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## WORLD MANUFACTURING WEEK 2020

Manufacturing: Why Invest in Italy

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# Investment opportunities in Apulia's Aerospace Industry

## *Taranto-Grottaglie Airport: RPAS test-bed and spaceport for Europe*

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## Key facts and figures on the aerospace sector in Apulia

Apulia is a dynamic region of the South East of Italy where the aerospace industry has become one of the most strategic sectors within the local economy, building up a leading position in the international market and attracting the attention of international key players, contractors and OEMs, some of whom have chosen to invest in Apulia.

Today, Apulia plays a leading role in the aerospace industry in Italy and boasts a significant industrial concentration, with over 550 companies (MNEs, SMEs, start-ups), occupying over 7,940 employees, operating directly or indirectly in the aerospace supply chain, and is one of the few Italian regions in which the following sector specializations co-exist:

- Fixed-wing, rotating wing, aerospace software (Leonardo Group)
- Production of sections of the fuselage and tail wing in carbon fibre for the Boeing 787 Dreamliner Project (Leonardo Group)
- Propulsion engines (GE Avio Aero)
- Design and assembly of aircraft components in titanium and carbon fibre (Dema Brindisi for Bombardier)
- Microsatellites and propulsion systems for space stations (Sitael)
- Design and production of ultra-light carbon fibre aircraft (Blackshape)
- R&D Centre for Additive Repairs (GE Avio Aero and Polytechnic University of Bari)



### The Aerospace Sector in Apulia in numbers

<b>Companies</b>	551
<b>Employees</b>	7,941
<b>Export 2019</b>	738 million € (12.4% of national export)
<b>Major export destinations</b>	USA, Japan, Canada, France, China, UK, Poland, Germany
<b>International key players</b>	Leonardo Group, GE Avio Aero, Angel Group

## Business environment in Apulia *Supporting Research & Competitiveness*

The aerospace sector in Apulia is boosted by the presence of two clusters which play a key role in fostering a competitive business environment and collaboration at local level, by promoting international business development, stimulating and supporting research and training initiatives.

At regional level, at least 450 private and public entities are active in research and innovation, including universities, networks of laboratories, innovative start-ups, that work together as an integrated system, making the region an attractive location for both manufacturing and applied research initiatives.

➤ Research centres active in aerospace:

- National Research Council (CNR), present in Apulia with 6 research institutes, including NANOTEC – Institute of Nanotechnology, CNR- IMM (specialized in Microelectronics and Microsystems), CNR-ISSIA (specialized in Intelligent Systems for Automation)
- CETMA - Technologies design and materials European research centre
- ENEA - Italian National Agency for New Technologies, Energy and Sustainable Economic Development
- OPTEL - specialized in high technological microelectronic and mechatronic solutions



**DAP – Apulian Aerospace Business Cluster** with almost 70 associates (businesses, universities and trade unions)



**DTA s.c.ar.l. - Apulian Aerospace Technological Cluster**, a non-profit consortium which brings together key industry players, universities, as well as public and private research centres active in Apulia

**2 TOP**

Universities offering Aerospace engineering courses:  
- Polytechnic University of Bari  
- University of Salento



**1,900**

Graduates per year  
in Engineering  
(2017 – 2019)



**1,090**

Graduates per year in  
Mechanical, Electronic, Electrical and  
Aerospace  
Engineering

**17,166**

Engineers registered in the  
Professional Order of  
Engineers at regional level  
(as of May 2020)



## Business opportunities at Taranto-Grottaglie Airport *Italian Centre of Excellence for Remotely Piloted Aircraft System Trials*

Taranto-Grottaglie Airport, part of the regional airport network in Apulia, operates as a strategic industrial airport, handling mainly cargo traffic and boasts one of the longest runways in Europe (3.6 km), suitable for any type of modern aircraft.

In 2014, with the backing of the Italian Government, the Italian Civil Aviation Authority (ENAC) devised a plan to qualify the Taranto-Grottaglie Airport as an integrated platform (airport, controlled airspace, systems for control and performance measurement, technological and logistics services), offering facilities for testing and developing innovative technologies, products and services for the aerospace sector, especially in the field of remotely piloted aircraft systems (RPAS), as well as air traffic control and management systems.

Today, thanks to its infrastructure, favourable location and facilities, Taranto-Grottaglie airport represents the **Italian centre of excellence for remotely piloted aircraft system trials**.

The Grottaglie Airport Test bed initiative generates interesting investment opportunities for key industry players, SMEs and innovative start-ups, involved in business sectors such as UAV systems, software systems and cybersecurity, who want to be located in or around a strategic airport infrastructure, offering facilities for:

- **Conducting simulations and test trials, on the ground and in-flight, for manned and unmanned aircraft systems;**
- **Carrying out test trials for ATF&M (*Air Traffic Flow & Management*) systems for product and service development and certification;**
- **Developing products and solutions for territory observation and earth or space data management.**



## Business opportunities at Taranto-Grottaglie Airport *Spaceport for Europe*

In 2019, the Italian Ministry of Transport designated Taranto-Grottaglie airport as Italy's first and only **SPACEPORT**. ENAC (Italian Civil Aviation Authority) is leading the project for investments and has recently approved regulations and procedures for the operation of suborbital flights at the airport in the near future.

The Grottaglie spaceport, with one of the few runways in Europe capable of handling the take-off and landing procedures of space vehicles, will become the point of departure and arrival for "*commercial*" spacecrafts to be used for high-frequency space research and suborbital flights for private individuals.

The spaceport is the latest of a series of high-profile initiatives to involve the Taranto-Grottaglie airport and is the result of the joint efforts of various stakeholders: national and regional Governments; ASI (Italian Space Agency); the regional research network, represented by local universities and research centres; the Apulian Aerospace Technological Cluster (DTA), which is partner to a framework cooperation agreement with AdP for the development of the "*Grottaglie Test Bed*" initiative.

The Grottaglie spaceport initiative generates interesting investment opportunities for key industry players, SMEs and innovative start-ups, involved in business sectors such as space observation and research, satellites and cybersecurity as well as "*space tourism*".



In October 2018, Virgin Galactic and the Apulian-based high-tech holding company, Angel Group, signed the "**Italy-US space cooperation on suborbital flights**" agreements, outlining joint investments for experimenting the launch of satellites from aircraft, as well as for the development of spacecrafts for suborbital flights, which envisage a key role for the **Taranto-Grottaglie airport**.

## *Taranto-Grottaglie Airport: RPAS test-bed and spaceport for Europe*



Aeroporti di Puglia S.p.A. (AdP), which manages the regional airport network, has been carrying out significant investments in the Grottaglie Airport infrastructure and has created a range of solutions and services (hangars, office space, etc.) for companies interested in locating at the airport.



Based on a Memorandum of Understanding between the Apulian Technological Aerospace Cluster (DTA) and Aeroporti di Puglia S.p.A., for the creation of an international research hub at Grottaglie Airport, significant research and training activities are already underway with programmes involving RPAS/UAS simulation and testing, as well as cybersecurity.



To facilitate investments in Apulia and stimulate the growth and development of the Grottaglie Airport hub, the regional government has devised a wide range of flexible incentive schemes, available through the regional government agency Puglia Sviluppo.

## Regional business incentives for boosting investments

The Apulia Regional Government offers a **wide range of flexible incentive schemes**, designed to:

- \$ facilitate and reduce the costs of investing in Apulia;
- \$ support business growth and innovation.

In addition to regional incentives, companies setting up in Apulia can also benefit from a series of tax incentives made available by the Italian government, including tax credits on R&D investments, tax relief on social security contributions and employment bonuses which help reduce labour costs.

Based on the nature of the investor (MNE, SME or innovative start-up) and the type of business investment, these schemes can make funding available for:

- \$ investing in plant construction and machinery;
- \$ R&D;
- \$ business services and international business promotion.

Regional incentive schemes have **no fixed deadlines for proposals**, subject to the availability of funds.

	Regional Contract Programmes	Integrated Incentives Packages (PIA)	Tecnonidi
<b>Beneficiaries</b>	MNEs, large enterprises, including NewCos, individually or in partnerships with active local SMEs	Small or medium-sized enterprises, individually or in association with other local SMEs	Innovative SMEs and new start-ups
<b>Investment budget</b>	5 - 100 million Euros	1 - 40 million Euros	25,000 - 350,000 Euros
<b>Level of funding (depending on the type of costs )</b>	<p>15% - 65% for large enterprises</p> <p>20% - 75% for medium-sized enterprises</p> <p>25% - 80% for small enterprises</p>	<p>20% - 75% for medium-sized enterprises</p> <p>25% - 80% for small enterprises</p>	<p>80% of eligible investments, for maximum overall funding of <b>200,000 Euros</b> (max. 100,000 Euros grant payment, plus max. 100,000 Euros repayable loan)</p> <p>80% of eligible operational costs, for maximum overall funding of <b>80,000 Euros</b> (grant payment)</p>



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# THANK YOU

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