

## ITALY

<b>Official Name:</b>	Italian Republic
<b>Capital:</b>	Rome
<b>Head of State:</b>	President Luigi Scalfaro
<b>Head of Government:</b>	Carlo Azeglio Ciampi, President of the Council of Ministers (Prime Minister, interim)
<b>Foreign Minister:</b>	Beniamino Andreatta (interim)
<b>Trade Minister:</b>	Dr. Paolo Baratta (interim)

### DOMESTIC SITUATION

Italian domestic political life has recently been dominated by the fall-out from a massive corruption scandal which has touched politicians of all political stripes, including such notables as former Prime Ministers Craxi and Andreotti. The scandal focused national attention on the need for party and electoral reform. In a 1993 referendum, Italians voted overwhelmingly to approve sweeping changes to the electoral laws which could have long-term beneficial effects.

The international recession has exacerbated what are seen as underlying economic structural weaknesses. Italy also faces major fiscal problems and the need to bring government finances under control and effect meaningful tax reform. Economic disparities between the affluent north and the poorer south are also contributing to a rise in the strength of regional political parties, particularly the Lombard League, which seems poised to become a significant force on the national level.

### CANADIAN INTERESTS

#### i) Trade and Economic

Italy is Canada's 11th largest export market with sales totalling \$1.2 billion in 1992. The bulk of Canadian exports has traditionally consisted of raw materials and semi-finished products including wood pulp, copper, iron and steel. Recently, however, there has been growth in exports of manufactured products including aircraft (water-bombers) and spare parts. Italian exports to Canada in 1992 were worth \$1.7 billion.

	1988	1989	1990	1991	1992
Total Exports	1,034.6	1,128.9	1,188.6	1,071.9	1,175.6
Major exports					
Wheat and wheat products	339.9	410.7	324.9	281.3	279.4
Other major exports	64.3	89.7	112.2	86.2	108.4
Total Imports	1,954.3	2,012.2	1,954.9	1,792.6	1,747.7
Major imports					
Machinery, boilers, engines	463.5	422.5	363.7	338.7	399.2
Footwear	140.0	145.4	176.7	141.0	125.1
Motor vehicles and parts	91.5	92.7	88.3	108.5	98.6
Clothing and accessories not knitted	53.6	51.0	102.0	79.4	77.8
Furniture, bedding, mattresses	119.2	132.1	123.0	90.3	71.7