



# STATISTICHE

figures and graphs to analyse the Veneto region

Flash



Among the leading sectors of Venetian export is 'made in Italy' which is assuming a new meaning: medium-high range goods which combine ancient traditions and craftsmanship with innovation, design and cutting-edge technologies, known to Italians as 'bello e ben fatto' - BBF<sup>1</sup> ('beautiful and well made'). This type of manufacture which is called 'traditional' by many and is more and more outsourced in the pursuit of low cost labour, could become an excellent opportunity for Veneto because it is distinguished for its quality and taste. If

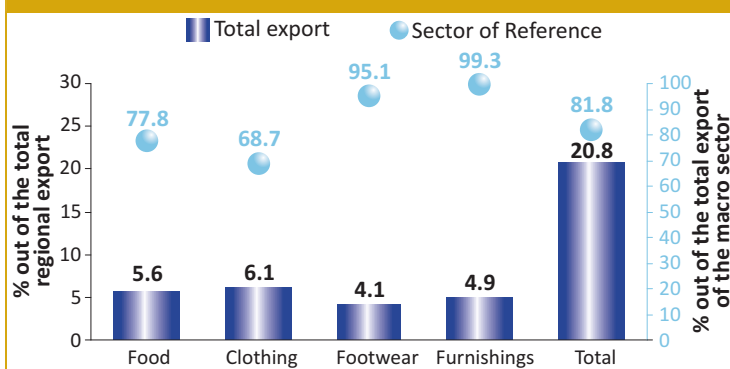
it is true that the internal market and the mature economies are slowing down consumption, more focus should be put on development of emerging markets<sup>1</sup> which, despite the uncertainties which involve the global economy, are recording better performance and, above all, are characterised by relevant social changes and the formation of a well-off class which is increasingly numerous and is able to have a decisive affect on the choice of spending of consumers. In Veneto, numerous are the

## BEAUTIFUL AND WELL MADE: VENETIAN EXPORTATION

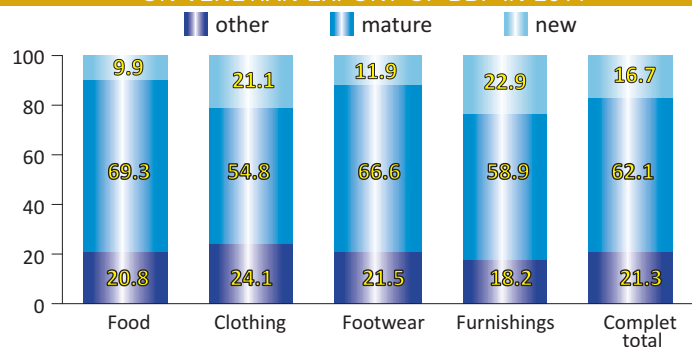
sectors specialising in high quality products, but to perform an assessment consistent with the national analysis and as a preliminary study for Veneto, conducted in collaboration with the Prometeia institute, we chose to four sectors: food, clothing and home textiles, footwear and furnishings. The other Venetian domains sure to be included in the next analysis are gold jewellery, eyewear and some mechanical sections. The total of the four sectors considered represented 21% of regional exportations in 2011; the weight of BBF on the export of products manufactured in Veneto is 8 percentage points greater than the national average. By comparing these export products to macro-sectors of reference, a high incidence is obtained: almost the entire total of Venetian exportation of footwear and furnishings is made up of BBF, the corresponding share for food is equal to 78%, whilst relatively more contained in the weight of BBF products, is clothing (69%).

<sup>1</sup>List of markets analysed is reported on the last page

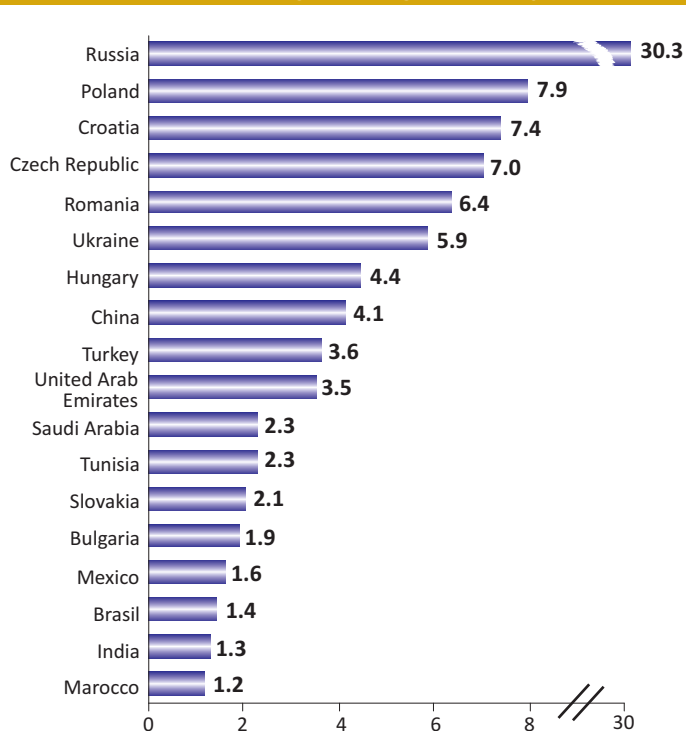
% INCIDENCE OF BBF ON VENETIAN EXPORT IN 2011



PERCENTAGE INCIDENCE OF THE MARKETS ANALYSED ON VENETIAN EXPORT OF BBF IN 2011



BBF EXPORTATION: % SHARE OF THE TOTAL OF NEW MARKETS. VENETO - YEAR 2011



Source: processing by the Veneto Region - Directorate Regional Statistical System and Prometeia on Istat (national institute of statistics) data

ALSO AVAILABLE:

- The Education Quality in Veneto
- Economic Scenario, conjuncture indicators - June 2012
- Tourism: January 2012 data

<http://www.regione.veneto.it/statistica>

Among the main new markets importing BBF food, the market share of Veneto shows the highest value in Countries which are relatively close, such as the Czech Republic and Poland, whilst Russia is third place. A more and more consistent growth in demand is predicted in China and Brazil, whilst the highest incident of Veneto on demand is recorded in Croatia and in some Central- Eastern European Countries (Czech Republic, Hungary and Romania). In overall terms, in 2017 Venetian exportation to Russia could almost reach 64 million Euros and exportation to the Czech Republic could reach 56 million Euros.

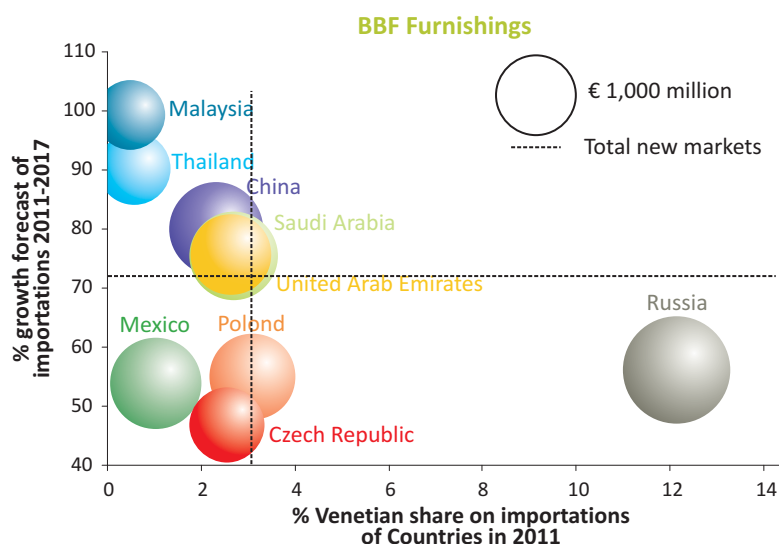
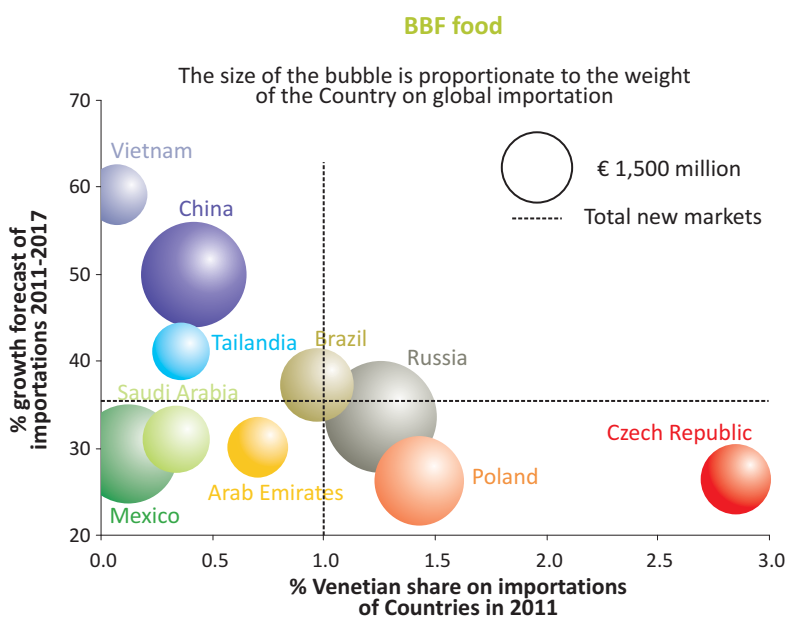
## FOOD AND FURNISHINGS

Good placement in the Brazilian market is due above to wine, which represents the leading Venetian BBF food product in the mature markets as well as in the new markets. Major difficulties in engaging dynamic

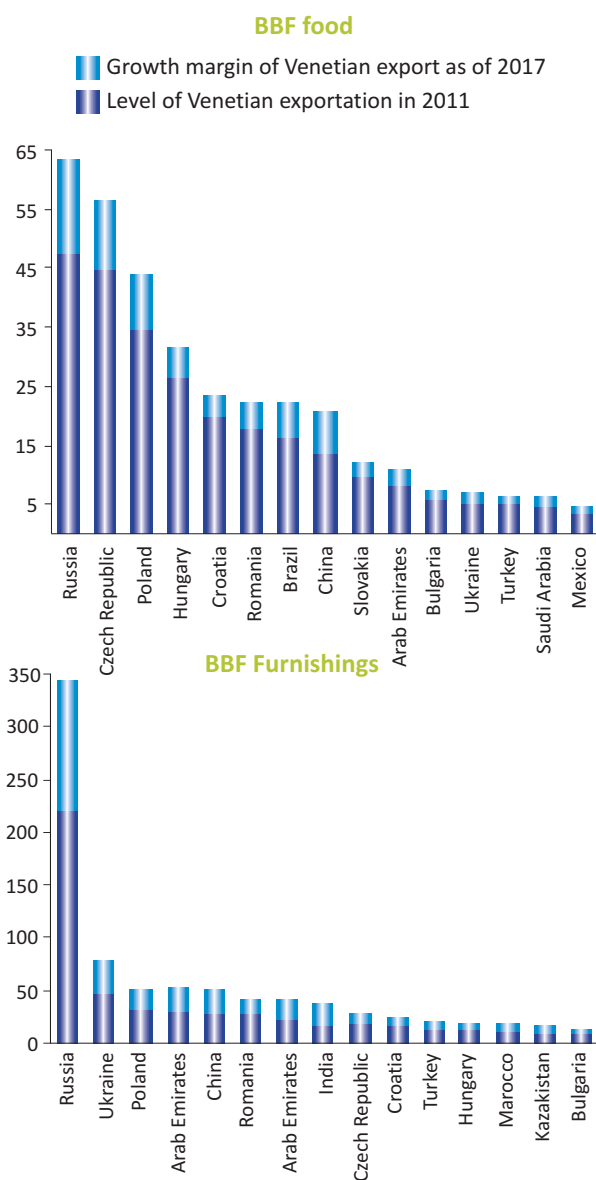
demand from some Asian Countries are common to Veneto and Italy: in addition to the limits of transportability and perishability of the products, often obstacles of various nature occur (tariff, health-related or bureaucratic barriers) which are particularly burdensome on small and medium sized businesses. In addition to the removal of cultural barriers linked to different food habits, there is also the presentation of the product, the availability of suitable distribution channels and protection from counterfeiting risks, which are all crucial aspects with respect to the initiatives of the single producer, often small, are in many cases insufficient.

The first new importer market of BBF furnishings is Russia: here Venetian export in 2011 made up 12% and could reach and exceed 340 million Euros by 2017, with an increase of over 120 million Euros compared to 2011. The weight of Veneto on the other main new importers is more contained, but however not insignificant: 3% in Poland, 2% in the United Arab Emirates, in Saudi Arabia, in the Czech Republic and also in markets which are far away such as India and China.

% VENETIAN SHARE ON DOMESTIC IMPORTATION IN 2011 AND % CUMULATIVE GROWTH OF IMPORTATION 2011-2017 IN THE TOP 10 NEW MARKETS



VENETIAN EXPORTS 2011 PER COUNTRIES OF DESTINATION AND THEIR GROWTH MARGINE AS OF 2017 (EXPRESSED IN MILLIONS OF EUROS AT 2010 PRICES)



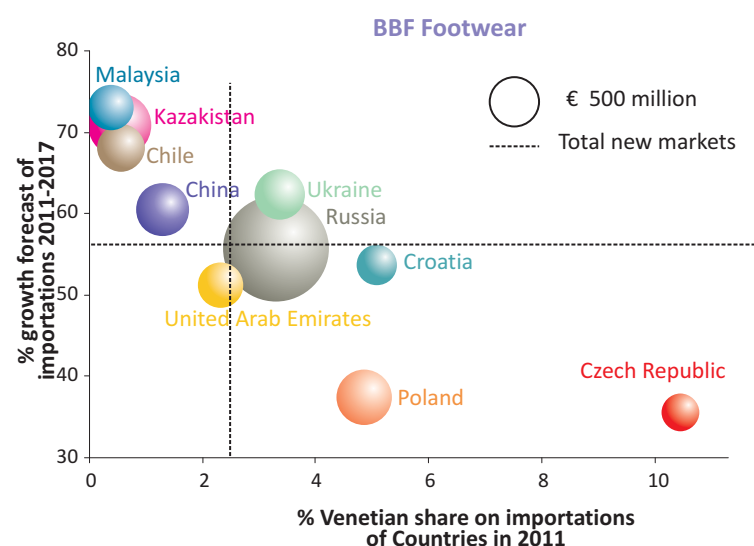
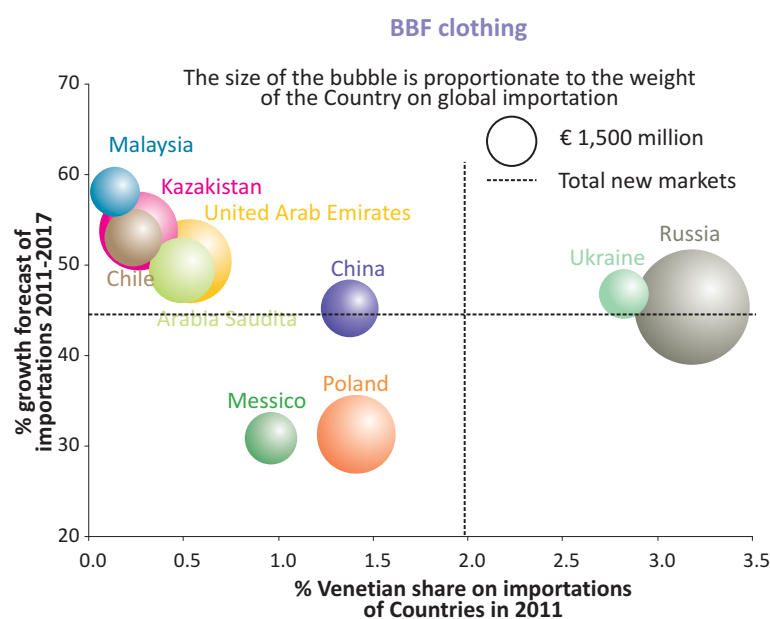
In 2011 the market share of Venetian BBF in clothing was equal to 3.2% in Russia, the top importer in the sector. Veneto in 2017 could export almost 280 million Euros of BBF clothing to Russia, highlighting within the next six years an overall increase of about 87 million Euros. Among the importer Countries, the share of Veneto is equal to 2.8% in Ukraine. In China, Poland and Mexico it is between 1 and 1.5%, whilst its values are even more modest in other areas characterised by good growth forecasts. The penetration into China, which also represents a market of great interest, reflects the difficulties connected to approaching a Country which is geographically and culturally far away and the search for local reliable partners which can foster the entrance

## CLOTHING AND FOOTWEAR

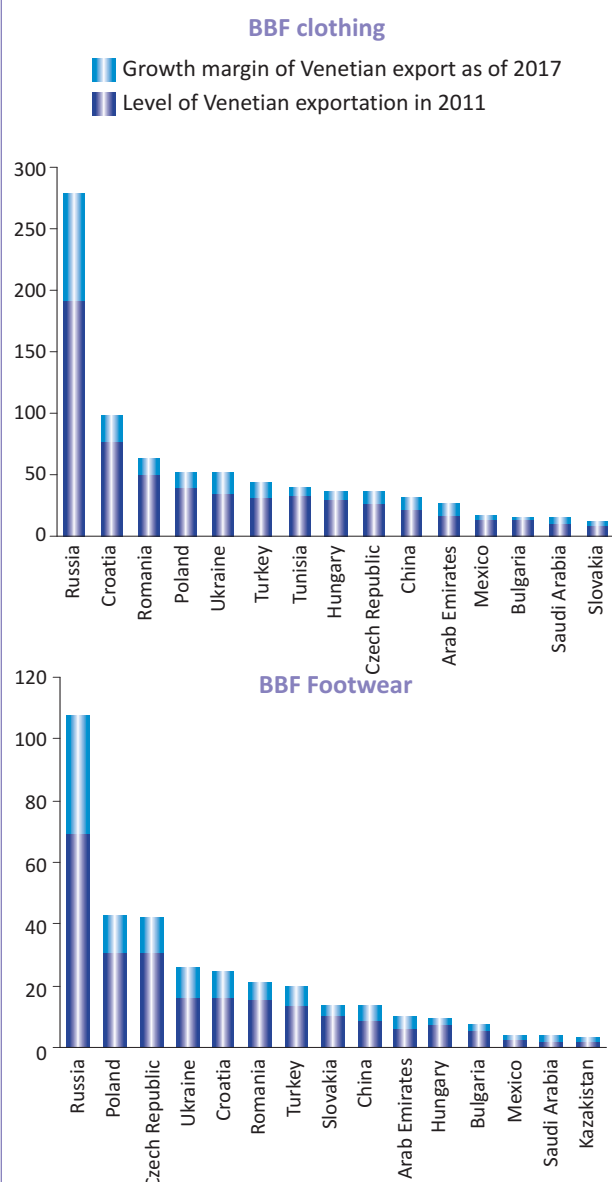
channels of the products.

In the new markets, the perception of footwear as an essential fashion accessory has been established more recently compared to clothing. In the Chinese market, for example, there is still a strong association with the convenience of the product rather than the beauty and creativity of the design, and the mid-level market is guarded by Chinese producers. In China however, in recent years, as in other emerging Countries, the consideration of footwear as the qualifying factor of the 'look' involves an increasingly larger portion of medium-high range consumers. Venetian businesses seem to have grasped this change of perspective. In 2011, the weight of Veneto on the demand of the main new importer markets of BBF footwear was equal to 10% in the Czech Republic, followed by Croatia and Poland, in which about 5% of the demand is met by Veneto. In Russia and China, Venetian BBF footwear accounts for 3% and 2%, respectively. The growth forecasts of demand are more optimistic for Ukraine, in which the weight of Venetian export accounted for 3% in 2011, for the United Arab Emirates, Saudi Arabia and Kazakhstan.

% VENETIAN SHARE OF IMPORTATION OF COUNTRIES IN 2011 AND % CUMULATED GROWTH OF IMPORTATION 2011-2017 IN THE TOP 10 NEW MARKETS



ESPORTAZIONI VENETE 2011 PER PAESE DI DESTINAZIONE E LORO MARGINE DI CRESCITA AL 2017 (ESPRESSE IN MILIONI DI EURO A PREZZI 2010)



# STATISTICHE *Flash*

The new markets show very similar overall incidence in Veneto and Italy. The most relevant Countries in both cases is Russia, which weighs for more than 0.3% on the BBF exported to new markets<sup>1</sup>, followed by, at some distance, Poland. China represents the third new market for Italian BBF and it is eighth on the Veneto regional ranking. Compared to the national average, Veneto provides a relatively high percentage of imports to Croatia and other central-eastern European Countries (Czech Republic, Romania, Ukraine and Hungary).

## PROSPECTS

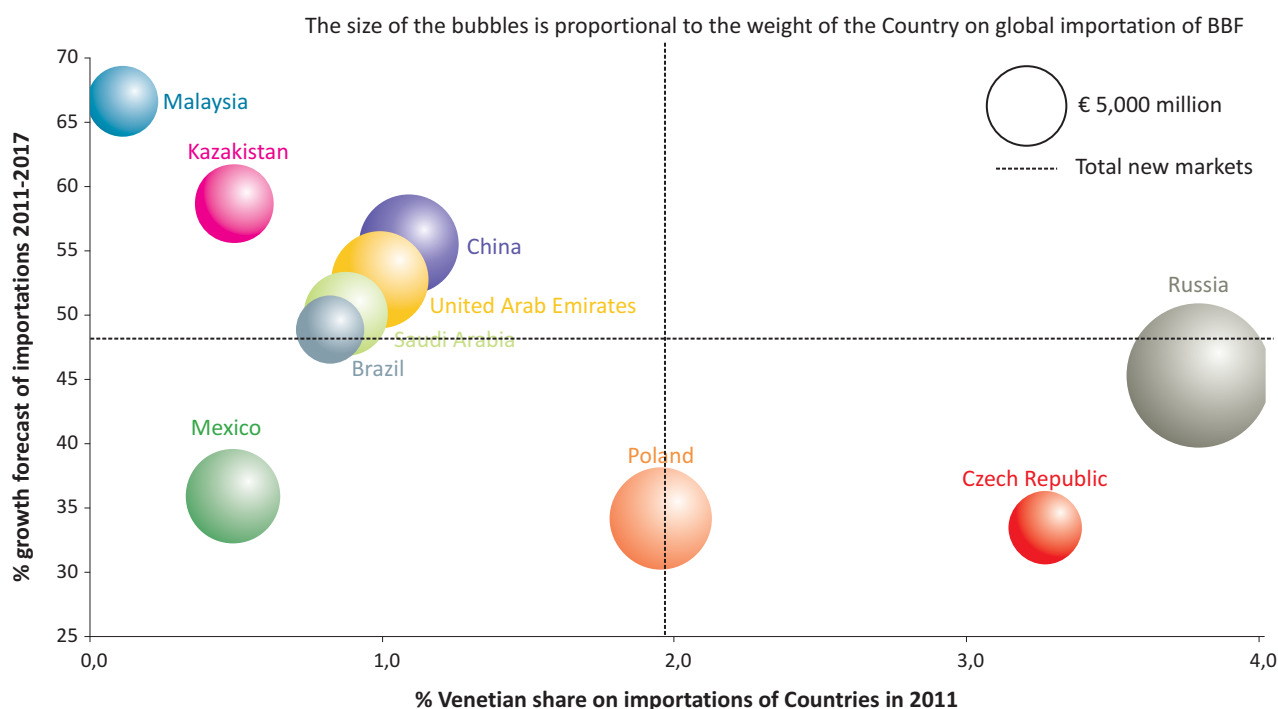
The world import of BBF in the thirty principal new markets will grow up to 136 billion Euros in 2017 (constant price and exchange rate of 2010). This is 44 billion more compared to 2011, an increase of 48% in six years. The growth of global importation of BBF between 2012 and 2017 will be absorbed for more than 30% by Russia, China and the United Arab Emirates, i.e. the three new markets which, together with Poland, in

2010 exercised the most significant weight on world BBF demand. In 2017, Russia is expected to import the goods in question by over 20 billion (nearly 800 million of Venetian BBF), whilst China, which is the second BBF importer at world level, will exceed 10 billion (116 million of Venetian BBF). Also for India an intense growth is expected, so much as to double the volume of importing BBF product in the next six years. In the same period, among the other Countries which invest the most significant weight on the demand, a particularly high percentage increase involves Malaysia, Kazakhstan, United Arab Emirates, Saudi Arabia and Brazil.

The growth forecasts of the demand of BBF products, demand which is so wide in the new markets (from 2011 to 2017 48.2% compared to 27.3% of the mature markets), is linked to the economic and social transformation taking place in these areas. For further details, refer to the 2012 Statistical Report of the Veneto Region, which dedicates an entire chapter to BBF.

<sup>1</sup> The list of new markets is the following: Russia, Poland, Croatia, Czech Republic, Romania, Ukraine, Hungary, China, Turkey, United Arab Emirates, Saudi Arabia, Tunisia, Slovakia, Bulgaria, Mexico, Brazil, India, Morocco, Kazakhstan, Chile, Columbia, Egypt, Thailand, Libya, Algeria, Peru, Vietnam, Malaysia, Argentina and Indonesia. The mature markets are: Austria, Canada, France, Germany, Japan, United Kingdom, Spain, United States, Sweden and Switzerland

### THE TOP TEN NEW IMPORTER MARKETS OF BBF: % VENETIAN SHARE ON IMPORTATION OF COUNTRIES IN 2011 AND % CUMULATED GROWTH OF THE IMPORTATIONS 2011-2017



Source: processing by the Veneto Region – Directorate Regional Statistical system and Prometeia on data from Eurostat, Global Insight and National Institutes of Statistics.



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