

**Charts to accompany  
Speech by Francesco Confuorti (President, ADF)**

*At Advantage Footprint for Trade and Growth*

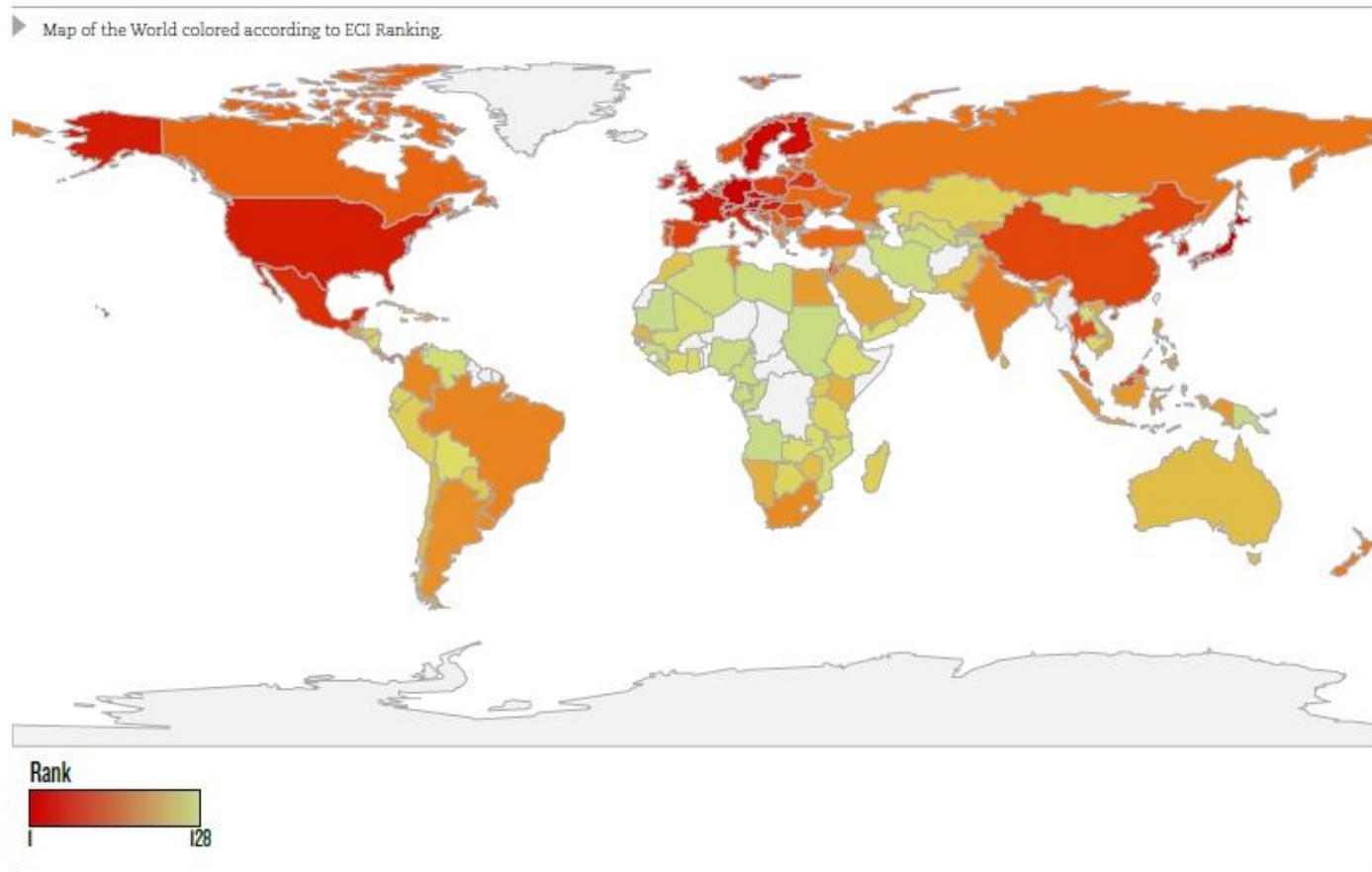
**Introduction**

May 11 Bari Conference

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# 1. World economic complexity map (I)



Source: <http://atlas.media.mit.edu>

# 1. World economic complexity map (I)

## **Economic Complexity:**

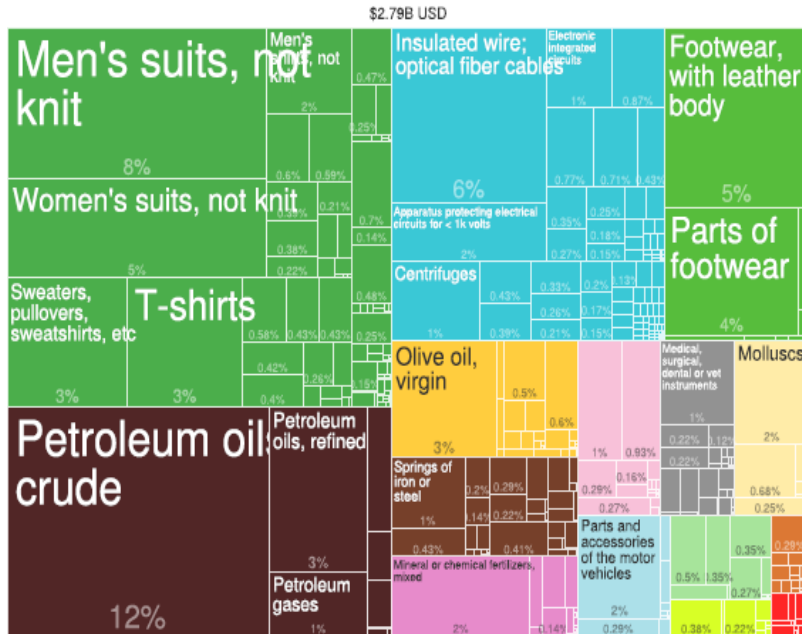
- A measure of the knowledge in a society that gets translated into the products it makes. The most complex products are sophisticated chemicals and machinery, whereas the world's least complex products are raw materials or simple agricultural products.
- The economic complexity of a country is dependent on the complexity of the products it exports. A country is considered 'complex' if it exports not only highly complex products (determined by the PRODUCT COMPLEXITY INDEX), but also a large number of different products.

## **Economic Complexity Indicator (ECI):**

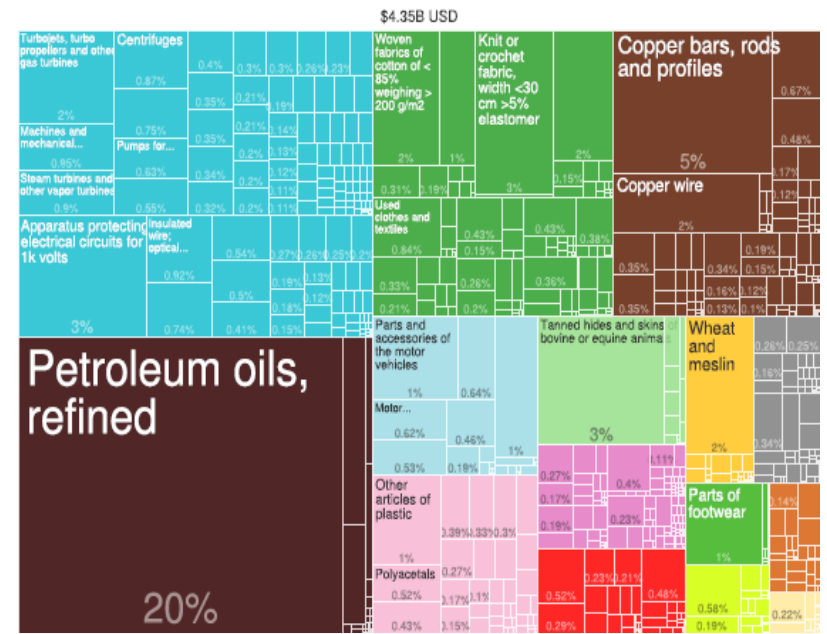
- ECI ranks how diversified and complex a country's export basket is. ECI is a scale that uses the theory of and calculations for economic complexity to rank countries according to their level of complexity.
- It has been shown that when a country produces complex goods in addition to a high number of products, it is typically more economically developed or can be expected to experience fast economic growth in the near future. Consequently, ECI can be used as a measure of economic development.

## 2. Structure of trade between Italy and Tunisia

Tunisia Exports to Italy (2014)



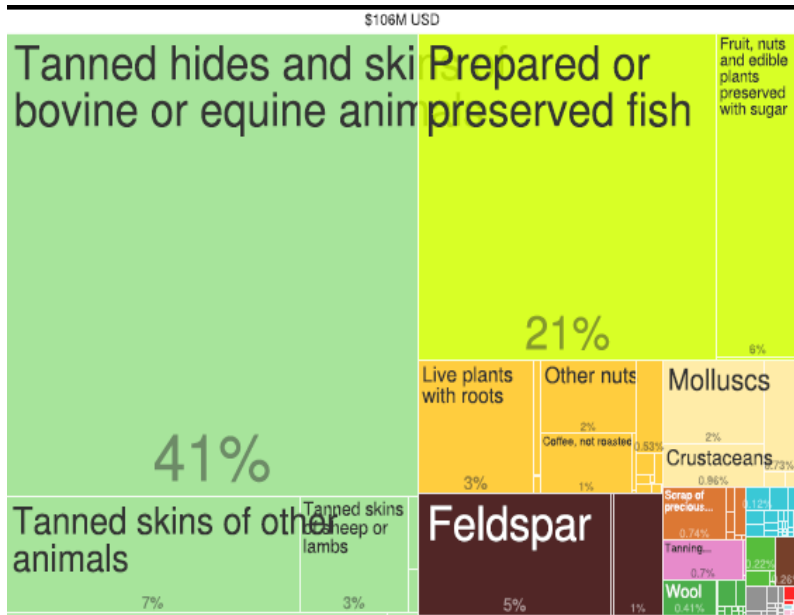
Tunisia Imports from Italy (2014)



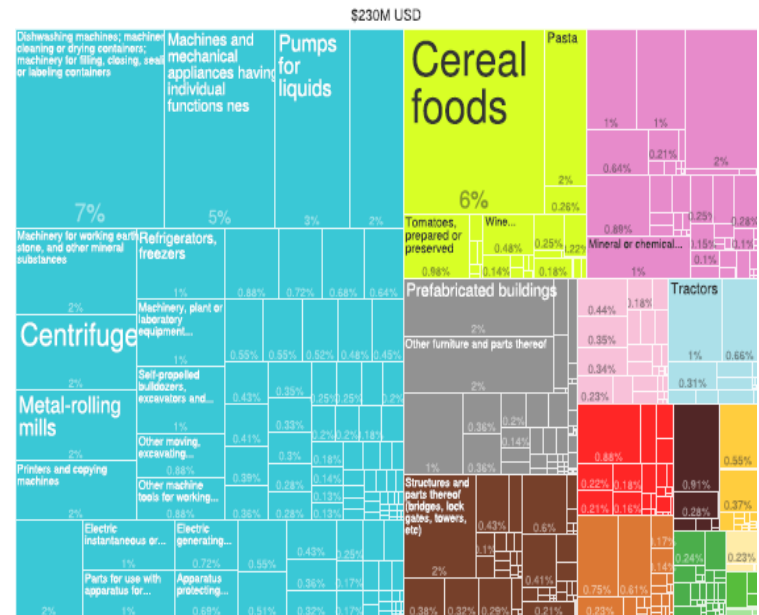
Source: <http://atlas.media.mit.edu>

# 3. Structure of trade between Italy and Kenya

Kenya Exports to Italy (2014)



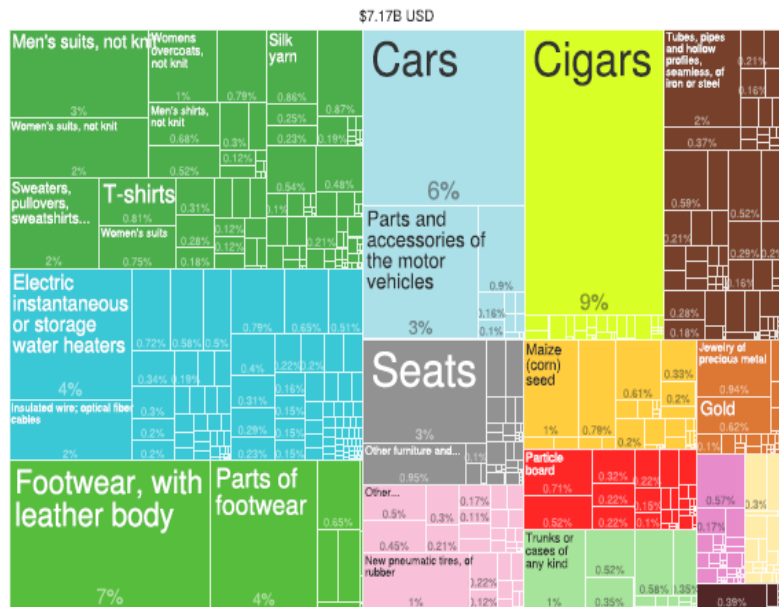
Kenya Imports from Italy (2014)



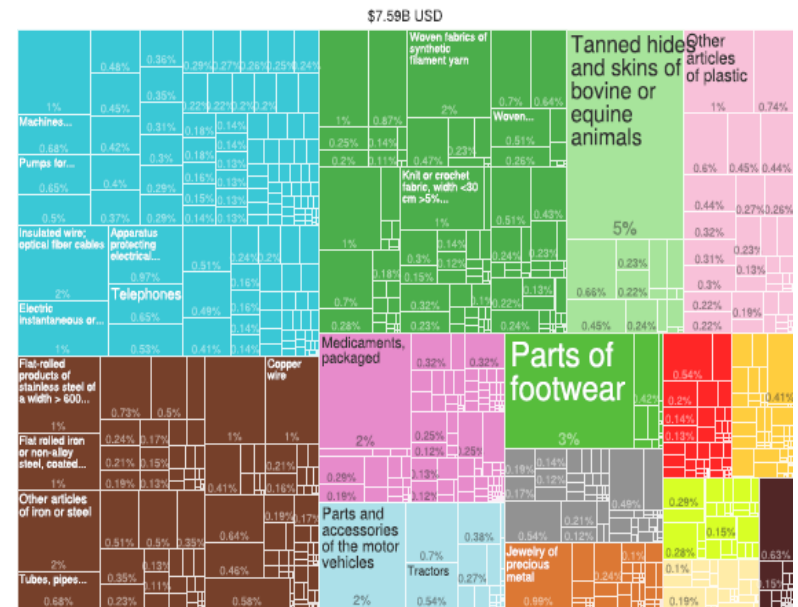
Source: <http://atlas.media.mit.edu>

# 3. Structure of trade between Italy and Romania

Romania Exports to Italy (2014)

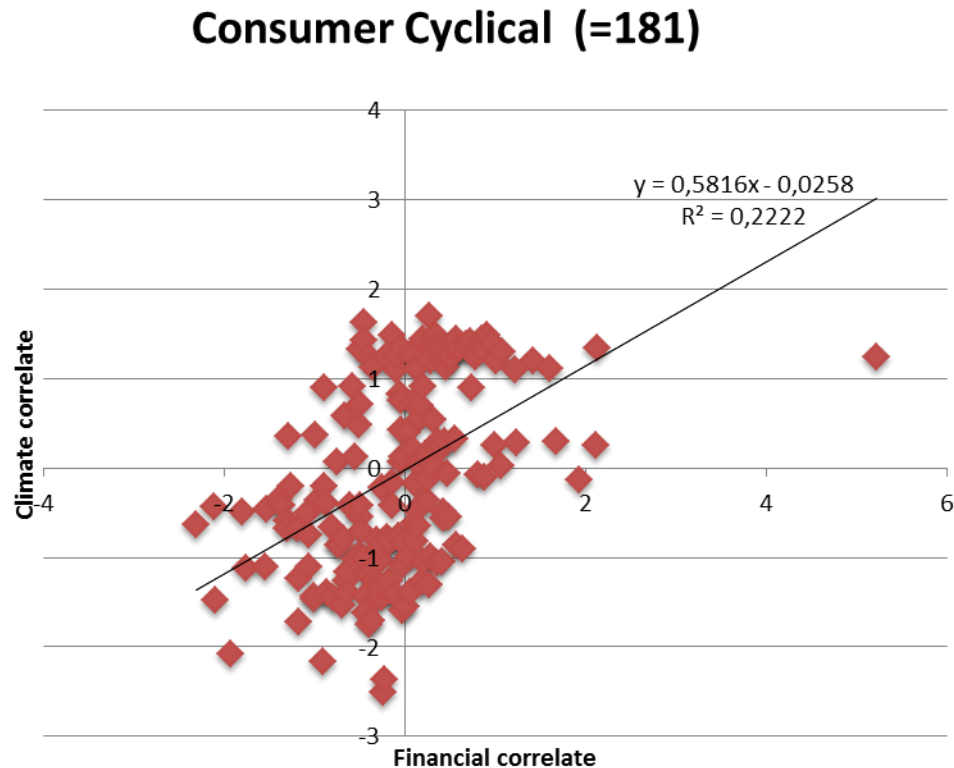


Romania Imports from Italy (2014)



Source: <http://atlas.media.mit.edu>

## 2. Ecological Footprint and the Probability of Default for Consumer Cyclical Goods (A proxy of “Made in Italy/Food sector)



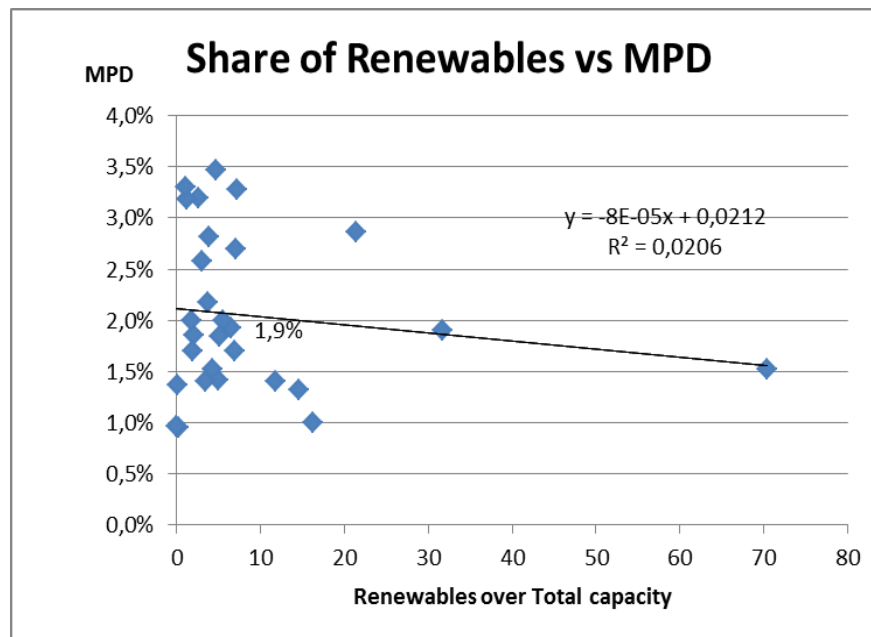
Source: Advantage Financial, *“Ecological footprint and the probability of default in Europe”*, January 2013. Variable definitions (see previous slide)



## 4. Greener Energy Mix = Lower Cost of debt

Is green just a socially responsible choice that must entail a higher bankruptcy risk than more conventional sources of generation?

In the Chart below we report evidence showing that the higher is the share of renewable electricity generation at firm level, the lower is, on average, the implied cost of debt measured by the Merton probability of Default.



Source: Advantage Financial, “*Environmental Footprint and the Cost of Capital in the Utilities sector*”, Spring 2015.