

Dig into Italy's thriving agri-food sector

With a population of 57.7 million, Italy is a major market within the European Union (EU) for Canadian agri-food exporters. Although markets in Italy are generally small and spread out, Canadian agri-food companies interested in doing business in Italy will find them to be very prosperous.

Market overview

Italy is the world's fifth-largest exporter of agri-food products, accounting for 6% of global food exports. While Italy is a net exporter of traditional Mediterranean crops and products such as fruits, vegetables, olive oil, wine, pasta and cheeses, it is a net importer of beef, pork, cereals and fish products. In the first five months of 2002, Italy imported approximately \$13.3 billion of agri-food products and exported just over \$10.1 billion, resulting in a trade deficit of just over \$3 billion.

Italian consumers typically demand high-quality, traditional Italian products. Its high per-capita spending on food—second largest in the EU, following Portugal—demonstrates

consumers are willing to pay a high price for quality.

An overall shift toward healthy living has led to a rise in demand for light or dietetic products. The demand for fish and seafood products—believed to be a healthy, low-fat option to meat—has flourished in Italy. Furthermore, Italians acknowledge the importance of breakfast and snacking in the diet, attracting them to innovative and convenient products in the health and processed food sectors.

EUROPE

Opportunities

Consumption of fish and seafood in Italy is expected to continue to rise. Opportunities exist in the supply of fish—especially tuna—and seafood for the canning industry. In addition, the Italian retail sector will look for frozen fish fillets such as hake, cod and plaice to meet the demand for convenient, ready-to-prepare products. Peeled and processed shrimp would do well in the Italian market, and the growing consumption of frozen seafood will

provide good opportunities for exporters of squid, cuttlefish, octopus and flying squid.

Opportunities also exist to supply a wide range of processed food products to the market, including canned fruit and vegetables, frozen prepared food, maple syrup and sweet snacks and bakery items.

Per capita, Italians consume approximately 6 kilograms of pulses per year. With a 30.7% market share, pulses follow tomatoes as the second-largest selling commodity in the vegetable sector. In 2001, two of Canada's top exports to Italy were pulses: lentils (5.8% of total exports) and dried peas (3.5%). Although pulse products are grown domestically, local production cannot meet the growing demand. Italy will therefore continue to be a strong market for Canadian pulses in the years ahead.

Companies will find some advantages in being Canadian in this competitive market. Italy is Canada's 10th-largest export destination. Also, Canada stands as an alternative to Italy's northern EU partners, ensuring competitive quality and price and thus offering Italy a certain independence in a market largely dominated by northern EU interests. At the same time, Canada offers high reliability compared with many non-EU suppliers, as well as quality guarantees that are second to none.

For more information on Italy's agri-food sector, read the full market report at www.infoexport.gc.ca/ie-en/MarketProspect.jsp?cid=117&oid=199#592 or contact Pier Paolo Chicco, Business Development Officer, Canadian Consulate General in Milan, tel.: (011-39-02) 6758-3355, fax: (011-39-02) 6758-3900, e-mail: pierpaolo.chicco@dfait-maeci.gc.ca or Patrizia Giuliotti, Business Development Officer, Canadian Embassy in Rome, tel.: (011-39-06) 44598-3352, fax: (011-39-06) 44598-3754, e-mail: patrizia.giuliotti@dfait-maeci.gc.ca

Plug into India's electricity market

After China, India is the world's largest market for electricity, with an annual growth rate of almost 10%. Even though investment in India's electricity sector has averaged approximately 6% of gross domestic product (GDP) each year over the past four decades, this is not enough. To meet infrastructure demands in a country with a projected GDP growth rate of 7%, the power supply must increase by 9 to 10% annually.

In response to the limited funding of India's electricity sector by international financial institutions, the Government of India opened up the electricity generation sector to the private sector in 1991. However, private power initiatives to date have not been successful in narrowing the gap between supply and demand for energy. The private sector was expected to increase installed capacity by 10,000 megawatts (MW) per year, but has actually added only

about 6,500 MW of installed capacity in 10 years.

The Government of India is now focusing on upgrading the distribution systems and rejuvenating the thermal generation sector through repair, modernize and upgrade (RMU) activities. By October 31, 2001, India had a total installed capacity of 102,907 MW—up from 1,400 MW in 1947—out of which approximately 61,000 MW was steam-based thermal power. The majority of RMU opportunities will be for work on the 35% of steam-based thermal power that was commissioned in, or before, 1979. The Central Electricity Authority estimates that the RMU costs for these older stations will amount to \$328,000 per MW, approximately 25% of the cost (per MW) of generating new power.

The major problems with RMU projects have traditionally been the lack of funding and the bidding and award process. In 2001—to promote RMU work in the generation and distribution

sectors—the Government of India created the Accelerated Power Development and Reform Program, which requires that stringent processes be followed and that soft funding be provided.

Although India has a well-developed power engineering and equipment supply industry and the needs of the RMU market can be met locally, there is always room for new players who bring experience, expertise and new and improved technologies at an affordable cost. For all initiatives in the generation, transmission and distribution sectors, including energy efficiency, the total investment required over a period of 10 to 12 years is around \$254 billion.

For more information on the RMU market in India, read DFAIT's full market report (Opportunities in the Thermal, Transmission and Distribution Market in India) at www.infoexport.gc.ca

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Contributions

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for Export Market Development (PEMD), to enable non-profit national trade or industry organizations to promote the products and services of small and medium-sized businesses in international markets. The focus will be on businesses preparing to export for the first time or interested in penetrating a new market.

During 2001-2002, the program was thoroughly reorganized to enhance its effectiveness and to solidify partnerships between government and trade or industry associations.

For more information on PEMD for trade associations, go to www.dfait-maeci.gc.ca/pemd/tradeassociations/assistNews-en.asp

Rail Meeting Point in Spain

BARCELONA, SPAIN — October 6-8, 2003 — Rail Meeting Point is an international conference and fair aimed at professionals in the rail and urban transport sectors. The objective is to provide a forum for companies in the rail sector on technological advances, products and services as well as to establish contacts with clients and providers. The conference and fair will provide a platform for the main players in the business and institutional rail world to present and discuss the most relevant issues affecting the development of the sector.

For more information, contact organizers Natalia Boisson (French) or Alison Burgess (English), Foro del

Ferrocarril y del Transporte, tel.: (011-34) 917-994-500, fax: (011-34) 917-994-501, e-mail: rmp@masnou.net Web site: www.masnou.net/rmp.htm or Máximo Hurtado, Commercial Officer, Canadian Embassy in Madrid, tel.: (011-34) 914-233-226, fax: (011-34) 914-233-252, e-mail: maximo.hurtado@dfait-maeci.gc.ca Web site: www.canada-es.org or Roberta Cross, Consul and Trade Commissioner, Canadian Consulate in Barcelona, tel.: (011-34) 934-127-236, fax: (011-34) 933-170-541, e-mail: roberta.cross@dfait-maeci.gc.ca

Spain's frozen food show

VIGO, SPAIN — October 7-9, 2003 — Conxemar 2003 is the world's second-largest frozen food products exhibition. Conxemar 2002 boasted 302 exhibitors from 25 countries and 16,000 visitors from 52 countries.

Last year's event was the first time Canadian companies participated. The four companies that attended made full use of the Canadian booth that was set up to promote their products. Given Canada's success at Conxemar 2002, its presence at next year's event will include a larger booth to raise the profile of Canadian products.

For more information on participating in Conxemar 2003, contact Marc Lionel Gagnon, Commercial Officer, Canadian Embassy in Spain, tel.: (011-34-91) 423-3228, fax: (011-34-91) 423-3252, e-mail: marc.l.gagnon@dfait-maeci.gc.ca Web site: www.canada-es.org or www.conxemar.com