



Italy

Alberta Relations

PROFILE

Capital: Rome

Population: 60.48 million (2018)

Language: Italian, German, French, Slovene, English

Government: Parliamentary Democracy

Head of State: President Sergio Mattarella

Head of Government: Prime Minister Giuseppe Conte

Currency: Euro, C\$1.00 = €0.6613 (2018 Average)

GDP: C\$2,691.17 billion (2018)

GDP per capita: \$44,493.95 (2018)

GDP Growth Rate: 0.88 per cent (2018)

Inflation: 1.24 per cent (2018)

Unemployment: 10.63 per cent (2018)

Key Industry Sectors: tourism, machinery, iron and steel, chemicals, food processing, textiles, motor vehicles, clothing, footwear, and ceramics.

Sources: World Bank, Bank of Canada, Global Affairs Canada

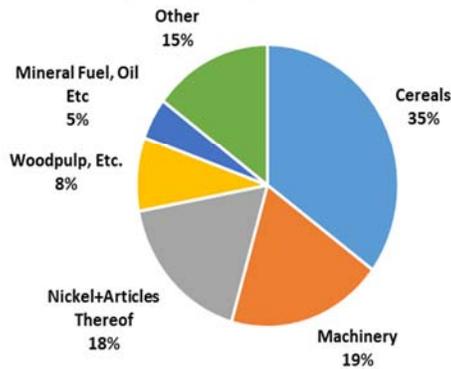
OVERVIEW

- A democratic republic replaced the monarchy in Italy on June 2, 1946 in response to a national referendum. The second day of June has been celebrated as the Festa della Repubblica, or Republic Day, ever since.
- There are two independent states geographically located within Italy's borders: the Republic of San Marino (25 square miles), and the Vatican City (108.7 acres).
- There are 15 minority languages officially recognized in Italy, including native languages such as Sardinian and Friulian, and neighboring countries' languages including Catalan, French, Slovenian and Greek.
- Italy has 51 UNESCO World Heritage Sites, the most of any country in the world.
- The Lotschberg Base Tunnel is the longest land tunnel in the world, and connects Switzerland and Italy with a 22 mile rail system. It runs under the Alps and took 17 years to construct.

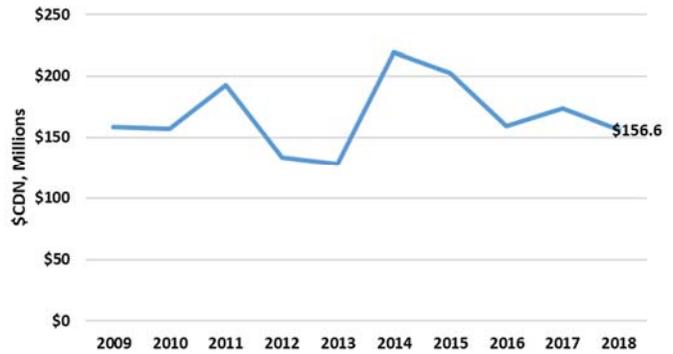
RELATIONSHIP OVERVIEW

- Italy has been a key actor in European economic and political integration, joining the Economic and Monetary Union in 1999.
- Italy is part of the United Nations, European Union (EU), North Atlantic Treaty Organization, the Organization for Economic Co-operation and Development and other international institutions.
- Canada and Italy have signed several bilateral agreements, including an Agreement on Social Security (1977), and an Agreement on the Avoidance of Double Taxation (1977). In 1981, both nations signed an Extradition Treaty, and three years later in 1984, they signed a Cultural Cooperation Agreement.
- The bilateral Working-Holiday Program was renewed in January 2012 for young Canadians and Italians, between the age of 18 and 35 inclusive, to spend up to twelve months in the other country. The quota is currently 1000 participants from each country per year, up from 600 in 2010.

Alberta's Merchandise Exports to Italy 2014 to 2018
(Total Average \$182 Million)



Alberta's Exports to Italy (2009 to 2018)



- In January 2015, Canada and Italy signed the Canada-Italy Joint Action Plan in Science, Technology, and Innovation, under which over 100 bilateral partnerships and initiatives were generated. The Action Plan is intended to encourage collaboration, research and development linkages between major research institutions, universities and companies.
- The Italian Chamber of Commerce of Canada-West, which promotes and enhances trade and investment exchanges between Italy and Western Canada, has an office in Calgary.

TRADE AND INVESTMENT

- Signed in October 2016, the Canada EU Comprehensive Economic and Trade Agreement (CETA) was provisionally applied on September 21, 2017.
- Canada and Italy have a strong commercial relationship. The greatest potential lies in promoting two-way investment, as well as innovation and technology-based partnerships.
- In 2016, Italy ranked as Alberta's third largest export market in the EU after the Netherlands and France.
- From 2014 to 2018, Alberta's domestic exports to Italy averaged \$182 million per year, consisting mainly of cereals, nickel, machinery, and wood pulp. The export figures do not include trade in services (e.g. tourism, architecture and engineering, or IT services).
- During the same period, Alberta's imports from Italy averaged \$425 million per year. The top imports were machinery, iron or steel products, beverages, and electrical machinery. This figure does not include goods sold in Alberta that arrived via distribution hubs in other provinces.
- Canadian foreign direct investment stocks in Italy reached \$1.5 billion in 2018. Italian investment in Canada during the same year was \$1.1 billion.
- Italy has a diversified industrial economy, which is separated into a developed industrial north, dominated by private companies, and a less-developed, welfare-dependent, agricultural south, with high unemployment.

- The Italian economy is propelled mainly by the manufacture of high-quality consumer goods produced by small and medium-sized businesses, many of them family-owned.

ENERGY

- Italy is the fourth largest energy consumer in Europe, after Germany, France, and the United Kingdom.
- Oil and gas contributed to over three-quarters of Italy's total consumption. The remainder is made up of coal, hydro, and renewable energy sources.
- Renewables, excluding hydroelectricity, have increased in Italy's energy consumption from less than two per cent in 2005 to nearly ten per cent in 2015. The government's National Energy Strategy calls for renewables to surpass natural gas as the primary fuel for electric power generation by 2020.
- In 2015, oil production in Italy reached 100,000 barrels per day (bbl/d) (compared to Alberta's production of 2.9 million bbl/d). In the same year, Italy consumed 1.4 million barrels per day of oil provided by domestic production and imports from abroad.
- Italy is a major refining center in Europe and a significant exporter of refined products, exporting more than 0.5 million bbl/d in 2015. Italy has the second-largest crude oil refining capacity in Europe after Germany, with a total capacity of just over 2.1 million bbl/d from thirteen crude oil refineries.
- Some Italian refineries are complex enough to process Alberta based heavy crudes.
- The second-largest refiner in Europe shipped a trial delivery of Western Canada Select to a refinery in Sicily in August 2014.
- Italy is a major transit country for crude oil. The Trans-Alpine Pipeline starts in Trieste on Italy's northeastern coast and can transport up to 850,000 bbl/d of crude oil to destinations in Germany, Austria and the Czech Republic.
- Italy has proven natural gas reserves of 53.72 billion cubic metres as of 2015. Imports accounted for close to 90 per cent of natural gas consumption in Italy.
- Italy's natural gas consumption reached 70.91 cubic metres in 2015, and reported net imports of 65.28 billion cubic metres to

meet demand. Italy is the fourth largest importer of natural gas in the world.

- The majority of Italy's natural gas imports come from Russia via pipelines across Ukraine and southeastern Europe. Russia provided 49 per cent of Italy's imported natural gas in 2015.
- The country is dependent on coal imports, with net imports of 20 million tons in 2015.
- While Italy remains the only member state of the G7 that currently does not produce nuclear power, it is estimated that 10 per cent of its electricity comes from imported nuclear power.
- Plans to recommence the country's nuclear program were put on hold following the devastating March 2011 tsunami in Japan and subsequent damage to the Fukushima nuclear power plant. This was reiterated in a June 2011 referendum that rejected a new plan to produce nuclear power locally.
- Italy has developed the foundation for a competitive electricity market, although difficulties remain, particularly in the retail market. Energy security remains a major concern for Italy. Growth in electricity generating capacity has been largely gas-fired, leading to increased dependence on imported gas.
- Italy has some involvement in the oil sands. Saipem (formally known as Snamprogetti) has worked on several oil sands projects including Husky Energy/BP's Sunrise and CNRL's Horizon. The firm is also working on the upgrader near Redwater, Alberta that will be processing bitumen.

EMERGING OPPORTUNITIES

Digital Industries:

- As of 2016, Italy is the fourth-largest market for information and communication technology (ICT) and telecommunications equipment and services in the EU.
- The Italian ICT market grew by 1.8 per cent to €66.1 billion in 2016. This number is expected to grow to 2.3 per cent in 2017. This growth is mostly driven by cloud computing (+2.3 per cent), internet of things (+14.3 per cent), and mobile services (+13.1 per cent). Other expanding subsectors include software, and digital content and advertising.

Aerospace and Defence:

- With a turnover of USD \$20 billion and a workforce of over 50,000, the Italian aerospace industry ranks seventh in the world and fourth in Europe.
- Italy is home to the formerly known Finmeccanica Group now called Leonardo SpA which is among the world's top ten aerospace and defence groups. Leonardo and divisions within this group have expressed interest in learning about Alberta as a place to do business.
- Small and medium-sized enterprises make up three-quarters of the Italian aerospace industry. These firms are concentrated in several clusters located in Piedmont, Lombardy, Lazio, Puglia, Campania and Umbria.
- Italian technological and manufacturing know-how includes: fixed wing, rotating wing, propulsion, software, fuselage components, metallurgy (aluminum, titanium and composite materials), electronics, and plastics.

Sustainable Buildings:

- Alberta's secondary wood manufacturing continues to be influenced by European and Italian experience, technology, equipment, precision manufacturing, and design.
- Green building and developing sustainable buildings are essential steps towards fulfilling the objectives of the 20-20-20 EU Climate Package. By 2020, all new construction must have a zero environmental impact. EU efforts, including Italy, to reduce energy consumption began in 1993 and as a result many innovations and advancements in energy efficient products/services/processes have evolved, presenting the possibility of using Italian solutions in Alberta.

Clean Energy:

- Opportunities in Italy can be found in biomass processing, industrial process in water treatment and air pollution control, energy storage and smart grid software, among others.

Life Sciences:

- Italy is home to a number of life science companies operating in the biotechnology, pharmaceutical, medical devices, and related technology sectors.
- In the areas of biotechnology, pharmaceutical and nutraceutical subsectors, there are opportunities for technology transfer and export sales.

AGRICULTURE AND FORESTRY

- In 2016, Alberta agri-food exports to Italy were valued at \$79 million. Wheat is by far Alberta's largest export to Italy, with over \$69 million in sales in 2016. Other exports included prepared animal feeds (\$7 million) and dried beans (\$1 million).
- Italy serves as the head office for the Food and Agriculture Organization of the United Nations, making it a hub of many multinational agriculture projects.
- Italy is one of the top agricultural producers in the EU and supplies most of its own agri-food needs. Italy's major agri-food exports include: fresh and processed fruits and vegetables, pasta, prepared/frozen foods, and luxury food items such as wine and cheese.
- In 2016, Alberta wood product exports to Italy were valued at \$18 million. Wood pulp is the largest export to Italy, used in the manufacture of a wide range of paper products, from specialty tissues to cardboard and packing materials.

EDUCATION

- Increasing interest of Italian students in the Canadian education sector can be seen through the growing number of study permits which grew by 30 per cent in 2016 over the previous year.
- Between 2012 and 2016, 232 citizens of Italy had study permits come into effect for Alberta. From 2015 to 2017, 160 foreign students from Italy were issued a permit to study in Alberta.
- Italian as a second language has been taught in Alberta high schools since 1969. In 2012/2013, 1,513 students were enrolled in Italian language and culture programming, with 468 students registered in Italian language courses at the senior high school level in Alberta.

- In order to promote Italian in school, an Italian Language Education Consortium was formed consisting of Alberta Education, boards, universities, and cultural organizations.
- The Italian government sponsors a visiting lecturer at the University of Calgary. The current lecturer, Ms. Adele Longo, has been offering her language expertise and providing feedback to assist Education in completing the new senior high school levels of the Italian Language and Culture 12-Year program of studies.
- In September 1998, the University of Alberta (UAlberta) signed an MOU with the Town of Cortona to create a UAlberta Faculty of Arts School in the region of Tuscany, Italy. The school offers up to 60 Alberta students the opportunity to earn university credit towards an arts degree while pursuing studies in a variety of disciplines, including archaeology and languages.
- UAlberta also has various agreements with universities in Italy including the University of Naples Federico II, the University of Catania and the University Cattolica del Sacro Cuore.
- In 2008 UAlberta signed a MoU with The Catholic University of the Sacred Heart in Milan, Italy. Both institutions have strong interests, institutional capacity and project development experience in the developing world, particularly Latin America, where they intend to collaborate with the Pan American Health Organization and the World Health Organization Network.
- MacEwan University delivers two courses in Italy. The Anthropological Field Seminar is held in the town of Tuoro sul Trasimeno, whereas “Leisure, Work and Death in Ancient Rome,” a senior-level course in Classics, includes 21 days of class time in Rome.
- The University of Calgary has a successful group study program in Italian language and culture with the University of Perugia, as well as exchange programs with the Universities of Bocconi, Trento, Bologna, and Verona.
- Concordia University of Edmonton has signed Memoranda of Understanding of cooperation and mobility with the University of Pisa and the Istituto Lorenzo de Medici, Florence.
- Alberta Advanced Education supports the Campus Alberta Grant for International Learning program enabling post-secondary institutions to develop study and research collaboration involving Italy.
- The National Congress of Italians in Canada (NCIC), Edmonton District, strives to disseminate the history of Italian immigration to Canada and promotes the integration of Italian-Canadian culture into the life of Edmonton.
- The Giovanni Caboto Cultural Society of Alberta, created in 1981, organizes Giovanni Caboto Day, a festival that celebrates Italian social and cultural values the last Sunday of June.

RECENT VISITS

- May 2014: Official visit of His Excellency Gian Lorenzo Cornado, Ambassador of Italy to Canada.
- January 2013: Alberta's Minister of International and Intergovernmental Relations visited Rome, Italy, on a European mission to engage key EU member state governments on the implementing measures for the Fuel Quality Directive.

DIPLOMATIC REPRESENTATION

- His Excellency Claudio Taffuri is the Ambassador of Italy to Canada.
- Her Excellency Alexandra Bugailiskis is the Canadian Ambassador to Italy.
- Mr. Massimiliano Iacchini is Italy's Consul General in Vancouver, with jurisdiction over Alberta.
- Ms. Teresina M. Bontorin is the Honorary Consul of Italy in Calgary.

IMMIGRATION AND COMMUNITY

- There are over 88,000 Albertans of Italian descent. They form the twelfth largest ethnic group in the province.
- Between 2014 and 2018, 588 citizens of Italy became Permanent Residents of Canada, with Alberta as their intended destination. Approximately 75 per cent were economic immigrants, including applicants, spouses, and dependents.
- Between 2014 and 2018, 309 citizens of Italy had Temporary Foreign Worker Program work permits come into effect.
- Between 2014 and 2018, 305 citizens of Italy had international study permits come into effect for Alberta.
- The Italian Cultural Society of Edmonton, founded in 1979, endeavors to protect the Italian cultural heritage in Alberta.