International Monthly Roundup

December 2023

News

Serena new Head of IP

Serena Tavolaro | Managing Associate
Intellectual and Industrial Property

Morri Rossetti enhances its offer in IP with the entry as Managing Associate of **Serena Tavolaro, who will lead the Intellectual and Industrial Property Department.**

Serena deals with in-court and out-of-court defence in Intellectual and Industrial Property Law and contractual matters (trademarks, patents, design, copyright, advertising and unfair competition) in the **luxury, fashion, interior design, food, pharmaceutical and patent sectors** in the interest of Italian and foreign companies.

She began her legal career in a leading Milanese law firm, focusing immediately on the protection of industrial property - and then strengthened her expertise by working in **one of the world's major international firms**.

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News

Massimiliano appointed as Judicial Administrator of 'Battistolli Servizi Integrati'

Massimilano Poppi | Partner
Restructuring and Business Crisis

Massimiliano Poppi, following the application of the judicial control on **'Battistolli Servizi Integrati'** (BSI) ordered by the Public Prosecutor's Office of Milan, was **appointed Judicial Administrator** of the company.

According to the assignment, Massimiliano will **monitor compliance with the rules and conditions of workers**, taking the most appropriate measures for the specific case. The intervention of the Public Prosecutor's Office focuses in particular on workers' salary levels.

'Battistolli Servizi Integrati' (Battistolli Group) operates in the **trust services sector employing around 1,200 workers** in northern, central and southern Italy. The company is part of the Battistolli Group, a major player in the security and valuables transport sector in Italy.

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HR Tip

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HR Tip

#12 Retention Agreement

A retention agreement is a **temporary contract** between an employer and an employee that guarantees a minimum period of employment. During this period, neither party can terminate the employment relationship unless there is a just cause for doing so.

The purpose of the agreement is to **retain key employees** who possess skills that are strategically important to the company.

If either party violates the terms of the agreement and terminates the employment relationship without just cause before the agreed-upon period, there will be **compensatory consequences** which can be predetermined in the form of a penalty clause.

If the agreement places the obligation solely on the employee, it is necessary to include provisions for reasonable compensation (not necessarily monetary) to be awarded to the employee in such a scenario.

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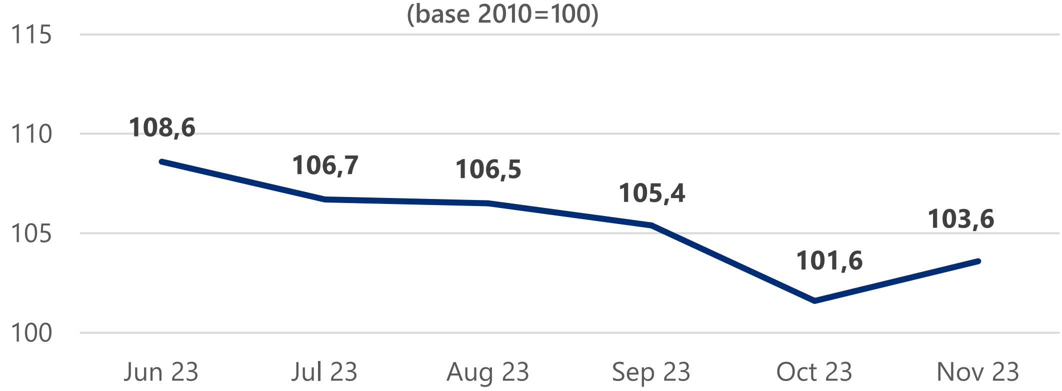
Italy Update

Main Italian economic indicators
and the most relevant news of the last period

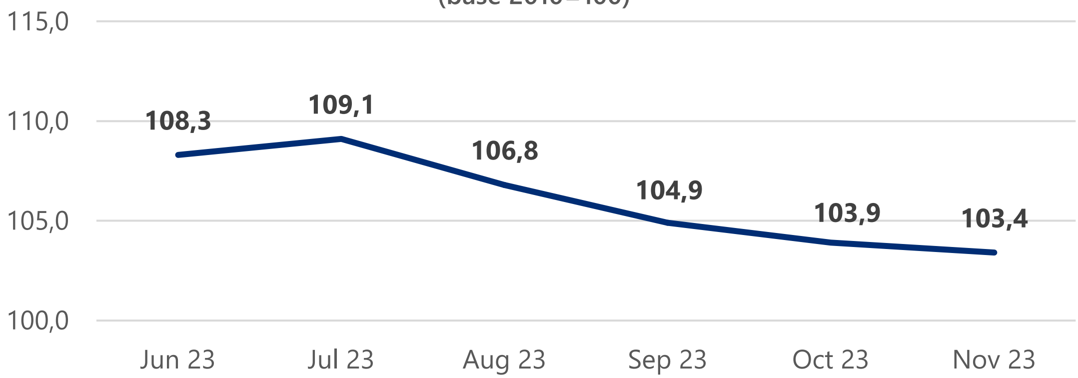
A view of the Royal Palace of Caserta, known as 'Reggia di Caserta'

Confidence Indicators

Consumer Confidence Indicator
(base 2010=100)



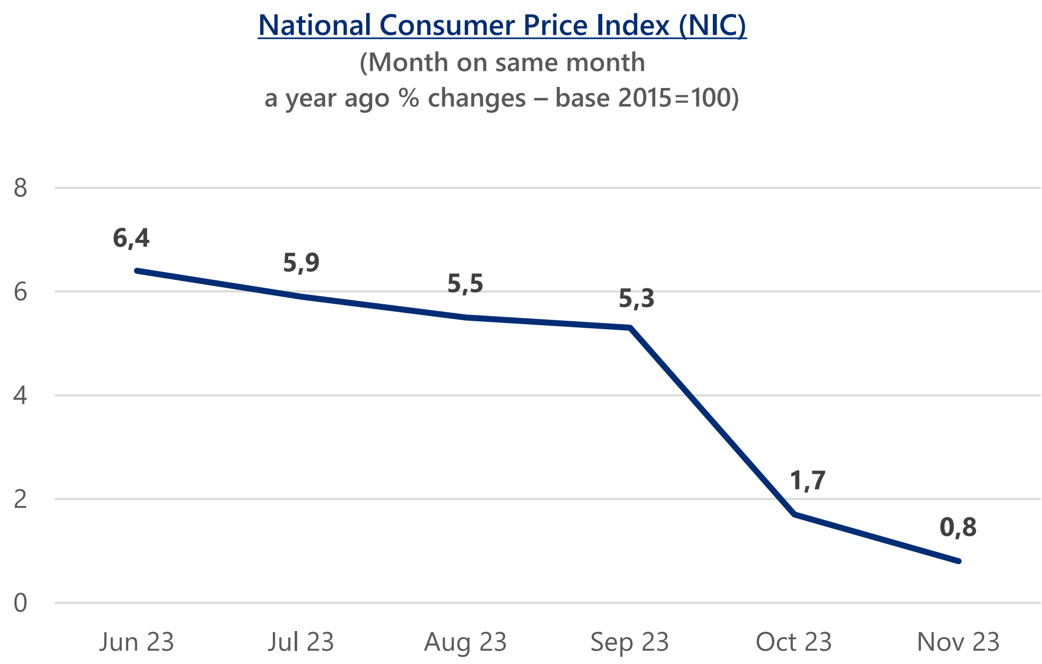
Business Confidence Climate IESI*
(base 2010=100)



* Istat Economic Sentiment Indicator and Business Confidence Climates (Manufacturing, Construction, Market services, Retail trade)

Source: Istat (National Institute of Statistics)

Consumer Price Index



In November 2023 the rate of change of the Italian consumer price index for the whole nation (NIC) was +0.8% on annual basis (from +1.7% in October).

The slow down of the annual inflation rate was due to the prices of Non-regulated energy products, of Regulated energy products and, to a lesser extent, of Processed food including alcohol, of Services related to recreation, including repair and personal care and of Services related to transport.

At the opposite, an upward contribution to the inflation rate came from the prices of Unprocessed food.

Source: Istat (National Institute of Statistics)

European Commission approves Italy's changes to NRRP

At the end of November, the European Commission approved Italy's changes to its National Recovery and Resilience Plan (NRRP), the EU post-pandemic recovery fund. The share now accounts for €194 billion and covers 66 reforms and 150 investments.

Italy proposed a **more ambitious digital plan**, including investments in the development of advanced technologies, support for start-ups and research and development, with a higher percentage allocated to the country's digital transition.

Great importance is also given to the **social dimension**, **with measures to enhance Italy's economic competitiveness and resilience** - in particular to strengthen the health sector, support the education system, increase the effectiveness of active labour market policies and reduce regional differences.

Among the Italian reforms, some concern **justice, public procurement and competition law**. Others, combined with investments, are part of the **REPowerEU plan**, which aims to make Europe independent of Russian fossil fuels by 2030.

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GDP 2024: Italian growth is the lowest in the Eurozone

In 2024, Italy's growth will be the lowest in the Eurozone (1.2%) and interest expense the highest (4.2% of GDP), in breach of the EU Treaty requiring countries to keep deficits below 3% of GDP.

EU countries sent their Draft Budgetary Plans to the EU Commission: **Italy's estimates seem to be less promising that the others**. Indeed, only Finland forecasts the same **low Italian growth of 1.2%**. All the other countries report a better outlook: France +1,4%, Germany +1.6%, Spain +2%.

Even in relation to **interest expense**, the Italian scenario is not positive: it is expected to be **4.2% of GDP**, rising by another decimal in 2025 and reaching 4.6% (103.6 billion) in 2026 - **an unprecedented figure** since the euro has existed, as interest expense has been below 100 billion per year since 1996.

Far behind other European countries, however, the Italian deficit is not the only one to exceed 3% of GDP - also Belgium, Finland, France, Malta, Slovakia and Slovenia.

This situation is probably due to the structural **weakness of the Italian economy** and the **few measures** currently available to public finance to tackle it.

Italy decides to exit China's Belt and Road Initiative

Italy formally withdraws from the Belt and Road Initiative (BRI), China's international trade and infrastructure investment initiative launched in 2013. Italy was the only G7 nation to join.

Italian Prime Minister Giorgia Meloni has always shown **scepticism** about the former government's 2019 decision to join the Belt and Road Initiative, then called the **'New Silk Road'**.

Italy was **the only G7 nation to join**, a decision not that appreciated by its western and US allies. After months of tension and negotiations with Chinese counterparts, at the beginning of December, Rome officially informed Beijing of the **pullout.**

Due to the current friction between China on the one hand and the US and EU on the other, it was **by far impossible for Italy to re-sign the agreement**, which would have expired in March 2024.

The Italian government aims to **maintain good relations with China**: in September, Antonio Tajani, Italian Foreign Minister and Vice-president of the Council, visited the Asian country to discuss Italy's withdrawal and **confirm the strategic partnership** between the two countries that began 20 years ago.

For further information

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