Summary of the Report for 2013-2014

ITALY IN THE WORLD ECONOMY

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ITALY IN THE WORLD ECONOMY

SUMMARY OF THE REPORT FOR 2013-2014

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The Report, the Yearbook and updated statistics are available at www.ice.gov.it

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SIGNS OF HESITANT RECOVERY: COMPETITIVENESS AND SPECIALIZATION OF ITALIAN FIRMS

1. The global economic picture

First signs of recovery, but still many factors of uncertainty

Following the slowdown in 2013, world economic growth is expected gradually to gain pace this year and next. This prospect is, however, subject to many factors of uncertainty in connection with financial market volatility, macroeconomic imbalances and mounting geo-political tensions.

Signs of improvement come from the advanced economies, where GDP growth of 1.8 per cent is forecast for this year.[1] Among the developed countries, the United States looks set to grow by 1.7 per cent over 2014 as a whole, despite the contraction recorded in the first quarter of the year. The euro-area economy is expected to pull out of the negative cycle that began at the end of 2011, with GDP growth forecast at 1.1 per cent.

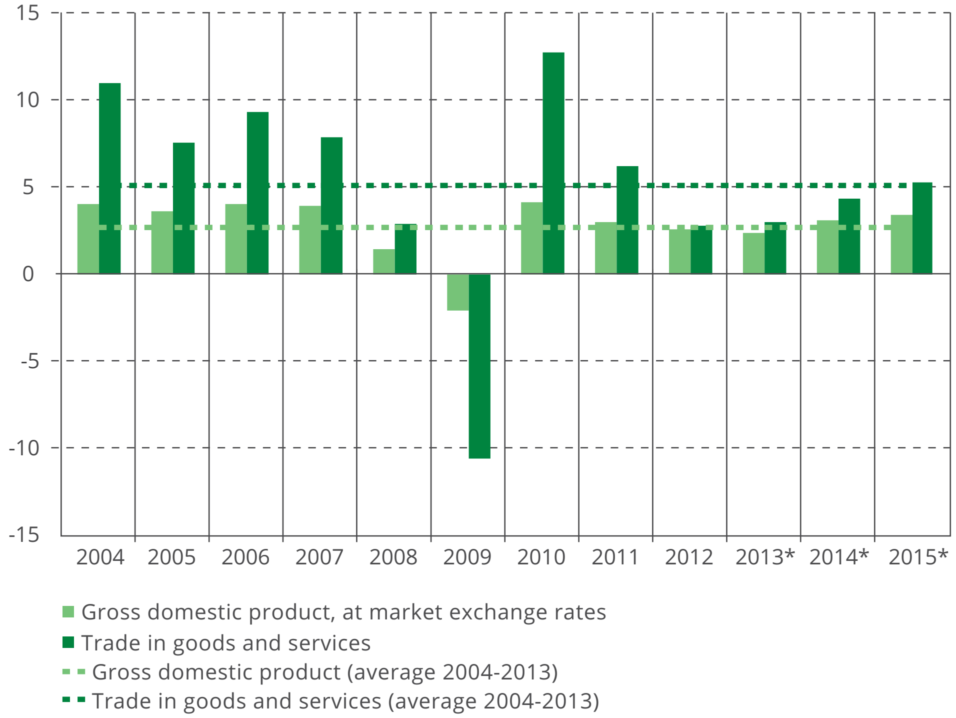
The emerging and developing countries, which now account for more than half of global output, will again be the most dynamic group, with forecast GDP growth of 4.6 per cent, a lower rate than in recent years owing to the slowdown in investment and commodity prices. The two main countries, China and India, which together account for more than 20 per cent of world GDP, are likely to register contrasting trends: India's rate of GDP growth is projected to rise to 5.4 per cent, while China's is expected to fall to 7.4 per cent, below the average of the previous ten years.[2] Fairly rapid growth is forecast for Africa and the Middle East (5.4 and 3.1 per cent respectively). In the early months of 2014 the mounting tension in Ukraine clouded the outlook for Russia, whose GDP growth this year is now estimated at 0.2 per cent, more than one percentage point lower than had been forecast in April.

International trade grows, but more slowly than in the previous twenty years

The moderate economic recovery, together with a favorable trend of commodity prices, should lead to an acceleration in the growth of trade in goods and services to 4 per cent in 2014 and 5.3 per cent in 2015, lower than the rates seen in previous expansions. At the same time, the ability of trade once again to systematically outpace GDP growth, as it did for more than two decades, is increasingly being put in doubt. The long recession in the euro area, the locus of a third of world trade, has played a decisive role in this.

1. The data are updated using those in IMF, *World Economic Outlook Update*, released on 24 July 2014.
2. The contribution by F. Frattini and G. Prodi, "Riforme, sviluppo industriale e crescita in Cina", in Chapter 1, examines the challenges facing the Chinese government from a historical perspective and highlights both the problems arising from a probable slowing of investment in the long term and the reasons for skepticism about the Chinese leadership's ability to keep the economy on the path of rapid growth of the last three decades.

Chart 1 - World output and trade
Percentage changes in volume



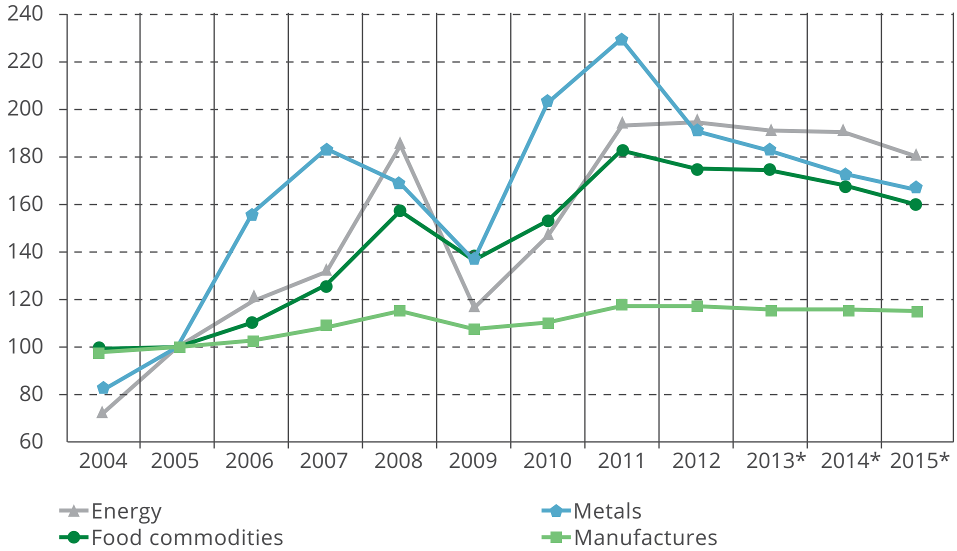
(*) Estimates and forecasts.

Source: Based on IMF data

The decline in commodity prices forecast by the IMF is due in part to the weakness of the current recovery and in part to the fall in imports of the United States, which is on the way to achieving energy self-sufficiency through the extraction of shale gas. The prices of metals are expected to come down as a result of the fall in that of gold, whose allure as a hedge good appears to have diminished with the first signs of an economic upswing.

The balances on the external current accounts of the main countries are not likely to register significant changes in 2014. Last year, instead, against the backdrop of weak global economic growth and relatively stable commodity prices, they contracted appreciably. The surpluses of China, Japan, Russia, and the Middle East and North Africa declined, and the deficit of the United States fell to 2.3 per cent of GDP, the lowest level in more than 15 years. The euro area was an exception, its surplus growing again to reach 2.9 per cent of GDP, although with markedly different positions from country to country as a result of the recovery in exports and the weakness of domestic demand, which braked imports. Nearly all the euro-area countries ran larger current account surpluses or smaller deficits; Spain and Italy went from a deficit to a surplus, while Germany and the Netherlands posted large surpluses again.

Chart 2 - Dollar prices of traded goods
Indices, 2005=100



(*)Estimates and forecasts.

Source: Based on IMF data

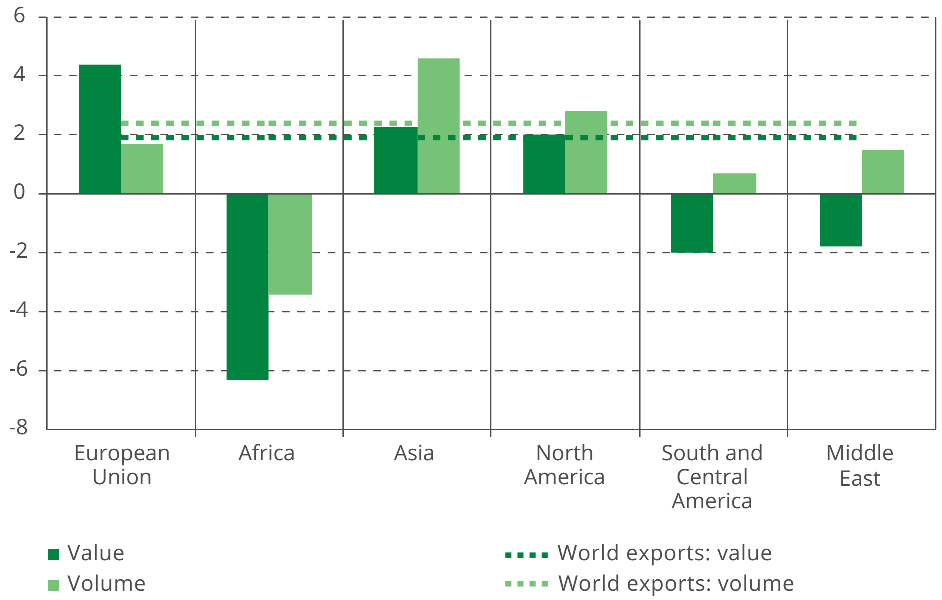
In 2013 world exports of goods disappointed the expectations of acceleration, their volume expanded at an unchanged annual rate of 2.4 percent. The most robust growth was registered in Asia and North America. But in value terms it was the European Union that achieved the highest rate of growth, buoyed by the nominal impact of the euro's appreciation on relative prices, while North America and Asia did not diverge significantly from the global average (2 per cent). Africa suffered a sharp drop in both the value and volume of exports, mostly because of the trend in sales of raw materials.

As regards imports, the emerging regions registered increases in both volume and value equal to or exceeding the world average, while the growth in North America's imports fell far short of that standard. The persistent weakness of domestic demand made the European Union the only region where the volume of imports contracted (-0.8 per cent).

The ranking of the top twenty merchandise exporters does not show major changes. China retained first place with an 11.8 per cent share, up slightly on the preceding years. The only noteworthy modification regarded the United Kingdom, which vaulted from eleventh place in 2012 to eighth place in 2013. Italy slipped from ninth to eleventh place.

Services still account for a relatively small share (20 per cent) of the total value of exports, but their share of exported value added tops 40 per cent, thanks to the increasing portion of services embodied in exported final goods.

Chart 3 - Merchandise exports by region in 2013
Percentage changes on previous year



Source: Based on WTO data

Chart 4 - Merchandise imports by region in 2013
Percentage changes on previous year

Source: Based on WTO data

World trade in services outpaces trade in goods

In 2013 world exports of services grew faster than those of goods, expanding by 5.5 per cent in value. The world ranking of exporters, led by the United States, was little changed, while that of importers saw China pass Germany to take second place and Russia jump from fourteenth to eighth place.

Trade in goods and services and the various forms of international production are more and more interdependent. Evidence for this includes the growing content of imported intermediate inputs embodied in exported goods. The greater part of world trade (80 per cent according to UNCTAD estimates) takes place within international production networks, or global value chains, composed of multinational corporations, their affiliates and their suppliers of intermediate goods and production services located in different countries. This makes the economies more tightly integrated, but also more vulnerable to economic shocks.

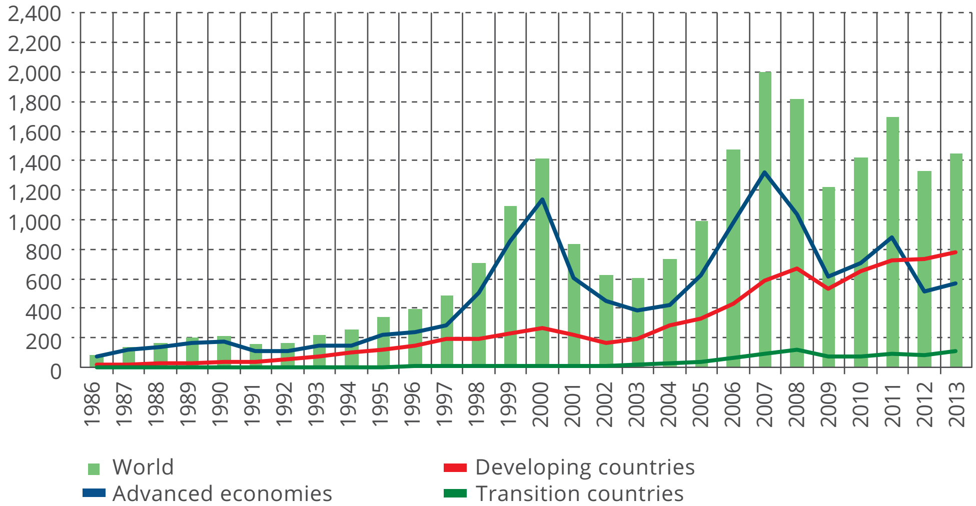
Foreign direct investment (FDI), expanding rapidly since the mid-1990s, is a key feature of global production networks not only in manufacturing but also in services, where it had been growing at rapid rates before the crisis.

In 2013 global flows of FDI grew by 9 per cent, still short of the pre-crisis levels. Direct investment in the emerging and developing countries reached a record high $886 billion and surpassed that in the advanced countries ($566 billion) for the second successive year, further attesting to the geographical redistribution of economic activities toward the less developed regions.

Modest revival of FDI due to emerging-country multinationals

Direct investment outflows from the developed countries amounted to $857 billion, about the same as in 2012, and the United States was again the leading investor country. So the recovery in foreign direct investment in 2013 is almost entirely ascribable to multinationals based in emerging and developing countries, whose investments, making up more than 39 per cent of the total outflows, increased appreciably to reach $553 billion.

Chart 5 - Inward foreign direct investment
Flows, billions of dollars



Source: Based on UNCTAD data

After years of deadlock the WTO negotiations achieve positive results, while preferential agreements continue to grow

The investment upswing under way is confirmed by the data on greenfield investment projects and on mergers and acquisitions.[3] This has created a climate of cautious optimism, and UNCTAD forecasts a further expansion of FDI in the next two year.

The changes in the division of labor between countries and the interdependence between the different forms of internationalization impact strongly on the multilateral regulation of trade, administered by the World Trade Organization (WTO), and on the formulation of trade policies at all levels.

After years of deadlock, at the Bali ministerial conference the WTO talks achieved positive results with the approval of the Trade Facilitation Agreement, together with a series of measures on agricultural and development issues. In addition, the WTO's new Director General, Roberto Azevêdo, confirmed the commitment to continue the Doha Development Agenda, given the importance of the negotiations still open.

This revival of multilateralism did not dampen preferential trade talks at bilateral and regional level. Eleven new agreements were concluded in 2013. For that matter, a number of the negotiations now under way are especially ambitious both in their geographical coverage and for the issues treated, and their liberalization objectives often go well beyond those of the multinational accords now in force.

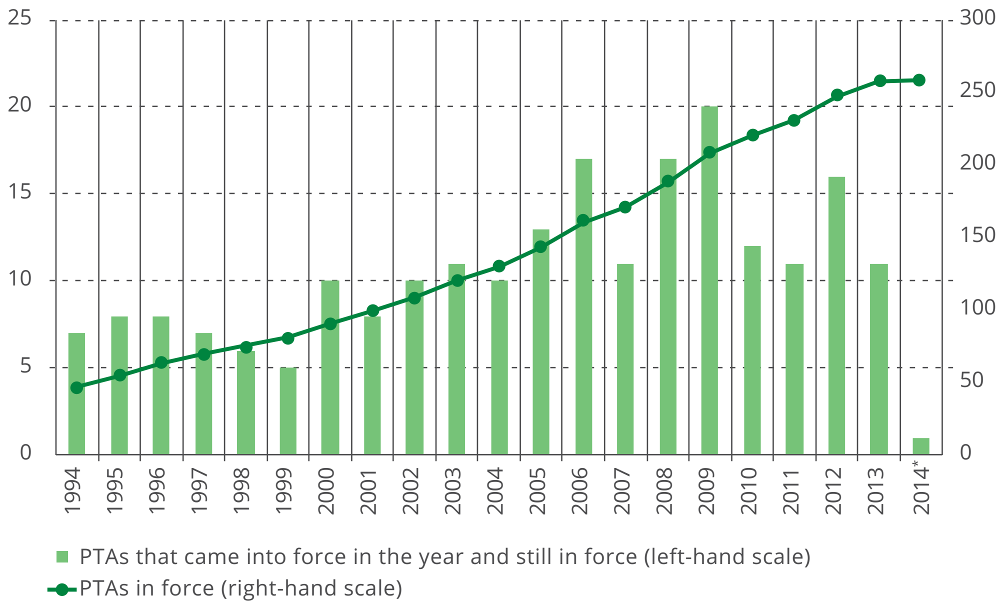
A different negotiating approach is the plurilateral approach, whereby specific issues are addressed with the aim of reaching an accord which, though only committing the signatory countries, can be extended in the future at the multilateral level. The revised plurilateral Agreement on Government Procurement recently entered into force, and plurilateral negotiations are under way for the liberalization of trade in services, electronics products and environmental goods.

One of the WTO's chief functions is to monitor its member countries' trade policies and to settle disputes. In recent years its monitoring reports signal increasing recourse to restrictions of various kinds, despite the commitment of the G-20 heads of state and government to avoid using protectionist instruments so as not to jeopardize the weak economic recovery.

In fact, while the data on tariff barriers indicate a reduction in the average level of customs duties (although there are still significant differences across sectors and countries), there is growing concern about the effects of the non-tariff measures applied to goods, owing to their complexity and opacity and the fact

3 See the box by C. Castelli, "Gli Ide *greenfield* nell'industria manifatturiera e nei servizi", in Chapter 1, which highlights the different strategies of investors in the main areas. Whereas firms in emerging countries have a higher propensity to invest in their own region, those in advanced countries are better equipped to manage the more complex forms of internationalization and surmount the related obstacles, and their investment locations include places geographically and culturally distant from their home countries.

Chart 6 - Preferential trade agreements (PTAs) notified to the WTO



(*)Notified up to April 2014.

Source: Based on WTO data

that they often are not temporary. While pursuing entirely legitimate aims, some types of regulation, such as technical, sanitary and phytosanitary rules, rules of origin and still others, can conceal protectionist objectives. And then there are the barriers to trade in services which, being intrinsically intangible, derive mainly from countries' domestic regulations, giving rise to different levels of restriction from sector to sector and from country to country.

A more extensive liberalization of trade in services could have important effects on economic growth and the functioning of international production networks.

The European Union

In the European Union the first signs of recovery appear

In the European Union 2013 brought the first signs of economic recovery, basically led by net exports. GDP growth is expected to accelerate moderately in the coming months to an annual rate of 1.6 per cent in 2014 and 1.8 per cent in 2015. A larger contribution should come from domestic demand, lifted by an improvement in economic agents' confidence and the continuation of expansive monetary policies, while the restrictive effects of the consolidation of public and private finances diminish.

The European Union's share of world imports has contracted considerably during the crisis. Reflecting the weakness of domestic demand and the fall in commodity prices, between 2008 and 2013 it fell from 38 to 31 per cent (net of intra-regional trade).

The EU's trade policy continues to develop in a dense network of preferential relations with third countries

By contrast, the EU-28's share of world exports at current prices, boosted by the nominal impact of the appreciation of the euro, increased by nearly two percentage points in 2013. The recovery involved almost every sector.

The model of export specialization confirmed its essential features, with strengths in pharmaceuticals, transport equipment and the metalworking industry, and comparative disadvantages in agriculture, textiles and clothing, and electronics. In services, the EU-28's exports are specialized chiefly in insurance, financial and IT services.

The European Union's trade policy is embodied not only in the positions taken within the WTO but also in a dense and developing network of preferential agreements with non-EU countries.

Of increasing importance are the negotiations with the United States for an ambitious bilateral pact, the Transatlantic Trade and Investment Partnership (TTIP), which should promote a deep degree of integration between markets in both goods and services.[4] However, the talks are still far from reaching a conclusion, given the difficulty of finding an agreement on the lowering of many non-tariff barriers (such as consumer safety standards) and the failure of the US Congress to grant President Obama fast-track negotiating authority.

Among the host of initiatives taken to strengthen the European Union's relations with neighboring countries of the Mediterranean and Eastern Europe, the association agreements just now concluded with Georgia, Moldova and Ukraine, whose objectives include a more extensive liberalization of bilateral trade and investment, deserve special mention.

2. Italy: an overview

Italy's GDP contracted by 1.9 per cent in 2013, falling back to near its 2000 level. The decline was essentially due to the further reduction in consumption and investment, reflecting the compression of disposable income, deteriorating household and business confidence and persistent difficulties of access to credit.

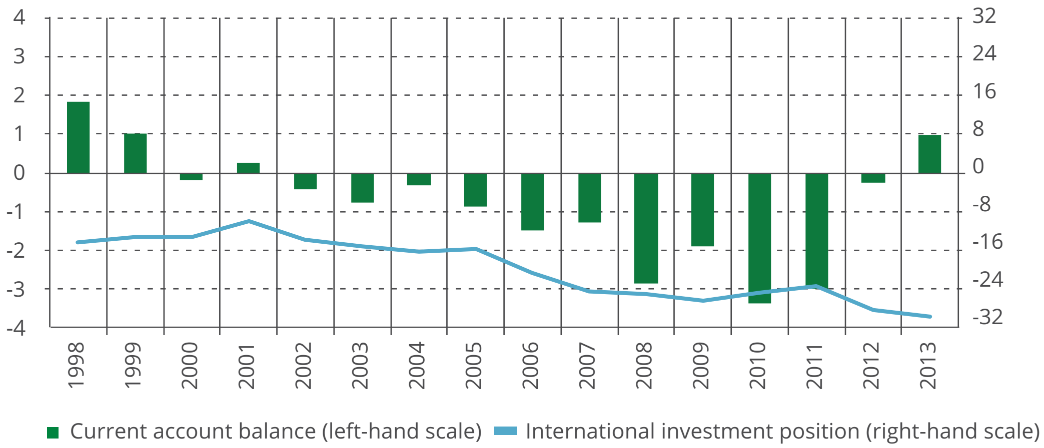
The recovery, which began in the second half of the year, is sluggish and fragile. National demand, though showing some signs of reviving, remains weak; growth continues to be driven by net exports, which are subject to the international factors of uncertainty. The Bank of Italy's latest forecasts put GDP growth at 0.2 per cent in 2014 and at 1.3 per cent in 2015.

4 The contribution by E. Borghi, R. Helg and L. Tajoli, "Impatto dell'area di libero scambio tra Unione Europea e Stati Uniti", in Chapter 1, estimates the TTIP's impact on trade, showing that it would have important positive effects, without significant losses for countries excluded from it.

The marked improvement in the balance of payments on current account, which after thirteen years returned to surplus (€15 billion, equal to about 1 per cent of GDP), was partly the consequence of the recession. As at other times in the past, the adjustment of the external accounts reflects a decline in imports more than an especially strong performance by exports. In the last two years, during which GDP fell by a total of 4.2 per cent, imports of goods and services declined by 9.6 per cent while exports increased by 2.3 per cent (compared with the euro-area average of 3.7 per cent), reflecting a geographical composition relatively more oriented toward slow-growing markets.

After thirteen years the external current account moves into surplus, chiefly because of the fall in domestic demand

Chart 7 - Italy's current account balance and international investment position
As a percentage of GDP



Sources: Based on Bank of Italy and Istat data

Most of the 2013 current account surplus came from merchandise trade, whose surplus on a FOB-FOB basis grew by €20 billion to €37 billion, but the balance on services also contributed. The deficit on energy products came down by about €9 billion, reflecting the fall in their dollar prices, the appreciation of the euro and the slump in demand. The surplus on manufactured products grew further, topping €98 billion. Italy's foreign trade surpluses in several important sectors and for a good number of products attained appreciable levels, including by comparison with the other main European countries, not only as a consequence of the fall in imports but also thanks to the export performance of the most vital and innovative part of the country's industrial fabric.[5]

A long decline in Italian exports' market share comes to a halt

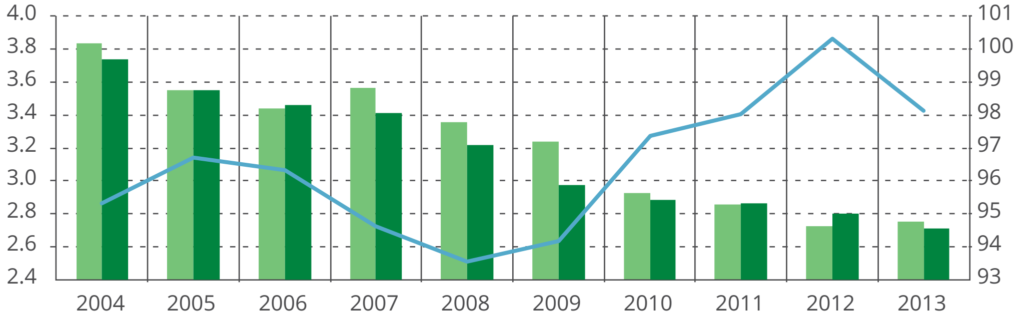
In the aggregate, Italian merchandise exports at current prices were practically unchanged in 2013 (-0.1 per cent). Ending a long downward trend, their share of world exports rose to 2.8 per cent. As on the occasion of previous inversions of the currency cycle, this modest increment (a tenth of a percentage point

5 See the contribution by M. Carminati and M. Fortis, "Competitività e specializzazione dell'Italia: sviluppi recenti", in Chapter 2.

compared with 2012) benefited from the nominal impact of the appreciation of the euro. An additional factor was the positive effect of the product composition of world demand, which was more favorable to Italy's traditional sectors of export specialization.

In volume terms, instead, Italy's share of world exports suffered a slight erosion, due in part to the loss of competitiveness resulting from the appreciation of the euro.

Chart 8 - Italian exports' competitiveness and world market shares, 2004-2013
Percentage shares and indices



- Share at current prices (left-hand scale)
- Share at constant prices (base year 2005, left-hand scale)
- Competitiveness (reciprocal of the real exchange rate based on producer prices of manufactures, 1999=100, right-hand scale).
  A positive (negative) change indicates an increase (decrease) in competitiveness.

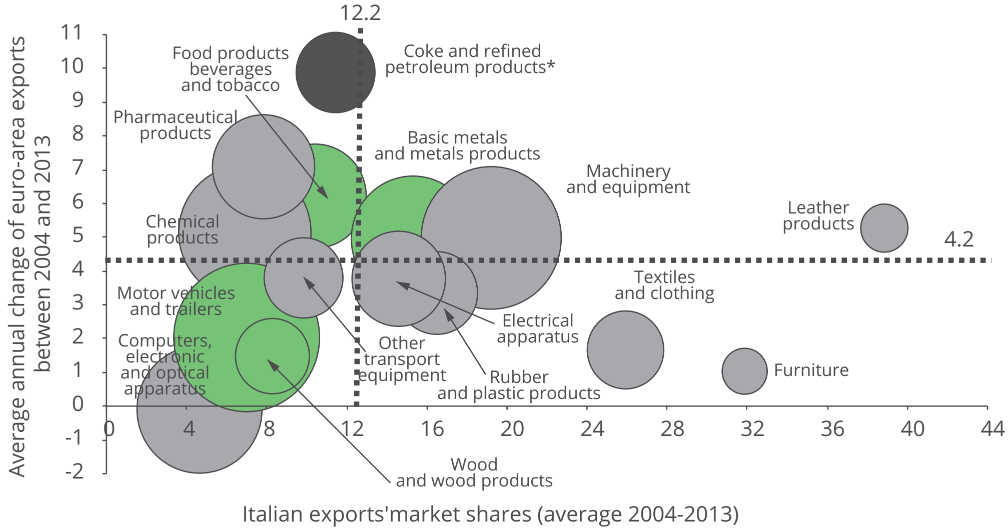
Sources: Based on Bank of Italy, Eurostat and WTO data

In the last ten years the specialization of Italian exports in relatively slow-growing product and geographical markets has penalized their aggregate market share. These negative structural effects alone explain more than half of the decline in Italy's share of the world market, which fell from 3.6 to 2.8 per cent between 2004 and 2013. An analysis of world imports from the euro area yields similar results: Italy's share decreased from 11.2 to 10.5 per cent in the same period.[6]

The appreciation of the euro, slumping domestic demand and uncertainty about the recovery of some important foreign markets led Italian exporters to be extremely prudent in their pricing. The prices of exports diminished slightly in 2013, by 0.2 per cent overall, as a result of the decline in the prices of exports to the rest of the euro area and a modest increase in the prices of those to other countries. Possibly, this difference reflects strategies of price discrimination by firms with more business in the more dynamic markets outside the

6 See the contribution by A. Proietti and M. Repole, "Le quote di mercato dei principali paesi europei: aggiornamento dell'esercizio di *constant-market-shares analysis*", in Chapter 2.

Chart 9 - Italy's market shares of euro-area exports of manufactures by sector



The size of the circles represent the sector's average share of euro-area exports in the period 2004-2013. Grey (green) circles identify sectors in which Italy's share decreased (increased) between 2004 and 2013. Dotted lines indicate the averages of the variables showed in the axes.

(*)Average change for this sector was 14.6 per cent.

Source: Based on Eurostat data

euro area. Exploiting their greater market power and the lower price elasticity of higher-quality products, these firms apparently preferred to maintain their profit margins rather than to defend their volume shares.

Exports of services grow and their share holds steady

Italian exports of services grew in value by 2.1 per cent in 2013, enabling their world market share to hold steady at 2.4 per cent in a setting of relatively rapid expansion of trade in services. The fact that Italy's share of exports of services has been considerably lower than its share of exports of goods in the last five years confirms the Italian economy's specialization in manufacturing, but it also reveals its comparative disadvantages in many important services.

Counting both goods and services, Italy's propensity to export turned upward in 2013, exceeding 30 per cent, mainly owing to the contraction in GDP. On the other hand, the import penetration rate with respect to domestic demand remained unchanged at 27.8 per cent, the lowest level among the European countries of comparable size.

Inward and outward FDI flows increase, but the Italian economy's attractive power remains modest

In contrast with the previous year, in 2013 both inward and outward direct investment increased. Italian investment abroad grew from €6 billion to nearly €24 billion, thanks to the intra-firm component. Foreign direct investment in Italy rose from nearly nil to about €12 billion, or just over 1 per cent of total global FDI inflows.

Italy's 1.6 per cent share of the global stock of inward direct investment likewise appears to fall far short of the country's economic potential, testifying eloquently to its scant pulling power, which reflects structural factors that have long penalized the Italian economic system. The cost and slow response times of administrative procedures, the complexity and opacity of legislation and the slow workings of the justice system, to name just a few, discourage potential foreign investors. On top of these, the recession of the last two years has mowed down Italian industry's productive capacity and reduced domestic demand.

3. Regions and main countries

The geographical orientation of Italian exports changes

The relative size of the markets has changed progressively in recent years. The European Union's and North America's share of world imports has contracted considerably, to the benefit of the developing and emerging regions. This trend proceeds with countries' domestic development and their ever greater integration into world trade. Hence the diminishing importance of distance as a brake on trade, and the increasing importance of individual economies' dynamism and growth prospects, fueled in part by international production networks.

Italy has followed these trends, albeit with a lag, gradually redirecting its exports to distant markets. In parallel with a decline in the share of Italian exports going to the European Union, still Italy's leading trading partner, taking more than 50 per cent of its exports, there has been an expansion in the share of exports to more distant but also more dynamic markets, such as East Asia, Africa and the Americas.

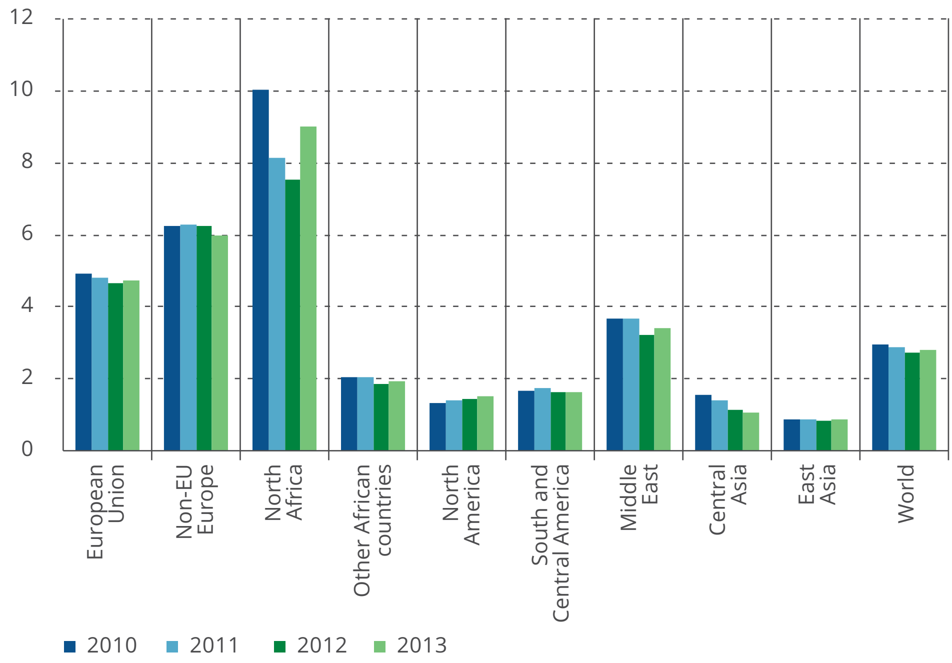
The modest increase in Italy's share of world exports in 2013 came mainly from gains outside Europe, particularly in the Middle East and North Africa, but also in North America and East Asia.

Looking ahead, a factor that could work in favor of Italy is the change in lifestyles taking place in some emerging markets, as economic development progresses and the preferences of a rising middle class evolve toward patterns of consumption more oriented to Italy's export specialties.

Significant geographical differences within foreign markets, especially the largest, affect the access costs incurred by exporting firms. This edition of the Report presents, for the first time, a series of calculations on Italian exports to the major markets broken down by local region.[7] Among the results of this study, we find that Italian exports go prevalently to relatively affluent areas, such as urban centers, attracted by the concentration of consumers whose spending patterns are suited to Italian supply, or else to areas where there are long-standing preferential ties due to the presence of a population of Italian

7 See the analysis by C. Colacurcio, "Il made in Italy va in città: uno sguardo all'internazionalizzazione per territori", in Chapter 3.

Chart 10 - Italy's market shares by region
At current prices



Source: Based on IMF-DOTS data

Exports are concentrated in only some regions within the main outlet markets

origin or to cooperative production agreements with local firms. By contrast, Italy's presence is relatively weak in regions with different characteristics, some with great potential for development, more easily seized by firms able to build a local distribution network of their own in advance.

Italy's bilateral balances with the different regions and countries underwent markedly contrasting developments. The balance with non-EU European countries deteriorated further, particularly vis-à-vis Russia, Turkey and Switzerland, while the deficit with Asia remained practically unchanged against the backdrop of a significant contraction in trade. Notable among the improvements was that with the Middle East: Italy's trade with the region, structurally in deficit, came close to being in balance, an historic achievement, as the result of rapidly growing exports (+4.5 per cent) and slumping imports (-19.4 per cent). The developments on both sides of the ledger were driven by the sharp decline in Italy's demand for energy products as a result of the domestic recession; the fall in the price of crude oil and the appreciation of the euro also helped to lower the value of energy imports.

Italian firms' production presence abroad, which had continued to expand in the first years of the crisis, fell back in the last two years (-3.6 per cent in terms of the number of workers employed in foreign affiliates). The decline hit Italian firms' affiliates in the European Union and East Asia hardest, while those in North America expanded their share of both the aggregate number of workers and sales revenue.

In the last two years the number of workers in foreign firms' affiliates in Italy also decreased, falling by 1.6 per cent. In particular, multinational companies based in other EU countries lost share in terms both of the number of workers and of sales revenue realized in Italy, to the benefit of East Asian multinationals.

4. Sectors

Nearly every sector contributed to the improvement in Italy's trade balance in 2013. Along with the sharp decline in the energy deficit, salient contribution came from the electronics industry and from the chemical and pharmaceutical sector (whose deficits both shrank by almost €3 billion), as well as from transport equipment (whose surplus rose by €2 billion) and the machinery industry (+€1.4 billion). The only exceptions were refined petroleum products and basic metals, two sectors that had, however, made a major positive contribution in recent years.

As noted, the improvement in the balances derived mainly from the generalized reduction in imports, a trend which only a few intermediate goods sectors, pharmaceuticals, agricultural and food products, and the fashion system escaped.

Exports expanded at relatively high rates in pharmaceuticals (14 per cent), leather goods and jewelry (8 per cent), food products and motor vehicles (5 per cent), as opposed to sharp declines in energy products and basic metals.

A number of Italian industry's traditional sectors of specialization achieved gains in the volume and, above all, average unit values of exports. But in a large number of sectors the prices applied by Italian producers on foreign markets for a predetermined basket of goods declined or else increased more slowly. The change in average unit values could well be due to a shift in the composition of exports toward higher-quality products, a trend under way for some time.

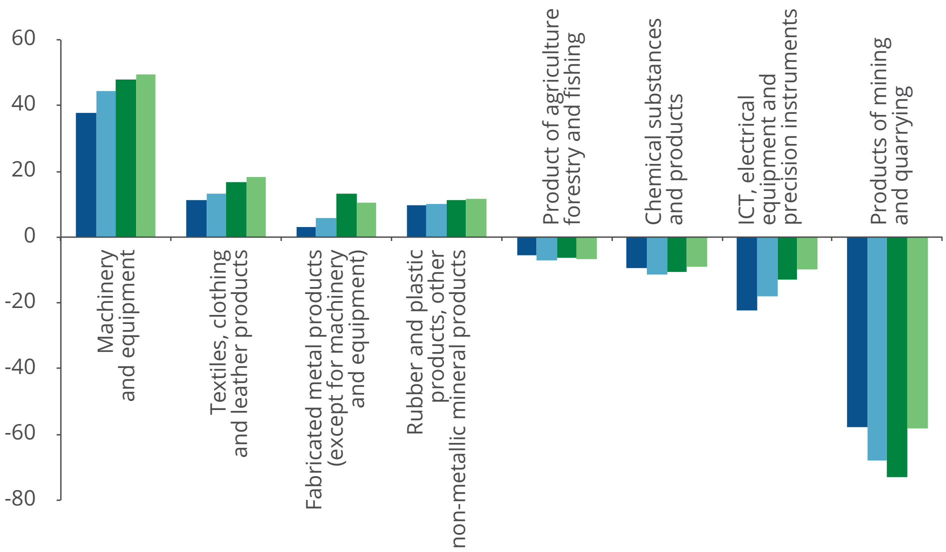
Growth of market shares in pharmaceuticals, leather goods, furniture and machinery

Italy's share of total euro-area exports of manufactured products remained broadly unchanged for the second consecutive year in 2013. Appreciable gains in pharmaceuticals, leather goods, furniture and machinery contrasted with losses in refined petroleum products, basic metals and footwear.

The most competitive part of Italy's textile industry has been seeking for some time to renew its strategies for penetrating international markets. Evidence of this can be seen in their growing use of electronic marketing channels, which can be effective tools in support of firms' competitiveness in sectors producing goods suited to online marketing.[8]

8 See the contribution by A. Nurra and S. Salamone, "Esportazioni e vendite *on-line*: un'analisi per settore e per impresa", in Chapter 4.

Chart 11 - Italy's trade balances by sector
Billions of euros



Source: Based on Istat data

In some sectors, and particularly in agricultural and food products, it would also be important to enhance the value of typical Italian products by making appropriate use of geographical indications and names of origin. The issue is at the center of international trade disputes and figures prominently in the European Union's negotiations for bilateral agreements with Canada[9] and the United States.

Italian industry's model of specialization concentrates in machinery and equipment. The comparative advantages in traditional sectors diminish, as do the weaknesses in scale-economy and research-intensive sectors

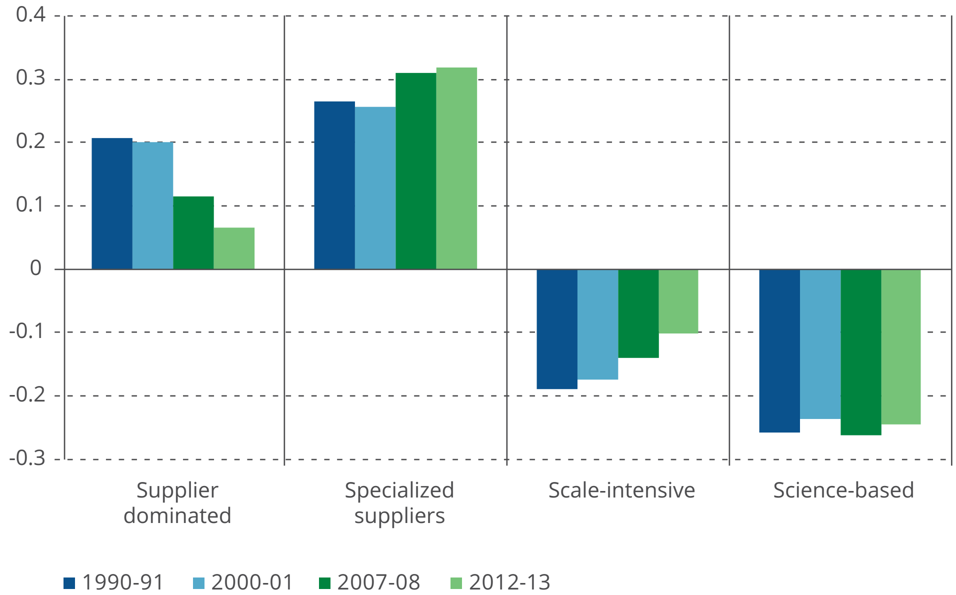
Looking beyond the variations of the last year, several important changes are found in Italian industry's model of international specialization.[10] Compared with the early 2000s and even during the five crisis years, Italy's overall comparative advantages in the traditional sectors, and especially in the fashion system, have diminished. In parallel, there has been a further strengthening of specialization in machinery and equipment and a slight recovery in scale-economy and research-intensive sectors, which represent the chief ingredient of the Italian model's divergence with respect to the major industrial countries. It is necessary to remark, however, that in the Italian case the erosion of the net comparative advantages in the traditional sectors, measured also taking imports into account, contrasts with what emerges from data based solely on exports, which show a persistence of specialization in traditional products compared with the other euro-area countries. This discrepancy can be read as

9 See the contribution by A. Carbone, "Prospettive per i prodotti agroalimentari tipici italiani: il caso dell'accordo UE-Canada", in Chapter 4.

10 See the contribution by V. Santomartino, "Il modello di specializzazione commerciale dell'economia italiana: evoluzione recente e confronto con gli altri principali paesi dell'Area dell'euro", in Chapter 4.

a sign of more intense participation in international production networks, which supply the most competitive Italian firms with the imported intermediate inputs necessary to defend the strength of their specialization.

Chart 12 - Italy - Indices of net trade specialization
Groups of sectors



Source: Based on Eurostat data

Among the means by which firms establish forms of production cooperation with partners abroad, it may be possible to include exports of used capital goods, which are hard to identify in the statistics but which, according to the estimates published in this Report[11], make up a sizable share (even if not linked to international production networks) of trade in capital goods with the developing countries.

5. The territorial base

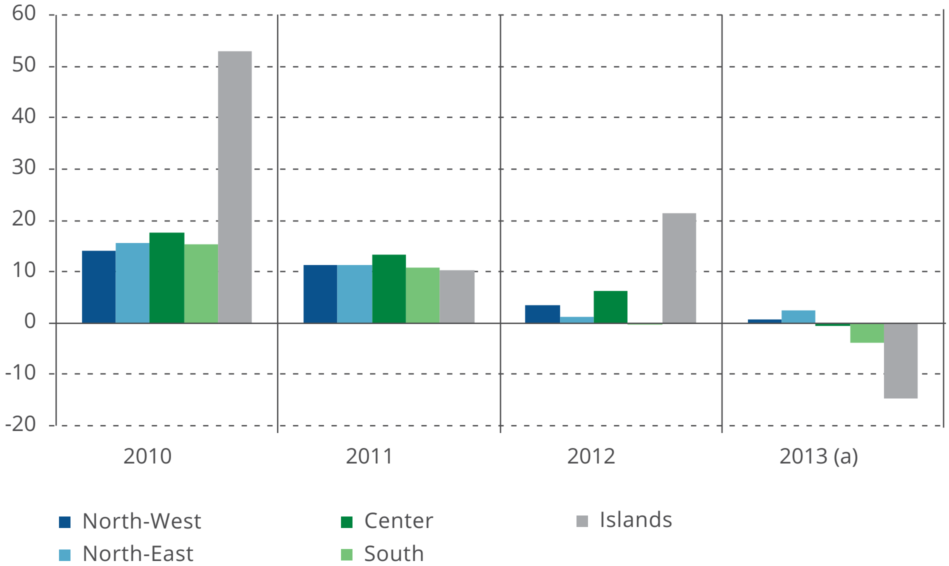
A sharp drop in the exports of the Mezzogiorno, excluding Campania

The data at regional level show contrasting results for 2013. While exports fell by 8.7 per cent throughout the Mezzogiorno except in Campania, their annual rate of growth rose in North-East Italy to 2.4 per cent, in Piedmont to 3.8 per cent and, most notably, in Marche to 12.3 per cent.

Most of the disparities stemmed from the contraction or expansion of specific sectors, especially in the Islands (oil refining), or from the intra-firm trade of multinational corporations (pharmaceuticals, Marche).

11 See the contribution by P. Forestieri and M. Iommi, "Esportazioni di beni capitali usati: misura e interpretazione del fenomeno", in Chapter 4.

Chart 13 - Merchandise exports of Italy's macro-regions
Percentage changes in value in euros



(a) Provisional data.

Source: Based on Istat data

As for imports, the decline recorded at national level was echoed almost everywhere, except in Emilia Romagna and Piedmont, with an especially sharp contraction in central Italy (-10.2 per cent).

The five leading exporting regions (Lombardy, Veneto, Emilia Romagna, Piedmont and Tuscany) continue to account for nearly three-quarters of total Italian exports, and their share increased slightly in 2013. Compared with 2008, central Italy gained share at the expense of all the other parts of the country.

The degree of export concentration is higher for services than for goods, with the top five regions – the same as for exports, except with Lazio replacing Emilia Romagna – accounting for more than 77 per cent of the total.

In the crisis years the value of trade in goods and services has increased in relation to GDP in every Italian region except Basilicata, Calabria and Molise. Unlike the pattern in the rest of Italy, the number of exporters based in the South and Islands grew again in 2013, but the exports of the Mezzogiorno nevertheless did not regain their 2008 level.

Extending the comparison to the regions of the main EU countries, the polarization of export capacity appears to have increased overall. While some regions failed to regain their pre-crisis levels, others, at the opposite extreme, expanded their world market shares. The latter include regions with a very strong propensity to export, but also some Spanish regions that started out from very low levels of external openness.[12]

The presence of foreign multinationals in Italy is highly diversified by region and technological specialization

The presence of international firms in Italy is highly diversified by region and technological specialization. In manufacturing, it is largest (with respect to the number of workers in local firms) in Lazio, Abruzzo and Piedmont. In services, the multinationals are located mainly in large cities (Rome, Milan and Genoa). During the crisis years, employment in the affiliates of foreign multinationals has contracted less than in the rest of the system, partly as a consequence of important acquisitions of firms operating in the traditional "made in Italy" sectors.[13]

The presence of foreign multinational companies in Italian regions often boosts their capacity to export and fuels imports of intermediate goods and services. Similarly, the presence of immigrant communities fosters bilateral trade between the regions they reside in and their countries of origin.[14] The intensification of migration benefits both imports, as immigrants tend to preserve their own consumption patterns, and exports, as the presence of immigrant communities helps to reduce the information costs regarding access to foreign markets.

6. Firms

Exporting firms increase and reach a larger number of markets

The number of Italian exporting firms grew in 2013 for the fourth consecutive year. Comparing the provisional data for 2013 and 2012, the increase can be estimated at just below 2 per cent, bringing the number of exporters close to 213,000.

Most of this increase came from micro-exporters, firms with foreign sales of up to €75,000, but their gain in number was not matched by one in their share of total exports, which remained 0.6 per cent. However, as previously happened in 2009, the greatest difficulties emerged for the largest exporters: their foreign sales diminished in total value by 2.5 per cent, presumably reflecting the movement of some firms into the lower size class, whose exports increased by 3.9 per cent.

In the ten years 2004-13 exports grew at an average annual rate of 3.4 per cent. The expansion involved all size classes; it was more pronounced for both the largest exporters (4 per cent) and the smallest (4.4 per cent). The average value of foreign sales per exporter rose by 2.6 per cent per year in the ten years; the average annual rate of increase ranged from 2.8 per cent for micro-exporters to 4.9 per cent for the largest exporting firms.

12. See the contribution by G. Mastronardi and E. Mazzeo, "Le esportazioni regionali dei maggiori paesi europei: dalla crisi alla ripresa", in Chapter 5.
13. See the contribution by M. Armenise and E. Mazzeo, "Le multinazionali a controllo estero in Italia: un'analisi territoriale", in Chapter 5.
14. See the contribution by L. De Benedictis, "Immigrazione e commercio internazionale", in Chapter 5.

Although many businesses export to only one market, the average number of countries served by each exporter reached a ten-year peak of 5.7 per cent in 2013. This result was largely determined by developments among the most thoroughly internationalized firms, those that habitually export to a fairly large number of markets and continue to diversify the geographical destinations of their foreign sales.

The majority of Italian exporters (71.7 per cent), including practically all those with foreign sales of more than €50 million, operate at least in the EU market. By contrast, relatively few of them sell to the markets of Central Asia (7.5 per cent) and Oceania (8.3 per cent).

Most Italian firms (51.9 per cent) offer only a single line of products. The number of firms exporting up to five product lines remained close to 87 per cent of the total, but the value of their exports grew less than the average, indicating an increase in the overall product diversification of Italian exports.

The distribution of exporting firms by size class in terms of the number of workers is available only up to 2012. The total number of exporters rose further to 192,405, surpassing the previous high, reached in 2008, by 1,800.

The 2009 recession had led to a sharp drop in the number of exporting firms, one that was inversely related to firm size, whereas the fall in the average unit values and total values of exports was steeper for the largest firms.

Different trends emerged in the next three years. The number of exporters rose only among the smaller size classes, thanks to the return of some that had withdrawn from foreign markets in 2009 and by the entry of new exporters. In the larger size classes, instead, the process of competitive selection continued, leading to higher rates of increase in the average value of exports per firm in direct relation to firm size.

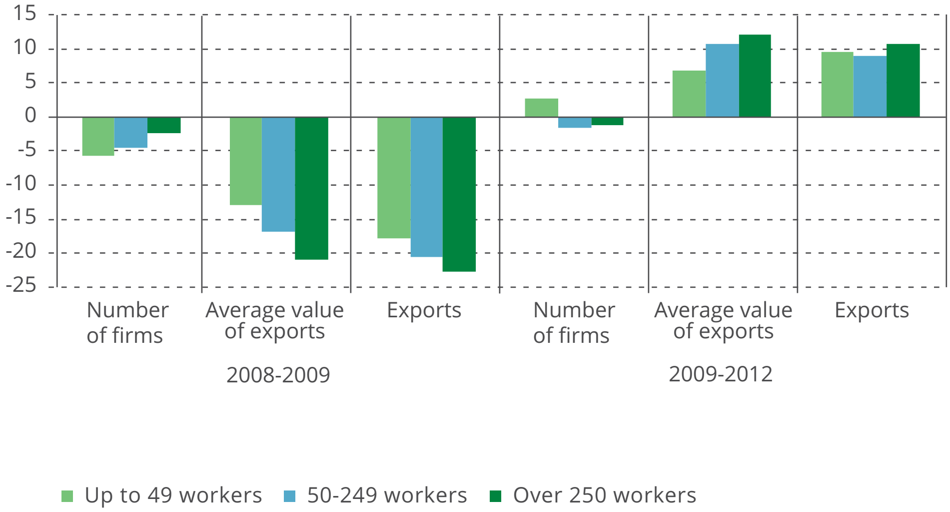
Large firms' share of the value of exports is the lowest among the major countries of the European Union

A comparison with the leading countries of the European Union, requiring considerable qualification and possible only up to 2011, brings out the anomaly of Italy's productive economy: the share of large companies (250 or more workers) in the value of total exports is the lowest among the major EU countries, including Spain. Exporting micro-firms (up to 9 workers), though more numerous, account for a relatively small portion of foreign sales, comparable only to that in Germany. By contrast, mid-sized firms and those with between 10 and 49 workers account for a striking portion, considerably larger than in the other main EU countries.

The ratio of export sales to total sales revenue, up significantly in recent years in industry as a whole (from 29.1 per cent in 2009 to 30.9 per cent in 2011), increases with firm size: it rises from 8.5 per cent among those with fewer than 10 workers to 38.4 per cent for large companies, with peaks in the traditional "made in Italy" sectors except for the food products industry.

Exporting firms' structural indicators are better than those of firms that only sell on the domestic market, in terms not only of size but also of labor productivity (value added per worker), skilled labor intensity (labor costs per worker)

Chart 14 - Italian exports by size class of exporting firms
Percentage changes



Source: Based on Istat data

Exporting micro-firms have relatively high levels of labor productivity

and capital intensity (investment per worker). The margin of difference generally increases with firm size, although exporting micro-firms have relatively high levels of labor productivity.

The number of Italian firms' foreign affiliates rose in the last five years, despite the crisis

Despite a slight decline in the last two years, Italian firms' foreign affiliates increased in number, employment and sales revenue during the five crisis years. Unlike in previous recessions, Italian companies reacted to the contraction of the domestic market by striving to consolidate the positions they had gained abroad in the preceding years.

The number of Italian multinationals nearly doubled in the 2000s and is now approaching 10,000. Most of them are small or medium-sized enterprises: almost two-thirds of Italian firms with direct investments abroad have fewer than 50 workers, while more than a quarter have been 50 and 249. It should also be noted that the rapid expansion of the ranks of Italian multinationals during the, 1990s and 2000, was almost entirely ascribable to firms belonging to the two smallest size classes, a distinctive feature of the internationalization of Italian firms.

In terms of employment, large firms' foreign affiliates accounted for 71.5 per cent of the number of workers in Italian firms' affiliates abroad at the end of 2013, but, by comparison with 2008, their share of the aggregate shrank to the benefit of medium-sized firms, whose share rose from 15.5 to 18.2 per cent.

The picture of Italian firms' internationalization of production has recently been enriched by the publication of the results of the last Census.[15] Its findings show

15 See the contribution by S. Costa and F. Luchetti, "La delocalizzazione nel sistema delle imprese: strategie, performance, ostacoli", in Chapter 6.

that the phenomenon is still quite limited: in 2011 only 2.3 per cent of firms had at least some of their production abroad. The vast majority of these companies (over 83 per cent) achieved this solely in the simple form of agreements or contracts, nearly 14 per cent solely through direct investment, and 3 per cent using both forms of off-shoring. The complexity of firms' approaches to internationalization tends to increase directly with their capacity for innovation (in every respect) and the intensity of their network of relations. The objectives of internationalization vary with the form it takes: whereas in direct investment the main goal by far is access to the markets where production is based, in production cooperation agreements most of the products made are destined to be imported into Italy.

More recent Istat surveys show that the foreign affiliates of Italian firms produce mainly for the local markets, but some of them, especially in Eastern Europe and in some Asian countries, are used as export platforms for the Italian market or third countries. Both approaches are found in China, with Hong Kong primarily acting as a marshalling center for Italy-bound flows.[16]

The growth of cross-border production networks is changing the global division of labor and the nature of international trade, which increasingly involves the performance of specific phases of processing within production processes distributed over a multiplicity of countries. Companies can participate in these networks through direct investment or by means of simple cooperation agreements with foreign partners. The most remunerative phases are those lying farthest upstream and downstream in the value chain, while the firms in an intermediate position are subjected to more powerful competitive pressures.

Italian firms participate in different ways in international production networks

New market opportunities are created and chances to access the externalities available along the value chain, but seizing these requires significant technological and organizational innovation. Italian firms participate in various forms in these international value chains, often in intermediate positions but not necessarily in a situation of competitive disadvantage. The problem is that this participation overwhelmingly involves firms based in the North and Center of Italy and is limited to a relatively small number of advanced intermediate firms, a situation that does not generate significant productivity increments in the system.[17]

7. Policies for internationalization

In 2013 the public system of support for internationalization stepped up its activity in favor of Italian firms, continuing to assist a large number of companies with real and financial services.

16 See the contribution by E. Bilotta and E. Trinca, "Determinanti dell'internazionalizzazione e destinazione geografica della produzione estera delle multinazionali manifatturiere italiane", in Chapter 6.

17 See the contribution by A. Giunta, "Imprese italiane e catene globali del valore: che cosa sappiamo?", in Chapter 6.

The public system of support for internationalization strengthens its action in terms of initiatives and resources

Compared with the low reached in 2012, the volume of resources made available to firms in the form of incentives and real services increased.

The Ministry for Economic Development mobilized €21 million of funds, comparable to the amounts of the previous two years, in addition to €7 million of users' contributions to costs.

The I.C.E. – Italian Trade Agency – and the Italian chambers of commerce increased their spending on promotional support activities from respectively €28 million to €44 million and from €76 million to €79 million, including users' contributions.

Italy's regional governments allocated substantial resources for promotional services. Spending for internationalization, measured for the first time in this Report, amounted to about €89 million, including users' contributions, thanks in part to a reallocation of EU funds. The regions of the North accounted for 55 per cent of the total expenditure, those of the Center for 21.2 per cent and those of the South and Islands for 23.8 per cent.

The number of firms that received support from the chambers of commerce grew by 25 per cent, in contrasts with declines in the number of those assisted by the I.C.E. (-6 per cent) and the Ministry for Economic Development (-32 per cent). Overall, however, 2013 was marked by dynamism in the provision of support through real services to firms.

As regards financial services and incentives, a decrease in insurance guarantees corresponded to an increase in loans and integrated bank-insurance products. The supply of finance by Cassa Depositi e Prestiti (CDP) in support of internationalization registered a large increase in both the number of customers and transaction value, up from €1.2 billion to €2.2 billion, with a commitment of €1.8 billion of own funds. Sace's new underwriting commitments increased and its gross premiums rose to €399 million, against the backdrop of a slight decrease in the number of customer firms. Simest continued to expand its activity, with supported transactions rising from €4.6 billion to €5.1 billion and an increase in its commitment of own funds, notwithstanding a decline in the number of firms financed. On the financing side, therefore, synergy between the components of the public system of support, including those belonging to the private sector, led to a large increase in lending. This trend gained further strength with CDP's acquisition of Sace and Simest and the consequent creation of an integrated pole of support for firms' internationalization.

Following the reform measures of 2011-12, the new framework of governance of the public system of support for internationalization became fully operational last year. It is aimed at improving coordination among the actors, so as to promote a more effective reconciliation of the different national interests involved and give impetus to policies for the sector.

The Steering Committee for Internationalization begins to operate

The "Steering Committee for International Italy" began to operate, co-chaired by the Ministry for Foreign Affairs, the Ministry for Economic Development and, for matters within his competence, the Minister in charge of Tourism. It established the guidelines and strategic approach for the promotion of trade and the internationalization of the Italian productive economy, determining the geographical areas and sectors having priority and the most effective types of activity. In particular, its decisions sought to improve coordination among the different public and private-sector actors in the field of promotion, in order to facilitate the integrated planning of activities and give renewed impetus to missions – official and entrepreneurial – with a focus on integrated value-chain projects and the most innovative sectors.

The I.C.E., now an agency, has been fully operational in its new form since 1 January 2013. More agile and versatile than its predecessor, the Italian Institute for Foreign Trade, which was suppressed by Law 111/2011. Its mandate includes innovative activities whose hallmarks are coordination with the other components of the system and a greater orientation towards service and clients. To this end, the I.C.E. has obtained additional funds for 2014 for initiatives to defend Italy's shares in mature markets and promotional activities in emerging economies.

In a phase of slumping domestic consumption and investment, the free trade agreements concluded or under negotiation between the European Union and other advanced economic regions offer an opportunity for consolidating Italian firms' presence in those markets. The lowering of tariff and non-tariff barriers to trade and investment will have a positive impact on a good number of branches of industry and services. Accordingly, a series of actions has been planned for the geographical areas interested by the agreements, to accompany the progress of understandings on issues of trade proper with promotional activities.

Internationalization is also strengthened by capitalizing on major events, an ideal setting in which to maximize the opportunities to do business and a showcase for the excellence of Italian products. Accordingly, special attention has been paid to Expo 2015.

Among the most innovative actions in support of internationalization, let us recall the road show "Italy for firms: with SMEs towards foreign markets", a customized check-up, conducted by specialists of the sector, for firms intending to go beyond Italy's borders in order to grasp the opportunities offered by the expansion of international demand. The goal of this project, promoted by the Ministry for Economic Development in cooperation with the Conference of Regions and Autonomous Provinces, the I.C.E., the Union of Chambers of Commerce, Sace, Simest and many business associations, is to increase the number of habitually exporting firms.

Assistance to firms facing the challenge of international markets is not limited to support measures; it also takes the form of defensive instruments, such as the five anti-counterfeiting and trade barrier assistance desks set up at the I.C.E.'s offices in Moscow, New York, Beijing, Istanbul and Tokyo. The initiative, up and running since the spring of 2014, serves the need to protect Italian firms' intellectual property and assist them if they encounter market access problems in connection with export procedures or other economic activities abroad, such as investment or participation in public tenders.

Public-private and public-public partnership is an essential element of efficacious promotional activity. Besides, the reduction in the aggregate financial resources available makes it mandatory for all those in the field of internationalization to act as a system, achieving synergy and avoiding overlap. With this goal in mind, from the end of the 1990s the Ministry for Economic Development signed a series of agreements with Italy's regional governments and with trade associations that, up to the suppression of I.C.E. – Institute for Foreign Trade, envisaged the sharing and co-financing of promotional projects, using a portion of the funds of the I.C.E.'s ordinary promotional program.

During 2013 16 operating agreements were signed, with co-financing amounting to €5.8 million, half of it borne by the Ministry, which entrusted the related funds to the I.C.E., and half by the partner associations. Last year also saw the relaunching of the policy of partnership with the regions and the autonomous provinces. In collaboration with the I.C.E., eight interregional projects were drawn up for a total of about €3 million.

Public intervention in support of internationalization is justified on several grounds.[18] The costs of gathering technical and commercial information on foreign markets are often too high, especially for small and medium-sized enterprises. Even more significant and burdensome for firms can be the costs of market access, for exporting and, still more, for the internationalization of production. And public intervention generates important external benefits, over and above those enjoyed by the firms directly assisted. This goes both for promotional initiatives, which can have positive effects on system-wide exports, and for customized assistance services, which can create circuits for the diffusion of knowledge among different actors.

As in other fields of public intervention, however, it is necessary to submit all activities to stringent evaluation of their results. Alongside classic output indicators, such as the number of users served and the number of promotional initiatives, use needs to be made of outcome indicators: the percentage of clients satisfied with the different collective and individual services provided, the number of new exporters and their persistence in time as habitual exporters, export shares compared with competitor countries on the same market, the entry of new domestic investors, new alliances and partnership agreements with local producers (global value chains), the domestic placement rate of the participants in training courses. This edition of the Report publishes three contributions focusing on the methods and results of some evaluation procedures already tested.[19]

18 See the contribution by F. Onida, "Perché e come assicurare un efficace sostegno pubblico all'internazionalizzazione delle imprese?", in Chapter 7.

19 See the contributions by M. Saladini, "Efficacia dei dispositivi di sostegno all'esportazione delle imprese francesi: una valutazione quantitativa", C. Castelli, "Le agenzie di sostegno all'internazionalizzazione: risorse e funzioni", and C. Castelli, L. Esposito and L. Soriani, "Il sostegno all'internazionalizzazione: le caratteristiche strutturali delle imprese esportatrici che hanno usufruito dei servizi Ice", in Chapter 7.

8. Concluding remarks

Stringent procedures are required for monitoring and evaluating the results of the policies and services for internationalization

The latest available data on the performance of the international economy, released when this Report was already being printed, cast doubt on the strength of the global recovery and on the short-term outlook for the Italian economy. The acceleration of world trade, repeatedly announced during the last year, is late in materializing and Italian exports are flagging, while domestic demand shows feeble signs of recovery, not strong enough to affirm with certainty that the end of the recession is in sight.

In the first five months of 2014 Italian exports of goods grew by 1.3 per cent compared with a year earlier. For the first time in many years, exports to the European Union (up by 4.1 per cent) outpaced those to other markets (down by 2 per cent). Estimates for the first half of the year have just been released only for the non-EU regions, showing an even sharper fall (-2.2 per cent). Steep declines were recorded in exports to Japan, Switzerland and such emerging markets as India, Russia, Turkey, Latin America and the Middle East, where the tensions and uncertainty weighing on the international economic situation are especially acute.

High rates of increase were registered for exports of motor vehicles (11.2 per cent), products of the fashion industry (4.6 per cent) and machinery (4.5 per cent), against significant declines for those of the energy, basic metals and electronics sectors.

Imports contracted further, falling by 2.5 per cent, but the decline was concentrated in those from outside the EU (down 5.2 per cent) and was generated by a fresh drop in average unit values (down 2.7 per cent) due to the fall in the prices of energy products. Net of energy, the volume of imports grew by 1.9 per cent, confirming the signs of a modest upturn in domestic demand.

For 2014 the Bank of Italy forecasts an increase in the external current account surplus, with exports of goods and services expanding at a higher rate than imports (3.4 and 1.7 per cent respectively).

Net foreign demand therefore remains decisive to sustain economic activity and unemployment, above all in industry. In the two years before the onset of the great crisis, the number of workers in export-oriented manufacturing firms had grown at an average rate of 0.6 per cent, while the workforces of companies selling only on the domestic market had fallen by 2.2 per cent per year.

The two successive recessions of the last five years have provoked a drastic reduction in employment throughout industry, but the loss of jobs has been smaller in exporting firms than in those operating only on the domestic market.

A prolonged, deep slump of domestic demand, like the one Italy has experienced in recent years, does not just hit incomes and employment but inevitably has repercussions on the ability of businesses to compete on international

Chart 15 - Employment in manufacturing industry
Number of workers: average annual growth rates

Source: Based on Istat data

markets. So the start of a recovery worthy of that name requires the creation of the macroeconomic and fiscal conditions for growth in wages and demand, but it cannot be achieved without structural reforms to increase firms' productivity.

In this perspective, a high degree of international openness of the economy remains essential in order to stimulate firms to introduce the technological and organizational innovations needed to strengthen their position on foreign markets.

In the past few years greater exposure to international competition, in the context of the global crisis, has had profound selection effects in the productive economy, heavily penalizing its weakest components, especially in the Mezzogiorno, and rewarding the most productive and innovative firms.

The competitive success of a firm is strongly influenced by the external conditions in which it operates, by the cost of the factors of production, by exchange rate movements, by the tax burden, by the quality of infrastructure, institutions and economic regulation. And yet, external conditions being equal, the decisive role is played by the productivity increments made possible by the expertise and skills of workers and entrepreneurs.

In the past decade we have seen how the growth of Italian exports has been retarded by their being concentrated in relatively slow-growing product and geographical markets. The solution to this problem lies not so much in forcing the pace of the spontaneous evolution of Italian industry's model of specialization, which in any case is slowly changing, as in the quest for product innovations that can successfully impose themselves in the consumption patterns of the middle classes, especially in the emerging countries.

Also of key importance are process innovations, organizational as well as technological, including the strategic choices necessary to defend distribution channels, diversify outlet markets, and become part of the international production networks that are reorganizing the division of labor on a global scale.

The system of public support for firms' internationalization can play an important role in this. Its function is not just to reduce the costs of access to foreign markets for the small and medium-sized enterprises that use its services, but also to generate indirect benefits for the entire productive economy, a function it can fulfill only if its activities are subjected to rigorous monitoring and evaluation of results.

There is also a need for effective measures to attract foreign investment, reducing what appears to be the most serious limit of the Italian economy's model of international openness. A greater presence of foreign multinationals in Italy, besides its direct benefits in the form of contributions of capital and skills, could also foster the participation of Italian firms in international production networks. For such measures to be effective, a few precise and well-known conditions must be met: a suitable allocation of resources over a medium-term time horizon; simple and certain rules for investor firms; stable institutional interlocutors.

Finally, the political will at national and European level to promote the liberalization of international trade and investment using all the negotiating tools available - bilateral and multilateral - to reduce the barriers to market access remains crucial.

International openness and economic development are interdependent processes, decisive for the quality of social life.

STATISTICAL TABLES

Table 1.1 - World trade and foreign direct investment (1)
Values in billions of dollars

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
						Goods				
Value (2)	9,223	10,508	12,130	14,022	16,159	12,554	15,300	18,327	18,404	18,784
% change	21.6	13.9	15.4	15.6	15.2	-22.3	21.9	19.8	0.4	2.1
						Percentage changes in the indices				
Volume index	9.7	6.5	8.6	6.5	2.3	-12.0	14.1	5.5	2.4	2.4
Average unit value index	10.9	6.9	6.5	8.7	12.8	-12.0	6.7	13.7	-2.1	-0.5
						Commercial services				
Value	2,249	2,514	2,843	3,418	3,843	3,481	3,823	4,288	4,382	4,624
% change	21.6	11.8	13.1	20.2	12.4	-9.4	9.8	12.2	2.2	5.5
						Foreign direct investment				
Value	734	990	1,481	2,002	1,819	1,222	1,422	1,700	1,330	1,452
As a percentage of world trade in goods and services	6.4	7.6	9.9	11.5	9.1	7.6	7.4	7.5	5.8	6.2

(1) Exports for goods and services, inflows for foreign direct investment.
(2) Includes Hong Kong re-exports.

Sources: Based on WTO data for trade in goods and services and UNCTAD data for foreign direct investment

Table 1.2 - Regional shares of world merchandise exports
At current prices

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
European Union	41.1	39.3	38.4	38.7	37.1	37.3	33.6	33.0	31.2	32.0
Euro area	32.5	30.6	29.6	30.2	28.9	29.2	26.1	25.4	24.1	24.4
Other EU countries	8.7	8.7	8.8	8.4	8.2	8.1	7.5	7.6	7.1	7.5
Other European countries	5.4	5.9	6.0	6.2	6.8	6.1	6.1	6.5	6.8	6.4
Africa	2.4	2.7	2.9	2.9	3.3	2.9	3.1	3.1	3.2	3.1
North America	12.4	12.2	11.9	11.4	10.9	11.1	11.2	10.8	11.2	11.2
South and Central America	5.3	5.6	5.7	5.6	5.6	5.6	5.9	6.1	6.2	6.2
Middle East	4.2	4.7	5.2	5.1	6.4	5.1	5.8	6.6	7.0	6.7
Central Asia	1.4	1.6	1.7	1.9	2.1	2.1	2.3	2.6	2.6	2.5
East Asia	26.5	26.7	27.0	27.0	26.3	28.1	30.3	29.4	30.2	30.2
Oceania and other territories	1.2	1.3	1.3	1.3	1.4	1.5	1.7	1.8	1.7	1.7
World	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Sources: Based on IMF-DOTS data and, for Taiwan, Taiwan Directorate General of Customs data

Table 1.3 - Regional shares of world merchandise imports
At current prices

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
European Union	39.7	38.6	38.5	39.0	37.8	37.1	34.0	33.3	31.1	30.8
Euro area	30.0	28.8	28.5	28.9	28.1	27.8	25.4	24.9	22.9	22.8
Other EU countries	9.7	9.8	10.1	10.0	9.7	9.3	8.6	8.5	8.1	7.9
Other European countries	4.2	4.4	4.7	5.2	5.6	5.0	5.2	5.5	5.5	5.6
Africa	2.3	2.4	2.5	2.7	3.0	3.4	3.2	3.1	3.3	3.5
North America	19.3	19.3	18.6	17.0	15.8	15.4	15.6	15.0	15.4	14.9
South and Central America	5.0	5.2	5.4	5.5	5.8	5.7	6.1	6.2	6.5	6.6
Middle East	3.1	3.3	3.2	3.5	3.9	4.0	3.9	4.0	4.3	4.4
Central Asia	1.7	2.0	2.2	2.5	2.9	3.0	3.2	3.5	3.6	3.6
East Asia	23.2	23.3	23.4	23.0	23.6	24.7	27.2	27.6	28.5	28.8
Oceania and other territories	1.5	1.5	1.5	1.5	1.5	1.7	1.7	1.7	1.8	1.7
World	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Sources: Based on IMF-DOTS data and, for Taiwan, Taiwan Directorate General of Customs data

Table 1.4 - Top twenty world merchandise exporters
Amounts in billions of dollars at current prices

Rank			Country	Amount		% change		% share		
2004	2012	2013		2012	2013	2004-13 (1)	2012-13	2004	2012	2013
3	1	1	China	2,049	2,210	15.7	7.9	6.4	11.1	11.8
2	2	2	United States	1,546	1,579	7.6	2.2	8.8	8.4	8.4
1	3	3	Germany	1,405	1,453	5.3	3.4	9.9	7.6	7.7
4	4	4	Japan	799	715	2.6	-10.5	6.1	4.3	3.8
6	5	5	Netherlands	654	664	7.1	1.5	3.9	3.6	3.5
5	6	6	France	569	580	2.8	1.9	4.9	3.1	3.1
12	7	7	South Korea	548	560	9.2	2.1	2.8	3.0	3.0
8	11	8	United Kingdom	473	541	5.0	14.5	3.8	2.6	2.9
11	10	9	Hong Kong	493	536	8.1	8.7	2.9	2.7	2.9
15	8	10	Russia	529	523	12.4	-1.1	2.0	2.9	2.8
7	**9**	**11**	**Italy**	**501**	**518**	**4.3**	**3.3**	**3.8**	**2.7**	**2.8**
10	13	12	Belgium	446	469	4.8	5.1	3.3	2.4	2.5
9	12	13	Canada	455	458	4.2	0.6	3.4	2.5	2.4
13	14	14	Singapore	408	410	8.4	0.5	3.8	2.2	2.2
14	16	15	Mexico	371	380	8.1	2.6	2.0	2.0	2.0
15	15	16	Saudi Arabia	388	376	12.9	-3.2	1.4	2.1	2.0
28	17	17	United Arab Emirates	350	365	16.7	4.3	1.0	1.9	1.9
16	20	18	Spain	295	316	6.3	6.9	2.0	1.6	1.7
20	19	19	India	297	312	16.9	5.3	0.8	1.6	1.7
29	18	20	Taiwan	301	305	5.9	1.4	2.0	1.6	1.6
			Total 20 countries	**12,877**	**13,269**	**7.8**	**3.0**	**75.0**	**70.0**	**70.6**
			World	**18,404**	**18,784**	**8.2**	**2.1**	**100.0**	**100.0**	**100.0**

(1) Average annual growth rate.

Source: Based on WTO data

Table 1.5 - Top twenty world merchandise importers
Amounts in billions of dollars at current prices

Rank			Country	Amount		% change		% share		
2004	2012	2013		2012	2013	2004-13 (1)	2012-13	2004	2012	2013
1	1	1	United States	2,336	2,331	4.8	-0.2	15.9	12.7	12.4
3	2	2	China	1,818	1,950	14.8	7.3	5.9	9.9	10.4
2	3	3	Germany	1,163	1,187	5.8	2.1	7.5	6.3	6.3
6	4	4	Japan	886	833	7.0	-5.9	4.7	4.8	4.4
4	6	5	France	674	681	4.2	0.9	4.9	3.7	3.6
5	5	6	United Kingdom	691	654	3.7	-5.2	4.9	3.8	3.5
11	8	7	Hong Kong	553	622	9.6	12.4	2.9	3.0	3.3
8	7	8	Netherlands	590	590	7.1	0.0	3.3	3.2	3.1
13	9	9	South Korea	520	516	9.7	-0.8	2.3	2.8	2.7
7	**10**	**10**	**Italy**	**489**	**477**	**3.3**	**-2.3**	**3.7**	**2.7**	**2.5**
10	12	11	Canada	475	474	6.0	-0.1	2.9	2.6	2.5
22	11	12	India	489	466	18.7	-4.6	1.0	2.7	2.5
9	13	13	Belgium	439	450	5.2	2.5	3.0	2.4	2.4
14	14	14	Mexico	380	391	7.6	2.8	2.1	2.1	2.1
15	15	15	Singapore	380	373	8.9	-1.8	1.8	2.1	2.0
24	17	16	Russia	335	344	15.1	2.6	1.0	1.8	1.8
12	16	17	Spain	337	339	3.1	0.4	2.7	1.8	1.8
16	18	18	Taiwan	270	270	5.3	-0.2	1.8	1.5	1.4
23	22	19	Turkey	237	252	11.1	6.4	1.0	1.3	1.3
25	21	20	Thailand	250	251	11.5	0.3	1.0	1.4	1.3
			Total 20 countries	**13,313**	**13,453**	**7.3**	**1.1**	**74.5**	**72.3**	**71.6**
			World	**18,608**	**18,874**	**7.8**	**1.4**	**100.0**	**100.0**	**100.0**

(1) Average annual growth rate.

Source: Based on WTO data

Table 1.6 - Inward foreign direct investment: main recipient countries
Amounts in billions of dollars at current prices

Rank (1)	Country	Flows						Stocks (2)					
		Amount			% composition			Amount			% composition		
		2011	2012	2013	2011	2012	2013	1990	2000	2013	1990	2000	2013
1	United States	224	161	188	13.2	12.1	12.9	540	2,783	4,935	26.0	37.1	19.4
2	China	124	121	124	7.3	9.1	8.5	21	193	957	1.0	2.6	3.8
3	Russia	55	51	79	3.2	3.9	5.4	-	32	576	-	0.4	2.3
4	Hong Kong	96	75	77	5.7	5.6	5.3	202	492	1,444	9.7	6.5	5.7
5	Brazil	67	65	64	3.9	4.9	4.4	37	122	725	1.8	1.6	2.8
6	Singapore	50	61	64	3.0	4.6	4.4	30	111	838	1.5	1.5	3.3
7	Canada	40	43	62	2.3	3.2	4.3	113	213	645	5.4	2.8	2.5
8	Australia	65	56	50	3.8	4.2	3.4	80	119	592	3.9	1.6	2.3
9	Spain	28	26	39	1.7	2.0	2.7	66	156	716	3.2	2.1	2.8
10	Mexico	23	18	38	1.4	1.4	2.6	22	102	389	1.1	1.4	1.5
11	United Kingdom	51	46	37	3.0	3.5	2.5	204	463	1,606	9.8	6.2	6.3
12	Ireland	24	38	36	1.4	2.9	2.5	38	127	378	1.8	1.7	1.5
13	Luxembourg	18	10	30	1.1	0.8	2.1	-	-	141	-	-	0.6
14	India	36	24	28	2.1	1.8	1.9	2	16	227	0.1	0.2	0.9
15	Germany	59	13	27	3.5	1.0	1.9	111	272	852	5.4	3.6	3.3
16	Netherlands	21	10	24	1.2	0.8	1.7	69	244	670	3.3	3.2	2.6
17	Chile	23	29	20	1.3	2.2	1.4	16	46	215	0.8	0.6	0.8
18	Indonesia	19	19	18	1.1	1.4	1.2	9	25	230	0.4	0.3	0.9
19	Colombia	13	16	17	0.8	1.2	1.2	4	11	128	0.2	0.1	0.5
20	**Italy (3)**	**34**	**0**	**17**	**2.0**	**0.0**	**1.1**	**60**	**123**	**404**	**2.9**	**1.6**	**1.6**
	World	**1,700**	**1,330**	**1,452**	**100.0**	**100.0**	**100.0**	**2,078**	**7,511**	**25,464**	**100.0**	**100.0**	**100.0**

(1) Sorted according to 2013 flow data.
(2) For the limited flow France does not appear in the ranking; France's stocks in 2013 amounted to $ 1,081 billion.
(3) The value for Italy in 2012 is € 93 million.

Source: Based on UNCTAD data

Table 1.7 - Outward foreign direct investment: main investor countries
Amounts in billions of dollars at current prices

Rank [1]	Country	Flows						Stocks [2]					
		Amount			% composition			Amount			% composition		
		2011	2012	2013	2011	2012	2013	1990	2000	2013	1990	2000	2013
1	United States	387	367	338	22.6	27.3	24.0	732	2,694	6,350	35.0	33.6	24.1
2	Japan	108	123	136	6.3	9.1	9.6	201	278	993	9.6	3.5	3.8
3	China	75	88	101	4.4	6.5	7.2	4	28	614	0.2	0.3	2.3
4	Russia	67	49	95	3.9	3.6	6.7	-	20	501	-	0.3	1.9
5	Hong Kong	96	88	92	5.6	6.5	6.5	12	436	1,352	0.6	5.4	5.1
6	Switzerland	48	45	60	2.8	3.3	4.3	66	232	1,259	3.2	2.9	4.8
7	Germany	81	80	58	4.7	5.9	4.1	152	542	1,710	7.3	6.8	6.5
8	Canada	52	55	43	3.0	4.1	3.0	85	238	732	4.1	3.0	2.8
9	Netherlands	40	0	37	2.3	0.0	2.6	105	305	1,072	5.0	3.8	4.1
10	Sweden	30	29	33	1.7	2.2	2.3	51	124	436	2.4	1.5	1.7
11	**Italy**	**54**	**8**	**32**	**3.1**	**0.6**	**2.3**	**60**	**170**	**598**	**2.9**	**2.1**	**2.3**
12	South Korea	30	31	29	1.7	2.3	2.1	2	22	219	0.1	0.3	0.8
13	Singapore	23	13	27	1.4	1.0	1.9	8	57	498	0.4	0.7	1.9
14	Spain	41	-4	26	2.4	-0.3	1.8	16	129	643	0.7	1.6	2.4
15	Ireland	-1	19	23	-0.1	1.4	1.6	15	28	503	0.7	0.3	1.9
16	Luxembourg	8	3	22	0.5	0.2	1.6	-	-	182	-	-	0.7
17	United Kingdom	107	35	19	6.2	2.6	1.3	229	923	1,885	11.0	11.5	7.2
18	Norway	20	20	18	1.2	1.5	1.3	11	34	231	0.5	0.4	0.9
19	Taiwan	13	13	14	0.7	1.0	1.0	30	67	246	1.5	0.8	0.9
20	Austria	22	17	14	1.3	1.3	1.0	5	25	238	0.2	0.3	0.9
	World	**1,712**	**1,347**	**1,411**	**100.0**	**100.0**	**100.0**	**2,088**	**8,008**	**26,313**	**100.0**	**100.0**	**100.0**

(1) Sorted according to 2013 flow data.
(2) For the limited flow France does not appear in the ranking; France's stocks in 2013 amounted to $ 1,637 billion.

Source: Based on UNCTAD data

Table 2.1 - Italy's balance of payments
Millions of euros

	2008	2009	2010	2011	2012	2013
Current account	**-44,901**	**-29,028**	**-52,565**	**-47,303**	**-4,063**	**15,504**
Capital account	**-186**	**211**	**30**	**993**	**3,907**	**-144**
Financial account	**31,416**	**37,593**	**84,784**	**67,598**	**13,387**	**-24,699**
Direct investment	-53,137	-860	17,724	-13,884	-6,139	-11,415
abroad	-45,740	-15,313	-24,655	-38,575	-6,211	-23,847
in Italy	-7,397	14,453	6,931	24,691	72	12,432
Portfolio investment	75,216	39,880	-42,697	-8,914	25,909	14,621
abroad	68,670	-38,543	-31,585	35,629	61,505	-20,605
in Italy	6,546	78,423	-11,112	-44,543	-35,596	35,226
Other investment	13,011	-5,840	150,973	83,844	778	-23,356
Financial Derivatives	1,899	4,333	-4,734	7,493	-5,699	-3,022
Change in reserve assets	-5,574	80	-1,034	-941	-1,462	-1,527
Errors and omissions	**13,671**	**-8,776**	**-32,249**	**-21,288**	**-13,230**	**9,339**

Current account balance

		2008	2009	2010	2011	2012	2013
Goods (FOB-FOB)		**-2,129**	**823**	**-20,918**	**-17,378**	**17,035**	**37,239**
Services		**-8,606**	**-7,327**	**-7,437**	**-5,601**	**887**	**2,623**
	Transport	-7,940	-7,006	-8,513	-8,692	-8,250	-7,813
	Foreign travel	10,168	8,841	8,841	10,308	11,543	12,755
	Other services	-10,834	-9,162	-7,765	-7,217	-2,406	-2,319
Income		**-19,353**	**-10,370**	**-8,117**	**-8,499**	**-6,738**	**-9,835**
	Labor income	848	865	2,179	2,618	3,677	3,052
	Investment income	-20,201	-11,235	-10,295	-11,118	-10,415	-12,887
Transfers		**-14,812**	**-12,155**	**-16,093**	**-15,825**	**-15,247**	**-14,523**
	Private	-5,336	-4,658	-5,427	-4,538	-5,249	-2,591
	worker's remittances	-5,949	-6,341	-6,137	-6,916	-6,347	-5,017
	others	613	1,683	710	2,378	1,098	2,426
	Public	-9,477	-7,496	-10,666	-11,287	-9,997	-11,932
	EU accounts	-9,906	-6,981	-10,108	-10,448	-9,623	-11,272
	other	429	-515	-558	-839	-374	-660
Current account		**-44,901**	**-29,028**	**-52,565**	**-47,303**	**-4,063**	**15,504**

Source: Based on Bank of Italy data

Table 2.2 - Italy's foreign trade (FOB-CIF)

	2008	2009	2010	2011	2012	2013 [1]
Exports FOB						
millions of euros	369,016	291,733	337,346	375,904	390,182	389,854
% change	1.2	-20.9	15.6	11.4	3.8	-0.1
Imports CIF						
millions of euros	382,050	297,609	367,390	401,428	380,292	359,454
% change	2.3	-22.1	23.4	9.3	-5.3	-5.5
Trade balance						
millions of euros	-13,035	-5,876	-30,044	-25,524	9,890	30,400
change in amount	-4,439	7,159	-24,168	4,520	35, 413	20,510
Normalized trade balance [2]	**-1.7**	**-1.0**	**-4.3**	**-3.3**	**1.3**	**4.1**
Exports: % change in volume indices (2010=100)	5.5	-1.9	6.0	7.1	4.8	1.1
Imports: % change in volume indices (2010=100)	9.0	-10.0	10.5	10.8	4.4	-1.9
Terms of trade [3] (% change)	-3.2	9.1	-4.0	-3.3	0.3	3.0
Exports: % change in volume indices (2010=100)	-4.1	-19.4	9.1	4.0	-0.9	-1.2
Imports: % change in volume indices (2010=100)	-6.1	-13.4	11.7	-1.4	-9.2	-3.7
Real cover ratio [4] (% change)	2.1	-6.9	-2.4	5.5	9.2	2.6

(1) Provisional data for 2013. Istat will release final data following adjustment and additions to the data on trade with EU countries.
(2) Trade balance as a percentage of the sum of exports and imports.
(3) Ratio of average unit values of exports to unit values of imports.
(4) Ratio of export volume index to import volume index.

Source: Based on Istat data

Table 2.3 - Constant-market-share analysis of Italy share of world imports (1)(2)
Percentages based on current values

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-2013
Market share	**3.60**	**3.35**	**3.29**	**3.42**	**3.29**	**3.21**	**2.89**	**2.86**	**2.75**	**2.76**	
change		-0.25	-0.07	0.13	-0.13	-0.09	-0.32	-0.03	-0.10	0.01	-0.84
Competitiveness effect		**-0.14**	**0.00**	**0.02**	**-0.03**	**-0.09**	**-0.07**	**-0.01**	**0.03**	**-0.02**	**-0.33**
Structure effect		**-0.18**	**-0.05**	**0.18**	**-0.10**	**0.03**	**-0.16**	**-0.01**	**-0.11**	**0.05**	**-0.35**
sectoral		*-0.11*	*-0.06*	*0.07*	*-0.12*	*0.08*	*-0.14*	*-0.04*	*-0.05*	*0.05*	*-0.33*
geographical		*-0.03*	*0.01*	*0.08*	*0.01*	*-0.03*	*-0.14*	*0.00*	*-0.08*	*0.00*	*-0.19*
interaction		*-0.03*	*0,01*	*0.04*	*0.01*	*-0.02*	*0.12*	*0.03*	*0.01*	*0.00*	*0.17*
Adaptation effect		**0.07**	**-0.02**	**-0.06**	**0.00**	**-0.03**	**-0.08**	**-0.01**	**-0.02**	**-0.01**	**-0.15**

Constant-market-share analysis of Italy's share of world imports from the euro area (1)(2)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-2013
Market share	**11.24**	**10.98**	**10.96**	**11.03**	**10.98**	**10.58**	**10.39**	**10.44**	**10.55**	**10.47**	
change		-0.26	-0.02	0.06	-0.05	-0.40	-0.19	0.05	0.11	-0.08	-0.77
Competitiveness effect		**-0.26**	**0.16**	**0.01**	**-0.04**	**-0.23**	**0.05**	**-0.06**	**0.16**	**-0.07**	**-0.30**
Structure effect		**-0.24**	**-0.14**	**0.12**	**-0.02**	**-0.13**	**-0.19**	**0.12**	**0.05**	**0.04**	**-0.39**
sectoral		*-0.20*	*-0.11*	*0.10*	*0.03*	*-0.09*	*-0.18*	*0.05*	*-0.04*	*0.08*	*-0.36*
geographical		*0.02*	*0.00*	*0.05*	*0.07*	*0.01*	*-0.02*	*0.04*	*0.06*	*-0.01*	*0.23*
interaction		*-0.07*	*-0.03*	*-0.03*	*-0.11*	*-0.06*	*0.00*	*0.02*	*0.03*	*-0.03*	*-0.26*
Adaptation effect		**0.25**	**-0.04**	**-0.07**	**0.02**	**-0.04**	**-0.04**	**-0.01**	**-0.10**	**-0.05**	**-0.08**

(1) The "world" consists of the 27 European Union countries plus Argentina, Brazil, Canada, China, Hong Kong, India, Japan, Malaysia, Mexico, Philippines, South Korea, Switzerland, Taiwan, Turkey and the United States.
(2) The competitiveness effect is the weighted average of the changes in the elementary shares; it can be considered to reflect the changes in relative prices and in the other determinants of competitive success. The structure effect depends on the degree of conformity between the geographical and sectoral specialization of the country whose share is analyzed and the changes in the composition of demand in the market in question, while the adaptation effect measures flexibility with respect to such changes.

Sources: Based on data published by Eurostat and national statistical institutes

Table 2.4 - Italy's foreign trade by geographical region and with the main countries
Millions of euros

	Exports				Imports				Balance	
	2013	% share	% change in value 2012-2013	% change in value 2011-2012	2013	% share	% change in value 2012-2013	% change in value 2011-2012	2012	2013
European Union	**209,287**	**53.7**	**-1.2**	**-0.5**	**198,904**	**55.3**	**-1.9**	**-6.6**	**9,062**	**10,383**
France	42,226	10.8	-2.3	-0.8	30,332	8.4	-4.0	-6.0	11,657	11,894
Germany	48,425	12.4	-0.8	-0.9	52,955	14.7	-3.9	-11.6	-6,297	-4,529
United Kingdom	19,592	5.0	3.4	8.1	9,570	2.7	-1.5	-11.2	9,242	10,021
Spain	17,150	4.4	-6.3	-7.9	16,176	4.5	-4.7	-6.3	1,336	973
Non-EU Europe	**50,661**	**13.0**	**-3.2**	**9.3**	**43,543**	**12.1**	**5.1**	**-0.9**	**10,895**	**7,119**
Russia	10,797	2.8	8.2	7.2	20,056	5.6	9.5	8.4	-8,342	-9,259
Switzerland	20,403	5.2	-10.8	10.8	10,520	2.9	-4.1	-2.8	11,906	9,883
Turkey	10,084	2.6	-4.8	9.9	5,507	1.5	4.8	-12.1	5,334	4,576
North Africa	**14,729**	**3.8**	**8.6**	**26.0**	**19,197**	**5.3**	**-29.0**	**50.2**	**-13,474**	**-4,467**
Other African countries	**5,706**	**1.5**	**5.2**	**3.7**	**7,719**	**2.1**	**-5.7**	**-16.1**	**-2,763**	**-2,013**
North America	**30,053**	**7.7**	**1.8**	**15.7**	**13,151**	**3.7**	**-8.6**	**-1.9**	**15,132**	**16,902**
United States	27,023	6.9	1.4	16.7	11,541	3.2	-8.8	-2.8	13,980	15,482
South and Central America	**14,606**	**3.7**	**-2.8**	**6.5**	**8,958**	**2.5**	**-8.9**	**-18.1**	**5,195**	**5,648**
Argentina	1,089	0.3	6.9	-6.0	823	0.2	-19.8	-34.0	-7	266
Brazil	5,088	1.3	1.9	4.4	3,211	0.9	-5.6	-18.0	1,592	1,877
Mexico	3,285	0.8	-12.2	15.7	911	0.3	-12.1	4.4	2,704	2,374
Middle East	**20,029**	**5.1**	**4.5**	**3.9**	**20,080**	**5.6**	**-19.4**	**-14.2**	**-5,742**	**-50**
Central Asia	**4,919**	**1.3**	**-11.1**	**-8.5**	**9,744**	**2.7**	**-6.9**	**0.8**	**-4,932**	**-4,824**
India	2,975	0.8	-11.1	-10.4	3,976	1.1	6.0	-21.6	-403	-1,001
East Asia	**32,416**	**8.3**	**6.9**	**5.7**	**36,369**	**10.1**	**-7.5**	**-15.1**	**-8,991**	**-3,954**
China	9,852	2.5	9.5	-10.0	23,135	6.4	-7.5	-15.4	-16,008	-13,283
Japan	6,029	1.5	7.0	19.0	2,567	0.7	-19.5	-24.4	2,442	3,462
DAEs(*)	14,018	3.6	5.4	10.3	6,123	1.7	-9.9	-16.5	6,503	7,895
Oceania and other	**7,447**	**1.9**	**-0.5**	**17.9**	**1,790**	**0.5**	**-6.0**	**-15.0**	**5,507**	**5,657**
World	**389,854**	**100.0**	**-0.1**	**3.8**	**359,454**	**100.0**	**-5.5**	**-5.3**	**9,890**	**30,400**

(*) South Korea, Hong Kong, Malaysia, Singapore, Taiwan and Thailand.

Source: Based on Istat data

Table 2.5 - Size of the markets and Italian exports' market shares
At current prices

	Size of the markets (1)		Italy's shares (2)				
	2008	2013	2009	2010	2011	2012	2013
European Union	**37.8**	**30.8**	**5.2**	**4.9**	**4.8**	**4.7**	**4.7**
France	4.3	3.5	8.3	8.3	8.3	8.3	8.2
Germany	7.2	6.2	5.8	5.8	5.8	5.6	5.6
United Kingdom	4.0	3.3	4.1	4.1	3.7	3.7	3.9
Spain	2.6	1.8	8.1	8.1	7.8	7.4	6.9
Non-EU Europe	**5.6**	**5.6**	**6.8**	**6.2**	**6.3**	**6.2**	**6.0**
Russia	1.6	1.8	5.5	4.8	4.6	4.3	4.5
Switzerland	1.1	1.1	9.6	9.0	9.6	11.0	9.0
Turkey	1.2	1.3	6.7	6.4	6.2	6.2	6.1
North Africa	**1.1**	**1.2**	**10.6**	**10.1**	**8.1**	**7.5**	**9.0**
Other African countries	**2.0**	**2.3**	**2.7**	**2.1**	**2.0**	**1.9**	**1.9**
North America	**15.8**	**14.9**	**1.5**	**1.3**	**1.4**	**1.4**	**1.5**
United States	13.1	12.2	1.6	1.5	1.5	1.6	1.6
South and Central America	**5.8**	**6.6**	**1.9**	**1.7**	**1.8**	**1.6**	**1.6**
Brazil	1.1	1.4	2.9	2.8	2.9	2.7	2.8
Mexico	2.1	2.2	1.2	1.3	1.5	1.3	1.2
Middle East	**3.9**	**4.4**	**4.4**	**3.7**	**3.7**	**3.2**	**3.4**
Central Asia	**2.9**	**3.6**	**2.0**	**1.5**	**1.4**	**1.1**	**1.1**
India	1.9	2.5	1.6	1.3	1.3	1.0	1.0
East Asia	**23.6**	**28.8**	**1.0**	**0.9**	**0.9**	**0.8**	**0.9**
China	6.8	10.4	1.1	1.0	1.0	0.8	0.8
Japan	4.6	4.4	1.1	0.9	0.9	0.9	1.1
Oceania and other	**1.5**	**1.7**	**2.0**	**1.8**	**1.8**	**1.9**	**2.0**
Australia	1.3	1.4	2.3	2.1	2.0	2.1	2.3
World	**100.0**	**100.0**	**3.3**	**3.0**	**2.9**	**2.7**	**2.8**

(1) Imports of each market as a percentage of world's imports.
(2) Italy's percentage share of exports to each market.

Sources: Based on IMF-DOTS data and, for Taiwan, Taiwan Directorate General of Customs data

Table 2.6 - Italian exports: top 20 countries of destination

	Rank	Amount (millions of euros)	% change	Percentage shares		Cumulative percentage
	2012	2013	2012/13	2012	2013	2013
1 Germany	1	48,425	-0.8	12.5	12.4	12.4
2 France	2	42,226	-2.3	11.1	10.8	23.2
3 United States	3	27,023	1.4	6.8	6.9	30.2
4 Switzerland	4	20,403	-10.8	5.9	5.2	35.4
5 United Kingdom	5	19,592	3.4	4.9	5.0	40.4
6 Spain	6	17,150	-6.3	4.7	4.4	44.8
7 Belgium	8	11,407	10.3	2.6	2.9	47.7
8 Russia	9	10,797	8.2	2.6	2.8	50.5
9 Turkey	7	10,084	-4.8	2.7	2.6	53.1
10 China	12	9,852	9.5	2.3	2.5	55.6
11 Poland	11	9,368	1.5	2.4	2.4	58.0
12 Netherlands	10	9,069	-2.3	2.4	2.3	60.4
13 Austria	13	8,463	-2.4	2.2	2.2	62.5
14 Japan	15	6,029	7.0	1.4	1.5	64.1
15 Romania	14	5,936	0.2	1.5	1.5	65.6
16 United Arab Emirates	16	5,511	-0.3	1.4	1.4	67.0
17 Brazil	17	5,088	1.9	1.3	1.3	68.3
18 Hong Kong	18	4,749	6.2	1.1	1.2	69.5
19 Saudi Arabia	22	4,503	11.4	1.0	1.2	70.7
20 Algeria	24	4,268	12.8	1.0	1.1	71.8
Other countries		109,959	0.7	28.0	28.2	28.2
World		**389,854**	**-0.1**	**100.0**	**100.0**	**100.0**

Source: Based on Istat data

Table 2.7 - Italian imports: Top 20 countries of origin

		Rank	Values (millions of euros)	% change	Percentage shares		Cumulative percentage
		2012	2013	2012/13	2012	2013	2013
1	Germany	1	52,955	-3.9	14.5	14.7	14.7
2	France	2	30,332	-4.0	8.3	8.4	23.2
3	China	3	23,135	-7.5	6.6	6.4	29.6
4	Netherlands	4	20,678	0.6	5.4	5.8	35.4
5	Russia	5	20,056	9.5	4.8	5.6	40.9
6	Spain	6	16,176	-4.7	4.5	4.5	45.4
7	Belgium	7	15,041	3.4	3.8	4.2	49.6
8	United States	9	11,541	-8.8	3.3	3.2	52.8
9	Switzerland	10	10,520	-4.1	2.9	2.9	55.8
10	United Kingdom	11	9,570	-1.5	2.6	2.7	58.4
11	Austria	13	9,001	0.2	2.4	2.5	60.9
12	Libya	8	8,094	-37.2	3.4	2.3	63.2
13	Azerbaijan	15	6,892	-3.6	1.9	1.9	65.1
14	Poland	16	6,607	-7.2	1.9	1.8	66.9
15	Algeria	12	6,275	-30.4	2.4	1.7	68.7
16	Turkey	17	5,507	4.8	1.4	1.5	70.2
17	Saudi Arabia	14	5,502	-26.0	2.0	1.5	71.7
18	Romania	18	5,067	0.8	1.3	1.4	73.2
19	Czech Republic	20	4,449	-1.7	1.2	1.2	74.4
20	India	21	3,976	6.0	1.0	1.1	75.5
	Other countries		88,080	-6.0	24.6	24.5	24.5
	World		**359,454**	**-5.5**	**100.0**	**100.0**	**100.0**

Source: Based on Istat data

Table 2.8 - Italy's foreign trade by sector
Amounts in millions of euros and % changes

	Exports			Imports			Balance	
	2013	% change 2008-13 (1)	% change 2012-13	2013	% change 2008-13 (1)	% change 2012-13	2012	2013
PRODUCTS OF AGRICULTURE, FISHING AND FORESTRY	5,973	2.2	2.6	12,652	3.1	2.8	-6,490	-6,679
MINING PRODUCTS	1,195	-6.8	-17.7	59,339	-3.7	-20.1	-72,810	-58,144
Crude oil and natural gas	428	-17.3	-36.2	55,190	-3.2	-19.5	-67,878	-54,762
MANUFACTURING PRODUCTS	373,504	1.3	0.0	275,267	-1.1	-2.0	92,784	98,237
Food products, beverages and tobacco	27,468	5.6	5.3	28,037	3.6	2.7	-1,209	-569
Textiles	9,400	-1.5	-0.4	6,156	1.5	3.2	3,474	3,244
Clothing (incl. in leather and fur)	17,785	0.9	3.6	11,553	-0.1	-3.8	5,149	6,232
Leather products (excluding clothing)	17,786	5.3	7.8	8,825	4.8	3.3	7,950	8,961
Footwear	8,395	2.8	5.5	4,437	3.9	0.9	3,562	3,959
Wood and wood products (excluding furniture); products of straw and woven materials	1,510	-0.7	0.1	2,879	-6.1	-3.8	-1,484	-1,369
Paper and paper products	6,203	2.3	2.1	6,288	0.5	1.3	-135	-85
Coke, refined petroleum products	16,355	1.2	-20.2	12,232	9.7	15.5	9,909	4,124
Chemical substances and products	25,514	2.8	0.7	34,667	1.9	-3.1	-10,445	-9,154
Pharmaceutical, medicinal and botanical products	19,625	10.5	13.8	20,569	8.8	4.2	-2,497	-944
Rubber and plastic products	13,897	1.7	1.7	8,517	3.9	3.0	5,395	5,381
Non metallic mineral products	9,321	-0.7	4.3	3,170	-3.7	-2.5	5,686	6,151
Basic metal products and fabricated metal products excluding machinery and equipment	45,484	0.1	-10.5	35,164	-5.7	-6.9	13,060	10,320
Iron and steel products	27,312	0.3	-17.0	28,406	-6.5	-8.1	1,997	-1,093
Fabricated metal products	18,172	-0.3	1.3	6,758	-1.6	-1.6	11,064	11,414
Computers, electronic and optical apparatus	12,272	1.6	-3.1	22,171	-2.6	-13.0	-12,813	-9,899
Electrical apparatus	20,227	-1.5	1.4	12,874	0.4	-3.2	6,640	7,353
Mechanical machinery and equipment	71,597	0.2	1.6	22,282	-4.5	-0.9	47,944	49,315
Transport equipment	37,163	-1.2	2.4	29,401	-9.7	-3.8	5,710	7,762
Motor vehicles and trailers	26,447	-0.8	5.2	24,148	-9.6	-1.0	751	2,298
Other transport equipment	10,716	-2.1	-3.9	5,253	-10.4	-15.1	4,959	5,463
Furniture	8,356	-2.2	2.3	1,575	-3.7	-1.8	6,560	6,780
Other manufactured products	13,491	3.6	5.7	8,861	2.8	-0.2	3,884	4,630
Jewellery	6,048	4.9	7.8	1,911	6.3	-5.8	3,581	4,137
Other products	9,182	-4.2	-1.4	12,196	-4.1	-5.5	-3,594	-3,014
Total	**389,854**	**1.1**	**-0.1**	**359,454**	**-1.5**	**-5.5**	**9,890**	**30,400**

(1)) Average annual growth rate 2008-2013.

Source: Based on Istat data

Table 2.9 - Volumes and prices of Italian exports and imports by sector
Percentage changes; 2013 indices, 2010=100

	Exports						Imports					
	Volumes			Average unit values			Volumes			Average unit values		
	% change 2011-12	% change 2012-13	Index 2013	% change 2011-12	% change 2012-13	Index 2013	% change 2011-12	% change 2012-13	Index 2013	% change 2011-12	% change 2012-13	Index 2013
PRODUCTS OF AGRICULTURE FISHING AND FORESTRY	-3.9	-4.8	90.7	4.6	7.8	117.4	-10.3	1.3	92.2	5.6	1.4	123.5
MINING PRODUCTS	6.5	-12.6	89.4	6.8	-5.8	114.8	-4.2	-14.5	75.1	12.1	-6.6	134.0
MANUFACTURING PRODUCTS	-0.8	-1.1	102.2	4.6	1.0	113.3	-10.0	-1.8	89.1	2.2	-0.2	108.5
Food products, beverages and tobacco	1.8	1.1	107.5	4.9	4.2	115.2	-4.9	-1.0	95.2	4.4	3.8	116.4
Textiles, clothing and leather products	-3.9	0.7	100.9	6.8	3.7	119.4	-14.2	-1.4	85.0	7.0	1.5	120.3
Textiles	-8.7	-2.0	89.5	5.7	1.6	117.0	-16.3	2.4	83.9	3.0	0.7	121.3
Clothing	-3.8	1.0	100.8	6.9	2.8	117.2	-13.6	-3.5	83.7	6.3	-0.3	114.3
Leather products (excluding clothing)	-1.2	2.3	109.1	7.3	5.5	122.3	-13.5	-0.7	88.3	11.2	4.1	127.5
Footwear	-4.5	0.0	101.0	6.8	5.5	120.1	-13.6	-2.2	86.1	8.9	3.4	120.9
Wood and wood products (excluding furniture); products of straw and woven materials	1.9	-1.5	101.2	2.7	1.5	106.9	-13.8	-5.8	79.1	1.7	2.1	107.7
Paper and paper products	1.1	2.4	104.4	-0.2	-0.2	104.1	-4.4	1.2	94.8	-3.1	0.1	100.9
Coke, refined petroleum products	5.9	-15.4	78.1	15.1	-5.8	141.6	-4.8	25.8	110.2	10.0	-7.7	130.0
Chemical substances and products	-3.1	-0.1	98.1	4.9	0.7	115.1	-4.0	-3.0	93.4	2.1	-0.1	115.6
Pharmaceutical, medicinal and botanical products	8.3	15.2	129.4	5.0	-1.9	108.8	-1.8	1.4	111.3	4.7	2.8	106.6
Rubber and plastic products	-7.4	0.0	96.2	7.0	1.7	117.0	-11.2	3.0	95.3	5.0	-0.1	113.6
Non metallic mineral products	-1.8	2.5	99.8	4.3	1.8	110.0	-12.4	-4.2	83.3	5.2	1.8	110.5
Basic metal products and fabricated metal products excluding machinery and equipment	3.4	-6.6	108.3	1.6	-4.3	106.7	-10.1	-0.8	93.4	-1.0	-6.2	104.3
Iron and steel products	7.1	-10.2	113.9	-0.5	-7.8	102.6	-9.4	-0.1	95.1	-2.9	-8.0	101.4
Fabricated metal products	-3.1	-1.0	98.9	5.9	2.3	114.8	-13.8	-4.4	85.2	8.7	2.8	118.7
Computers, electronic and optical apparatus	-4.4	-2.7	97.3	2.6	-0.4	108.8	-8.8	-9.5	81.1	-9.5	-3.8	80.8
Electrical apparatus	-3.2	1.4	100.4	1.4	0.1	104.0	-8.6	-6.3	84.4	5.2	3.3	114.8
Mechanical machinery and equipment	-3.1	-2.9	102.9	6.2	4.6	115.9	-12.1	-4.1	87.9	6.2	3.3	113.2
Transport equipment	-1.9	1.6	102.4	1.5	0.7	105.3	-22.2	-5.5	72.7	2.7	1.6	106.8
Motor vehicles and trailers	-1.8	5.2	113.1	1.8	0.1	103.4	-24.8	-1.4	74.8	2.3	0.3	104.8
Other transport equipment	-2.3	-6.9	81.0	0.9	2.4	111.3	-11.1	-22.9	61.8	6.2	8.4	119.1
Furniture	-2.6	0.9	97.4	3.8	1.5	110.4	-13.4	-1.5	85.8	3.4	-0.3	102.8
Total	**-0.9**	**-1.2**	**101.9**	**4.7**	**1.1**	**113.4**	**-9.2**	**-3.7**	**86.2**	**4.4**	**-1.9**	**113.5**

Source: Based on Istat data

Table 2.10 - World exports and Italy's market shares

	Incidence on world exports				Italy's market shares				Shares of euro-area exports [(1)]			
	2007	2009	2012	2013	2007	2009	2012	2013	2007	2009	2012	2013
PRODUCTS OF AGRICULTURE FISHING AND FORESTRY	2.5	2.9	2.9	2.9	2.4	2.1	1.7	1.7	7.8	7.2	7.1	7.0
MINING PRODUCTS	10.3	10.1	12.7	12.8	0.1	0.1	0.1	0.1	3.5	3.4	2.7	2.3
MANUFACTURING PRODUCTS	82.7	82.3	79.9	80.2	4.4	4.0	3.6	3.6	12.6	11.9	11.9	11.9
Food products, beverages and tobacco	4.9	5.8	5.3	5.5	4.1	4.2	3.8	3.9	9.9	10.3	10.2	10.4
Textiles, clothing and leather products	5.5	5.7	5.2	5.5	8.1	7.1	6.4	6.4	30.4	27.3	28.5	28.7
Textiles	1.7	1.8	1.6	1.7	7.0	5.5	4.6	4.4	25.4	23.1	23.6	23.6
Clothing	2.7	2.8	2.4	2.6	6.6	6.1	5.4	5.4	28.2	25.1	25.6	25.5
Leather products (excluding clothing)	1.1	1.1	1.2	1.2	13.7	12.1	11.0	11.3	40.7	36.1	37.1	37.9
Footwear	0.6	0.6	0.6	0.7	12.8	10.9	9.3	9.3	37.3	35.0	34.6	34.2
Wood and wooden products (excluding furniture)	0.8	0.7	0.6	0.6	2.0	2.1	1.9	1.8	6.2	6.1	6.6	6.6
Paper and paper products	1.5	1.5	1.2	1.2	4.0	4.0	3.6	3.7	9.0	9.2	9.5	9.7
Coke, refined petroleum products	3.8	3.9	5.4	5.4	3.4	2.9	2.9	2.3	12.6	11.0	11.2	9.3
Chemical substances and products	7.6	7.6	7.5	7.4	2.9	2.7	2.5	2.5	7.3	6.6	6.8	6.9
Pharmaceutical, medicinal and botanical products	3.0	4.1	3.2	3.2	4.2	3.6	4.1	4.7	7.6	6.9	8.0	9.0
Rubber and plastic products	2.3	2.4	2.5	2.5	5.8	5.2	4.3	4.3	14.5	13.5	13.3	13.3
Non metallic mineral products	1.3	1.3	1.1	1.1	8.4	7.5	6.3	6.4	21.6	20.1	19.9	20.2
Basic metals and fabricated metal products excluding machinery and equipment	9.4	8.0	8.5	8.6	4.7	4.6	4.4	3.9	15.2	15.4	16.5	15.9
Iron and steel products	6.9	5.6	6.4	6.4	3.9	3.8	4.0	3.3	13.3	13.5	16.0	15.0
Fabricated metal products	2.5	2.4	2.2	2.2	6.8	6.5	5.5	5.6	18.9	18.3	17.4	17.3
Computers, electronic and optical apparatus	12.4	12.7	11.7	11.7	1.0	0.9	0.8	0.8	4.5	4.4	4.8	4.8
Electrical apparatus	4.6	4.6	4.4	4.5	5.3	4.8	3.8	3.8	15.3	14.2	12.9	13.0
Mechanical machinery and equipment	10.0	9.3	8.8	8.6	7.3	7.2	6.2	6.5	19.2	19.0	18.6	19.0
Transport equipment	12.2	11.0	11.0	10.6	3.4	3.2	2.5	2.7	8.3	8.1	7.1	7.2
Motor vehicles and trailers	9.1	7.3	7.7	7.9	3.3	3.0	2.5	2.6	7.5	7.0	6.7	7.0
Other transport equipment	3.1	3.7	3.3	2.7	5.9	4.5	2.6	3.1	11.5	10.8	8.3	7.9
Furniture	0.9	0.9	0.8	0.9	11.1	9.8	7.4	7.5	32.7	30.1	30.2	30.9

(1) As a result of a different mode of aggregation of the sectors, the shares may not coincide exactly with those reported in Table 3.1.12, Ice Istat Yearbook of Foreign Trade and International Activities of Firms, 2014 edition.

Sources: Based on Eurostat and national statistical institutes data

Table 2.11 - Merchandise exports of the Italian regions (1)
Amounts in millions of euros

	Amount	Percentage changes		Share of Italian exports (%)					
	2013	2011-2012	2012- 2013	2004	2008	2010	2011	2012	2013
North-West	**156,457**	**3.6**	**0.6**	**41.1**	**40.9**	**40.5**	**40.4**	**40.3**	**40.6**
Piedmont	41,379	3.4	3.8	11.2	10.5	10.3	10.4	10.3	10.7
Valle d'Aosta	573	-6.4	-3.7	0.2	0.2	0.2	0.2	0.2	0.1
Lombardy	108,084	3.8	-0.1	28.4	28.7	28.2	28.0	28.0	28.1
Liguria	6,420	2.1	-6.2	1.3	1.4	1.8	1.8	1.8	1.7
North-East	**121,929**	**1.2**	**2.4**	**32.1**	**32.3**	**31.7**	**31.7**	**30.9**	**31.7**
Trentino- Alto Adige	7,133	1.7	3.1	1.8	1.7	1.8	1.8	1.8	1.9
Veneto	52,606	1.7	2.8	14.4	13.8	13.7	13.5	13.3	13.7
Friuli-Venezia Giulia	11,402	-8.8	-0.6	3.5	3.7	3.5	3.4	3.0	3.0
Emilia-Romagna	50,788	3.2	2.6	12.4	13.1	12.7	12.9	12.8	13.2
Center	**64,121**	**6.4**	**-0.7**	**16.0**	**14.9**	**16.1**	**16.3**	**16.7**	**16.7**
Tuscany	31,235	7.1	-3.6	7.8	7.0	8.0	8.1	8.4	8.1
Umbria	3,606	7.9	-7.2	0.9	0.9	0.9	1.0	1.0	0.9
Marche	11,613	6.3	12.3	3.2	2.9	2.7	2.6	2.7	3.0
Lazio	17,667	5.0	-1.6	4.0	4.0	4.5	4.6	4.7	4.6
South and Islands	**42,511**	**8.1**	**-8.7**	**10.8**	**12.0**	**11.7**	**11.6**	**12.1**	**11.0**
Abruzzo	6,734	-4.8	-2.4	2.2	2.1	1.9	2.0	1.8	1.7
Molise	338	-6.1	-10.2	0.2	0.2	0.1	0.1	0.1	0.1
Campania	9,588	-0.3	1.8	2.6	2.6	2.7	2.5	2.4	2.5
Puglia	7,947	8.5	-10.4	2.3	2.1	2.1	2.2	2.3	2.1
Basilicata	1,012	-17.5	-12.3	0.5	0.5	0.4	0.4	0.3	0.3
Calabria	351	1.1	-7.0	0.1	0.1	0.1	0.1	0.1	0.1
Sicily	11,147	21.5	-14.8	2.0	2.8	2.8	2.9	3.4	2.9
Sardinia	5,392	21.1	-15.5	1.0	1.6	1.6	1.4	1.7	1.4
Total regions	**385,018**	**3.8**	**-0.2**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Unallocable data	4,837	4.1	6.7						
Total	**389,854**	**3.8**	**-0.1**						

(1) Since 2004 the data on the regions' trade with European Union only includes the flows that are recorded monthly. The regional exports shown here therefore do not include minor intra-EU flows recorded quarterly and yearly and reported under the item "Unallocable data", and the regional shares are calculated accordingly.

Source: Based on Istat data

Table 2.12 - Internationalization of Italian firms

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013[1]
No. of exporting firms	198,351	201,680	206,795	204,619	205,643	194,255	205,708	207,352	209,090	211,756
% change	0.7	1.7	2.5	-1.1	0.5	-5.5	5.9	0.8	0.8	1.3
Exports [2]	281,877	296,954	328,715	359,981	364,275	286,281	331,348	368,504	381,442	380,659
% change	7.6	5.3	10.7	9.5	1.2	-21.4	15.7	11.2	3.5	-0.2
No. of foreign affiliates	21,698	23,044	24,891	27,495	28,593	28,723	29,086	29,646	29,549	29,755
% change	7.0	6.2	8.0	10.5	4.0	0.5	1.3	1.9	-0.3	0.7
No. of workers abroad	1,283,489	1,296,860	1,314,048	1,472,938	1,513,685	1,560,590	1,550,984	1,575,031	1,557,903	1,517,590
% change	-1.0	1.0	1.3	12.1	2.8	3.1	-0.6	1.6	-1.1	-2.6

(1) Provisional data.
(2) Exports in millions of euros. Exports in this table differ from those in the other tables because this table only takes account of the exports of identified exporting firms.

Sources: Based on Istat and Ice-Reprint, Politecnico di Milano data

Table 2.13 - Workers and sales revenue of foreign affiliates of Italian multinational enterprises by geographical region and size class (number of workers)

	1- 49	50 - 249	>250	Total	1- 49	50-249	>250	Total
	Percent distribution of workers				Percent distribution of sales revenue			
European Union	12.6	21.0	66.4	100.0	4.9	11.0	84.1	100.0
Non EU European countries	15.4	18.4	66.2	100.0	7.0	10.0	83.0	100.0
North Africa	16.0	17.4	66.6	100.0	4.1	3.7	92.3	100.0
Other African countries	7.8	30.5	61.7	100.0	2.8	20.7	76.5	100.0
North America	5.9	11.5	82.6	100.0	3.1	6.2	90.7	100.0
South and Central America	3.4	9.6	87.0	100.0	1.2	3.5	95.3	100.0
Middle East	11.1	26.6	62.3	100.0	5.0	5.5	89.6	100.0
Central Asia	13.3	23.0	63.7	100.0	3.9	5.2	90.9	100.0
East Asia	8.0	24.0	68.0	100.0	5.6	22.5	71.9	100.0
Oceania	4.6	6.0	89.5	100.0	2.6	7.5	89.9	100.0
Total	**10.2**	**18.2**	**71.5**	**100.0**	**4.3**	**9.7**	**86.1**	**100.0**

Source: Based on Ice-Reprint, Politecnico di Milano data

Table 2.14 - Public support to internationalization: framework of promotional and financial services
Millions of euros

	2011	2012	2013	2011	2012	2013	2011	2012	2013
	Promotional Services								
	User firms			Funds spent (1)			Users' contribution to costs		
Ministry for Economic Development (2)(3)	293	280	172	22	21	21	9	11	7
Regions (4)	n. d.	n. d.	n.d.	77	83	70	16	18	19
I.C.E (5)	25,923	20,733	19,578	55	21	31	15	7	14
Chambers of commerce (6)	32,773	52,586	65,341	93	76	79	n. d.	n. d.	n. d.
	Financial Services								
	Firms			Volume of transactions			Gross premiums		
Sace	25,127	24,978	22,698	10,445	8,520	8,704	442	380	399
	Number of Italian firms supported (7)			Own founds invested			Amount of the transactions (9)		
Cassa depositi e prestiti (8)	1	4	10	808	659	1,828	808	1,218	2,240
Simest	498	570	440	386	391	455	1,714	4,600	5,069

(1) Funds spent except regions, see footnote 4. for I.C.E. and Ministry for Economic Development, excludes user contributions to costs; for chambers of commerce, includes incentives provided to businesses on behalf of third parties.
(2) Only support programs managed on behalf of associations, Italian chambers of commerce abroad, associations, organizations and institutions and Made in Italy program.
(3) Data on user contributions to the costs have been estimated.
(4) For the 2011 and 2012 budgets, the funds spent for 2013. Preliminary estimates. Spent funds include regional budgets and EU funds.
(5) Provisions and users for promotion and training. Including foreign users.
(6) Companies participating in promotional activities and participating in training activities. Part of the funds spent by chambers of commerce derived from regional budgets.
(7) The client firms may have entered into more than one contract.
(8) The operation of the CDP in terms of client firms and amount of transactions assisted is also accounted for in the operation of Sace.
(9) For CDP the value of the transactions assisted refers to the total amount financed.

Sources: Based on data published by the Ministry for Economic Development, regional governments, I.C.E., Unioncamere, Cassa depositi e prestiti, Sace and Simest

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