



## **Italy Targets Knowledge-Based Companies for Growth** **Expanding companies in industries such as ICT and life sciences conduct cutting-edge research.**

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From Fierara sports cars to Lilly Espresso coffee, Italy is associated with the finer things in life. After all, this is the country that brought the world the Renaissance.

Today, Italy is embarking on another Renaissance of sorts, this time fueled by high technology and the sciences.

The Italian government has targeted the life sciences, information and communications technologies (ICT), and nanotechnology among its top sectors for expansion projects. The nation has a tradition of innovation and an entrepreneurial spirit.

Bologna, in the Emilia Romagna region, for example, holds close its strong entrepreneurial tradition. Of its more than 88,000 companies, about 50,000 have 10 or fewer employees. Excellence is at the heart of the region's industrial strength. The region is home to world-renown automobile manufacturers Lamborghini and Ferrari, and Ducati motorcycles.

### **ICT Sector**

Italy factors in as Europe's fourth-largest ICT market, thanks to its consumers' high degree of sophistication, work force, tightly knit industry/R&D cooperation, and government commitment to broadband roll out.

This spirit led Charlotte, N.C.,-based Scientigo Inc. to sign an agreement in July to partner with Italian Infocall, a provider of international telephone directory databases in Europe.

Scientigo specializes in the design of products that help clients store, categorize and retrieve information. It has developed a mobile search and directory-assistance platform, called FIND1ST, that it would like to introduce to the European market.

"Scientigo's FIND1ST technology platform represents a profound advancement in directory-assistance solutions and is sure to help rapidly drive the evolution of our industry," said Alfonso Graziani, chairman of InfoCall.

In another move, Dilithium Networks, a leader in 3G video telephony solutions for the world's mobile and broadband industries, announced in June that it is opening an office in Rome. The reason is because of the company's continued growth in Italy and neighboring countries.

"Italy is a very advanced market and is an innovator in the roll-out and take-up of new value services," said Gerard Delaney, vice president and general manager of Petaluma, Calif.,-based Dilithium Networks.

## Life Sciences

Italy is ranked No. 4 in Europe in biotechnology. The number of firms there has been continually on the rise since 2003, a fact that can be directly attributed to the improving quality of Italian research.

"Italy offers a welcoming and convenient setting for biotechnology and life sciences projects," said Richard Fishler, a spokesman for the Italian Trade Commission. "Competitive costs for innovative biotech ventures and easier regulation for clinical trials are a major draw, together with the country's excellence in health care research."

Microsoft has teamed up with the University of Trento to create the Microsoft-University of Trento Centre for Computational and Systems Biology. The center's goal is to boost innovation and research in Italy, attract foreign investment, and revitalize Italy's competitiveness in sciences, medicine, biology, genetics and information technology.

"Technological innovation is perhaps the greatest challenge facing today's developed economies, our country in particular," said Lucio Stanca, minister of innovation and technology for Italy. "This initiative represents a significant step in research and industrial development at the intersection of two areas with enormous potential, those of life sciences and digital technology."

Microsoft is also negotiating with the University Politecnico of Torino in Northeast Italy on collaborative research associated with brain diseases through model-based analysis.

Wyeth Pharmaceuticals is also a big player in Italy. During the past five years, the company has invested 230 million euro at its research institute in Catania, Sicily.

The center, which focuses on the development of new drugs, employs 39 researchers. The company has a production plant in Aprilia, near Rome. Its work force there has increased 300 percent during the past decade.

Wyeth is one example of the increasing investments by large multinational biotechnology companies in Italy. In September, Bristol-Myers Squibb signed an agreement research with Nerviano Medical Sciences (Nms), the largest pharmaceutical R&D facility in Italy, and one of the largest oncology-focused, integrated discovery and development companies in Europe.

Nms, a Milanese pharmaceutical company, is a spinoff from Pfizer.

The agreement will bring in around \$150 million to finance Nms in its efforts to identify a molecule with the potential to exert effective antitumoural action.

During the next several years, the Italian researchers will be engaged in the synthesis of about 10,000 new molecules, testing their effects in relation to the prevention and cure of cancer.

New startups are created, with excellence centers in the Lombardy, Tuscany and Lazio regions, according to the Italian Association for Pharmaceutical Industries (Farindustria). Italian biotech offers cost/productivity benefits because researchers are used to working with smaller budgets.

Farindustria foresees 1.5 billion euro of investment per year during the next three years for research activities. Currently, 28 research projects are under way in Italy, which is more than in Germany.

## **Nanotechnology**

Italy is also shaping up to be a world player in nanotechnology, with more than 1,200 workers directly involved and 70 million euro in R&D funding.

“The quality of research at Italy’s dedicated nanotechnology research centers and development potential continue to impress and commercialization is already underway,” the Italian Trade Commission’s Fishler said.

The Italian Center of nanotechnology (Nanotec IT) in Rome, an autonomous branch of the Italian Association for Industrial Research, is focused on becoming the national focal point for nanotechnology.

Nanotec IT is charged with increasing the level of awareness of nanotechnology and fostering its growth in Italy. Officials with Nanotec IT believe nanotechnology could be the first disruptive technology of the 21st century, and its diffusion can start a new technological revolution.

## **Italian Advantages**

Recognizing that new technologies point to the next global Renaissance, Italy is poised to be a key player. But Italy offers a variety of other advantages for knowledge-based companies considering an expansion into Europe.

First and foremost, Italy is home to nearly 60 million consumers, noted for their sophistication and high levels of brand awareness. Italy also has the No. 4 gross domestic product in Europe.

“The Italian market is replete with opportunities for an expanding business,” Fishler said.

Moreover, thanks to its strategic location, Italy sits at the center of an international market reaching out to 396 million consumers in other European countries, and 240 million consumers in North Africa and the Middle East.

Another important factor: Recent surveys show that despite the euro’s appreciation, overall business costs in Italy during the past two years stayed lower than in the United States and its other main counterparts.