



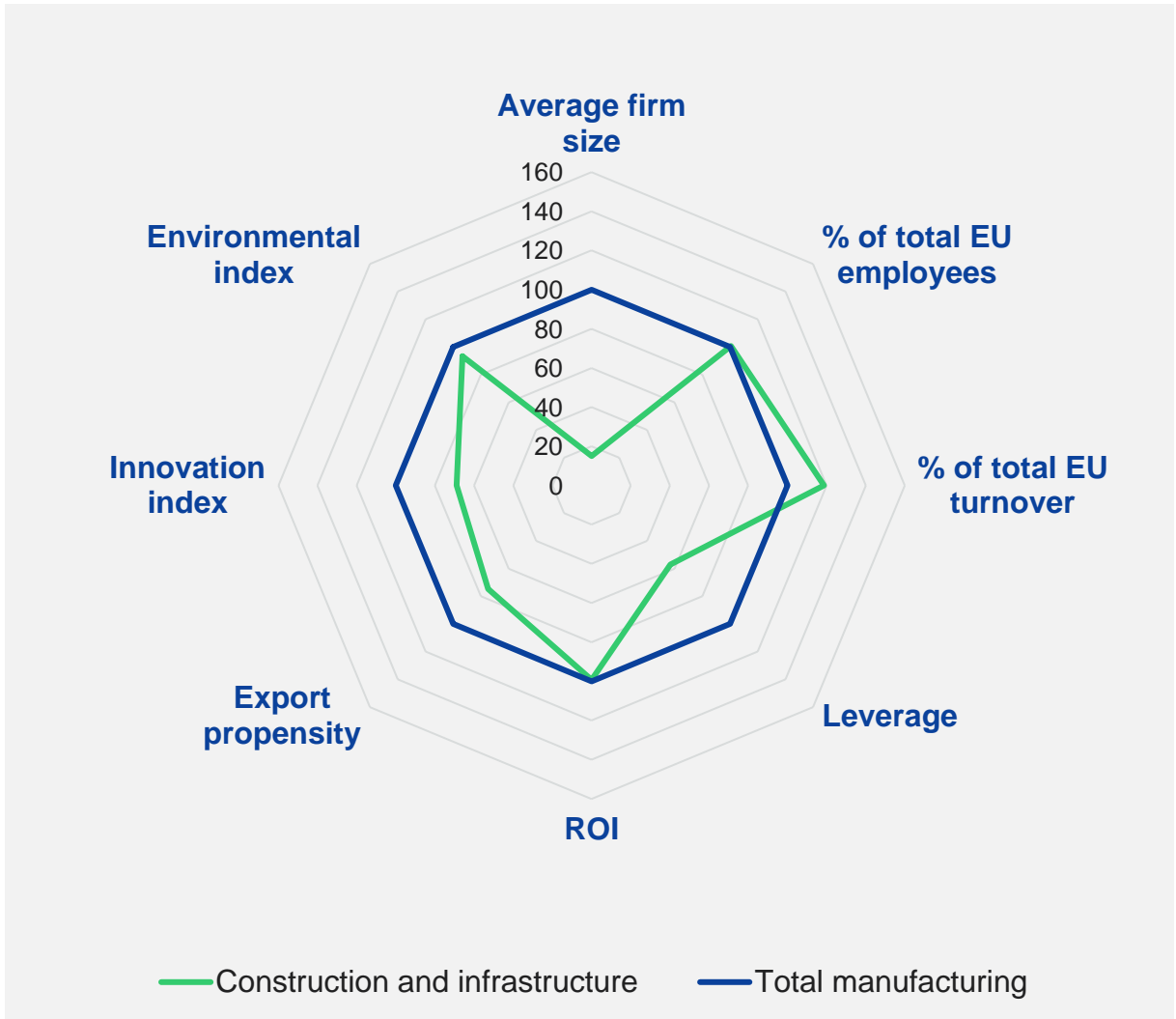
The Construction and infrastructure industry in Italy

Sector Kit 2024



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Overview



Source: Eurostat, Prometeia

Key Insights

- The Italian construction and infrastructure industry is characterized by a **predominance of micro-enterprises**, which nonetheless represent a **substantial** portion of the EU market **in terms of turnover and employment**.
- On average, firms within this sector **align with the manufacturing benchmark regarding profitability** but exhibit weaker performance in debt ratios, innovation activities and export propensity.
- The sector demonstrates a positive stance towards sustainability, with **greenhouse gas emissions** during production generally **comparable** to those of the broader **manufacturing industry** and to those of EU peers.

Number of firms and sector characteristics

Year 2022		Number of enterprises	Turnover million €	Number of employees
Construction and infrastructure	Value	542 098	301 626	1 703 306
	% on total economy	9.0%	6.4%	8.7%

Breakdown by subsector

Construction materials	Value	16 955	44 823	158 886
	% on total sector	3.1%	14.9%	9.3%
Machinery for construction	Value	711	5 838	16 020
	% on total sector	0.1%	1.9%	0.9%
Construction activities for buildings and civil engineering	Value	524 432	250 965	1 528 400
	% on total sector	96.7%	83.2%	89.7%

Breakdown by firm size class¹

Micro	Value	520 038	100 902	1 086 593
	% on total sector	95.9%	33.5%	63.8%
Small	Value	18 665	73 997	317 821
	% on total sector	3.4%	24.5%	18.7%
Medium	Value	2 920	57 009	158 882
	% on total sector	0.5%	18.9%	9.3%
Large	Value	475	69 718	140 009
	% on total sector	0.1%	23.1%	8.2%

Source: Prometeia Structural Database

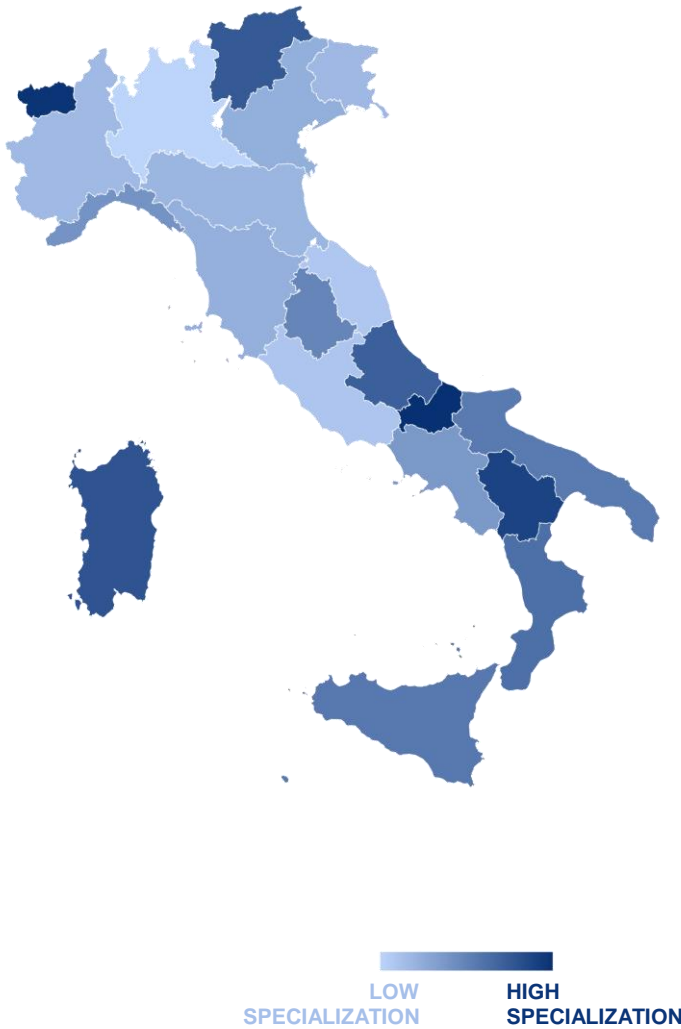
Key Insights

- With a turnover exceeding €301 billion, approximately 542 thousand enterprises, and over 1.7 million employees, **the construction and infrastructure industry is a vital component of the Italian economy.**
- This sector accounts for **9% of the total production value** and represents **8.7% of the Italian workforce.** It is characterized by a predominant presence of micro and small enterprises, which constitute 99.3% of the industry.
- Approximately 97% of these firms operate within the construction activities for buildings and civil engineering subsector, which generates more than 80% of the sector's revenue.

1. As a reference, manufacturing in Italy has the following structure:

- Number of enterprises: Mic. 84.9%, Sm. 10.8%, Med. 3.3%, Large 1%
- Turnover: Micro 8.6%, Small 12.4%, Medium 18.7%, Large 60.3%
- Number of employees: Mic. 26.7%, Sm. 21.7%, Med. 19.7%, L. 31.9%

Specialized districts or regions



Top 5 region by specialization, 2021	Specializ. index ¹
Molise	1.4
Valle d'Aosta	1.4
Basilicata	1.4
Sardegna	1.3
Trentino Alto Adige	1.3

Top 5 region by number of empl., 2021	Number of employees
Lombardia	294 747
Veneto	158 682
Emilia-Romagna	142 068
Lazio	139 021
Piemonte	117 729

Source: Istat

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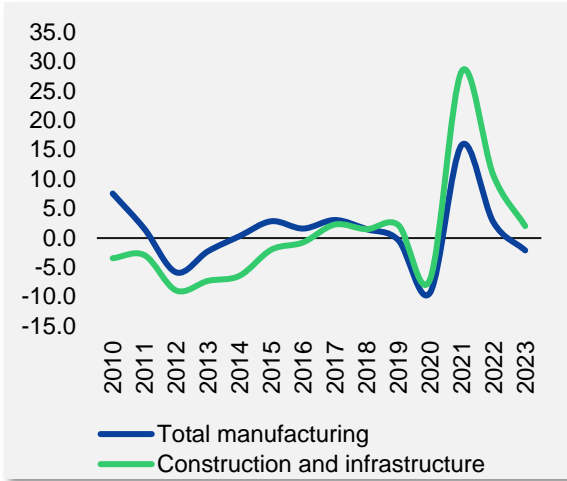
Key Insights

- The Construction and infrastructure sector is **quite well-distributed across Italian regions**, with **Molise** exhibiting the **highest degree of specialization**, indicated by an index of 1.4.
- Valle d'Aosta, Basilicata, Sardegna, and Trentino-Alto Adige also demonstrate significant specialization in the sector. However, these regions employ fewer **workers** in the industry compared to the larger **Lombardia**, **Veneto**, and **Emilia-Romagna**.

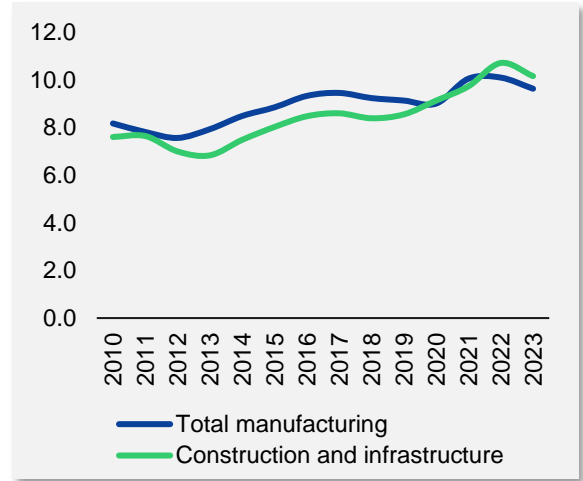
1. Here, the Specialization Index is calculated as the ratio between a region's sector-specific number of employees as a percentage of total regional number of employees and the same ratio at the national level. A region is considered specialized when the index value exceeds 1.

Industry financials

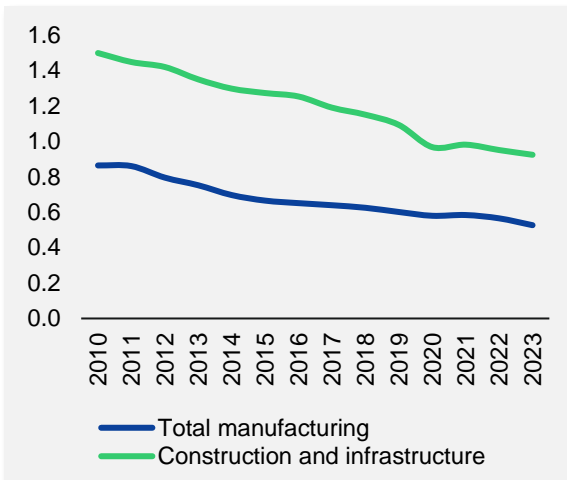
Turnover (Constant Prices, YoY change %)



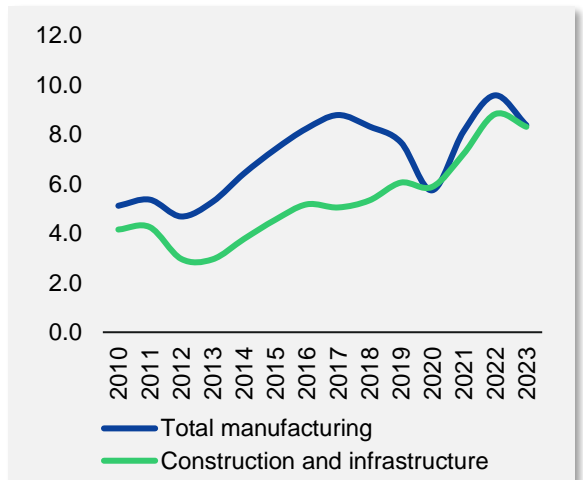
EBITDA



Leverage



ROI



Source: Prometeia Financials Database

Key Insights

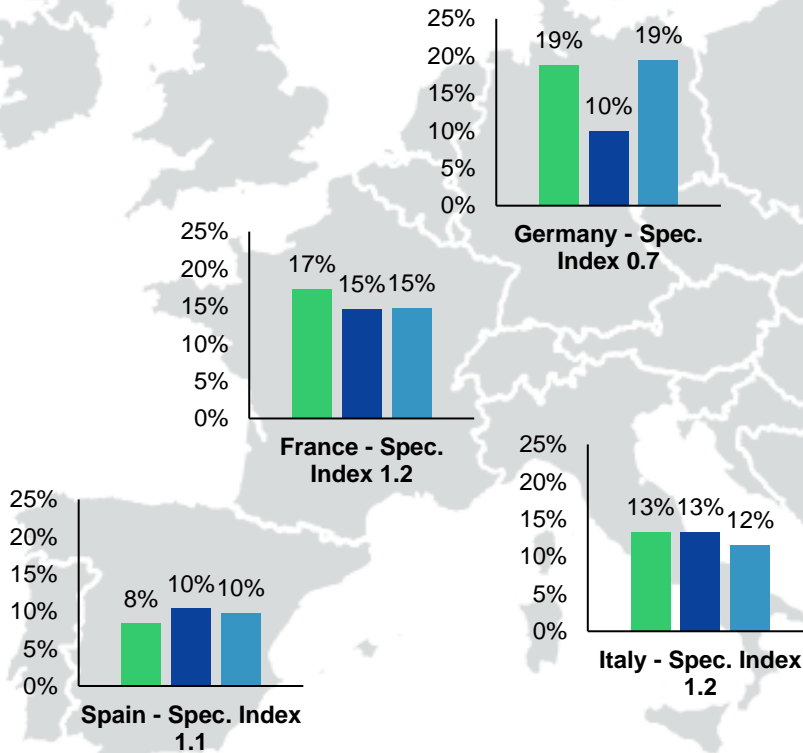
- Turnover of the Construction and infrastructure sector is **highly correlated with manufacturing**. Following a decline in 2020 and a robust recovery in the subsequent year (+28.3%), the sector's turnover growth moderated yet persisted, driven by the impetus of the Recovery Fund and the sustained demand for building renovation.
- Historically, the sector's **ROI** has lagged behind that of the manufacturing industry. However, in 2020, earnings in manufacturing declined, **narrowing the performance gap**.
- The **financial stability** of firms in this industry has **consistently improved** over the years, although it remains higher than the manufacturing sector.

International benchmarking

■ % of total EU27 turnover, 2022

■ % of total EU27 number of enterprises, 2022

■ % of total EU27 number of employees, 2022



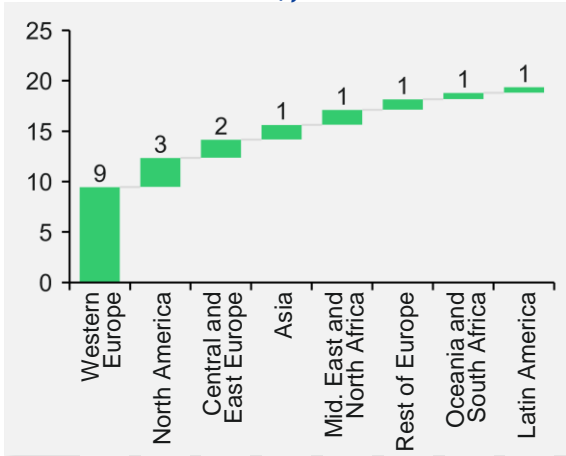
Source: Eurostat, Prometeia Structural Database

Key Insights

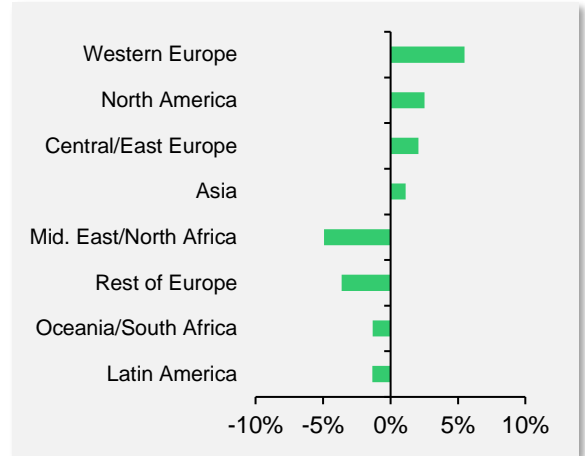
- The Italian Construction and Infrastructure industry plays a **significant role in Europe**, generating approximately 13% of the total EU27 turnover for the sector, placing Italy **third among EU countries**.
- Italy also ranks **third in terms of employees and number of enterprises** in the Construction industry, accounting for 12% and 13% of the EU27 total, respectively.
- The specialization index indicates that **Italy is highly specialized in this sector**, with a score exceeding 1, comparable to the specialization levels of France and Spain.

International trade

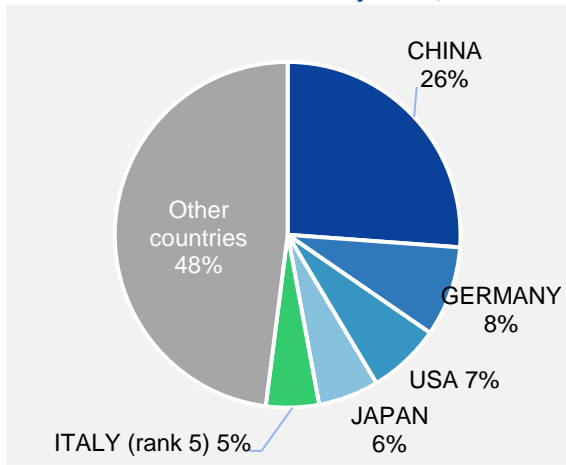
Italian export by area of destination
Bln \$, 2022



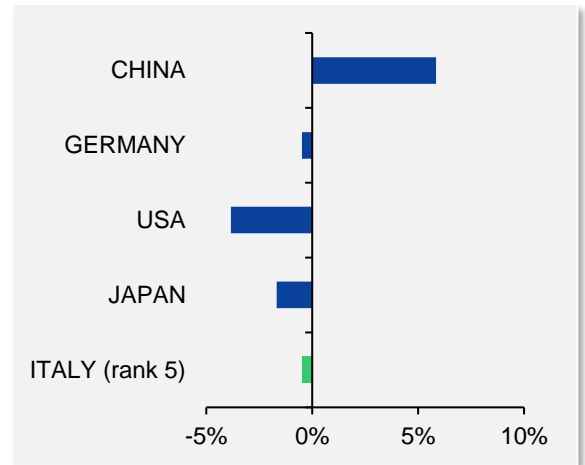
Italian export by area of destination
Var 2013-2022 of the share



World main exporters
% on total world exports, 2022



World main exporters
Var 2013-2022 of the share



Source: Prometeia Fipice Database

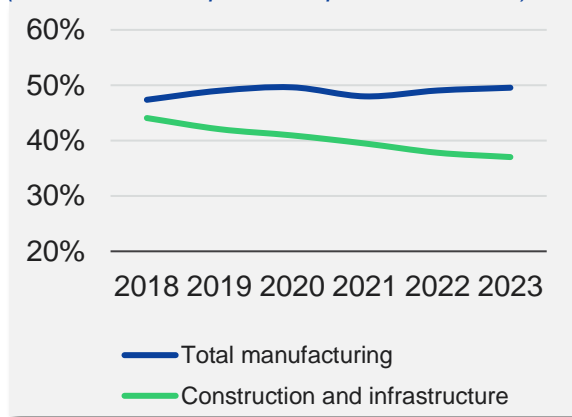
Key Insights

- The largest portion of the Construction and Infrastructure industry exports is directed towards **Western Europe**, with **market shares having significantly increased over the past decade**. North America is the second largest market for Italian exports, where shares have also grown over the years. Conversely, Italy has **lost ground in the Middle East and Russia**, experiencing a decline of 4% in the share.
- Italy ranks fifth** among the world top exporters in the industry, holding a 5% share of total exports as of 2022. Over the last ten years, Italy has experienced a decline of approximately 1% in its market share, particularly losing ground to **China**, which has **gained 6% in the share**.

Competitive advantages of Italian firms

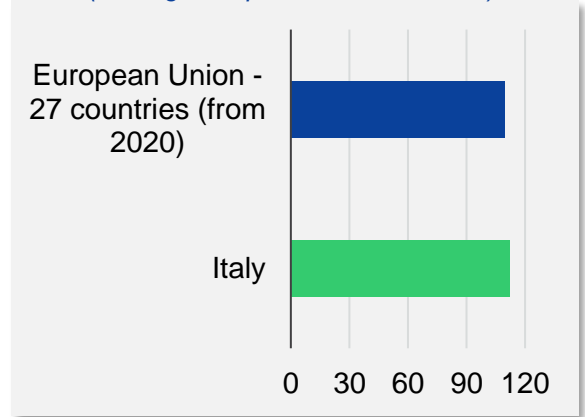
Export propensity

(ratio between exports and production value)



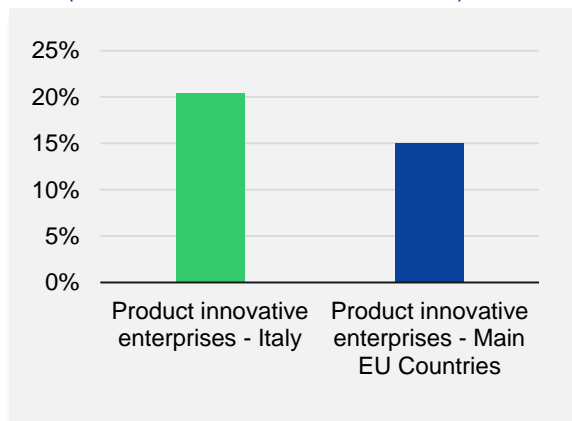
Emission intensity

(GHG grams per € of value added)



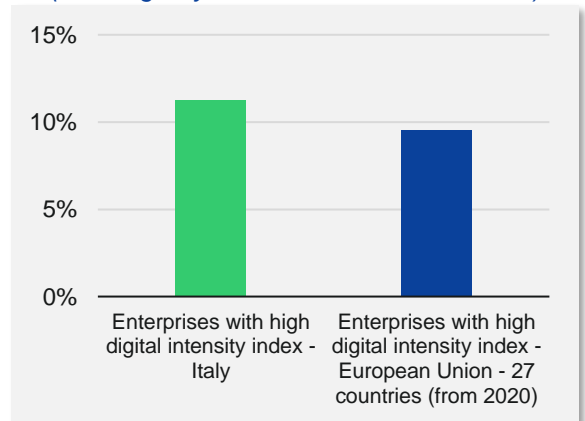
Innovation propensity

(% of innovative firms on the total)



Digital intensity

(% of digitally advanced firms on the total)



Source: Eurostat, Prometeia Economics Database

Data on export propensity refers to C23 and C28.92 only. Data on digital intensity also include sector C22.

Key Insights

- The export propensity of the **Construction and infrastructure industry is structurally lower than the manufacturing benchmark**. Moreover, the sector is experiencing a slight decline in export propensity in recent years.
- The **Italian Construction and infrastructure industry has outperformed major EU countries in both digital intensity and innovation activities**.
- In terms of emission intensity, Italy trails behind the European average, with slightly **higher GHG emissions per euro of output produced**.

Notes

Industry definition

- The analysis encompasses activities classified under NACE Rev.2 codes C23, C28.92, F41, F42, F43.

Data sources

- Information on the industry structure, characteristics, trade data, and financials are sourced from official statistics (Eurostat, ISTAT) and Prometeia Databases (Structural, Financials, Economics, Fipice).
- Financial data for the year 2023 are estimates based on currently available information.

Overview

- The radar chart on page 3 illustrates the industry's positioning relative to the entire Italian manufacturing sector across various indicators. The manufacturing index is standardized to 100, and the index value for the specific sector indicates its performance against this benchmark. An upper limit of 200 is set to facilitate graphical representation.

International Benchmarking

- The charts on page 7 present data for the top four countries in the European Union by sector turnover.
- Some EU countries do not provide complete information; however, this limitation is confined to smaller countries and does not affect the reported rankings.

Competitive advantages of Italian firms

- *Export propensity* is calculated as the ratio of export value to production value within the sector.
- *Innovation propensity* is an index representing the percentage of “innovation-active enterprises” over the total number of respondents to the Eurostat Community Innovation Survey (CIS), referring to 2020.
- The *Digital Intensity Index (DII)* is a composite indicator, derived from the survey on ICT usage and e-commerce in enterprises. Here, the share of enterprises with high or very high digital intensity as of 2021 is represented.
- *Emission intensity* is calculated as the ratio between GHG emissions of the sector in grams and the industry's production value (or gross value added, depending on the most relevant indicator) at current prices, based on data from 2021.

