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Singapore off the black list. Federico Donato: here are the advantages for Italy

The Minister of the Economy Pier Carlo Padoan flew to Singapore to meet with government officials and the local financial community. Joining him is the President of Cassa Depositi e Prestiti (Deposits and Loans Fund), Franco Bassanini, and the CEO of the Italian Strategic Fund Maurizio Tamagnini. The Treasury has just updated the "black list" of tax havens, eliminating the Asian city-state from those pertinent to the non-deductibility of costs and to controlled foreign companies. For more than 200 Italian companies operating in Singapore this represents a major turning point. Not only. Formal removal of the country from the two tax 'black lists' could act as a catalyst for investment of Singapore in Italy. Satisfied, Federico Donato, President of the Italian Chamber of Commerce in Singapore, has stated: "It has been a long time since we have been fighting to reach this goal, it hasn't been easy; of the 67 countries in the black list on controlled foreign companies only 3, including Singapore, have been cleared." The city-state, a real springboard for Southeast Asia, now home to giants such as Ferrero and Saipem, in addition to some of the most important shipping companies of our country, accounts for the main destination of Italian exports in that area (1.91 billion euro in 2013).

What stands behind Singapore's removal from the two Italian tax "black list"?

First, the significant cost savings. Both for companies already present, and for those that have yet to arrive and which might have thus far hesitated owing to the complex bureaucratic procedures that had to be addressed before the country was removed off the two tax "black lists". A procedure that has now been substantial abridged.

For our SMEs, this is a great opportunity ...

For small and medium-sized enterprises, for which internationalization represents a wearing process, the fact that this hurdle has been overcome will undoubtedly make a difference.

Did the presence of Singapore on the two 'black lists' embody a problem for large Italian groups present in Singapore?

Certainly. These will now be able to further establish their presence in the city-state. A wide range of distinct groups is currently present in Singapore. From Ferrero to Maipei, from Piaggio to Saipem. Others like Menarini, the pharmaceutical group that in 2011 took over Invida, one of the main companies in the Asia-Pacific area in the pharmaceutical field; and, Zanetti that won over brand Boncafe Group in 2014, a leader in the roasting and marketing of coffee in the areas of Southeast Asia, have established their presence here only a short while ago.

What effect will the update of the Italian "black lists" have on investment of Singapore in Italy?

Aided by the depreciation of the euro, Italy will be from now a bit more attracting. Sovereign wealth funds and large investors may be interested in investing more in the tourism sector, which have always exerted great charm, as evidenced by the acquisition of the historic Grand Hotel Palace of Via Veneto in Rome by the Boscolo group on behalf of Millennium & Copthorne, a Singapore-based group. Last but not least, the infrastructure and manufacturing sectors will undeniably arise some interest.

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