Italy

Export Subsidies

Tax Rebates

Exporters receive a rebate of turnover taxes on their sales. There is also a rebate on the import tax of iron and steel components of material to be exported.

Export Credit Financing

Medium-term financing and rediscounting is available through Mediocredito, a Government agency. Mediocredito will refinance up to 85% of the advances made by medium and long-term institutions to the exporter or rediscount up to 85% of the export bills they have discounted. Mediocredito charges a special interest rate of 3% for such refinancing, and will, if it lacks funds, grant the financing institutions an interest subsidy to make up the difference between the cost of borrowing on the market and the special interest rate of 5.90% charged to the exporter. The balance of credit is paid at the normal 8.5% rate. The maximum allowable rate of interest on export credit is 8.5%. Also, Mediocredito may refinance 25% of the export credit principal financed by the lending institute, and may grant a subsidy toward payment of the interest on the remaining 75% of the principal.

Export Credit Insurance

Export credit is insured by the Institute Nazionale delle Assicurazioni (I.N.A.), an autonomous government funded institution, against political and catastrophic risks and nonpayment when the purchase is, or has been, guaranteed by a foreign State or public agency. The only other commercial risk insured is against de facto or de jure insolvency on the part of the foreign purchaser. There is also coverage against the risk of rising production costs