



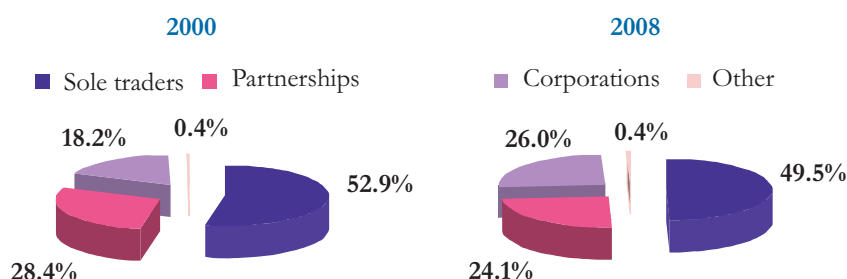
A PRODUCTIVE VENETO: THE FASHION INDUSTRY

TRENDS AND GEOGRAPHICAL DISTRIBUTION OF BUSINESSES

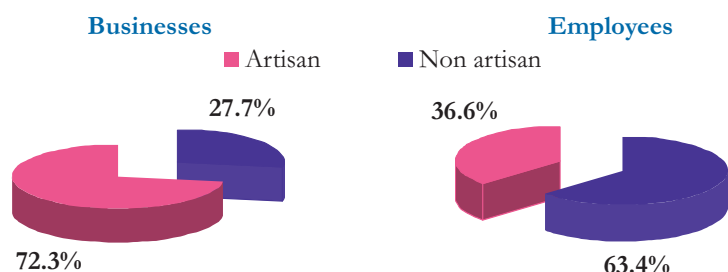


	Number	% variation on the previous year	% variation on 2000	% share of Veneto total
Active businesses in 2008	12,451	3.9	-13.4	2.8
Employees 2005	116,180	-6.7	-23.4	7.1

Businesses by kind of ownership: % share. Veneto



Artisan businesses: % share. Veneto - Year 2008



Survival rate (*) of active businesses in the sector. Veneto - Years 2002:2005

active year	years of survival		
	2003	2004	2005
2002	89.8	80.3	72.3
2003	100.0	89.2	80.0
2004		100.0	89.5

survival at three years

survival at two years

survival at one year

(*) Survival rate at time $t+n$: % ratio of the number of active businesses at t and the survivors at $t+n$ and number of businesses active at t .

Economic aggregates

	Value (mln euro)	% share of Veneto total	% share of the Italian sector
Added value 2006	5,460.3	4.4	17.6
Investments 2005	862.3	2.8	17.5

This issue of Statistics Flash analyses the industrial and geographical structure and trends of the Veneto businesses in the fashion sector, which includes activities ranging from textile and apparel production, leather tanning, shoemaking, jewellery and watch-making. The analysis brings together different statistical and administrative data from different periods in time.

Italy's local unit register (Asia-Unità Locali), which is compiled by ISTAT, is the main source for analysing production units, and is currently available for the region for 2002-2005.

Veneto fashion industry businesses account for 11.3% of the entire national sector. Their average size in 2005 was 9.6 employees per local unit, nearly 6 above the regional average, and in line with the average size of 9.4 employees in manufacturing.

In the fashion sector, unlike in other sectors, there has not been a notable reduction in less complex firms (sole traders), which still make up about half of the sector. However, at the same time, a transformation of partnerships into corporations has been observed. The number of artisan businesses in this sector is very high compared to that in Veneto industry on the whole.

Analysis of the survival of active businesses from 2002 into the following years shows a higher rate of failure in this sector compared to other kinds of businesses in Veneto: 72.3% of the businesses in 2002 were still active in 2005 (79.4% for businesses in Veneto in general).

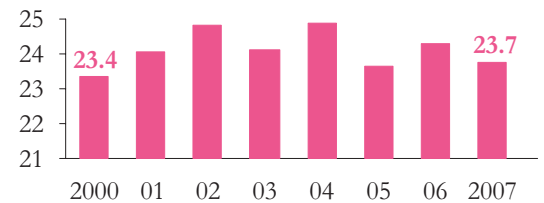
In economic terms, the fashion industry produced 4.4% of Veneto's total wealth and contributed 17.6% of the sector's production on a national level. Adjusting the data for the effect of inflation, it is estimated that there was a substantial decrease in added value in the 2000-2006 period, even though there are signs of recovery for the last two years.

Source: processing by Regione Veneto - Direzione Sistema Statistico Regionale on InfoCamere and Istat-Asia data 2005

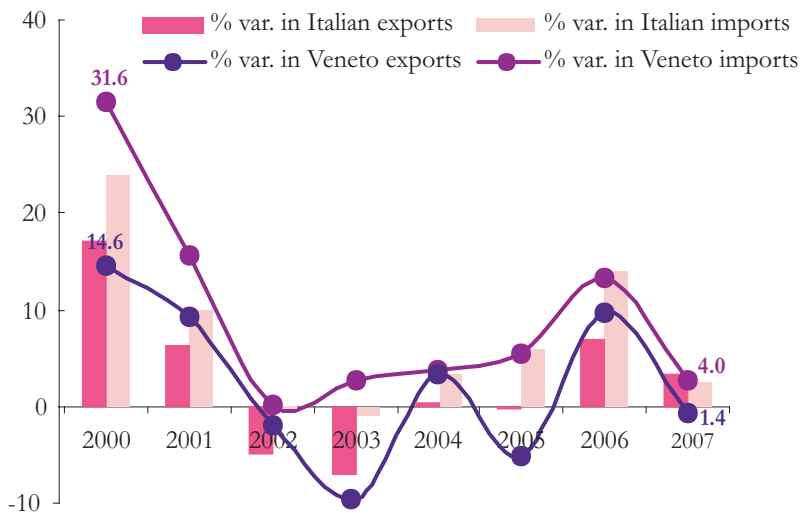
Foreign trade in fashion products

	Value (mln euro)	% variation on the previous year	2000	% share of the Veneto total	the Italian sector
Exports 2007	11,442.6	1.4	5.6	22.6	23.7
Imports 2007	6,977.7	4.0	53.5	17.5	25.3

The foreign market share of the fashion industry. Veneto - Years 2000:2007

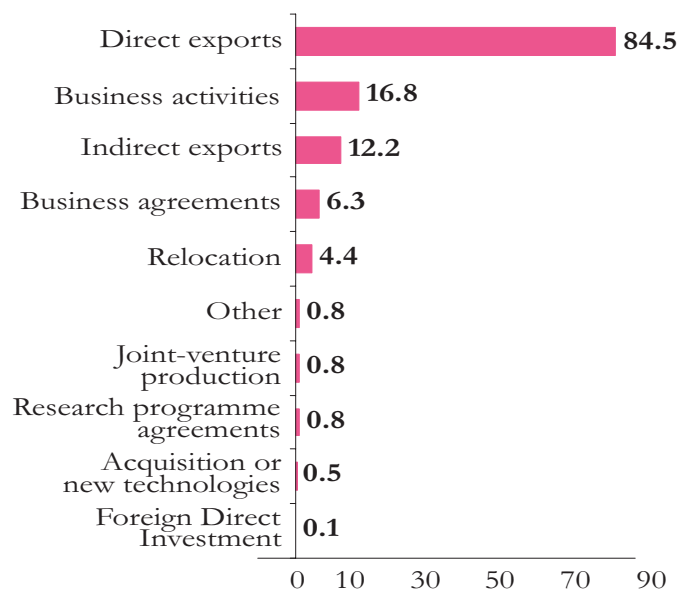


Trade trends. Veneto and Italy - Years 2000:2007

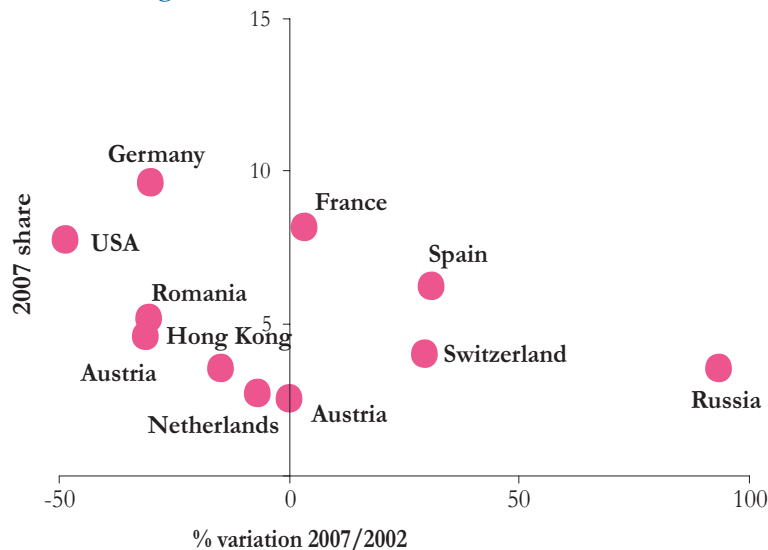


Foreign trade in the sector experienced alternating phases, until it reached a 23.7% share of national exports in the sector in 2007. The fashion industry remains one of the leading sectors in international markets. The leading markets are Germany, France and the United States, but Russia and China are growing rapidly. One enterprise in every five in the sector has economic dealings with foreign markets, which mainly consist in direct exports and business activities.

Percentage of fashion-industry businesses by type of foreign economic activity. Veneto - Year 2008

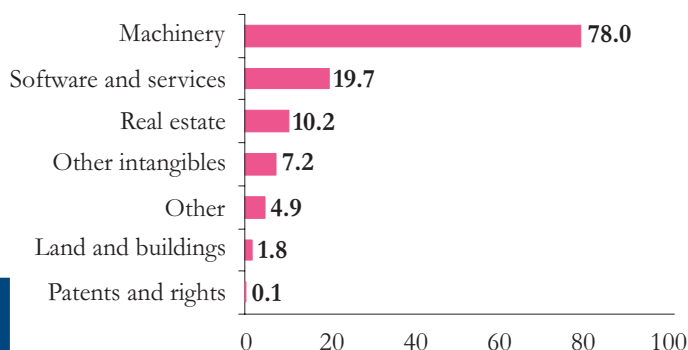


Leading markets in the sector. Veneto - Years 2002:2007

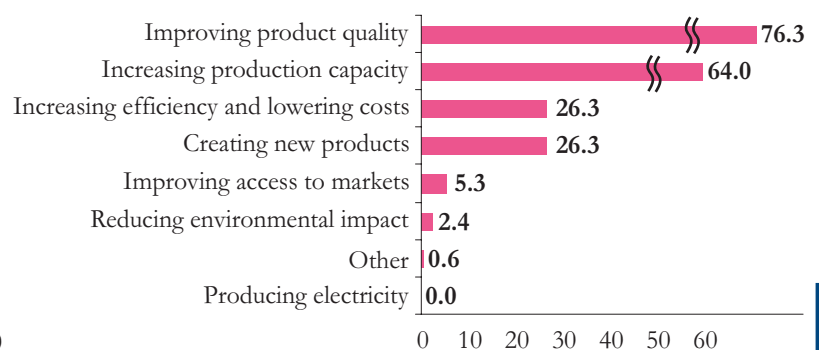


Investments in the sector (*)

Percentage of fashion-industry businesses by type of investments made. Veneto - Year 2008



Percentage of fashion-industry businesses by reasons for investments. Veneto - Year 2008



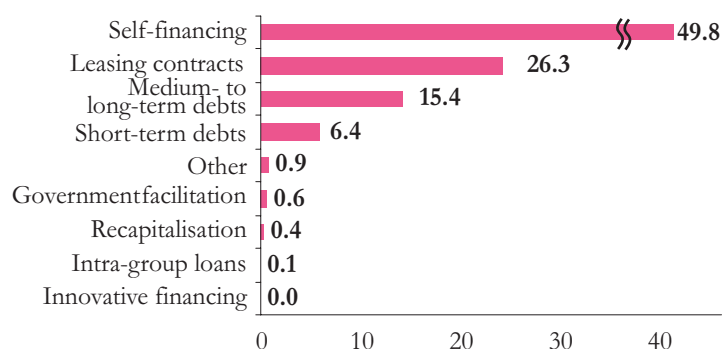
(*) Multiple answers possible

Source: processing by Regione Veneto - Direzione Sistema Statistico Regionale on Istat and Indagine MET data

Financial channels and innovation in the fashion industry (*)

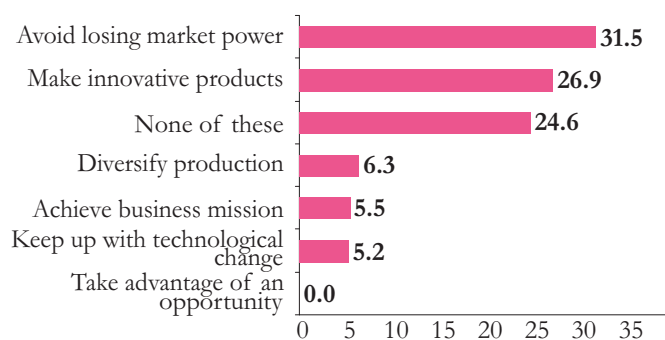
Percentage of fashion-industry businesses by type of financial channels used for making investments.

Veneto - Year 2008

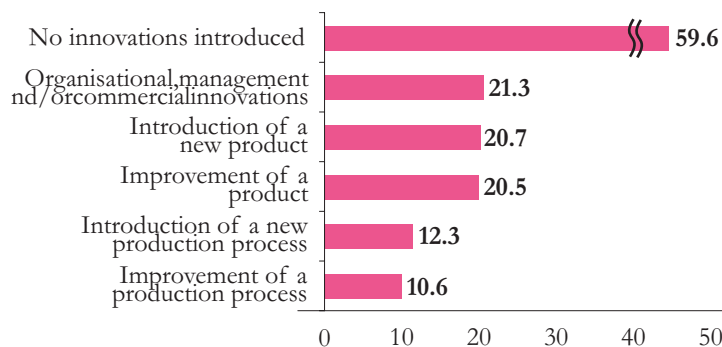


Percentage of fashion-industry businesses by reason for research and development.

Veneto - Year 2008



Percentage of fashion-industry businesses by innovations introduced in the three-year period 2005-07. Veneto - Year 2008

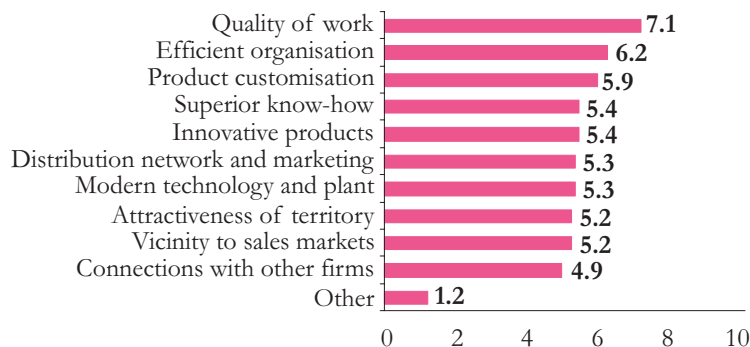


(*) Multiple answers possible

Average score given to the principal factors governing competitive advantage in fashion-industry businesses.

Veneto - Year 2008

(Scores from 1 to 10)



In 2008, investments were made by 35.7% of businesses in the sector, predominantly in machinery, software and services, with the aim of improving product quality. The investments were mainly self-financed, followed by leasing contracts. In this sector 13.7% of enterprises carried out research and development, one third of which do so in order not to lose market power.

Between 2005-07, 40.4% of enterprises introduced innovation, which was mainly organisational, management and/or commercial innovation.

The quality of work is the main factor governing the sector's competitive advantage. This was followed by efficient organisation.

Geographical analysis

	No. businesses 2008	No. local units	% share of local units	No. local unit employees	% share of local unit employees	Rate of employment potential	% share of exports 2007	Density	Productive potential
Belluno	119	131	1.1	1,342	1.1	6.3	0.7	0.0	0.6
Padova	2,748	2,500	20.6	19,419	16.6	21.8	9.8	1.2	2.8
Rovigo	1,083	894	7.4	5,836	5.0	23.8	0.7	0.5	3.7
Treviso	2,159	2,097	17.3	23,321	19.9	27.5	27.2	0.8	2.5
Venezia	1,553	1,469	12.1	11,181	9.6	13.4	6.3	0.6	1.8
Verona	1,578	1,512	12.5	13,245	11.3	15.2	11.4	0.5	1.7
Vicenza	3,211	3,524	29.1	42,601	36.4	50.8	43.9	1.3	4.2
Veneto	12,451	12,127	100.0	116,945	100.0	24.7	100.0	0.7	2.6

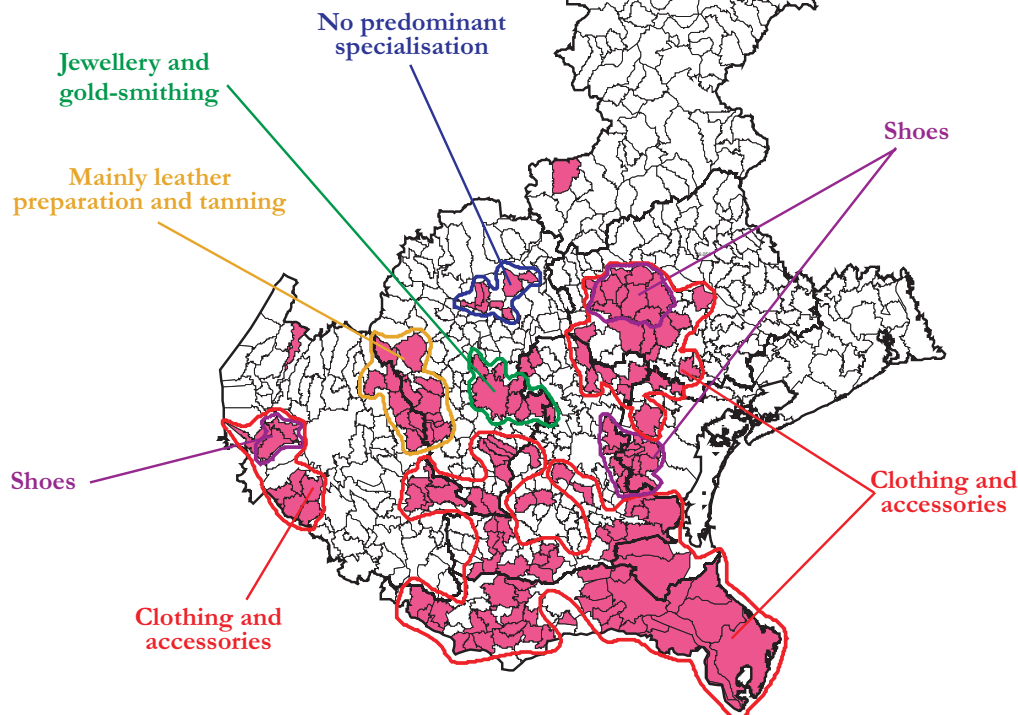
Rate of employment potential: No. local unit employees / Resident pop. x 100

Density: No. local units / area in km²

Productive potential: No. local units / Resident pop. x 100

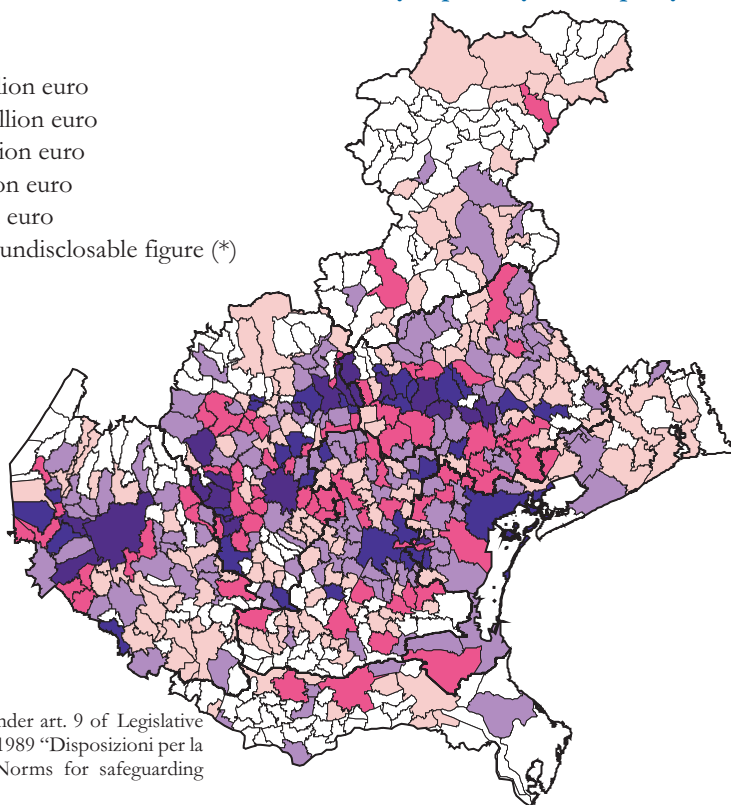
Cluster map of fashion-industry concentration by municipality

■ Municipalities in which fashion industry local units predominate



The value of fashion-industry exports by municipality

- More than 100 million euro
- From 40 to 100 million euro
- From 10 to 40 million euro
- From 1 to 10 million euro
- Less than 1 million euro
- No exporter or an undisclosable figure (*)



(*) Data may not be divulged under art. 9 of Legislative Decree no. 322 of 6 September 1989 "Disposizioni per la tutela del segreto statistico" (Norms for safeguarding statistical secrecy)

Source: processing by Regione Veneto - Direzione Sistema Statistico Regionale on Istat-Asia 2005 data

Geographical analysis shows industry specialisation in some provinces: Vicenza has the largest number of local units and 51 employees out of 1000 residents work in this sector; the province of Vicenza exports 43.9% of Veneto's fashion products, followed by Treviso (27.2%). The province of Rovigo stands out for its high productive potential.

The map of production clusters shows the municipalities in which fashion industry local units outnumber those of the other manufacturing sectors. At first glance there is a limited, but well-defined, number of clusters; the areas on the boundary between Vicenza and Verona specialised in tanning stand out clearly, as do those for the production of gold jewellery in Vicenza and shoe-making along the Brenta, as well as in several municipalities of the provinces of Treviso and Verona; and finally in the provinces of Treviso and Rovigo there are clusters of clothing manufacturers.

This activity is predominant in 147 out of 581 municipalities. Small and medium-size specialised areas can be observed for certain activities: "preparation and tanning of leather", "shoe-making", "clothing and accessories" and "jewellery and gold-smithing". Cross-referencing a range of registers has allowed us to reconstruct a map of exporters shown according to their municipality. The map shows high levels of exports primarily in those municipalities highlighted on the previous map.

In accordance with Regional Law no. 8 of 2002, Ufficio di Statistica della Regione Veneto gathers, analyses and disseminates statistical information for the region. The processed data herein is the patrimony of the entire region and is published in brochures and on the Regione Veneto website at www.regione.veneto.it/statistica.



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