

Eric Reguly: Italy has changed. New opportunities for Canadian companies thanks to the Italian investor visa.

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Eric Reguly is European Bureau Chief for *The Globe and Mail*, Canada's leading national newspaper. He lives in Rome and primarily covers European economic, financial news and environmental news. For his work, he won the Hyman Solomon Award for Excellence in Public Policy Journalism, a National Newspaper Award and Gold in the National Magazine Awards.

The interview

InvestorVisa: How would you describe your personal and professional relationship with Italy?

Reguly: I have a love/hate relationship with Italy, like most foreigners. But it's still more love than hate. The garbage, mad traffic, lack of bicycle lanes, and graffiti in Rome, the world's most beautiful capital city, make me crazy. However, I love the sensuality of Italy and, overall, I find Italians to be friendly, pleasant and funny. Italy is in my blood. My mother was born near Udine, in Friuli.

How do you cover Italian stories to better reach your Canadian readers?

There is a fascination among Canadians about Italy, which is a dream country for them, so selling a story about the country to my editors is never a problem. I have to make sure the stories either entertaining or relevant to them. Italy's eternal debt crisis, revolving-door governments and complicated relationship with the euro are always of interest to readers. They also follow anything concerning the Vatican closely.

Your pandemic diary is a passionate and fascinating account of the Italian lockdown. Do you think that this experience taught you something, both on a personal and collective level?

I learned that Italians' reputation for ignoring laws and rules does not always apply. During the height of the pandemic, Italians pulled together to suppress this disease and went through enormous economic, physical and mental hardships to save their country. There was a great sense of unity among Italians that I had not seen before, and I was proud of them.

Considering your experience as an economic journalist, how would you cover the news about the current state of the Italian economy?

The Italian economy has been in constant decline since the 1980s, maybe earlier, and is allergic to reforms that would slow or stop that decline. The pandemic is another blow to the economy, and

overcoming it will be Italy's most challenging trial going forward.

Given the global effects of the pandemic, what can we expect from the future of economic and trade relations between Italy and Canada?

I think they could improve. Italy and Canada have robust healthcare and biotech industries, and there should be more collaboration between the two countries. Italy is also quickly becoming a world leader in renewable energy, and companies like ERG and ENEL can set a good example for Canadian companies attempting a black-to-green transformation. Italian shipbuilding and automotive expertise might also be of interest to Canadian companies. Italy is more than just food, fashion and design, though it should fight hard to keep its leadership in those industries.

How does Canada perceive CETA? Is it considered central to the development of relations with the EU and Italy, although not yet formally in force, or as just one of the many factors to be taken into account when deciding to invest in the European market?

Canada is a liberal democracy that believes in free trade. CETA is a net positive to the relationship between the two countries. Nonetheless, I sense that many Canadian companies have yet to discover the potential of CETA, which is still a relatively new treaty.

Despite excellent political and commercial relations, Canadian investments in Italy are still modest. Do you think they could increase in the future? If so, which sectors of the Italian economy would benefit most?

Yes, they could, as the United States becomes less open to global trade and investment. Canada will have to diversify its investment and trading patterns: in this scenario Italy, a G7 country with a relatively affluent population, would be an interesting destination for Canadian companies. Biotech would be one area to consider, agriculture another.

Rome has adopted an investor visa programme for those who decide to invest 250,000 euros in Italy, in an Italian startup, or 500,000 euros in a company. Do you think that an investor visa is an appropriate measure to attract foreign investors, especially Canadian ones?

Sure, it helps. Italy needs investors to create jobs for young Italians, who are fleeing the country for lack of adequate work opportunities. Many countries offer similar programs; Italy has to play the game, too.

More than 130,000 Italian citizens reside in Canada, while about 1.5 million Canadians claim to have Italian heritage. Could such a large Italian presence help the development of bilateral investments and trade between the two countries?

Yes, many Italian-Canadians have done well in business, have made a lot of money and still feel strong attachments to the country where either they or their parents were born. But, for them, investing in Italy would not be just an act of patriotism. They would need the right conditions to make a profit.

Could the most affluent members of the Italian-Canadian community be interested in making donations in favour of the preservation of Italian cultural heritage, since they could apply, as patrons, for the same visa as investors?

Yes, I imagine so. The big fashion houses, like Fendi, have paid for the restoration of high-profile landmarks, like the Trevi Fountain in Rome, and it has bought them a lot of goodwill. There are lots of decaying monuments and artworks in Italy that could be "adopted." Doing so makes for a good headline and can be a terrific marketing tool.

Could a favourable tax regime, a flat tax of 100,000 euros per year, such as the one offered to those who transfer their tax residence to Italy, benefit Italy in attracting foreign capital?

Of course, yes. You do not have to be a rich football player to see which benefits a flat tax regime such as the Italian one could bring to a foreigner interested in moving to Italy.

Many of the measures implemented by Italy to relaunch and internationalise its economy slipped under the radar. Why do you think Italy is not able to communicate effectively?

Italy has never been good at publicity and marketing, as the Americans are. Italian CEOs have to be more accessible to the international media and learn to speak perfect English. They need to travel more to build investor awareness. The Italian government investment officials need to refine and strengthen their messages to overcome the traditional view of Italy, which is that it's heavily bureaucratic and laden with excessive taxes. Italy has changed, but that message is not getting out.