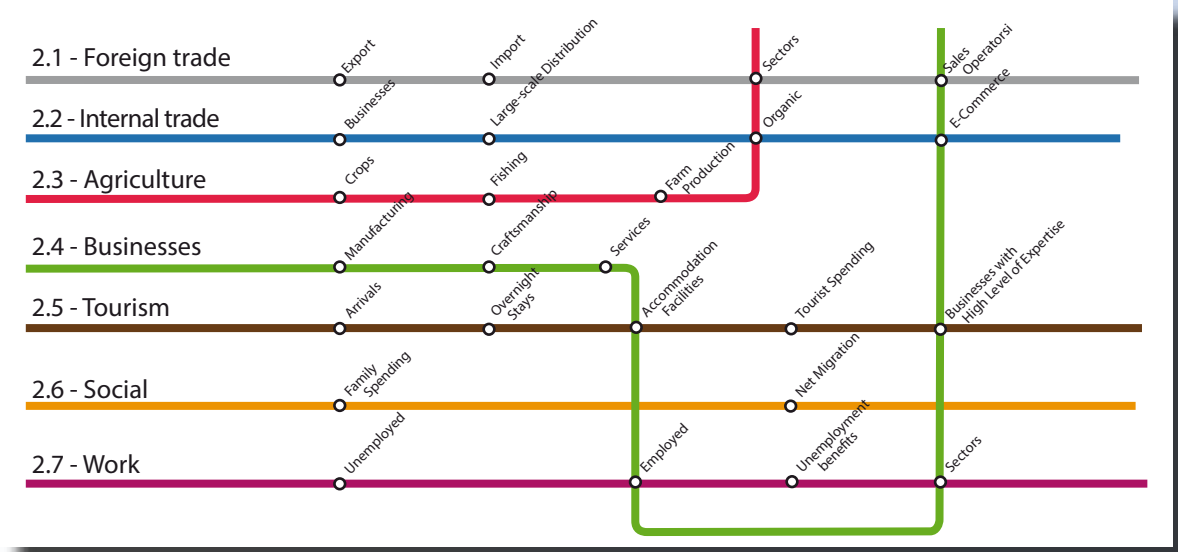
Again in 2014, Veneto ranked second in the regional classification for the overall value of exports: 54.1 billion Euros, with a 13.6% share of the national total. Foreign sales by Veneto businesses is one of the few factors which sustained the regional economy in 2014, bringing a growth of 2.7 per cent, in line with the level of growth in the previous year (+2.9%).
Veneto internal trade finds itself in a period of stagnation, however exploitation of the e-commerce cross-sector continues.
The 2014 crop year in Veneto was considered to be positive: the overall value of gross agricultural production is estimated to be 5.6 billion Euros, a slight increase of 2% compared to the previous year.
Some difficulties persist in the overall entrepreneurial landscape: in 2014, there were 439,307 active businesses in Veneto, corresponding to 8.5% of the Italian total, a drop of 0.3% compared to 2013, if the agricultural sector is excluded and 0.7% if it is included. The process of contraction in the industrial sector is slowing: the number of businesses operating in the manufacturing sector decreased by 1.4% and 2.1% for those in construction.
There has been year on year growth in tourism in Veneto. In 2014, the number of visitors is once again on the rise (+1.7%), and for the first time exceeded 16 million arrivals. Thanks to the number of foreign tourists which marked a record high, exceeding 10.5 million arrivals (+1.2% compared to 2013). It should also be pointed out that internal tourism experienced a recovery, which resulted in a growth of 2.7%. In a context of 4,926,818 inhabitants, 0.9% higher compared to the previous year and with a foreign population of 10.4%, and despite the continuing economic crisis, the standard of life for families in Veneto remains higher than the national average.



The economic components and the social context

2. The economic components and the social context

2.1 The economic components and the social context of Veneto businesses

In 2014, global trade maintained the rate of growth recorded in 2013. The International Monetary Fund estimated a growth in international trade slightly lower than three percent. The figure is the result of diverging trends among the different regions of the planet. Even when compared to the past, the gap between countries and regions at different stages of development is decreasing, thanks to the performance of several industrialized countries, with the U.S. leading the way.
However, the signs of a slowdown in the growth of world trade were already evident in the previous two-year period in which the trade of goods had recorded growth rates close to world GDP.
This fact represents a strong anomaly on the global macroeconomic environment, where the relationship between trade and the wealth created over the last twenty years has been more or less two to one.
A moderate recovery of international trade was forecast for 2014, but the ungovernability of large areas of the Middle East and North Africa, and the tension between Russia and the West over the Ukraine have caused a slowdown in international trade. This, presumably, will also affect the dynamics in the two-year period of 2015/2016.

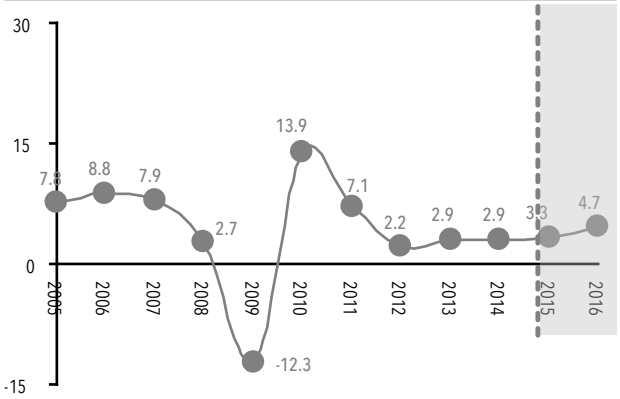
In Italy

The export of national goods, +2% compared to 2013, increased and achieved an overall total of about 398 billion Euros.

Increase in the trade surplus

In 2014, the trade surplus reached 42.9 billion Euros, which became 86 billion Euros, net of the energy component. The trade surplus with markets outside the EU is about 27 billion Euros, a healthy 8.5 billion increase compared to the figure recorded in 2013. An increase in the surplus in the balance of trade was also observed in the markets of the EU: the trade surplus is equal to 16 billion Euros, a healthy 5.2 billion Euros increase compared to the value recorded in 2013.

Fig. 2.1.1 - Annual percentage variations in the global trade of goods - Years 2005:2016

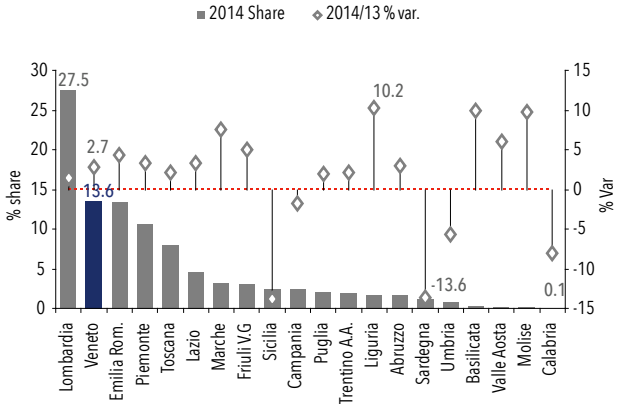


Source: Veneto Region Processing - Regional Statistics System Section on data and forecasts of the International Monetary Fund

The dynamic growth of national foreign sales is driven by North American countries (+9.4% compared to the previous year), the Far East (+4.9%) and the European Union (+3.8%). On the contrary, there was a recorded decrease in the flow of exports to countries in Eastern Europe, above all Russia, where Western sanctions, together with the fall in the price of raw materials, have led to a decrease in exports of nearly 12 percent (1.2 billion Euros less compared to 2013). National exports to some Latin American countries have also decreased (Brazil -7.5F% and Mexico -6.2%) as well as in some European markets outside the EU (Switzerland and Turkey). Looking at individual sectors, 2014 witnessed an increase in the export of motor vehicles (+7.2%), fashion (+4.3%), mechanical engineering production (+3.6%), wood (+3.3%) and goods in the agri-food sector (+2.4%), all of which made a positive impact on the sale of domestic goods in foreign markets. Less positive signs came from the exportation of electronic goods (-2.2% compared to 2013) and from the metallurgical production (-2%).
In 2014, even in the presence of a slowdown compared to the last two-year period, national importation continues to fall (-1.6%). The drop in imports was due to the sharp decline in energy products and in the chemical sector. The short-term decrease of imports was solely

due to markets outside the EU (-5.3%), particularly to markets tied to the sourcing of raw materials: North Africa -28.7%, Middle East -17.9% and Eastern Europe -13.9%. In contrast, there was a growth in imports from the Americas (+13.9% from North America and +6% from Latin America) and the Far East (China +8.6%). Importation from EU markets also recovered (+1.4%), led by supplies from Central European markets (Poland +8%, Romania +10.5%, the Czech Republic +9.3%, Slovenia +5.8% and Hungary +5%), the United Kingdom (+4.1%) and Spain (+4.2%). Germany was confirmed as the leading national partner for imported goods by value (54.6 billion Euros). The value of supplies from the German market grew over the last year by 2.5 percent. The growth of national export is spread across the entire territory, with the exception of the Italian islands (-13.8%). The North-East of Italy recorded the greatest growth (+3.5%), followed by Central Italy (+3.0%), the North-West (+2.2%) and the South (+1.1%)

Fig. 2.1.2 - Annual percentage share and variation of exports by region - Year 2014



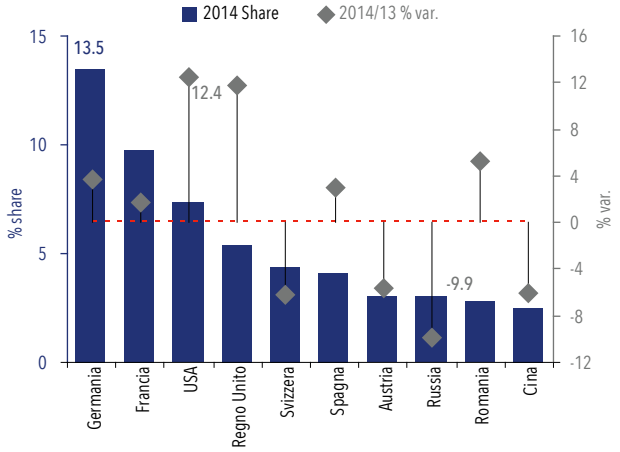
Source: Veneto Region Processing - Regional Statistics System Section on Istat data

The regions which contributed most to the expansion of national exports in 2014 were Emilia Romagna (+4.3%), Lombardy (+1.4%), Veneto (+2.7%), Piedmont (+3.3%) and Marche (+7.5%). Among those which provided a negative contribution are Sicily (-13.9%) and Sardinia (-13.6%).

In Veneto

Again in 2014, the Veneto ranked second in the regional classification for the overall value of exports: 54.1 billion Euros, with a 13.6% share of the national total. Foreign sales by Veneto businesses is one of the few factors which sustained the regional economy in 2014, bringing a growth of 2.7 per cent, in line with the level of growth in the previous year (+2.9%).

Fig. 2.1.3 - Annual percentage share and variation of exports from Veneto to main markets - Year 2014



Source: Veneto Region Processing - Regional Statistics System Section on Istat data

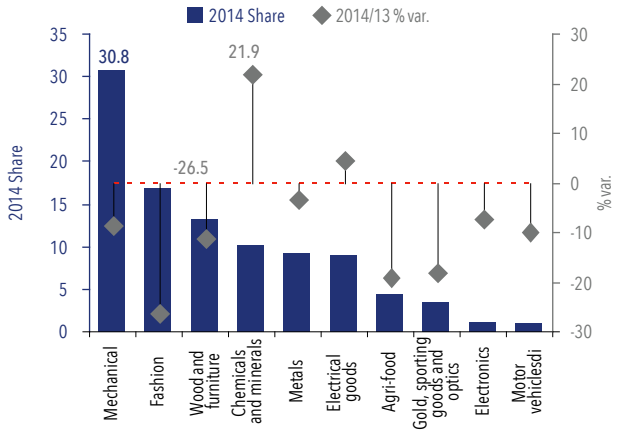
The greatest contribution to the growth of Veneto exports comes from EU markets

The analysis of the trend of exports by end market highlights how the trending increase of Veneto exports have mainly involved the direct flow to EU countries (+3.9% compared to 2013 and a regional share of 57.7%). This greater dynamic towards EU markets is in contrast to what has occurred in recent years and is the result of the decreases in sales to Switzerland (158 million Euros less than 2013) and Russia (-9.9%). Sales from Veneto to Russia have decreased by approximately 180 million Euros in a year
and the losers were not only the export of products under embargo; exports from the agri-food sector decreased by -19.1% overall (equal to 17.4 million Euros), but other "Made in Veneto"

The crisis in Russia is being felt

sectors also suffered the indirect effect of the geopolitical confrontation.

Fig. 2.1.4 - Annual percentage share and variation of exports from Veneto to Russia by sector - Year 2014



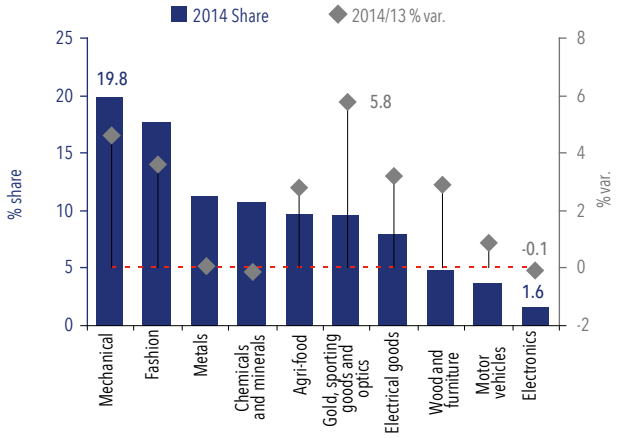
Source: Veneto Region Processing - Regional Statistics System Section on Istat data

In fact, reductions in the value of regional exports to Russia have involved goods in the fashion sector (-26.6%, equal to approximately 100 million Euros), mechanical engineering production (-8.8%, equal to 49 million Euros), the furniture sector (-13.8%) and the optical supplies sector (-21.7%). In contrast, there was growth in sales of pharmaceutical goods (+24 million Euros compared to 2013), chemical products (+14.9%) and electrical equipment (+4.3%). The devaluation of the Ruble, as a result of the fall in the oil price decided by producing countries, and the political difficulties with Russia are destined to impact on the foreign sales of Veneto businesses. If the situation does not change, it will be necessary to focus on new emerging markets, with rather low risk profiles: countries in strong economic expansion, with consistently increasing investments and consumptions, where the presence of Veneto exporting firms is reduced.
For EU countries, the most significant increases in export are shown to be to the United Kingdom (+11.8%), the Czech Republic (+14%), Croatia (+16.9%), Romania (+5.2%) and Poland (+7.8%). A decrease was, however, recorded in the commercial trade to Austria (-5.6%) and the Netherlands (-0.7%).

Germany is once again the leading market

Germany remains the most important trade parter of Veneto with 7.3 billion in exports (+3.6% per year) and with a relative importance equal to 13.5% overall.
Among markets outside the EU, sales of goods to the United States performed very well (+12.4%), owing to the economic recovery in this market and to the favourable Euro-Dollar exchange rate, the United Arab Emirates (+14%), Mexico (+15.9%), Tunisia (+10.4%) and India (+8.6%). Also positive were exports to the Far East: the positive performance of sales to Hong Kong (+32.6%, equal to +260 million Euros) and South Korea (+17.2%) more than compensated for the negative results with China (-6%) and Japan (-12.3%). There was a retreat, instead, in sales to European markets outside the EU (Switzerland -6.2% and Turkey -8.9%) and in another two BRICS markets (Brazil -5.9% and South Africa -6.3%).

Fig. 2.1.5 - Annual percentage share and variation of Veneto exports by sector - Anno 2014



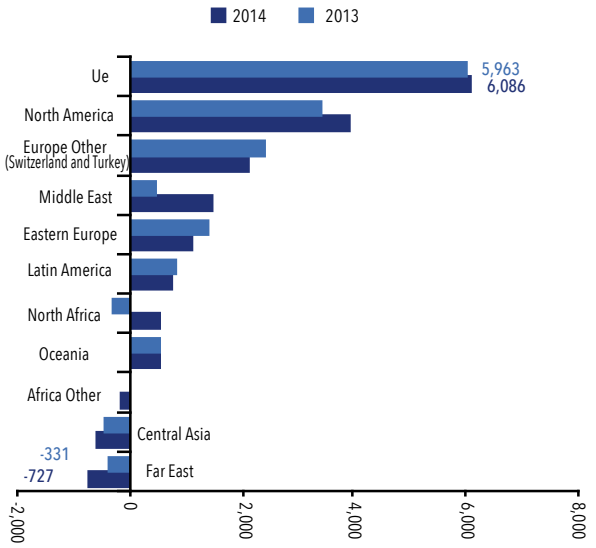
Source: Veneto Region Processing - Regional Statistics System Section on Istat data

In 2014, Veneto exports recorded trending increases in almost all sectors of the economy. The main Veneto export sectors remains that of mechanical engineering (10.7 billion Euros in foreign sales and a year on year increase of +4.6%), followed close behind by the fashion sector (9.6 billion Euros and a per

Mechanical engineering products from the Veneto are the most sold abroad

annum growth equal to +3.6%). Metal processing represents just over 11 percent of exports from Veneto and remained stationary (+0.1%) after the sharp decline recorded in 2013. In 2014, the medical and optical equipment sector recorded the highest growth (+10.7%) exceeding the threshold of 3 billion Euros in absolute value. Despite the Russian embargo on some agri-food products, the foreign sales of agricultural and food industry products grew by almost three percent. Foreign sales in the wood and furniture industry (2.6 billion Euros in 2014) and electrical equipment (4.3 billion Euros) grew by +2.9% and +3.2%, respectively, while foreign sales of chemical products and the electronic sector remained fairly stable.

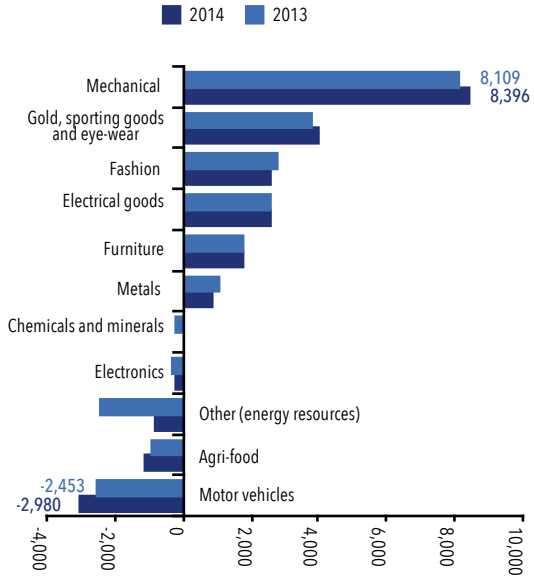
Fig. 2.1.6 - Trade balance by geographic area. Values expressed in millions of Euro. Veneto - Years 2014 and 2013



Source: Veneto Region Processing - Regional Statistics System Section on Istat data

In 2014, Veneto also recorded a positive balance of trade, approximately 15 billion Euros, with extremely positive values in the markets of mechanical engineering (8.4 billion Euros surplus), other manufacturing production - furniture, jewellery, sporting goods and medical supplies - (+3.9 billion), fashion (+2.6 billion) and electrical equipment (+2.5 billion), with high deficits resulting in the motor vehicles sector (-3 billion) and agri-food products (-1 billion), with a growing sales deficit compared to the previous year. The regional trade balance by geographic area has a surplus for both the EU (+6.1 billion) and non-EU countries (+8.8 billion), with each recording growth compared to the previous year. The trade deficit with the Far East (-727 million) and Central Asia (-544 million) is still considerable. The trade deficit with China is again growing, returning to levels recorded in 2012 (-2.2 billion Euros).

Fig. 2.1.7 - Trade balance by economic sector. Values expressed in millions of Euro. Veneto - Years 2014 and 2013



Source: Veneto Region Processing - Regional Statistics System Section on Istat data

In 2014, the import value of merchandise in Veneto increased by +0.9% compared to the previous year, for a total of 39.2 billion Euros. The growth of regional imports is the result of the increase of purchases from the EU market (+4.4%) and the decrease from markets outside the EU (-4.9%). In markets outside the EU, the increase of supplies from the Far East (+12.1%, equal to 556 million Euros), Central Asia (+11.8%), Sub-Saharan Africa (+16.6%) and from Latin America (+6.2%) did not compensate for the considerable reduction in imports from Central Africa (-51.5%, equal to 822 million Euros less compared to 2013) and the Middle East (-45.3%,

equivalent to 863 million less), the result of a sharp decline, in value, of the supply of energy products.
There was growth in imports from the main commercial partners of Veneto: +5.4% from Germany, +8.5% from China, +1.5% from France, +5.3% from Spain, +10.4% from the Netherlands and +10.7% from Romania. The only exception was purchases from Austria (-2.1%). Lastly, there was a reduction in imports from Russia (-6.4%), due essentially to the significant decline in supplies for chemicals production (-118 million Euros compared to 2013).
Among the economic sectors with greater importance, highlights include the increased import of motor vehicles (+12.4%), which is again on the rise after the fall recorded in the previous two-year period, the fashion sector (+7.9%), agri-food production (+4.9%), metal products (+5.6%) and electrical equipment (+10%). In contrast, there were decreased imports in the energy sector (-60.3%, equal to 1.6 billion Euros), chemicals production (-3.2%) and electronics equipment (-6.7%).

In the provinces

In 2014, exports increased in six of the seven provinces in Veneto: growing, in fact, is the export values of the provinces of Belluno, Treviso, Rovigo, Vicenza, Venice and Verona, while Padua was the only province to record a negative figure (-1.9%).
Vicenza was again confirmed as the export capital of Veneto, in 2014, where provincial foreign sales exceeded 16 billion Euros in current prices. Exports by Vicenza businesses accounted for 30% of total regional exports and in 2014 recorded growth of 4% per annum. The most important export sector for the province of Vicenza was production in the fashion industry (fabrics, clothing and leather goods), which in 2014 grew by six percent, exceeding the 4 billion Euro mark, for the first time.
The second ranked province in Veneto for value of foreign sales was Treviso, with 20% of regional foreign sales and recording a growth of +4.6%. The fashion sector was also the most important export sector for Treviso (2 billion Euros in 2014), followed close behind by mechanical engineering production (1.8 billion Euros) and electrical equipment (1.5 billion Euros).
Foreign sales by Verona business grew in the last year by +1.2%, contributing to regional exports with a share of approximately 17.5%. Agri-food ranked as the most important export sector in Verona, with foreign sales exceeding just over 2.4 billion Euros in 2014.
Padua businesses exported goods for a value equal to 8.5 billion Euros. The main export sector for the province remained that of mechanical engineering processes, which recorded growth close to 10 percent. The significant drop in the export of motor vehicles (-27.6%) and metal processing (-22.8%) was the cause of the small reduction in foreign sales recorded in the last year.
In 2014, the province of Venice reached a total export value of 4.1 billion Euros. The increase in exports from Veneto (+1.3%) was helped by the contributions of the

Tab. 2.1.1 - Foreign trade by province. Values expressed in millions of Euro and % variation per annum - Years 2013:2014

	Exports			Import		
	2014 mln. euro	% share	2014/13 % var.	2014 mln. euro	% share	2014/13 % var.
Belluno	3,362	6.2	8.6	762	1.9	6.3
Padova	8,501	15.7	-1.9	5,576	14.2	6.3
Rovigo	1,362	2.5	4.3	1,979	5.1	-30.0
Treviso	11,012	20.3	4.6	6,120	15.6	5.0
Venezia	4,154	7.7	1.3	4,606	11.8	-12.2
Verona	9,497	17.5	1.2	11,277	28.8	7.1
Vicenza	16,229	30.0	4.0	8,864	22.6	4.8
Veneto	**54,117**	**100.0**	**2.7**	**39,184**	**100.0**	**0.9**

Source: Veneto Region Processing - Regional Statistics System Section on Istat data

motor vehicle sector (107 million Euros more than in 2013) and agri-food production (+11.5%). The positive dynamic of exports from Veneto was, in part, reduced by the negative sales trend in the chemicals sector (200 million Euros less than in 2013). Belluno ranked first for growth in regional foreign trade: +8.6% compared to 2013, for overall export value of 3.4 billion Euros in 2014. The opening of foreign markets was primarily determined by the sale of optical and medical equipment, corresponding to almost 73% of provincial foreign sales.
Businesses in the province of Rovigo have exported goods for a value equal to 1.4 billion Euros, increasing foreign sales by +4.3% compared to the previous year. The main provincial export sector for Rovigo was again chemical production, with a 25.9% share, followed by food and mechanical engineering production.

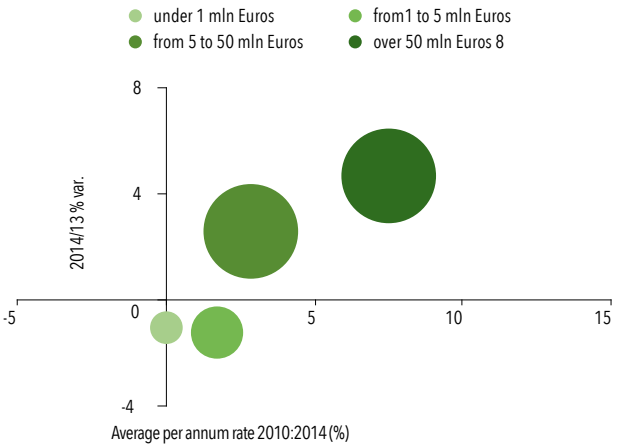
Exporting businesses

In 2014, economic operators in Veneto which sold goods abroad numbered 27,800, a 6 percent decrease from the figure recorded in 2013. After the slight decrease recorded in the previous year, the number of operators in Veneto selling abroad returned the figure recorded in 2010.
The reduction of operators recorded in the last year almost exclusively involved the micro exporter group (below the export threshold of one hundred thousand Euros) in the markets of Eastern Europe and North Africa: - 457 in Russia, -386 in Ukraine, -173 in Serbia, -312 in Libya and -95 in Tunisia.

Small businesses again feel geopolitical tensions

The distribution of operators by sales value, however, confirms an increase in micro-exporters: 16,427 exporters had foreign sales amounting to 0.6% of regional exports, which became 5.2% if operators with foreign sales up to one million Euros are taken into consideration (approximately 83% of operators in Veneto). Businesses in the last segment recorded a reduction in exports of a little over one percent. In the group of intermediate sales (from 1 to 50 million Euros) there were 4,596 businesses (16.5% of operators in Veneto) which were responsible for 53% of regional exports. In the last year, exports generated by operators in the group grew by +1.6%. Dividing the intermediate group into two sub-groups - small exporters (1-5 million Euros) and medium exporters (5-50 million Euros) - it shows that small operators followed the negative trend of micro-exporters, while medium-sized exporters recorded a growth in foreign sales in line with the regional average.

Fig. 2.1.8 - Operators in Veneto with foreign sales by export class: 2014 export share (bubble size), 2014/13 % variation and average per annum rate of growth in years 2014:2010

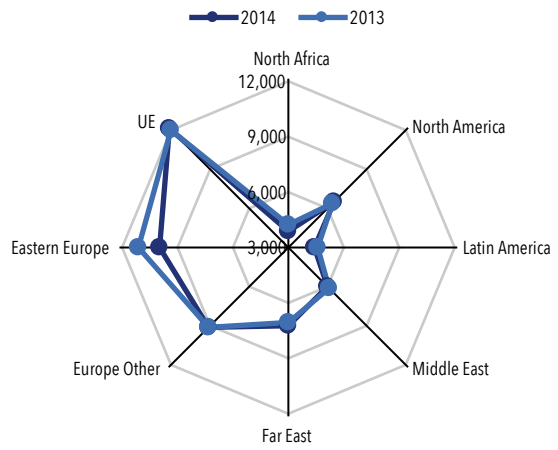


Source: Veneto Region Processing - Regional Statistics System Section on Istat data

Excellent performance by large exporters

183 operators belong to the group with sales of external sales of over 50 million Euros, 42% of which are sales into foreign markets. Compared to the previous year, a significant increase was recorded in external sales by operators belonging to this class (+4.6%).
From the analysis of data on the concentration of exports, it is evident that the consistent increase in importance to the overall value of regional exports, relative to the large-sized operators, with the exception of the 2009 decline in exports, which was the greater, the higher the amount of foreign sales. Between 2010 and 2014, the largest operators benefited from the dynamism of international demand: in fact, the share of foreign sales realised by the top two hundred operators rose from 41.1% in 2010 to 42% in 2014, with an average per annum growth of +4.9% compared to the +4.4% realised at the regional level.
The operators involved in the main areas of commercial trade is, however, widespread: in 2014, 11,968 commercial operators from Veneto were recorded in the EU, 9,137 in non-EU countries in Europe (Switzerland,

Fig. 2.1.9 - Number of exporting business in Veneto in the main areas of commercial trade - Years 2014 and 2013



Source: Veneto Region Processing - Regional Statistics System Section on Istat data

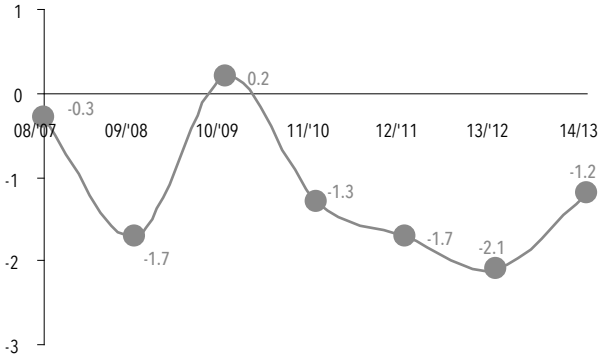
which remained the second market of reference by number of operators, Norway and Turkey), 9,894 in Eastern European markets, 7,222 in the Far East, with China as the market of reference in the area with 2,845 operators, 6,446 in North America, 5,987 in the Middle East, 4,438 in Latin America, 3,908 in North Africa, 3,848 in the markets of Sub-Saharan Africa, 2,639 in Central Asia, and 3,078 in Oceania and other territories.

2.2 Internal trade: trends and new developments of a strategic sector

In Italy

In 2014, the fixed shop retail index recorded a decrease of 1.2% compared to 2013, the result of the 1.1% drop in the sale of food products and 1.2% in the sale of non-food products. Focusing attention on the modes of distribution, Organised Large-Scale Distribution remained stable (-0.4% compared to 2013), while difficulties continued for the Small Surface Areas which closed 2014 with a decrease of 1.8% per annum.
Despite these annual averages, over the course of 2014 and the first months of 2015, there is improving confidence in retail businesses which are returning to

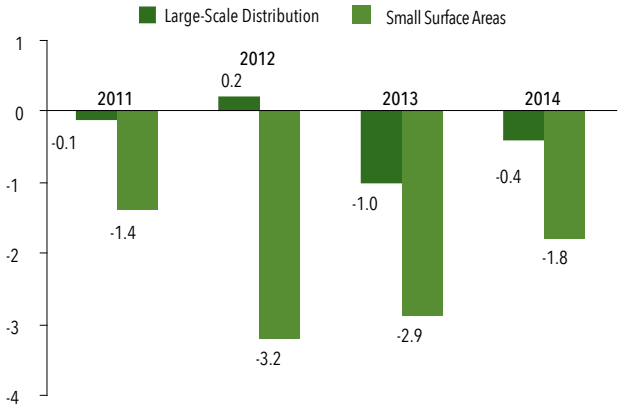
Fig. 2.2.1 - Annual percentage variation in sales of fixed shop retailing. Italy - Years 2008:2014



Source: Veneto Region Processing - Regional Statistics System Section on Istat data

pre-crisis levels: sales expectations are positive, while negative judgements remain on sales, volume of orders and employment.

Fig. 2.2.2 - Annual percentage variation in sales value of Large-Scale Distribution and Small Surface Areas. Italy - Years 2011:2014



Source: Veneto Region Processing - Regional Statistics System Section on Istat data

In sharp contrast to the performance of the sales of fixed shop retailing is the e-commerce trend: online sales from Italian and foreign websites operating in Italy are, in fact, growing by 17.5% compared to last year. Publishing (+34%), IT and consumer electronics (+31%) and clothing (+25%) are the sectors which reported highest increases compared to 2013. Increases were

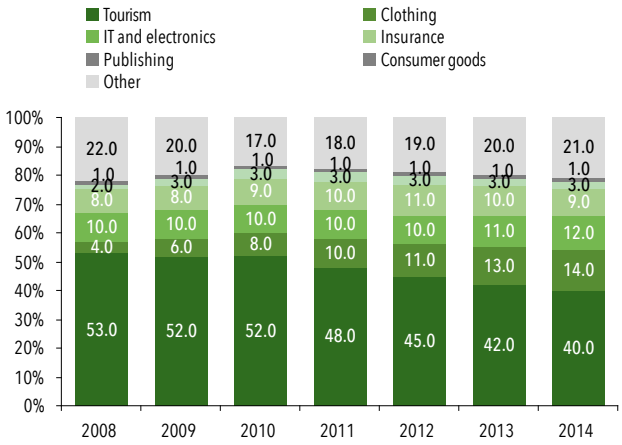
Growth in e-commerce and mobile commerce continues

not exclusive to the sale of products. The service sector, among which emerged tourism, also experienced increased sales, growing by 11% compared to 2013.
The increase in mobile commerce continued in 2014: doubled in one year and represented 9.0% of e-commerce overall. If sales via tablet are included, the proportion of sales through mobile devices achieved 20% of the e-commerce total1.
Moving on to examine the means of payment in 2014, the use of credit cards and international debit cards as payment for internet shopping increased by 26.3% per annum2.

In Veneto

In 2014, fixed shop retailers in Veneto numbered 50,631 (-0.3% per annum): the decrease in the number of business premises continued (-0.7% per annum) while growth in local units which are not main premises of commercial sales continued (+0.5%).

Fig. 2.2.3 - E-commerce: distribution of sales value by merchandise sector. Italy - Years 2008:2014



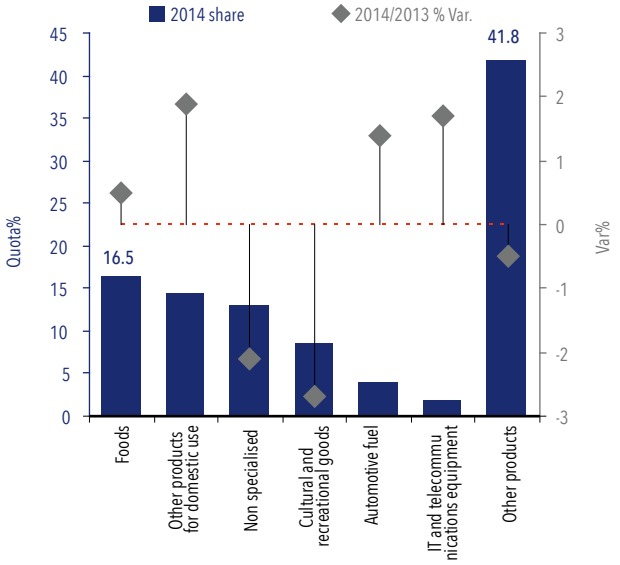
Source: Veneto Region Processing - Regional Statistics System Section on Consorzio Netcomm data - Osservatorio eCommerce B2C School of Management Politecnico di Milano

The Veneto is the sixth region in Italy by number of businesses active in fixed retailing, behind Campania, Lombardy, Lazio,
Sicily and Apulia, and continue to represent almost 7.0% of the retailers with fixed premises, nationally.

The Veneto is the sixth region in Italy by number of businesses active in fixed retailing

In the last year, the expansion of retailers specialised in the sale of IT and telecommunications equipment continued (+1.7% per annum), automotive fuel (+1.4% per annum) and the sale of food products, drinks and tobacco (+0.5% compared to 2013). Growth returned for retailers specialised in the sale of other domestic use products (+1.9% per annum), while retailers specialised in the sale of cultural and recreational goods, and non-specialised retailers closed the year with a negative variation greater than two percent.
Padua, with a concentration of 18% of the fixed shop retailers in Veneto, is the only province in the region

Fig. 2.2.4 - Fig. 2.2.4 - Annual percentage share and variation of fixed shop retailers by trade specialisation. Veneto - Year 2014



Source: Veneto Region Processing - Regional Statistics System Section on Ministry of Economic Development data

to record an increase in the number of retail activities: +1.4% compared to 2013, in the province of Verona and Venice, however, the number of these activities remained unvaried compared to the previous year. The provinces of Belluno, Treviso and Rovigo were those which recorded the worst performances: -2.1%, -1.7% and -1.1% respectively compared to 2013; a more moderate decrease of -0.7% per annum was recorded for retailers in the province of Vicenza. Among specialisation, we

[1] Source: Osservatorio eCommerce B2C School of Management Politecnico di Milano
[2] Source: Osservatorio Acquisti CartaSì.

find the certified organic sector in continuous growth. In fact, Veneto is the third region in Italy by number of shops specialised in the sale of organic products (153); of specific farmers' markets for organic producers and markets of biodiversity dedicated to forgotten, ancient seeds, plants, flowers, fruits and flavours (26 in total) and farm and agritourism businesses and/or the processing and sale of certified organic foods, with a sales outlet open to the public (262). Itinerant trade in Veneto also performed well, closing the year with a slight increase of +1.1% compared to 2013: slightly increasing were sellers in the sector of clothing, fabrics, footwear and leather goods (+0.2% per annum), while there was a decrease in the itinerant trade of food products, furniture and goods for domestic use. These closed 2014: -0.6% and -4.5%, respectively, compared to 2013.

Continuing to grow are door-step sales and on-line, respectively: +2.3% and +7.6% compared to 2013. With regard to the latter figure, businesses in Veneto which sell their products exclusively on-line numbered 1,011 for the year 2014. They are mainly located in the provinces of Padua, Verona, Vicenza and Treviso. In Veneto e-commerce between the most widely used method of payment is the credit card: in December, 2014, on-line shopping using a credit card increased by 31.1%3 compared to the same month in the previous year.

In Veneto, as well, on-line sales continue to grow

With regard to Large-Scale Distribution (LSD), the data by region is always available one year later, therefore the analysis refers to 2013. If, from the point of view of consumption, 2013 was disappointing overall, given the drop in per-capita consumption of 3.6%, Large-Scale Distribution seemed to be unaffected. In fact, in 2013, the positive trend of Large-Scale Distribution continued: albeit the number of businesses remained unchanged compared to 2012, there was an increase in the number of workers and sales areas of 1.9% and 3.3% per annum, respectively.

Demonstrating improved performances were the large department stores, hypermarkets and supermarkets: +1.2% per annum, which corresponds to an increase in the number of workers (+3.0%) and sales surface (+3.6%). Continuing to increase are the specialised areas (+0.9% per annum), though not worker numbers, dropping around one percent compared to 2012. Mini-market growth has, instead, halted with a decrease of almost five percent compared to 2012.

Tab. 2.2.1 - Local units, sales surface area and number of workers of Large-Scale Distribution by province. Veneto - Year 2013

	Large Department Stores, Supermarkets and Hypermarkets			Mini-markets			Specialised areas		
	Shops (n°)	Workers (n°)	Sales surface (mq)	Shops (n°)	Workers (n°)	Sales surface (mq)	Shops (n°)	Workers (n°)	Sales surface (mq)
Belluno	64	1,322	68,357	20	97	5,792	5	57	10,778
Padova	276	5,527	328,438	74	397	22,923	39	1,180	110,927
Rovigo	77	1,531	93,143	20	88	6,023	7	136	22,799
Treviso	228	4,870	294,327	87	461	25,894	52	949	138,350
Venezia	226	5,329	274,082	52	406	15,641	35	1,283	142,255
Verona	253	5,163	337,748	74	375	21,809	56	1,325	164,995
Vicenza	294	5,112	345,172	63	317	18,582	31	915	124,335
Veneto	**1,418**	**28,854**	**1,741,267**	**390**	**2,141**	**116,664**	**225**	**5,845**	**714,439**

Source: Veneto Region Processing - Regional Statistics System Section on Ministry of Economic Development data

[3] Source: Osservatorio Acquisti CartaSì.
[4] Processed by Veneto Agriculture..

2.3 The agricultural economy4

The overall value of gross agricultural production in Veneto, in 2014, was equal to 5.3 billion Euros, increase of 2.6%, compared to the previous year. This increase is due almost exclusively to improvement in production performance rather than increases in the prices of agricultural products.

Agricultural production in Veneto amounts to 5.6 billion Euros

Again in decline was the number of active farm businesses in Veneto, dropped to 69,501 per unit, with a decrease by +2.4% compared to 2013. The number of food industry businesses slightly increased to 3,668 active units (0.5%). Employment in agriculture continued to decline, dropping to approximately 63,000 units (-3.9%), with self-employed workers experiencing a sharper decline to approximately 43,000 units (-4.5%), compared to employed workers with 20,000 units (-2.4%). In 2014, Veneto recorded a trade deficit for agri-food of over 1 billion Euros, an increase of 16.8% compared to same period in 2013. This result is due to an increase of the imports (just under 6.3 billion Euros, +4.9%) more than proportional compared to the growth of exports (approximately 5.3 billion Euros, +2.8%).

Again in 2014, climatic anomalies were encountered which affected the production results of various crops. In particular, it experienced a winter with much higher precipitation and temperatures than normal, a rather cool and rainy summer, a very hot autumn and with abundant precipitation, once again in November.

The exceptionally rainy summer period certainly favoured water-thirsty crops such as corn, which remains the most widely planted crop in Veneto with a surface area of 234,000 hectares (-6%), whose production increased by 35%, achieving 2.9 million tonnes. The markets, also considering the excellent global production, have reacted, however, to the lowering of this increased production, since a lower average price per annum of 16% has been calculated. The other grains have had different fortune from the production and trade point of view: common wheat (approximately 84,500 hectares planted) maintained the production of the previous year, equal to 543,000 tonnes, but recorded an average lower price of 9%; durum wheat (approximately 4,280 hectares grown) increased both in the quantity harvested and in price, 38% and 11%, respectively; barley, whose area remained mostly unchanged at about 10,900 hectares, suffered a drop in production of 5% as well as 8% in price, while rice compensated the production decline of 3% with a favourable market rate (+14%). With regard to industrial crops, a record amount of soy was produced (520,000 tonnes, +77%) due to the contextual increase of the yield by 20% and the surface area cultivated (121,000 hectares), which, nevertheless, caused a drop in the average price of 13% per annum. The production of sugar beet more than doubled (+107%) following a large increase in crop area (approximately 14,000 hectares, +48%) along with an increased harvest (+40%). The production of tobacco also increased noticeably (+22%), while among energy crops, sunflower dropped significantly (-44%), in contrast to the substantial increase in the production of rape seed (+61%). The climatic anomalies negatively impacted several vegetable field crops, in particular radicchio, whose production decreased by 26% in the face of 9,000 hectares cultivated (-2.3%), but favoured others, such as potatoes which increased production by 49% also owing to a continuous increase in crop area (approximately 3,000 hectares, +33%). Overall, also considering the surface area of protected cultivation (approximately 3,300 hectares, -1%) the area of field crops cultivated in 2014 was estimated to drop to 27,600 hectares (-11.6%). With regard to fruit, it should be noted that the trade crisis suffered by summer fruits, above all peaches, due to the drop in consumption and size of the markets that forced the European Commission to intervene with emergency support measures. Compared to 2013, production reported growth for apples (+40%), pears (+10%) and kiwifruit (+9%). In decline were cherries (-22%) and olives (-25%), with this last strongly beaten by the fly infestation which affected almost all of the country.

A difficult year was also experienced by the wine industry, affected by an excessively humid and rainy summer which caused more than a few problems for the defense against pests and management of the vines. The professionalism of Veneto wine producers allowed them to limit the damage; however, the quantity of grapes harvested decreased to 10.5 million quintals, 11.3% less compared to the production of the previous year.

Wine production in decline due to the difficult summer climatic conditions

From this figure, it is estimated that a little less than 8.2 million hectolitres of wine was produced, a drop

of 9% compared to 2013. In contrast, with Community policies of containment and with a drop of over 100,000 hectares of vineyard observed, nationally, over the last decade, the surface area of vineyards in Veneto continues to increase, having risen to approximately 79,200 hectares in 2014, an increment of 2% on a per annum basis and 10% over a five-year period. This increase is due to the purchase of planting rights, whose transfer over the course of 2014 was equal to 2,114 hectares, 81% of which came from outside the region. Prices of grapes were generally stable or slightly lower, for which only a few varieties benefited from a significant increase. The calculated average for all grape varieties was equal to 0.55 Euros/kilo, a 6% decrease compared to 2013. Also in decline were wine prices: at the Verona Commodity Exchange, a decrease of approximately 10% of the per annum average relative to all varieties quoted was observed, while in Treviso the decrease was an average of 7%.

Different results for livestock farming. The milk sector recorded, on a per annum basis, an increase in production of nearly 4% and an average price increase of around 3%, but the favourable economic climate diminished in the second half of the year. Dairy herds, in continuous reduction, number approximately 3,600 and, in 2014, produced 11.1 million quintals (10% of the national total). Stagnant consumption negatively affected the production of beef and pork, which dropped by approximately 4% and 5%, respectively. This did not favour market prices which, for beef cattle, were down 1-2% depending on breed, while the importation of feedlot animals fell by 510,000 head (-3%). The prices for pork, on the other hand, decreased by 2% on a per annum basis. The number of pigs in Veneto stood at 600,000 head, while the per annum production of heavy pigs for the PDO designation was almost 680,000, equal to 8% of the national total. The production of poultry meat, for which Veneto remained national leader with a share of approximately 45% of the national total, was estimated to have slightly decreased (-1 to -2%). Market shares declined as well: chicken -8% and turkey, approximately -2%. The reduction of feed and energy costs, nevertheless, contributed to conserving the profitability from poultry.

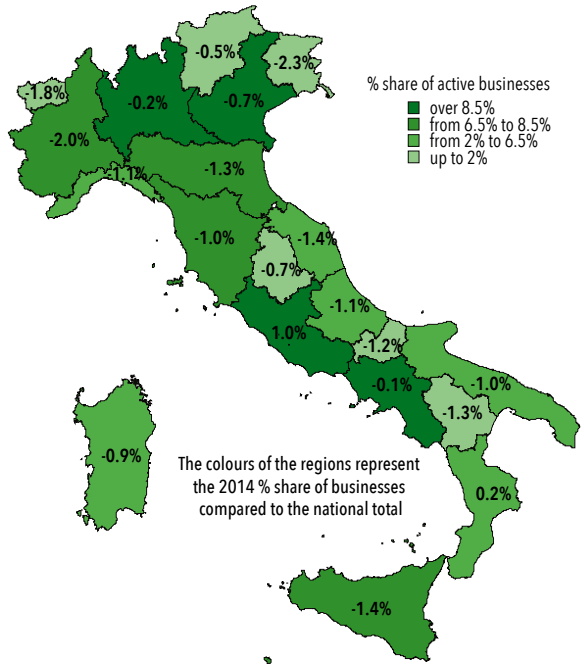
The regional sea fishery sector recorded a further decline in the fishing fleet, in 2014, dropping to 652 vessels (-6.7% compared to the previous year), and in the number of businesses engaged in the fisher (-1%), while the number active in aquafarming slightly increased (+1.3%). The overall local production sold in Veneto fish markets recorded a significant increase in both quantity (+12.4%) and value (+9.2%). There was also an increase in the overall movement of national and foreign products of 8.7% in quantity and 5.3% in value, achieving sales equal to 111 million Euros.

2.4 The entrepreneurial dynamic between light and shade

In Italy

Even though there have been signs of recover, the difficulties which have characterised Italian entrepreneurship over the last seven years have continued. In 2014, active businesses in Italy numbered 5,148,413.

Fig. 2.4.1 - Fig. 2.4.1 -2014/13 percentage share and variation of active businesses by region. Italy - Year 2014



Source: Veneto Region Processing - Regional Statistics System Section on Infocamere data

Over the last year, business closures have decreased, with 7.5 closures in every 100, while the business start-

ups reached 7.2 for ever 100 active businesses. The entrepreneurial balance in 2014 was almost zero (-0.2%). Overall, the number of active Italian business decreased by 0.7% per annum (-0.4%, if the agricultural sector is excluded); the sectors which encountered the greatest difficulties were: agriculture and construction, decreasing per annum by 2.4% and 2.1%, respectively. Lazio (+1.0%) and Calabria (+0.2%) are the only Italian regions which recorded an increase in the number of active businesses compared to 2013; Lombardy and Campania were the regions which better resisted the decline in the fabric of entrepreneurship, with negative variations which did not exceed 0.2%. In strong decline were the number of businesses in Friuli Venezia Giulia, Piedmont and Aosta Valley, which closed 2014 with per annum decreases of: -2.3%, -2.0% and -1.8%, respectively.

In Veneto

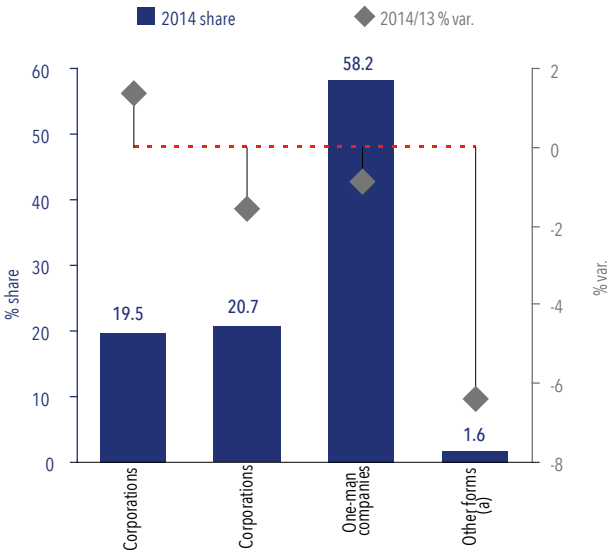
In 2014, there were 439,307 active businesses in Veneto, corresponding to the 8.5% of the Italian total, a drop of 0.3% compared to 2013, if the agricultural sector is excluded, and by 0.7% if the latter is considered.

Veneto is the fourth region in Italy by number of active businesses

Veneto continues, however, to be the fourth region in Italy by number of active businesses, behind Lombardy, Lazio and Campania. The enterprise birth rate in Veneto decreased slightly in 2014: there were 6.3 new businesses for every 100 active businesses, a rate lower than the national average. In parallel to what occurred at the national level, the closure rate of Veneto businesses decreased: 6.7 business closed for every 100. The entrepreneurial balance in 2014 was, therefore, improved compared to the 2013 figure: -0.4%. Compared to the legal form, unlike the previous two years, one-man companies were not the ones that faced greater economic difficulties in 2014, rather it was partnerships (-1.5%) and minor forms, mainly cooperatives and consortia (-6.4%). Corporations continued their trend of growth, with a per annum increase of 1.4%.(a) The grouping of "other forms" includes more than 40 types of legal statuses, among which the most numerous are the cooperatives, consortia, consortium companies, etc.

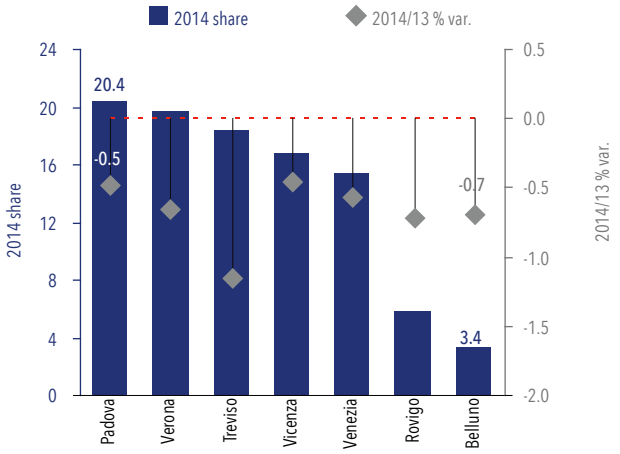
In Veneto, the province of Treviso had the greatest difficulty, recording a decrease of 1.2% in the number of active businesses compared to 2013. Padua, Venice, Vicenza and Verona, which together exceeded 70% of the regional number of active businesses recorded decreases less than 1 percent. Rovigo and Belluno both ended the year at -0.7%

Fig. 2.4.2 - Annual percentage share and variation of active businesses in Veneto by legal form - Year 2014



Source: Veneto Region Processing - Regional Statistics System Section on Infocamere data

Fig. 2.4.3 - Annual percentage share and variation of active businesses in Veneto by province - Year 2014



Source: Veneto Region Processing - Regional Statistics System Section on Infocamere data

Business bankruptcies increase: largest recorded since 2001

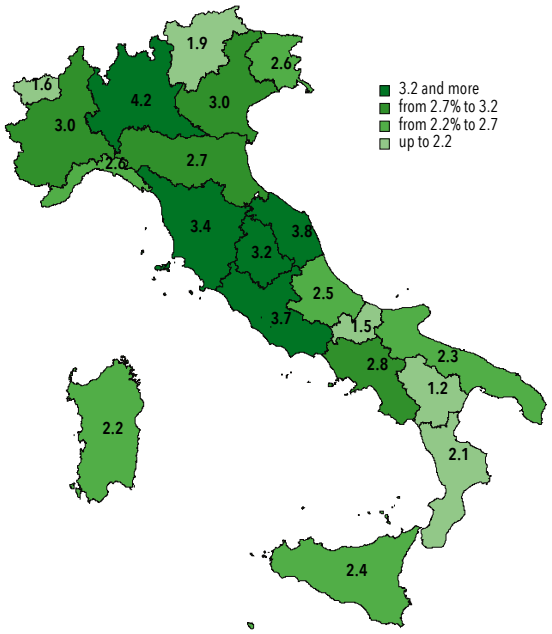
At the same time in 2014, 1,32455 businesses were declared bankrupt in Veneto (+4.7% per annum), a negative record since 2001, with a consequential loss of 15,078 positions of work. In the face of an increase in the number of bankrupt businesses, voluntary liquidations are decreasing: -7.6% compared to 2013.

The sectors

Once again suffering the cyclical difficulties are the construction and manufacturing sectors -2.1% and -1.4% respectively compared to 2013. The service sector continues to grow, +0.5%, which represents 53% of regional productivity. Banking and financial services ended the year with a net growth of +2.3%; followed by personal services at +1.8%, and hotels and restaurants at +1.5%.

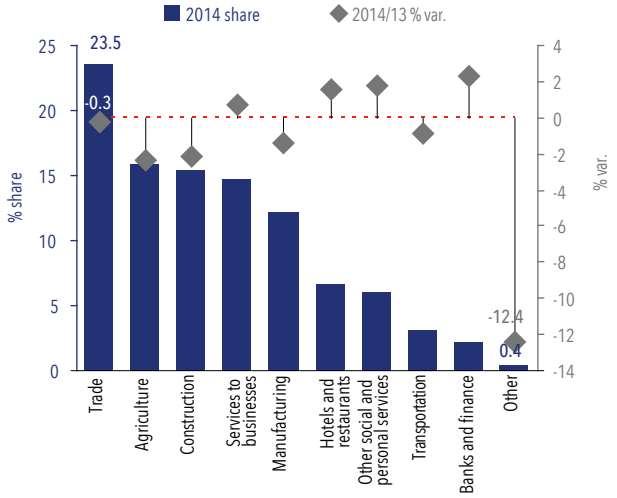
Difficulties continue to grow for the manufacturing industry...

Fig. 2.4.4 - Number of bankruptcies per 1000 active businesses by region. Italy - Year 2014



Source: Veneto Region Processing - Regional Statistics System Section on Cerved - Osservatorio su fallimenti, procedure e chiusure d'impresa data

Fig. 2.4.5 - Fig. 2.4.5 - Annual percentage share and variation of active businesses in Veneto by economic category - Year 2014



Source: Veneto Region Processing - Regional Statistics System Section on Infocamere data

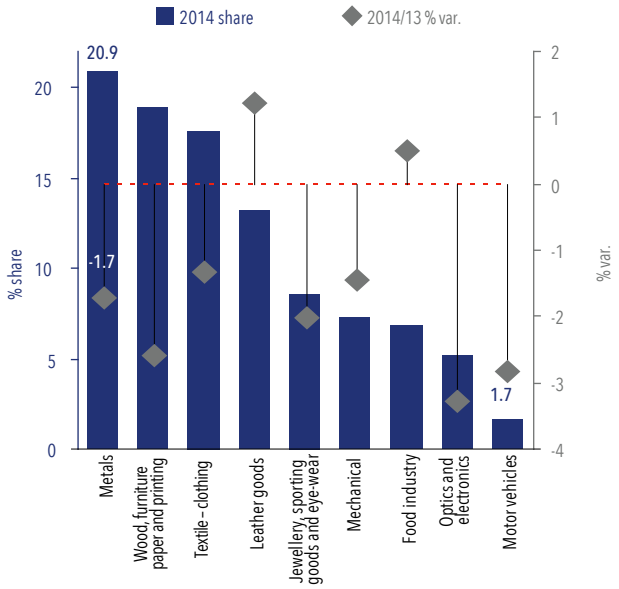
Services to businesses had a lower increase of +0.7%, compared to 2013. In a slight decline, instead, was the number of active businesses in the transportation sector (-0.8% per annum) and the trade sector (-0.3%), the latter strongly affected by the decrease in internal demand.

...ending 2014 on a high were the food industry and the jewellery, sporting goods and eye-wear sectors

Analysing the manufacturing sector in detail, jewellery, sporting goods and eye-wear and the food industry, which together represent 20% of Veneto manufacturing, are the only two which recorded an increase in the number of active businesses, +1.2% and +0.5%, respectively, compared to the previous year. The worst performance was recorded in the electronics sector, which closed the year on a decline higher than three percent. The transportation, wood, furniture, paper and printing sectors as well as chemicals, all experience great difficulty, with a per annum decrease of at least two percent. The fashion sector, however, was able to slow its decrease compared to last year.

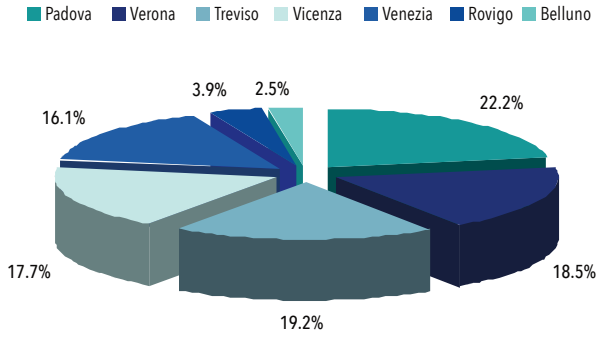
[5] Source Cerved - Osservatorio su fallimenti, procedure e chiusure d'impresa.

Fig. 2.4.6 - Annual percentage share and variation of active manufacturing businesses in Veneto by economic category - Year 2014



Source: Veneto Region Processing - Regional Statistics System Section on Infocamere data

Fig. 2.4.7 - Percentage distribution of business services with a high level of knowledge by province. Veneto - Year 2014



Source: Veneto Region Processing - Regional Statistics System Section on Infocamere data

Considering that service industry represents a predominant part of the entrepreneurial system in Veneto, we have focused attention on service businesses with a high level of expertise . Veneto hosts 73,347 (9.4% of the total), an increase of approximately 1 percent compared to 2013, and is the fourth region by number of active service businesses with high expertise, behind only Lombardy, Lazio and Piedmont.
The enterprise birth rate in this business category dropped slightly compared to 2013, settling at 4.9 new business for every 100 active. In contrast, the enterprise death rate of service businesses with a high level of expertise6 in Veneto declined by nearly 5 per cent compared to 2013, 6.3% business closures for every 100.
More than 20% of service businesses with high expertise in Veneto are concentrated in the province of Padua, increasing by 1.6% compared to 2013.
Padua is the province with the greatest concentration of business services with a high level of knowledge After Padua, it was the province of Venice which recorded the greatest number of active legal-economic activities with a high level of expertise in 2014: +1.2% per annum. Rovigo, instead, was the only one to end the year with a negative variation: -0.3%.

Craftsmanship in Veneto

Among the entrepreneurial forms most widespread in Veneto is craftsmanship: with 133,396 active units representing 30.4% of Veneto businesses.
In 2014, the decline of craftsmanship businesses in Veneto continued: -1.3% compared to 2013, in line with the performance of artisan entrepreneurship, nationally (-1.8%). Veneto is, however, the third region in Italy by number of active craftsmanship businesses, behind

Tab. 2.4.1 - Craftsmanship businesses: number. percentage share and variation per annum. by economic category. Veneto - Year 2014

	Number	Share	% var
Construction	52.248	39.2	-2.3
Manufacturing	35,297	26.5	-1.5
Other social and personal services	16,851	12.6	-0.0
Transportation	9,186	6.9	-2.9
Trade	6,798	5.1	-0.5
Business services	7,024	5.3	4.1
Hospitality and catering	4,069	3.1	0.5
Agriculture	1,410	1.1	-1.5
Other	513	0.4	-1.0
Total	**133,396**	**100.0**	**-1.3**

Fonte: Elaborazioni Regione Veneto - Sezione Sistema Statistico Regionale su dati InfoCamere

[6] Based on the Eurostat - OECD classification of economic activities for technological intensity and sector expertise, the following were considered: technological services with high expertise, market services with high expertise and financial services with high expertise.

only Lombardy and Emilia-Romagna, representing 9.7% of the national total of craftsmanship businesses. Making positive contributions to the performance of Veneto artisans are the service businesses (+4.1% per annum) and accommodation and restaurant sectors (+0.5%). Negative performance continues in the construction sector (-2.3% per annum) and transportation (-2.9% compared to 2013), which together represent 46.1% of the total regional craftsmanship sector. Manufacturing industry and agriculture declined slightly, both with a variation equal to -1.5% compared to the previous year. The personal service and trade sectors remained relatively stable maintaining the values recorded in the previous year.

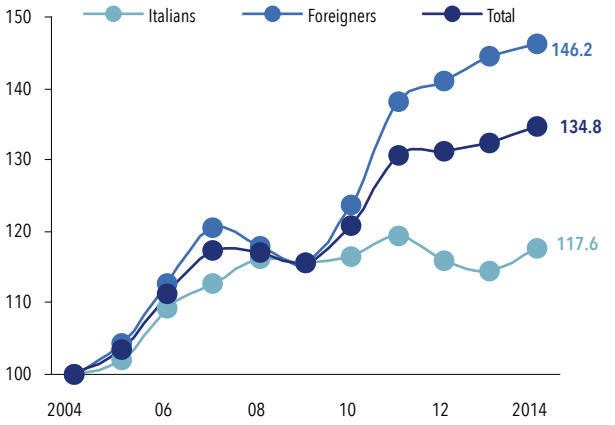
2.5 Tourism, an always vital sector

Year on year, tourism in Veneto continues to grow. In 2014, the number of visitors is once again on the rise (+1.7%), and for the first time, it reached 16 million arrivals.

An increase in visitor numbers again in 2014

This is thanks to the number of foreign tourists, which marked a record high, exceeding 10.5 million arrivals (+1.2% compared to 2013). It should also be pointed out that internal tourism experienced a recovery, which resulted in a growth of 2.7%.

Fig. 2.5.1 - Index number (*) of tourist arrivals (base year = 2004). Veneto - Years 2004:2014



(*) number = (arrivals year t / arrivals year base) x 100
Source: Veneto Region Processing - Regional Statistics System Section on Istat data - Veneto Region

In terms of overnight stays in Veneto, the increase recorded in 2014 (+0.5%) is due to stability in the foreign share (+1%), while the number of Italians decreased by 0.5%, again confirming the trend of a decrease in the length of stay. The tourist who comes to Veneto, remains in their holiday location, on average, from a minimum of 2.2 nights in the cities of art to a maximum of 6.5 nights at the seaside, while the average occupancy rate at the lake and in the mountains is very similar

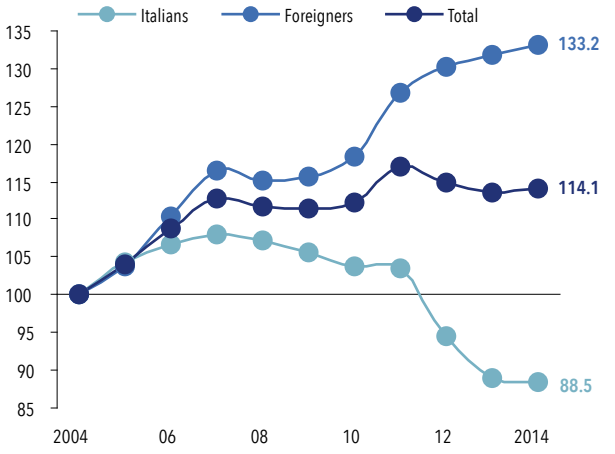
Tab. 2.5.1 - Tourist movement by origin and facility. Veneto - Year 2014

	Hotel		Non-hotel		Total facilities	
Absolute values in millions						
	Arrivals	Overnight	Arrivals	Overnight	Arrivals	Overnight
Italians	4.0	10.1	1.7	10.4	5.7	20.6
Foreigners	7.3	19.7	3.3	21.6	10.6	41.3
Total	**11.3**	**29.8**	**5.0**	**32.0**	**16.3**	**61.9**
2014/13 percentage variations						
	Hotel		Non-hotel		Total facilities	
	Arrivals	Overnight	Arrivals	Overnight	Arrivals	Overnight
Italians	3.2	2.0	1.7	-2.8	2.7	-0.5
Foreigners	-0.5	0.4	5.1	1.7	1.2	1.0
Total	**0.8**	**0.9**	**3.9**	**0.2**	**1.7**	**0.5**

Source: Veneto Region Processing - Regional Statistics System Section on Istat data - Veneto Region

(4.9 and 4.7%, respectively) and slightly higher than in thermal locations (4.3 nights).

Fig. 2.5.2 - Index number (*) of overnight stays (base year = 2004). Veneto - Years 2004:2014

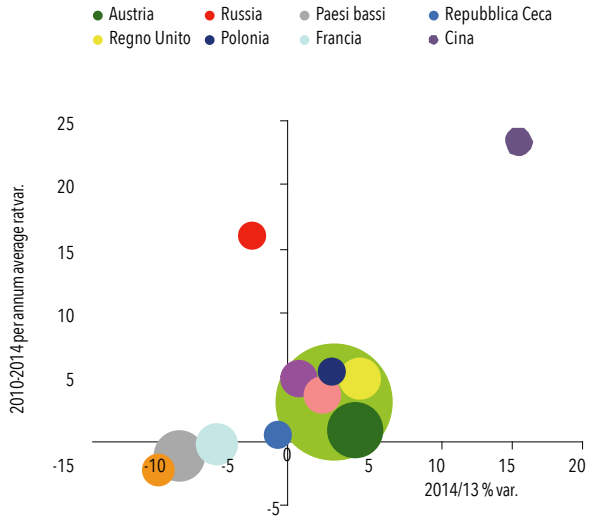


(*) index number = (numbers year t / numbers year base) x 100
Source: Veneto Region Processing - Regional Statistics System Section on Istat data - Veneto Region

Please note that these analyses provide a detailed picture of those who are staying for at least one night in accommodation structures for reasons of travel, business, health, treatment, sports, religion, etc.. They do not include data from day trips which, even if not completely quantifiable, is significant for the economy of our region. International tourism in Veneto continues to grow, after a slowdown which only occurred at the beginning of the global economic crisis. Our region, today, receives ever more acclaim from the most loyal clientele: German (+2.2% of tourist numbers compared to 2013) Austrian (+3.8%), British (+4.0%), American (+1.6%). The rapid growth in the Chinese market also continues, which for years recorded a two-figure rate of growth (+15.6% last year) and from which further increases are foreseen, thanks to the prospect of a growing middle class: the World Tourism Organisation (UNWTO) has predicted that by 2020, China will be the country with the highest number of tourists abroad. Since 2010, the Russian market grew by a per annum average rate of 16%, but in 2014 decreased by -3.7% and the experts forecast further decreases which will

Russian tourist numbers decrease

Fig. 2.5.3 - Main origin of foreign tourists in Veneto: % share of total overnight stays 2014 (bubble size), 2014/13 variation in overnight stays and average rate of variation of overnight stays per annum 2010-2014



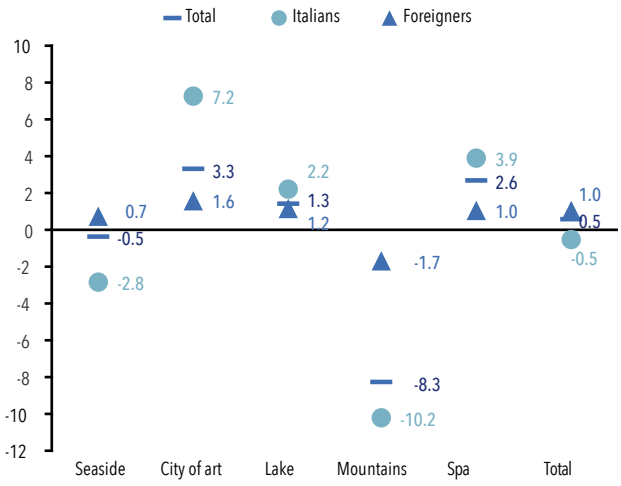
Source: Veneto Region Processing - Regional Statistics System Section on Istat data - Veneto Region

impact the area of the Adriatic, most of all. In the ranking of tourist's country of origin, drawn up according to the number of nights spent in Veneto, Russia ranked in 9th place and China in 12th place, in 2014. The latter, by number of tourists, jumped to 4th place and surpassed even France and the United Kingdom.

Excellent results of the luxury facilities

Even in 2014, among hotels, very encouraging results were shown for facilities in the high luxury category, which has not experienced the crisis (+7.5% of overnight stays for 5 stars and +4.7% for 4 stars), and corresponding losses for 3 stars (-1.1%) and, above all, for 1-star and 2-star hotels (-8.5%). Among non-hotel faciilties, highlights were the +8.6% for agritourisms, +12.6% for B&Bs and holding firm were open facilities (+0.6%), despite a very wet summer. This last statistic underlies, however, notable differences between one location and another, with campgrounds located in seaside locations holding steady and substantial losses in mountain settings. Instead, beach resorts have, once again, had an increase in the number of tourists (+1.5%), though this coincided with a decrease in overnight stays (-0.5%) due to a reduction in the number of Italians not being completely compensated by the increase in foreign overnight stays.

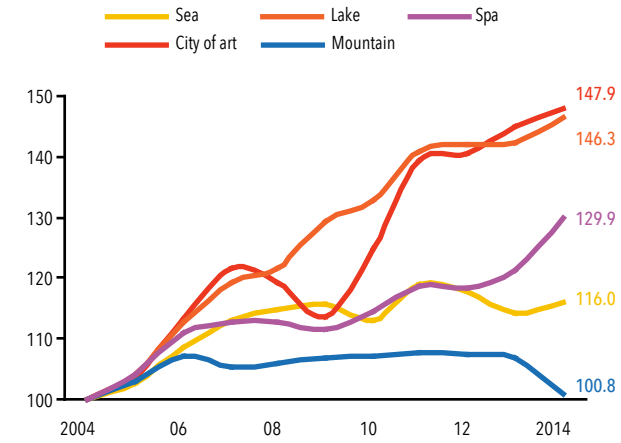
Fig. 2.5.4 - 2014/13 percentage variation in the rate of tourism by origin and area of destination. Veneto



Source: Veneto Region Processing - Regional Statistics System Section on Istat data - Veneto Region

The mountain district was the only one to record a reduction in the number of arrivals (-5.6%) in 2014, and also in the overnight stays (-8.3%), and recorded tourist numbers of ten years ago.

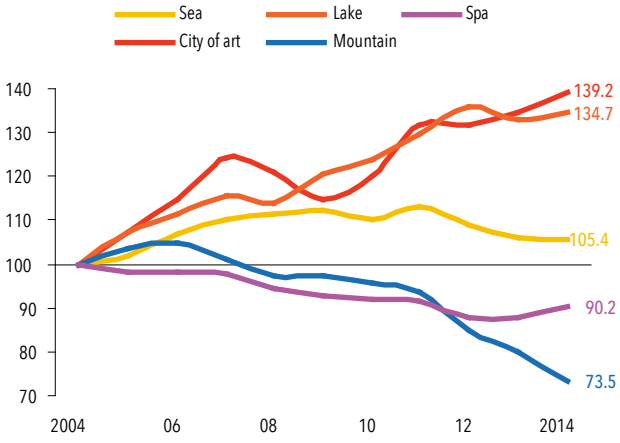
Fig. 2.5.5 - Index number (*) of tourist arrivals by destination (base year = 2004). Veneto - Years 2004:2014



(*) index number = (arrivals year t / arrivals year base) x 100
Source: Veneto Region Processing - Regional Statistics System Section on Istat data - Veneto Region

The cities of art, each year, continue to surpass the record of the previous year, and this year was no different thanks to a rediscovered interest on the part of our countrymen (+7.2% of overnight stays).

Fig. 2.5.6 - Index number (*) of overnight stays by area (base year = 2004). Veneto - Years 2004:2014



(*) index number = (numbers year t / numbers year base) x 100
Source: Veneto Region Processing - Regional Statistics System Section on Istat data - Veneto Region

Lake Garda also attracts ever more tourists; spa destinations are noted for their rapid recovery in recent years.

A strong tourism industry brings benefits to many sectors. According to methodology developed by the Ente Bilaterale Industria Turistica Veneto (EBIT)[7], the size of the tourism industry in Veneto – considering the direct, indirect and spin-off effects, in 2012 benefited approximately 44 thousand businesses, 11% of those active in our region. The tourism industry of this magnitude involves approximately 218 thousand workers, 13.15% of those operating in Veneto in the industrial and service sectors[8], which represents, without doubt, an underestimate of the overall workforce because it does not take account of contracted casual workers, occasional, on-call, or cash workers, who perform a significant role in the tourism sector.

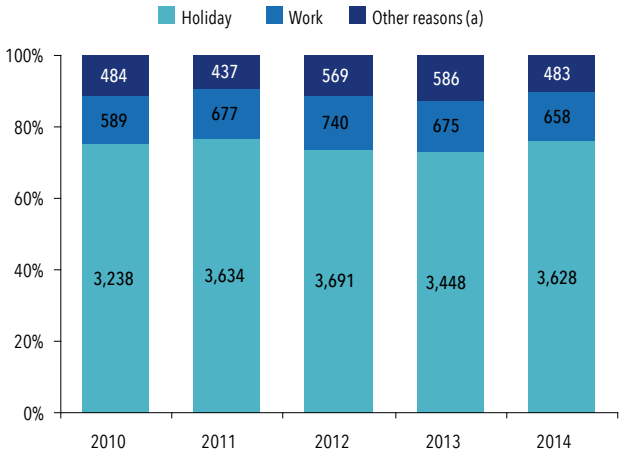
Tourism is an industry with high economic impact

With regard to hirings in the tourism sector , the Excelsior Information System indicates that for Veneto in 2014, 16 thousand new work contracts were activated. In 95.4% of cases, it involved employed workers (seasonal and not), 3.5% were temporary agency workers and the remaining 1% were temporary or project contract workers. These hirings do not compensate for lost positions, creating an occupational balance of -370 workers in accommodation businesses and -1,090 in catering. Some indicators on the economic earnings from the tourism industry, not linked only to accommodation,

[7] Estimates produced by EBIT were based on the attribution of a coefficient to the various ATECO categories "on account of the involvement in the production and tourist consumption". To calculate the indirect and spin-off effects the multiple effect proposed by the World Travel and Tourism Council (2.36) was also applied.
[8] Source: Unioncamere - Ministry of Work, Excelsior Information System. In this case, the tourism sector includes the ATECO economic activities related to catering, travel agencies and tour operators, bars and restaurants

but also the entire overall spending by foreigners once they arrive in our territory, is provided by a survey carried out by the Bank of Italy at national border crossings. It is estimated that spending by foreign travellers - in the Veneto for the widest variety of reasons and not necessarily overnight - in 2014, amounted to approximately 4.8 billion Euros, increasing once again compared to the previous year (+1.3%). This is thanks to the recovery in earnings connected to holidays (+5.2%), the most relevant, while earnings connected to working holidays decreased (-2.5%) as did other personal reasons (-17.6%). In this last residual category includes primarily visits to relatives for which they continue to spend almost consistent amounts, while the amounts spent by foreigners visiting friends and to study are declining rapidly.

Fig. 2.5.7 - Spending by foreign tourists (million Euros at current prices) by reason for travel (*). Veneto - Years 2010:2014



(*) Included are spending for accommodation, restaurants and bars, purchases, transportation in the country visited and other services
(a) Visiting relatives or friends, studies, health care, honeymoon, shopping, pilgrimage, etc.
Source: Veneto Region Processing - Regional Statistics System Section on Bank of Italy data

A multi-faceted offering, that of Veneto, which speaks in one voice about tourism, culture, gastronomy, identity, landscape and territory, able to satisfy all requirements in the best way possible. In this way, the choice of Veneto as a holiday destination has, for several years, remained at the top among Italian tourism regions. This was confirmed again in the results from 2013, the latest year available on a national level, totaling 15.4% of arrivals and 16.3% of overnight stays for the entire peninsula. Veneto distinguishes itself from the other regions by its high number of foreigners, comparable only to Lazio, Trentino Alto Adige, Lombardy and Tuscany, and in particular by the high number of these who choose to stay in non-hotel facilities.
For 2015, as a consequence of the Milan Expo, many Italian destinations forecast additional numbers, with a driving effect during and following the event.
We have looked at the placement of Veneto compared to the other Italian regions, but where do we place with respect to the rest of Europe?

Veneto tourism in Europe

The planet Earth, seen from on high, is similar to an ant farm, with inhabitants in never-ending motion. The need for a holiday, the business meetings, the desire for health treatment elsewhere, pilgrimages, etc., drive thousands of people to invest time and money in travel. In a period of crisis such as this, those who work in the sector are always searching to find new sources of attraction and new solutions in hospitality.
Over the last sixty years, tourism has recorded rates of growth so high, it has become one of the most important industries in the world. As the same UNWTO highlights, over the years ever more destinations and countries have opened to tourism and invested in its development, transforming modern travel into a key factor of economic progress. For the first time, the number of international tourist arrivals across the world surpassed the one billion mark, in 2012, with an estimate of 1.087 billion in 2013 and 1.138 billion in 2014. In 2013, Europe confirmed itself as the number one continent in the world for international tourist arrivals (approximately 52% of the entire planet), counting mainly on three areas of strength: cultural heritage, the variety of landscapes and the quality of the offer.
To this point, the source for data is the UNWTO, the only data which allows a comparison of countries around the world through international tourist arrivals. The include only those who visit and stay overnight in a foreign country, excluding resident numbers. It is an important item for the economy, in that foreign tourist bring richness in the form of added spending to the economic system of the territory. Comparing the states of the European Union[9], the increased attractiveness of Italy is shown, which on the international front appears in first place, thanks to the over 50.2 million foreign

[9] Source: Eurostat which considers only overnight stays in accommodation structures, excluding guests of relatives and friends, and second-home users.

arrivals. And in the Italian framework, the contribution made by Veneto, where increase in the flow of international tourists is unstoppable with a trend higher than that recorded in Italy, but lower than in Europe: the number of foreign tourist arrivals in the period 2010-2013 grew by an average per annum rate of +5.3% in Veneto, +4.7% in Italy and +5.8% in the EU.
The first place position of Italy in the European context is lost at the moment in which clientele resident in the national territory is included: in this case, Italy slides to 4th place, preceded by France, Germany and the United Kingdom[10].
Returning to foreign tourism, the top position of Italy was not confirmed for overnight stays, where it was superseded by Spain, whose result benefited from visitor stays which were evidently longer. Even Veneto, if compared with other European regions, achieved the highest position when speaking of foreign tourists: in 3rd with regard to arrivals (after Île de France and Catalonia) and 6th with regard to overnight stays. In the European rankings based on the overall numbers, residents and non-residents, Veneto appears in sixth place - but the number one region in Italy - with regard to both arrivals and overnight stays: it is preceded by the Spanish and Croatian seaside regions, traditionally characterised by average longer stays and which have not been affected by the crisis, recording average rates of growth of around 3% per annum. Île de France placed second in the rankings, thanks to a foreign inflow comparable to that of Veneto; added, however is a national tourism equal to one and a half times that of our region.

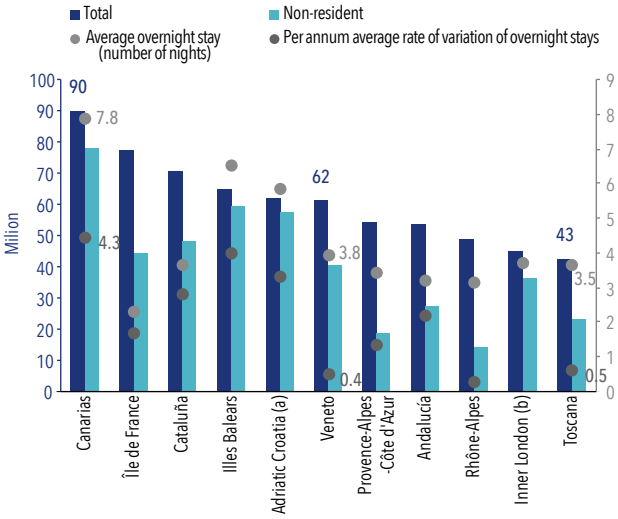
Veneto: 3rd European region by foreign tourist arrivals

Tab. 2.5.2 - Positioning in the rankings for arrivals and overnight stays. Italy and Veneto - Year 2013

	Foreign tourists		Total tourists	
	Arrivals	Overnight stays	Arrivals	Overnight stays
Italians among the European countries	1°	2°	4°	3°
Veneto among the Italian regions	1°	1°	1°	1°
Veneto among the European regions	3°	6°	6°	6°

Source: Veneto Region Processsing - Regional Statistics System Section on Eurostat data

Fig. 2.5.8 - Top European regions by number of overnights stays in 2013. 2010-2013 average number of overnight stays and average rate of variation of overnight stays per annum



(a)For Adriatic Croatia, in place of the per annum average rate, the 2013/12 variation was indicated
(b)Fig. 2012
Source: Veneto Region Processing - Regional Statistics System Section on Eurostat data

2.6 The social context

On 31 December 2014[11] the resident population in Veneto was 4,927,596 inhabitants, not even a thousand more compared to the previous year. This was affected mainly by a continuous drop in the birth rate (-10.5%), which began three years ago and which has not occurred since the end of the 1990s.
Foreign residents number 511,558, 10.2% of the foreign presence in Italy, and represent 10.4% of the population in Veneto, a substantially higher share compared to the entire national territory (8.2%).
Immigration in our region is still a decisively consistent phenomena, despite the tumultuous growth in foreign

[10] In the European comparison, the UK figure dates back to 2012.
[11] The most recent update on the population in Veneto was made available on 31 December 2014..

The migratory balance is positive, but in decline

immigration which characterised the pre-crisis years now seems to give way to more contained movement, but not stemmed, given that the international crisis also strongly affects the poorest countries, from which these people generally come. In 2014, the number of foreigners from abroad who registered with the municipal registry offices (20,577) decreased, 48.2% fewer compared to 2010, and the coinciding increase in the number who travelled to other countries (+8.6%). The balance, while in decrease, remains positive, more due to the decrease in entries than for a consistent replacement of exits. Probably, the economic crisis, causing fewer foreigners to come, as their main reason for resettlement, work, forces a reorientation in migratory movements towards territories which offer better opportunities: in 2013, the rate of unemployment among the foreign population was 14.3% (it was 9% in 2008), while for Italians, it was 6.6%.

Notwithstanding the persistence of the crisis, the standard of living of families in Veneto remains higher compared to the national average. In 2013, the families in Veneto spend an average of 2,706 Euro per month to purchase goods and services necessary to satisfy daily living requirements, a decrease of approximately 340 Euros per month, compared to 2007, the period of maximum economic expansion for our region. It remains, however, among the highest on a regional level and decisively higher than the Italian figure of 2,359 Euros per month.

The families most affected by the crisis

If the crisis has had some affect on the living conditions of everyone, higher costs fell on those most vulnerable in the population: low-income families, above all those with young children and single-parents, the unemployed and in temporary work, youth, foreigners, the disabled, the homeless. The risk of poverty or social exclusion concerns 16.1% of the population in Veneto. Though less worrisome than the situation nationally (28.5%) and in many other regions, the extent of the phenomenon in terms of citizens affected cannot be overlooked: approximately 800 thousand people in serious difficulty who are unable to achieve the standard of living of today's society and who, in the most serious cases, are unable to provide the fundamental needs of life. In the European comparison, it is especially evident the disadvantage that in Italy affects larger families, those with two or more dependent children: for this family type, the risk of poverty or social exclusion increased significantly, so much as to involve 38.7% in Veneto (45.9% in Italy). On the rise, also, is the problem of housing: in 2013, approximately 384 thousand people in Veneto, equal to 7.7% of population, live in unsuitable housing, due to overcrowding or significant structural deficiencies, problems with damp or poor lighting (was 6.2% in 2012). Above all, they are families who are renting and in rather dated housing, the young, couples with dependent children, single-parent families and those with a low level of education. Among the most serious issues of temporary housing is the risk of losing accommodation as a result of eviction. In 2013, there were 5,199 cases of eviction issued in Veneto, 1 for every 396 families resident, which in 96% of cases was due to arrears. The phenomenon is increasing rapidly: almost 670 cases more in the last year alone (+15%).

2.7 Work in Veneto: among the best conditions in Italy

In 2014 unemployment rose again in Veneto

After two years of decline, in 2014, employment rose again in Veneto: there were over 2.065 million workers and compared to the previous year, +1.1, about 22 thousand more people in work, while the number of unemployed, equal to 167,059, decreased by 0.5%. As a consequence, the employment rate grew, in particular for women, and unemployment declined, if by only a little, given the latter was counter to the national rate which increased by 0.6 percent.

Veneto once again recorded the second lowest rate of unemployment in Italy

Once again, Veneto confirmed but among the leading regions in Italy and in 2014 recorded the sixth highest employment rate for the 15-64 aged group, 63.7%, against the 55.7% of Italy, and the second lowest unemployment rate, 7.5%, against the average Italian level of 12.7% and the European Union average of 10.2%.

Recovery also for the employment rate for 20-64 year olds: equal to 68.4%, and an increase compared to 2013 (67.6%), is already in line with the target set by the Italian government for the European 2020 strategy,

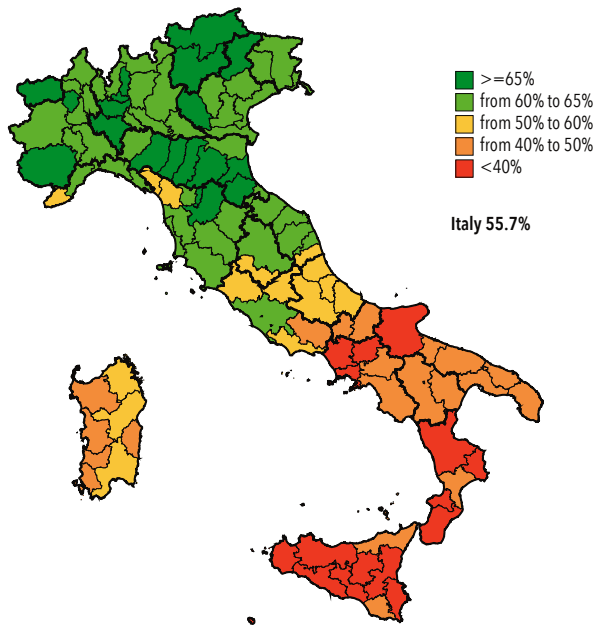
Towards the European 2020 target

of between 67% and 69%, to be achieved by 2020; it is to be remembered that at the European level, the target is 75%, a value almost achieved by the Trentino Alto Adige, which in 2014, recorded 73.6%. Going into provincial detail, it emerges from ther map showing employment for people aged between 15-64, the marked difference in colour between the North, Center and South and Islands. Trentino Alto Adige retained top spot, 68.3%, while Calabria, Sicily and Campania did not achieve even 40%. More varied was unemployment; even in this case, Trentino Alto Adige had the most favourable result (5.7%).

The excellent performance of Verona

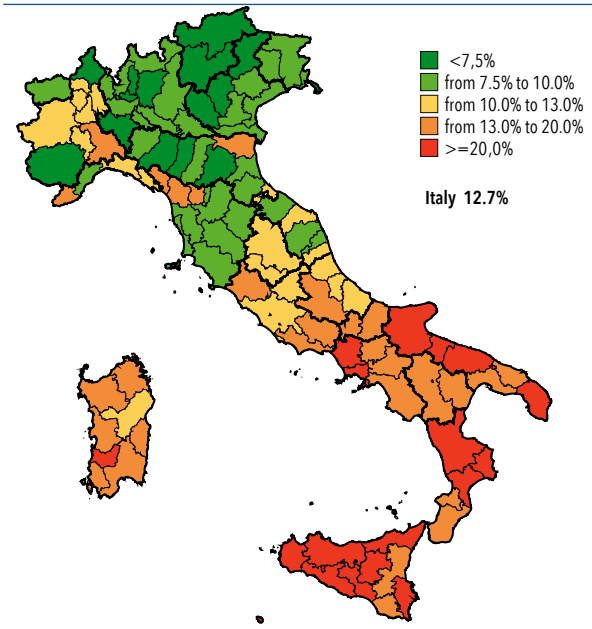
Among provinces in Veneto, Verona recorded the highest growth in the employment rate which, equal to 67.5%, in line with that of Belluno (67.6%), came seventh in the ranking of Italian provinces for the highest rate alongside Belluno which placed sixth. In addition, there has been a significant decrease in unemployment in Verona, and with a rate of 4.9%, ranked second in Italy for provincial level of unemployment. Also performing well was Vicenza, where the number of workers increased and there were

Fig. 2.7.1 - Fig. 2.7.1 Employment rate (*) for the 15-64 aged group by province - Year 2014



(*) Employment rate = (employed/population of reference) x 100
Source: Veneto Region Processing - Regional Statistics System Section on Istat data

Fig. 2.7.2 - Fig. 2.7.2 Unemployment rate (*) by province - Year 2014



(*) Unemployment rate = (People in search of work / Workforce)x 100
Source: Veneto Region Processing - Regional Statistics System Section on Istat data

fewer people searching, whereas the worst situation was in Rovigo: the number of employed declined and unemployment numbers rose.

Improved conditions for Veneto youth: less unemployment and the Neets

The situation of young people in Veneto is also among the best in Italy. Although rising by almost 2 percent compared to 2013 and three times the value recorded in 2007, with an unemployment rate for the 15-24 aged group of 27.6%, against the national figure equal to nearly 43%, in 2014, Veneto ranked third in Italy for the lowest levels of unemployment (first was Trentino Alto Adige with 18.4% and second, Friuli Venezia Giulia with 27.1%); second place, if 15-29 year olds had been considered (18%). In addition, the Neets (neither in employment, education or training), decreased: 118,255, or 8% fewer than the previous year and represented 16.8% of Veneto youth, 15-29 year old, the second lowest number in Italy (first was Trentino Alto Adige with 14.3% Neets).

The situation in Veneto with regard to redundancies

Beyond the best performance in the work market in Veneto compared to the majority of other Italian re-

gions, attention should be given to the difficulties that Veneto has faced in recent years. According to figures published by Veneto Lavoro, updated as of January 2015, in 2014 the number of businesses in Veneto which announced the initiation of crisis procedures totaled 1,477, a figure slightly slower than that of the previous year (1,492), but higher than in previous years: there were approximately 1,200 in 2012 and less than 900 in 2011. Consequently, the number of potential workers involved decreased, but remains quite high compared to the situation years ago: approximately 39,900 compared to over 42,000 in 2013.

Collective redundancies increase while the number declines for small businesses

The widening of the corporate crisis over recent years is reflected in the increase in Veneto of businesses which initiated collective redundancies, as well as in the number of redundancies over the year, which reached a new record number in excess of 15,300, a 20.5% increase over 2013. In Veneto, beginning at the end of 2012, the monthly rate of collective redundancies was often numbered more than 1,000 per month and the labour force in the mobility list (ex l. 223/1991) at the end of 2014 was greater than 26,000 people. It is evident that the growth in redundancies occurred right at year's end, attributable exclusively for workers over 40 years, with a particular accentuation for those over 50. This extraordinary rise is attributed to the fact that from the beginning of 2015, the length of time provided for the mobility allowance changed: for workers over 50, it was lowered to 36 months and 24 for workers between 40 and 49, it was lowered from 24 to 18 months.
On the decrease, instead, was the number of workers made redundant outside the collective procedure, essentially redundancies made by small businesses, for which the crisis weighed heavily over these years, forcing them, if not to close, to frequent re-sizing. There were 32,700 in 2014, a decrease of 9.3% compared to 2013, and over this period averaged two redundancies per business for each over recent years. It is noted for completeness, that the cost for individual redundancy became more expensive as of 1 January 2013.
Overall, therefore, redundancies (collective and individual) decreased over the last two years.

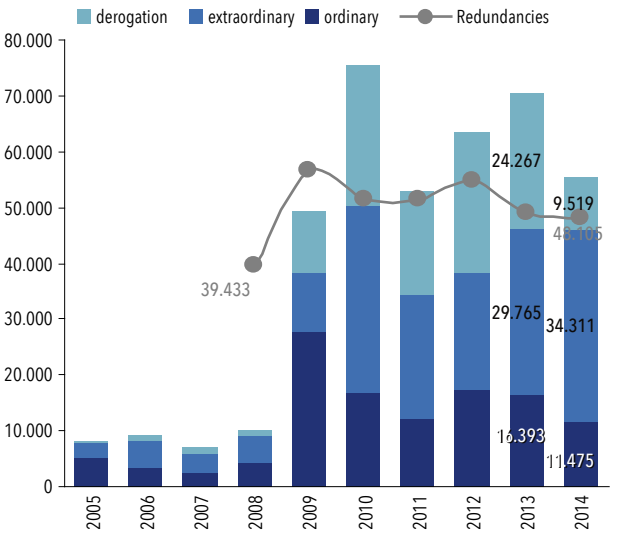
Unemployment benefits (CIG)

In 2014, the hours requested for unemployment benefit also reduced: in Italy, the hours granted totaled over one billion, 6% less than the previous year; more relevant was the decrease in Veneto which numbered 91 million hours requested over the year, 8.2% of the national total, and recorded 21.5% lower than those authorised in 2013, due to the effect of the substantial reduction of hours to management in derogation (-61%) and followed by that of ordinary (-30%).

Fewer requests for unemployment benefit hours, extraordinary benefit requests remain high.

However, the request for extraordinary unemployment benefits remains high: compared to 2013, there was an increase of 18.4% in Italy and 15.3% in Veneto.
The type of unemployment benefits explains the economic hardship; until 2005, they were granted mainly for ordinary unemployment benefits, help which was given to businesses that found themselves in temporary difficulty. Instead, during the crisis, there has been increasing use of extraordinary wage supplement and that in derogation: the extraordinary wage supplement

Fig. 2.7.3 - Full-time workers who are laid off earnings by type of management (*) and redundancy (**). Veneto - Years 2005:2014



(*) The number of equivalent full-time workers is obtained by dividing the number of authorised unemployment benefit hours by the number of hours worked per person in 1,650 hours. This provides a hypothetical number of laid off workers who never worked during the year.
(**) For collective redundancies, it involves workers inserted in the mobility list, while for redundancies activated by mostly small businesses, it involves the redundancies of workers with full-time contracts or apprenticeships.
Source: Veneto Region Processing - Regional Statistics System Section on Inps and Veneto Lavoro data

is granted in the case of a company crisis, while derogation was introduced to help workers excluded from other types of aid. It should be highlighted, however, that a large number of the hours requested were not actually used, a sign of a precautionary action on the part of the companies.
In summary, in Veneto there are an estimated 55,300 equivalent full-time workers receiving unemployment benefits, a hypothetical share of laid off workers who did no work during the year and 48,000 redundancies, numbers which are both in decline, but the request for unemployment benefits continues to rise as well as workers made redundant and inserted in the mobility list ex l. 223/1991[12].
Although employment numbers rose again and unemployment slightly decreased, it is still difficult to make an hypothesis about the performance of the Veneto labour market.

Tab. 2.7.1 - Authorised hours of unemployment benefit earnings. Veneto and Italy - Years 2013 and 2014

	Italy		Veneto	
	2014	2014/13 % var.	2014	2014/13 % var.
Total hours of unemployment benefit earnings	**1.111.766.399**	**-6.0**	**91.253.617**	**-21.5**
Of which				
ordinary	246,987,806	-30.7	18,933,763	-30.0
extraordinary	624,299,887	18.4	56,613,430	15.3
derogation	240,478,706	-19.6	15.706.424	-60.8

Source: Veneto Region Processing - Regional Statistics System Section on Inps data

[12] According to Italian Law 223/91 those able to enter the mobility list are people employed in businesses with more than 15 employees in the industrial sector and more than 200 in the commercial and logistics sectors, the craft industry (only if the client company has made recourse to the mobility of the mobility) and the cooperatives that by the nature of the activities carried out and for consistency of employment force fall within the scope of the discipline of mobility.