



# **Study on State asset management in the EU**

*Final study report for Pillar 2 – Italy*

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# Italy

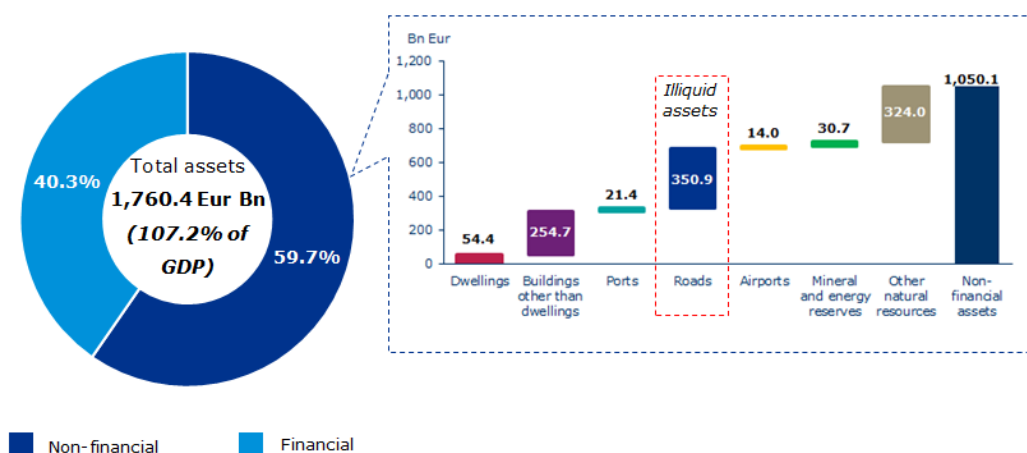
This Country fiche presents a quantitative overview of the mix of non-financial assets owned by the Italian General government.

A recap and a summary table on sources of data and valuation methods used to map and assess (as far as possible) non-financial assets owned by the Italian General government is reported in the Appendix (Table C).

## 1. OVERVIEW OF NON-FINANCIAL ASSETS

In 2015, the estimated value of Non-financial assets owned by the Italian General government was equal to 1,050.1 Eur Bn, accounting for about 59.7% of the estimated value of all assets (including Financial assets) owned by the General government<sup>1</sup>.

**Figure 1** General government's Financial and Non-financial assets (Eur Bn), Italy, 2015



Source: KPMG elaboration. Data on Gross Domestic Product were directly retrieved from Eurostat on 19<sup>th</sup> September 2017.

- (1) Estimated values refer to 2015 as the latest available year for both financial assets and all clusters of non-financial assets.
- (2) In this chart, the "estimated value" of financial assets is reported in terms of Total Assets of the country's PSHs as weighted by the stake(s) owned by the Public sector into the PSHs themselves<sup>2</sup>.
- (3) Value of Dwellings and Buildings other than dwellings were directly retrieved from National accounts, while values for other Non-financial assets were estimated according to the valuation approaches explained in the Methodological Notes for Pillar 2.
- (4) In this chart the estimated value of Other natural resources only includes the estimated value of lands.
- (5) In this chart, the value of railways is not represented as it has already been accounted for in Pillar 1.
- (6) Since roads are an illiquid asset we applied a Perpetual Inventory Method (PIM). However, this valuation method tends to slightly overestimate the value of the asset. Therefore the chart shows the lower bound figure of the range of road and railways valuation estimates only.
- (7) The estimated value for Mineral and Energy reserves refers to the estimate computed on 2015 average prices. Since the prices of Oil and Natural Gas can present many fluctuations over the year, the average of all price points was used as an accurate representation of the annual value of this assets, in order to better account for possible outliers.

<sup>1</sup> As explained in the Methodological Notes for Pillar 2, Non-financial assets that are owned by PSHs are evaluated through the equity method. Therefore their value is not represented in this Pillar as it has already been accounted for in Pillar 1. The allocation of Non-financial assets between Pillar 1 and 2 is listed in Table A in the Appendix to the EU Fiche.

<sup>2</sup> For more details on how Total Assets for Financial Assets are calculated, please see Pillar 1.

## 2. DWELLINGS

Eurostat provides a comprehensive coverage of data on the value of Dwellings; therefore, data on Italian dwellings are retrieved from Eurostat only.

As shown in Table 1 below, the value of the Italian General government's Dwellings in 2015 was equal to about 54 Eur Bn, accounting for 2.0% of the value of all the Dwellings within the country.

**Table 1** General government's dwellings (Eur Mn), Italy, 2010-2015

Data in Eur Mn	2010	2011	2012	2013	2014	2015
General government	55,423	55,906	55,474	55,342	55,053	54,402
<b>Share of the total economy</b>	<b>2.2%</b>	<b>2.1%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>2.0%</b>

Source: Eurostat database, 2010-2015, Balance sheets for non-financial assets, Available at: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama\\_10\\_nfa\\_bs&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10_nfa_bs&lang=en) [downloaded in July 2017].

(1) The share of dwellings in the economy refers to the value of dwellings (rather than the number of dwellings).

## 3. OTHER BUILDINGS AND STRUCTURES

- Buildings other than dwellings

Since Eurostat does not provide the value of buildings other than dwellings owned by the Italian General government, hence data on this cluster of assets is retrieved from the Italian *Istituto Nazionale di Statistica (ISTAT)*.

As shown in Table 2, the value for this type of assets was equal to about about 255 Eur Bn in 2015 – or 10.8% of all Italian buildings other than dwellings.

**Table 2** General government's Buildings other than dwellings (Eur Mn), Italy, 2010-2015

Data in Eur Mn	2010	2011	2012	2013	2014	2015
General government	285,223	280,775	273,637	266,868	261,670	254,677
<b>Share of the total economy</b>	<b>11.7%</b>	<b>11.2%</b>	<b>10.8%</b>	<b>10.8%</b>	<b>10.7%</b>	<b>10.8%</b>

Source: Istat database, 2010-2015 [downloaded in March 2017].

(1) The share of Buildings other than dwellings in the economy refers to the value of Buildings other than dwellings (rather than the number of Buildings other than dwellings).

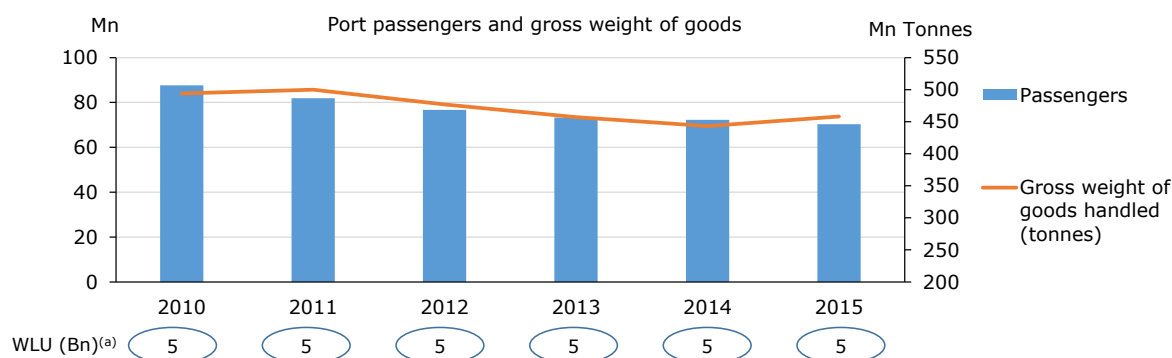
- Ports

According to the art. 28 of the Italian Codice della navigazione<sup>3</sup>, the property of ports belongs to the Central government, which entrusts their management in concession to different Port Authorities (Art. 36 of the Codice della navigazione). Moreover, following the reform of the governance of maritime ports in compliance with the Decreto Legislativo 169/2016<sup>4</sup>, the 24 Port Authorities have been merged into 15 Autorità di sistema portuale (AdSP), i.e. port clusters.

<sup>3</sup> Codice della Navigazione. Regio Decreto 30 marzo 1942, n. 327. Approvazione del testo definitivo del Codice della navigazione. (042U0327) (Gazzetta Ufficiale n.93 del 18-4-1942).

<sup>4</sup> Decreto legislativo 4 agosto 2016, n.169 "Riordino, razionalizzazione e semplificazione della disciplina concernente le Autorità portuali di cui alla legge 28 gennaio 1994, n. 84". Available at: <http://www.gazzettaufficiale.it/eli/id/2016/08/31/16G00182/sq> [Accessed on 03<sup>rd</sup> July 2017].

**Figure 2** Port passengers and gross weight of goods, Italy, 2010-2015



Source: Eurostat database, 2010-2015 [downloaded in March 2017]. Country level - passengers embarked and disembarked in all ports by direction (available at: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=mar\\_mp\\_aa\\_cphd&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=mar_mp_aa_cphd&lang=en)) and Gross weight of goods handled in all ports by direction (available at: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=mar\\_go\\_aa&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=mar_go_aa&lang=en)).

(1) With regard to passengers, all passengers embarked from and disembarked to all maritime ports within the country have been considered.

(2) With regard to the gross weight of goods handled, the Gross weight of goods handled in all maritime ports within the country have been considered.

(a) A Workload Unit (WLU) is defined as one passenger or 100 kg of cargo.

On the basis of the market value (per workload unit) for ports, retrieved from recent transactions<sup>5</sup>, the estimated value of maritime ports in Italy was estimated to be equal to about 21.4 Eur Bn in 2015 (Table 3).

**Table 3** Estimated value for maritime ports (Eur Mn), Italy, 2010-2015

Data in Mn Eur	2010	2011	2012	2013	2014	2015
Ports	23,151	23,392	22,306	21,381	20,735	21,411

Source: KPMG calculations based on Eurostat and the Mergermarket database, 2010-2015 [downloaded in March 2017].

- **Roads**

According to the Art. 822 of the *Codice civile* and the *Decreto Legislativo No. 461/99*<sup>6</sup>, the property of the Italian road network belongs to the Central government. Furthermore, following the *Decreto Legislativo No. 85/2010* – the so-called *Federalismo Demaniale* – the property of a small part of the road network has been transferred to the municipalities.

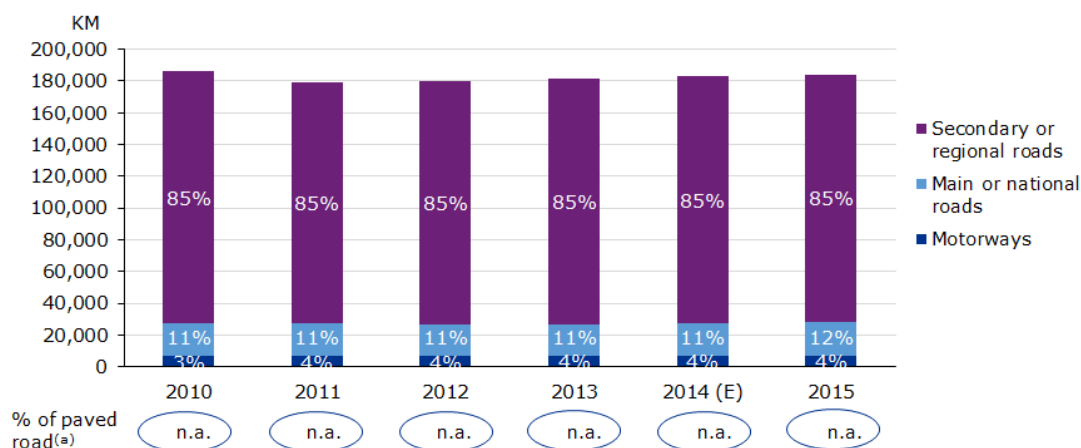
In compliance with the *Decreto Legislativo No. 461/99*, which identifies the motorways and road networks of national interest, ANAS S.p.A manages the majority of road network of national interest. Moreover, ANAS S.p.A is the second infrastructure manager of the motorway network, right after *Autostrade per l'Italia S.p.A* (a private company).

The remaining part of the road network is managed directly by the relevant local authorities or given in concession to different operators, both PSHs and private companies.

<sup>5</sup> For the list of the so-called “comparable” transactions included in our “peer group”, please see Table 8 in the Annex.

<sup>6</sup> *Decreto Legislativo 29 Ottobre 1999 n.461, “Individuazione della rete autostradale e stradale nazionale, a norma dell’articolo 98, comma 2, del decreto legislativo 31 marzo 1998, n. 112”.*

**Figure 3** Length (in Km) of Motorways, Main or national roads and Secondary or regional roads, Italy, 2010-2015



Source: Directorate-General for Mobility and Transport (DG MOVE) database, 2010-2015 [downloaded in September 2017]. Values for percentage of paved road were calculated using Eurostat data on length of other roads by type of surface.

- (1) DG MOVE's data does not report the length of Main or national roads and Secondary or regional roads for year 2014. Therefore, the values for the year 2014 have been estimated as average between 2013 and 2015 values.
- (2) For the sake of accuracy and comparability among the EU28 Member States, the valuation includes Motorways, Main or national roads and Secondary or regional roads only.
- (3) According to DG MOVE's data, the extension of the Italian road network is equal to 259,016 Km (including the length of Motorways, Main or national roads, Secondary or regional roads and Other roads) in 2015.
- (4) Eurostat does not report the length of paved road network for years taken into account.
- (a) The percentage of paved road has been calculated based on the total extension of the road network (including other roads). It represents the length of paved road network over the total length of road network.

Table 4 reports the results of the valuation exercise carried out according to the valuation procedure described in the Methodological Notes for Pillar 2. In this respect, please be reminded that, to ensure accuracy and comparability, the valuation includes motorways, Main or national roads, and Secondary or regional roads only.

In 2015, the overall estimated value of Italian roads ranged between 351 Eur Bn to 379 Eur Bn.

**Table 4** Estimated road value for Motorways, Main or national roads and Secondary or regional roads only (Eur Mn), Italy, 2010-2015

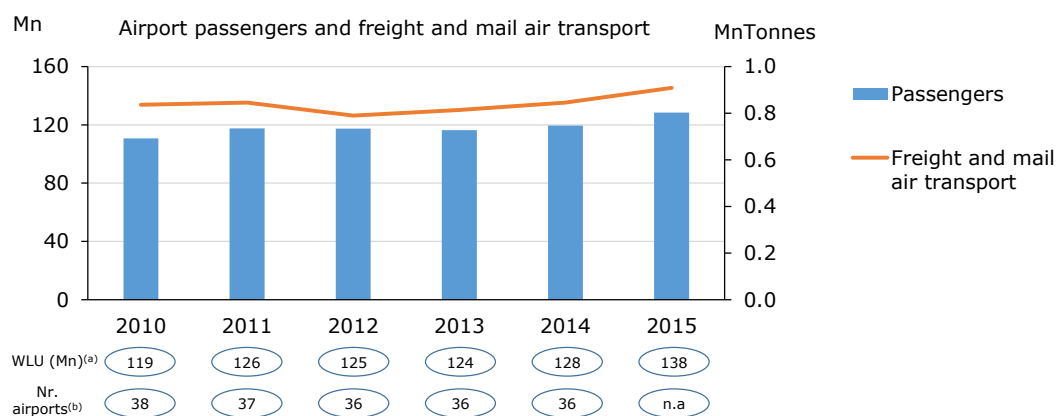
Data in Eur Mn		2010	2011	2012	2013	2014	2015
Motorways	Min	36,146	36,885	37,672	37,758	37,481	37,170
	Max	42,476	43,297	44,188	44,253	43,883	43,474
Main or national roads	Min	59,485	60,714	62,033	62,141	61,677	61,173
	Max	71,540	72,924	74,440	74,510	73,869	73,179
Secondary or regional roads	Min	239,173	245,635	252,203	253,759	253,301	252,583
	Max	249,298	255,890	262,624	264,148	263,542	262,667
Total	Min	334,804	343,234	351,908	353,658	352,459	350,926
	Max	363,314	372,110	381,252	382,911	381,294	379,320

Source: KPMG calculations on Directorate-General for Mobility and Transport (DG MOVE) and Eurostat data [downloaded in July 2017].

- Airports

According to Art. 822 of the *Codice Civile*<sup>7</sup>, the airport infrastructures are state-owned. Furthermore, in accordance with current legislation, Italian Central Government can transfer the property of airport infrastructures to the local institution where the airports are located (thanks to the so-called “*federalismo fiscale*”)<sup>8</sup>. Through the *Ente Nazionale per l’Aviazione Civile (ENAC)* – the national civil aviation authority, the Italian Department for Transport can grant the management of the airport in concession to companies (either PSHs or private companies)<sup>9</sup>.

**Figure 4** Airports passengers and freight and mail air transport, Italy, 2010-2015



Source: Eurostat database, 2010-2015, [downloaded in March 2017]. Air passenger transport by main airports in each reporting country (available at: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia\\_paoa&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia_paoa&lang=en)), Freight and mail air transport by main airports in each reporting country (available at: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia\\_gooa&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia_gooa&lang=en)) and Number of commercial airports with more than 15,000 passenger units per year (available at: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia\\_if\\_arp&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=avia_if_arp&lang=en)).

- (1) The number of passengers refers to all on board passengers.
- (2) All freight and mail air transport is included.
- (3) Eurostat does not report the number of commercial airports for 2015.
- (a) A Workload Unit (WLU) is defined as one passenger or 100 kg of cargo.
- (b) Total number of airports (with more than 15,000 passenger units per year).

To assess the value of airports, an income approach was applied (for more details, please see the Methodological Notes for Pillar 2).

According to the estimates reported in Table 5, in 2015, the overall estimated value of state-owned airports was equal to about 14.0 Eur Bn, with an increase of about 11.8% since 2010.

**Table 5** Estimated value for airports (Eur Mn), Italy, 2010-2015

Data in Mn Eur	2010	2011	2012	2013	2014	2015
Airports	12,564	13,316	13,101	12,877	13,040	14,044

Source: KPMG calculations on Eurostat database, 2010-2015 [downloaded in May 2017].

<sup>7</sup> Regio Decreto 16 marzo 1942, n. 262. Approvazione del testo del Codice Civile. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:regio.decreto:1942-03-16;262> [accessed 12<sup>th</sup> May 2017]

<sup>8</sup> Decreto Legislativo 28 maggio 2010, n. 85. Attribuzione a comuni, provincie, città metropolitane e regioni di un proprio patrimonio, in attuazione dell’articolo 19 della legge 5 maggio 2009, n. 42. Available at: <http://www.camera.it/parlam/leggi/deleghe/10085dl.htm> [accessed 12<sup>th</sup> May 2017].

<sup>9</sup> Decreto Legislativo 25 luglio 1997, n. 250. Istituzione dell’Ente nazionale per l’aviazione civile (E.N.A.C.). Available at: <http://www.camera.it/parlam/leggi/deleghe/97250dl.htm> [accessed 11<sup>th</sup> May 2017]

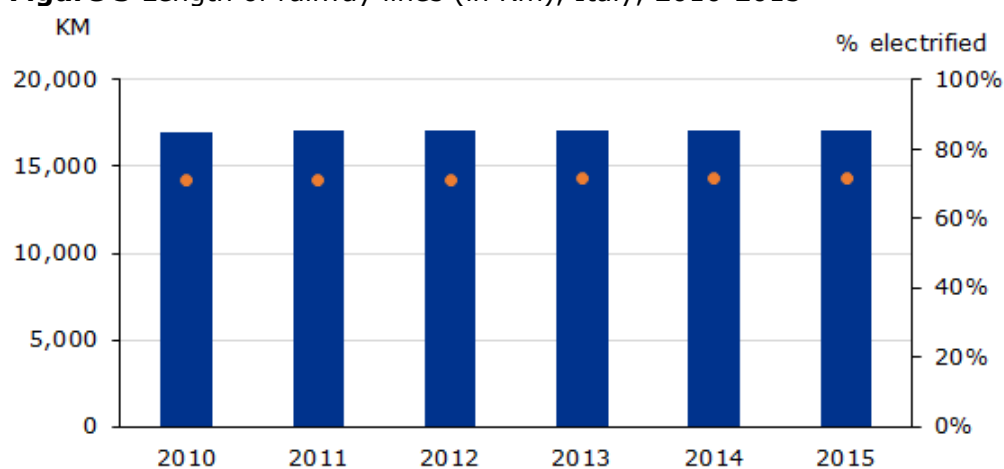
(1) The WLUs used to calculate the value of airports do not match those represented in Figure 4 as they were computed by adding the WLUs of all airports considered within the scope of this Pillar (see Table A in Appendix).

- **Railways**

In compliance to the *European Union Directive 1991/440*, which forced EU Member countries to separate the management of train operations from the management of infrastructures; and according to the current, relevant Italian legislation, the property of railway assets belongs to *Rete Ferroviaria Italiana (RFI) S.p.A*<sup>10</sup>, which is a fully public PSH.

As shown in Figure 6, the extension of the railway network in Italy was equal to about 16.800 km in 2015.

**Figure 5** Length of railway lines (in Km), Italy, 2010-2015



Source: Directorate-General for Mobility and Transport (DG MOVE), 2010-2015 [downloaded in October 2017]. The percentages of electrified lines were calculated using Eurostat database "Railway transport - length of tracks" available at: [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=rail\\_if\\_tracks&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=rail_if_tracks&lang=en) [downloaded in October 2017].

- (1) The percentage of electrified network represents the length of electrified railway tracks over the total length of railway tracks for year.
- (2) Eurostat does not report the value of electrified network for years 2014 and 2015, because data transmission from Member Countries to Eurostat for this type of assets is still on a voluntary basis. In addition, no other official national sources provide us with information on the electrified network for years 2014 and 2015. Therefore, the values for 2013 are held to be constant for the following two years.

Since the Italian railway network is owned by a PSH (i.e. *RFI S.p.A*), then its value is assessed using the equity method (please see the Methodological notes for Pillar 2 for more details), and results are reported in Pillar 1 of this Study.

#### 4. NATURAL RESOURCES

- **Mineral and Energy reserves**

According to Art. 826 of the *Codice civile*<sup>11</sup>, the Italian state owns all energy reserves. However, the state is not directly involved in their research and exploitation, and it

<sup>10</sup> Rete Ferroviaria Italiana S.p.A, *Relazione finanziaria annuale al 31 dicembre 2015*. Available at: [http://www.rfi.it/cms-file/allegati/rfi\\_2014/Bilancio\\_RFI\\_2015.pdf](http://www.rfi.it/cms-file/allegati/rfi_2014/Bilancio_RFI_2015.pdf) [accessed 11<sup>th</sup> May 2017].

<sup>11</sup> Regio Decreto 16 marzo 1942, n. 262. *Approvazione del testo del Codice Civile*. Available at: <http://www.normattiva.it/uri-res/N2Ls?urn:nir:stato:regio.decreto:1942-03-16;262> [accessed 11<sup>th</sup> May 2017]



grants the right to exploit them in concession to other companies by "Decreto Ministeriale" of the *Ministero dello Sviluppo Economico*, jointly with the relevant Regional authority.

**Table 6** Proven reserves of mineral and energy reserves, Italy, 2015

Data	Oil (Barrels)	Natural gas (cubic meters)
Proven reserves	544,500,000	53,720,000,000

Source: Central Intelligence Agency (CIA). World Factbook Database, 2015 [downloaded in March 2017].

As shown in Table 7, the estimated value for Oil reserves in Italy in 2015 was equal, on average, to 26.3 Eur Bn. With regard to Natural Gas, the estimated value was instead equal to an average of about 4.4 Eur Bn.

**Table 7** Estimated value of oil and natural gas proven reserves (Eur Mn), Italy, 2015

Data in Mn Eur	Min	Max	Average
Oil	17,733	33,281	26,321
Natural gas	2,910	5,709	4,355
<b>Total</b>	<b>20,643</b>	<b>38,989</b>	<b>30,676</b>

Source: KPMG calculations on World Factbook Database, 2015 [downloaded in March 2017].

(1) Proven reserves are valued using average prices for 2015.

(2) Range is calculated using the minimum and the maximum prices for 2015.

- Other natural resources

Eurostat and National Statistics do not provide figures for the cluster of "Other natural resources" in Italy.

The value of other natural resources has been estimated through a market approach, as outlined in Methodological Notes. As Table 8 shows, the estimated value of Other natural resources is equal to 324 Eur Bn in 2015.

**Table 8** Estimated values of General government's Other natural resources (Eur Mn), Italy, 2010-2015

Data in Eur Mn		2010 (E)	2011 (E)	2012 (E)	2013 (E)	2014 (E)	2015 (E)
Land (net)	General government	336,220	345,241	329,290	311,736	311,357	324,001
	<b>Share of the total economy</b>	<b>13.0%</b>	<b>13.0%</b>	<b>13.2%</b>	<b>13.1%</b>	<b>12.7%</b>	<b>12.4%</b>

Source: KPMG calculations on Eurostat database, 2010-2015 [downloaded in July 2017].

(1) The share of the economy refers to the estimated value of natural resources (rather than the volume of the natural resources).

## Appendix I Italy

**Table A** List of airports, Italy, 2015 (Number of airports: 33)

List of airports
<b>Non-financial (Pillar 2)<sup>(a)</sup></b>
ALGHERO/FERTILIA airport
ANCONA/FALCONARA airport
BARI/PALESE airport
BERGAMO/ORIO AL SERIO airport
BOLOGNA/BORGO PANIGALE airport
BRINDISI/CASALE airport
CAGLIARI/ELMAS airport
CATANIA/FONTANAROSSA airport
COMISO airport
CUNEO/LEVALDIGI airport
FIRENZE/PERETOLA airport
GENOVA/SESTRI airport
LAMEZIA TERME airport
LAMPEDUSA airport
MILANO/LINATE airport
MILANO/MALPENSA airport
NAPOLI/CAPODICHINO airport
OLBIA/COSTA SMERALDA airport
PALERMO/PUNTA RAISI airport
PARMA airport
PERUGIA/S. FRANCESCO airport
PESCARA airport
PISA/S. GIUSTO airport
REGGIO CALABRIA airport
RIMINI/MIRAMARE airport
ROMA/CIAMPINO airport
ROMA/FIUMICINO airport
TORINO/CASELLE airport
TRAPANI/BIRGI airport
TREVISO/S.ANGELO airport
TRIESTE/RONCHI DEI LEGIONARI airport
VENEZIA/TESSERA airport
VERONA/VILLAFRANCA airport

Source: Eurostat database, 2015 [downloaded in May 2017].

(1) The list above includes the airports defined by Eurostat as "main airports", which meet the following criteria: at least 150 000 passenger movements per year.

(a) Within the scope of this Pillar.

**Table B** List of ports, Italy, 2015 (Number of ports: 103)

List of ports	
Non-financial (Pillar 2) <sup>(a)</sup>	
Alicudi	Levanzo
Amalfi	Lipari
Ancona	Livorno
Anzio	Manfredonia
Arbatax	Marettimo
Augusta	Marina di Carrara
Bari	Marsala
Barletta	Mazara del Vallo
Brindisi	Messina
Cagliari	Milazzo
Calasetta	Molfetta
Capraia	Monfalcone
Capri	Monopoli
Carloforte	Napoli
Casamicciola	Olbia
Castellammare di Stabia	Oristano
Catania	Ortona
Cavo	Otranto
Chioggia	Palau
Civitavecchia	Palermo
Crotone	Panarea
Falconara Marittima	Pantelleria
Favignana	Pesaro
Filicudi Porto	Pescara
Fiumicino	Piombino
Formia	Ponza
Gaeta	Porto d'Ischia
Gallipoli	Porto Empedocle
Gela	Porto Foxi
Genova	Porto Nogaro
Gioia Tauro	Porto Santo Stefano
Golfo Aranci	Porto Torres
Imperia	Portoferraio
Isola del Giglio	Portovesme
La Maddalena	Positano
La Spezia	Pozzallo
Lampedusa	Pozzuoli

Source: Eurostat database, 2015 [downloaded in March 2017].

(1) The list above includes those ports defined by Eurostat as "reporting ports", for which statistics of inward and outward maritime transport flows are compiled.

(a) Within the scope of this Pillar.

[Continue]

<b>List of ports</b>	
<b>Non-financial (Pillar 2)<sup>(a)</sup></b>	
Procida	Termini Imerese
Ravenna	Termoli
Reggio di Calabria	Terracina
Rimini	Torre Annunziata
Rio Marina	Trapani
Salerno	Tremiti
Salina	Trieste
Santa Panagia	Ustica
Santa Teresa di Gallura	Vada
Sant'Antioco	Vasto
Savona	Venezia
Siracusa	Ventotene
Sorrento	Vibo Valentia
Stromboli	Vulcano Porto
Taranto	

Source: Eurostat database, 2015 [downloaded in March 2017].

(1) The list above includes those ports defined by Eurostat as "reporting ports", for which statistics of inward and outward maritime transport flows are compiled.

(a) Within the scope of this Pillar.

**Table C** Overview of the valuation approaches and the sources used to value Non-Financial assets in this Study, Italy

Clusters of Non-financial assets	Valuation approach	Sources
Dwellings	Market value	- Eurostat
Buildings other than dwellings	Market value	- Istat
Ports	Market value	- Eurostat - Mergermarket
Roads	Perpetual Inventory Method (PIM)	- DG MOVE - Eurostat - EIB - Other sources
Airports	Market value	- Eurostat
Railways	Equity method (Pillar 1)	- Bureau van Dijk (BvD) Orbis
Mineral and Energy reserves	Market value	- World Factbook Database
Other natural resources	Market value	- Eurostat

Sources: KPMG elaborations

(1) For more details on "other sources" used to carry out road valuations, please see Table 3, 4, and 5 in Annex.