

AEROSPACE IN LOMBARDY

attr**ACT**



**INVEST IN
LOMBARDY**

POWERED BY



LOMBARDY



Aerospace Business Environment

The Region, also thanks to the presence of a Regional cluster, offers all the technologies and skills of the entire supply chain required to build fixed and mobile-wing platforms and space frames: from the mechanical components, subsystems, to satellites, helicopters, and trainer aircraft integrators

220

companies,
out of 514 on a
national level
(43%)

16.000

employees,
out of 47.274 on a
national level
(34%)

with a revenue of

€ 6 BILLION

and an export of

€1,7 BILLION

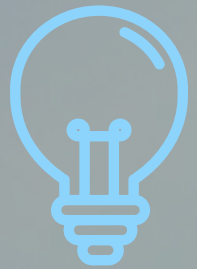




Lombardy counts for **1/3 of the total national export** in this field



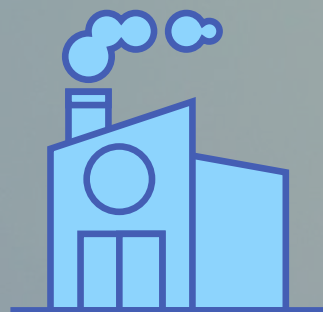
12% of revenues is spent in R&D



41 research projects as of February 2020



255 patents in the last 15 years



88% out of the total are **SMEs Firms**

Lombardy

AEROSPACE BUSINESS ENVIRONMENT



The excellences of the Lombardy Aerospace Cluster can be associated with these characteristics:

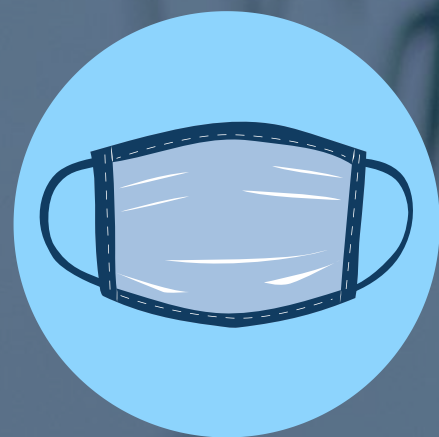
- rotary wing aircraft and vertical flight
- fixed wing aircraft and training systems
- management of air traffic
- space, satellites and scientific payload
- avionic apparatus and systems, fuel systems, electromechanical and hydraulic motor units, wireless communication systems

Post-Covid aerospace trends

The recent health crisis has enhanced some already existing trends in the aerospace sector, and it has created new ones. These innovations will help to **create a "new normal" way of travelling and to restore confidence in passengers**. Indeed, due to the health crisis we are currently living, each step and process of the passenger's journey must necessarily be rethought, with the aim of **ensuring a high-quality service and the respect of safety measures**.



New technology implementations, like touchless biometrics, will lead to the full **automation of airports**



Ensure passengers' hygiene and protection by **rethinking and repositioning the concept of airports' quality**



Growing importance of the **market of spare parts and MRO services**, due to the trend to repair, rather than buying new aircrafts



Repurposing airports, which during 2020 were transformed into cinemas or morgues to endure the crisis

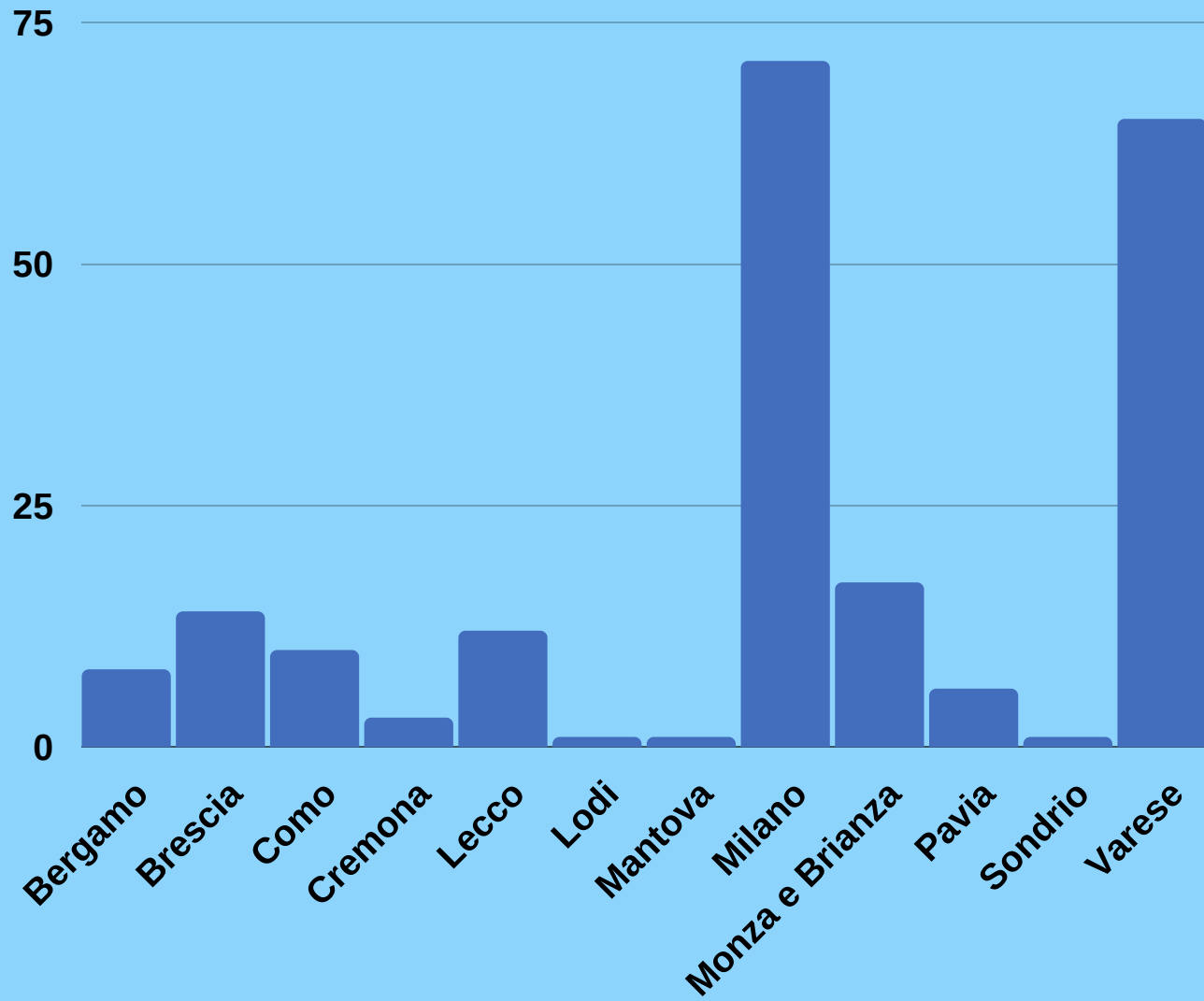


Increasing **importance of domestic flights** as compared to the international ones, due to movements' restrictions

National and International companies in the cluster

Lombardy Aerospace Cluster includes **220 companies**. The vast majority of them are **small or medium Italian companies**, but there is also a significant number of **large multinational firms**. Varese and Milano provinces are the areas with the highest number of companies based.

FIRMS PER PROVINCE IN LOMBARDY



Some key players



AEREA SPA

- **EMPLOYEES:** 150
- **LOCATION:** Turate (CO)
- **MAIN ACTIVITIES:** high precision mechanics, components, training courses



OHB ITALIA SPA

- **EMPLOYEES:** > 200
- **LOCATION:** Milano
- **MAIN ACTIVITIES:** satellites, scientific payloads, microgravity experiments



LEONARDO SPA

- **EMPLOYEES:** 31.000
- **LOCATION:** sites in the Varese, Brescia, Milan and Como provinces
- **MAIN ACTIVITIES:** helicopters, space, R&D, cyber security



SECONDO MONA SPA

- **EMPLOYEES:** n.a.
- **LOCATION:** Somma Lombardo (VA)
- **MAIN ACTIVITIES:** fuel systems, engine equipment, product design



LINE UP AVIATION

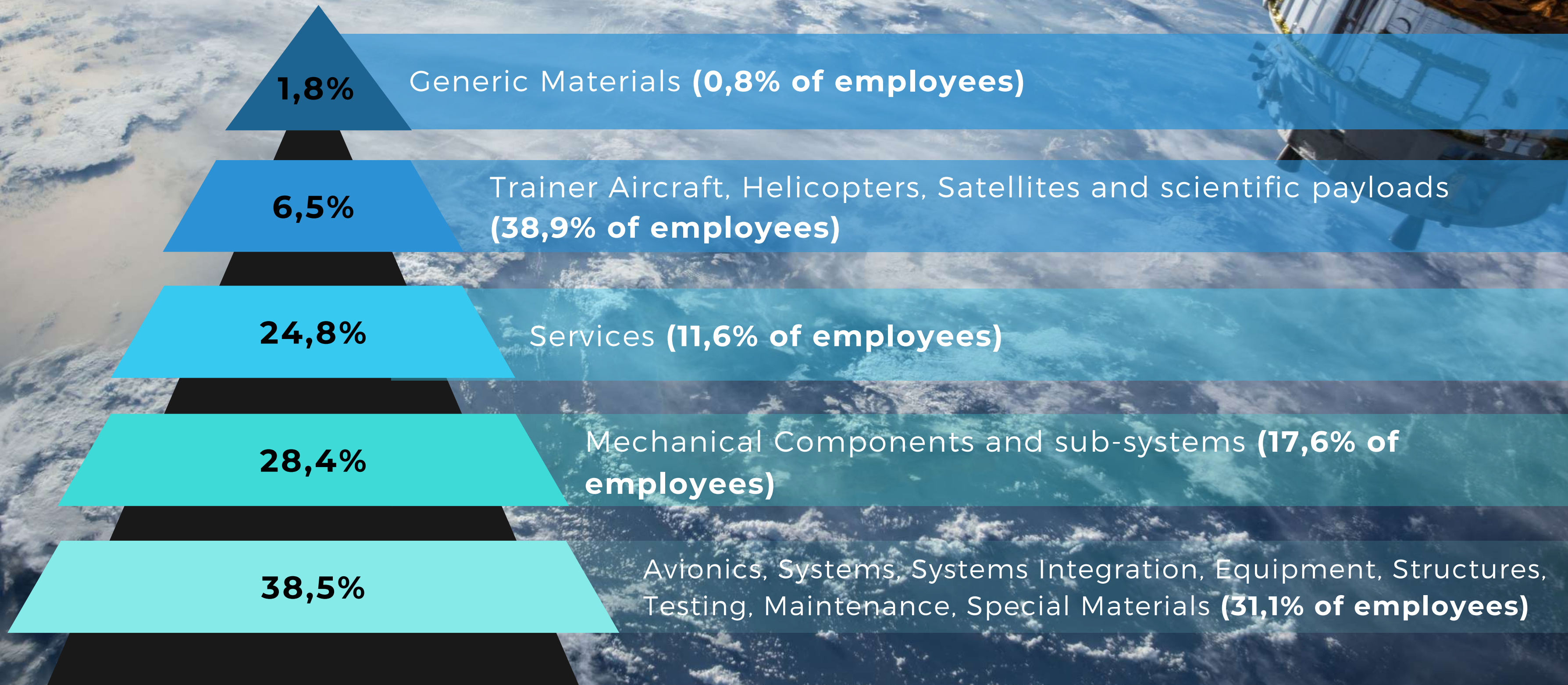
- **EMPLOYEES:** n.a.
- **LOCATION:** Somma Lombardo (VA)
- **MAIN ACTIVITIES:** aviation recruitment, aviation consultancy, contract requirements



THALES ALENIA SPACE SPA

- **EMPLOYEES:** 2300
- **LOCATION:** Milano and Varese
- **MAIN ACTIVITIES:** satellites, surveillance and control systems, telecommunication systems

% OF COMPANIES BY SUB-SECTORS



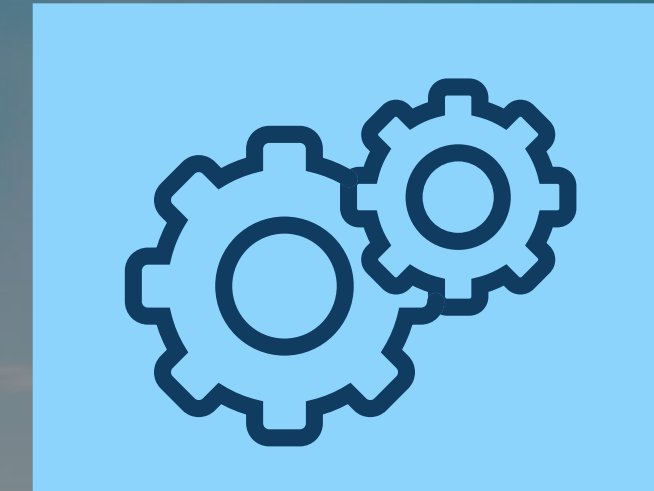
Lombardy Competitive Advantages



1) CLUSTER



**2) SKILLED
WORKFORCE**



**3) STRONG
SUBCONTRACTING CHAIN**



**4) COMPETITIVE
COSTS**



**5) EDUCATION &
RESEARCH**



**6) DIGITAL
CONNECTIVITY**

Competitive Advantages of the Aerospace environment in Lombardy

1) CLUSTER

The cluster provides a system with a united, visible, and identifiable collective identity. The peculiar environment:

- fosters innovation
- strengthens companies' position in the global marketplace
- guarantees higher competitive advantage and stimulates the cluster companies' growth



2) SKILLED WORKFORCE

The extraordinary geographic concentration of **high-specialized firms** allows the creation of **in-depth know-how**, which guarantees **high specialized employees - roughly 16.000 - such as:**

- aerospace engineers
- aerospace designers
- structural engineers

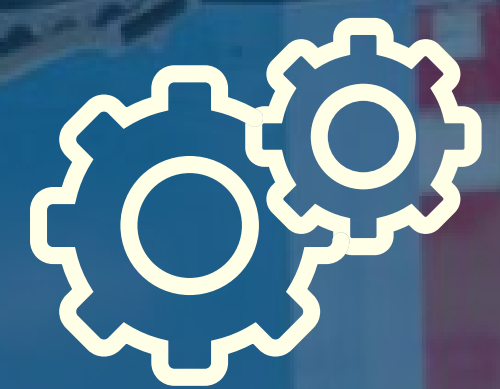


3) A COMPLETE SUBCONTRACTING CHAIN

3 complete production chains:

- Rotary Wing
- Fixed Wing
- Space

The 41,5% of subcontractors is directed to machine tools and a part of that is addressed to the aerospace industry



SOURCES:
<http://bandaultralarga.italia.it/mappa-bul/regione/lombardia/3>
<https://www.nperf.com/it/map/5>
<https://www.aerospacelombardia.it/>
http://www.centroestero.org/repository/28_10_2009_17_36_settore-aerospazio.pdf
<https://www.analisdifesa.it/2015/06/cresce-il-fatturato-delle-aziende-aerospaziali-lombarde/>

Competitive Advantages of the Aerospace environment in Lombardy

4) COMPETITIVE COSTS

Italy is the third most convenient country in Western Europe for manufacturing **labor costs**, with an **average of € 28,8 per hour**, far below the **Euro Area average (€ 30,6)**



5) EDUCATION & RESEARCH

4 Universities and 2 Research centers specialized in topics related to the aeronautical industry: **roughly 9.000 students graduated in engineering subjects per year in Lombardy**



6) DIGITAL CONNECTIVITY

Lombardy is the best Italian region concerning the Digital Economy and Society Index in 2019 (DESI).

By the end of 2020:

almost **100% of Lombardy** will get ultra-fast broadband service

Great Milan Area, Brescia and 14 clusters will get 5G network



SOURCES:

<https://www.aerospacelombardia.it/wp-content>

http://www.subcontract.fvg.it/uploaded_files/attachments/

<https://ec.europa.eu/eurostat/statistics->

WHAT CAN YOU DO IN LOMBARDY?

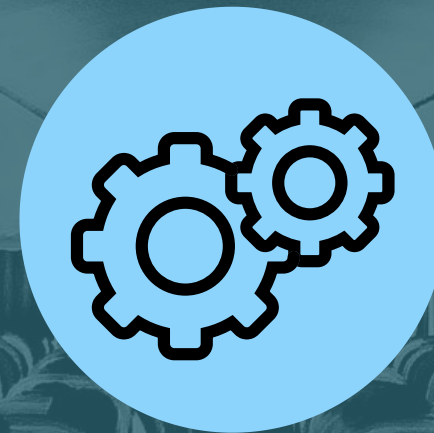
Lombardy is among the leading destinations in Europe for investments in the aerospace industry. It is the first region in Italy in terms of revenues generated (€6 bln out of €16,4 of the total turnover in 2018, equal to 37%).

There are countless benefits that come from investing in the region, as you will be able to:



R&D

Rely on outstanding talents with R&D skills and highly specialized know-how and worldwide renowned designers and creative thinkers



PRODUCTION

Expand your subcontracting chain within an extraordinary business environment of 800.000 companies



MARKET

Have access to more than 800 million european consumers and create a favourable commercial hub to the EMEA market, while consolidating marketing and sales strategies

SOME RECENT EXAMPLES OF FOREIGN FIRMS INVESTING IN LOMBARDY



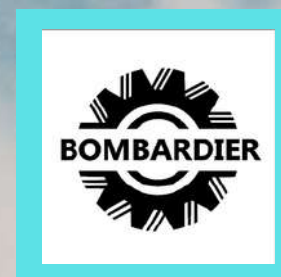
**Air France -
KLM**

The company has inaugurated the new **commercial offices in Milan**, a strategic city given the proximity to the Linate airport and the well connected public transports



**American
Airlines
Cargo**

The company has been the first client for the new World Flight Center cargo area in the Malpensa airport, a new **warehouse that will allow an increase of the handling capacities**



Bombardier

The company invested in a new Bombardier Line Maintenance in the Milano Linate airport, which will allow **maintance services for aircrafts**



CAE

The company has inaugurated a new **training center** in Milan. A partnership was started with Easyjet that chose CAE to train 1000 future pilots

SOURCES:

<https://www.affaritaliani.it/milano/air-france-klm-nuovi-uffici-a-milano-577410.html>

<https://aircargoitaly.com/american-airlines-cargo-premia-il-suo-staff-di-malpensa/>

<http://www.travelquotidiano.com/trasporti/sea-prime-e-bombardier-intesa-per-una-base-di-manutenzione-a-linate/tqid-272214>

<https://www.cae.com/news-events/press-releases/cae-inaugurates-new-commercial-aviation-training-centres-in-london-gatwick-and-manchester>

Recent Success Stories



MARCH 2020
OH B S.P.A.

The company is among the protagonists of the **Solar Orbiter Mission**. OH B has mentioned important variables of its success are: its **extremely qualified staff** and the presence of "**ad hoc**" **updating programs** in parallel with new orders coming from space agencies, research centers and governments



JULY 2020
THALES ALENIA SPACE

Thales Alenia Space won the largest share of prime contracts the European Space Agency awarded July 1, for further development of six new **Copernicus satellite missions**. The company was awarded the lead development role for **3/6 planned Earth-observation missions**, a contract haul totaling more than €1.4 bln.



NOVEMBER 2020
LEONARDO S.P.A.

Recently Leonardo has concluded an order for **36 TH-734 helicopters worth \$ 171 million** with the US Department of Defence. In January this year Leonardo had already won a first contract worth \$176 million for the production and delivery of 32 helicopters

sources:

Leonardo: <https://www.analisidifesa.it/2020/05/leonardo-e-gdf-adattano-i-velivoli-atr-42mp-a-supporto-dellemergenza-covid-19/>

OH B: <https://www.ilsole24ore.com/art/ohb-italia-sistemi-spaziali-e-formazione-misura-corrone-ordini-ADtB7EFin-Germania-06-Apr-20>

Thales: <https://spacenews.com/thales-alenia-space-wins-lions-share-of-newly-awarded-copernicus-contracts/>

SOURCES

https://first.aster.it/_aster_/view/News/45884/mise-bando-grandi-progetti-r-s-a-valere-sulle-risorse-del
<https://www.regione.lombardia.it/wps/portal/istituzionale/HP/DettaglioRedazionale/servizi-e-informazioni/imprese/imprese-manifatturiere-artigiane-e-di-servizi/serv-competitivita-progetti-mise-svec>

NATIONAL INCENTIVES AND FISCAL BENEFITS



Large Investments and Area of Industrial Crisis

Development Contracts

Incentives for investment projects of at least € 20 mln in Manufacturing, Agriculture, Tourism and Environmental protection sectors (fast lane for foreign companies)



R&D Investments

• Innovation Agreements

Industrial research and development activities with eligible costs between € 5 mln and € 40 mln - 20% granted by National level, 3% granted by Lombardy Region)

• Large Project R&D

Digital agenda Sustainable Industry: industrial research and development activities in the digital fields or innovation, costs between € 5 mln and € 40 mln - subsidized loan up to 70% of the eligible costs



Fiscal Benefits

New investments

- Fiscal Exemption on capital Investments
- Tax Credits Industry 4.0
- Tax Credits Machineries

R&D

- Patent Box
- Tax Credits R&D
- Tax Credits Innovation

Human resource Training

- Industry 4.0 Training
- Employment bonuses



REGIONAL INCENTIVES



«AL VIA» Corporate Investments

Long-term financing from €50.000 to €2,85 mln at favorable rates, with a duration from 3 to 6 years

Free financial guarantee to cover up to 70% of the financing the eligible projects must be related to one of these two categories: Company Development or Relaunch of Productive Areas



European Regional Development Fund R&D

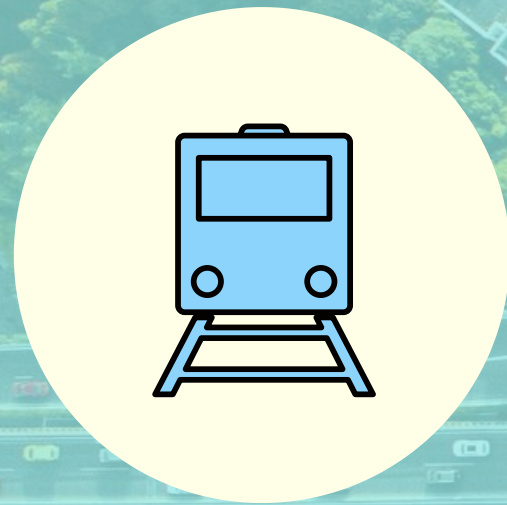
The incentive consists of a subsidized-interest-rate medium-long term loan (3-7 years long), starting from a minimum of 100.000 up to a maximum of €1.000.000

The combination of the incentives can cover 100% of the total eligible cost of the project

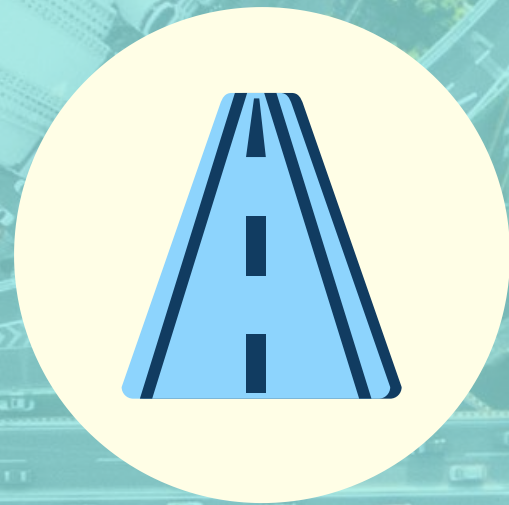


Sources:
AL VIA
ERDF

INFRASTRUCTURES & CONNECTIONS



1.869 km
Railway
Network



1.460 km
Highways



11.000 km
Provincial
roads



4
International
Airports



4 INTERNATIONAL AIRPORTS



Lombardy offers a great availability of direct flights, directed to the main European and global destinations, such as:

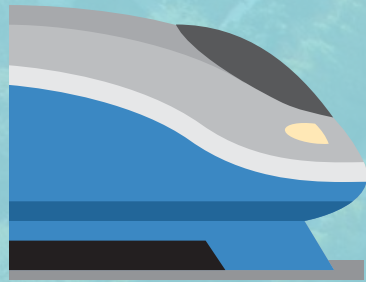
Bergamo - Orio al Serio

Brescia - Montichiari

Milano - Linate

Milano - Malpensa

- 1h to **Zurich**
- 1.30 h to **Paris**
- 1.40 h to **Berlin**
- 1.50 h to **London**
- 2h to **Madrid**
- 3.20 h to **Moscow**
- 5.45 h to **Doha**
- 6h to **Dubai**
- 8h to **New York**
- 10h to **Beijing**
- 11h to **Delhi**
- 12h to **Tokyo**
- 12h to **Taipei**
- 14h to **Hong Kong**



OTHER MEANS OF TRANSPORT

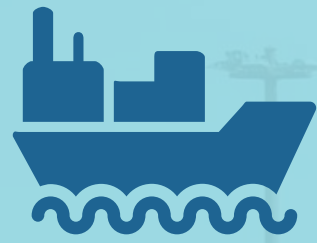


- 400 **railway stations** in Lombardy, including the 23 located in Milan, that connect the city with the other major Italian and European destinations;
- 32 train rides to **Rome** daily;
- It is possible to get to Rome in 2h 45min with the **high speed train**;
- You can easily reach any area of the Italian peninsula through a well-maintained, privately managed **highway network**

Railways: 1.869 km
Highways: 1.460 km
Provincial roads: 11.000 km

TRAIN TRAVEL TIMES

- 3h 45 min to **Zurich**
- 7h 15 min to **Paris**
- 10h to **Wien**
- 12h to **London**
- 12h to **Berlin**
- 24h to **Madrid**



PORTS AND NAVAL CONNECTIONS



Italy, being a peninsula, is surrounded by the sea. Consequently, many cities have a **port of strategic importance**, both from a **commercial** and a **touristic** points of view. They include:

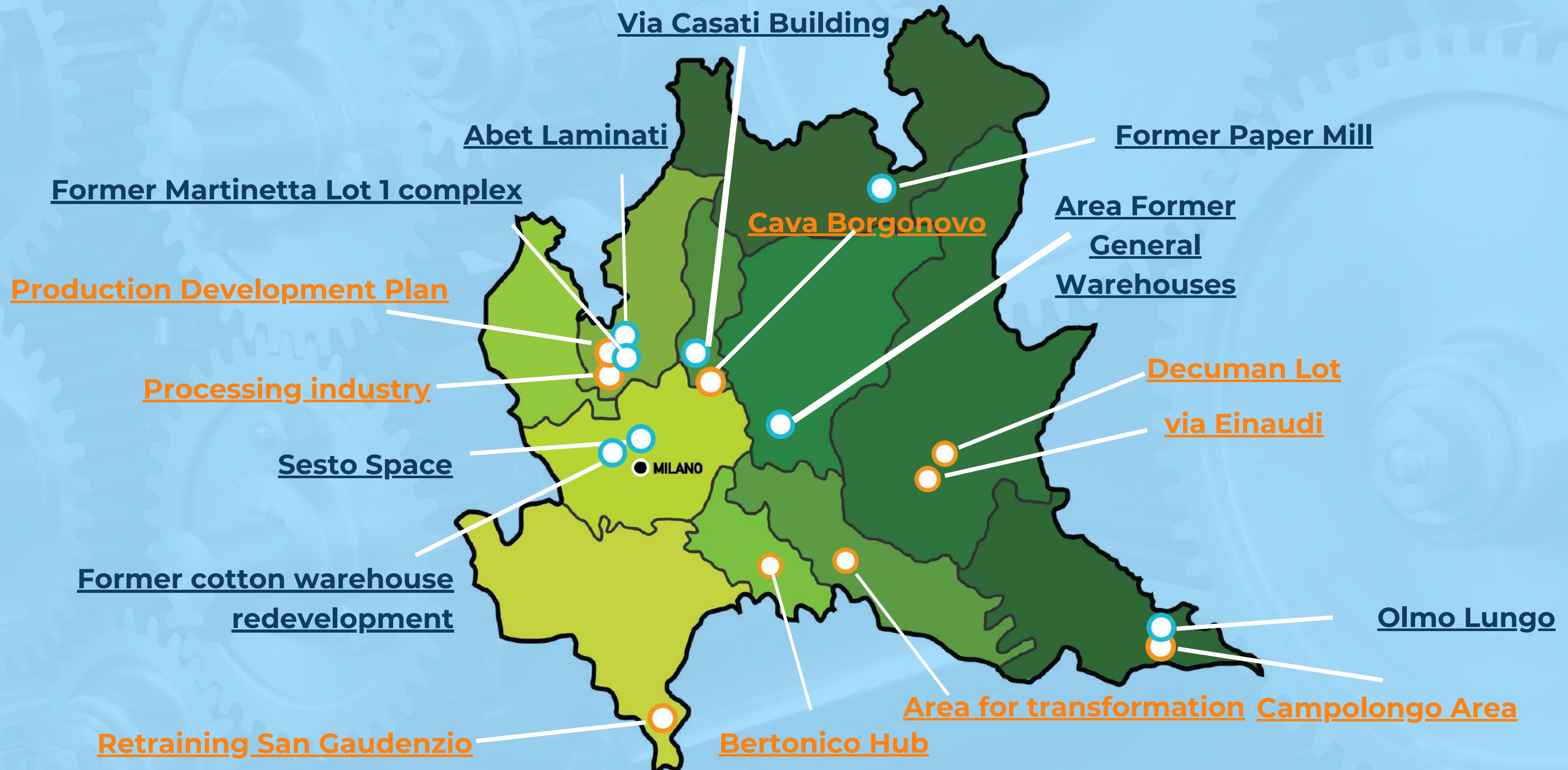
DISTANCES FROM MILAN:

- 2h to **Genoa**
- 3h to **Venice**
- 3.30 h to **Livorno**
- 4.30 h to **Trieste**
- 8 h to **Naples**
- 12h to **Gioia Tauro (RC)**



SETTLEMENT OPPORTUNITIES

The Region offers a variety of locational opportunities (**greenfield** and **brownfield**) mapped out also through the AttrACT programme. Besides the relevant examples highlighted on the map, the dedicated team provided by Lombardy Region can seek for further available areas matching investors' demand



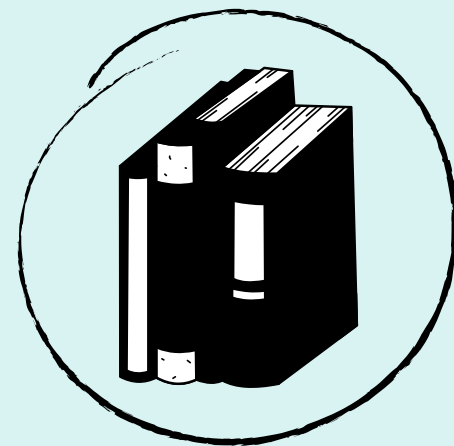
for further locations visit the website: www.attractlombardy.it

Educational and Research System

Lombardy's educational system guarantees **excellent specialization and extraordinary expertise** in several aerospace's fields.

Specialized Research Centers of Milano Politecnico:

- Amatech
- ASCL
- AVLab
- CrashLab
- FMSLab
- Frame-Lab
- RAL
- SIAMS



Research Centers:

- Consiglio Nazionale delle Ricerche
- Istituto Nazionale di Astrofisica

Universities with dedicated courses:

- **Milano Politecnico**

16th Engineering University in the world

- *Aeronautical Engineering* → around 200 students p/y*
- *Automation and Control Engineering* → around 220 students p/y
- *Mechanical Engineering* → around 560 students p/y
- *Civil Engineering* → around 500 students p/y
- *ICT Engineering* → around 1600 students p/y
- *Electronic Engineering* → around 270 students p/y
- *Energy Engineering* → around 300 students p/y
- *Industrial Engineering* → around 560 students p/y
- *Physics + Mathematics* → around 300 students p/y

- Università degli Studi Pavia
- Università Bicocca
- Università Liuc

Technical High School Education:

- ITS (Istituti Tecnici Superiori)
- IFTS (Istituti di Formazione Tecnica Superiore)

Innovation System



Lombardia Aerospace Cluster

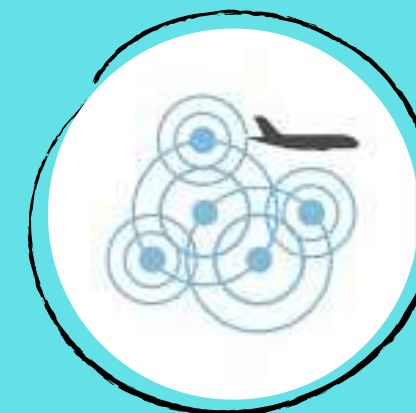
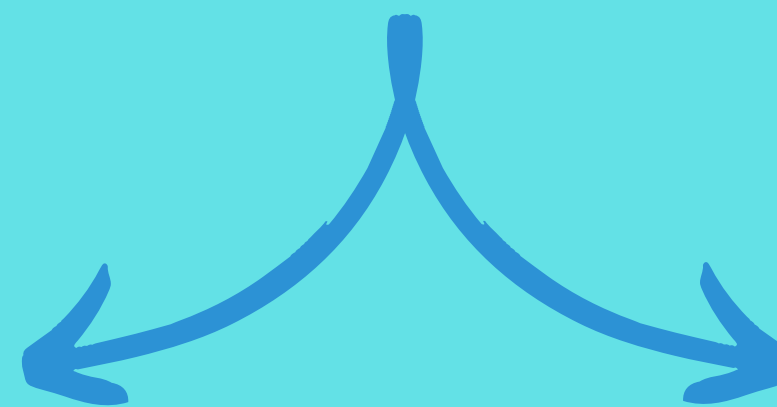
Recognized association founded in 2009. Today it includes 220 companies for around 16.000 employees

Lombardy's territory is full of innovation centers which guarantee the **coordination of the aerospace networks**, and carry out relevant **researches and development projects**



Cluster Tecnologico Nazionale Aerospazio

Acts as a single national reference among all the main actors of the Italian aerospace system: businesses, Research Centers, Academic world, Institutions, National Agencies, Category Federations and regional Districts



European Aerospace Cluster Partnership

A permanent partnership between collaborating European aerospace clusters. It currently comprises 45 clusters from 18 countries and was initiated in 2009 and co-funded by the European Commission

Districts and Supply Chains

Lombardy's territory is full of **innovation centers** which guarantee the **coordination of the aerospace networks**, and carry out relevant **researches and development projects**

Lombardia Aerospace Cluster

5

Areas of activities

3

Complete supply chains:

- rotary wing (helicopter supply chain)
- fixed wing
- space

History of the Lombardy Cluster

FEBRUARY
2009

Foundation of the **Lombardia Aerospace Cluster**, born on the initiative of **8 companies in the field**

JUNE
2010

The Cluster becomes part of the **European Aerospace Cluster Partnership**

SEPTEMBER
2012

The Cluster becomes part of the new born **National Aerospace Cluster**

OCTOBER
2014

The Cluster obtained the Bronze Label certification, an important certification at European level.

2019

In 2019, the Cluster celebrated its 10th anniversary

Limited Liability Company

Società a Responsabilità Limitata - SRL

Only 5 steps-**2/3 days:**

1. Registration of directors and shareholders with Italian Tax Authorities
2. Execution of the articles of association with a public notary
3. Issuance of the company VAT number
4. Issuance of the certificate of incorporation
5. Open a bank account for the company

Branch*

The establishment of a branch enables the company to operate in Italy with a more cost-effective structure

The establishment of a branch in Italy requires - **2/3 days:**

- Registration of the branch with the Italian Registrar of Companies
- To appoint a representative of the branch whose name will be shown in the Italian Registrar of Companies
- To have an address in Italy
- To obtain an Italian VAT number

Representative Office*

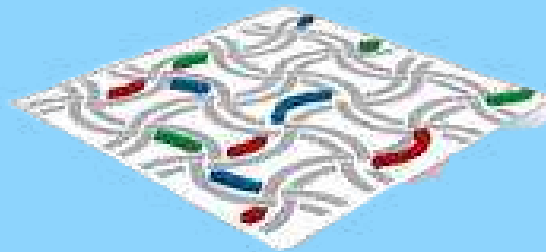
A representative office is a fixed place of business of a foreign company in Italy engaged only in marketing and promotional activities, or scientific (not commercial activities).

The establishment of a RO in Italy requires - **2 days:**

- Registration of the RO with the Italian Registrar of Companies
- To appoint a representative of the RO
- To have an address in Italy
- The company and the representative of the RO shall obtain a tax identification number

*The establishment of a branch or a representative office shall be authorized by a special resolution of the company's corporate body that is competent pursuant to the law of the place of incorporation.

Services offered by Lombardy's Assistance team



**INVEST IN
LOMBARDY**

attr**ACT**

01

Investment evaluation

- Business Plan
- Market Analysis

02

Starting the business

- Advice on the most suitable corporate form
- Support with bureaucratic procedures

03

Sites selection

- Search for suitable work spaces for the business
- Assistance in the evaluation phase

04

Personnel recruitment

Assistance in choosing the best channels for staff selection

05

Access to funding resources

- Search for the best incentives for the business
- Connection with the main credit institutions and other financial subjects

06

Access & Research

- Support to market researches
- Facilitation in dealing with local partners

07

Managerial Training

Customized courses for companies and managers

THE INSTITUTIONS INVOLVED



The Lombardy Region Economic Development Department promotes the attraction of investments in Lombardy



Unioncamere Lombardia is identified within the Agreement for the economic development and competitiveness of the Lombardy's system as the implementing entity of AttrACT initiative



OTHER INSTITUTIONS

Various institutional collaborations exist with regional and local administrations involved in the settlement processes (ARPA, Lombardy's prefects, ATS, other authorities)



Promos Italia - the Agency for International activities of the Italian Chambers of Commerce - is the acting technical partner in FDI attraction through the "Invest in Lombardy" project. The AttrACT program has consolidated this collaboration

CONTACT US

FOR QUESTIONS, COMMENTS
AND SUPPORT



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