



BANCA D'ITALIA  
EUROSISTEMA

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(Occasional Papers)

Firms' listings: what is new?  
Italy versus the main European stock exchanges

by Paolo Finaldi Russo, Fabio Parlapiano, Daniele Pianeselli and Ilaria Supino

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# FIRMS' LISTINGS: WHAT IS NEW? ITALY VERSUS THE MAIN EUROPEAN STOCK EXCHANGES

by Paolo Finaldi Russo, Fabio Parlapiano, Daniele Pianeselli and Ilaria Supino\*

## Abstract

Over the last decade and a half non-financial corporations' (NFCs) listings have displayed a heterogeneous pattern across European countries. The number of listed NFCs has increased in Italy and Spain, while it has declined in Germany, France and the United Kingdom. In Italy, the increase in the number of listed firms has been driven by SMEs' listings, leaving the stock market small by international standards. We break down the size gap of the Italian equity market with respect to its European peers into the share of listed companies and their relative size. We show that the lower share of listed NFCs in Italy accounts for the gap with France and the UK, while the smaller size of Italian public firms has a crucial bearing on the differences with Germany and Spain. Counterfactual exercises provide evidence that there is limited room to bridge these gaps, as the structure of the Italian economy leans towards small enterprises. Policy measures aimed at fostering SMEs' propensity to go public may be more effective in promoting the further development of the Italian stock exchange.

**JEL Classification:** G1, G3.

**Keywords:** Capital markets, stock market, IPOs, SMEs listings.

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