



	Identity	Entity	Industry	Location	LifeCycle	People	Revenues	
Profile	0.18	0.15	0.07	0.17	0.11	0.13	0.11	7
Structure	0.10	0.10	0.07	0.07	0.44	0.30	0.23	6
Strategy	0.11	0.11	0.05	0.04	0.36	0.31	0.37	10
Performance	0.07	0.13	0.05	0.06	0.34	0.31	0.47	7
Business Envinroment	0.08	0.10	0.06	0.06	0.29	0.23	0.36	13
Business Sentiment	0.08	0.15	0.06	0.05	0.37	0.29	0.42	11

Survey Structure







Respondents and Responses







Identity of the Italian Companies







Type of Entity





	Consus Consus	ures 10 pol			
	Consumer Goods	Services to Business, 32%		Automotive	10%
	Trading, 7%			Chemicals	3%
	1. comg, 7%			Consumer Goods non F&B	6%
	20%			Food & Beverage	6%
	Automotive, 10%			Machinery	11%
	113% IT3%			Services to Business	32%
	^{achine} r			Services to Consumers	4%
				Trading	7%
Automotive	Chemicals	□ Consumer Goods non F&B □ F	Food & Beverage	Other Manufaturing	19%
Machinery	Services to Business		Trading	Others	1%
□ Other Manufaturing	Others		-		

Industries







🛛 North

Shanghai

East (excluding Shanghai)

South/West

West South/West

South 🛛

HK SAR

Overseas

Location





100%									
90%	_								
80%									
70%									
60%									
50%									
40%									
30%									
20%									
10%									
0%			Consumer	Food &		Services to	Services to		
	Automotivo						JEI VILES LU		Other
	Automotive	Chemicals	Goods non F&B	Beverage	Machinery	Business	Consumers	Trading	Other Manufaturing
Overseas	0.03	-			Machinery -			Trading -	
■ Overseas■ HK SAR			Goods non F&B	Beverage		Business	Consumers	_	Manufaturing
	0.03	-	Goods non F&B	Beverage 0.06	-	Business 0.05	Consumers 0.08	-	Manufaturing 0.07
HK SAR	0.03	-	Goods non F&B - 0.05	Beverage 0.06 -	-	Business 0.05 0.06	Consumers 0.08 -	0.10	Manufaturing 0.07 -
■ HK SAR■ South	0.03 - 0.06	- - 0.33	Goods non F&B - 0.05 0.16	Beverage 0.06 - 0.28	- 0.18	Business 0.05 0.06 0.05	Consumers 0.08 - 0.08	- 0.10 0.29	Manufaturing 0.07 - 0.22
 HK SAR South West South/West 	0.03 - 0.06 - 0.13	- - 0.33 -	Goods non F&B - 0.05 0.16 -	Beverage 0.06 - 0.28 -	- 0.18	Business 0.05 0.06 0.05 0.03	Consumers 0.08 - 0.08 0.08	0.10 0.29 0.10	Manufaturing 0.07 - 0.22 -
 HK SAR South West South/West South/West 	0.03 - 0.06 - 0.13	- - 0.33 - -	Goods non F&B - 0.05 0.16 - 0.11	Beverage 0.06 - 0.28 - 0.06	- 0.18 -	Business 0.05 0.06 0.05 0.03 -	Consumers 0.08 - 0.08 0.08 -	- 0.10 0.29 0.10 0.05	Manufaturing 0.07 - 0.22 - 0.03

Industry vs Location

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Life Cycle













Size vs Location













■ Big ■ Medium ■ Small/Medium ■ Small ■ NA

Revenues by Industry







Investments







Where the Most Relevant Investments







- -----Access to the largest market worldwide
- -----Availability of local incentives
- -----Cheaper/easier procurement of manufacturing materials
- Dynamic business environment
- -----High demand for your products/services
- -----Lower production costs
- ----Possibility to attract qualified local talents
- ----Robust economic growth
- ----Good localisation to operate in APEC market

Why in China







Activities in China







Local Production and Redesign Processes











	0	1-2	3-5	More than 5
General and Administrative Office	45	175	18	11
Sales Office	46	134	33	21
Warehouse	75	98	20	14
Production Plant	100	86	10	8
R&D Center	120	64	6	4
Retail and/or Distribution Center	108	47	11	25

Number of Locations







CEO/GM Nationality







Number of Foreign Employees







Roles of Foreigners Employees







Export Outside of China









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Exports Volume & Destinations







Less than 50% More Than 50%

Relevance of Export vs Other Countries







Competitors



1.20





Source of Revenues







Level of Digitalization







% of Revenues Depending on Digital Processes







The More Digitalized Industries







High and New Technology Enterprise Certificate





West South/West



HNTE Certificates by Location







Technology Transfer Issues in Doing Business with Chinese Partners







Technology Transferred to Other Countries



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Technology Transfer Issues in Doing Business with Chinese Partners by Location






IPR Infringements and Legal Disputes







IPR Infringements and Legal Disputes: The Two Extremes







- Cannot disclose
- Loan financing from Chinese banks
- Self-financing
- Intercompany Loan
- Support from Chinese government

- Financing from parent company
- Loan financing from international banks (not italian)
- Bank loans from local Italian banks in China
- Leasing to support our market

Financial Resources









2020 Forecasted Revenues









2020 vs 2019 Revenues by Industry







2020 vs 2019 Revenues by Location







2019-2020 Expected Variation in EBIT







Labor Cost Increase in the Last 3 Years







Where the Labor Cost Increases at Most







Changes in the Entry Barriers in the Last 5 Years







■ Increased ■ Not changed ■ Decreased

Changes in the Entry Barriers in the Last 5 Years by Industry















Made-in-China 2025 versus Industries







BRI versus Global Business Scope







Knowledge About the Dual Circulation







Impact of Made-in-China 2025







Impact of Made-in-China 2025 by Industries







Impact of BRI (Belt and Road Initiative)







- Increasing your revenues in China
- Forcing innovation
- Obtaining incentives to launch new projects
- Decreasing your global revenues in China

- Increasing your global revenues
- Established cooperation programs with Chinese companies
- Decreasing your revenues in China
- Replacing your products and services with local companies'

Impact of BRI (Belt and Road Initiative) by Size













Impact of Environmental Health and Safety (EHS) Law on Business Operations













Relevance of Other Policies







Reform of Residence Permit













Attracting Talents







Attracting Talents by Life Cycle







Challenges in Retaining and Attracting Chinese Talents







Areas of Penalization







Chinese Government Post MOU Attitude Positive Change







Chinese Government Post MOU Advantages







Rating oh the Government's Effort in the Last 3 Years



Very relevant

1.20





----Access to the largest consumer market

Weakly relevant

Relevant

- Lower production costs
- -Possibility to attract qualified local talents
- ----Robust economic growth

Neutral Weakly irrelevant Irrelevant Very irrelevant

- ----High demand for your products/services
- ----Cheaper/easier procurement of manufacturing materials
- -----Availability of local incentives
- -Dynamic business environment

Opportunities in Doing Business in China







-----China Social Credit System

Challenges and Obstacles in Doing Business in China







Entry Barriers in the Next 5 Years














- Affecting our business decreasing export to USA
- Create uncertainty in the customer perspective
- Decreased confidence
- Devaluation of RMB Vs USD (we buy in USD)
- —difficulties in crossborder trade and investment
- ----Give some advantages on US competitors
- Holds new potential client's decision in making new investments
- Increasing cost
- ----Reduce the business of our local customers

Impact on Business of China-US Trade War







Level of Uncertainty Generated by the China-US Trade War







Level of Uncertainty Generated by the China-US Trade War by Industry







Overall Business Scenario in the Next 5 Years







Overall Business Scenario in the Next 5 Years by Industry

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-In Mainland China

—In Greater China (hereafter "Greater China" means just Hongkong, Macao, and Taiwan without the number of Mainland China)

----Worldwide(hereafter "Worldwide" includes the numbers of both Mainland China and Greater China)

2021 Revenues Forecast versus 2020







Future Investments in China







-----Yes, in 2021-2025

Future Investments in China by Location







Investing in New Territories







Disinvestment Plan







Investing in New Territories by Industry







Overall Assessment of China