



COUNTRY REPORT

Italian Economy

Italy is one of one of the top world's exporters and ranks among the world's six largest economies. It is a mature and sophisticated market. Thanks to its geographical position it is a gateway to the whole Mediterranean and a crossway between North and South. It is a market with a population of about 60 million. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises open to partnerships, trade relationship and significant business opportunities with wide appreciation for upper market consumer goods, information technology, health care, franchising, travel and tourism, safety and security, solar power, construction, pets, automotive, and marine recreation, among others.

The country is the world's 8th largest exporter. In 2010, Italy's total merchandise exports were at US\$ 498.507 billion, US\$ 138.261 billion for commercial services and they were at US\$ 574.404 billion by selected region, according to the World Trade Organization. Italy's major exports and companies by sector are motor vehicles (Fiat Group, Aprilia, Ducati, Piaggio); chemicals and petrochemicals (Eni); energy and electrical engineering (Enel, Edison); home appliances (Candy, Indesit), aerospace and defense technologies (Alenia, Agusta, Finmeccanica), firearms (Beretta), fashion (Armani, Valentino, Versace, Dolce & Gabbana, Roberto Cavalli, Benetton, Prada, Luxottica); food processing (Ferrero, Barilla Group, Martini & Rossi, Campari, Parmalat); sport and luxury vehicles (Ferrari, Maserati, Lamborghini, Pagani); yachts (Ferretti, Azimut). Italy's closest trade ties are with the other countries of the European Union, with whom it conducts about 59% of its total trade.

The cultivation and maintenance of personal relationships are a vital part of doing business in Italy. This is even truer for foreign businesses that lack an intimate understanding of Italy's business culture and regulatory environment. Finding the right Italian agent, distributor, or business partner is therefore essential to enter the Italian market.

Milan is the business and trade capital of Italy. The cities of Milan, is the center of Italy's famous "industrial triangle", which is characterized by heavy industry, machinery, production, commerce, communications, insurance and banking. It is also the city of fashion, it houses

many of the most famous Italian designers. It remains one of Europe's main transportation and industrial hubs, and Milan is the EU's 10th most important centre for business and finance with its economy being the world's 26th richest by purchasing power. The Milan metropolitan area has Europe's 7th largest GDP in 2008 and the urban area is the largest in Italy and the fifth largest in the European Union. Milan will host the World Expo in 2015. Work is due to start shortly on this multi billion event and it is expected that this multi-sector project will be the catalyst to propel Milan forward. Large scale infrastructure projects are planned in next years. The city's Exhibition Center and Trade Fair complex is one of the most important in the world. The city is well connected with all European capitals with 3 international airports.

Economy of Italy	
GDP	\$2.037 trillion (2010 est.)
GDP growth	1.1%
GDP per capita	\$30,700 (2010 est.)
GDP by sector	agriculture: 1.8% industry: 24.9% services: 73.3%
Inflation	1.4% (2010 est.)
Labour force	25.05 million (2010 est.)
Labour force by occupation	agriculture: 4.2% industry: 30.7% services: 65.1% (2005)
Unemployment	8.4% (2010 est.)
Main industries	tourism, machinery, iron and steel, chemicals, food processing, textiles, motor vehicles, clothing, footwear, ceramics
External	
Exports	\$458.4 billion (2010 est.)
Export goods	engineering products, textiles and clothing, production machinery, motor vehicles, transport equipment, chemicals; food, beverages and tobacco; minerals, and nonferrous metals
Main export partners	Germany 12.6%, France 11.57%, US 5.92%, Spain 5.69%, UK 5.13%, Switzerland 4.69% (2009)

Imports	\$459.7 billion (2010 est.)
Import goods	engineering products, chemicals, transport equipment, energy products, minerals and nonferrous metals, textiles and clothing; food, beverages, and tobacco
Main import partners	Germany 16.68%, France 8.82%, China 6.53%, Netherlands 5.63%, Spain 4.3%, Russia 4.12%, Belgium 4.08% (2009)

Market opportunities:

Clothing, footwear and fashion, construction, healthcare, ICT, security creative and media, renewable energy, food and drink

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