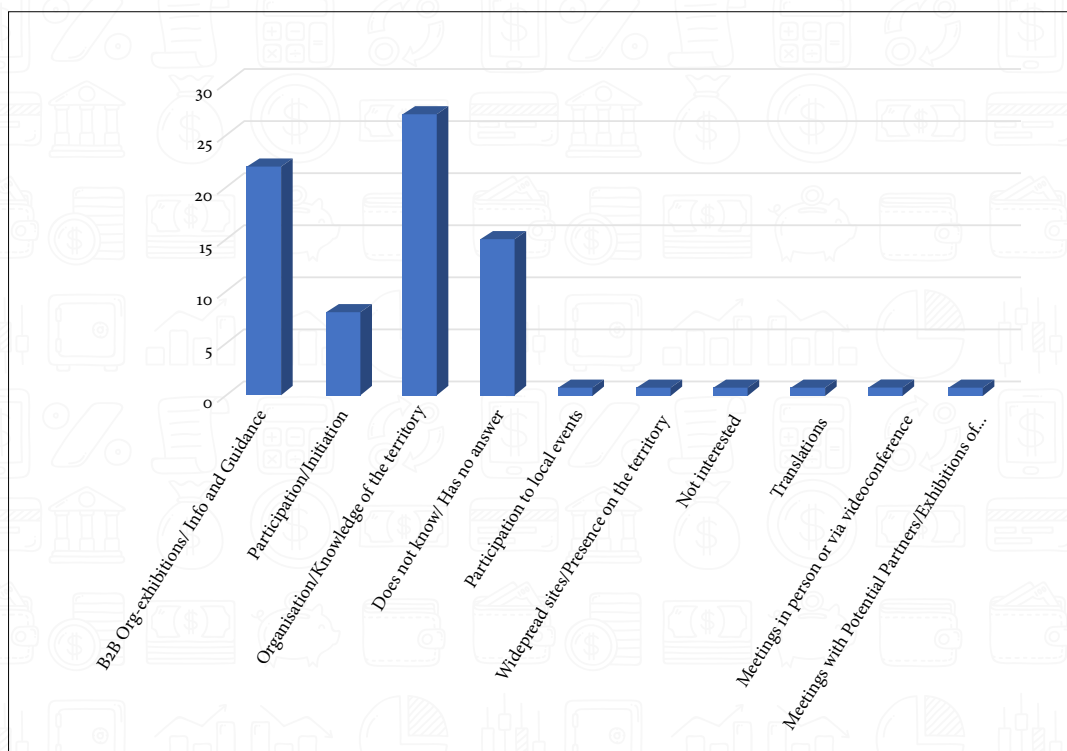


Now it comes the next step to analyse, after investigating about the necessary Partner role and what kind of Service and support is necessary to facilitate business relationships with the other Country enterprises. Here all the answers are divided in the ones, almost thirty interviewees, that choose meetings and dialogue through exhibitions and B2B organisation and then thirty interviewees that would prefer going through a better information/formation as in exchange of experiences by cross-border collaborations among subjects belonging to the same typology (Picture 9).

**Picture 9.** *What kind of services would be useful to facilitate business relationships with enterprises from the other Country*

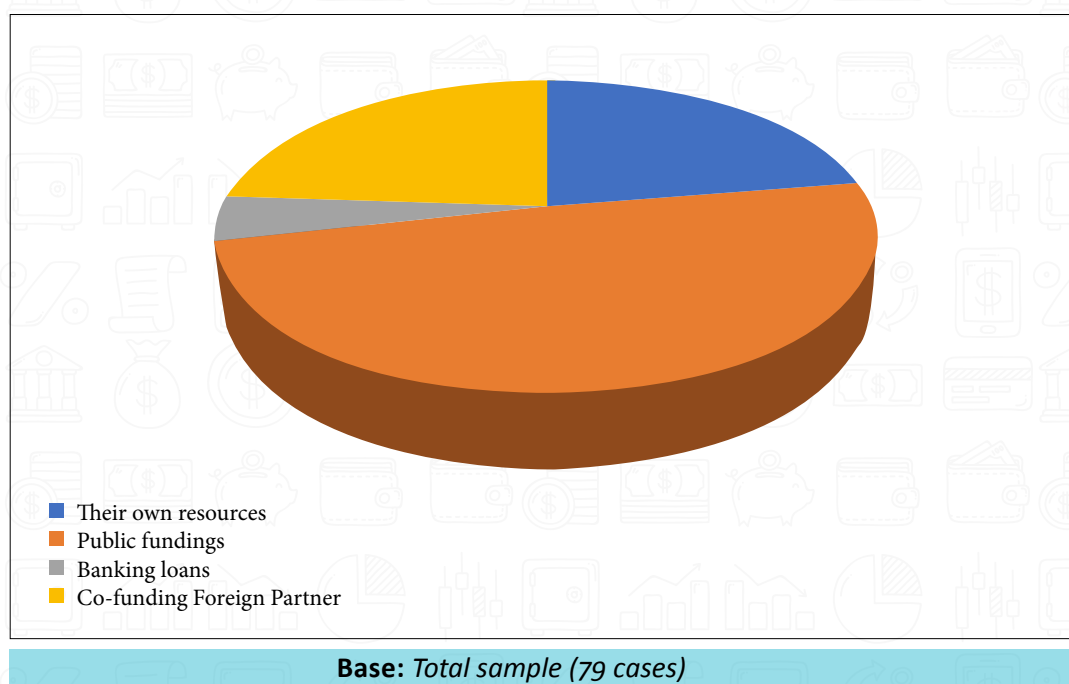


Base: Total sample (79 cases)

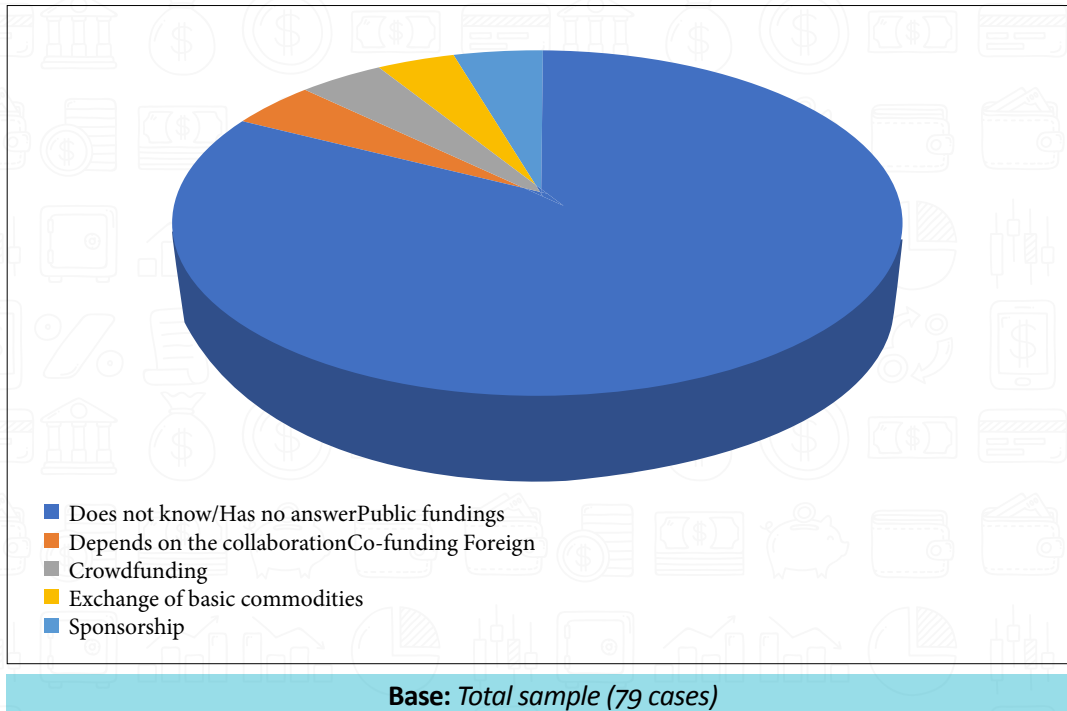
The last three questions of the questionnaire have the purpose to understand which financial instruments the interviewee would apply in case of collaboration with foreign enterprises; expected investments in the next three years and the willingness to a brief phone interview in order to gather experience and observations about Cross-border cooperation Programmes in which Regione Puglia is involved.

To the question, “Which financial instruments would you apply in case in collaboration with foreign enterprises”, interviewees answered that they would use their own resources and/or co-fundings from the foreign Partner; only n. 6 would use banking loans and the majority would apply public fundings, indeed n. 64. Only a very small part of the interviewees answers that they would use other kinds of investments like: Crowdfundings campaigns and Sponsorship (Picture 10.1 - Picture 10.2).

**Picture 10.1.** Which financial instruments would you use in case of collaboration with foreign enterprises



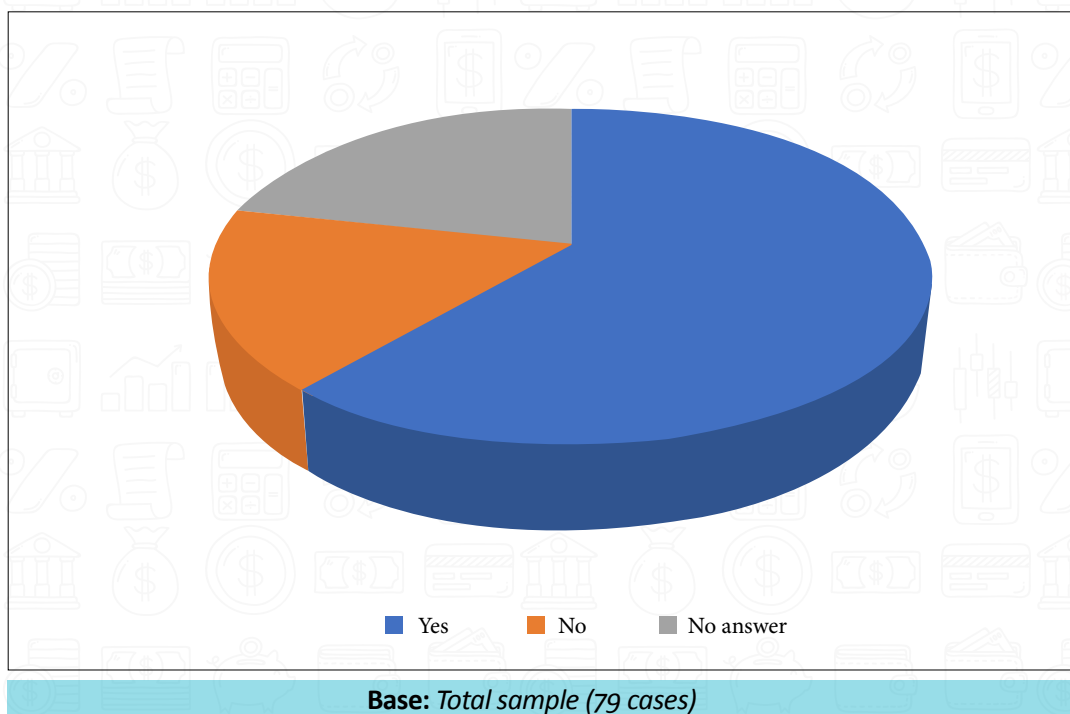
**Picture 10.2.** Which financial instruments would you use in case of collaboration with foreign enterprises



To the question “Broadly speaking, do you plan to make investments for your enterprise in the next three years” are n. 60 the ones that plan investments for their own activity/project in the next three years; n. 20 has not answered and n. 16 answered No. Data show that the majority of the interviewees plan future investments and only a small part doesn't plan investments.

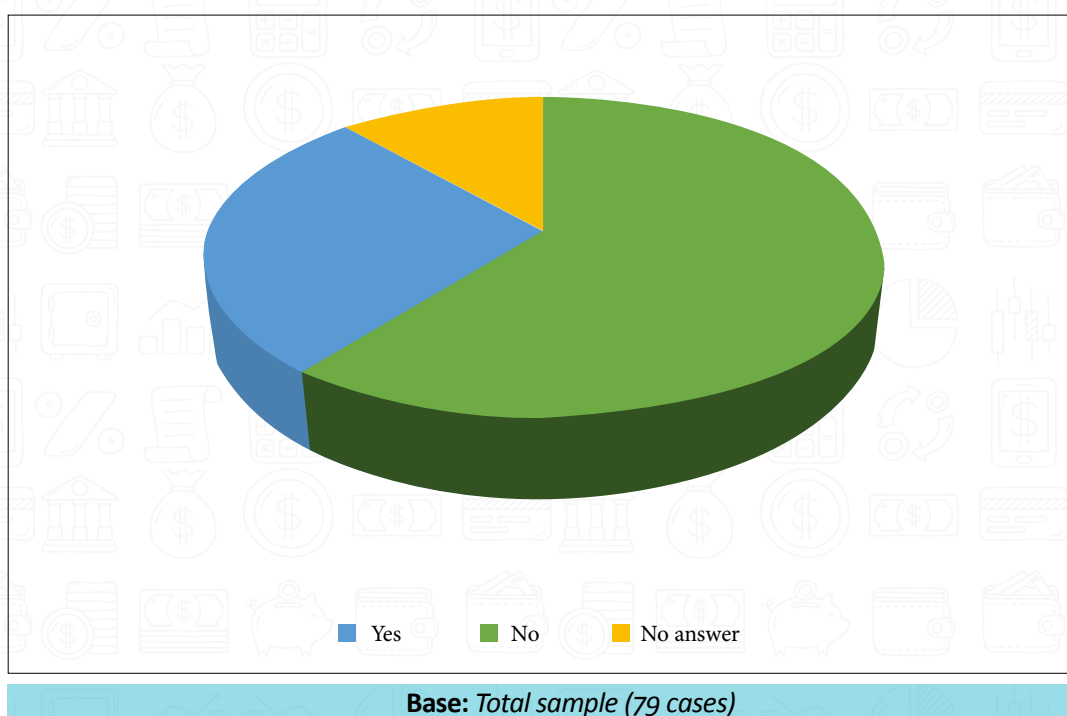
This picture unveils a positive scenario because interviewees expressed their desire to make investments and automatically it is connected their direct interest to future investments (Picture 11).

**Picture 11.** Broadly speaking, do you plan to make investments for your enterprise in the next three years



In the last question, “Are you willing to grant a brief phone interview in order to gather your experience and/or observations about Cross-border cooperation Programmes in which Regione Puglia is involved”, there were n. 60 interviewees that said that were willing to be surveyed by phone, while n. 30 answered negatively. This means that the operators are open to dialogue and to communication; this also implies an underlying interest in knowing better cross-border programmes and the areas involved in those programmes.

**Picture 12.** Are you willing to grant a brief phone interview in order to gather your experience and/or observations about Cross-border cooperation Programmes in which Regione Puglia is involved





## Final Considerations

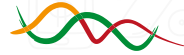
Summing up, the study undertaken has allowed to highlight the widespread awareness of the Cross-border Cooperation Programmes to which Regione Puglia participates, although this does not correspond also with a diffused application of those instruments to realize cooperation projects that involve private partners.

It emerged also the willingness to establish collaborations with enterprises and organisations from the foreign coastal Countries but also the scarcity of relevant information, helpful for the effective achievement of economical collaboration activities. Particularly, in this regard, it is appropriate the request of instruments and actions to follow-up enterprises in making collaboration projects with cross-border foreign partners.

There is a high percentage of enterprises that would rely on public fundings to realize business activities abroad. Finally, it is equal to 2/3 of the panel the number of enterprises that were willing to grant a phone interview about joining cross-border cooperation Programmes in which Regione Puglia is involved.

The survey clearly shows that almost the totality of the surveyed operators expressed an interest in collaborations and in a better knowledge about cross-border areas, with an evident interest in collaborating with Countries like Albania, Greece, Montenegro and Croatia.

## Conclusions



The main purpose of this survey was to study in deep the awareness level, amongst local economical actors, of the opportunities provided by guarantee instruments for credit access (Confidi) and by Interreg Cross-border Cooperation Programmes in order to develop joint-ventures and collaborations among enterprises from Puglia and Molise and from Albania and Montenegro.

88,37% of the interviewees replied negatively about the intention to make investments in the above territories in the next three years. Their reasons are all different: 21% has a poor knowledge of the Country, of the market and of the territory; 25% does not know any reliable Partner; 16% has financial issues and access credit problems. These data show that - although interviewees are aware of the several programmes that Puglia system offers them - there is a serious difficulty in access credit. In addition to this, there is also an insufficient knowledge of the Country, the market and the territory that represent another obstacle in realizing investments in cross-border Countries. Another very important factor highlighted in the survey, is the lack of knowledge of any reliable partner, which represents one of the key-elements in order to establish new collaborations.

Regarding all the support services, useful to facilitate business relationships with the enterprises of the other Country, it emerged that the majority of the interviewees are interested in joining B2B meetings. Moreover, it also emerged that another relevant factor concerns the need of a better information/formation as in exchanges of experience through cross-border collaborations among bodies of the same typology.

At the end of the survey, there will be a selection of the enterprises willing to join specific B2B and match-makings meetings, that will be realized to promote jointed business activities, as underlined and requested by the very same participants of the survey. Enterprises will be selected on the basis of their will and availability to join these kinds of activities.

However, the development of collaboration relationships among enterprises from Puglia and Molise and from Albania and Montenegro requires a coordinated regional and cross-border policy-making. In addition to future regional and cross-border initiatives, aiming at promoting a further collaboration among Puglia, Molise, Albania and Montenegro, it is necessary to establish and to realize support and improvement actions towards the Confidi system and the enterprises assistance, in order to facilitate the credit access for the enterprises, their growth and the knowledge of Montenegro and Albania and, in general, of the East-European Countries, to increase the opportunities to meet through a process of guidance and of knowledge amongst the different Countries.

Particularly, the results that emerged from the survey suggest some crucial points to activate cross-border collaboration instruments.

The Research carried out wants to offer an adequate support in the making of a Policy Proposal to present to the Institutions in order to facilitate an improvement of the regulatory framework and to encourage the development of cross-border collaborations in the business activities, also by the use of guarantee systems to access credit, in a coordination among the several territorial realities involved in the 3C4SME Project.

For this purpose, some recommendations have been developed, useful for the drawing up of the Policy Proposal, as are listed below:

- Confidi role and function, in the interest of the development of the local business and productive system, is based on the capacity of the intermediary body to know in depth the territory and the enterprises.
- The model to follow for the evolution of the guarantee instruments for the credit access has to be framed in a model that puts at its centre the Chambers of Commerce system, as public institutions with a deep knowledge of the registered enterprises and of the ones operating in the territory; it is yet to be verified if in Albania and Montenegro Chambers of Commerce can carry out that role (intermediary guarantor of the credit risk).
- Supporting the setting up of structures capable of having a function of guarantor of the credit risk in Albania and Montenegro, in order to develop complementary instruments to support cross-border joint-ventures between Italian enterprises (Puglia, Molise), and Montenegro and Albania ones.
- In particular, it is highly important to map the criteria used by the banks in Montenegro and Albania to define creditworthy enterprises, in order to identify the guarantee conditions for the credit risk, with the aim of finding a coordination with the ones from the other territories involved.

Lastly, for the sake of completeness, it is reported the newest guarantee instrument to access credit developed in Puglia, to underline the importance of these instruments for the Apulian SMEs growth: “*Strumento Finanziario Fondo Rischi 2014-2020*” of Regione Puglia, a Risk Finance Fund, new financial engineering instrument, established by Regione Puglia and managed by the regional society in house Puglia Sviluppo. The financial instrument, established in accordance with European regulation 1303/2013 and with Eu Execution regulation n. 964/2014, helps enterprises, also thanks to a “*portfolio*” public guarantee, to benefit from better conditions to access credit by getting rate interests improved regarding the market trend. The Fund was created by Regione Puglia with a 64.000.000 euro plafond, while the management was given to Puglia Sviluppo S.p.A.

Enterprises will get loans for investments, and they would gain them at interest rates better than the market ones. This possibility is reserved only to very small, small and medium sized enterprises that could ask for long and medium term fundings for an amount that can go from 30.000 to 1 million euro. “*Strumento Finanziario Fondo Rischi 2014-2020*” is an instrument with which Regione Puglia offers SMEs the possibility to obtain suitable guarantees for the access to banking credit.



**The objectives are:**

- Promoting SMEs development, facilitating the access to credit by joining mutual guarantees;
- Contributing, by the creation of an effective and efficient Confidi network, to the realization of the objectives of regional industrial policy on the medium-long term;
- Ensuring, on the short-medium term, adequate resources to support the current growth of the regional productive system, also by the Confidi networks located in the region.

Moreover, the instrument provides for a better credit asset availability for SMEs and it will decrease the funding costs; on the other hand, banks will recover from the risks undertaken. An important added factor is the structure of the instrument, that will let to strengthen even more the business relationship between banking system and Fidi guarantee consortia system, that will finally collaborate effectively in the making of a new fundings portfolio.

In this process, Puglia Sviluppo S.p.A. Manages the quality Fund financial body, that will cooperate with enterprises in an attentive and constant communication. The direct beneficiaries are the Apulian SMEs that can request medium-long terms fundings at discounted interest rates to the branches of the following banks:

- Monte dei Paschi di Siena;
- UniCredit;
- Banca Popolare di Bari;
- Banca Popolare di Puglia e Basilicata;
- Banca Popolare Pugliese;
- BCC San Giovanni Rotondo in RTI con:
- BCC San Marzano di San Giuseppe;
- BCC Alberobello e Sammichele;
- BCC dell'Alta Murgia;
- BCC di Cassano delle Murge e Tolve.

Eligible actions have, as a target, the request of medium-long term fundings at discounted interest rates to make investments for:

- Tangible and intangible assets in Regione Puglia for a minimal amount correspondent to 10% of the whole funding;
- Current assets and stocks up to 90% of the whole funding aiming at development activities or growth and related to the investment activities.

Furthermore, fundings require that the portfolio that each bank is committed to realize, have to be constituted of a series of fundings having the main following characteristics:

- New concessions; they must have a maximum length of 8 years, in addition to a pre-amortization of a maximum of 2 years;

- They will have an amount in a range between 30.000,00 € and 1.000.000,00 €;
- They will be regulated at a fixed or floating rate;
- They will not assume the form of revolving credit lines.

In the end, each credit exposure portfolio is divided into tranche:

- A junior tranche guaranteed by Puglia Sviluppo S.p.A, exposed to the first loss risk;
- A possible mezzanine tranche guaranteed by Confidi;
- A senior tranche, with a minor degree of subordination.

Public guarantee covers part of the first loss risk on the junior tranche in relation to the credit portfolio (new finance in favour of the SMEs).

Puglia Sviluppo guarantee is provided by the pledge of the collateral cash on a checking account deposited in the bank. To the sponsor subjects might be given a financial provision for an amount of 30% in case of participation to the Confidi, or of 20% without the intervention in the Confidi, of the credit exposure portfolio. Through the financial provision, Puglia Sviluppo can share the credit risk of the notional amount of each provided funding.

## APPENDIX 1: COUNTRY PROFILE – ALBANIA



### Overview of the relationship with Italy

Italy plays a preponderant role in albanian economical scenario, with interesting opportunities for our operators.

In 2018, Italy turned out to have 34,1% share of the total trade exchange of Albania, which last year amounted to 2,6 billions euro circa. Italy is definitely the first client with 48,2% of the export volume; it is also Albania's first supplier with 27,3% of import. According to 2018 data, after Italy, by far first trade partner, there are Greece (6,9%), Germany (6,6%) and China (6,3%). Our presence is ensured by almost 1000 small and medium enterprises, by large banking group Intesa San Paolo, and some medium-large industrial groups specialized mainly in cement, agri-food and energy sectors. On the total of the enterprises with foreign and mixed (for Country of origin) assets, Italy has taken up the largest share of occupation (49,6%) and of the turnover (25,2%).

On the contrary, it is still very small the presence of italian operators in some big strategical sectors of the Country (for example, Telecommunications and Insurance), also because of some issues related to business climate such as the uncertainty on the property rights, widespread corruption and shortcomings in the justice system.

Overall, albanian economy offers good investment opportunities in the energy sector. By 2020, Albania intends to satisfy 38% of the domestic consumptions with renewable sources. The law for the *"Promotion of the renewable energy"* n. 7/2017 requires the implementation of the plan for the promotion of the investments aiming at creating new sources of wind and solar energy. Some projects for the renewable energy, already authorized by the Ministry of the Energy and of the Industry via simplified procedure, also allow the installation of equipments with total capacity to generate wind energy or photovoltaic plants with a potential below 500 kW. Ministry of Energy and Industry is involved in the matching of the national legislation about energy efficiency and energetical performance of the buildings, for whose rehabilitation (concerning technologies, materials and state-of-the-art design) there are good opportunities for italian enterprises. Another opportunity for our enterprises will be surely the construction of the albanian section of the Trans Adriatic Pipeline (Tap), the gas pipeline that will be completed starting by 2020 and that will have a capacity range between 10 and 20 billions cubic metres of gas a year. To the present day, the strategical agreement signed up by public company AlbGaz and Snam in june 2018 plays a special relevance: the aim is the setting up of a joint venture that will deal with the technical management of the TAP albanian section.

Along with the energetical sector, another field of large interest for a medium-long term perspective is agriculture, that the Government has been trying to revitalise in past few years. Although the sector is still dealing with a series of issues (such as land fragmentation, a lack of coordination with the

producers which generates sudden price fluctuations and the continuous alternates between a surplus of production followed by a shortage of products; as well as the absence of the so-called “cold chain” for the storage and the preservation of the meats, just like for the non-existence of a fruits and vegetables processing industry) there are good opportunities of placement for the italian suppliers of machines and apparatus relating to the agri-food sector and, particularly, of high technological content equipments for the processing, conversion and preservation of meat and vegetable products, as well as machines for the wine sector. In the short-medium term, there are good opportunities for our enterprises in the touristic sector, which shows great potentials if there will be a wise use the areas still untouched from the wild building development that took place in the last years on some coasts; and also in the manufacturing one (specially footwear and textiles), bearing in mind the affordable conditions of the albanian job market, the convenient taxation and the traditional favourable factors for our economical operators. One of them is the widespread use of italian language.

*Source: infoMercatiEsteri*

### **Swot Analysis (Strengths, Weaknesses, Opportunities, Threats)**

#### **Strengths:**

- Strategic position at the center of the Mediterranean sea and proximity to the Balkan Countries markets;
- Prevalence of cheap labour workforce;
- A stable economic scenario and compatibility of albanian productive system with the italian one;
- A widespread use of italian language among the local population;
- Favourable general taxation

#### **Weaknesses:**

- Tax rates;
- Access to fundings

#### **Opportunities:**

##### **What to sell**

- Information and communication services
- Textile products
- Machineres and equipments
- Food products
- Education



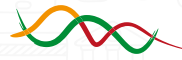
## **Where to invest**

- Construction
- Agriculture, fishing and forestry products
- Electrical energy, gas, steam and air conditioning (also from renewable sources)
- Textile products

## **Threats:**

- Customs Impediments
- Business climate

## APPENDIX 2: COUNTRY PROFILE – MONTENEGRO



### Overview of the relationship with Italy

Italy plays a leading role business partner for Montenegro. The collaboration is vibrant and it is all-around extended, from the political dialogue to the economic field, from culture to science and technology. In the energetical sector Italy is leading investor. A great contribution to the dynamism of the bilateral relationship came from the steady intensification of the institutional mutual visits. Montenegro has in Italy a strategical partner and a strong supporter of the Euro-Atlantic perspective for the Country. “Made in Italy” achieves resounding success, our Country embodies a quality and a life style “brand” in all Montenegrin population groups.

In 2016 overall trade between Montenegro and Italy amounted to 170,4 millions of euro: 153 millions of euro was the amount of the italian export and 17,4 millions was the amount of the import from Montenegro. Trade balance is still in Italy's favour: 135,6 millions of euro.

Italy is the fourth supplier for Montenegro, with montenegrin imports equal to 153 millions of euro and it is the fifth client on the whole, while it is second among the Eu-28 Countries with montenegrin exports equal to 17,4 millions of euro.

Trade interchange structure: according to the Istat data available at the moment, in 2016 the most relevant industry sector regarding italian export in Montenegro has been clothing items (13,3 millions of euro), followed by furniture (10,1 mln) and footwear (7,5 mln). Then, in descending order, it follows: general purpose machineries (7,2 millions of euro), ships and boats (6,69 mln) and soaps, cleansers, perfumes and make-up products (4,6 mln).

Concerning italian imports from Montenegro, the largest item is basic metals and other non-ferrous metals (6,9 millions of euro), waste (4,4 millions of euro), steel products (3,2 millions of euro), raw wood (2,4 millions of euro).

Data processing ICE Podgorica based on MONSTAT/ISTAT data

### Swot Analysis (Strengths, Weaknesses, Opportunities, Threats)

#### Strengths:

- Still frame of Montenegro Ten years after the regained independence
- A quick overview of the economy
- Montenegro on the geographic map
- Favourable tax climate
- Hub for the regional enterprises

#### Weaknesses:

- Access to fundings

#### Opportunities:

##### ***What to sell:***

- Construction
- Food products
- Beverage
- Electrical energy, gas, steam and air conditioning (also from renewable sources)
- Water supply; sewerage system, waste processing activities and regeneration

##### ***Where to invest:***

- Electrical energy, gas, steam and air conditioning (also from renewable sources)
- Agriculture, fishing and forestry products
- Construction

#### Threats:

- Political stability
- Difficulties in accessing credit
- Economic stagnation

*Note: Strengths, opportunities and threats have been locally identified on the basis of qualitative and quantitative information (coming by different sources). Weaknesses are a result of interviews to entrepreneurs working in situ realized by World Economic Forum – Global Competitiveness Index (last edition).*

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