

2019 report: investments in Italian startups still on the rise.

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Italian startups are always a solid investment, especially hi-tech ones. In 2019, investments saw a 17% increase, according to the report published by the Hi-tech Startup Observatory and sponsored by the Polytechnic University of Milan. The current investment stock in this particular sector amounts to 694 million euros, recording a year-on-year increase of one hundred million. Financing coming from informal actors is growing (+32%, in line with the average of +34% recorded every year since 2012) at a steady pace. Venture Incubator, Family Offices, Club Deal, Angel Networks, Independent Business Angel, Equity Crowdfunding platforms and companies without a CVC structured fund invested heavily and their share of the total value now amounts to 248 million euros. This is no coincidence: thanks to a huge tax break on innovative startups, and more opportunities to share the risks with other business partners, investors feel safer when investing in these ventures. Third-party platforms such as Equity Crowdfunding played a huge role in this trend. To encourage Corporate investments further, as they still focus on big operations, ad hoc benefits for private companies, dedicated tax breaks, for example, should be implemented. Formal investments recorded a below-average growth rate (12%), but the future looks bright. Last year, one billion euros were allocated to the National Innovation Fund, but it started operating in earnest only recently. Cassa Depositi e Prestiti created the new Progress Tech Transfer fund, which is dedicated to sustainable development, and the ITAttech fund.

These encouraging results notwithstanding, international investors still criminally overlook Italy. While the total value of international financing grew to 231 million euros (an 8% growth over last year) it still only represents a meagre 33% of the overall figure. However, it should be noted that last year's figures were dramatically altered by a one hundred million operation: an extraordinary outlier, as it accounted for almost half of the total, absent in 2019. This could very well mean that Italy is finally starting to attract foreign investments continuously thanks to a stronger system and more fertile ground for foreign capital. Nonetheless, Italy still has a long way to go to reach its direct European competitors (the United Kingdom is topping this ranking with eleven billion dollars in investments), and foreign investors are going to play a decisive part in this.

Source: Startupbusiness