 15%	IMI; application form to Min. University R&DT
*L. 46/82, art. 4	SMEs	All over national territory	*Grant	Up to 50% of research's cost	IMI; application form to Min. University R&DT
* L. 46/82, art.14	SMEs and large manufacturing enterprises	All over national territory	*Financing facility, up to 50% of loan can be transformed into grant	Up to 35%-55% of project's costs	Min.Industry
*L. 317/91 art.8	SMEs and Craft Enterprises,	All over national territory	*Tax Offset	Between 30 and 45% of tax offset	Min.Industry

INCENTIVES TO PRODUCTIVE ACTIVITIES

LAW 1329/65
MACHINERY PURCHASE OR LEASING

- Objectives** Purchase or leasing of machinery needed for the production of goods or the provision of services.
- Recipients** European SMEs (EU definition) located in Italy.
- Facility features** Discount applied by banks on titles of purchasing/leasing of machinery and deferred up to 12 months, within 5 years. The eligible amount is equal to the whole investment (the machinery cost without VAT) plus interests (min 1 billion Italian liras; max. 3 billion Italian liras).
- Application** The application form has to be sent to Mediocredito Centrale from the applying bank. After 4 months the facility is assigned.
- Information** Mediocredito centrale
Servizio Agevolazioni Interno
Ufficio istruttoria acquisto macchinari
Dott.ssa Adriana Berretta.
Tel: 06/4791.473; Fax: 06/479.557

LAW 488/92
INTERVENTIONS IN FAVOUROF DEPRESSED AREAS

- Objectives** This Law is expressly addressed to favour:
productive initiatives related to new settlements;
modernisations;
restructurations,
widening;
reconversion;
delocalisations;
reactivations.
- Recipients** Areas Ob. 1 Structural Funds:
all kinds of enterprises;
- Areas Ob. 2 and 5b) Structural Funds:
SMEs responding to Structural Funds definition.
- Facility features** The contribution is calculated in Equivalent Gross Subsidy (EGS) with respect to the investment cost.
The beneficiary may choose among the following:
grant contribution;
contribution for paying interests on loans got for the investments,
payments of leasing rents,
payments of social taxes.
The amount does vary according to location and size of the business.
- Application** The Law envisages the interention of the Italian Ministry of Industry. Nonetheless, application measures do not exist yet.
- Information** Ministero dell'Industria, Commercio e dell'Artigianato
Via Molise, 2 - 00187 ROMA
Tel.: 06/47051
Divisione generale della produzione industriale - Div. III
Dott. Sappino
Tel.: 06/482.7818; Fax: 06/47052.371

LAW 598/94
MEASURES IN FAVOUR OF INNOVATING INVESTMENTS
AND OF ENVIRONMENT PROTECTION

- Objectives** This Law enables the financial support of:
investments bringing substantial improvements in technology (purchase of machinery) and
in Environment Protection.
- Recipients** SMEs responding to Structural Funds definition
- Facility
features** Fixed rate financing. The amount of the financial aid varies according to the location of the
enterprises.
It can be given within the following limits:
30% reference rate;
45% for SMEs operating in areas Objectives 1, 2 and 5b).
Coverage: 70% for an investment of max. 3 billion liras
Period: over 7 years, 2 of which in pre-redemption.
- Application** The application has to be presented to Mediocredito Centrale form a bank.
- Information** **Mediocredito Centrale**
Servizio Agevolazioni interno
Ufficio Istruttoria Fondi di Garanzia e Consorzi
Dott.ssa Maria Elena Veneri
Tel.: 06/4791.333; Fax: 06/4791.557

NATIONAL LAWS IN FAVOUR OF INTERNATIONALISATION

SACE
(Special Section for the Assurance of Export credit)

Objectives This Assurance guaranteed by the Italian Government allows to Italian exporters to cope with international competitors.
Those risks depending on political, natural or exchange conditions rather than on the client's solvency, are covered by SACE, created at INA (Assurances National Institute), by means of Law May 24th 1977, No 227, Known in Italy as "Ossola Law". This Section has juridical personality in public law and it is also autonomous with regard to property and management.

Recipients Currently SACE classifies third Countries into 6 categories, this depending on the risk level they present. Each category outlines the assurance approach and, hence, different price-rate to be paid from enterprises.
Those ones interested in assuring their export activity should periodically ask to SACE the up-dated price-rates related to the Country they want to operate with.

Procedures "Ossola Law" at article 14 distinguishes 3 kind of causes for eventual accidents:
political risks (wars, revolutions, riots, etc);
catastrophers (earthquake, vulcanic eruption, etc);
commercial risks.

At articles 15 and 16 of the afore mentioned Law, the export-credit operations that can be covered by the Assurance: the supplier's credits and the purchaser's credits. Where the credits belonging to the former kind are those ones deriving from deferred payments that the Italian operator has directly allowed to the foreign counterpart; and the credits belonging to the latter kind are those ones that a financial intermediary has allowed to the foreign counterpart, in order to finance the payments that the foreign counterpart owes to the Italian operator.

In case of supplier's credit, the supplier can be objected with concern to his provision. In case of purchaser's credit, the credit is completely independent from the commercial performance.

Operations such as fidejussione abroad, direct investments abroad and programmes for commercial penetration are not included in SACE classification.

Usually, 90% is the highest percentage for assuring supplier's credits and 95% is the highest percentage for assuring financial credits as well as triangular operations. Reductions are foreseen of the highest percentage towards countries that SACE considers at high risk.

The assurance coverage can achieve 100% in the following cases:

- operations which are economically and politically high interesting;
- financial credits;
- triangular operations deriving from intergovernative agreements.

SACE LIST OF RISK COUNTRIES *

CLASS 1	Australia, Austria, Belgio, Canada, Danimarca, Finlandia, Francia, Germania, Giappone, Grecia, Irlanda, Islanda, Liechtenstein, Lussemburgo, Norvegia, Nuova Zelanda, Paesi Bassi, Portogallo, Principato Monaco, Regno Unito, Spagna, Stati Uniti, Svezia, Svizzera
CLASS 2	Andorra, Arabia Saudita, Bahrein, Brunci, Cina, Corea del Sud, E.A.U. (Abu Dhabi Dubai), Hong Kong, Kuwait, Malaysia, Malta, Oman, Portorico, Qatar, Singapore, Taiwan.
CLASS 3	Bahamas, Cile, Cipro, Colombia, E.A.U., Thailandia, India, Israele, Macao, Rep. Ceca, Slovenia.
CLASS 4	Argentina, Barbados, Botswana, Indonesia, Marocco, Maurizio, Messico, Namibia, Polonia, Zimbabwe, Slovacchia, Sudafrica, Tunisia, Turchia, Ungheria, Uruguay.
CLASS 5	Algeria, Belize, Bhuta, Bolivia, Brasile, Bulgaria, Capo Verde, Cook, Costa Rica, Rep. Dominicana, Egitto, El Salvador, Estonia, Figi, Giamaica, Russia, Giordania, Grenada, Iran, Kazakistan, Kirghizistan, Lesotho, Lettonia, Libano, Lituania, Malawi, Maldive, Mongolia, Nepal, Pakistan, Panama, Papua Nuova Guinea, Perù, Romania, S. Vincent, Grenadine, Sri Lanka, Swaziland, Vietnam, Tagikistan, Trinidad e Tobago, Turkmenistan, Venezuela.
CLASS 6	Afghanistan, Albania, Angola, Antigua, Antille Ol., Zaire, Armenia, Aruba, Azerbaigian, Bangladesh, Benin, Bielorussia, Bosnia, Erzegovina, Burkina Faso, Burundi, Camerun, Centrafrica, Ciad, Comore, Congo Rep, Corea del Nord, Costa d'Avorio, Croazia, Cuba, Ecuador, Eritrea, Etiopia, Filippine, Gabon, Gambia, Georgia, Ghana, Gibbuti, Guatemala, Guinea, Guinea Bissau, Guinea Equatoriale, Guyana, Haiti, Honduras, Iraq, Iugoslavia, Kampucea, Kenya, Laos, Liberia, Libia, Macedonia, Mali, Mauritania, Moldavia, Mozambico, Myanmar, Nicaragua, Niger, Nigeria, Paraguay, Ruanda, Seicelle, Senegal, Sierra Leone, Siria, Somalia, Sudan, Suriname, Tanzania, Togo, Ucraina, Uganda, Uzbekistan, Yemen, Zambia.

*updated at March 95

LAW 394/81
MEASURES IN FAVOUR OF ITALIAN EXPORT

- Objectives** implementation of programmes promoting commercial penetration in non-EU Countries for Italian SMEs aiming at steadily settling on foreign markets. These programmes have to be set up in two years time.
- Recipients** All exporting businesses, including the rural ones, the turistic ones, the activity of which does increase foreign demand. SMEs considered have to respond to the European definition of SME.
- Facility features** facilitated rate, equal to 40% of the reference rate as established in Law 227/77;
financing period: 7 years, 2 of which pre-redempted, being the remaining 5 years of capital reimbursement;
maximum coverage, equal to 85% of global expences;
the investment can be financed up to 3 billion liras (4 in case expences eligible to financing are addressed at the construction of permanent structures for an amount higher than 30% of global expences);
advance cannot overcome 30%;
Only the expences afforded after the approval of the programme are eligible to financing.
- Application** The application form has to be presented to Mediocredito Centrale and to the Italian Ministry of Foreign Trade, Segreteria Comitato legge 394/81
Mediocredito Centrale carries out a technical evaluation, whereas the Ministry of Foreign Trade will evaluate the juridical conformity of the request as well as the commercial penetration programme consistency with annual activity programmes.
- Donor** Fund created by Mediocredito Centrale and managed by an ad hoc Committee seated at the Ministry for foreign trade.
- Information** **Ministero del Commercio con l'Estero**
Direzione generale Sviluppo e Scambi
Viale America, 341 - 00144 ROMA
Dott. Gianfranco Caprioli
Tel.: 06/59931 - 5964.7489; 5993.2605
Fax: 06/5993.2605
- Mediocredito Centrale**
Ufficio Erogazione Fondi Rotativi
Dott. Antonino Colavito
Via Piemonte, 51 - 00186 ROMA
Tel.: 06/47911 - 4791.207
Fax: 06/4791.575

LAW 49/87 ARTICLE 7

- Objectives** Promotion and support of the creation of joint-ventures in developing Countries, with the participation either of public investors, or of private local investors.
- Beneficiaries** Developing Countries registering less than 3250\$ as yearly pro-capita rental.
- Procedures** 70% of Italian partner share with regard to the first tranche of 10 billion liras, and up to 50% of the exceeding amount, only for extremely interesting initiative. The global amount of the facility shall not overcome 20 billion Italian liras for each initiative. The interest rate is 30% of the reference rate fixed by the Italian Ministry of Treasury for the facilitated credit in industry, monthly published in the Italian Official Journal. The period considered for the financing is of 10 years from the starting of the production (in case of new initiatives), or from the signature of the contract (in case of reactivation of pre-existing initiatives). In this case, as far as capital and interests are concerned a "grace period" of two years is considered). The reimbursement has to be scheduled in 16 instalments, starting from the "grace period" of two years.
- Application** Application forms have to be presented to the Directorate General for Development Co-operation (DGCS) of the Italian Ministry for Foreign Affairs
- Information** **MINISTERO DEGLI AFFARI ESTERI**
Direzione Generale per la Cooperazione allo Sviluppo (DGCS)
Ufficio XVI
Piazzale della Farnesina, 1 - 00194 ROMA
Tel. (06) 369.11
- MEDIOCREDITO CENTRALE**
Servizio Crediti Estero - Ufficio imprese miste
Via Piemonte, 51
00187 Roma
Tel. (06) 47911- 4791285 - Fax (06) 4791574
- UNIDO** - Ufficio per la Promozione Industriale
Largo Domodossola, 1 - 20145 MILANO
Tel. (02) 481.55.22 Fax (02) 498.59.25

**LAW 83/1989
EXPORT CONSORTIA**

Objectives Support for Italian SMEs' export activity by means of a financial contribution issued from the Italian Ministry of External Trade

Recipients Consortia exclusively set up for exporting products from the associated enterprises

Financed operation

1. Management expenses: personnel, consultants and providers, social seat, running expenses, taxes, etc.
2. Promotional expenses: missions, participation in fairs, market research, public relations, advertising, translation, training activities export-oriented

Facility features 40% of expenses as resulting from the balance sheet of the year preceding the application for financing., never exceeding 150 million liras. This limit is brought to 60% for consortia located in Southern Italy. This contribution does exclude any other form of financing. It is yearly issued.

RECIPIENTS	COVERAGE	FINANCING	RESPONSIBLE ORGANIZATION
* consortia * joint subjects	* running expenses * promotional expenses	* up to 40% or to 60% in case of consortia located in South of Italy	* Min Foreign Trade

Basic issuing condition In order to benefit from the contribution, the consortium has to:

- be set up by at least 8 SMEs, in any juridical form, and operating in industry, commerce and crafts;
- have as exclusive social object exportation of associated SMEs products;
- in its Statute the Consortium cannot allow profit sharing among its associated companies, even in case of dissolution of the consortium.

Donor Ministry of External Trade

Application Every year, the Italian Ministry of External Trade issues a series of rules concerning the presentation of the application for contribution.

With reference to 1995, it has been established as follows:

applications for contribution are to be presented at the Italian Ministry of External Trade, Directorate "Sviluppo e Scambi"; applications are to be received within May 15, 95, and the examination is completed within following Nov. 20;

Any eventual complain against a negative result, has to be presented to the Administrative Court within 60 days.

Information Ministero del commercio con l'estero
Viale America, 334 - 00144 ROMA-EUR
Tel.: 06/59931

Direzione generale sviluppo e scambi - Divisions I
Dott. Franco D'Angelo, Dott. Bartolo Canale
Tel.: 5993.2615; Fax: 06/5993.2454

Federeport - Associazione nazionale dei consorzi export
c/o Confindustria
Viale dell'Astronomia, 30 - 00144 ROMA
Tel.: 06/59031 - 5903.613. Fax: 06/5919.615

LAW 304/90
FINANCIAL FACILITIES IN FAVOUR OF THE PARTICIPATION IN
INTERNATIONAL BIDDINGS

- Objectives** Supporting Italian Smes participation in international calls for tenders, in non UE Countries by issuing facilitated rate loans for expences afforded in order to bidding.
- Recepients** Italian enterprises, consortia, associations of enterprises.
- Facility features** The amount of the contribution varies according to the investment. Anyhow it can never overcome 2 billion Italian liras per recipient enterprise, nor 5 billion Italian liras per international bid.
Rate interests is 40% of market rate (according to Law 227/77). The reimbursement is to be expired in 4 year time.
- Application** The application form has to be presented to:
Ministry of External Trade, Directorate General Development and Exchange
Mediocredito centrale.
- Information** **Mediocredito Centrale**
Ufficio istruttoria Fondi Rotativi
Dott. Maurizio Carrù
Tel.: 06/4791.264; Fax: 06/4791.575

LAW 100/90
SIMEST S.p.A

Objectives Law 100/90 enacted SIMEST S.p.A. - Società Italiana per le Imprese Miste all'Estero - which is a both public and private financial institution for development. SIMEST is specialised in promotion and setting up of joint-ventures abroad, promoted or shared by Italian Enterprises.

Law 100/90 establishes that main shareholders are: the Italian Ministry for External Trade (in majority) and Mediocredito Centrale. The remaining shares (mostly held by IMI) are held by important national banks, trade associations, cooperatives and other economic organisations.

Recipients All Countries, with exclusion of UE Member States

Issuing conditions

Within its activities, SIMEST aims at:

- promoting the creation of joint-venture abroad from Italian enterprises, by providing them with assistance needed; in particular it carries out market research, feasibility studies and financial surveys for project and implementation of joint-ventures abroad. It also promotes partner research and it offers assistance in preparing the joint-venture project.
- participating (by holding minority sharings) in joint-ventures abroad, also if already set up, when a enterprise development project has to be undertaken;
- providing joint-venture with technical assistance, if they ask for it.

SIMEST cannot hold shares over 15% of the capital of joint-venture. The intervention is temporary, since SIMEST shares are to be given to other shareholder within 8 years from the first purchase.

Address

SIMEST S.p.a
Via A. Farnese 4,
00192 Roma
Tel (06) 32.34.447
Fax: (06) 32.40.730

FACILITATED LOANS EX ARTICLE 4 LAW 100/90

- Objectives** Italian parties of joint-ventures created with the participation of SIMEST can benefit from facilitated loans issued by il Mediocredito Centrale. Such contributions can finance their risk capital shares, up to 70% of Italian partner's share.
- Recipients** Simest pshared joint-venture.
- Issuing conditions** The interest rate is fixed at 50% of the reference rate indicated by the Italian Ministry of Treasury for facilitated credits to industry. This loan can last over 5 maximum, and the reimbursement can take place in 10 semestral rents, beyond the pre-redemption time that can vary (never more than 36 months). Furthermore, such loans can also benefit from SACE Assurance, as far as their share is concerned.
SMEs can benefit from this loan for an amount of 3 billion Italian liras (out of 5 billion). Large enterprises can benefit from this loan within 25 billion liras Per le grandi imprese il finanziamento non potrà superare il limite di 25 miliardi (out of 40 billion).
- Application** Application forms for loans of this kind are to be presented to Mediocredito Centrale.
- Address** **MEDIOCREDITO CENTRALE**
Servizio Crediti Estero - Ufficio Imprese Miste
Via Piemonte, 51