In 2013 the Veneto exports record an increase of 2.8% and for the first time exceed the threshold of 52 billion Euros which corresponds to around one third of the regional GDP. This growth is sustained above all by the sales made in emerging markets.

The Veneto internal trade is in a continual deadlock while the exploit of the transversal segment of e-commerce continues with +16.5% per year.

The agricultural year 2013 in Veneto is substantially positive: gross production increases overall by around 3% with respect to 2012, reaching 5.5 billion Euros. As regards enterprises, the difficulties of 2012 still persist: the number of businesses active in the region records a drop by 1.8%, or 0.9% excluding the agricultural sector. In 2013 the shrinking of the industrial sector continues: the manufacturing businesses decrease by 2.6% and construction businesses by 3.3%. The tourism offer of our region, unique, varied and of quality, continues to surpass the record indicated in the previous years. In 2013 the inflow of visitors is still growing (+1.1 %) reaching almost 16 million arrivals.

As regards the labour market, despite the effects of the crisis, the increase in dismissals, the shrinking in the number of the employed and the significant increase in unemployment, Veneto is again one of Italy's leading regions and in 2013 records the sixth highest employment rate (67.8%) and the second lowest unemployment rate (7.6%). Moreover, despite the growing number of the unemployed and the inactive people, Veneto is the third regions with the lowest unemployment levels and number of NEETs (young people not in employment, education or training).

The economic aspects and the social context

2. The economic aspects and the social context

2.1 Veneto's trade internationalisation: searching for new markets is a strategic choice

In 2013 the global trade trend was experiencing a climate of uncertainty, in particular in certain geographical areas around the world: the international trade exchanges increased by +2.7%, accelerating with respect to 2012 (+2.3%), but were still far from the long-term pace recorded in the previous years and for 2014 the World Trade Organisation predicts an increase of around four percentage points. The greatest difficulties in getting out of the recession are found once again in the EU Countries and in the Euro Zone in particular, with a considerable impact on the trend in international demand for goods.

Fig. 2.1.1 - Annual percentage variations in the global trade of goods - Years 2005:2015

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

The geo-political tensions linked to the Crimean issue, exploded in a framework of high uncertainty, could impact negatively on the consumers' and businesses' confidence and thus slow down the growth of the emerging economies and determine a reduction of the international trade exchanges over the next years.

In Italy

In this context the value of national foreign trade turnover remains more or less unvaried with respect to the date recorded in 2012 (389.9 billion Euros and a percentage annual variation of -0.1%) resulting from a reduction of around twenty percentage points of the exports of energy products and of a decrease by 4% of the intermediate goods, almost all counterbalanced by an increase of the sales of non-durable consumer goods (+7%) and by the increase of the export of capital goods (+2% with respect to 2012).

In 2013 the exports of the metallurgical processes undergo consistent reductions (-10.5%) due to the appreciable reduction of the rates of these productions. A large reduction is also observed in the exports of the electronics sector (-3.1%)

In the same period a consistent increase is recorded in the foreign sales of some items characteristic of Italy such as food productions (+4.8%), items of the goldsmith sector (+7.8%), eyewear products (+5.5%) and items of the fashion sector (+4.3%) that perform the role of the ambassadors of the made in Italy in the world. As concerns the main outlet markets of Italian goods, in 2013 a significant growth is recorded in sales to Belgium (+10.3% with respect to 2012), Russia (+8.2%), China (+9.5%), Japan (+7%), Saudi Arabia (+11.4%) and Algeria (+12.8%), whereas exports to Germany - still the first commercial partner for Italy with more than 12% of our national foreign trade turnover - remaind almost stationary (-0.8%).

However, downturns in the foreign trade turnover are recorded in Switzerland (-10.8%), Spain (-6.3%), France (-2.3%) and Turkey (-4.8%).

In 2013 the national imports decrease significantly (-5.5%), reflecting the drastic reduction of private consumption and of internal investments.

The reduction in value of the foreign supplies concerns all the main commercial partners of Italy, with the exception of imports from Russia, which increase by 9.5%, and from Belgium (+3.4%). In 2013 China, even if recording a decrease by 7.5 percentage points, is once more confirmed as the most important goods supplier in the non-EU context.

As regards the different industries, strong was the impact of the shrinking of purchases from the energy sector (-15.6%) and in purchase of intermediate goods (-5.4%). The latter represent around 30% of the goods purchased abroad by Italian entrepreneurs (almost 110 billion Euros in 2013). The only positive sign comes from imports of non-durable consumer goods: +2.1% compared to 2012.

In the light of these developments, the import/export balance is positive, around thirty billion Euros (+11.3 billion with the EU Countries and +19 billion with non-EU Countries) and equal to around 2% of national GDP, thanks to the substantial surplus of the trade balance

Fig. 2.1.2 - Annual variation and % share of the exports per region - Year 2013 (*)

(*) Provisional data
Source: Processing by Veneto Region - Regional Statistical System on Istat data

net of the energy products (+84.7 billion Euros) which manages to compensate for the deficit of the energy bill (-54.4 billion Euros). The substantial immobility of national exports is the synthesis of conflicting territorial trends. North-East Italy witnesses a significant growth (+2.4%) which is followed by an albeit less intense increase in the foreign trade turnover of the businesses operating in its North-Western zone (+0.6%). On the other hand, the regions of the Italian Islands (-15.0%) and the South (-4.1%) show marked reductions in exports, which drop slightly in Central Italy (-0.7%). The regions responsible for the slowing down of national export in 2013 are Sicily (-14.8%), Tuscany (-3.6%), Sardinia (-15.5%), Puglia (-10.4%) and Liguria (-6.2%). Among those provide a positive contribution are Piedmont (+3.8%), which significant results in the markets of Eastern Europe (+32.7%) and East Asia (+11.7%), Veneto (+2.8%), Emilia-Romagna (+2.6%) and Marche (+12.3%).

Fig. 2.1.3 - Annual % variation in the exports from the main exporting regions and Italy to the EU and the other emerging areas - Year 2013 (*)

(*) Provisional data
Source: Processing by Veneto Region - Regional Statistical System on Istat data

In Veneto

In 2013 the Veneto exports record an increase by 2.8% and for the first time exceed the threshold of 52 billion Euros, which corresponds to around one third of the regional GDP.

The growth of the foreign trade turnover for the businesses operating in Veneto is supported above all by sales into the emerging markets. The sales in the European markets remain at the same levels as the previous year (+0.8% for the EU markets and -0.5% in the other West-European markets), with the exception for the flows of goods directed towards Eastern Europe (+8.6%), while the exports towards non-EU economies that guide the evolution of international trade grow significantly, .

The Veneto businesses that also operate on international markets better deal with the effects of the internal crisis due to the reduction in internal demand, and they appear to be able to rapidly re-orientate their production towards the growing economies In one year Veneto's exports increase by 7.4% to East Asia, by 5.1% to Latin America and by 9.7% to Middle East. By going into the detail of the single markets, the value of regional exports remains somewhat stable for the goods directed towards Germany, the first regional

Fig. 2.1.4 - Percentage share of Veneto exports towards the main markets - Year 2013 (*)

(*) Provisional data
Source: Processing by Regione Veneto - Regional Statistical System Section on Istat data

commercial partner, with a share just above 13% of the entire foreign trade turnover of Veneto, and those exported to France (-0.3% compared 2012), while it continues to grow in the United States (+6.5%, for a total amount of 3.5 billion Euros), Russia (+9.3%, seventh market of reference for value of goods exported), China (+7.3%) and the United Kingdom (+4.6%). The excellent performance recorded in Hong Kong (+20.2%) and in the United Arab Emirates (+11.7%) are also worth mentioning.

Fig. 2.1.5 - Percentage share of Veneto exports by economic sector - Year 2013 (*)

(*) Provisional data
Source: Processing by Veneto Region - Regional Statistical System on Istat data

The foreign trade turnover of Veneto businesses decreases as regards Swizerland (-2.1%), Austria (2.3%) the Netherlands (-2.1%) and Belgium (-9%).

The growth of the regional exports is driven by the non-durable consumer goods (+6.3% compared to 2012) and capital goods (+3.4% and a total amount slightly exceeding 16 billion Euros in 2013), while the sales of durable consumer goods and intermediate products remain stable (+0.4% and +0.3% respectively). There are still difficulties on the international markets for the energy goods (-19.3%), with a decisive drop in the sales of oil refining derived products.

Among the products that pushed the Veneto exports upwards, important contributions came from the sectors of agri-food (+6.1%, fifth sector of regional export), eyewear and medical products (+6.5%), electrical appliances (+5.2%) and fashion; the latter is confirmed as the second industry of Veneto (with a foreign trade turnover of 9.3 billion Euros in 2013) and records a growth in sales close to five percentage points. The foreign trade turnover of mechanical productions also shows a positive trand (+3.3%); this is still the first regional sector by value exported (10.2 billion Euros in 2013, equal to 19.5% of the regional total).

The reduction in exports of the sectors of metal machining (-4.3%) and means of transport (-4%), mainly a consequence of the downturn of sales of the vehicles and electronic goods (-3.8%), also has a negative impact.

As regards the imports, the regional trend (-0.8%) is the result of sectoral trends that are heavily heterogeneous: some segments are experiencing a sharp growth, whereas some others are in great distress and are affected by the shrinking in internal consumption.

Going into detail, agri-food, which is second place in Veneto for the value of goods purchased in the international markets, closes 2013 at +7.6%. Signifcant is the increase in value of the purchases of electrical appliances (+6.3%), chemical and minerals industry products (+4.9%, with excellent results for glass products), and metal machining (+4.2%). Foreign purchases of the fashion sector also show a positive trend (+1.4%) due to leather and leather goods (+11%) and mechanical machining (+1.6%).

The imports of other sectors decrease with downturns that reach 24.2% for electronic goods and 51.9% for oil and gas.

Foreign purchases are also shrinking in the furniture and means of transport sectors (-5.8% and -1.4% respectively), despite the positive year end for the aircraft segment, which has increased its purchases from the foreign markets by over 88 million Euros compared to 2012 (+45.7%).

In 2013 Germany remains the actor by far more important as regards the regional supplies, confirming the value recorded in 2012 (7.6 billion Euros, equal to around one fifth of the regional import). China, in spite of a decrease by almost eight percentage points in imports compared to 2012, still remains the main non-EU supplier of Veneto's businesses, with a value of imports equal to 3.3 billion Euros. Between 2012 and 2013 the imports coming from some of the main European partners increase with significant peaks in the purchases from Switzerland (+21.1%) and Austria (+8.5%). At the same time, supplies from the United Kingdom (-11.8%), the Netherlands (-7.7%) and Belgium (-7.4%) decrease. As for non-EU markets, there is a strong increase in the value of goods import from the Republic of South Africa (+14.7%) and a substantial decrease in the purchases from the USA (-25.4%).

The growth in exports and the slight decrease in imports improve the commercial trade balance of Veneto,which goes from +13.6 billion Euros in 2012 to +15.3 billion Euros in 2013. Over the last year, the trade surplus with the EU Countries remains unchanged (5.8 billion Euros) whereas that with non-EU markets increases by almost two millions. Between 2011 and 2013 the deficit of the trade balance with East Asia decreased by around one billion Euros (from -1.4 billion Euros to -342 million Euros in 2013). The growth of Veneto exports is decisively affected by the positive results in the provinces of Vicenza (+4.6%), Treviso (+4.4%) and Belluno (+3.7%).

The only Veneto province that recorded a decrease in the value of its exports is Rovigo, with -3.2% compared to the foreign trade turnover of 2012 Vicenza ranks first among the Veneto provinces by value of goods exported (29.7% of the regional export); the growth of its foreign trade turnover over the last year is supported by the sales on the markets of Middle East (+16.4%) and East Asia (+14.1%, i.e. 217 million Euros more than in 2012). Treviso follows in the ranking with a share close to 20% of the regional export, then come Verona (17.8%) and Padua (16.5%). As regards the performance of the economic sectors, increases are recorded in the foreign sale of means of transport from the province of Venice (+38.8%, i.e. almost 100 million Euros more than in 2012) and of the eyewear products of Belluno (+6.4%, i.e. an increase of around 120 million Euros), which in 2013 represented more than 70% of the provincial export.

As regards the imports, the trends of the Veneto provinces are heavily different from each other, with annual variations oscillating between -9.5% in Venice and +9.1% in Vicenza. The trend of Belluno (-7%), Padua (-3%), Rovigo (-2.4%) and Verona (-2.2%) is

Tab. 2.1.1 - Foreign trade exchange per province. Values expressed in millions of Euros and annual % variation - Years 2012:2013 (*)

	Exports			Imports		
	2013 million Euros	% share	% var. 2013/12	2013 million Euros	% share	% var. 2013/12
Verona	9,377	17.8	0.7	10,637	28.5	-2.2
Vicenza	15,607	29.7	4.6	8,462	22.7	9.1
Belluno	3,022	5.7	3.7	716	1.9	-7.0
Treviso	10,493	19.9	4.4	5,809	15.6	0.3
Venice	4,099	7.8	1.9	5,240	14.1	-9.5
Padua	8,703	16.5	1.1	5,233	14.0	-3.0
Rovigo	1,305	2.5	-3.2	1,170	3.1	-2.4
Veneto	**52,606**	**100.0**	**2.8**	**37,266**	**100.0**	**-0.8**

(*) Provisional data
Source: Processing by Veneto Region- Regional Statistical System Section on Istat data

negative while the value of foreign purchases of the businesses operating in the province of Treviso (+0.3%) remains somewhat stable.

Veneto's commercial presence abroad

In 2013 the exporters operating in Veneto that carried out sale transactions on the international markets exceeded the number of 29,000 units. In spite of the slight downturn in the number of operators present in our region (-1.3% compared to 2012), there was a gradual and evident repositioning of foreign sales towards the new emerging economies, in confirmation that the crisis forced some local businesses - mainly the more organised and larger-sized ones - to go beyond the already consolidated destinations. Analysis of the overall data confirms that the growth of the foreign trade turnover in the most dynamic geographical areas is only partly accompanied by an increase in the number of Veneto operators present in those markets, as occurred in North Africa and in East European markets, and that a decisive role is performed by the large-sized operators (large-sized in terms of employees and foreign trade turnover generated).

The businesses that manage to compete on the global market have become bigger and optimised the financial structure thus suffering less from the difficulties in access to credit and taking advantage of the low interest rates. The crisis was, in any case, an accelerator of strategic decisions linked to the quality of the productions, which otherwise would have be slow to arrive.

In fact, by analysing the performance of the operators with a foreign trade turnover over 5 million Euros in at least one of the geographical areas examined - i.e. the performance of 4.3% of the operators present in Veneto, to which 65.5% of the regional export is ascribable - the greater reactivity of these operators towards the international markets emerges.

Tab. 2.1.2 - Foreign trade exchange of the operators present in Veneto and their presence by geographical area. Export values expressed in millions of Euros and annual % variation - Years 2012:2013 (*)

	Value exported by the 29,426 operators			Presences per area	
	2013 million Euros	% var. % 2013/12	% share	Number of presences	% var. % 2013/12
EU	29,481.2	0.8	56.0	11,869	0.6
Other European Countries	3,851.2	-0.5	7.3	9,155	2.2
Eastern Europe	3,367.7	7.4	6.4	11,072	1.8
North Africa	1,289.8	9.0	2.5	4,207	3.1
Other African Countries	688.0	9.4	1.3	3,943	-1.3
North America	4,072.9	7.3	7.7	6,360	0.3
Latin America	1,817.8	5.1	3.5	4,561	0.9
Middle East	2,385.0	9.7	4.5	6,071	0.6
Central Asia	759.8	-7.7	1.4	2,679	-2.9
East Asia	4,246.5	7.4	8.1	6,984	-1.2
Oceania and other Countries	645.9	2.1	1.2	3,107	1.2
Total	**52,605.8**	**2.8**	**100.0**	**70,008**	**0.7**

(*) Provisional data
Source: Processing by Veneto Region- Regional Statistical System Section on Istat data

The increases in foreign trade turnover generated in the new emerging markets by these operators show even greater performance with respect to those obtained by the other regional operators. Therefore, the increase in the value of the products made in Veneto towards these markets is only in part the result of the presence of new operators.

63.1% of the foreign trade turnover generated in the East Asian markets is due to the 155 biggest operators

of Veneto (nine more than 2012) operating on those markets, i.e. to 2.2% of the regional operators active in East Asia, whereas 48.9% of the Veneto export value generated in the in the Middle East markets is attributable to 71 large operators (2 more than in 2012 and equal to 1.2% of the Veneto operators present in that area).

The internationalisation strategies of the businesses, despite the structural difficulties present in our economy, seem to always be linked to the size and entrepreneurial abilities of the businesses.

2.2 The response of internal trade to the financial crisis

In Italy

In 2013 the trend of national retail sales was the worst since the beginning of the financial crisis: a decrease of 2.1% compared to the previous year was recorded, reflecting the 1.1% downturn in the sale of food products and the 2.7% decrease in those of non-food products. From the point of view of the distribution form, the decrease is greater for the small sales surface areas, with -2.9% compared to -1% of large-scale distribution.

Fig. 2.2.1 - Annual percentage variation of the sales of the fixed retail trade. Italy - Years 2008:2013

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

The negative trend of sales is reflected in the confidence climate of retail trade businesses. The percentage variation of the index is negative for all components: assessments and forecasts on the sales, order quantities and employment. If the trend of traditional channel sales appears to be "suffering", e-commerce[1] is instead in strong expansion.

Fig. 2.2.2 - Annual percentage variation in value of sales of Large-Scale Distribution and Small Sales Surface Areas. Italy - Years 2011:2013

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

The value of online sales in Euros has grown by 18% compared to 2012, mainly due to the explosion of the so-called "mobile-commerce"[2], with a 225% increase compared to the previous year. The sectors that record the best e-commerce performance are: clothing (+30% compared to 2012) and IT (+20% a year); not only the sales of products increase but also sales of services: +14% for insurance and +13% for tourism. As regards the methods of payment, in 2013 shopping on the internet using credit cards increased by 20.4%.

In Italy in 2013 the retail sales fall but weight of e-commerce increases

This form of spending increases above all for travel and transport, non-food retail sales and the services[3].

Fig. 2.2.3 - Annual percentage variation in the value of e-commerce sales. Italy - Years 2008:2013

Source Processing by Regione Veneto - Regional Statistical System Section on data from Consorzio Netcomm - Osservatorio eCommerce B2c School of Management Politecnico di Milano

[1] Referring to "business to consumer".

[2] Mobile-commerce is any transaction that implies the transfer of property or rights of use on goods and services which is set up and/or concluded via the use of mobile devices connected to a computer network.

[3] Source: Osservatorio Acquisti CartaSì.

In Veneto

In 2013 in Veneto there were 50,774 commercial concerns with fixed place of business, therefore the situation was considerably balanced with respect to the previous year. The number of the business places is slightly on the decrease (-1.1% per year), while the local units that are not the main place of the commercial activity are increasing (+1.1% with respect to 2012).

The commercial concerns with fixed pace of business continue to be 6.7% of the national total; the region thus ranks sixth behind Campania, Lombardy, Lazio, Sicily and Puglia. The commercial concerns with fixed place of business that in 2013 record the best performance are those specialised in the sale of computer and telecommunication equipment (+5.4% with respect to 2012), food, drinks and tobacco (+1.7% per year) and automotive fuel (+0.7%).

Concerns specialised in the sale of other products for domestic use and non specialised concerns all record a slight decrease (respectively -1.3% and -1.5% per year), but the strongest decrease is recorded in those specialised in the sale of cultural and recreational items, with -3.2% compared to 2012.

Fig. 2.2.4 - Annual percentage share and variation of commercial concerns with fixed place of business by trade specialisation. Veneto - Year 2013

Source: Processing by Veneto Region - Regional Statistical System Section on data of the Ministry of Economic Development

Padua is the only province that records an increase in commercial concerns in 2013 (+0,4%); whereas Treviso is the province that suffered the most from the difficulties of the market, with a drop of 1% in the number of its commercial concerns. On the other hand, in the province of Venice the number of commercial concerns remains unvaried compared to the previous year.

Padua is the only Veneto province where the number of commercial concerns has grown

Itinerant trade continues to keep up with +0.3%, driven by the growth of the clothing, textiles, footwear and leather goods sectors (+0.4%), and is the only one that has not suffered downturns with respect to 2012. The food sector and that of furniture and domestic use items recorded a decrease, respectively by 0.2% and 4.3% per year.

In 2013, the growth of door-to-door sales is less than the previous year (+4.1%).

Similarly to that which happens at a national level, even in Veneto in 2013 the transversal segment of e-commerce increases (+16.5% of sales websites).

In particular in Veneto around 941 thousand people, equal to 36.9% of those who used the Internet in the last 12 months, purchased goods and/or services for private use on-line. Internet is used mainly to book hotels and guest houses (37.2% of people practicing e-shopping) but also to buy train and plane tickets and to hire cars (31.2%). Also frequent on the internet is the purchase of clothes and sports items (27.9%), tickets for shows (22.9%), household goods (20.3%) and electronic equipment (20%). The percentage of online purchases of tickets for lotteries or bets and medicines is still low (0.3% and 1.8% respectively).

In Veneto online purchasing is also on the increase

As regards the methods of payment, in December 2013 online credit card transactions have increased by 21.6% compared to December 2012[4].

As regards Large-Scale Distribution, the regional data always become available one year later, and therefore this analysis refers to 2012.

[3] Source: Osservatorio Acquisti CartaSì.
[4] Source: Osservatorio Acquisti CartaSì.

In 2012 the positive trend of Large-Scale Distribution continues in Veneto. The number of department stores, supermarkets and hypermarkets records a positive variation of 6.1%, determining a 2% increase in the personnel and a 4.4% increase in the sales surface area.

Again in the same year the specialised sales areas start to grow again, +0.5% compared to the previous year, with a slight increase in the number of workers (+0.3%).

Although not as pronounced as in 2011, the positive trend of the minimarkets continues (+1.7%), with and increase in the number of workers by 0.4% per year.

Tab. 2.2.1 - Local units, sales aurface area and number of workers of Large-Scale Distribution by province. Veneto - Year 2012

	Department Stores Supermarkets and Hypermarkets			Minimarkets			Specialised Areas		
	Shops (n°)	Workers (n°)	Sales surface areas (m2)	Shops (n°)	Workers (n°)	Sales surface areas (m2)	Shops (n°)	Workers (n°)	Sales surface areas (m2)
Verona	248	5,111	330,069	81	413	23,606	51	1,266	156,572
Vicenza	295	5,086	327,549	68	356	20,194	31	972	106,684
Belluno	65	1,323	68,725	22	100	6,370	5	54	11,320
Treviso	219	4,616	293,581	90	463	27,409	56	1,029	148,228
Venice	229	5,095	265,212	51	408	15,491	32	1,226	127,605
Padua	270	5,292	303,692	76	411	23,069	39	1,173	109,068
Rovigo	75	1,483	91,466	21	95	6,243	9	179	27,253
Veneto	**1,401**	**28,006**	**1,680,294**	**409**	**2,246**	**122,382**	**223**	**5,899**	**686,730**

Source: Processing by Regione Veneto- Regional Statistical System Section on data of the Ministry of Economic Development

2.3 Agriculture (*)

The farm year 2013 in Veneto was substantially positive in terms of value produced. Gross production increases overall by around 3% compared to 2012, reaching 5.5 billion Euros due to the good performance of the herbaceous crops. If in the spring excessive rainfall damages certain crops (wheat in particular), the prevalently favourable climate trend of the following months allows high production vaolumes in other important crops such as corn and soya, which in 2012 had suffered strong decreases due to the summer drought. Wood cultivation decreases slightly along with livestock, which is partially influenced by the unsatisfying results of the beef. Taking into consideration the values of production at the prices of the previous year, it can be noted that the impact of the market trend on the value realized was low, and that the increase of the latter is therefore due almost exclusively to an increase of the quantity produced.

The trade balance of the agri-food products in 2013 records an increase both in the imports (+7.6%, reaching 6 billion Euros) and of the exports (+6.1%, increasing to 5.12 billion Euros). The rather proportional increase in the imports with respect to the export leads to a worsening of the agri-food deficit,

Tab. 2.3.1 - Percentage variations in the value of the agricultural products compared to the previous year Veneto - Year 2013

	at current prices	at constant prices
Herbaceous crops	between +13 and +15%	between +12 and +14%
Wood crops	between -1 and -3%	between +1 and +3%
Livestock breeding products	between 0 and -2%	between -2 and -3%
Gross Production Lorda	between +2 and +4%	between +2 and +4%

Source: Veneto Agricoltura Estimations on Istat data (provisional data)

(*) By Veneto Agricoltura.

which increases to 880 million Euros (+17% compared to the previous year).

Tab. 2.3.2 - Production value per production sector (000 euro). Veneto - Year 2013

	€ (000)	% share
Other productions and services	1,076,880	20
Poultry	756,917	14
Cereals	690,776	13
Vegetables and potatoes	579,482	11
Winemaking	659,350	12
Cattle	482,080	9
Cow's milk	411,686	8
Pigs	193,683	4
Fruit growing	196,768	4
Industrial crops	224,183	4
Fodder	150,317	3
Flower farming	61,464	1
Total	**5,483,586**	**100.0**

Source: Veneto Agricoltura Estimations on Istat data (provisional data)

Businesses and employment

The number of agricultural holdings registered in the Chambers of Commerce of Veneto continues to decrease. It drops down to 67.682 units with a downturn of 6.5% compared to 2012, mainly due to the strong reduction in the number of individual firms, decrease to 57,500 units (-7.8%). The number of businesses of the food industry remains unchanged and stable at 3,650 active units. After the considerable increase in the number of people employed in agriculture over the three-year period 2010-2012, with an average annual increase of around 10%, in 2013 a drop by 12.6% was recorded in the number employees compared to the previous year, down to around 65,500 units.

Cereal and industrial crops

Spring rainfall is excessive: in the months of March, April and May the average rainfall volume is 565 mm in Veneto, compared to the average of of 260 mm in the period 1994-2012, and the maximum temperatures were less than the reference average of 3-4°C. This affects above all the autumn and winter cereals, the production of which is generally on the decrease: soft wheat -14% and durum wheat -39%; the quantity of barley harvested increases by 36% only due to the considerable increase in the surface area assigned (+44%). Corn experiences a clear-cut recovery with respect to the terrible 2012 and its dry summer, and is confirmed as the first regional crop, with an area of 250,000 hectares (-8%) and a production rising to 2.2 million tonnes (+48%). Despite the aforementioned quantitative decreases, the price of cereals often undergoes the trend of international quotations, which are influenced by the high production levels recorded globally for the year. The average annual prices of corn (-7%), soft wheat (-5%) and barley (-15%) are therefore on the decrease. The price of the durum wheat is stable, in countertendency to that of rice (+6%).

As regards the industrial crops, a considerable recovery is recorded for soya, which increases its surface area (+20%) and above all production (+116 %, the highest over the last ten years), also managing to keep on the markets (+4% the average annual price). The spring rainfall is a drawback for the sowing of sugar beet, of which the surface areas and production volume have decreased by around 27%. The production of tobacco is on the increase (+19%), rapeseed is decreasing (-27%) and the hectares invested in sunflowers almost doubled (+128%).

The fruit and vegetable sector

Some fruit and vegetable crops are also negatively influenced by the abnormal climatic trend, considering the falls in production suffered by potatoes (-40%), chicory (-8%), lettuce (-9%), garlic (-7%) and asparagus (-25%), but from a sales point of view, the lack of the product generally supports the prices. Among the main fruit crops, the year is positive for the production of apples (+40%), but not so much for pears (-19%), peaches (-8%) and kiwis (-9%) which nevertheless obtain more favourable amounts with respect to the previous year.

The winemaking sector

A positive year from the production point of view for Veneto winemaking, although the season did not get off to a good start. The drawing out of a spring meteorological situation characterised by repeated disruptive perturbations in fact provokes a substantial surplus of water in the ground making it difficult for for the mechanical means to acces the fields, thus determining the early spread of downy mildew and delaying the vegetative cycle.

However, the climate trend, which is considerably favourable in the following months, allows to overcome the initial difficulties, leading to production levels on

values that are close or even above the standard level. With the 2013 grape harvest which began 10-15 days later than in the previous years, 11.8 million quintals of grapes were collected, 9% more compared to the poor year of 2012. It is estimated that from this quantity around 9 million hectolitres of wine (+11.5% compared to the previous year), are obtained, of which around half (47%) is marked as DOP and 43% as IGP, confirming the position of Veneto at the top of the ranking of the Italian winemaking regions.

As is well-known, the system of designations of origin in Veneto is rather well-structured amounting to 28 DOC designations and 14 DOCG, but the first 10 overall cover 94.3% of the production of grapes claimed. At the summit of the top ten is the DOC Prosecco with a share of 41.5% out of the total, followed at a considerable distance by the DOC Valpolicella and by the DOCG Prosecco di Conegliano-Valdobbiadene (each with a share of 13.5%) that precedes DOC Soave (11.8%) and Bardolino (4.9%).

Tab. 2.3.3 - Estimate of wine grape production use and percentage variation with respect to the previous year. Veneto - Year 2013

	Belluno	Padua	Rovigo	Treviso	Venice	Vicenza	Verona	Veneto 2013	Veneto 2012	% diff. 2013/12
Harvested WINE GRAPE (quintals)	**4,229**	**687,137**	**11,982**	**4,895,188**	**897,350**	**1,103,174**	**4,181,776**	**11,780,836**	**10,800,816**	**9.1**
WINE (hl)	**3,380**	**554,709**	**9,585**	**3,807,962**	**706,612**	**858,949**	**3,048,084**	**8,989,282**	**8,060,735**	**11.5**
DOP wine	2,097	236,373	0	2,076,316	214,571	219,823	1,468,666	4,217,847	4,245,524	-0.7
White	2,090	181,725	0	2,020,285	173,998	173,411	755,024	3,306,534	3,191,567	3.6
Red and rosé	7	54,648	0	56,031	40,573	46,412	713,642	911,313	1,053,957	-13.5
IGP wine	1,019	264,541	6,124	1,580,506	466,341	471,923	1,075,998	3,866,451	3,284,042	17.7
White	820	116,253	1,500	1,027,009	268,754	318,806	726,377	2,459,517	1,944,142	26.5
Red and rosé	199	148,288	4,625	553,498	197,587	153,117	349,621	1,406,934	1,339,900	5.0
Wine	264	52,923	3,345	140,880	23,190	146,543	479,621	846,766	502,812	68.4
White	118	24,066	872	83,671	9,869	119,504	443,503	681,604	372,306	83.1
Red and rosé	146	28,857	2,473	57,209	13,321	27,039	36,118	165,163	130,506	26.6
Vino Varietal wine	0	872	116	10,259	2,511	20,660	23,800	58,218	28,356	105.3
White	0	0	0	1,057	1,051	2,249	635	4,992	783	537.4
Red and rosé	0	872	116	9,202	1,460	18,411	23,165	53,226	27,573	93.0
MUSTS	**0**	**9,276**	**0**	**66,085**	**12,114**	**14,893**	**56,454**	**158,822**	**164,505**	**-3.5**

Source: Processing by Regione Veneto - Regionals Statistical System Section on AVEPA data

Livestock

The Veneto production of milk in the 2013/14 campaign is estimated as on the increase by around 2% with respect to the previous year. Therefore, the total amount of milk deliveries to first purchasers is predicted to be equal to 10.85 million quintals of non fat-corrected milk. This production is lower than the quantity assigned by the milk quota regime (11.3 million quintals), therefore, no farm will be subject to additional levies. A further fall in the number of dairy herds is recorded, which in the 2013/14 campaign amounts to 3,833 units, i.e. 3% less than the previous campaign.

Fig. 2.3.1 - Quantities of non-corrected milk (t) marketed per campaign and number of farms. Veneto Years 2003:2014

Source: SIAN on AGEA data

The price of raw milk from the farm records an upward trend over the year, up to reaching maximum levels towards the end of the year, above those observed in the previous year. In fact the average annual value is estimated by the dairy cooperatives at close to or above 42 euros/100 litres plus VAT and quality premium. The cause of this rise can be identified in the pressure on Asian markets for powder milk, following the sanitary problems of the milk exported from New Zealand to China, which drained the European milk. Among these dairy products, the quotations from Asiago Pressato and Piave cheeses are overall in recovery while those of Grana Padano, Montasio and Asiago dall'allevo appear to be stationary or on a downturn.

The indicators of the beef and veal sector relating to 2013 allow a further reduction in the national production to be estimated (-4% in meat equivalent weight), above all due to the annual decrease in the slaughter of veals (-4%) and baby-veals (-6%). Production continues to be slowed by two main factors: the demand for meat that continues to show signs of real weakness, and the costs for the food rations, which are subject to the oscillations of the international quotations of raw materials, which record an improvement as late as in the second semester of 2013. The number of active farms in Veneto for mixed and meat production decreases by 4.6% with respect to the previous years and this reduction hits not only the small farms but also those with a number of animals above 100, resulting in an overall number of breeding farms equal to of 8,700 units. Subsequently the cattle assets of Veneto decrease by 3.8%, mainly due to reduction in the number of animals intended for meat production.

Tab. 2.3.4 - Number of active mixed and meat farms by livestock class and percentage variation with respect to the previous year. Veneto Year 2013

Size class of the breeding farm	as of 2013-12-31	as of 2012-12-31	% var. %
Class 1 - 9 animals	5,976	6,325	-5.5
Class 10 - 19 animals	647	631	2.5
Class 20 - 49 animals	626	619	1.1
Class 50 - 99 animals	423	457	-7.4
Class 100 - 499 animals	845	901	-6.2
Over 500 animals	210	213	-1.4
Total	**8,727**	**9,146**	**-4.6**

Source: BDN of the livestock registry established by the Ministry of Health at the CSN of IZS Abruzzo and Molise

Imports of livestock also decrease, and above all those of feedlot animals (-3%), which come mainly from France (383,000 animals and a market share of 72.5%). Despite the reduction in the availability of beef and veal, the quotations are not particularly favourable and reach levels that are the similar or below those of the previous year. The availability of pig meat of Italian origin decreases in 2013 due to the shrinking of slaughtering (-2.3% in number and -1.2% in dead weight) and of demand (-3%) which also affected the purchases of DOP and non-DOP cured meats (-1.4% and -1% respectively in quantity). The consumption trend influences the quotations of heavy pigs, which are overall similar to those of the previous year.

Tab. 2.3.5 - Number of cattle and buffalos. Veneto - Years 2011:2013				
By class of age and sex	**as of 31-12-2013**	**as of 31-12-2012**	**as of 31-12-2011**	**% var. %**
Males younger than 1 year	203,169	217,776	179,331	-8.1
Females younger than 1 year	100,777	104,792	99,139	-4.0
Males from 1 year to under 2 years	143,276	161,992	199,083	-9.4
Females from 1 year to under 2 years	112,777	107,476	114,788	4.6
Males of 2 years and over	3,460	3,588	4,189	-3.1
Females of 2 years and over	189,463	187,185	193,361	1.2
Total	**752,922**	**782,809**	**789,891**	**-3.8**

Source: BDN of the livestock registry established by the Ministry of Health at the CSN of the IZS Abruzzo and Molise

Tab. 2.3.6 - Import of live cattle from abroad by country and percentage variation with respect to the previous year. Veneto - Year 2013					
	2013	**% share**	**2012**	**% share**	**% var. with respect to 2012**
France	383,426	72.5	390,239	71.6	-1.7
Poland	48,100	9.1	58,105	10.7	-17.2
Romania	32,852	6.2	28,478	5.2	15.4
Austria	21,872	4.1	21,879	4.0	-0.0
Ireland	13,105	2.5	21,003	3.9	-37.6
Germany	7,318	1.4	10,851	2.0	-32.6
Slovakia	7,877	1.5	4,176	0.8	88.6
Czech Republic	4,795	0.9	3,923	0.7	22.2
Other Countries	9,477	1.8	6,277	1.2	51.0
Total	**528,822**	**100.0**	**544,931**	**100.0**	**-3.0**

Source: BDN of the livestock registry established by the Ministry of Health at the CSN of the IZS Abruzzo and Molise

For the first time after many years of growth, the production of the poultry sector decreases slightly compared to 2012, due to the decrease in the number of of chickens and hens. Therefore, at a national level the production of poultry meat is estimated as slightly higher than 1.2 million tonnes deadweight, with veneto ranking first with approximately 40% of the national production of chicken and over 50% of turkey meat. Despite the downward trend of the demand, the original prices are higher than the previous year, on average by around +5%.

Sea fishery

In Veneto in 2013 around 17,426 tonnes of produce (-0.3% compared to the previous year) were fished in total with an average annual turnover estimated at 41.2 million Euros (+0.4%). After years of reductions, in 2013 the Veneto fishery markets recorded a moderately positive sign reaching 27,388 tonnes placed on the market (+1%), corresponding to an overall turnover of 102 million Euros (+0.7%). Considering in detail the two largest regional fishery markets, Chioggia shows and overall transit of 11,559 tonnes for an overall revenue of 37.2 million Euros. The quantities fall slightly by 0.6% due to the reduction in the shares of national and foreign product, while the revenue records an increase by 1.4% due exclusively to the increase in the local share. In 2013, the situation of the Venice fishery marketwas the opposite to that in Chioggia. The increase in the transited product that reaches 9,455 tonnes (+0.6%) is in fact only due to the foreign part put on the market, while the turnover descended to 53.8 million Euros (-2% with respect to the previous year.) In the fishery market of Chioggia the local catch share is 80% of the total quantity transited, whereas at the Venice market

Tab. 2.3.7 - Quantities of the transits in tonnes and million of Euros in the fishery markets of Chioggia and Venice Years 2012 and 2013

	Chioggia				Venice			
	million Euros							
	2013	2012	% var. %	% share	2013	2012	% var. %	% share
Local	21.8	19.3	13.0	58.5	8.4	12.0	-30.0	15.6
National	7.0	7.7	-9.1	18.7	11.3	14.1	-19.9	21.0
Abroad	8.5	9.7	-12.4	22.8	34.1	28.8	18.4	63.4
Total	**37.2**	**36.7**	**1.4**	**100.0**	**53.8**	**54.9**	**-2.0**	**100.0**
	tonnes							
	2013	2012	% var. %	% share	2013	2012	% var. %	% share
Local	9,246	9,087	1.7	80.0	1,806	2,301	-21.5	19.1
National	1,035	1,120	-7.6	9.0	2,225	2,498	-10.9	23.5
Abroad	1,278	1,420	-10.0	11.0	5,423	4,596	18.0	57.4
Total	**11,559**	**11,627**	**-0.6**	**100.0**	**9,455**	**9,395**	**0.6**	**100.0**

Source: Processing by Veneto Agricoltura on data of the regional fishery markets

the main share is that of foreign chatch (57.4%). According to data from the European Fleet Register as of 31st December 2013, Veneto's fishing fleet decreased below 700 units for the first time, with 699 boats active in sea fishing. The annual downturn amounts to 5 boats corresponding to 0.7%, a fall destined to increase in 2014, considering that around forty small trawl boats net are near to disposal. In 2013 the businesses involved in the primary regional fishery industry decrease to 2,964 units, with an annual decrease equal to 79 farms equal to -2.6%. The decrease concerns fishery in particular, with 77 businesses less (-5.1%), while fish breeding farms remain substantially unvaried (-0.1%).

2.4 The difficulties of entrepreneurship and craftsmanship persist

In Italy

In 2013 the difficulties that affected businesses in the previous year continue.

Overall, Italian businesses decrease by 1% per year and the sectors that experience the greatest difficulties are agriculture and constructions, which decreased by 4.1% and 2.8% respectively with respect to 2012. Lazio is the only Italian region to close the year with an increase in the number of active businesses (+0.4%). Trentino Alto Adige and Campania are the regions that best stand up to the shrinking of the enterpreneurial fabric, both with negative variations not above 0.4%. The number of active businesses in Liguria and Valle d'Aosta is strongly on the decrease, with -1.9% and -2.9% per year at the end of 2013.

Fig. 2.4.1 - Share and percentage annual variation of the active businesses per region - Year 2013

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

In Veneto

In Veneto there are 442,278 businesses active in 2013.

The trend of the Veneto entrepreneurship is in line with the national trend: the number of businesses active in the region in fact records a decrease of 1.8% compared to the number of 2012, or -0.9% excluding the agricultural sector.

Veneto's active businesses continue nevertheless to be 8.5% of the national businesses, and our regions ranks

The number of the businesses active in Veneto decreases

therefore fourth place, after Lombardy, Lazio and Campania. The Veneto entrepreneurial birth rate remains stable in 2013 at 6.6 new businesses every 100 active businesses. In the meantime, the Veneto business mortality rate increases by +3.4% per year, reaching 8.1 businesses closing for every 100 active. The entrepreneurial balance of 2013 is therefore equal to -1.5%, even lower than in 2009.

Fig. 2.4.2 - Share and annual percentage variation of Veneto active businesses per economic category Year 2013

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

The industrial sector in 2013 continues shrinking: the number of manufacturing businesses decreases by 2.6% and that of construction businesses by 3.3%. The transport sector is next in terms of difficulty: -2.5%.

Fig. 2.4.3 - Annual percentage share and variation of the Veneto active manufacturing businesses by economic category - Year 2013

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

Moreover, the economic recession determines a decrease of the businesses active in trade (-0.3% in 21013), which is the first sector to experience a decrease in the internal consumption. The business-related service enterprises, those of the hotels and restaurants sector and of the banking and finance sector continue to grow over the last 4 years; these tertiary sectors together represent 23.1% of the Veneto businesses and in the 2009:2013 crisis period they increased by 5.9%.

The services sector continues to increase except for trade

However, considering in detail the activities of Veneto's manufacturing industry, it can be observed that metallurgy, fashion as well as the wood, furniture, paper and printing sectors, that together make up almost 60% of the Veneto

In the industrial sector the construction businesses are the most hardly hit

manufacturing industry, all end

Fig. 2.4.4 - Annual percentage share and variation of Veneto's active businesses by legal form - Year 2013

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

2013 with negative annual variations of at least three percentage points.

The industry of jewellery, sportswear and eyewear, and the food industry are the industrial sectors that best manage to react over the course of 2013, ending the year balanced or in slight increase.

Fig. 2.4.5 - Annual share and percentage variation of the active Veneto businesses by province - Year 2013

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

The individual firms and the partnerships are the legal forms hardest hit by the difficult financial situation faced in 2013: there are 2.9% fewer individual firms in Veneto at the end of the year compared to its start and there is a 1.8% reduction in partnerships. The limited companies continue their growth trend with an increase of 0.8% per year. Moreover, the minor forms, mainly cooperatives and consortia, end 2013 in a positive way.

Treviso and Padua, each representing 18% of the total Veneto businesses, are the provinces that show the greatest difficulties at the end of 2013, with respectively -2.0% and -2.3% in the year. Vicenza, Verona and Venice, which together make up more than 50% of Veneto's active businesses, record decreases between 1.1 and 1.8 percentage points; Belluno and Rovigo close the year both with a decrease above 1%.

Veneto's artisan businesses

Artisan businesses are a very widespread entrepreneurial form in Veneto, with more than 135 thousand units making up 30.6% of the businesses of the region.

In 2013 the Veneto active artisan enterprises record a fall of 2.4% in their number. Also in 2013 only some sectors of the services industry increase with respect to the previous year: the business-related services (+2.3%) and the hospitality and catering services (+0.7%). However the main sectors of Veneto artisan entrepreneurship continue to show the signs of the

Tab. 2.4.1 - Artisan businesses: number, share and annual percentage variation by economic category. Veneto - Year 2013

	Number	Share	% var. %
Constructions	53,464	39.5	-3.6
Manufacturing industries	35,850	26.5	-2.6
Other social and personal services	16,856	12.5	-0.2
Transport	9,461	7.0	-3.3
Trade	6,830	5.1	-0.1
Business related services	6,750	5.0	2.3
Hospitality and catering	4,048	3.0	0.7
Agriculture	1,432	1.1	-1.6
Other	518	0.4	-14.4
Total	**135,209**	**100.0**	**-2.4**

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

financial crisis: in fact the year ends with -2.6% for the manufacturing industry and -3.6% for the constructions, sectors, which together make up almost 70% of the regional artisan businesses. Financial difficulties persist also over the course of 2013 for transport (-3.3%).

Overall the reduction of the Veneto artisan in 2013 is slightly more intense with respect to the national trend (-2.2%); Campania, Trentino Alto Adige and Lazio are the regions that best succeed in maintaining a considerable balance in a general moment of difficulty for entrepreneurial survival, and in first place for artisan businesses.

2.5 Tourism is confirmed as a strategic sector

The tourism offer of our region - unique, varied and high quality - continues to exceed the record results of the previous years. In fact, in 2013 the inflow of visitors is still on the increase (+1.1%) despite

the unfavourable period of crisis, and reaches almost 16 million arrivals. The decline of stays in holiday resorts recorded now for several years, indicates a decrease by 1.3% in overnight stays, although maintaining the considerable figure of 61.5 million presences.

Veneto's multi-faceted proposal combines tourism, culture, food and wine, identity, landscape and territory, and is able to satisfy any request in the best way. For

Fig. 2.5.1 - Index number (*) of tourist attendance (base year = 2000). Veneto - Years 2000:2013

(*) Index number = (presences year/base year presences)x100
Source: Processing by Veneto Region - Regional Statistical System Section on Istat - Veneto Region data

several years Veneto has ranked first among the Italian regions as tourism detination, and in 2012, the last year for which national data are available, it collected 15.2% of arrivals and 16.4% of tourist presences of the entire peninsula. Veneto stands out among the other regions due to significant presence of foreign tourists, similar only to that of Lazio, Trentino Alto Adige, Lombardy and Tuscany, and in particular the high percentage of foreign tourists that choose to stay in non-hotel structures.

Tab. 2.5.1 - Movement of tourists by origin and structure Veneto - Year 2013

Absolute values

	Hotel		Non-hotel		Total structures	
	Arrivals	Presences	Arrivals	Presences	Arrivals	Presences
Italians	3,867,050	9,943,706	1,646,888	10,712,846	5,513,938	20,656,552
Foreigners	7,298,288	19,598,441	3,172,746	21,278,288	10,471,034	40,876,729
Total	**11,165,338**	**29,542,147**	**4,819,634**	**31,991,134**	**15,984,972**	**61,533,281**

Percentage variations 2013/12

	Hotel		Non-hotel		Total structures	
	Arrivals	Presences	Arrivals	Presences	Arrivals	Presences
Italians	-0.8	-4.1	-2.6	-7.6	-1.3	-6.0
Foreigners	3.0	2.1	0.8	0.4	2.4	1.2
Total	**1.7**	**-0.1**	**-0.4**	**-2.4**	**1.1**	**-1.3**

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

Fig. 2.5.2 - Presences of tourists in Italy by region visited - Year 2012

Source: Processing by Veneto Region - Regional Statistical System Section on Istat and Veneto Region data

It should be taken into account that these analyses provide a detailed view of those who spend at least one overnight stay in hospitality structures for the following reasons: holidays, business, well-being, cure, sports, religion, etc. All data processings reported here do not take into account daily tourism that, even if not completely quantifiable, is a significant reality for the economy of our region.

We have seen the position of Veneto with respect to the other Italian regions, but how is our country placed with respect to the rest of Europe? In the ranking formulated based on the number of overnight stays recorded in 2012 by all the types of hospitality structures, France takes first place with around 400,000 presences (15.5% of the EU28 total) and Italy comes in at second place along with Spain (14.8%).

Fig. 2.5.3 - Tourist presences (bubble size) in the main European Countries for tourism and in Veneto: % variation 2012/2011 and % variation 2012/2007

(*) In the case of the United Kingdom and Croatia due to the discontinuity in the historical series, the presences of the year 2011 and the percentage variations 2011/10 and 2011/07 have been considered Source: Processing by Regione Veneto - Regional Statistical Section System on Eurostat and Istat-Regione Veneto data

Even in the ranking relating just to the hotel sector Italy ranks second place with 15.4% of the overnight stays recorded in the whole of Europe. Our Country this time is second to Spain (16.9%) and closely followed by Germany (15%) and then by France (12.1%) and the United Kingdom (10.2%).

The trend of tourism reflects both the type of offer proposed by each Country and the financial situation of the potential clients, particularly in a period of uncertainty like this. For example, Germany shows a very important growth trend both for its own economy - Germany is characterised for 80.5% by national flows - and for the nearby Italy and in particular for Veneto.

This last period therefore sees the difference between those who continue to travel both in their home country and abroad and those who reduce their journeys or at least their duration or the amount to invest in tourism activities become even more important.

The hold of Veneto's tourism sector is due to a growing share of foreign clients (+2.4% of arrivals and +1.2% of presences compared to the previous year) that compensates for the reduction in the number of Italian tourists (-1.3% of arrivals and -6% of presences) and of those from Veneto, who continue to represent

Fig. 2.5.4 - Presences of tourists (bubble size) staying in hotel structures of the main European Countries for tourism and in Veneto: % variation 2012/2011 and % variation 2012/2007

(*) As regards the United Kingdom, due to discontinuity in the historical series, the presences of the year 2011 and the percentage variations 2011/10 and 2011/07 have been considered. Source: Processing by Regione Veneto - Regional Statistical System Section on Eurostat and Istat - Veneto Region data.

around one third of the Italian clients of our hospitality structures but that have decreased this year by 2.3% in number and by 7.6% in the overnight stays.

In general the crisis slowed the push to travel of the Italians, who reduce the duration of their stay in the national destinations and also diminish their presence in the most frequented European Countries such as Spain and France. In 2013 the Italians carry out 63 million and 154,000 journeys with overnight stays all over Europe (Italy included) against 78 million and 703,000 of the previous year (-19.8%). An Italian who in 2013 stays abroad spends on average 73€ a day with a total spending of 702€[5] for 9.6 nights and with respect to the pre-crisis situations has slightly reduced their budget (-20€ per capita). Veneto people spend more a day (85 €) than Italians in general , but do not stay as long (on average 7.5 nights) for a total of 633€ and, by contrast to that which happens at the national level, their daily spending increases by 10 € but the journey decreases by one day compared to 2007, and thus the total spending remains unchanged. Some indications on the intentions of European citizens for the year underway is provided by the Eurobarometer survey of the European Commission which monitors the evolution of the public opinion in the Member States. 78% of Italians are influenced by the current financial crisis for 2014 (compared to 56% for Europeans): 13% do not go on holiday, 31% go but spend less (compared to 20% of the Europeans) while 12% will change the period preferring the off season.

International tourism in Italy and particularly in Veneto continues to grow, after slowing at the start of the global financial crisis. Today our region receives increasing approval from the most loyal customers:

Tab. 2.5.2 - Origin of Italian tourists Ranking of the presences. Veneto - Year 2013

	Presences			Arrivals
	Presences	Share % share out of total Veneto	% var. 2013/12	% var. 2013/12
Veneto	7,892,016	12.8	-7.6	-2.3
Lombardy	3,972,295	6.5	-6.3	-1.1
Trentino A.A.	1,225,645	2.0	-6.3	-3.0
Emilia Rom.	1,199,353	1.9	-3.1	2.6
Lazio	1,084,017	1.8	-2.7	-0.2
Piedmont	1,035,069	1.7	-5.4	-1.8
Friuli V.G.	861,926	1.4	-4.3	-0.3
Tuscany	657,160	1.1	-4.9	-1.2
Campania	514,145	0.8	-2.7	0.3
Puglia	459,323	0.7	-7.0	-5.8
Sicily	428,206	0.7	-3.0	-2.1
Liguria	311,662	0.5	-1.8	0.5
Marche	275,443	0.4	-1.0	2.0
Abruzzo	167,320	0.3	-7.7	-5.9
Calabria	157,014	0.3	0.1	-3.8
Sardinia	151,258	0.2	-8.0	-5.0
Umbria	143,112	0.2	-3.1	-2.8
Basilicata	55,935	0.1	-4.2	-0.5
Valle d'Aosta	35,448	0.1	-1.6	2.8
Molise	30,205	0.0	-4.0	0.2
Total Italians	***20,656,552***	***33.6***	***-6.0***	***-1.3***

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

[5] Spending on accommodation, restaurants and bars, purchases, transport inside the Country visited and other services are included; return journey expenses are excluded as required by the definition of tourism spending adopted for the balance of payments.

Germans, English, French, Swiss and Americans. However, the steep growth of those who arrive from the so-called BRIC[6] Continues, which today play the role of new borders to which to adapt new promotional strategies, above all Russia (+17.9% of presences) and China (+19.1%) which this year respectively reach 9th and 13th place in the ranking of foreign Countries of origin by number of overnight stays, while for number of tourists China leaps right into 5th place even overtaking the United Kingdom. In relation to this it should be remembered that tourism has been identified as a key sector for European Industrial Compact, the new industrial policy pact for Europe, the objectives of which include, as regards European incoming, making the European destinations interesting above all for the markets of emerging Countries such as Brazil, Russia and China.

Tab. 2.5.3 - Origin of foreign tourists. Ranking of presences. Veneto - Year 2013

	Presences			Arrivals
	Presences	Share % share out of total Veneto	% var. 2013/12	% var. 2013/12
Germany	13,985,645	22.7	0.1	-0.0
Austria	3,355,675	5.5	-3.1	-0.4
The Netherlands	2,890,616	4.7	-4.7	-4.4
United Kingdom	2,029,153	3.3	4.6	4.7
France	1,978,303	3.2	0.1	-0.1
Switzerland-Liecht.	1,692,818	2.8	6.8	9.5
U.S.A.	1,589,069	2.6	2.1	2.9
Denmark	1,358,995	2.2	-0.9	-5.6
Russia	1,018,995	1.7	17.9	11.9
Czech Republic	978,314	1.6	-2.2	-3.4
Poland	885,614	1.4	9.0	6.3
Belgium	717,392	1.2	4.3	3.2
China	699,750	1.1	19.1	18.5
Spain	568,360	0.9	-16.7	-17.3
Hungary	515,847	0.8	6.7	6.6
Australia	467,948	0.8	14.4	7.0
Japan	405,120	0.7	-4.1	-3.4
Brazil	366,637	0.6	-3.0	-3.5
Canada	338,858	0.6	2.0	0.6
Romania	328,273	0.5	-1.6	2.8
Sweden	317,230	0.5	7.2	3.8
Ireland	284,476	0.5	7.1	-0.3
…				
Total foreigners	***40,876,729***	***66.4***	***1.2***	***2.4***

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

Tourism expenditure in Italy

According to ISNART[7] during 2013 Italy records over 831 million overnight stays (39.1% foreign tourists), 43.7% in the hospitality structures and the remaining in private houses. Compared to the previous year, a reduction in tourism flow by 3.9% is estimated.

In 2013 tourim generates an economic impact on the area of around 73 billion Euros (around 41 billion spent by Italian tourists, around 32 billion by foreigners). Of these 73 billion Euros, 39.9% is spent on housing and restaurants, and the remaining 60.1% is spent in other sectors and in particular: 18.7% recreational and cultural activities, 16.1% agri-food, 10.4% other manufacturing industries, 10.4% clothing and footwear, 2.3% diting and 2.1% transport.

But what is the detail of tourism consumption? Analysing the specific spending items made of both Italian and foreign tourists during their stay in Italy, agri-food consumption ranks first not only for the consumption of meals in restaurants and pizzerias (67.5% of tourists for around 16 Euros per person a day) and in bars, cafés and bakeries (68.3% for around 6 Euros) but also for the purchase of food and drinks in supermarkets and shops (60.4% for 23 Euros) and of typical food and wine products (32% for 10 E$uros). As regards manufacturing, "Made in Italy" fashion never stops its attraction power, not even during the holidays: 34.3% of tourists (36.3% foreign ones) spend on average around 17 Euros per day on clothing and 17.5% (18.6% foreigners) spend an average 16 Euros on footwear. Spending on entertainment such as cinema and discos (32.6% for 19 Euros a day per capita) and on culture such as entry to museums and monuments (19.7% for 13 Euros) and theatre shows and concerts (17.3% for 8 Euros). The craftsmanship is also confirmed as one of the main drivers of holiday experience: 20.6% of tourists purchase typical artisan products (10 Euros).

[6] Acronym that stands for Brazil, Russia, India and China, which are states and economies that continue to grow despite the global crisis and where inhabitants increase their income potentials and therefore their tourism spending potential.

[7] National institute for research in tourism

2.6 The labour context

As a consequence of the financial crisis that started in 2008, the Italian labour market has experienced a period of serious crisis over the last years. Between 2007 and 2013 the employment rate in Italy reduced by 3.5 percentage points and in Veneto by around 2 points; at the same time the unemployed more than doubled reaching over 3 million in Italy and almost 171 thousand in our region; the only part of the population to see an increase in the relative unemployment rate was that aged 55-64, with an increase by 9 percentage points in the Italian average and by almost 12 for Veneto. For this purpose it should be remembered that the aging of the population is one of the main challenges that Italy and the European Union must face in the next years. For some time the European governments have been committed to raise of the age threshold for retirement and to significantly increase the employment rate of elderly people. For this purpose, the Lisbon Strategy fixed the objective at 50% for the employment rate of people aged 55-64. Italy is always closer to the target, with this rate reaching 42.7% in 2013, equal to Veneto's rate (42.6%); Trentino Alto Adige ranks first with almost 50%.

Veneto: one of the regions with the best conditions

Despite everything, although the downturn in the labour market with respect to the previous year is evident, Veneto is again confirmed as the leading region in Italy and in 2013 recorded the sixth highest employment rate for people aged 15-64, i.e. 63.3% compared to the national 55.6%, and recorded the second lowest unemployment rate, with a value of 7.6% against a national average of 12.2%.

Veneto records the second lowest unemployment rate out of the Italian regions

Veneto ranks suth for the employment rate of people aged 20-64, equal to 67.8%.

Despite this value is one and a half points less than that recorded in the previous year, our region is in line with the target of 67% - 69% set by the Italian Government for Europe 2020; at a European level the same target is 75%.

The employment rate lowers but is still in line with the Europe 2020 target

All Veneto provinces record lower employment rates in 2013 than in 2012; in more detail, Belluno remains the province with the highest employment (67%) and Venice with the lowest (59.7%). Verona maintains a very low unemployment rate (5.9%), whereas the worst provinces are Padua, Rovigo and Venice, where unemployment ranges from 8.6 to 8.7%. In general, observing the provincial map of employment, the difference between the North, Centre and South and the islands is evident.

Fig. 2.6.1 - Employment rate of people aged 15-64 (*) by province - Year 2013

(*) Employment rate = (EmployedReference population) x100
Source: Processing by Veneto Region - Regional Statistical System on Istat data

Trentino Alto Adige maintains its record with a 68.5% employment rate, while in Calabria, Sicily and Campania do not even reach 40%.

The situation of unemployment is more varied. Even in this case the more favourable situation is recorded in Trentino Alto Adige (5.5%).

Fig. 2.6.2 - Unemployment rate (*) by province Year 2013

(*) Unemployment rate = (Job hunting people/Work force) x100
Source: Processing by Veneto Region - Regional Statistical System on Istat data

The young Italians: increasingly in difficulty[8]

The growing difficulties in accessing the labour market have caused a generalised increase in the time needed to find a job, for all population categories. In 2012 the number of unemployed for at least 12 months out of the total of job seekers in Italy exceeded 53% compared to 52% in 2011 and 47% in 2007. Nevertheless, higher levels of education lead to higher employability and job income[9].

Young people are those hit hardest by the crisis...

Young people are definitely the age group hit hardest by the employment crisis; in Italy the young people's (aged 15-24) unemployment rate reached 40%, almost five percentage points more than the previous year and double that of 2007, with a considerably similar profile between males and females (for which in any case a lower participation rate in the job market is recorded). The situation of the South is particularly serious as the rate of youth unemployment in many southern regions exceeds half of the population of this age.

Fortunately the situation of Veneto's youth is one of the most favourable in Italy since our region ranks

... but Veneto people are among those who are better off

third for the lowest levels of unemployment at the national level - but in 2008 this rate was below 11%; the first in ranking is Trentino Alto Adige with 16.7%.

The growth of the NEETs

A particularly worrying phenomenon is that of the young people neither engaged in a working activity nor on an educational or training course. These are the famous Neet which stands for “Not in Employment, Education or Training”, gradually on the increase and estimated in Italy in 2013 to be over 2,400,000 or 26% of the population of 15-29 year olds, a percentage, exceeding 35% in some regions of the south (Sicily, Campania, Calabria). In Veneto 38% of the young people aged 15-29 years old work while 44% study or are improving their skills via training courses. The Neet

The NEETs increase in number but Veneto records the third lowest share in Italy

on the other hand represent 18% of the young Venetos or 130,000 the third lowest figure in Italy; Trentino Alto Adige (13.3%) is first and Friuli Venezia Giulia (17.2%) is second. But who are these young people? Some of them are young people who had a job but after losing it are searching for a new employment (unemployed ex-employed), other have just finished their studies and are searching for their first job (unemployed in search of their first job) and others, after a period of inactivity, have started an active job hunt (unemployed ex-inactive). Nevertheless the majority is represented by the young people who do not have a job and at the same time are not searching, in other words the inactive: in Veneto these make up 11% of the total of young people aged 15-29 years while the figure is 15% in Italy.

[8] For more information on the topic refer to the subchapter 9.3 of the following report.
[9] For more information on the topic refer to the subchapter 9.2 of the following report.

However, calling them "bamboccioni" (big babies) is too hasty and straight-forward, as this phaenomenon needs to be understood in all its implications, both at a personal and a social level, and above all to study its causes. The phenomenon is linked to the employment crisis that has involved our Country, but this is not the only cause, since this problem it is intrinsic to the area where the young person lives. Moreover, one should question oneself on the feeling of discouragement that the young people experience in a society that seems to offer little at the moment and again on that which they are required to do today: are young people required to do any job just to work or can they allow themselves to wait, safe in their family homes?

For more detail, below is a graph that indicates the situation of the youth distress by Italian region; the information about the inactive NEETs is crossed with the unemployment rate of the same age group (15-29 years), which highlights the serious difficulties experienced by young people in the South compared to the better employment conditions of Veneto and most of the northern regions of the Country.

The crisis: between dismissals…

Besides the better performance of the Veneto labour market compared to most of the other Italian regions, it is necessary to place a focus on the difficulties that our region has been facing over the last years.

In 2013 the number of businesses in Veneto that announced the implementation of crisis procedures is the highest in the last five years: according to the data published by Veneto Lavoro updated as of February 2013, they are 1,465 compared to 1,190 in 2012 and 877 in 2011. The number of "beginner" businesses, i.e. those that for the first time indicate difficulties in maintaining employment, is on the increase, reaching 885 units, i.e. 30% more than the previous year. As a consequence, the number of workers potentially involved exceeds 42,000 units and is also greater than that recorded in the previous years.

Overall the units with business crisis procedures underway at the end of the year are almost two thousand, with an increase by 28.5% with respect to 2012; going into detail, they are mostrly located in the

Fig.2.6.3 - Unemployment rate of young people aged 15-29 and share of inactive NEETs aged 15-29 (*) - Year 2013

(*) Unemployment rate = (Job seekers/Workforce)x100
NEET = Young people not in education, employment or training
(**) For questions of statistical significance the data of the Valle d'Aosta is handled along with that of Piedmont, then the same value is repeated for the two regions.
Source: Processing by Veneto Region - Regional Statistical System on Istat data

areas of Treviso, which absorb 23.4% of the regional total, Padua (19.8%) and Venice (19%).

As a consequence, the growing number of enterprises experiencing crisis conditions leads to an increase in the number of Veneto's businesses that have activated mass dismissals[10], as well as the number of dismissed workers in the year, which has reached the new maximum of over 12,700 units.

Dismissed workers increase in number

Even in this case the businesses most involved were those of the province of Treviso - 22% of the regional total - followed by Padua (20%) but in third place thsi time is Vicenza (19%).

... and the support of the CIG redundancy fund

The redundancy fund is intended to support the businesses and their workers.

In 2013 in Italy over one billion hours of redundancy fund (CIG) were granted of which 108 million hours to Veneto businesses and workers, i.e. 10% of the national total, the third highest regional rate in the Country (Lombardy first with 23.4%, followed by Piedmont with 12%).

More precisely the number of equivalent workers who are beneficiaries of the CIG - and that hypothetically have never worked during the year - is estimated to be over 65,500 in Veneto.

At the territorial level, the province of Veneto that has the greater request for CIG assignment is Treviso (21.5% of the regional total), followed by Padua and Vicenza respectively with 19.2% and 17.6%, but the higher growth with respect to 2012 is recorded in Verona.

The type of CIG redundancy fund granted reveals the type economic distress and the changes underway in the society; until 2005 most of the CIG hours granted was of the "gestione ordinaria" (ordinary redundancy fund) type, which is designed for businesses that are experiencing temporary difficulties as for example an unfavourable but transitory market condition. However, during the crisis there was an increasing tendency to resort to the "CIG a gestione straordinaria" (special

Fig. 2.6.4 - Insertion in the "mobility list" by date of start of mobility and workers in the "mobility list" at the end of the period (Law 223/91 - mass dismissals). Veneto - Years 2009-2013

Source: Processing by Regione Veneto - Regional Statistical System Section on Veneto Lavoro data processing

[10] Since 01.01.2013 the “piccola mobilità” ("small mobility", i.e. individual dismissal regulated by Law 236/1993) has no longer been funded.

Fig. 2.6.5 - Equivalent workers in redundancy funds by fund type (*). Veneto - Years 2000:2013

(*) The number of equivalent workers is obtained by dividing the number of CIG hours authorised by a total of 1,650 hours worked per person. A number of workers who hypothetically have never worked in the year is obtained Source: Processing by Veneto Region - Regional Statistical System Section on Inps and Veneto Lavoro data

redundancy fund) and "CIG in deroga" (redundancy funds on derogation). The special redundancy fund is granted in the event of business crisis, whereas redundancy fund on derogation was introduced to help the workers excluded from the other types of aid. The greater tendency to resort to these forms of redundancy fund indicate how the crisis has also hit the sectors and professions that were considered the most solid.

In detail, reporting the data only of the last two years, with a growth in applications for CIG hours in Veneto equal to +5.2%, the special redundancy fund records a 25.5% increase whereas the ordinary and derogation types decrease by 6% and 5%. As regards the sectors, the most hit is the mechanical industry, which for years has absorbed 31% of the total CIG hours applied for in Veneto. The building and fashion sectors follow respectively with 14% and 13.5%. Compared to some years ago, when these sectors alone covered over 80% of the hours granted, today applications come from different industries and increasingly from the trade and the wood industry.

It should be underlined, however, that a large quantity of hours are applied for as a precautionary measure by the enterprises and are not really used.

THE ECONOMIC COMPONENTS AND THE SOCIAL CONTEXT

Tourism and exports drive the Veneto economy

The main Countries of origin of Veneto tourism inflow: number of arrivals and values of exports from Veneto - Year 2013

Countries	Ranking by number of tourist arrivals	Tourist arrivals 2013	% share out of the foreign tourists total	Ranking by value of exports	Exports (Million of Euros)	% share out of the total export
Germany	1	2,355,590	22.5	1	7,001.9	13.3
Austria	2	746,932	7.1	8	1,752.4	3.3
U.S.A.	3	720,503	6.9	3	3,537.3	6.7
France	4	648,920	6.2	2	5,208.9	9.9
China	5	539,373	5.2	9	1,450.1	2.8
United Kingdom	6	534,501	5.1	4	2,594.6	4.9
The Netherlands	7	382,338	3.7	11	1,210.1	2.3
Switzerland	8	357,349	3.4	5	2,539.3	4.8
Russia	9	315,401	3.0	7	1,835.2	3.5
Japan	10	276,406	2.6	19	608.2	1.2
Spain	11	250,456	2.4	6	2,133.7	4.1

The crisis hits labour and manufacturing the hardest

Unemployment rate per quarter Veneto and Italy - Years 2009:2013

% variation in the total number of active businesses and of the manufacturing sector. Veneto - Years 2010:2013

The sectors in suspense

Internal trade

	% variation 2013/12
Number of commercial concerns in fixed place of business	-0.4
Internet sales sites	16.5

Agriculture

	% variation 2013/12
Agricultural production	3.0
Agricultural businesses	-7,8
Agricultural employed	-12,6

Source: Processing by Veneto Region - Regional Statistical System Section on Idata from stat, Infocamere, Ministry of Economic Development, Veneto Agricoltura

What are the strenghts for Veneto's economy?

Foreign trade is in continual expansion and contributes positively to the development of Veneto's economy: in 2013 the Veneto exports record a 2.8% increase and this trend is sustained above all by sales onto the emerging markets. The Veneto businesses that also operate on the international markets better cope with the effects of the internal crisis caused by the shrinking of internal demand.

Another flagship of our region is tourism: in 2013 the flow of visitors was still on the increase (+1.1%) despite the unfavourable period of crisis, reaching almost 16 million arrivals and 61.5 million presences.

What did the crisis hit hardest during 2013 in Veneto?

The industrial sector was hit hardest by the situation: in 2013 the manufacturing businesses decreased by 2.6% and those of construction by 3.3%. As regards, manufacturing, the sectors of metallurgy, fashion and the industry of wood, furniture, paper and printing, which together make up almost 60% of Veneto's manufacturing, all end 2013 with negative annual variations by at least three percentage points.

In 2013 the business mortality rate continues to grow reaching 8.1 businesses that close every 100 active businesses; the number of Veneto businesses that have announced and started implementation of crisis procedures is the highest over the last five years, with over 42,000 workers potentially involved. The number of workers dismissed in the year has reached a new peak exceeding 12,700 units. Moreover, the low unemployment rate, although a lot lower than the Italian average of 12.2%, is equal to 7.6%, a figure that was unimaginable in the pre-crisis period and that mostrly affects the young people.

Tourism: in 2013 16 million arrivals and 61.5 million presences

In 2013 the Veneto exports record a +2,8%, supported by the emerging markets

The unemployment rate in 2013 lowers by a point and a half with respect to the previous year

In 2013 the Veneto business decreased by 1.8% compared to 2012.

The gross agricultural production has increased by around 3% compared to 2012.

Large-Scale Distribution in Veneto grew by 6% in 2012

Topic: growth paths