



BUSINESS OUTLOOK - ITALY EXPORT OPPORTUNITIES

Investment and Development Agency of Latvia (LIAA)
– April 8th, 2022



WE MAKE
YOUR BUSINESS
EXPAND IN
OTHER
COUNTRIES.



www.columdae.com

ABOUT COLUMDAE

- Columdae is a multinational international business expert organization helping companies open up new sales channels
- Columdae is active in most of Europe and in selected strategic markets in North America and East Asia. Thus we can offer a long and wide international expertise to our clients.
- Columdae has multi-industrial expertise and can thus think “outside the box” when helping companies enter new markets
- Columdae is focused on finding real interested business partners for its clients
- Columdae has a way of working unique to the business: from free pre-analysis to comprehensive market entry services

KEY SERVICES

CLIENTS SEARCH



PARTNERS SEARCH



TODAY'S PRESENTERS



Alessio Pogliani
Account Executive –
ITALY & THE
NETHERLANDS



Claudio Pellegatta
Head of Export Research
& Development - ITALY



Kari Mäkeläinen
Global Chief Export
Research
& Development –
EUROPE



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Looking for the best way to EXPORT and expand abroad?

WHY COLUMDAE is indispensable when you want to expand into new markets abroad

JUST THE FIRST REASONS:



- We are Locals
- We are Experts
- We are Result Oriented
- We save Your Time and Money

OUR MAIN EXPERTIES

Partner Search

Finding new Distributors and Partners

Client / Buyer Search

Finding new Clients, Rapid Export Growth

Account Export Services

Managing & developing your Export abroad

E-xport Commerce – ELP

B2C channel for on-line retail outlets

Market Information

Competitor and market analysis

Trade Delegation

Business mission in Strategic Market

Tax & Legal

Tax, legal standpoint and support



How we implement projects?

- 1) **Free Preliminary Check** 3-5 working days
Local Export Specialist
- 2) Feedback from our Local Export Specialist
Project Potentiality to proceed or not
- 3) Proposal
- 4) Start – **90 working days**
Conference Call with local Export Specialist
- 5) **Mid Report** – 45 working days
- 6) **FINAL REPORT + Short List**
Conference call Country Project Account

COMPANY NAME:

Project Summary:* <small>*to be filled in by Columdae ApS</small>	Client	Project n°
COMPANY PROFILE		
Established year:	Employees:	
Turnover:	Webpage:	
1. Product / Solutions		
2. Markets to develop		
3. Type of Research	<input type="checkbox"/> Clients <input type="checkbox"/> Distributors / Partners <input type="checkbox"/> Account Export Service <input type="checkbox"/> Market Analysis	
4. Target		
OWN PRODUCT DESCRIPTION		
Competitive strength		
Key Distributors/Clients References		
Key products / solutions characteristics		
Price range		
Certifications		
TARGET MISSION DESCRIPTION		
Target size potential Clients/Distributors		
Market/customer segment		
Existing contacts in the target market (companies contacted or existing cooperation partners)		
Main competitors in the area		
Present key example of clients/distributors/buyers		
ADDITIONAL KEY INFORMATION:		



ITALY



President of Republic	Sergio Mattarella
Political Regime	Parliamentary Republic
Capital	Roma
GDP	€2.037 trillion
Main cities	Milano, Torino, Firenze, Venezia, Napoli

MAIN ECONOMICAL INDICATORS

<i>Statistics</i>	<i>Italy</i>	<i>trends</i>
Population (millions)	61.016.804	
Superficies (km ²)	301.340	
Density(hab/km ²)	201,12	
GDP trillion\$	1.782	➔
Growth	1.1%	➔
Pop active	25.5 million	
Unemployment rate	8.4%	➔
Inflation rate	1.4%	➔
<i>Exchanges</i>		
Exports billion\$	458.4	➔
Imports billion \$	459.7	➔
<i>Finance</i>		
Investment rate	19.1% GDP	➔
Public debt	118% GDP	➔
Official currency	Euro	
Change Euro/\$	1.4227	



Source : OECD, IMF, CIA

8 REASONS TO GO TO ITALY

Rich and large market

11% of European market

Easy to reach

Strategic market between EU and Mediterranean sea



Milan: key international innovative Hub

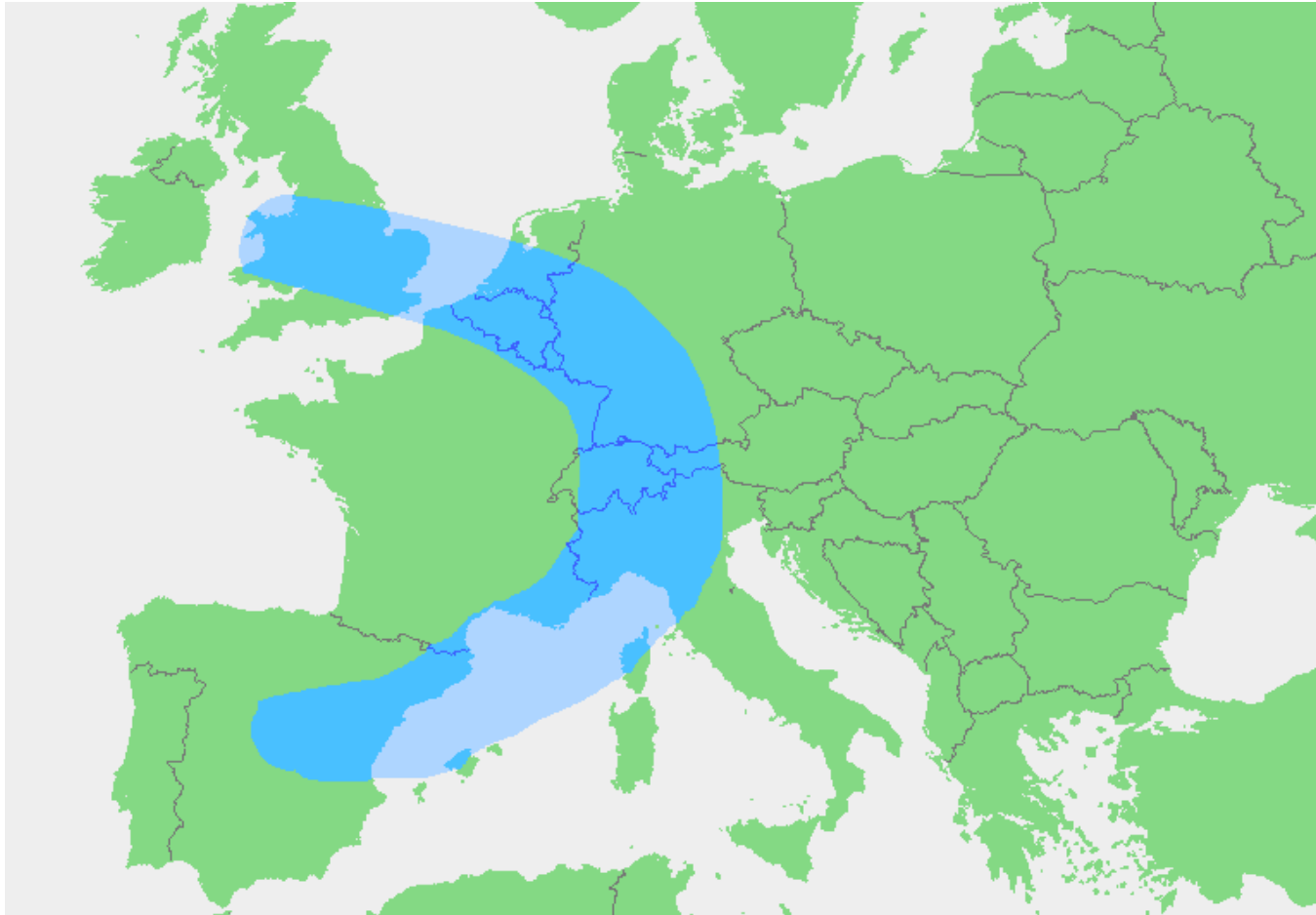
Leading international exhibitions

Open market

Strategic business sectors

STRATEGIC LOCATION

- **Northern Italy** is a part of **Blue banana**, the European corridor which covers the world's highest concentration of money, industry and business trends



BUSINESS OUTLOOK

Import commodities - partners

- engineering products, chemicals, transport equipment, energy products, minerals and nonferrous metals, textiles and clothing; food, beverages, and tobacco
- Germany 16.68%, France 8.82%, China 6.53%, Netherlands 5.63%, Spain 4.3%, Russia 4.12%, Belgium 4.08%

Export commodities - partners

- engineering products, textiles and clothing, production machinery, motor vehicles, transport equipment, chemicals; food, beverages, tobacco
- Germany 12.6%, France 11.57%, US 5.92%, Spain 5.69%, UK 5.13%, Switzerland 4.69%

Export – Import revenues

- Imports € 459.7 billion
- Exports € 458.4 billion

Main industries

- tourism, machinery, iron and steel, chemicals, food processing, textiles, motor vehicles, clothing, footwear, ceramics

MAIN SECTORS



Mechanical



Engineering



Maritime



Fashion



Furniture

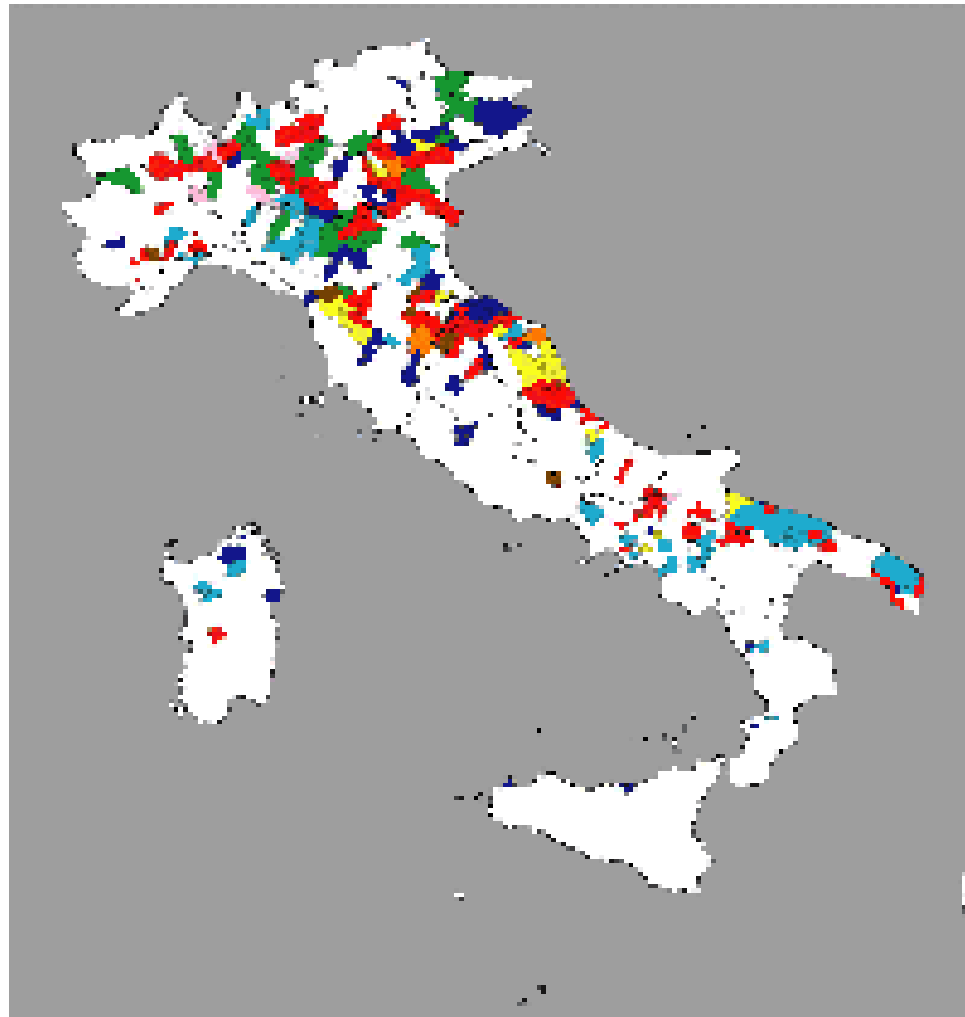


Automobile



Wine & Food

CLUSTERS & SPECIAL ZONES



- Paper
- Fashion and Textile
- Machinery
- Aerospace
- Footwear - Shoe
- Plastic
- Furniture
- Jewelry
- Food industries

TOP 8 ITALIAN COMPANIES

Turnover in euro billions



120,06



83,22



64,03



50,10



27,16



20,01



18,17



11,88



POTENTIAL FOR LATVIAN EXPORTERS

Health

- Large elderly population in need of care.
- Covid19 crisis revealed need for greater investment in hospitals.
- Most Italian medical technology production is medium-technology level, so high-technology products are mostly imported.
- Very important is also the cosmetic field, with natural products

Manufacturing

- A large population of SME manufacturers, which have to struggle with price competitiveness against other European countries, and they need more advanced manufacturing technology.
- Packaging and wood products are in big demand

Food

- Health/organic food is a rapidly growing niche. Other countries are already actively entering the market.

Construction

- Energy saving is a growing concern: insulation, smart houses etc. increasingly in demand

WHY ITALY

- Italy will benefit from EU financial support in excess of 200 billion euro, which will have a positive impact on consumer markets
- Manufacturing industries have not suffered greatly from the Covid19 pandemic; at most some subsectors have suffered minor decreases in sales
- Italy has one of the highest private saving rates in the world and highest percentage of house ownership. A “spumante effect” or “consumption feast” is expected during the summer after a lengthy lockdown period
- Italy is Europe’s third largest economy and the eighth biggest worldwide. It has a mature, rich internal market of more than 60 million inhabitants. Italy is characterised by a strong manufacturing industry, with a turnover of €900 billion with four million supply companies, all of which are highly specialised in particular industrial sectors including mechanical engineering, machining and robotics
- Forecasts by European Commission, the International Monetary Fund and the Bank of Italy all see Italian economic growth at around 4% in 2021 and 2022

WHY ITALY

The
Economist

ITALY NAMED THE ECONOMIST'S COUNTRY OF THE YEAR 2022

“...For once, a broad majority of its politicians buried their differences to back a programme of thoroughgoing reform that should mean Italy gets the funds to which it is entitled under the EU’s post-pandemic recovery plan,”

“Vaccination percentages are among the highest in Europe. After a challenging 2020, its economy is recovering faster in comparison with France and Germany”

WHY ITALY

- Covid 19 and Russia's invasion of Ukraine are changing the supply chain paradigm because:
 - ✓ Costs in traditional "low cost" countries have increased
 - ✓ China continues with "zero Covid" policy (doomed to fail) with entry restrictions and extensive lockdowns also affecting export factories
 - ✓ Too much depends on the functioning of the Suez Canal (just one steering error by a ship can block it for weeks)
 - ✓ The quickest air cargo route between Europe and the Far East is closed and may result in further trading difficulties with China
 - ✓ Linguistic and cultural difficulties persist
 - ✓ Energy prices have skyrocketed
 - ✓ Supply chain bottlenecks are becoming more common



WHY ITALY

- Italy needs to:
 - ✓ Find and diversify suppliers in products and regions which offer the optimal combination of purchase price, dependability and transport cost / distance
 - ✓ Focus on the Euro-Mediterranean (Europe, Levant, and North Africa) region
 - ✓ Transport times counted in days instead of weeks or months
 - ✓ Greater (business) cultural proximity
 - ✓ Better protection of Intellectual Property Right
 - ✓ A surprising variety of cost options



WHY ITALY

- Italy's manufacturing sector is supported by a highly developed research industry. Italy boasts numerous leading centres and research institutes of international interest, in which sectors such as biotechnology, food processing, medical equipment, aerospace and water management provide a significant contribution to the Italian economy while supporting a global export business. The large internal market and the highly developed supply industry make many products available. But the investment capacity in innovative technology remains limited, meaning there is room for external expertise
- Due to its particular history, Italy has a strong regional feel. This is reflected, for instance, in local regulations as well as in a relationship-based business culture: an importer from the north may not be accepted in the south, for example. As a result, distribution is organised around regional agents in many sectors. This requires specific networks and knowledge plus a unique approach.
- Understanding business culture is a key factor in successful export sales. In Italy, one needs to understand several different business cultures and market structures within the country. Finding local importer/distributors in key regions is often the best entry strategy.

TIPS ON BUSINESS CULTURE

Understanding culture can be crucial in conducting business successfully. Between Latvians and Italians, there are some important cultural differences, and they must be given proper attention to.

Meetings in Italy are generally more relaxed than in Latvia, and it is normal to have some small talk revolving around matters not related with business first. The purpose of this is to create a friendly atmosphere. Then, the discussion can go deeper into commercial and technical matters. Avoiding this preliminary part can be considered cold (a stereotype of Nordic people in Southern Europe) and unfriendly. This makes the counterpart less trusting.

Before C19, it was a usual tradition to develop a good long term relation with business partners to invite them on a factory or site and then join a business lunch or dinner together. This is a typical feature of Italian business culture. For Italians, meals of this kind have very high value, so it is better to not refuse.

Italians do not drink much during business meetings, lunch or dinner or after, if they are with a clients or suppliers. In this regard, Italians consider themselves quite sophisticated and would consider excess drinking uncivilized.

TIPS ON BUSINESS CULTURE

An Italian business meeting can be at the same time very direct or very vague, especially in the beginning. This can vary case by case, sector and level of the talk and counterparts.

Italians are usually quite fast in their business communication and pace, with quick responses, and the same is expected from counterparts. If this does not happen, Italians may feel uncomfortable and think the counterpart is not interested or is even impolite. Respectively, Nordic people may find the Italian way of doing business “aggressive.”

One should avoid mentioning any kind of Italian clichés (e.g., corruption, Mafia), as Italians may be offended easily and ready to pop up in their mind Nordic clichés and change positive perception to a negative one. Sometimes Italians, to make their counterpart feel more comfortable, use the same clichés, but the counterpart should avoid mentioning these at all times.

Italians seek to be punctual in business and expect the same from others. If there is a good reason for lateness, it is accepted and understood (e.g., traffic in large cities).

Italians do not value one’s word as highly as Nordic people. Promises made less seriously, and they are subject to interpretation. Thus, an Italian contract may be quite long and complex. Some may see this as Italian thick-headedness and inflexibility.

OUR MARKETS



- Sweden
- Denmark
- Finland
- Norway
- Baltics
- Netherlands
- UK
- Germany
- France
- Belgium
- Italy
- Spain
- Russia
- Turkey

- South Korea

- US
- Canada
- Mexico



THANKS FOR YOUR TIME!



COLUMDAE ApS
Alessio Pogliani
Account Executive



☎: +39 333 8184 080

✉: alessio@columdae.com

✉: netherlands@columdae.com

www.columdae.com



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