

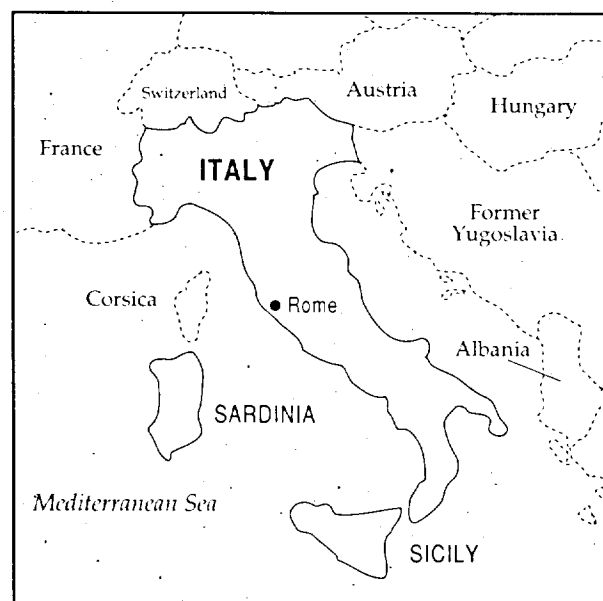
# ITALY

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**HEAD OF STATE:** President Oscar Luigi Scalfaro  
**HEAD OF GOVERNMENT:** Prime Minister Lamberto Dini  
(politically independent)  
**POPULATION:** 58 018 500

**GROSS DOMESTIC PRODUCT (GDP):** \$1.32 trillion (1993)  
**GDP GROWTH:** 2.0% (1994)  
**PER CAPITA GDP 1993:** \$22,410

**UNEMPLOYMENT RATE:** 11.7% (1994)  
**INFLATION RATE:** 3.9% (1994)  
**EXPORTS AS A PERCENTAGE OF GDP:** 16.9% (1993)



## TRADE AND INVESTMENT

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An economic and industrial co-operation agreement was signed between Canada and Italy in 1988. The agreement has provided a framework for the promotion of trade and investment. In 1993, Canadian exports to Italy were valued at \$952 million, while imports from Italy stood at \$1.9 billion. Italy is the 12th most important market for Canadian exports. The Italian government has placed controls on the movement of capital and currencies. Without these restrictions, Italian investment in Canada would be higher and the potential for joint ventures greatly enhanced. Major Canadian firms doing business in Italy include, Alcan Aluminum, Seagram Company, Bata Industries, and John Labatt.

## BILATERAL RELATIONS

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The presence in Canada of more than one million citizens of Italian origin has ensured close relations between the two countries in a wide range of areas. There are strong cultural and academic ties between the two countries.

## CURRENT ISSUES

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In March 1994, Silvio Berlusconi was elected and formed Italy's 53rd government in 50 years. But, in December of that year, Mr. Berlusconi resigned after his coalition fell apart over conflict of interest allegations. Then, in January 1995, Italy's President, Oscar Luigi Scalfaro, asked Lamberto Dini to form a government. Mr. Dini, a former executive of the Bank of Italy and Minister of the Treasury in Berlusconi's government, is not a member of any political party or of Parliament. He must try to tackle the country's large budget deficit and carry out regional electoral reforms.

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In 1497, Giovanni Caboto (we call him John Cabot), an Italian sailing out of Bristol, England, landed on the Canadian coast — likely in Cape Breton or Newfoundland — and claimed the land for Henry VII.

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