



Beautiful, well-made and good (BW&G)

Beautiful, well-made and good (BW&G) products consist of final medium-high range goods for the sectors of food, furniture, clothing and home textiles, footwear, eyewear and jewelry. In 2012, BW&G products accounted for 30% of Veneto's manufacturing exports, 16.6% of Italy's, weighing in at about a quarter of national BW&G exports. In 2013, a more lively BW&G trend is confirmed compared to the overall trend of Veneto's exports. Exports of beautiful, well-made and good products aimed at mature markets grew by 3% compared with 1.4% of the total, whereas in new countries Veneto's BW&G exports grew by almost 9%. The total regional exports aimed at the same areas did not go over 5.7%. Among the emerging economies, Russia was the largest importer of Veneto BW&G; in 2004, 17.1% of Veneto's BW&G exports went to this country; 21.4% in 2013; China's role has been increasing significantly, and in a smaller way so have the United Arab Emirates' and Brazil's

It is expected that in 2019 BW&G imports by new markets will amount to over 212 billion euro (+45% compared to 2013). Russia, the United Arab Emirates and China will account for the largest potential demand, covering more than 30% of BW&G imports by new markets. Besides these countries, Poland and Mexico will be important consumers, but even more so Malaysia; although it now has a limited role, it should become the fourth new BW&G market also due to its strategic location as an entry into neighboring countries.



Beautiful, well-made and good (BW&G): Veneto's products fly toward the new markets





5. Beautiful, well-made¹ and good (BW&G): Veneto's products fly toward the new markets

For the third consecutive year, this Report monitors Veneto's foreign sales of medium-high range goods of ancient craftsmanship and tradition, yet innovative in design and cutting-edge technologies, made with high quality standards and professionalism. These goods used to be referred to as beautiful and well done (B&W), but given that the Veneto region's agricultural sector is reaching unexpected targets at the international level, we changed their name to beautiful, well done and good (BW&G).

In this chapter we want to emphasize the importance of Veneto's BW&G and its role in bringing back a still struggling manufacturing sector. We photographed BW&G exports in 2004 and 2013 and observed their growth, but we also remarked some difficulties and obstacles synthesized by the accessibility index to foreign markets. We considered the sectors of food, furniture, clothing and home textiles, footwear, eyewear and jewelry.

According to a recent study², consumers³ rank Italy first among the major countries producing luxury goods in the sectors of clothing, accessories (including bags, shoes and sunglasses) and jewelry. It's a success that caught everyone's imagination, influenced by the perception of a country weakened by a prolonged economic crisis, the need to strengthen the backbone of a production system that seems less equipped than other economies to face global competition. Despite these objective difficulties, "made in Italy" continues to be synonymous with excellence worldwide; and if luxury, aimed at niche consumers, is something other than B&W, it is also true that both bear the hallmarks of quality Italian manufacturing: attention to materials and processes, high professionalism. These characteristics are reflected in Veneto's productions in an even greater way than what happens in Italy, as evidenced by the export data. In 2012⁴, BW&G amounted to 30% of Veneto's exports, 17% of Italy's; Veneto also accounts for about a quarter of Italy's BW&G exports.

BW&G is therefore an essential resource for our region even more than for Italy, anchored in the genetic heritage of a region's entrepreneurship that has never walked away from the challenges posed by the market, being able to deal with them without getting discouraged by difficulties. There are more

More and more, BW&G products symbolize Veneto in the world

than a few difficulties in dealing with global competition; our analysis

shows that the size structure of our businesses is on average lower than other international competitors', searching for appropriate distribution channels and the absence of large Italian retail chains on the world scene are also major obstacles. Similarly to what was done in the two previous editions of this Report, the objective of our analysis is to explore the penetration potential of Veneto's products of excellence in the most dynamic emerging markets, where fledgling middle classes with increasing buying power are changing their consumption choices accordingly. Higher incomes, urbanization, and greater integration into the global community are some of the factors that lead new consumers to prefer goods that will satisfy them in terms of design and are manufactured to high quality standards, which means beautiful, well-made and good. Although our goal has remained the same, this year's analysis has some significant additions. First of all, we considered it appropriate not only to examine recent trends of Veneto's BW&G exports, namely those of the 2012-2013 period, but also to broaden the historical perspective to 2004 to highlight what changes have occurred in a time span of almost 10 years. These changes did not affect the relevance of BW&G: this segment represented a little less than a third of the region's exports in 2004 as much as it did in 2013. However, the composition of the target areas changed, with emerging areas growing in importance. New markets even came to matter more than mature economies for Veneto's BW&G jewelry exports.

¹ The chapter is based on the methodological approach and on the results of the report Confindustria-Prometeia "Exporting la dolce vita. The beautiful and well-made in Italy in the new markets: venues and obstacles", May 2014.

² Achille A., BCG- Altgamma foundation (2014) True Luxury Global Consumer Insight, pg. 21.

³ 10,000 consumers of luxury goods in 10 countries (see the references in the previous footnote).

⁴ The analysis used Istat data on Veneto's foreign trade, final for the year 2012 and interim for 2013. The 2012 data is used for comparison with Italy, as that is when the last national update occurred.



Another interesting aspect that came out of our historical analysis can be traced back to the performance of food and eyewear exports, which showed a better trend than other sectors between 2004 and 2013.

This year's analysis goes in-depth into two important aspects of approaching new markets, trade fairs and

The main BW&G venues are international trade fairs and distribution channels

distribution channels. Exhibiting at trades is the first step in

making oneself known, the showcase through which you can capture the curiosity and interest of potential customers. In this regard, participating in events in the new countries or actually organizing them through forms of partnership can be a useful strategic approach to getting to know and engaging operators who will then feed into the influx of visitors and exhibitors of fairs organized in Veneto. But trade fairs are only the first step, getting access to the distribution channels best suited to convey Veneto's products to the new consumers is often the most difficult obstacle to overcome. Fragmented and poorly organized distribution channels and poor transport and logistics infrastructure combine with a lack of knowledge of the area to force Veneto SMEs to seek out one or more local intermediaries, with the consequence of having limited control over sales channels.

The foregoing leads to carefully consider the issue of new markets accessibility. How accessible are they to Veneto's products? To answer this question, this year we prepared an accessibility index for each sector that takes into account several factors that may limit the entry of BW&G products into new markets (modernization of distribution network, logistics network, operational level of businesses, duties and non-tariff barriers). The accessibility⁵ level, synthesized by an indicator that varies from 0 to 100, is the result of five strategic components. The first one is the level of modernization of the distribution system, one of the most problematic factors for Veneto's products. It is a lack of infrastructure also typical of large markets such as Russia and China; it affects small and medium-

The accessibility index measures the obstacles in reaching a market

sized businesses, which lack enough power to manage sales channels

autonomously and suffer more than other competitors from this gap.

The second component is the quality of the logistics system and indicates the degree of efficiency with which the product gets to the distribution channel. It is a central aspect connected to countries' infrastructures (ports and customs, for example) and social phenomena such as urbanization, which make it more or less costly to serve a market. The third component is synthesized by the Doing Business Indicator of the World Bank, which reports the quality of a market for business operations, because it considers administrative aspects (such as the times required by bureaucracy), fiscal aspects (tax levels) and other operational risk factors (such as for example the protection of intellectual property). The last two components of the index are specific to each sector being analyzed as they consist of tariff (duty taxes) and non-tariff barriers (e.g., licenses, import quotas, standards). These issues are particularly relevant for BW&G businesses, as they face significant tariffs in many major markets (Russia, China, Brazil). Italian exporters are penalized, however, especially by non-tariff barriers, whose impact on the value of exports grows greater as the size of an individual exporter gets smaller.

The study of accessibility is undoubtedly an important interpretative key for the analysis of BW&G: for example, Far East countries (India, Indonesia, Thailand, Vietnam and Malaysia) are generally characterized by better prospects for the development of demand, but, except in the case of Malaysia, the penetration of Veneto's products inside these areas is hampered by low accessibility, due to a backward distribution or logistics system, and sometimes to tariff and non-tariff barriers as well. In such cases, entering new markets requires investments that smaller businesses cannot afford on their own. But the accessibility index can also be useful to highlight the successes of Veneto's BW&G.

The Russian market, for example, the main importer of BW&G among the new markets, is relatively difficult to access in some areas, yet Veneto's products have a strong presence in that country, as well as relatively large market shares.

⁵ Confindustria-Prometeia "Exporting la dolce vita. The beautiful and well-made in Italy in the new markets: venues and obstacles", May 2014.



The main importers of BW&G, Russia, United Arab Emirates and China, were still the new markets of greatest interest for the potential expansion of Veneto's products. In Russia, as already mentioned, the most critical issues come from the distribution channels, the non-tariff barriers or a customs policy that can be very penalizing (e.g., for furniture). Despite these difficulties, the Russian market continues to offer excellent development opportunities due to the characteristics of the new wealthy class, which is becoming more and more Europeanized and refined in its tastes, and is beginning to seek out authentic Italian products without any mediation.

China also offers great potential due to the vastness of the territory as well as to a class of young adults characterized by a higher spending capacity and propensity to consume than the generations that came before them. Another peculiarity of the market is the increasing importance of lower tier cities, which in the coming years will provide a significant contribution to the expansion of the middle-class.

Unlike Russia and China, the United Arab Emirates show high accessibility, which favors penetration by Veneto's BW&G. In the UAE, broad prospects for demand growth are supported by the needs of the local population, as well as by a substantial influx of tourists for leisure and business.

Another relatively accessible market characterized by a strong growth in demand prospects is Malaysia, a market Veneto affects only in a very small way. However, a strategy of expansion to countries that are distant not only geographically requires careful evaluations based on the actual size of the market and the presence of other more or less well-established international competitors.

The significant presence of the Veneto region in the new and larger BW&G markets shows that our region has taken on the challenge of global competition by using its high quality products with successful approaches, but the investment required to maintain and strengthen its position cannot be separated from support policies, system strategies and promotional activities aimed at compensating the size gap of Veneto's (and Italian) businesses compared to other international competitors and reaching new consumers in a more direct and widespread way.

5.1 BW&G's role in regional exports between 2004 and 2013⁶

BW&G products are the most direct and immediate expression of an entrepreneurial network ready to seize the opportunities offered by the market and that often even anticipates its needs. And if the challenge plays out on an international field, Veneto has never pulled back, as we learn from its history: its propensity for export⁷, below the northern Italian average in the early 80s, grew progressively until it surpassed Piedmont's and Lombardy's in the second half of the '90s; it then enabled Veneto to maintain primacy over the other Italian regions for most of the following years.

And the BW&G challenge actually takes place increasingly on a global playing field where the focus is catalyzed by new players from those countries that, thanks to the enlargement of their wealthy class

Veneto is one of the Italian leaders in the propensity to export

and social changes affecting the tastes and preferences of

consumers, offer a significant potential demand. The analysis that follows took into consideration the following new markets: Russia, Poland, Croatia, Czech Republic, Romania, Ukraine, Hungary, China, Turkey, United Arab Emirates, Saudi Arabia, Tunisia, Slovakia, Bulgaria, Mexico, Brazil, India, Morocco, Kazakhstan, Chile, Colombia, Egypt, Thailand, Libya, Algeria, Peru, Vietnam, Malaysia, Indonesia and Argentina. They were compared to a group of 10 mature economies (Austria, Canada, France, Germany, Japan, UK, Spain, USA, Sweden and Switzerland).

Before analyzing the potential absorption of Veneto imports that could come from new markets in the coming years, it is appropriate to highlight the latest trends of Veneto's BW&G exports, those of the period 2012-2013, and also to broaden the historical perspective to 2004 to highlight what changes occurred in a time frame of almost 10 years. BW&G counts in Veneto even more so than in Italy; in 2012, it accounted for approximately 30% of Veneto's manufacturing exports, whereas the corresponding figure at the national level did not go beyond 16.6%.

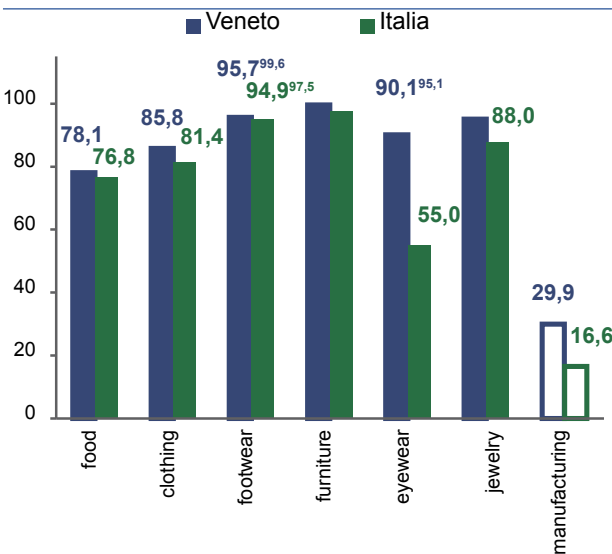
⁶ The analysis used Istat data on Veneto's foreign trade, final for the year 2012 and interim for 2013.

⁷ Exports compared to the GDP.



Not only that, BW&G exports for the sectors we took into consideration were seen to be increasingly greater in the region than at the national level.

Fig. 5.1.1 - The percentage impact of BW&G exports on each sector considered and the manufacturing sector. Veneto and Italy - Year 2012



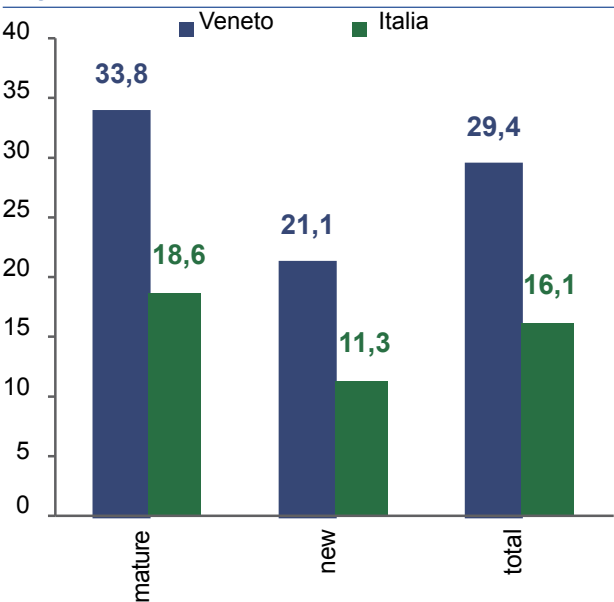
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Istat data

Similarly, the impact of BW&G products on direct exports both to new and mature markets has been greater in the Veneto region than in Italy. But BW&G products are also an important part of the Italian market: from the region as a whole came almost a quarter of Italian BW&G exports, and this impact

In 2012, BW&G products accounted for about one third of Veneto's manufacturing exports was even higher for footwear, furniture, jewelry, and especially eyewear, in which sector

Veneto in 2012 accounted for over 90% of the national BW&G. If quality, innovation and professionalism are the substratum of traditional Veneto production, it is evident that BW&G's relevance cannot be limited to the most recent two years: BW&G' impact on total regional exports, in fact, stood at 29% in 2004 as in 2013, but one can see some differences in terms of sectors and countries. Compared to 2004, for example, in 2013 grew the relevance of food and eyewear at the expense of the contribution made by other sectors. The food sector showed the brightest dynamics, with an average annual growth of 8.7%, driven by the 16.9% of exports

Fig. 5.1.2 - The percentage impact of BW&G on exports to new and mature markets (*).Veneto and Italy - Year 2012



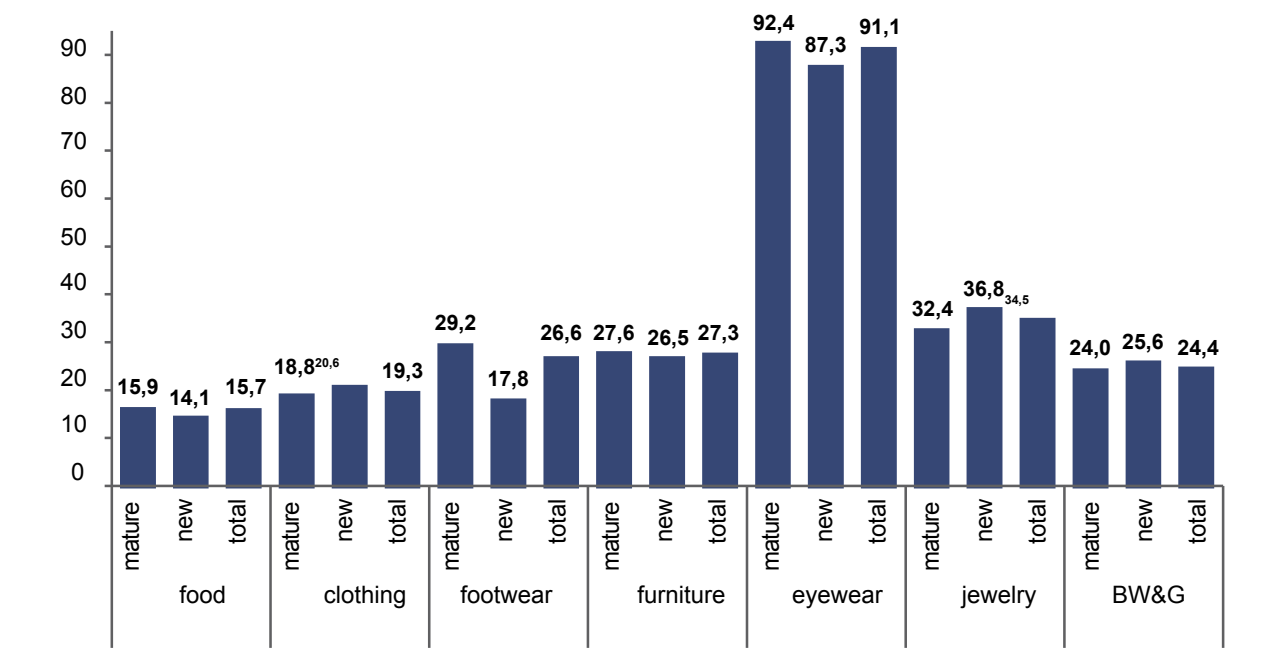
(*)New markets: Russia, Poland, Croatia, Czech Republic, Romania, Ukraine, Hungary, China, Turkey, United Arab Emirates, Saudi Arabia, Tunisia, Slovakia, Bulgaria, Mexico, Brazil, India, Morocco, Kazakhstan, Chile, Colombia, Egypt, Thailand, Libya, Algeria, Peru, Vietnam, Malaysia, Argentina and Indonesia. Mature markets: Austria, Canada, France, Germany, Japan, UK, Spain, USA, Sweden and Switzerland.

Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Istat, Eurostat, Global Insight and National Statistical Institutes data

to new markets, but performing well even in mature ones for which the increase was 7.4%, higher than what recorded in other sectors. The success of the food sector is mainly due to the contribution of wine, which accounts for almost 50% of the exports, and in a smaller way to pasta. Eyewear had a large growth in exports between 2004 and 2013 as well, amounting to 6.7% overall, but reaching almost 13% in the new markets. Such a lively trend has been encouraged by the increasing perception of glasses as a fashion and design item, rather than an instrument to correct vision. The clothing sector, while continuing also in 2013 to affect regional exports more than the other sectors, showed a rather weak trend, characterized by moderate growth in new markets and a slight decline in mature ones.



Fig. 5.1.3 - Percentage impact of Veneto's exports on national BW&G exports. Veneto - Year 2012



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data.

Always between 2004 and 2013, footwear and furniture exports were characterized by more vibrant dynamics

In the past 9 years, the “good”, i.e., Veneto's food industry, showed the best performance

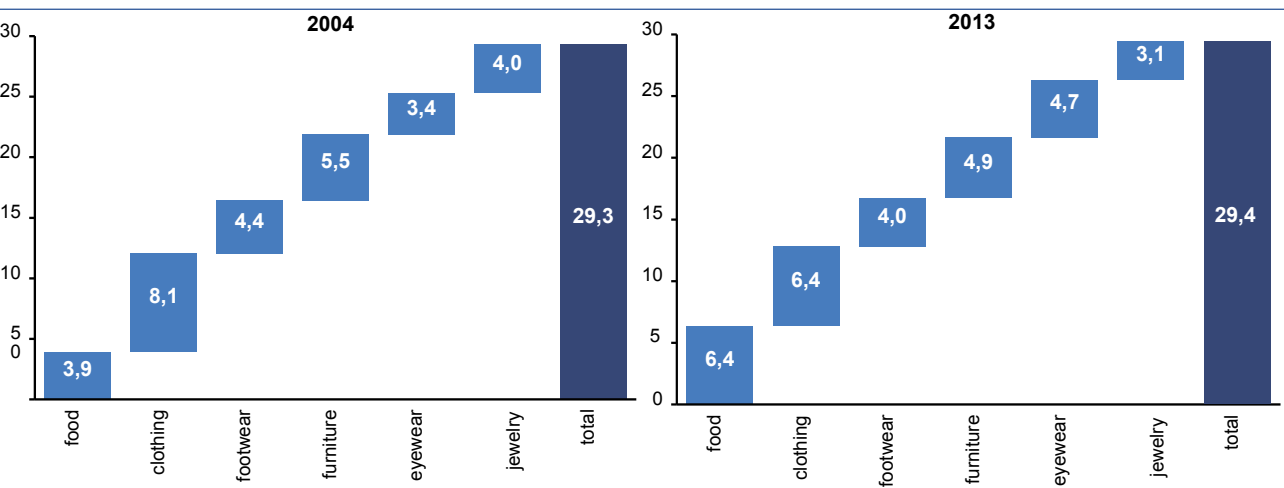
in the new markets and more modest in mature ones, whereas for the jewelry sector there was

a still greater distance between the target markets.

In this sector, in fact, exports to emerging economies have been increasing at an annual rate of 8.1%, exports to mature countries have reduced by 5.1%.

Consistent with the importance that emerging countries are acquiring on the international stage, between 2004 and 2013 we are witnessing an increase in the impact of new markets on Veneto's BW&G exports, which in 2013 stood at 20.7%, approximately 6 points percent

Fig. 5.1.4 - BW&G percentage impact on overall exports. Veneto – Years 2004 and 2013



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



Tab. 5.1.1 - Average percentage changes between 2004 and 2013 of BW&G exports				
	Mature markets	New markets	Other areas	Total
Food	7,4	16,9	10,8	8,7
Clothing	-0,6	2,6	0,8	0,4
Footwear	0,8	8,8	2,2	1,9
Furniture	1,0	5,5	0,5	1,8
Eyewear	5,4	12,8	6,7	6,7
Jewelry	-5,1	8,1	-0,6	0,2
Total	2,0	7,1	3,1	3,1
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Istat data				

more than in 2004. Although their relevance has been reduced, mature markets continue to take precedence over other areas accounting for nearly 60% of BW&G exports; in 2013, however, such dominance was not observed in the jewelry sector, where new markets accounted for 45% of exports, with mature markets clocking in at 33%. Among the emerging economies, Russia's leadership grew stronger: 17.1% of Veneto's BW&G exports to new markets went to this country in 2004, and this percentage rose to 21.4% in 2013; in

the same period, China's role grew significantly, and so did the United Arab Emirates' and Brazil's, albeit in a more modest way.

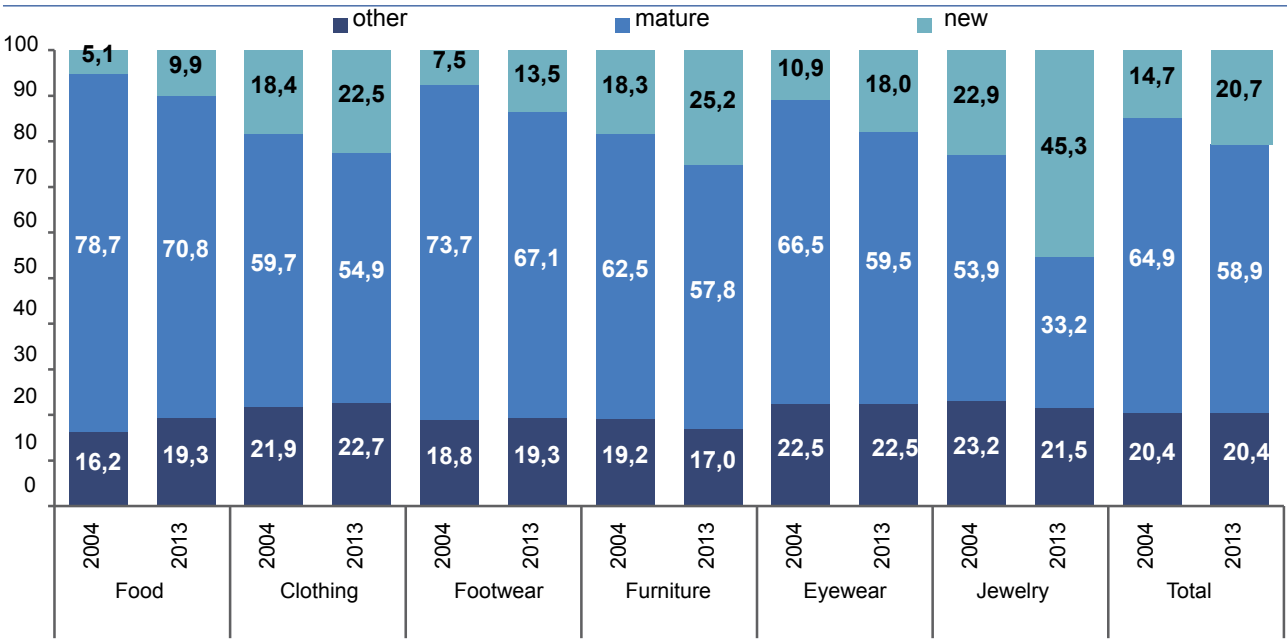
Turning to short-term dynamics, in 2013, a more lively trend by BW&G products was confirmed compared to the overall performance of Veneto's exports. In point of fact, exports of beautiful, well-made and good products grew by 3% compared to the total 1.4%, whereas exports to new countries of Veneto's BW&G came close to a 9% growth, when the total regional exports to the same areas did not go over 5.7%.

In 2013, BW&G exports to mature markets increased most in the food and eyewear sectors, whereas they showed a relatively large decline in the jewelry sector (-13.3%). With regard to new markets, however, BW&G exports in 2013 showed a greater vivacity in the footwear (12.5%) and food (12.2%) sectors.

5.2 The growth⁸ process of Veneto's BW&G in the new markets

In 2019, BW&G imports by new markets will amount to more than 212 billion Euros⁹, marking a 45% increase with respect to 2013. Russia, United Arab Emirates

Fig. 5.1.5 - Percentage impact of markets analyzed on BW&G exports. Veneto - Years 2004 and 2013



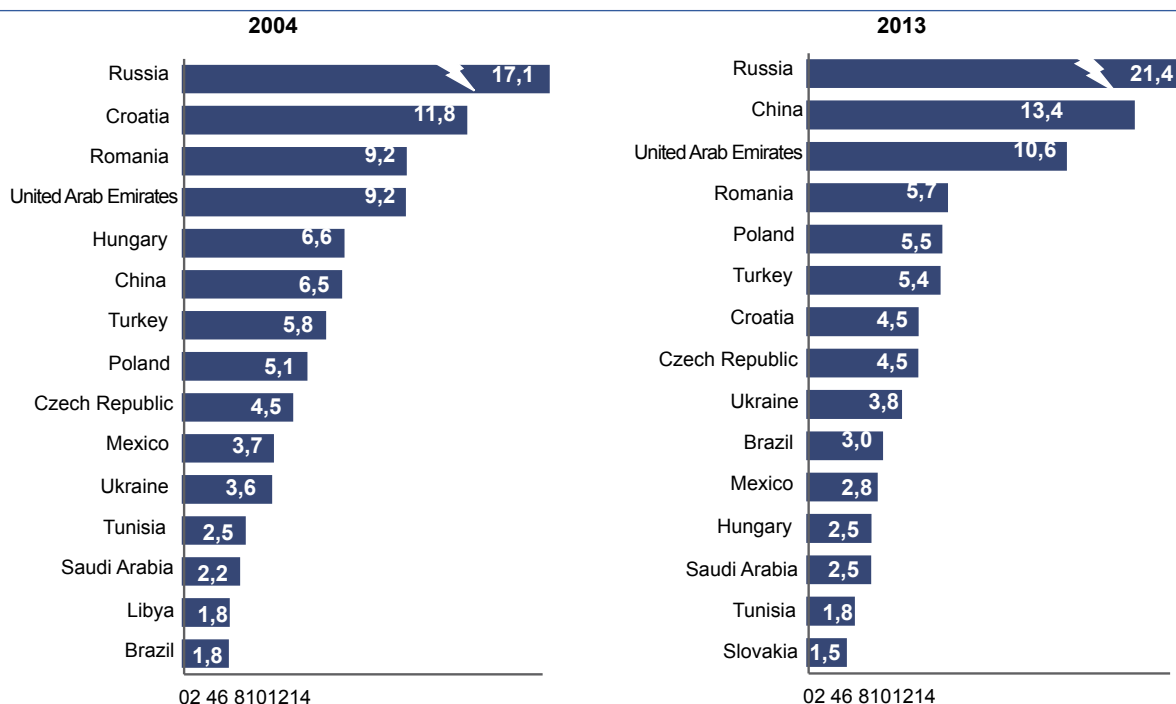
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Istat data

⁸ The anticipated growth of imports for new and mature countries are taken from Confindustria-Prometeia (2014). The forecast for imports from Veneto are obtained by assuming a constant market share for each BW&G sector in each country with the objective of quantifying their growth potential starting from the most recent ranking (2013). In special eyewear and jewelry cases the most recent ranking is based on the 2012-2013 period and not only on 2013. In such cases, therefore, the provisional data of Veneto's exports up to 2013 were only partially used.

⁹ Values are expressed in constant prices and exchange rates.

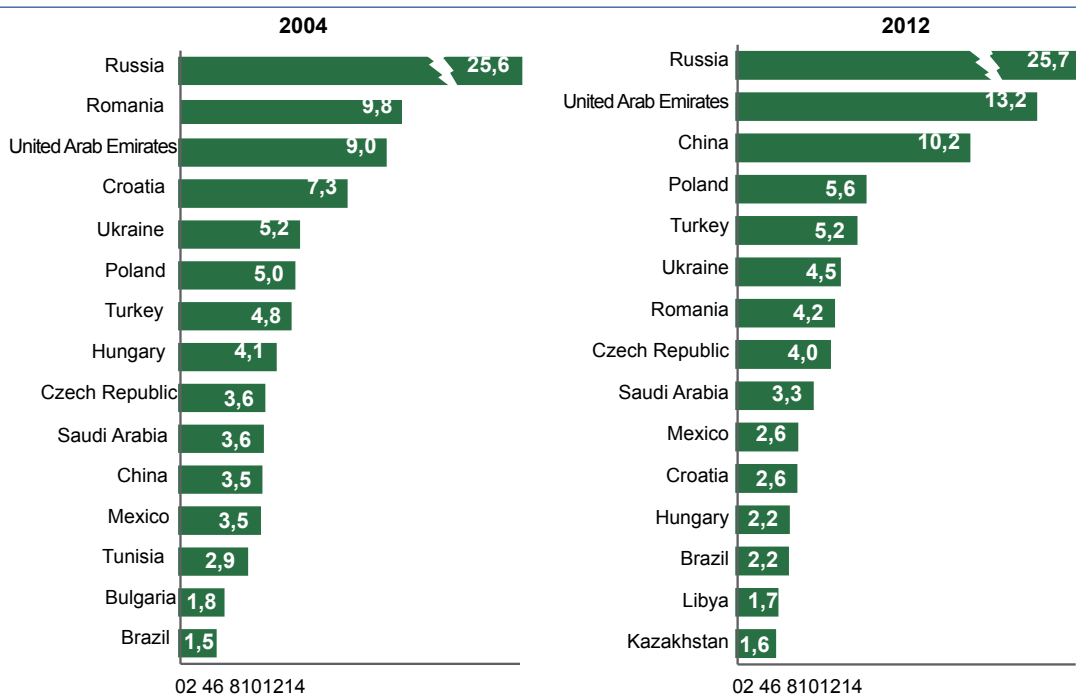


Fig. 5.1.6 - The most important new markets for BW&G exports: percentage impact on BW&G exports to each country over total exports to the new markets. Veneto – Years 2004 and 2013



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

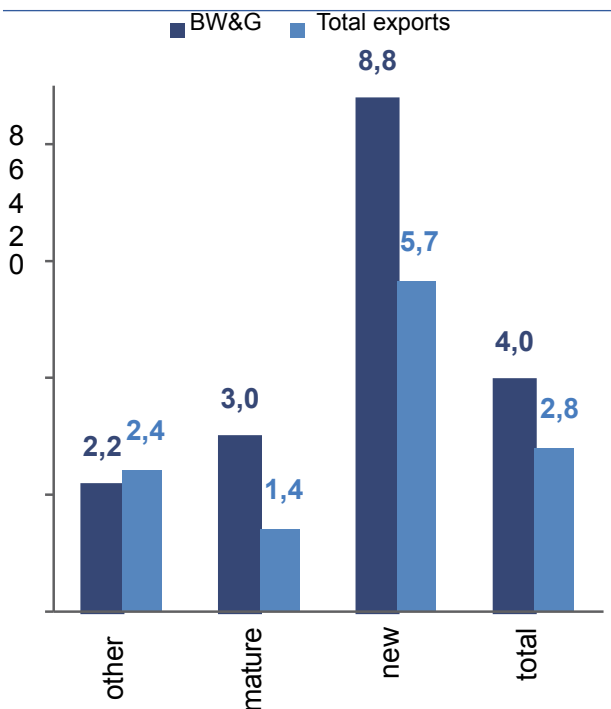
Fig. 5.1.7 - The most important new markets for BW&G exports: percentage impact on BW&G exports to each country over total exports to the new markets. Italy – Years 2004 and 2013



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



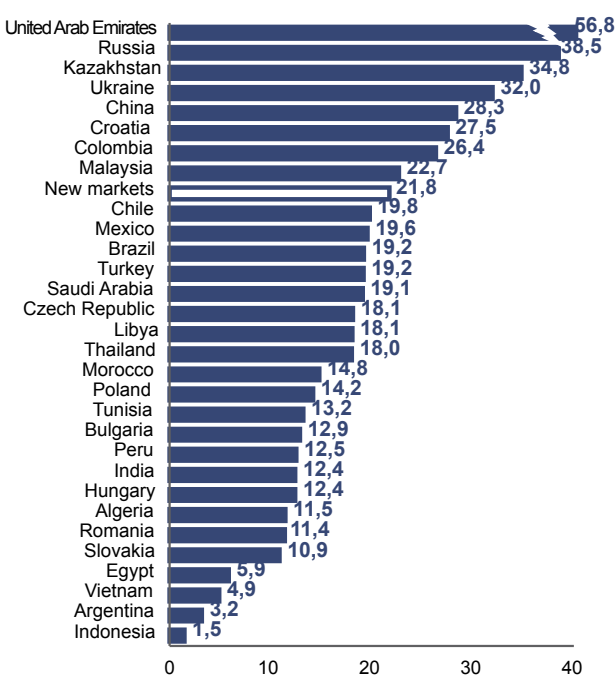
Fig. 5.1.8 - 2013/12 percentage variations of Veneto's exports



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

and China will continue to provide the largest potential demand: in fact, in 2019, they will cover more than 30% of BW&G imports by new markets with € 69 billion.

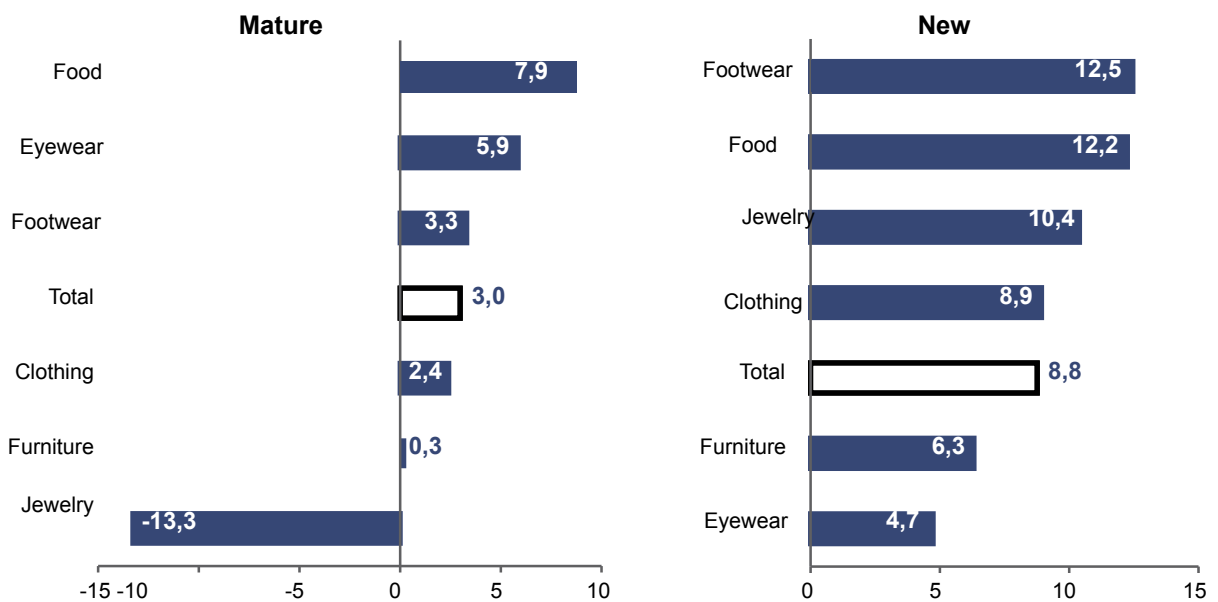
Fig. 5.2.1 - BW&G's percentage share on Veneto's total exports to the new markets - Year 2013



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

Some of these are gaining an increasingly important role: Malaysia, for example, will be the fourth new BW&G market in 2019, thanks to a 64% increase in imports compared to 2013.

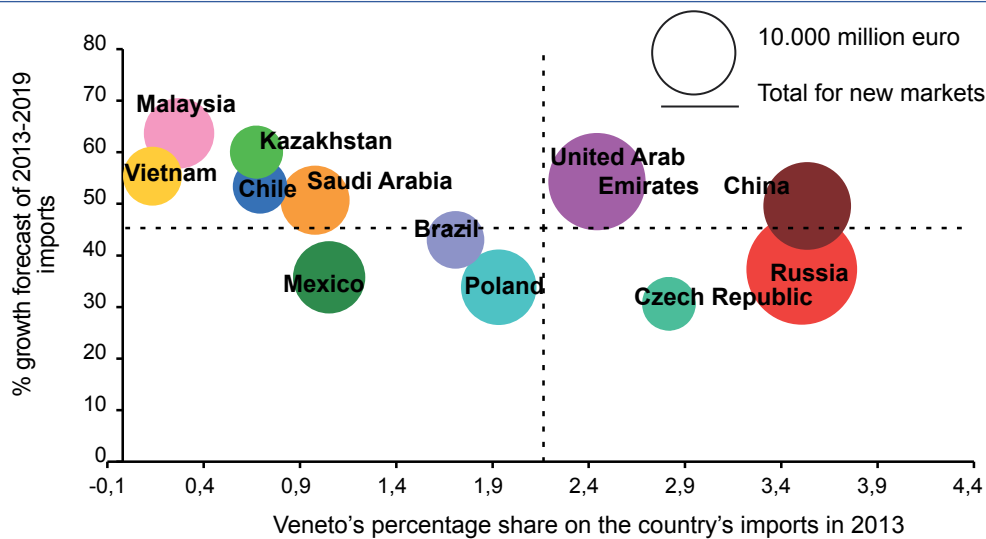
Fig. 5.1.9 - Percentage variations of BW&G exports by target market. Veneto - Year 2013



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



Fig. 5.2.2 - The top 12 BW&G importers among new markets: Veneto's percentage share on the country's imports in 2013 and cumulative percentage growth in 2013-2019 imports (*)



(*)The size of a bubble is proportional to that country's impact on global BW&G imports
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

Other major consumers will be Poland and Mexico, characterized however by a relatively more modest increase in demand (34% and 36%, respectively), and Saudi Arabia, where imports will grow by 51%.

Finally, large increases in demand for BW&G will affect India (77%), Kazakhstan (60.1%) and Indonesia (59.7%). In the case of Kazakhstan as well as Ukraine, it is necessary to point out that the BW&G expansion derives not only from the fact that both countries represent an effective reservoir of demand for BW&G, but also thanks to triangular trade, which makes it possible to reach the Russian market with lower customs costs.

Veneto's impact on of the total BW&G imports by new markets exceeded 2% in 2013 and even larger market shares were recorded in the United Arab Emirates, Russia and China, areas characterized by the highest reservoir of demand.

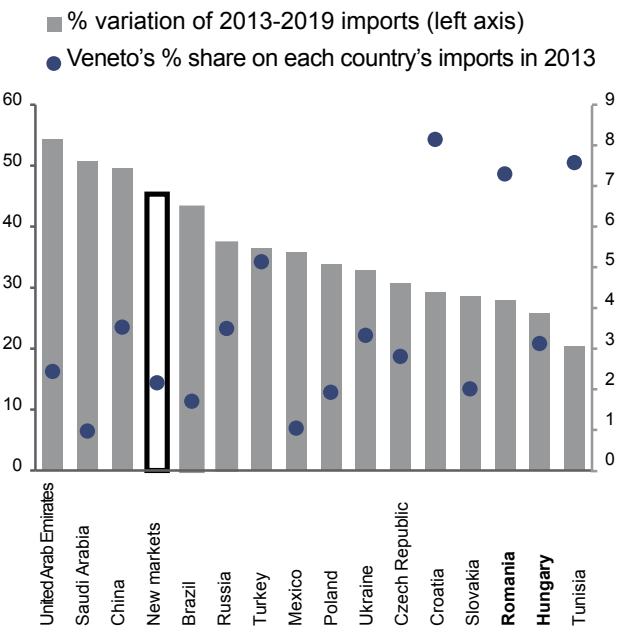
Among the countries that in the coming years will know a more vibrant development of the demand, Veneto showed a relatively higher market share in Saudi Arabia (1%), whereas our region's impact on more distant or harder to access markets like Vietnam and Malaysia was more modest.

Among the most important new markets for Veneto's BW&G exports, its degree of penetration remained

higher in geographically closer areas and/or areas belonging to the European Union (Croatia, Romania, Tunisia and Turkey).

The following paragraphs will look at the growth prospects of each individual BW&G sector.

Fig. 5.2.3 - BW&G: 2013-2019 percentage variation of imports by country and Venetos' market share in 2013



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data



In addition to the data contained in last year's Report, we came up with an accessibility index to new markets for each sector with the aim of highlighting the difficulties that businesses encounter in approaching these countries. The synthetic indicator is a weighted average of the 5 components already described at the beginning of the chapter: the level of modernization of the distribution system, logistics efficiency, the operational status of the businesses expressed by the doing business indicator of the World Bank, the level of tariffs and non-tariff barriers. The index ranges from 0 (minimum) to 100 (maximum).

BW&G Food

As has already been noted, over the past nine years Veneto's food sector has experienced the liveliest trend among BW&G sectors both toward the mature countries, and most of all, the new ones. This enabled the Veneto region to gain relatively large market shares in neighboring and more easily approachable markets, such as Poland and the Czech Republic, but also to get a good ranking in Russia, the largest reservoir of demand among the new markets for the sector after China. This result is particularly important when one considers that the Russian market is not among the most accessible, as it is affected by non-tariff barriers, operational difficulties, and a logistics/distribution system that, despite the progress made in recent years, remains mostly backward.

The main obstacles faced by food companies intending to enter Russia can be traced back to a complex set of regulations that effectively contribute to quotas on imports. For alcoholic beverages, which are of decisive importance for

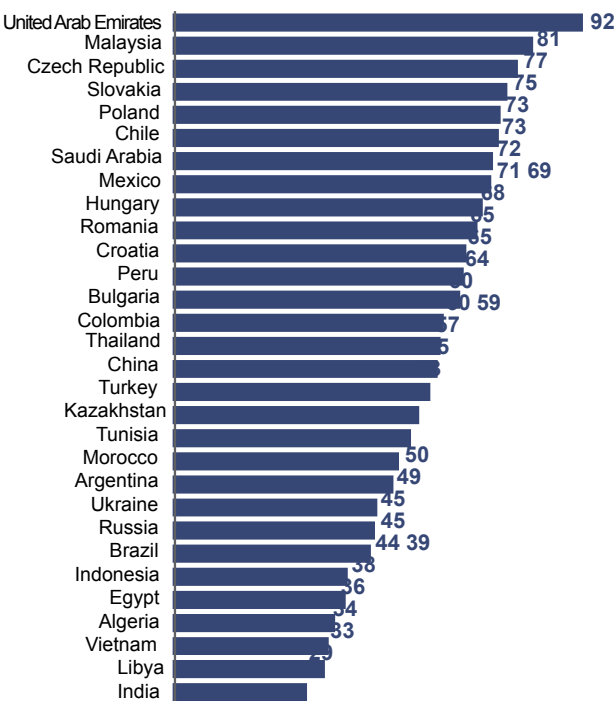
Veneto's food sector is so "good" that it overcomes all obstacles

Veneto's exports, the rules governing import procedures are particularly restrictive

and based on government licenses issued in limited numbers and subject to revocation, which may be even generalized and without warning¹⁰. Veneto's BW&G presence is relatively lower in China; as well as being the main sector importer among the new countries, China is also one of the best prospects for development. Accessibility to the Chinese market is conditioned not only by distance, but also by the significant presence of non-tariff barriers.

Veneto's products and Italy's in general are also adversely affected by the absence of a large Italian distribution chain in China.

Fig. 5.2.4 - BW&G food: Veneto's accessibility index



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Istat, WTO, GTA, World Bank, Euromonitor and CBRE data

"Due to its size, large-scale distribution plays a significant role in consumer preferences and may facilitate the spread of customs and typical products from the country of origin. For example, the recent development of China's demand for French wine can be traced at least in part to the presence of Carrefour"¹¹. Notwithstanding these difficulties, between 2004 and 2013 Veneto's BW&G food exports to China registered an average annual growth of 37% at current values, a better performance than any other new market.

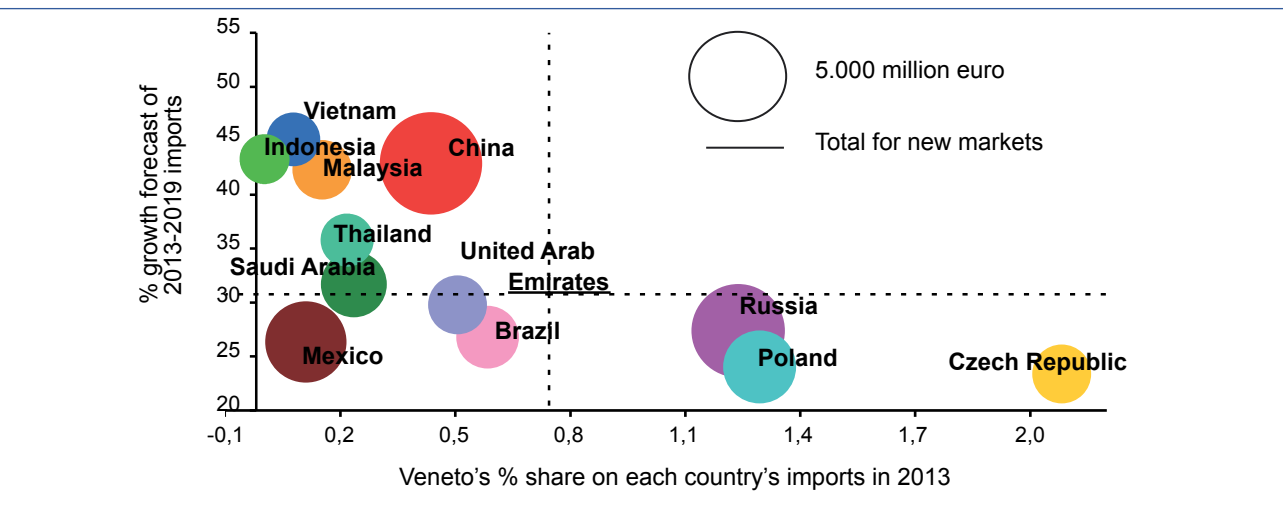
Therefore, although the obstacles are not negligible, the efforts made by Veneto's exporters to reach new potential customers with ever greater effectiveness are also very evident.

¹⁰ See Confindustria-Prometeia (2014), ch. 4.

¹¹ Emlinger e Latouche (2012) L'internationalisation de la grande distribution: un atout pour les exportateurs des produits agro-alimentaires. La lettre du CEPII, no. 327.



Fig. 5.2.5 - BW&G food: Veneto's percentage share on each country's imports in 2013 and cumulative percentage growth in 2013-2019 imports for the first 12 markets (*)



(*)The size of a bubble is proportional to that country's impact on global BW&G imports
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

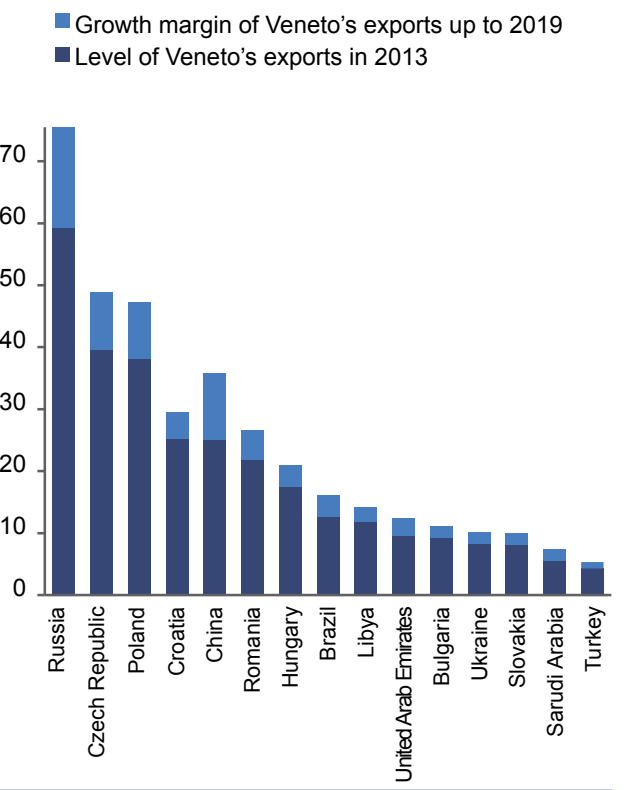
In 2019, Veneto's exports for this sector could reach more than 70 million Euros in Russia, whereas in China

In the near future, China and Russia, but also Malaysia, Vietnam and Indonesia will be the most important markets for Veneto's BW&G food exports

they could increase by 11 million euro compared to 2013. Besides China, the countries where BW&G food has

its best growth prospects are those of the Far East, namely Vietnam, Indonesia, Malaysia and, to a lesser extent, Thailand. The presence of Veneto in these markets is still very modest, slowed down by distance, but also by a number of shortcomings, especially in terms of modernization of distribution, involving all the countries under consideration except Malaysia. The latter, therefore, could represent a market of particular interest to the expansion of Veneto's BW&G, thanks to the good growth prospects of a middle class increasingly sensitive to the consumption of quality foods, as well as its relatively high accessibility. The leadership for accessibility, however, belongs to the United Arab Emirates. In this country, the preferred channels for the dissemination of quality food products are the hotel and restaurant sectors, favored by increasingly more consistent international tourism for both business and leisure.

Fig. 5.2.6 - BW&G food: Veneto's 2013 exports by target country and their growth margin up to 2019 (expressed in millions of Euros at 2012 prices)



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data



BW&G Clothing¹²

The 2013-2019 forecasts confirm Russia’s leadership for BW&G clothing: in this sector, the international demand coming from this country is expected to be about € 11 billion at year-end, more than all the countries that joined the EU more recently will require.

The importance of the United Arab Emirates is also confirmed; the UAE still hold the second position in terms of market size, whereas Malaysia is expected to rise to third place, thanks to a 54% increase in imports compared to 2013, about 13 percentage points more than the new markets average.

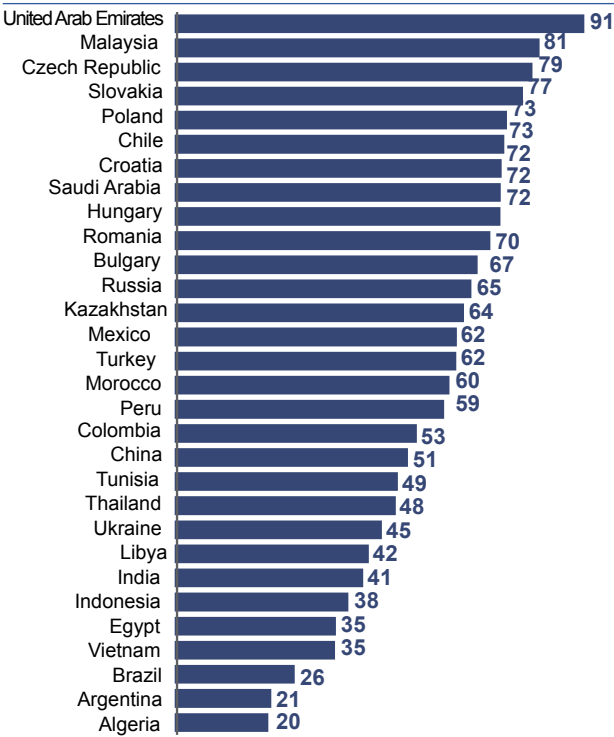
In Russia, despite GDP growth slowing down in recent years, consumption has continued to grow thanks to the proceeds from raw materials. The richest section of the population benefited from such earnings, therefore, its interest in beautiful and well-made products remains high: Italian fashion continues to charm wealthy Russian consumers, who have the adequate financial resources. However, keeping such appeal cannot be taken for granted. On the one hand, it is advisable to monitor consumer habits and preferences changing as a result of increasing integration into the world community, on the other hand, tastes becoming more refined, together with a less favorable economic situation than in the past, will make well-off Russian consumers pay better attention to prices, without neglecting quality. Veneto’s exporters have been aware for some time of the potential offered by this market and Veneto’s impact on this county’s BW&G clothing imports in 2013 is quite high, close to 3%; moreover, in 2019, the sector’s regional exports going to Russia could exceed € 320 million, about one-third of the total targeted at new markets.

These results should be seen as even more positive if one considers that Russia’s accessibility index is not particularly favorable: the indicator, according to which the country stands at about mid-table in the new markets, highlights some typically structural difficulties,

In 2013, Veneto’s impact on Russia’s BW&G clothing grows... related to the degree of modernization of sales channels, ease

of doing business, synthesized by the doing business indicator, and quality of logistics.

Fig. 5.2.7 - BW&G clothing: Veneto accessibility index



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Istat, WTO, GTA, World Bank, Euromonitor and CBRE data

Deficiencies in logistics and non-tariff barriers hinder China’s imports in the sector, but in this case too, in 2013, Veneto showed a relatively high market share, equal to 16%. For clothing businesses, keeping or improving one’s position in China means above all winning over the population aged between 35 and 54 years, more prone to discretionary purchases than more senior consumers. The youngest generation,

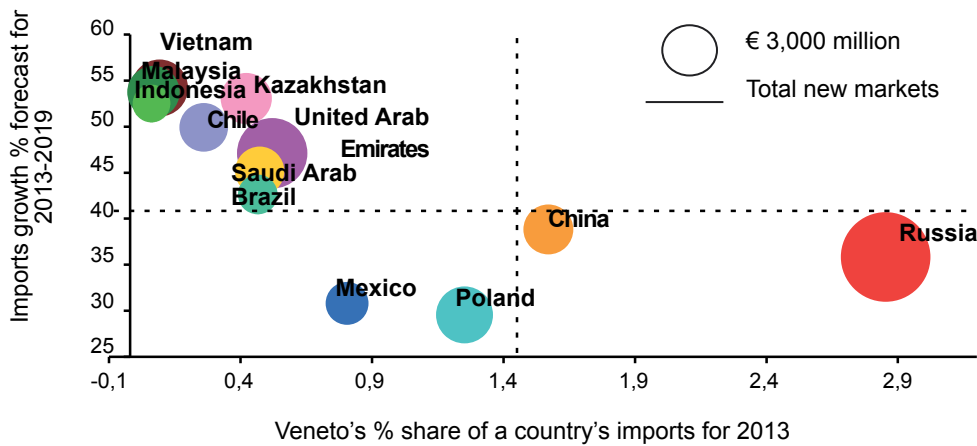
... on the other hand, customs duties and non-tariff barriers hinder China’s sector imports... born after the 80s, seems especially disinclined toward saving and frugal

consumption, which had characterized the country in previous decades. Today’s young Chinese adults are using their increased purchasing power as a tool to assert themselves and their personality, which makes them particularly susceptible to the spread of new brands and, more generally, to the latest fashion trends.

¹² For brevity’s sake, only the term clothing is used, but home textiles are also included.



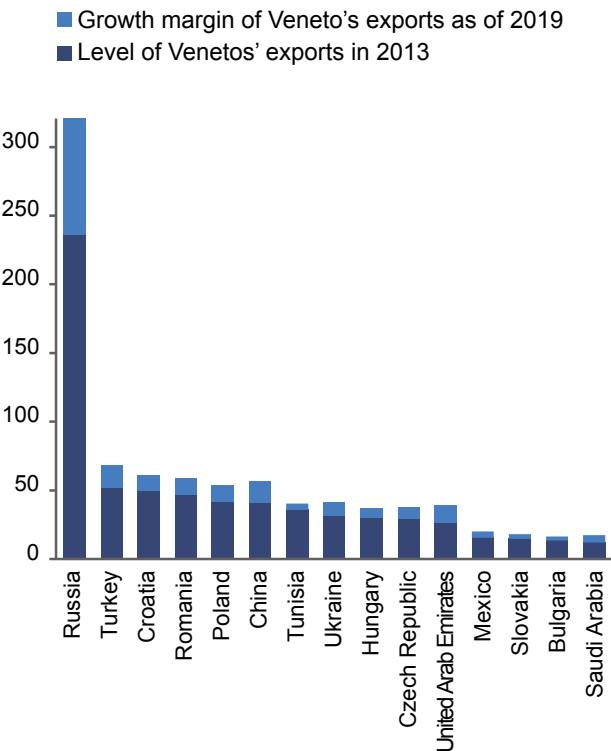
Fig. 5.2.8 - BW&G clothing: Veneto's % share of a country's imports for 2013 and cumulative percentage growth of 2013-2019 imports in the first 12 markets (*)



(*)The size of a bubble is proportional to that country's impact on global BW&G imports
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

Another interesting aspect of the Chinese market has to do with the growing importance of lower tier cities, which in the coming years will provide a significant

Fig. 5.2.9 - BW&G clothing: Veneto's 2013 exports by country and their growth margin as of 2019 (expressed in millions of euro at 2012 prices)



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

contribution to the expansion of the middle-class; although purchases by consumers residing in these areas are mainly concentrated on casual clothing and sportswear, as development advances, they might open up to a greater variety of styles and preferences¹³.

The United Arab Emirates are a country of great interest to BW&G clothing, as it is characterized by high accessibility as well as good growth prospects. Veneto's market share in this case totaled 0.5% and could grow by taking advantage of the UAE's modern distribution network and quality-conscious consumer choices made not only by the more affluent local population, but also by tourists en route to the main hubs of Dubai and Abu Dhabi.

However, the best prospects for demand growth are concentrated in the Far East (Vietnam, Indonesia and Malaysia) and in Kazakhstan, but as already noted for the food sector, the expansion of exports in these markets may clash with inadequate distribution networks and infrastructure or with strong international competition.

BW&G Footwear

In 2019, imports of BW&G footwear by new markets will amount to approximately 20 billion Euros, touching 30% of world imports¹⁴ for the sector.

¹³ See Deloitte (2012) China's consumer markets.

¹⁴ Here "world" refers to the sum of the 30 new and 10 mature countries.

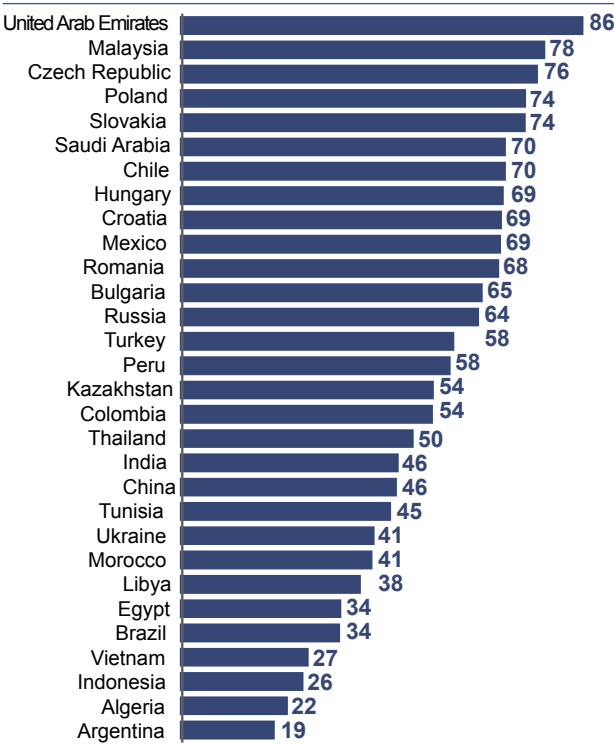


Russia will continue to stay in the lead, and with a 44% increase in demand over the next six years, it might well reach about one-fifth of the imports by new markets for the sector. The second place among new markets will go to Kazakhstan, whose growth prospects for 2013 to 2019 are over 70%. As has already been noted, however, these flows incorporate not only local demand, but also the transit of products meant for the Russian market that is a consequence of the customs union between the two countries. Veneto's BW&G is still only modestly present on the Kazakh footwear market, but the country may in any case be of interest as possible bridgehead to other countries in Central Asia (Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan).

Veneto's presence on the Russian market of beautiful and well-made footwear is relatively high at 3.5%, in spite of the fact that imports for this sector are affected by numerous obstacles.

In fact, Russian state authorities normally do not recognize EU certifications for the footwear sector¹⁵ (e.g., ISO 9000), but require instead ad hoc certificates of quality and/or compliance and complex registration procedures. Moreover, meeting all administrative requirements for the imports is up to the importer, which must be a Russian legal entity. This limitation is particularly burdensome and must be added to the obligation of ensuring the exported product's full

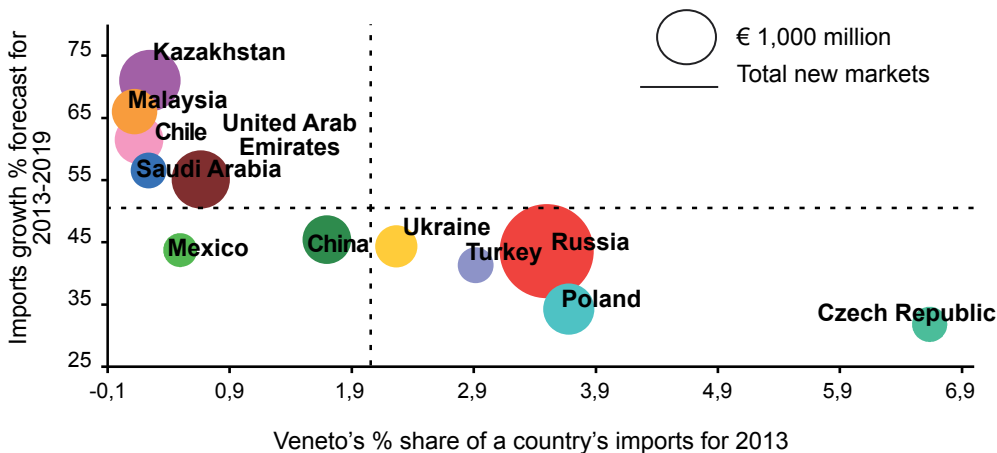
Fig. 5.2.10 - BW&G footwear: Veneto's accessibility index



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Istat, WTO, GTA, World Bank, Euromonitor and CBRE data

traceability, pointing out the countries of origin and production of the goods, among other things.

Fig. 5.2.11 - BW&G footwear: Veneto's % share of a country's imports for 2013 and cumulative percentage growth of 2013-2019 imports in the first 12 markets



(*)The size of a bubble is proportional to that country's impact on global BW&G imports

Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

¹⁵ See Confindustria-Prometeia (2014), ch. 4.

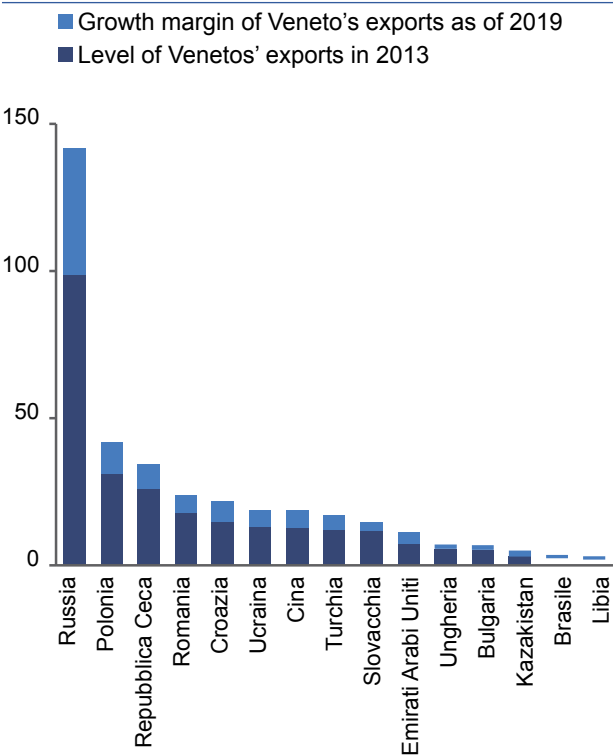


Nevertheless, the distinctive features of design, quality of materials and typical workmanship of Veneto's footwear continue to attract and retain Russian customers and will be able to do so still more effectively in the future. Russia's wealthy class, in fact, includes also a young population that has developed a more European way of thinking and more mature tastes, and wants to buy what is truly Italian, with no middleman¹⁶. In 2019, Veneto's exports to Russia could exceed 140 million euro and that country would again be firmly in first place among the major new target markets of our region's BW&G exports.

Besides Russia, Veneto's market share showed high values in the European markets (Czech Republic and Poland) that are more accessible thanks to the shorter geographical distance and greater affinity in terms of culture and traditions.

Good prospects for demand growth should come from the Middle East (United Arab Emirates and Saudi Arabia), Malaysia and Chile, areas characterized also by a relatively good accessibility index.

Fig. 5.2.12 - BW&G footwear: Veneto's 2013 exports by country and their growth margin as of 2019 (expressed in millions of euro at 2012 prices)



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

Veneto's share of the BW&G footwear market is particularly strong in Russia, the Czech Republic and Poland

In the last two countries, Veneto's market share is still very modest: interest in quality shoes is

beginning to spread in a more significant way in Malaysia, but Chile's average price for exported Italian footwear is still low.

BW&G Furniture

Major residential and commercial construction projects, tourism development (with the consequent upgrading of stations, airports and accommodations), and infrastructure upgrading are effective venues for international demand of BW&G furniture in the new markets. However, businesses from Veneto (and Italy) are often faced with usually larger international competitors vying with them for access. Therefore, in this sector even more than in others, the development of ad hoc promotions becomes essential, in order to improve the coordination and cooperation of small and medium-sized businesses and enable their participation in such large real estate development projects.

With a demand of around 4 billion Euros in 2019, the top importers of BW&G furniture among the new markets will be Malaysia, the United Arab Emirates and Russia. Between 2013 and 2019, Malaysia should be characterized by a close to 95% increase in imports for the sector, whereas the demand from Russia will be relatively less dynamic (46% compared to the new markets' 68%).

The development of the Malaysian demand, linked to the enlargement of its wealthy class, is also favored by the construction stimulus plan launched by that country's government. Compared to other Asian

In 2019, the largest importers of BW&G furniture from Veneto will be Malaysia, the United Arab Emirates and Russia

countries, such as India, Indonesia and Thailand, Malaysia shows better accessibility, especially in

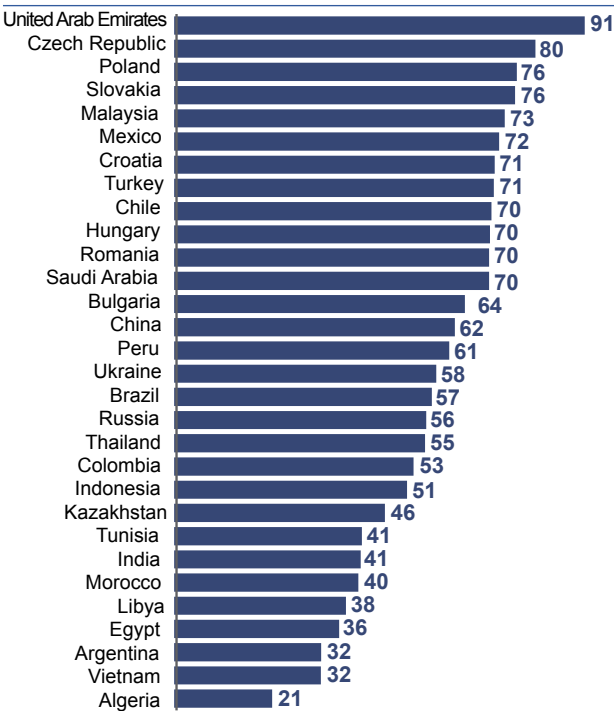
terms of logistics and distribution.

Veneto's impact on the Malaysian market, however, is still negligible, whereas it weighs in more significantly

¹⁶ See <http://www.ice.it/lifestyle/newsletter/Russia/2011-Ottobre/Ottobre-2011-Russia.htm>.



Fig. 5.2.13 - BB&G furniture: Veneto's accessibility index



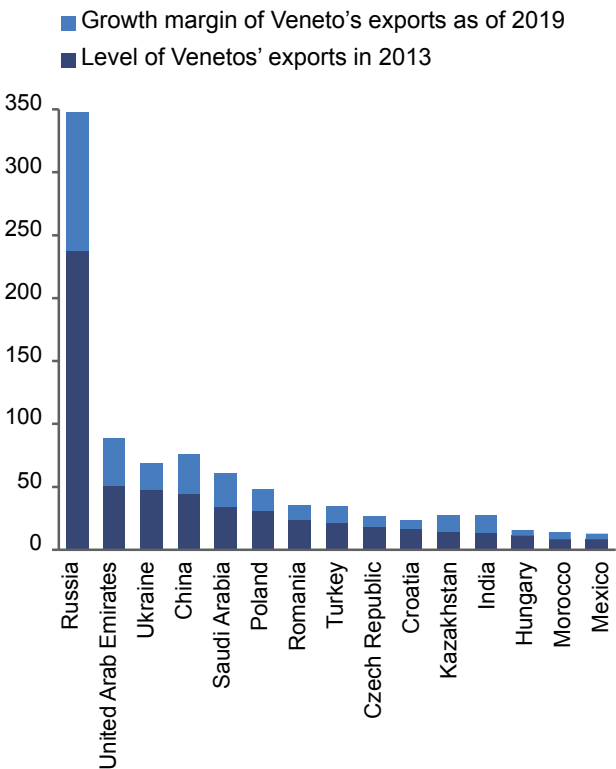
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Istat, WTO, GTA, World Bank, Euromonitor and CBRE data

on the imports of the United Arab Emirates (2.1%) and Russia (8.5%).

In these countries as well as Saudi Arabia, demand growth is driven by the expansion of residential and commercial construction, as well as the tourist industry.

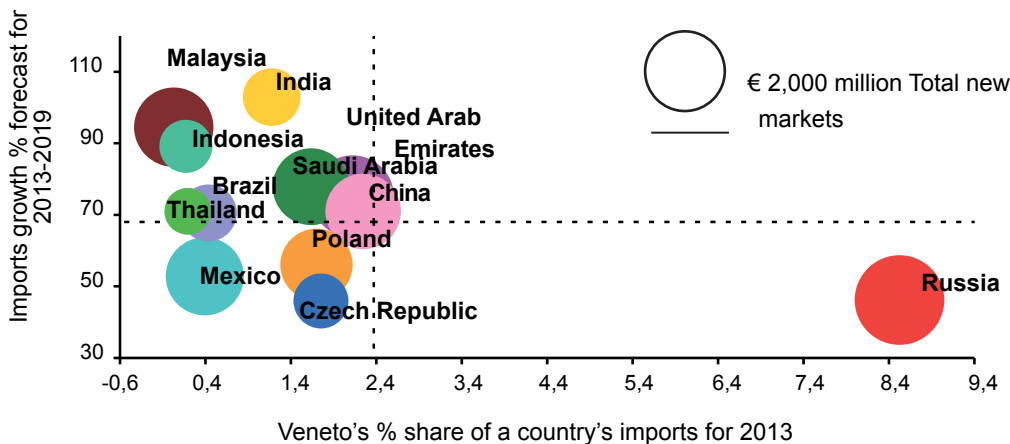
Russia continues to be an attractive opportunity for Veneto's furniture companies, but it keeps being deficient in terms of distribution, logistics and ease of operations. Moreover, there is quite some concern over

Fig. 5.2.15 - BW&G furniture: Veneto's 2013 exports by country and their growth margin as of 2019 (expressed in millions of euro at 2012 prices)



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

Fig. 5.2.14 - BW&G furniture: Veneto's % share of a country's imports for 2013 and cumulative percentage growth of 2013-2019 imports in the first 12 markets



(*)The size of a bubble is proportional to that country's impact on global BW&G imports
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data



the recent proposal of a particularly restrictive regulation on imports for this sector¹⁷.

Based on their current positioning, however, Veneto's exports of BW&G furniture to Russia might get to reach close to 350 million euro in 2019, equal to about 35% of the exports for this sector going to new markets.

BW&G Eyewear

International demand for BW&G eyewear should proceed rapidly in the coming years, recording an increase of 63% in the new markets between 2013 and 2019. The best prospects should involve the Far East countries: demand in India, Malaysia and Indonesia could rise to more than double in 2019 compared to the beginning of the period. China and Russia will be the largest pools of consumption, followed by Brazil and the United Arab Emirates.

The perception of eyewear as a fashion accessory rather than a medical instrument contributes to drive demand growth in the new markets but also the mature ones for both eyeglasses and sunglasses.

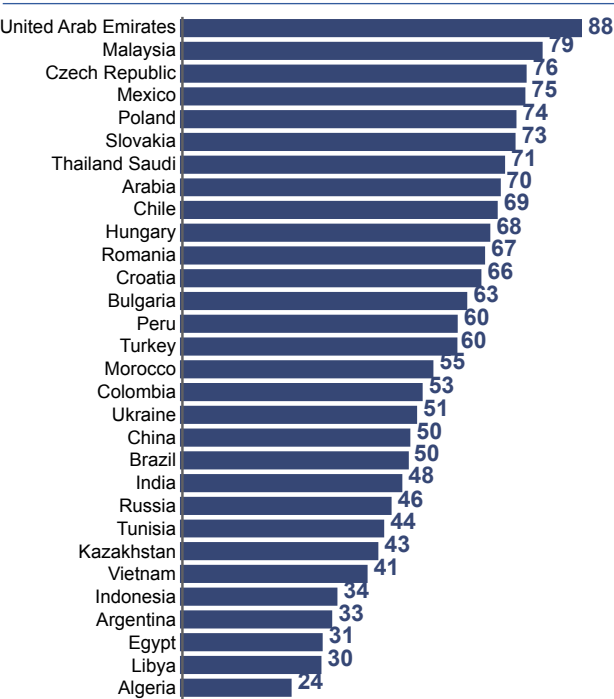
Very sophisticated designs, advanced materials, and constant research of ergonomic solutions to ensure maximally comfortable frames are a mix of excellence that puts Veneto in a high-end international market, covering more than 22% of the new countries' international demand for this sector.

Veneto's BW&G eyewear is number one in the world Our region's relevance is not in question, but it is

also true that the market is characterized by increasing competition. For instance, not only do Asian producers exert strong competitive pressure on the low end of the market, they are also upgrading production to reach the upper-medium segment.

Among the larger markets, Russia has good prospects for growth (nearly 80% in 6 years) and features a significant Veneto presence with a market share that stands at 15%. However, this country also presents shortcomings that invalidate its accessibility.

Fig. 5.2.16 - BW&G eyewear: Veneto's accessibility index



Fonte: Elaborazioni Regione Veneto - Sezione Sistema Statistico Regionale e Prometeia su dati Istat, WTO, GTA, World Bank, Euromonitor e CBRE

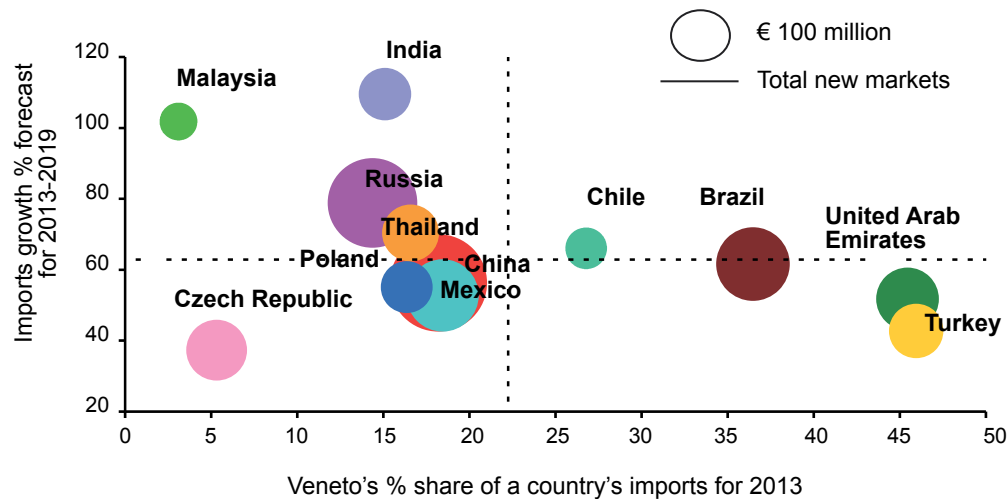
The distribution network is still fragmented and complex bureaucratic and administrative procedures require firms to approach the market through local intermediaries who know the legislation; high non-tariff barriers are seen to be another considerable obstacle. The same is true of China, where the main obstacles are non-tariff barriers followed by tariff barriers on the one hand and the upgrading of local production on the other; this in spite of Veneto businesses being well positioned with a share of just under 20%.

Our region's market share is particularly high in other relatively large markets: Brazil (36%) and the United Arab Emirates, where it reaches more than 45%. In the former, Veneto exports could rise in 2019 to exceed 100 million euro; Veneto's positioning in Brazil acquires even more value if you think that this country shows low accessibility, conditioned by an inefficient bureaucracy as well as high tariffs. From this point of view, the situation is more favorable in the UAE, where the penetration of products from Veneto is facilitated by a high accessibility in this sector as well, thanks to modern logistics and distribution networks.

¹⁷ The proposed regulation, expected to enter into force in June 2014, contains a number of critical issues, having to do first and foremost with the limit for formaldehyde emissions, set at 0.01 mg/m3, which is 10 times lower than that used in Europe. For now, we were able to obtain the extension to 2016 of the certificates issued before the entry into force of the regulation, the date of which however hasn't changed (Source: FederlegnoArredo).

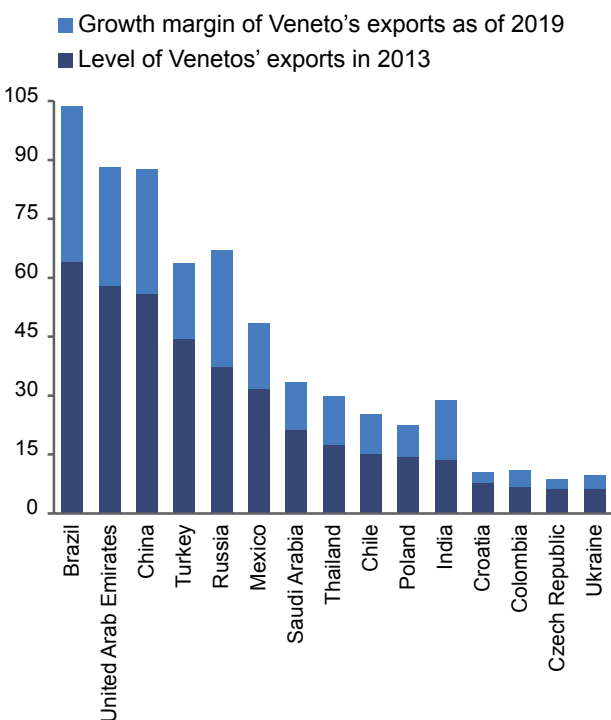


Fig. 5.2.17 BW&G eyewear: Veneto's % share of a country's imports for 2013 and cumulative percentage growth of 2013-2019 imports in the first 12 new markets (*)



(*)The size of a bubble is proportional to that country's impact on global BW&G imports
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

Fig. 5.2.18 - BW&G eyewear: Veneto's 2013 exports by country and their growth margin as of 2019 (expressed in millions of euro at 2012 prices)



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

BW&G Jewelry

In the coming years, international demand for BW&G jewelry will be driven by the new markets, which might reach a growth of almost 60%, compared to the 35% of mature economies, between 2013 and 2019. However, the potential for demand growth in the sector is affected by the widespread practice of triangulation, designed to reduce the burden of taxation, as well as the considerable phenomenon of illegal flows. The new markets' increased purchasing power leads consumers to seek out higher-value products characterized by high end design combined with the purity of precious materials to be shown off as status symbols. Therefore, due to its characteristics, Veneto's production can derive great benefit from such a pool of potential demand. The United Arab Emirates continue to be the major market, driven by the growth of income among its local population, its influx of tourists and its role as a base for export flows to Asia, specially India. Over the next six years, India should realize a 74% increase in demand, importing jewelry for over 2 billion euro by 2019.

Also of strategic importance is the Chinese market, where the Veneto region accounts for over a quarter of the demand.



The growth potential of China's imports, in fact, will amount to 76% between 2013 and 2019.

United Arab Emirates and China are strategic markets for Veneto's BW&G jewelry exports

In both China and in India, not only does the growth of purchasing power favor jewelry

purchases on days dictated by local tradition but recently also on more typically western commercial holidays (like Valentine's Day).

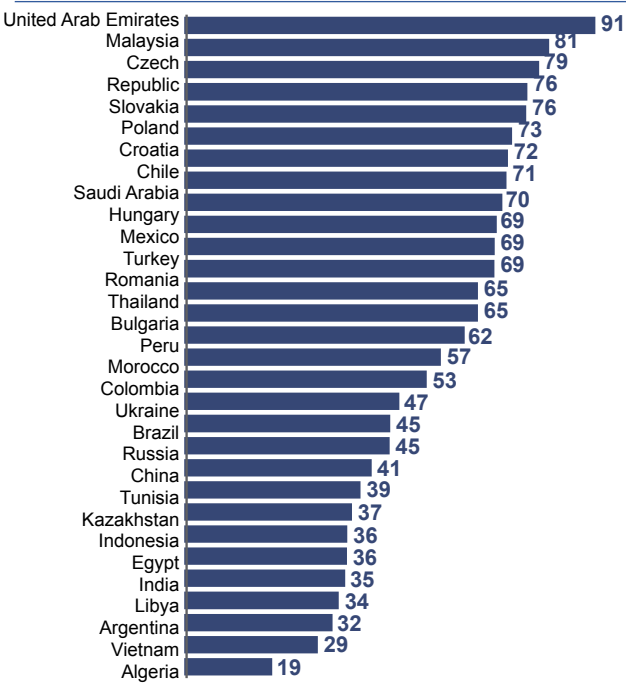
Although a big growth is expected, the penetration of Veneto's BW&G in India is once again limited by accessibility, adversely affected particularly by high non-tariff barriers. Russia is also an interesting market for the potential increase in the number of customers fascinated by high quality artisan products with exclusive designs. Veneto's market share of Russia's imports is still limited (around 3%). At the same time, however, Veneto has a great impact on Turkey's imports, which country often takes on the role of a "bridge" for the export flows to Russia.

The Russian market is not easily accessible. The sector's exports to this country must comply with strict regulations to protect domestic production.

Turkey serves as a bridge for Russia's BW&G jewelry demand

There are also numerous bureaucratic

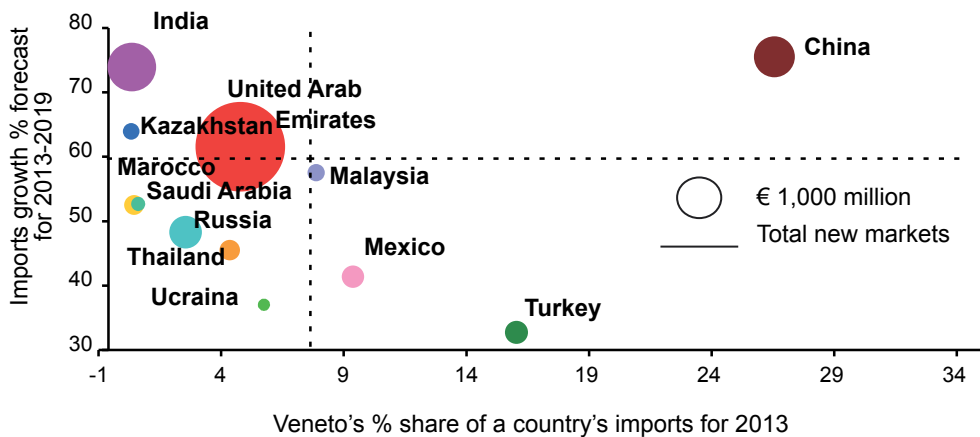
Fig. 5.2.19 - BW&G jewelry: Veneto's accessibility index



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Istat, WTO, GTA, World Bank, Euromonitor and CBRE data

obstacles to the participation of foreign exhibitors at local fairs. Another penalizing phenomenon for exports to the Russian market is the spread of counterfeit and contraband¹⁸.

Fig. 5.2.20 - BW&G jewelry: Veneto's % share of a country's imports for 2013 and cumulative percentage growth of 2013-2019 imports in the first 12 new markets (*)



(*) The size of a bubble is proportional to that country's impact on global BW&G imports
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

¹⁸ See Confindustria-Prometeia (2014).



5.3 The opportunities of international trade shows

Trade shows are useful promotion venues by means of which even relatively small companies can make themselves known: direct contact and instant communication are great tools to engage potential customers.

However, for these levers to fully function, we must take into account the changes that have involved trade shows in recent years, along with the major changes experienced by the world economy.

First, the acceleration of globalization has increased

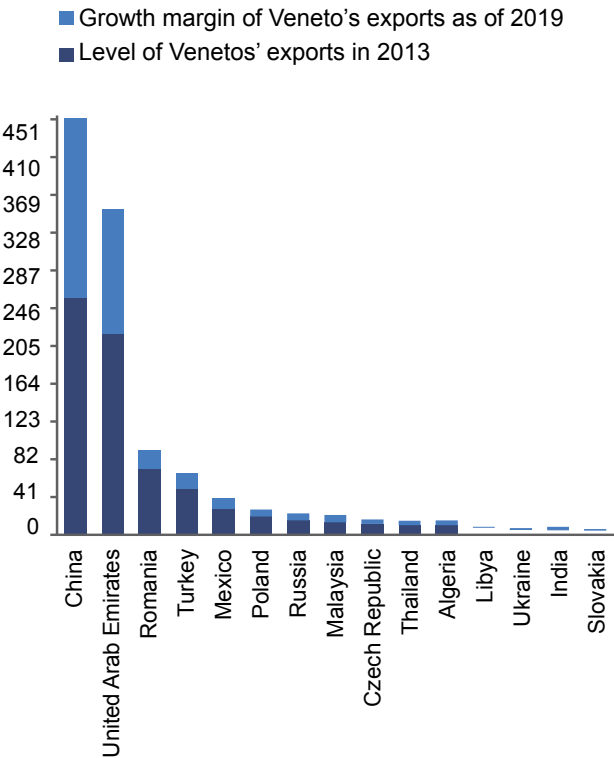
Trade shows are a useful venue to introduce the products of SMEs

the importance of international events, increasingly important

showcases in view of the necessary and growing internationalization of Italian companies.

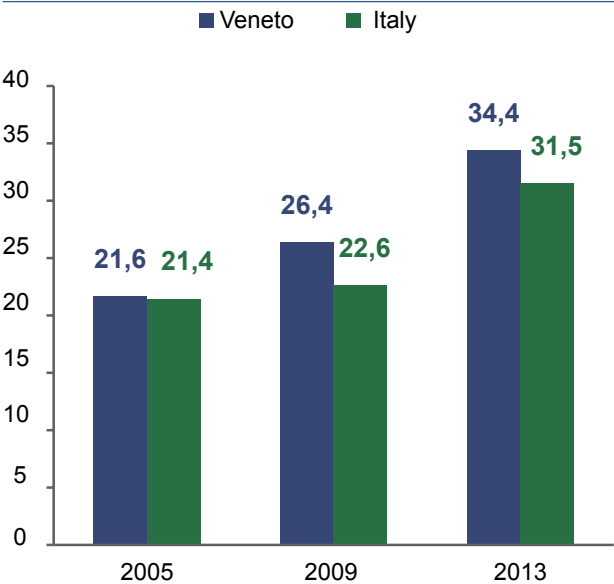
The domestic demand crisis of recent years has also made the need to strengthen the push of Italian companies on international markets increasingly more stringent. Such considerations encourage the organization of international trade events, whereas events with a smaller customer base are less reliable. In this context, Veneto's economic fabric being consolidated abroad is a significant strong point that echoes positively in its trade shows. More than 70% of all such events organized in Veneto are international, similar to what happens in Lombardy, whereas this is generally more limited in other Italian regions. Compared to the national average, Veneto's trade shows have a greater ability to attract foreign clientele: the degree of international visitors (the impact of foreign attendance on the overall total) has in fact increased both in Veneto and Italy between 2005 and 2013, but Veneto's indicator is higher by a few percentage points.

Fig. 5.2.21 - BW&G jewelry: Veneto's 2013 exports by country and their growth margin as of 2019 (expressed in millions of euro at 2012 prices)



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data

Fig. 5.3.1 - The degree of international visitors: percentage of total foreign visitors to Italy's and Veneto's trade shows (*) - Year 2013



(*) calculated on the exhibits of CFI (Industry Exhibits Committee) members
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on AEFI, CFI and Veneto Region data



Tab. 5.2.1 – The new BW&G markets: market share percentage of global demand (*) and imports growth forecast **). Amounts in millions of euro at 2012 prices

	Market share of 2012 world imports	2019 imports		2013-2019 cumulative increase	
		by the world	by Veneto	by the world	by Veneto
– Russia	3,3	26.830	976	7.298	291
– Ukraine	0,6	4.463	156	1.104	44
– Turkey	0,6	4.919	256	1.315	71
– Kazakhstan	0,7	7.339	54	2.755	23
<i>Total for eastern Europe</i>	5,1	43.551	1.442	12.473	428
– Poland	1,6	12.168	241	3.078	65
– Romania	0,4	3.241	240	709	55
– Croatia	0,2	1.828	147	414	32
– Czech Republic	0,8	6.127	173	1.439	41
– Hungary	0,4	2.925	93	600	20
– Bulgaria	0,2	1.334	50	266	11
– Slovakia	0,4	2.931	59	652	13
<i>Total for new EU</i>	4,0	30.554	1.004	7.158	238
– United Arab Emirates	2,5	23.414	593	8.243	222
– Saudi Arabia	1,2	11.504	121	3.874	47
– Libya	0,3	2.355	39	602	9
– Tunisia	0,1	768	56	131	8
– Morocco	0,2	2.221	36	722	12
– Egypt	0,5	3.624	19	886	5
– Algeria	0,2	2.071	31	580	10
<i>Total for North Africa and the Middle East</i>	5,1	45.957	896	15.038	315
– China	2,0	18.475	727	6.127	290
– India	0,7	7.277	80	3.175	38
– Thailand	0,6	5.337	59	1.728	21
– Malaysia	1,3	12.928	34	5.034	13
– Indonesia	0,7	6.658	7	2.490	3
– Vietnam	0,9	8.610	13	3.071	5
<i>Total for Asia</i>	6,1	59.286	919	21.626	371
– Mexico	1,4	11.469	128	3.024	39
– Brazil	0,9	7.707	143	2.320	51
– Chile	0,8	7.325	54	2.552	21
– Colombia	0,3	2.393	32	735	12
– Argentina	0,2	2.074	6	627	2
– Peru	0,2	1.829	21	610	8
<i>Total for Latin America</i>	3,8	32.798	384	9.867	132
Total for new markets	24,2	212.145	4.644	66.162	1.483
Total for mature markets	75,8	565.721	11.777	117.863	2.762

(*) Here, global means the 38 exporting countries accounting for 85% of world exports. Available statistics stop at 2012, the figures for 2013 were partly estimated, the ones coming later were forecast.

(**) The annual imports data should not be taken as actual forecast amounts, but as a reference to the markets' absorption potential. Specifically, Veneto's data were calculated by assuming a stable market share in each country for every BW&G sector with the aim of quantifying growth potential starting from the most recent rankings.

Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data



Tab. 5.2.2 – The new BW&G food markets: market share percentage of global demand (*) and imports growth forecast (). Amounts in millions of euro at 2012 prices**

	Market share of 2012 world imports	2019 imports		2013-2019 cumulative increase	
		by the world	by Veneto	by the world	by Veneto
– Russia	2,4	6.097	76	1.311	16
– Ukraine	0,4	923	10	163	2
– Turkey	0,5	1.164	5	225	1
– Kazakhstan	0,1	270	0	77	0
<i>Total for eastern Europe</i>	3,4	8.454	91	1.777	19
– Poland	1,5	3.649	47	708	9
– Romania	0,5	1.180	27	210	5
– Croatia	0,2	528	30	77	4
– Czech Republic	1,0	2.346	49	445	9
– Hungary	0,5	1.255	21	210	4
– Bulgaria	0,3	606	11	101	2
– Slovakia	0,4	841	10	156	2
<i>Total for new EU</i>	4,4	10.405	195	1.908	35
– United Arab Emirates	0,9	2.453	12	563	3
– Saudi Arabia	1,2	3.118	7	751	2
– Libya	0,4	818	14	132	2
– Tunisia	0,0	102	1	12	0
– Morocco	0,2	456	1	98	0
– Egypt	0,4	1.032	1	150	0
– Algeria	0,3	810	4	156	1
<i>Total for North Africa and the Middle East</i>	3,5	8.790	41	1.862	8
– China	2,8	8.201	36	2.463	11
– India	0,2	620	3	190	1
– Thailand	0,8	2.126	5	561	1
– Malaysia	0,9	2.747	4	817	1
– Indonesia	0,7	1.953	0	591	0
– Vietnam	0,8	2.281	2	710	1
<i>Total for Asia</i>	6,2	17.928	49	5.331	15
– Mexico	1,8	4.565	5	953	1
– Brazil	1,1	2.744	16	580	3
– Chile	0,4	1.167	3	299	1
– Colombia	0,3	919	1	222	0
– Argentina	0,2	591	0	130	0
– Peru	0,2	594	1	153	0
<i>Total for Latin America</i>	4,1	10.580	26	2.337	6
Total for new markets	21,6	56.156	402	13.216	82
Total for mature markets	78,4	177.372	2.645	23.972	357

(*) Here, global means the 38 exporting countries accounting for 85% of world exports. Available statistics stop at 2012, the figures for 2013 were partly estimated, the ones coming later were forecast.

(**) The annual imports data should not be taken as actual forecast amounts, but as a reference to the markets' absorption potential. Specifically, Veneto's data were calculated by assuming a stable market share in each country for every BW&G sector with the aim of quantifying growth potential starting from the most recent rankings.

Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data



Tab. 5.2.3 – The new BW&G clothing markets: market share percentage of global demand (*) and imports growth forecast (). Amounts in millions of euro at 2012 prices**

	Market share of 2012 world imports	2019 imports		2013-2019 cumulative increase	
		by the world	by Veneto	by the world	by Veneto
– Russia	4,0	11.232	321	2.966	85
– Ukraine	0,7	1.886	41	435	10
– Turkey	0,6	1.474	68	345	16
– Kazakhstan	1,2	4.170	18	1.446	6
<i>Total for eastern Europe</i>	6,5	18.762	448	5.192	116
– Poland	1,7	4.319	54	986	12
– Romania	0,5	1.170	59	242	12
– Croatia	0,2	506	61	96	12
– Czech Republic	0,6	1.438	38	304	8
– Hungary	0,3	781	37	146	7
– Bulgaria	0,2	419	16	75	3
– Slovakia	0,4	920	18	176	3
<i>Total for new EU</i>	3,8	9.554	282	2.024	57
– United Arab Emirates	2,5	7.549	39	2.419	13
– Saudi Arabia	1,2	3.651	17	1.137	5
– Libya	0,3	809	4	202	1
– Tunisia	0,2	396	40	45	5
– Morocco	0,2	570	11	157	3
– Egypt	0,7	1.967	3	510	1
– Algeria	0,3	774	0	238	0
<i>Total for North Africa and the Middle East</i>	5,3	15.717	114	4.707	27
– China	1,3	3.615	57	1.012	16
– India	0,4	1.205	9	452	4
– Thailand	0,3	976	4	295	1
– Malaysia	1,4	4.427	3	1.548	1
– Indonesia	0,7	2.273	1	783	0
– Vietnam	1,6	5.216	5	1.834	2
<i>Total for Asia</i>	5,7	17.713	80	5.924	24
– Mexico	0,9	2.485	20	586	5
– Brazil	0,8	2.319	11	694	3
– Chile	1,2	3.659	10	1.219	3
– Colombia	0,2	640	9	185	3
– Argentina	0,2	568	1	165	0
– Peru	0,2	509	7	160	2
<i>Total for Latin America</i>	3,5	10.180	58	3.009	16
Total for new markets	24,8	71.926	983	20.856	241
Total for mature markets	75,2	192.565	2.428	40.966	516

*) Here, global means the 38 exporting countries accounting for 85% of world exports. Available statistics stop at 2012, the figures for 2013 were partly estimated, the ones coming later were forecast.

(**) The annual imports data should not be taken as actual forecast amounts, but as a reference to the markets' absorption potential. Specifically, Veneto's data were calculated by assuming a stable market share in each country for every BW&G sector with the aim of quantifying growth potential starting from the most recent rankings.

Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data



Tab. 5.2.4 – The new BW&G footwear markets: market share percentage of global demand (*) and imports growth forecast (). Amounts in millions of euro at 2012 prices**

	Market share of 2012 world imports	2019 imports		2013-2019 cumulative increase	
		by the world	by Veneto	by the world	by Veneto
– Russia	5,6	4.047	142	1.230	43
– Ukraine	1,1	820	19	252	6
– Turkey	0,8	585	17	171	5
– Kazakhstan	2,2	2.034	5	845	2
<i>Total for eastern Europe</i>	9,7	7.486	182	2.498	56
– Poland	1,7	1.135	42	290	11
– Romania	0,3	227	24	56	6
– Croatia	0,7	505	22	164	7
– Czech Republic	0,8	516	34	125	8
– Hungary	0,3	191	7	41	2
– Bulgaria	0,1	86	7	20	2
– Slovakia	0,5	311	15	63	3
<i>Total for new EU</i>	4,5	2.971	150	759	38
– United Arab Emirates	2,1	1.681	11	597	4
– Saudi Arabia	0,8	636	2	230	1
– Libya	0,2	145	3	53	1
– Tunisia	0,1	71	1	22	0
– Morocco	0,4	350	3	133	1
– Egypt	0,2	141	0	47	0
– Algeria	0,1	102	1	33	0
<i>Total for North Africa and the Middle East</i>	3,9	3.126	20	1.115	7
– China	1,5	1.097	19	343	6
– India	0,6	571	3	246	1
– Thailand	0,5	383	2	139	1
– Malaysia	1,3	1.109	1	441	1
– Indonesia	0,5	433	1	173	0
– Vietnam	0,2	151	0	60	0
<i>Total for Asia</i>	4,5	3.744	26	1.403	9
– Mexico	0,7	523	3	159	1
– Brazil	0,4	305	4	102	1
– Chile	1,4	1.210	2	461	1
– Colombia	0,3	267	1	95	1
– Argentina	0,4	284	1	83	0
– Peru	0,3	286	0	108	0
<i>Total for Latin America</i>	3,6	2.876	11	1.008	4
Total for new markets	26,2	20.202	389	6.782	114
Total for mature markets	73,8	49.131	1.783	12.155	441

(*) Here, global means the 38 exporting countries accounting for 85% of world exports. Available statistics stop at 2012, the figures for 2013 were partly estimated, the ones coming later were forecast.

(**) The annual imports data should not be taken as actual forecast amounts, but as a reference to the markets' absorption potential. Specifically, Veneto's data were calculated by assuming a stable market share in each country for every BW&G sector with the aim of quantifying growth potential starting from the most recent rankings.

Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data



Tab. 5.2.5 – The new BW&G furniture markets: market share percentage of global demand (*) and imports growth forecast (). Amounts in millions of euro at 2012 prices**

	Market share of 2012 world imports	2019 imports		2013-2019 cumulative increase	
		by the world	by Veneto	by the world	by Veneto
– Russia	2,6	4.080	348	1.290	110
– Ukraine	0,4	671	69	206	21
– Turkey	0,7	1.140	35	429	13
– Kazakhstan	0,3	569	27	269	13
<i>Total for eastern Europe</i>	4,0	6.460	478	2.194	157
– Poland	1,7	2.838	48	1.020	17
– Romania	0,4	549	35	175	11
– Croatia	0,2	264	24	72	6
– Czech Republic	1,0	1.541	27	485	9
– Hungary	0,4	646	16	188	5
– Bulgaria	0,1	203	11	64	3
– Slovakia	0,6	817	8	247	3
<i>Total for new EU</i>	4,4	6.858	169	2.251	54
– United Arab Emirates	2,2	4.162	88	1.786	38
– Saudi Arabia	1,9	3.668	60	1.607	26
– Libya	0,3	478	9	202	4
– Tunisia	0,1	152	7	49	2
– Morocco	0,4	653	14	267	6
– Egypt	0,3	456	6	173	2
– Algeria	0,2	345	8	139	3
<i>Total for North Africa and the Middle East</i>	5,2	9.912	193	4.223	82
– China	1,8	3.380	76	1.404	32
– India	1,0	2.335	28	1.185	14
– Thailand	0,7	1.319	3	548	1
– Malaysia	1,9	4.279	1	2.080	1
– Indonesia	0,9	1.863	3	879	2
– Vietnam	0,4	885	3	438	2
<i>Total for Asia</i>	6,8	14.061	114	6.534	51
– Mexico	2,0	3.214	13	1.112	4
– Brazil	1,0	1.944	8	805	4
– Chile	0,6	1.173	10	528	5
– Colombia	0,3	493	8	207	3
– Argentina	0,3	572	0	223	0
– Peru	0,2	386	2	169	1
<i>Total for Latin America</i>	4,4	7.783	42	3.043	17
Total for new markets	24,8	45.074	996	18.245	360
Total for mature markets	75,2	110.209	2.163	30.759	604

(*) Here, global means the 38 exporting countries accounting for 85% of world exports. Available statistics stop at 2012, the figures for 2013 were partly estimated, the ones coming later were forecast.

(**) The annual imports data should not be taken as actual forecast amounts, but as a reference to the markets' absorption potential. Specifically, Veneto's data were calculated by assuming a stable market share in each country for every BW&G sector with the aim of quantifying growth potential starting from the most recent rankings.

Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data



Tab. 5.2.6 – The new BW&G eyewear markets: market share percentage of global demand (*) and imports growth forecast (). Amounts in millions of euro at 2012 prices**

	Market share of 2012 world imports	2019 imports		2013-2019 cumulative increase	
		by the world	by Veneto	by the world	by Veneto
– Russia	3,2	466	67	206	30
– Ukraine	0,3	38	10	13	3
– Turkey	1,3	139	64	42	19
– Kazakhstan	0,2	31	3	15	2
<i>Total for eastern Europe</i>	4,9	674	144	276	54
– Poland	1,1	136	22	48	8
– Romania	0,2	18	5	5	1
– Croatia	0,2	19	10	5	3
– Czech Republic	1,6	165	9	45	2
– Hungary	0,3	31	9	9	2
– Bulgaria	0,1	10	4	3	1
– Slovakia	0,3	26	2	7	0
<i>Total for new EU</i>	3,8	407	61	122	18
– United Arab Emirates	1,6	194	88	66	30
– Saudi Arabia	0,6	70	33	25	12
– Libya	0,0	3	1	1	0
– Tunisia	0,2	15	7	2	1
– Morocco	0,2	19	7	6	2
– Egypt	0,2	23	8	6	2
– Algeria	0,1	10	3	4	1
<i>Total for North Africa and the Middle East</i>	2,9	334	146	111	49
– China	3,9	481	88	173	32
– India	1,1	191	29	100	15
– Thailand	1,4	181	30	75	12
– Malaysia	0,6	94	3	48	1
– Indonesia	0,5	91	0	47	0
– Vietnam	0,2	25	2	12	1
<i>Total for Asia</i>	7,7	1.064	151	455	62
– Mexico	2,2	262	48	91	17
– Brazil	2,3	284	104	108	40
– Chile	0,7	94	25	38	10
– Colombia	0,4	47	11	18	4
– Argentina	0,3	51	2	23	1
– Peru	0,3	39	9	15	4
<i>Total for Latin America</i>	6,2	776	200	293	75
Total for new markets	25,4	3.255	702	1.256	257
Total for mature markets	74,6	8.571	1.921	2.797	627

(*) Here, global means the 38 exporting countries accounting for 85% of world exports. Available statistics stop at 2012, the figures for 2013 were partly estimated, the ones coming later were forecast.

(**) The annual imports data should not be taken as actual forecast amounts, but as a reference to the markets' absorption potential. Specifically, Veneto's data were calculated by assuming a stable market share in each country for every BW&G sector with the aim of quantifying growth potential starting from the most recent rankings.

Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data



Tab. 5.2.7 – The new BW&G jewelry markets: market share percentage of global demand (*) and imports growth forecast (). Amounts in millions of euro at 2012 prices**

	Market share of 2012 world imports	2019 imports		2013-2019 cumulative increase	
		by the world	by Veneto	by the world	by Veneto
– Russia	2,0	907	23	296	8
– Ukraine	0,3	125	7	34	2
– Turkey	1,0	417	67	103	17
– Kazakhstan	0,5	265	1	103	0
<i>Total for eastern Europe</i>	3,8	1.714	98	536	26
– Poland	0,2	91	27	26	8
– Romania	0,3	97	91	21	20
– Croatia	0,0	5	1	1	0
– Czech Republic	0,3	120	17	34	5
– Hungary	0,0	20	4	6	1
– Bulgaria	0,0	10	1	2	0
– Slovakia	0,0	16	6	4	2
<i>Total for new EU</i>	0,9	359	147	95	36
– United Arab Emirates	14,7	7.376		2.812	135
– Saudi Arabia	0,8	361	2	124	1
– Libya	0,3	102	9	13	1
– Tunisia	0,1	31	0	1	0
– Morocco	0,4	173	1	60	0
– Egypt	0,0	6	0	1	0
– Algeria	0,1	30	15	10	5
<i>Total for North Africa and the Middle East</i>	16,3	8.078	381	3.021	142
– China	3,1	1.701	452	732	194
– India	4,5	2.355	9	1.001	4
– Thailand	0,8	353	15	111	5
– Malaysia	0,5	272	21	99	8
– Indonesia	0,1	45	1	18	0
– Vietnam	0,1	53	1	17	0
<i>Total for Asia</i>	9,1	4.778	498	1.978	211
– Mexico	1,0	420	39	123	12
– Brazil	0,3	111	1	31	0
– Chile	0,0	21	4	7	1
– Colombia	0,1	27	2	8	1
– Argentina	0,0	9	1	3	0
– Peru	0,0	15	2	5	1
<i>Total for Latin America</i>	1,4	603	48	177	14
Total for new markets	31,5	15.533	1.172	5.807	429
Total for mature markets	68,5	27.873	837	7.214	217

(*) Here, global means the 38 exporting countries accounting for 85% of world exports. Available statistics stop at 2012, the figures for 2013 were partly estimated, the ones coming later were forecast.

(**) The annual imports data should not be taken as actual forecast amounts, but as a reference to the markets' absorption potential. Specifically, Veneto's data were calculated by assuming a stable market share in each country for every BW&G sector with the aim of quantifying growth potential starting from the most recent rankings.

Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Eurostat, Global Insight and National Statistical Institutes data



Veneto's trade shows as a whole are able to attract foreign customers, but internationalization has a greater impact for BW&G19 products. Indeed, except for food fairs, with a markedly more Italian clientele to this day, the international degree of visitors to BW&G fairs is higher than the regional average; in addition, between 2005 and 2013, the indicator increased for food and furniture, while it was already very high for jewelry at the beginning of the period.

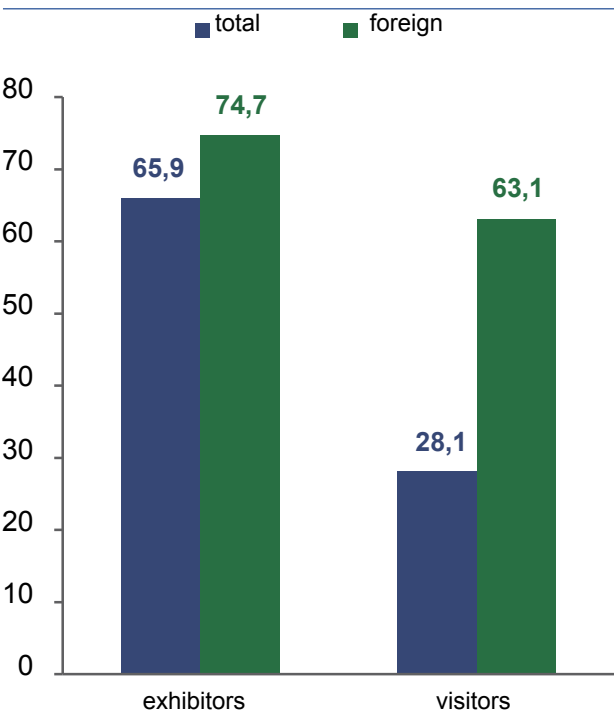
Therefore, BW&G products play a significant role in the regional fair system, especially with regard to the foreign component: in 2012, 28% of visitors to events organized in the region was headed to a fair featuring BW&G products, but this percentage rises to 63% if

Veneto's trade shows are very attractive to foreign customers, especially when it comes to the BW&G segment

we consider foreign visitors only; already very high overall (66%), the percentage of

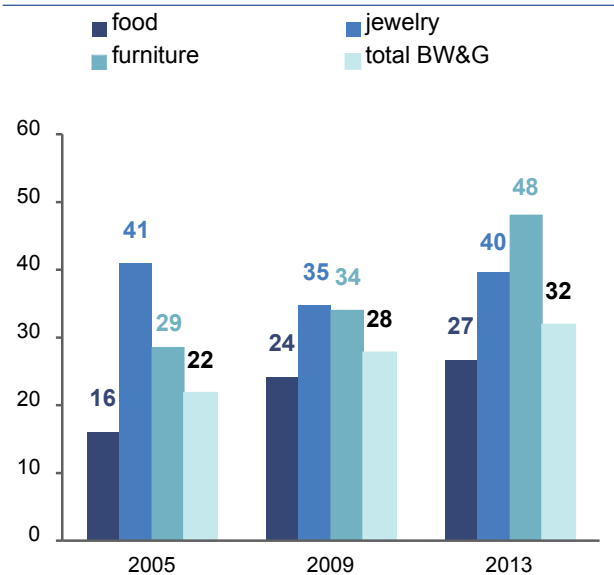
BW&G exhibitors on the regional total came to 75% in the case of foreign attendance only. Veneto's BW&G food has the most important role both in terms of

Fig. 5.3.2 - Percentage of BW&G trade exhibitions as compared to Veneto's overall number - Year 2012



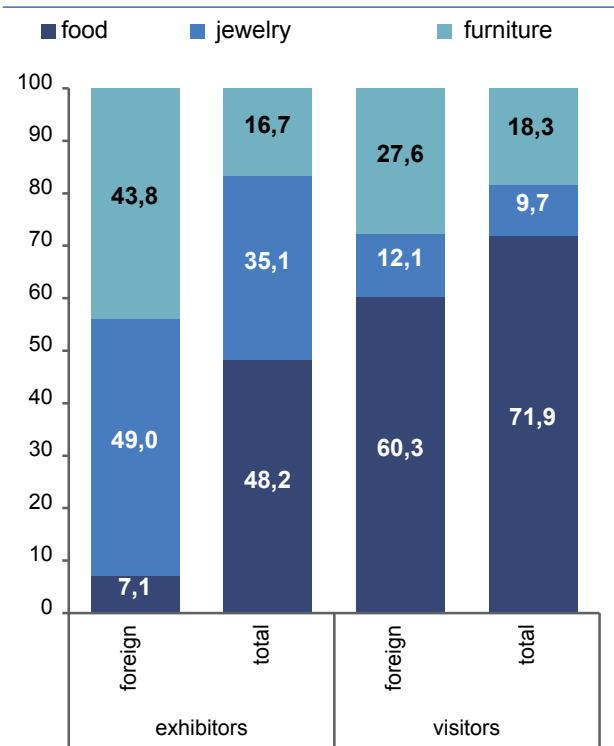
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on AEFI, CFI and Veneto Region data

Fig. 5.3.3 - the degree of international visitors: percentage of foreign visitors in Veneto's BW&G trade exhibitions



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on AEFI, CFI and Veneto Region data

Fig. 5.3.4 - Percentage composition of exhibitors and visitors in Veneto's BW&G exhibitions - Year 2013



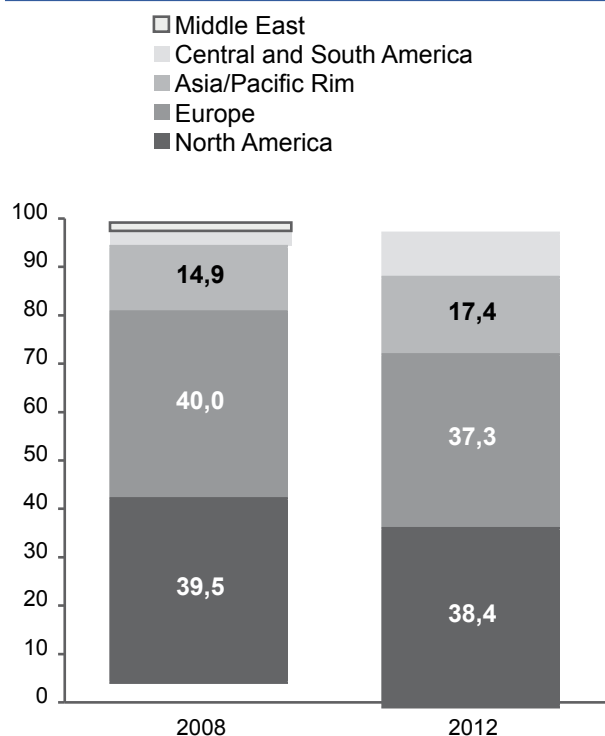
Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on AEFI, CFI and Veneto Region data

¹⁹ The following BW&G events were considered: MIG, Vinitaly, Enolitech, Sol, Agrifood, VICENZAORO, T-GOLD (jewelry), Living your Time 100% Project, Marmomacc (furniture).



exhibitors, which in 2013 accounted for nearly half of the total, and visitors, whose percentage exceeded 70%. As for foreign BW&G exhibitors, the importance of jewelry (49%) is remarkable, closely followed by furniture with 44%. As our trade shows need to make themselves more attractive to foreign operators, the BW&G segment takes on a privileged position because of the greater internationalization that characterizes it. However, this greater attractiveness must be continuously monitored because sometimes it threatens to collide with the difficulty of approaching potential customers from still relatively little known markets. Therefore, participating in locally organized international events to navigate these new markets becomes important; such fairs and exhibitions are themselves becoming increasingly important. To this regard, consider that between 2008 and 2012, the impact of Asia-Pacific Rim countries on the net area used for events grew, while that of North America and Europe, although still dominant, decreased.

Fig. 5.3.5 - Trade shows globally: the net area used (percentage of total area) - Years 2008, 2012



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Ufi, Global Exhibition Industry Statistics, March 2014 data

China ranked second in 2012 with 13.7 million square meters, behind the United States, in terms of net area used by operators, ahead of Germany (8.7) and Italy (5.9); Brazil and Russia, as well as the major advanced economies, were also ranked among the main countries hosting international trade fairs.

Moreover, as for BW&G20 connected events, China and Russia hosted a greater number of them than the major mature economies did.

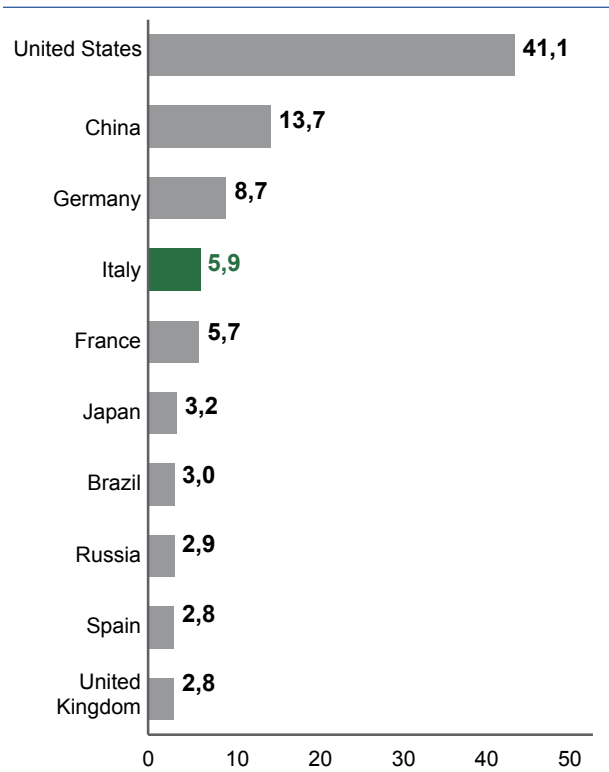
Participation in events abroad can be an essential step to learn about and engage those operators who will then feed the influx of visitors and exhibitors of fairs organized in Italy or Veneto.

It is clear that promoting products of excellence made by small and medium-sized Italian and Veneto businesses in the new markets goes through different and often complementary strategies, ranging from promoting participation in international fairs through collective attendance, to partnering with the organizers of trade fairs abroad, and “exporting” the most successful events to the most attractive markets. Here too, our regional fair system proved to be particularly timely in capturing growth opportunities outside Italy. For example, VeronaFiere organized 10 exhibitions abroad in 2013, three of which based on the Vinitaly brand (Vinitaly in the world Vinitaly and International), mostly in emerging markets (Brazil, Russia, Morocco, Saudi Arabia, Qatar and Hong Kong). Furthermore, the Vicenza Fair organized traveling exhibitions abroad with ad hoc formats (VICENZAORO Italian Club, VICENZAORO European Club, T-GOLD International) and established or consolidated partnerships with foreign exhibition companies, such as the Dubai World Trade Center and the Hong Kong Trade Development Council.

²⁰ The German trade fair organizers association (AUMA) provides a list of international exhibitions organized around the world broken down by categories; the analysis considered BW&G macro sectors; therefore, in this case, BW&G must be understood in a broader sense than for the rest of the chapter.

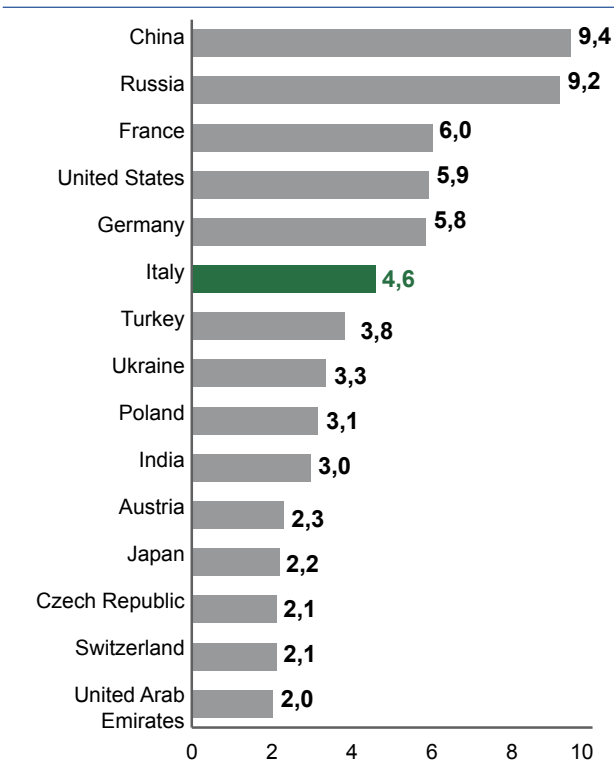


Fig. 5.3.6 - Trade shows globally: the net area used in the main countries (millions of square meters) - Year 2012



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Ufi, Global Exhibition Industry Statistics, March 2014 data

Fig. 5.3.7 - BW&G exhibitions in the main countries: percentage shares of the events over the world total (*) - Year 2013



(*) The main macro sector BW&G fairs were considered

Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on AUMA and Trade Fair Data Worldwide data

5.4 The importance of distribution channels

Fairs are extremely useful venues to approach new markets, however, Veneto's BW&G products can only effectively penetrate by taking advantage of the most appropriate distribution channels, which presents many difficulties.

First of all, setting up an entry strategy can be very costly, especially for small sized companies, and

An effective penetration of Veneto's BW&G products in the new markets requires adequate distribution channels...

when the market is vast, fragmented, and characterized by rapidly changing tastes and styles.

Another obstacle is the low degree of internationalization of Italian retailers. Coop Italy²¹, the highest ranked Italian company among the top 250 global distributors, is only 61st. Again, it is necessary to develop ad hoc entry strategies for each country, as distribution networks are extremely heterogeneous among the new markets, with different barriers to entry (customs duties and other non-tariff barriers), length and fragmentation of sales channels, and efficiency levels of logistics and transportation infrastructure.

But the new markets' economies and societies are changing and so are their distribution systems,

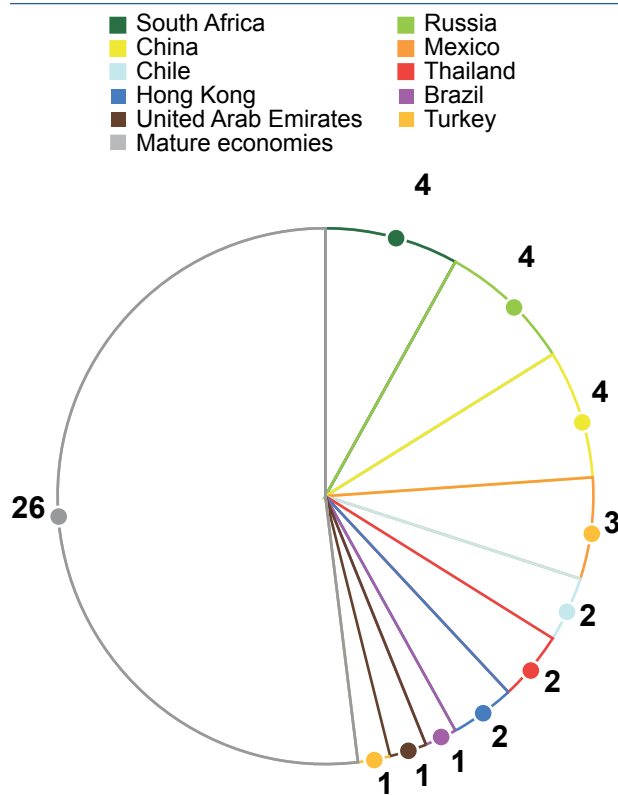
...and Italy's are few and weak...

more or less rapidly depending on the case.

²¹ See Deloitte, Global Powers of Retailing 2014.



Fig. 5.4.1 - The 50 global retailers that grew the most between 2007 and 2012 by country of origin



Source: Processing by Veneto Region - Regional Statistical System Section and Prometeia on Deloitte, Global Powers of Retailing 2014 data

For example, as many as 24 out of the 50 global retailers that marked the highest growth between

...it is therefore necessary to develop ad hoc entry strategies separately for each country

2007 and 2012 were from emerging economies. However, distribution systems are still quite heterogeneous from

country to country: the United Arab Emirates' distribution is highly modernized²², whereas the opposite is true of Kazakhstan, Peru and India, with significant shortcoming in several respects (distribution network fragmentation, inadequate infrastructure and high transport costs, a widely dispersed population...).

Below we summarize the main distribution features of two of the most important new markets, China and Russia²³.

China's distribution chain is very complex and consists of various players, including agents, wholesalers,

different level distributors (secondary, local...). Although direct sales by companies with their own distribution network are very advantageous in terms of control over pricing and brand communication, they also require a high investment. The fashion sector, the one most geared towards this type of strategy, often uses franchising side to side with direct sales. However, wholesalers are generally the most effective way for international companies to reach more distant areas of the big eastern cities, which are already widely controlled. Compared with international wholesalers, however, local operators offer more simplified services, often limited to sales and logistics, not including more sophisticated activities such as mass production and marketing. In recent years, the progressive development of private distribution networks inside China by many international retailers has encouraged disintermediation, expanded the range of services offered and stimulated specialization on specific segments. Wholesale markets that formed in the 80-90's as meeting places for small/medium-sized manufacturers and consumers are also gradually acquiring modern facilities, more structured management, and most of all, a higher assortment of brand and import products²⁴. As for retail outlets, in recent years, they have been upgrading to department and specialty stores in addition to shopping malls, better venues for imported brand products.

Many food chains employ local wholesalers rather than an independent network; whereas for fashion, direct

In recent years, China's retail distribution has featured shopping malls

control of distribution (which also combats counterfeiting) is taking

over in high end cities, while franchising is used in lesser ones.

As for Russia, local importers who deal with customs and certification procedures provide an indirect access channel. International companies are usually having to manage relationships with various importers to cover the different areas of the federation; exclusive distribution is not widespread yet, except for luxury items.

As for direct sales, just like in China, international brands tend to use a mixed system, based on either

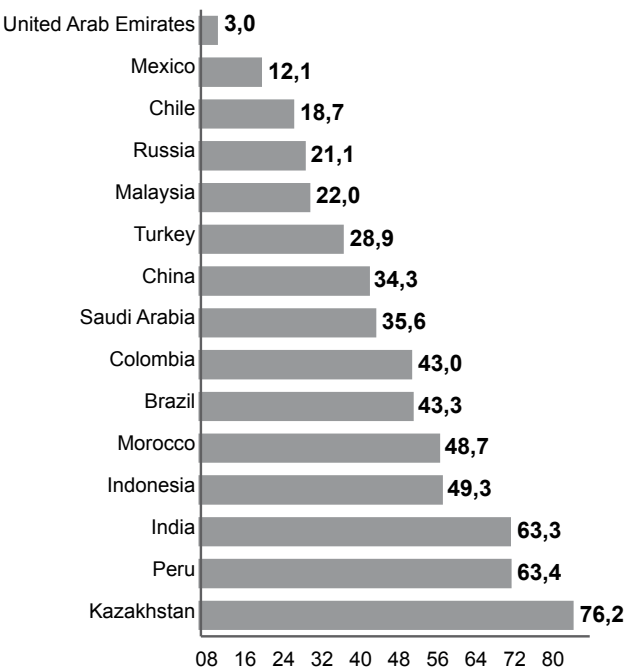
²² Si tratta di un indicatore composito che tiene conto di una serie di fattori quali il peso della GDO sulla distribuzione complessiva, le dimensioni medie dei dettaglianti, la densità commerciale (superficie commerciale per abitante) il grado di concentrazione della distribuzione. Per ulteriori dettagli si rimanda a Market saturation in AT Kearney, The 2013 Global Retail Development Index, p. 25-26.

²³ La parte che segue è basata su Confindustria-Prometeia "Esportare la dolce vita, Il bello e ben fatto italiano per nuovi mercati: veicoli e ostacoli", edizioni 2013 e 2014.

²⁴ Cfr. Li & Fung Research Centre, Distribution in China, September 2012.



Fig. 5.4.2 - Global distribution and emerging economies: organizational index (*) of the market - Year 2013



(*) Market saturation Index

Fonte: Elaborazioni Regione Veneto - Sezione Sistema Statistico Regionale e Prometeia su dati AT Kearny The 2013 Global Retail Development Index

having their own stores, or franchising in the case of areas where it is essential to rely on local businesses to know the territory. Franchising is especially popular

in the fashion and restaurant industries.

The retail network is modernizing: larger and modernly organized outlets are replacing small stores. Despite these changes, however, the markets, kiosks and stalls

Distribution is mixed in Russia, but it is often necessary to rely on local entrepreneurs

network continues to take a substantial share of the total retail trade (25%). Moscow remains

the hub of Russia's modern distribution system, with a great number of shopping malls for high-end products; however, the high costs of business real estate in Moscow have encouraged the search for spaces in other cities such as Yekaterinburg, Krasnograd, Volgograd and Novosibirsk, which had a big growth in recent years.

Finally, online sales have been gaining increasing importance in both the Chinese and Russian markets, as they offer the advantage of an easier and less expensive direct contact with potential consumers

Web sales are on the increase in Russia and China

compared to traditional channels.

What was the trend of Veneto's exports of BW&G products in 2013 and what are the prospects for 2019?

In 2013, the trend of Veneto's BW&G exports was more dynamic than for its overall exports. Exports to mature markets increased mainly for the food and eyewear sectors. As for the new markets, BW&G footwear and food exports were the most active in 2013. A further increase in BW&G imports is expected from emerging economies in 2019. Malaysia, Poland and Mexico, countries that currently still have a low market share of imports from Veneto, will join Russia, China and the United Arab Emirates as major consumption pools.

How can Small and Medium Enterprises go about getting their BB&B products known in the new markets?

Trade shows are a useful and very important tool for businesses to showcase their products in the new markets. Moreover, an effective penetration of Veneto's BB&B products requires choosing appropriate distribution channels and developing individual ad hoc entry strategies for each Country.

*2013/2012 % var.
of Veneto's BB&B
exports to the
mature markets:
+3%*

*Var.% 2013/2012
export BB&B
veneto verso i
nuovi mercati:
+8,8%*

*Russia was the
main importer of
Veneto's BB&B
products in 2013*

*Estimated growth
of BB&B imports
from Veneto by
the new markets
in 2019: +45%
compared to 2013*