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Minister, that's why firms prefer Switzerland

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Too many taxes, too much bureaucracy, not enough credit: this is how Italy presents itself to a small business owner.

Few taxes, little bureaucracy and lots of opportunities: this is how Switzerland presents itself to an Italian businessman. So they wonder: " Better in Switzerland?"

These issues will be discussed on Monday, 28 October at 8:45 pm in Malpensafiere, the exhibition centre of Busto Arsizio, by Flavio Zanonato, Minister of the Economic Development, Giorgio Merletti (National President of the General Confederation of Crafts) and Dario Di Vico (journalist of the "Corriere della Sera").

Today, more than 700 firms have agreed to join the meeting. Curiosity and interest in having the chance to ask the Minister what has the Government decided to do for reducing all the restrictions that impede the competitiveness between businesses.

The reasons why Switzerland is seen by many Italian businessmen as an illusion (almost 241 firms have settled down in the Swiss Confederation) are various: a moderate tax system that is around 20% (against the Italian 40%), few rules and easily understandable with a Tax Office that make things easier and quick for those who pay taxes. Tax exemptions for those who hire and give the possibility to have taxes reduced depending on the company's situation. Bearable labour cost: for a salary of 1000 euros, the employer in Italy have to pay more than 1300, while in Switzerland only 200. The pay slip is very simple: there is the gross, two entries for healthcare and pension, and the net. On the other hand, in Italy, the labour taxation is higher than 42%.

The payment from the clients is within 60 days, those for the suppliers within 30/35 days. In Italy, they arrive to an average of 170 days from the public administration.

The VAT rate is 7.6%, whereas in the European Countries it is almost 20%, plus little bureaucracy and the more efficient Unic Counter service for new companies. In Italy 60 days are required to found a Company with costs 10 times higher than France and Germany. An average of 120 days is required for the resolution of commercial conflicts. Access to bank credit is easier. In Italy the most damaged are the artisan businesses with a stock of funding reduced by 5.7%. A higher flexibility of the labour legislation.

After reading this list it is easy to understand what the entrepreneurs will ask to the Minister Zanonato: less bureaucracy, a simplification in the administration and the annulment of the related costs. These costs can now reach even the 10% of the total costs of a company.

They would also demand a civil justice able to optimize the times of commercial disputes and to guarantee the protection of creditors, the reduction of taxation (now higher than the 50% of the GDP). The excessively rigid labour market that is not able to sustain the demand that is oriented to flexibility and to the valorisation of the balance of training and employment. We need quick and simple actions starting off from the industries which are able to stimulate

investments with impact on employment and growth. This must be made without adopting common or cross-sector decisions and solutions, but focusing on the specific areas to remove the obstacles that block development. This result can be reached only by the involvement of companies and associations representing them, by proper competences and solutions dictated by field experience. You have to rely on people who live everyday the economic market if you want to understand the companies. They know which bonds are stifling them. You have to rely on who is able to measure scrupulously costs and benefits for removing these bonds and so is able to determinate, to test and map out the necessary measures.

In Malpensafiere we'll try to understand if it is possible to decrease taxes, if bureaucracy can be simplified, if credit can be increased. We'll try to understand if opening a business can represent, in Italy, more a advantage than disadvantage.

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