



STATISTICHE

UNDERSTANDING VENETO IN FIGURES AND DIAGRAMS

FLASH

This issue of Statistiche Flash presents some analyses on the impact of the pandemic crisis on national and regional foreign trade. World trade ends 2020 with a loss in value of just over five percentage points year-on-year due to the coronavirus pandemic. The impact of the pandemic crisis on international trade differs from region to region, with modest declines in the Asian continent, thanks to Chinese demand, and more marked contractions in Europe and North America. Also domestically, despite a rapid recovery in the last few months of the year, after the slump in March and April, 2020 closed with an overall export contraction of -9.7%. The drop in exports was marked and widespread in all territorial divisions: compared to the national average, it was greater for the Islands (-30.4%) and, to a lesser extent, for the North-West (-10.8%), lower for the Centre (-8.5%), North-East (-8.2%) and South (-6.4%). The fall in Veneto's foreign sales, which was slightly lower than at the overall national level, was conditioned not only by the collapse in demand for goods, which penalises many foreign markets in 2020, but also by the restrictions put in place to counter the health emergency.

FOREIGN TRADE IN THE YEAR OF THE PANDEMIC

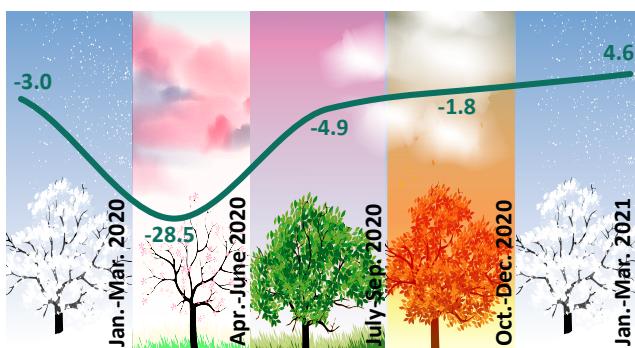
Following the considerable drop recorded in the spring months of 2020 (-26.2% in 2Q compared to the same period of 2019), the path to recovery for Veneto's exports marked its best result in the last quarter of the year, when the value was equal to the one recorded in the last three months of 2019.

Encouraging signs for an upturn in foreign sales come from the first trade estimates for 1Q21. In the first three months of the year, the value of goods exports from Veneto amounted to 16 billion euro and was up by almost five percentage points compared to the figure recorded in the same quarter of 2020. The good performance shown by Veneto's exports is in line with the overall national performance (+4.6%). Veneto's exports are driven by the metal production and electrical and mechanical equipment sectors; foreign sales of these products contributed to a large part of the regional export growth in the first three months of 2021. As for target markets, there was a significant increase in sales to Germany, France and Belgium.

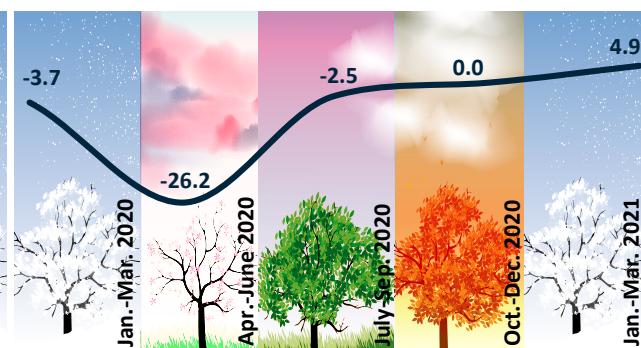
SIGNS OF EXPORT RECOVERY IN 1Q21



National exports by quarter
(% chg. compared to the same quarter of 2019).
Italy - Year 2020 and Q1 2021 (*)



Veneto exports by quarter
(% chg. compared to the same quarter of 2019).
Veneto - Year 2020 and Q1 2021 (*)



(*) Provisional data for 2020 and 2021

Source: Processing by the Statistics Office of Regione Veneto on Istat data and World Trade Organization

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ALSO AVAILABLE:

Foreign trade, 1Q21 (provisional data)

Tourism, year 2020 and first few months of 2021 (provisional data)

Agriculture - Gross production and added value, year 2020

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

After a decade of growth, regional exports in 2020, at 59.8 billion euro, fell by 8.2% year-on-year. The effects of the Covid-19 pandemic are being felt on foreign demand for goods produced in Veneto, but are less severe than estimated in the middle months of 2020. At a territorial level, the greatest declines in the foreign turnover generated by Veneto companies, in terms of value, were recorded in the provinces of Vicenza (-1.7 billion euro less than in 2019), Padua (-1.3 billion euro), Treviso (-995 million euro) and Belluno (-882 million euro), which are offset by the significant positive contribution of Rovigo (+490 million euro), given essentially by the trade in medicines and pharmaceutical preparations. A smaller decrease in exports, of less than 500 million euro, was

recorded in the provinces of Venice and Verona. Despite a considerable drop Vicenza confirmed its leadership in the Veneto region in terms of export capacity also in 2020, with a share of just over 28% of the entire regional foreign turnover of 16.9 billion euro. The second Veneto province

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in terms of foreign sales value was Treviso, accounting for 21% of the regional foreign turnover. The total value of manufacturing exports from the province of Verona was worth almost 19% of total exports in the Veneto region. Agri-food production, which recorded a +1.6% year-on-year growth in exports, remains the main sector for foreign sales, accounting for 30% of the provincial total. Companies in Padua export goods worth 9.2 billion euro. Padua's share of total Veneto exports stands at 15.4%. In 2020, goods worth almost 4.5 billion euro were exported by companies in the province of Venice, while exports from Belluno, mainly focused in the eyewear sector, whose sales abroad account for more than 70% of the province's total export flows, were close to 3.2 billion euro. Finally, the province of Rovigo recorded a foreign turnover close to 2.2 billion euro in 2020.

GOODS EXPORTED FROM VENETO IN 2020

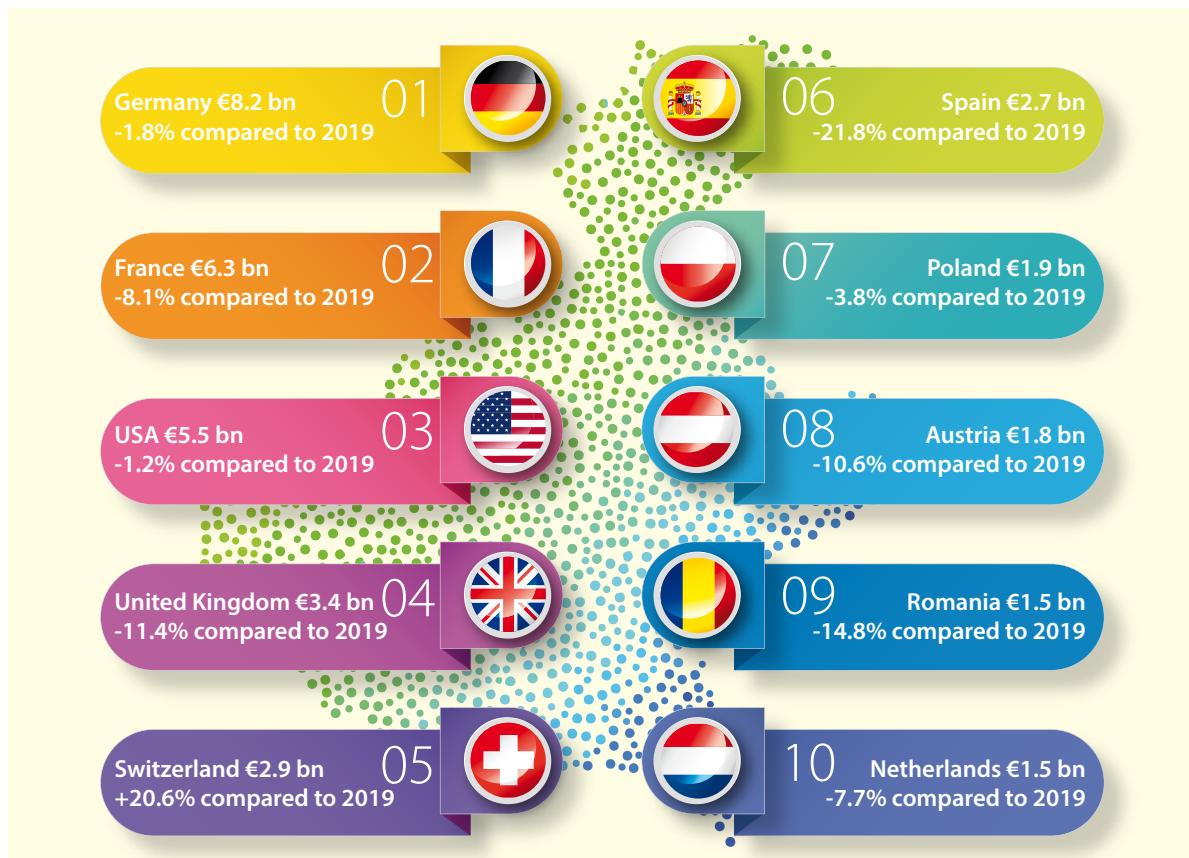


The performance of Veneto's exports to different geographical areas almost everywhere showed a negative sign. The foreign turnover of Veneto companies recorded a marked drop towards the markets of the European Union (-8.7%, equal to a loss of 3.5 billion euro compared to 2019), Central and Eastern Asia (-17.4%), the Middle East (-14.8%), Africa (-14.9%) and Latin America (-16.1%). Regional exports showed greater resilience in North American markets, where the decline in sales is less than one percentage point. On an individual market level, Veneto products are still mainly directed to Germany. Exports of Veneto companies to the German market accounted for 13.7% of the regional total, amounting to 8.2 billion euro, and recorded a slight decrease, -1.8%, compared to the value recorded in 2019, well below what happened to the total for the EU markets.

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The foreign turnover of Veneto companies also contracted sharply in two other important markets in the Old Continent: France and the United Kingdom. In the French case, the drop in exports especially affected the sales of fashion and eyewear products, while the only sector bucking the trend is the agri-food sector, which recorded a growth in turnover value of +5.6%. As for export flows to the British market, which fell by more than eleven percentage points, the pandemic crisis makes it difficult to understand the real impact of Brexit on this result, which affected most of the main product sectors. As far as the main non-EU markets were concerned, the data published by Istat confirms how the Swiss market recorded the best result for the foreign turnover of Veneto companies; a growth of more than twenty percentage points that makes Switzerland the fifth largest market for regional companies. This result was essentially due to sales of goods in the fashion sector (+57.3%), to which almost half of the total value of Veneto exports realised in this market was attributable. Exports to the USA, the first non-EU market and the third by value exported by Veneto companies, closed 2020 with a slightly negative result (-1.2%). Regional exports to the USA were mainly supported by the sales of medicines and pharmaceutical preparations (+436 million euro compared to 2019). Regional exports to two other main non-EU markets, China (-8%) and Russia (-6.8%), also returned to be negative.

MAIN MARKET TRENDS IN 2020



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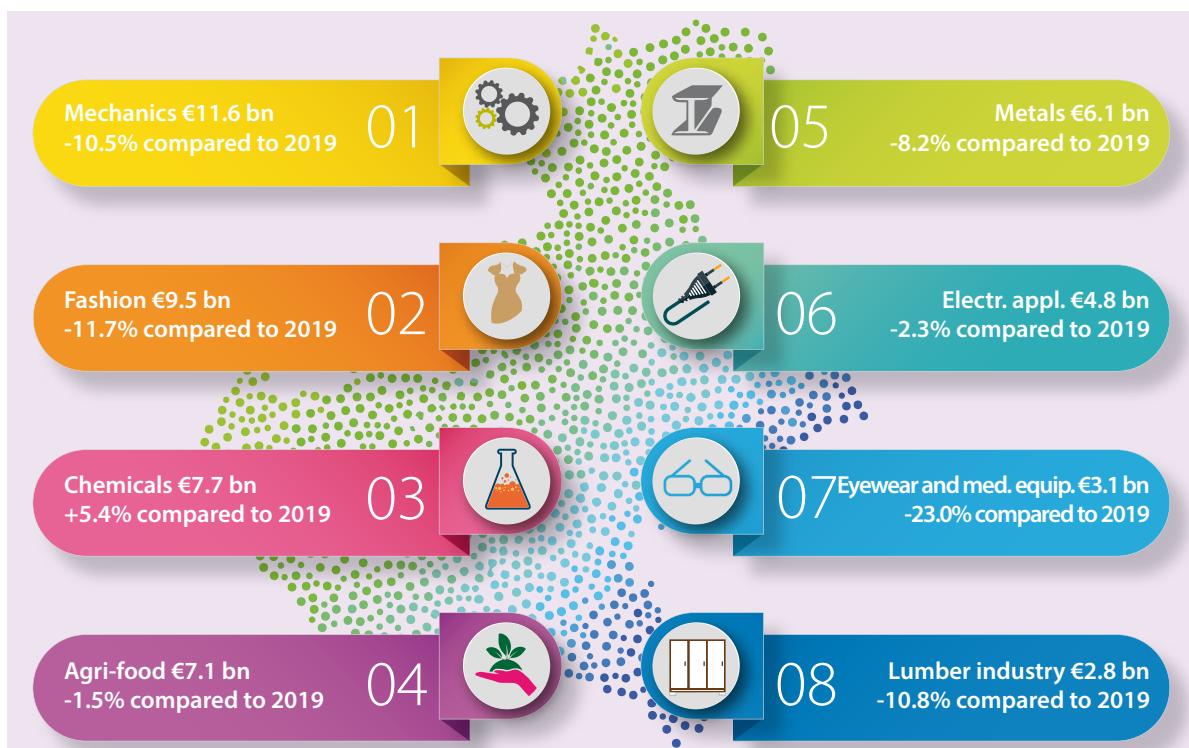
The greatest downward pressure on the foreign turnover of Veneto companies involved certain intermediate goods sectors, such as metals and mechanical production, which were most affected by the interruption of activities linked to international production chains, while the production of medicines and pharmaceutical preparations supported international demand for goods produced in Veneto. Consumer goods were also affected by the pandemic, especially fashion and eyewear, which are expected to recover in 2021. Tooling mechanics (Veneto's leading export sector, with 11.6 billion euro in 2020) was the sector to record the greatest drop in terms of exported value: exports of these products drop by -10.5%, equal to 1.4 billion euro less than what was invoiced in 2019, slowing down sales in all geographical areas, with the sole exception of non-EU European markets (+4.2% year-on-year). The negative trend in mechanics also negatively affected exports in the metal sector, recording a drop of more than eight percentage points, almost entirely attributable to

trade with EU markets, and in the means of transport sector (-22.5). Fashion remained the second largest export sector in Veneto despite being one of the industries most affected by the crisis caused by the coronavirus pandemic. A drop in foreign turnover of almost twelve percentage points, i.e. 1.3 billion euro less than in 2019. These are the figures of the fall in foreign turnover of one of the flagships of the regional

production, capable of reaching a turnover of 9.5 billion euro in 2020. The eyewear and medical equipment industry, which is another sector leading the exports of consumer goods produced in Veneto, also recorded a setback in foreign sales and closed 2020 with a loss of more than twenty percentage points. Foreign sales in the chemical sector are growing at an annual rate of just over five percentage points. Leading the growth is the trade in medicines and pharmaceutical preparations, +699 million euro compared to 2019, which during the recent health crisis proved crucial in enabling the supply of these goods to many areas that are not self-sufficient in this respect. The agri-food sector shows greater resilience than other sectors, as it did in the financial crisis of 2009. Regional exports in this sector (7.1 billion euro in 2020) held up, despite the crisis triggered by the pandemic, and recorded a loss of less than two percentage points.

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TRENDS IN THE MAIN SECTORS IN 2020



Source: Processing by the Statistics Office of Regione Veneto on Istat data



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