

# THE ITALIAN TECH RENAISSANCE

THE STARTUP LANDSCAPE BY THE NUMBERS

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## THE ITALIAN TECH RENAISSANCE: THE STARTUP LANDSCAPE BY THE NUMBERS

The national ecosystem for startups and tech venture capital in Italy has only recently begun to flourish. Italian startups attracted \$850 million in 2019, more than twice as much as in 2017 (\$403 million) and an almost fivefold increase over 2015 (\$179 million).

Four key factors converged to contribute to this dramatic growth and a rebirth of innovation:

1. The Italian government – also through the Italian Trade Agency – has launched initiatives and incentives to support startups and SMEs, accelerating these programs during the COVID-19 pandemic.
2. International investors increasingly gravitate to Italy – to its abundant talent, affordable cost of living, infrastructure and educational system – and collaborate successfully with local VCs and accelerators, building long-term relationships.
3. Italian universities attract ever-more overseas students, expanding the talent pool.
4. Major global corporations, from Microsoft and NTT Data to Apple and Amazon, are investing millions if not billions throughout Italy.

More than 11,000 companies established in Italy over the last five years and still in business are startups. Of those, nearly three-quarters are in B2B sectors (software, IT consulting, R&D), with most of the rest in manufacturing (machinery, computers and electronics).

Here are further highlights. Of all Italian startups:

- 42.6% have at least one woman in the C-suite or on the board of directors, with the percentage of female founders growing to 13.2%.



ITALIAN TRADE AGENCY

- 41.9% of the people in the shareholder structure are under age 35.
- 27.3% are located in Lombardy, with 11.5% in Lazio, 8.4% in Veneto, 8.2% in Campania, and 7.9% in Emilia-Romagna. Milan draws almost half of all VC funding. Rome has grown more popular as a base for startups, with more than 20 incubators and accelerators. Turin, Bologna and Naples are also attracting investments.

**The Italian tech startup renaissance is charging ahead despite the coronavirus pandemic:**

- The Italian government in June sponsored a €1 billion investment program and created a new venture arm aimed at the native startup ecosystem.
- The Ministry of Economic Development launched the Italian Startup Act that further promotes incentives such as tax breaks for early-stage investments and R&D credits.
- The Italian Trade Agency registered an increase of 10.9% new startups in the first nine months of 2020, compared to all of 2019.

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