

E. Country Profile: Italy

MARKET OVERVIEW:

Description

Italy is the third largest producer of subject machinery in the world after the USA (US dollars 2.5 billion) and FRG (US dollars 2.1 billion). Other major European producers are UK and France (respectively US dollars 900 and 425 million).

International industry figures for 1989 (same year as above) were as follows:

- a) Production : over US dollars 2 billion
- b) Exports : US dollars 1.3 billion
- c) Imports : US dollars 250 million
- d) Apparent consumption : US dollars 960 million
- e) Employees : approx. 11,900

The impressive numbers shown above reflect the high degree of innovation and level of technology of the industry which has allowed it to reach this enviable position. The above also suggests that there are undoubtedly significant benefits to be derived by Canadian industry from seeking cooperative ventures with Italian firms. On the other hand export opportunities to Italy would be mainly found in niche areas where Canadian firms possess leading edge technology.

Canadian and Italian producers are probably competitors in the US market and the firms of the two countries are similar in size and their approach to the international market. Another important factor is that US exports to Italy, helped by a weak dollar, are increasing quickly - which could indicate similar potential for Canadian producers.

The general conclusion is that there are undoubtedly niche opportunities for Canadian companies seeking to export to Italy. However, there is also obvious potential for investment development activities (joint ventures, licensing agreements, joint research/marketing etc.) given the high level of technology achieved by Italian industry in this sector.

Size of Market

In the automatic packing and packaging machine industry Italy has:

| | <u>year 1989</u> | <u>% 89/88</u> |
|----------------------|------------------|----------------|
| production | 2,020,000 | +4.5 |
| export | 1,309,000 | +12.8 |
| domestic deliveries | 711,000 | -3.0 |
| import | 248,000 | +13.8 |
| consumption | 959,000 | +0.8 |
| trade balance | 1,061,000 | +12.6 |
| import/consumption % | 25.9 | |
| export/consumption % | 64.8 | |
| workforce (units) | 11,890 | |