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OPPORTUNITIES FORGONE

"No more black list for Singapore"

Donato (Iccs): "The City State is hyper-transparent, yet for Italy it stays in the limbo"

For Italy, Singapore is still in the black list of the Countries considered as tax havens. Yet OECD - where Pier Carlo Padoan worked as chief economist - has not considered it as such for a long time, as the number of bilateral agreements signed by the two governments has to be taken into account as well. Similar to London as a financial market, but unlike its British counterpart, 26% of Singapore's GDP is derived from the manufacturing segment, with a corporate tax of 17%. The paradox is that the City State is still kept in limbo by Italy, and this makes it difficult for Italians to invest there and take advantage of the growth opportunities. At the same time, it does not make Italy attractive for Singapore, as well as the two sovereign funds domiciled there. "This situation penalises our enterprises' willingness to invest in South East Asia", explains to Libero by Mr Federico Donato, President of the Italian Chamber of Commerce in Singapore and financial consultant expert. "[…]Long waiting times for consultations, minor deductibility of incurred costs in opening of a commercial branch, full taxation of dividends for shareholders in companies under the Singapore law".

What are your expectations for the summit in Milan?

"Changing of the government's mindset and actions taken by the Parliament, in order to eliminate Singapore from the black list should be taken by the end of the year or beginning of 2015, as Italian companies are waiting for answers and cannot be competitive if they are subjected to additional pressures, cumbersome bureaucracy and barriers for the joint ventures".

How many Italian companies are present in Singapore?

"There are approximately 300 members, of which 30% are large companies. The rest is made up by SMEs. Among the most recent news, is the 100% acquisition of local company Boncafe by Mzb Group (the parent company of the Segafredo - Zanetti, leader of the coffee manufacture), as well as the acquisition of Invida by Menarini, in the pharmaceutical sector for 220 million dollars, in charge of the sovereign fund Temasek. The European Union is the main investment partner, while Italy is in the seventh place. This is food for thought".

Are we risking missed opportunities in Singapore, or are there still some possibilities for Italy?

"We are late, as the City State is already a consolidated hub for companies willing to invest in Asia, and the government is currently starting a project to transform the city into an international start-up and crowd-funding hub. I am aware that there are many technological start ups that will start operations in Singapore and we have the ambition to create a memorandum from a political point of view, in order to open the doors to 'made in Italy' ideas, and join the South East Asian growth".

Will the recent Hong Kong protest affect Singapore?

"Indirectly, it will have a positive effect, as Singapore is currently the only stable hub in this part of the world".

C.A.