

2019

L'Italia in 10 selfie

Shaping economy on a human scale to face the future

Fondazione Symbola

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The most beautiful things are not perfect, they are special.

Bob Marley

Italy gives its best when its ancient chromosomes and identity and the challenges that the future poses cross their paths. Our country can provide a significant contribution to historical challenges such as responding to climate change and development sustainability. A contribution where emphasis is placed on a manufacturing process focused on quality, the environment and human relations, as well as on a way of living and consuming that is more geared towards a sustainable use of resources.

A path leading to a green economy and circular economy that our country has already embarked upon and that goes hand in hand with the all'Italian way of doing business, holding together innovation and tradition, social cohesion, new technologies and beauty, global markets and links with local areas and communities, productive flexibility and competitiveness. And it is precisely competitiveness that is the other side of the coin of this economy, where quality and sustainability are a key driver for operating on the markets.

Italia in 10 Selfie portrays all this from a wide-angle perspective: the records held by our country – often little known or underestimated – and the companies' drive for quality and sustainability that underpins them. A story that covers many aspects of the national economy (others could be added) and sets out to act as a memo and an agenda: this is the starting point for facing the future and the new challenges ahead of us, beginning right with climate change. This is also the starting point for facing Italy's age-old evils (public debt, surely, but also inequality in the distribution of wealth, unemployment, the mafias and corruption, often stifling red tape, southern Italy's backwardness): we can do it only if we unleash our best energies and talents.

Energies and talents that Symbola identifies and relays through its research, which is carried out together with many fellow travellers who share with us the point of view and the mission through which we look to our country without deluding ourselves but also without preconceptions, yet with curiosity and empathy. This cohesive, innovative, competitive, green Italy we are narrating, this Italy that makes Italy, has so much to say to Europe and the world. When we imagine our future, we cannot afford to underestimate it or, worse, forget it. "The difficulty lies not so much in developing new ideas as in escaping from old ones" wrote Keynes. *L'Italia in 10 selfie* is our way of helping to overcome this difficulty.

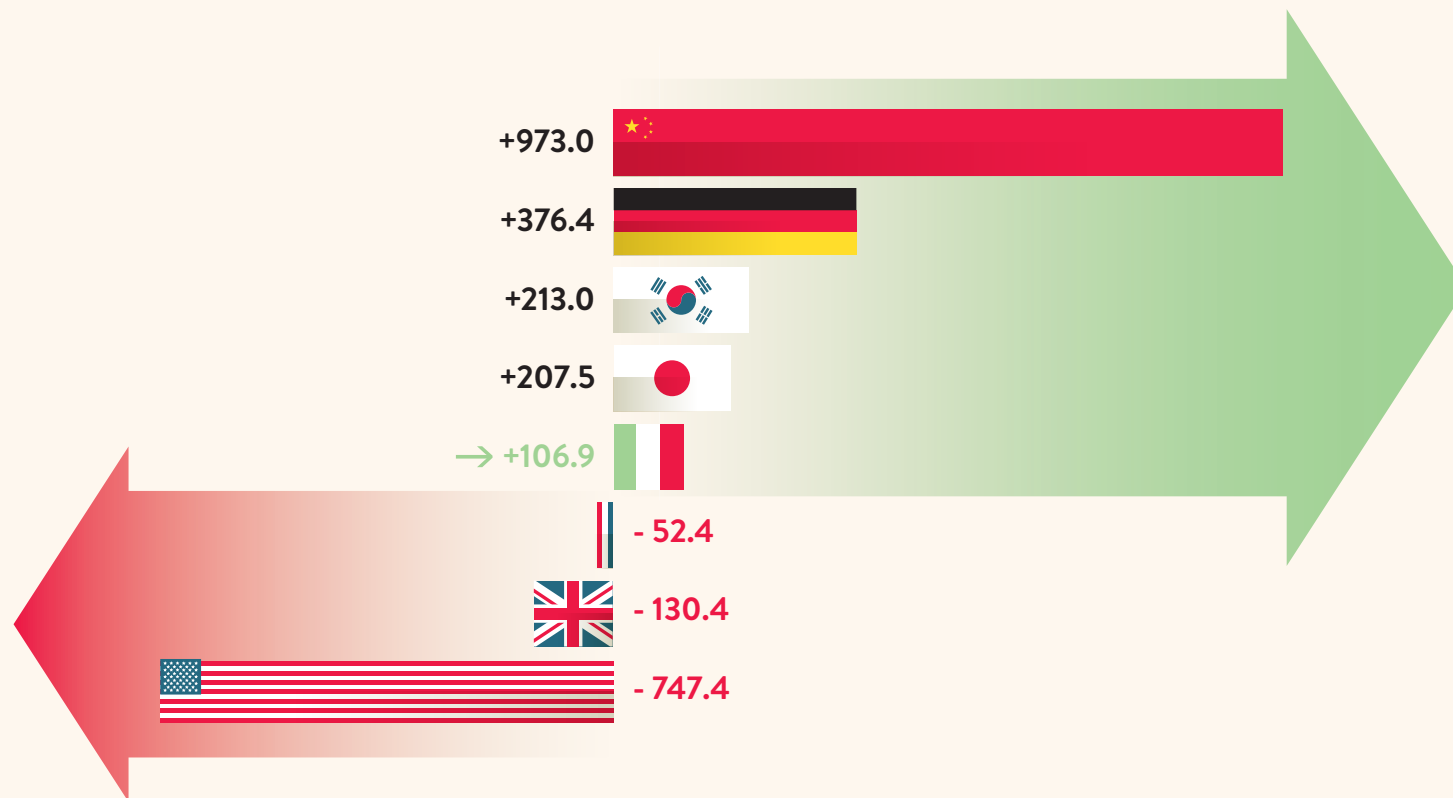
ERMETE REALACCI
President of Fondazione Symbola

2019

L'Italia in 10 Selfie.

Shaping a more people-friendly economy to face the future

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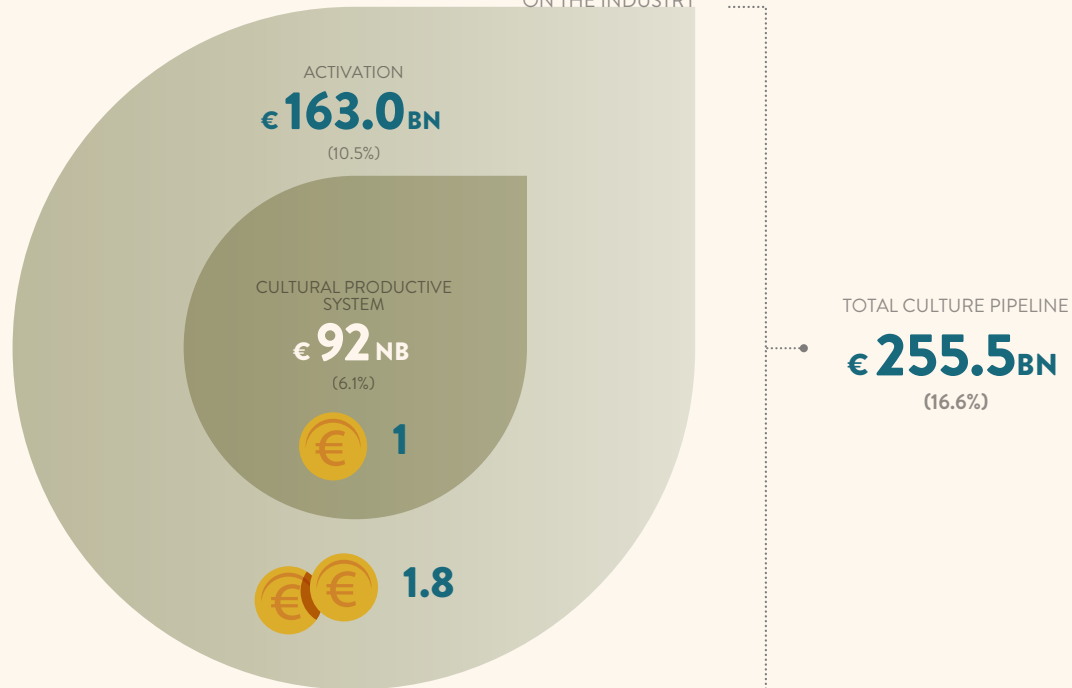
ITALY IS ONE OF THE **FIVE COUNTRIES IN THE WORLD** THAT HAS A **MANUFACTURING SURPLUS** EXCEEDING **100 BILLION DOLLARS**

With a foreign manufacturing trade surplus of \$107 billion in 2017, Italy confirms its leading role in the industry worldwide. With 905 products out of 5206 surveyed in world trade (Fortis-Corradini Index 2016, last year available), Italy ranks first (228 products), second (364) or third (313) in the world in terms of trade balance with foreign countries.

01.

Countries by manufacturing trade surplus - G20, 2017, \$/bn

EVERY EURO PRODUCED BY CULTURE ACTIVATES ON AVERAGE A FURTHER €1.8
THE MULTIPLYING FACTOR ON THE REST OF THE ECONOMY VARIES DEPENDING
ON THE INDUSTRY

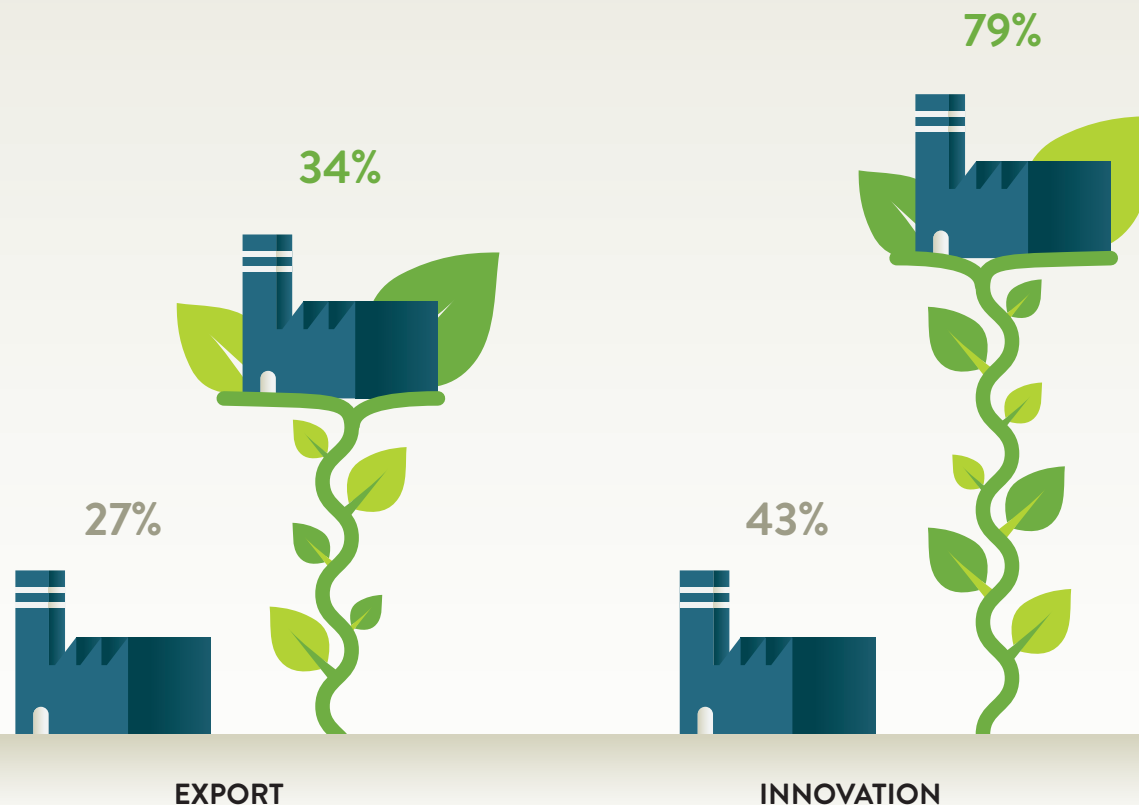


CULTURE, BEAUTY AND CREATIVITY DRIVE MADE IN ITALY PRODUCTS AND ARE WORTH 16.6% OF THE GDP

Italy's culture industry accounted for € 92 billion, 6.1% of the wealth produced in the country in 2017. This figure set in motion a further € 163 billion in the rest of the economy, i.e. € 1.8 for every euro produced by culture. This brings the total to 255.5 billion produced by the entire cultural pipeline (16.6% of GDP), with tourism as the main beneficiary of this leverage effect. Culture and creativity also provide work for 6.1% of total employment in Italy, 1.5 million people. Italy has proved to be the eurozone destination preferred by tourists from outside Europe. In 2016, it ranked first in terms of number of overnight stays of non-European tourists, with over 60 million nights, firmly ahead of Spain (46.5 million), France (36.6 million), and Germany (31.8 million). In particular, the increase in foreign tourists in Italian villages/hamlets is most significant.

02.

Added value of the cultural and creative pipeline (companies, institutions, non-profit organisations). Multiplier effect on the rest of the economy, 2017



GREEN ECONOMY PROVIDES MOMENTUM TO ITALIAN COMPANIES

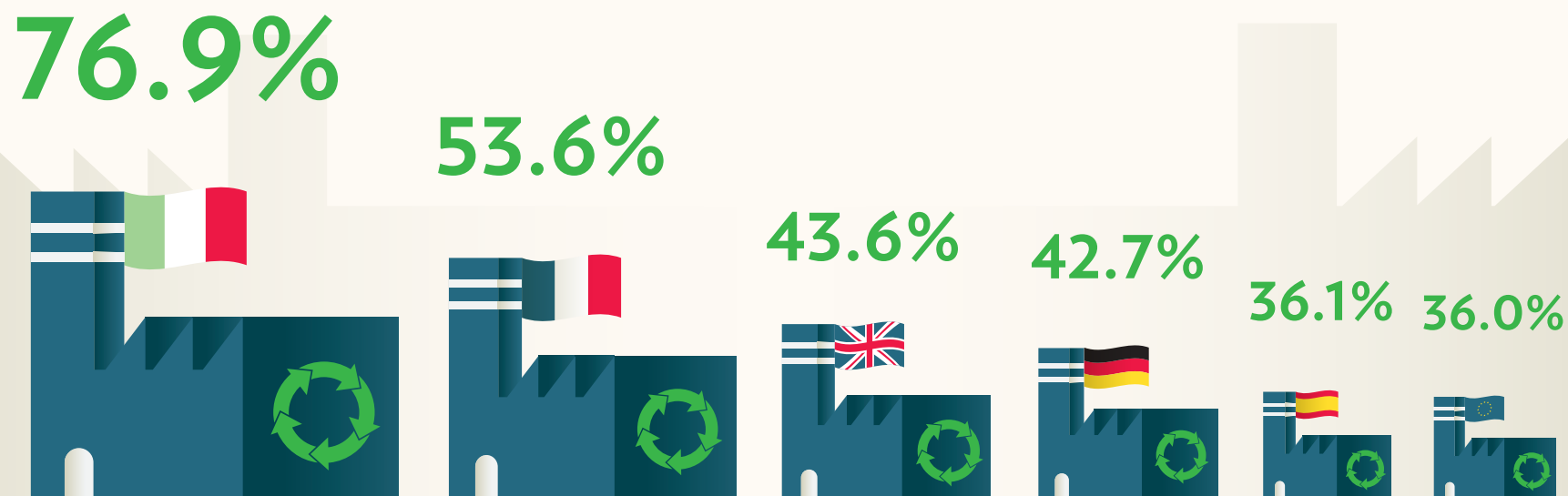
Over the past 5 years, 345,000 Italian companies (24.9% engaging in non-agricultural endeavours and as much as 30.7% engaging in manufacturing) have committed themselves to green economy. This year alone, around 207,000 firms have invested in sustainability and efficiency, resulting in a competitive edge in terms of exports (34% of eco-investment manufacturing companies export on a regular basis, compared to 27% of the other companies) and innovation (79% have developed innovation activities, compared to 43% of the other companies). Green economy is also faring well from an employment perspective. Our green economy has already provided 2,999,000 green jobs, i.e. jobs that require 'green' skills, accounting for 13% of total national employment. In 2018, the demand for green jobs resulted in 473,600 employment agreements being entered into, i.e. 10.4% of the total number of professional profiles sought.

03.

Competitive advantages of manufacturing companies that made green investments between 2014 and 2018.

FONDAZIONE SYMBOLA, L'ITALIA IN 10 SELFIE. 2019

SOURCE| *GreenItaly*, Fondazione Symbola and Unioncamere



ITALY, A **POWERHOUSE** IN **CIRCULAR ECONOMY**

With 307 tonnes of raw material per million euros produced, we rank second among the EU countries for efficient use of material, behind the UK (236 tonnes, but with a finance-driven economy) but ahead of France (326 tonnes), Spain (360 tonnes) and Germany (408 tonnes). Italy is the European leader in the dematerialisation of the economy: for every kg of resource used it generates € 4 of GDP, against an EU average of € 2.24 and Germany's € 2.3.

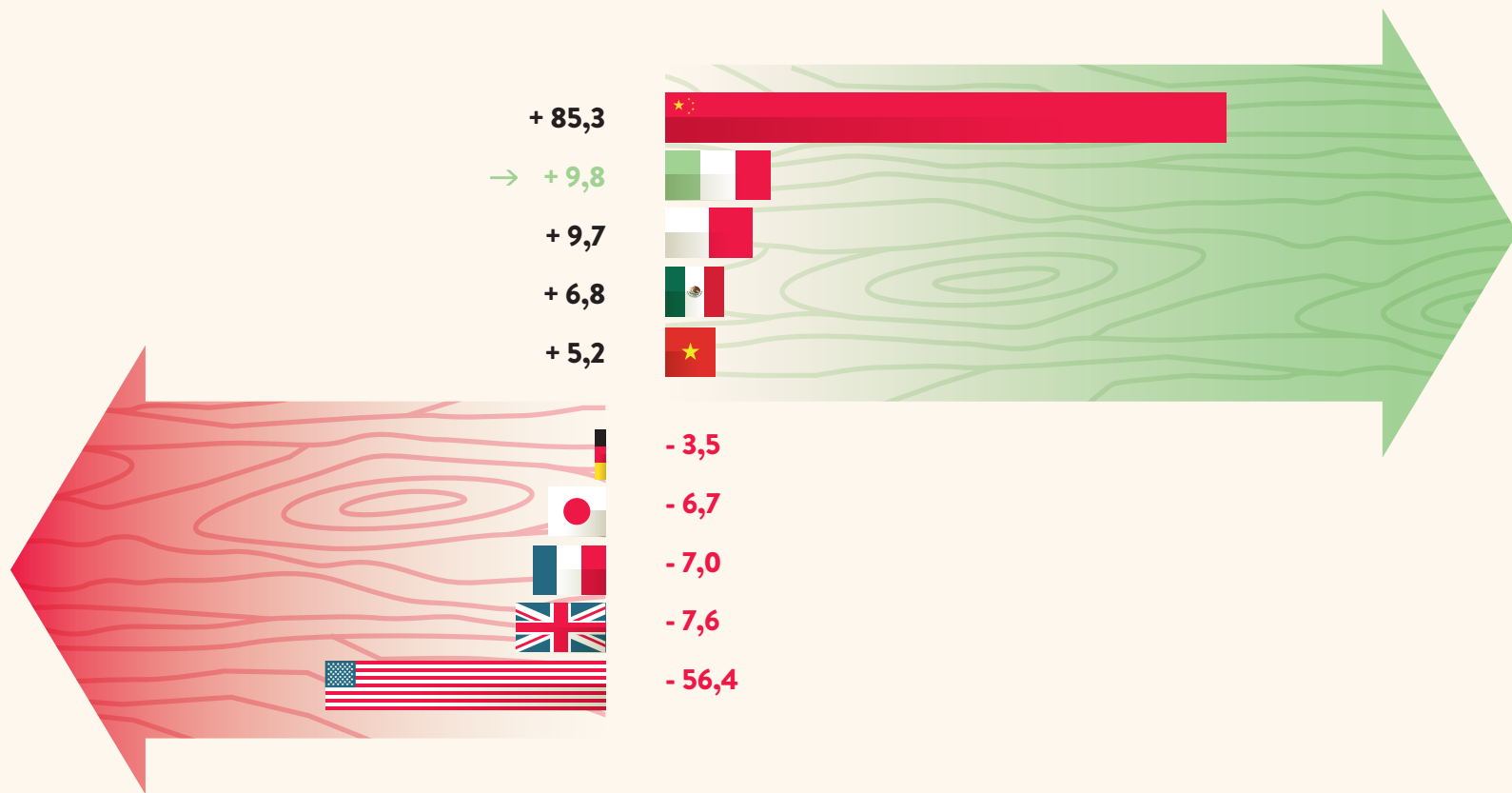
Italy is the European country boasting the highest percentage of recycling of all waste (76.9%), more than double the EU average (36%) and better than France (53.6%), the United Kingdom (43.6%), Germany (42.7%), Spain (36.1%). With 18.5% of secondary materials on the total consumption of materials, Italy is the leader among the major European countries in terms of circularity rate of the economy. A replacement of materials that results in savings totalling 21 million tonnes of oil equivalent and 58 million tonnes of CO₂.

04.

Recycling rate over total waste, Big EU (2014, latest figure available)

FONDAZIONE SYMBOLA, *L'ITALIA IN 10 SELFIE. 2019*

SOURCE | Processing by Ambiente Italia based on Eurostat data



THE ITALIAN WOOD FURNITURE INDUSTRY RANKS **SECOND** IN THE WORLD IN TERMS OF TRADE SURPLUS

With a surplus of almost 10 billion, Italy's wood furniture industry holds the second place in the international trade balance ranking, behind China (85.3 billion) but ahead of its Polish (9.7 billion), Mexican (6.8 billion), Vietnamese (5.2 billion, last figure available 2016) and German (-3.5 billion) competitors. Italy is Europe's top exporting country in the industry (with 30% of the total exported by the EU), with the environmental choices of the manufacturers also playing a role in this respect. We are the European leader in the use of recycled wood for the production of chipboard, with a 90% share of recycled material. We are more efficient in energy consumption per unit of product: 30.5 tonnes of oil equivalent per million euros, compared to 68.1 of the EU average and 63 of Germany (2013).

05.

Wood Furniture Industry Trade Balance 2017
(\$/bn)

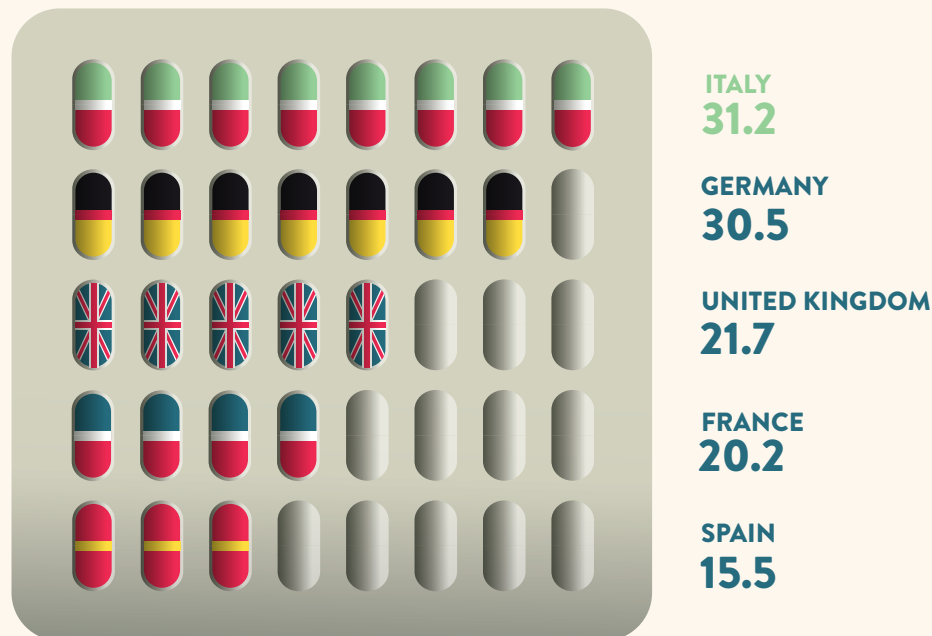


FASHION: THE WORLD'S SECOND LARGEST INDUSTRY IN TERMS OF MARKET SHARES

In the fashion industry, Italy has proved to be more resilient to the crisis of recent years as compared to other European countries, strengthening its international leading position. Indeed, we are the world's second largest industry in terms of market shares (6.5% overall and 10% in footwear, 11% in leather, 12% in accessories) after China (40.4%) and ahead of Germany (5.4%), India (4.7%), Hong Kong (3.9%). Italy, moreover, today produces more than 1/3rd of all the added value of the fashion industry in the EU28, three times more than Germany, four times more than France and Spain. In addition, compared to other European leaders, Italy has been able to maintain the structure of the production chain to a greater extent. For example, weaving and finishing — two pivotal elements of the textile chain — still account for 1/3rd of the added value of Italian fashion, unlike France, an extreme case on the other end of the spectrum, where they dropped to 15%. These results were achieved also thanks to the firms' commitment to environmental issues, as shown by the fact that out of 80 companies that have joined Greenpeace Detox campaign worldwide, 60 are Italian.

06.

World market shares of total fashion, percentage values, 2017

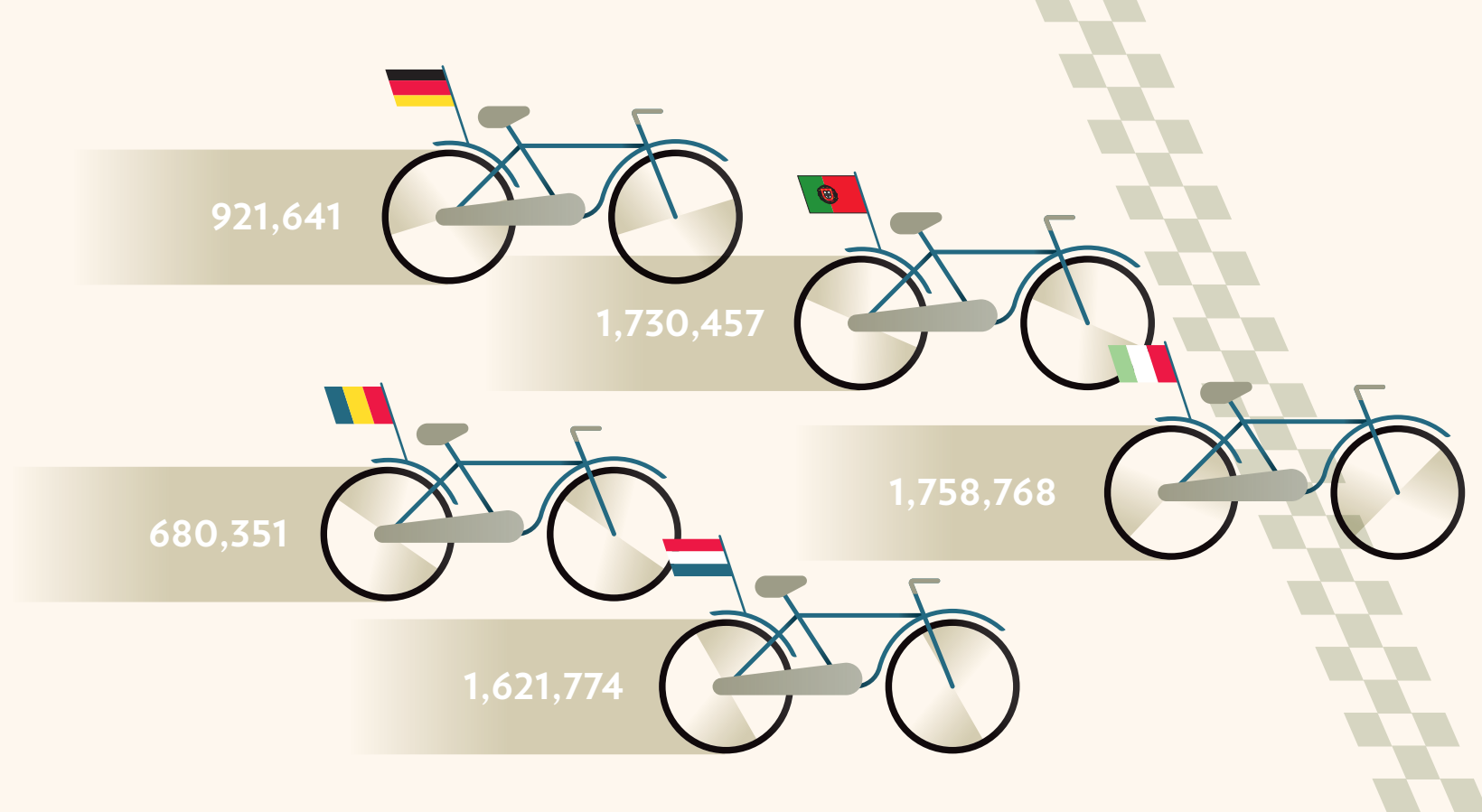


LEADING POSITION IN THE EU IN TERMS OF PHARMACEUTICAL PRODUCTION

Italy is the leading pharmaceutical producer in the European Union. With a turnover of 31.2 billion, we outperform Germany and all other large EU countries, with the increase in exports playing a key role: over the past 10 years, Italy has recorded the highest growth (+107% aggregate) among the major EU countries (+74% average growth). Quality and environmental sustainability are also important competitive factors for pharmaceutical companies, starting with energy consumption. In the midst of the economic crisis, in the decade spanning 2005-2015, the Italian pharmaceutical industry cut energy consumption per unit of product by about 70%, compared to 18% of the manufacturing industry as a whole. Moreover, it has reduced CO₂ emissions by 66% compared to the average 19% of the manufacturing sector.

07.

Pharmaceutical turnover, €/bn (2017 estimates)

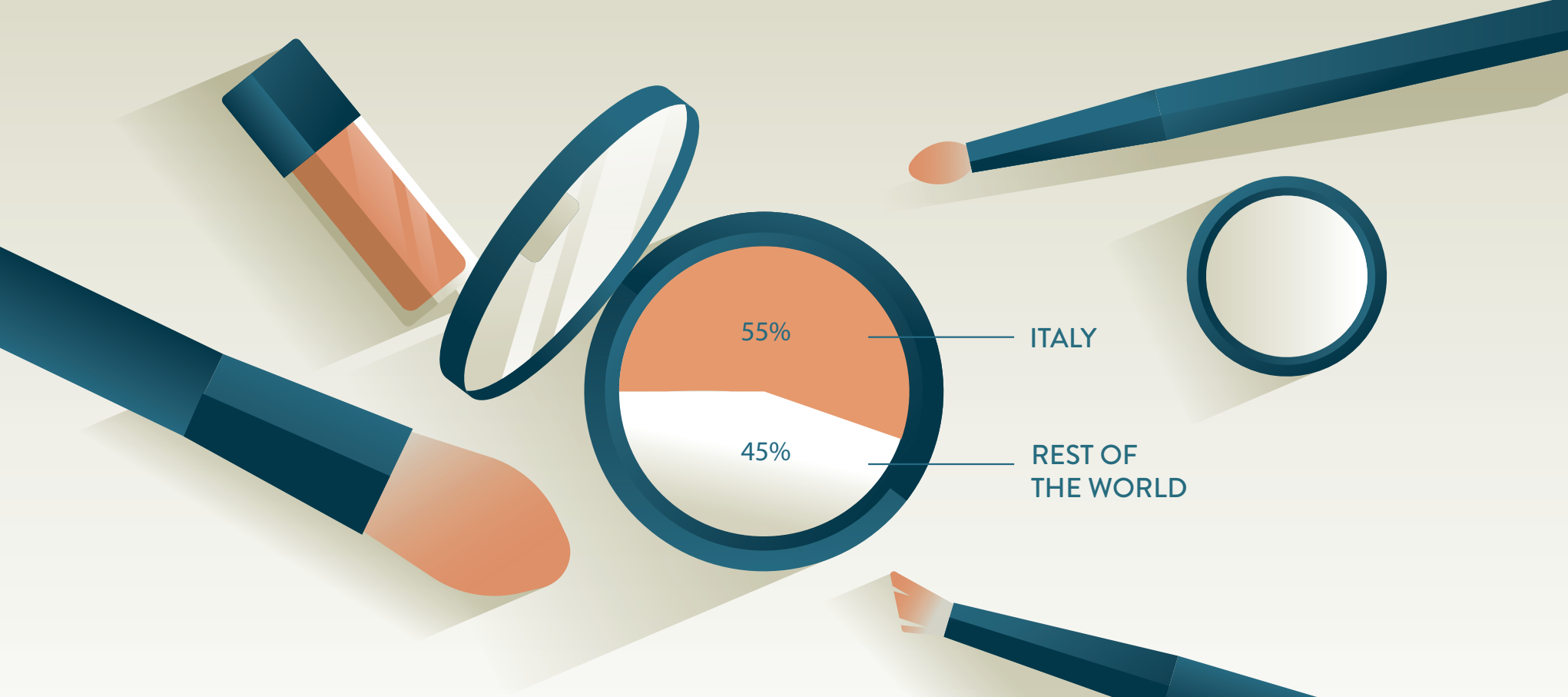


ITALY IS EUROPE'S **LEADING BICYCLE EXPORTER**

Italy is the leading European exporter of bicycles: we sell 1,758,768 bicycles abroad (2017), more than Portugal (1,730,457), Holland (1,621,774), Germany (921,641), Romania (680,351). These bikes account for 15.2% of total European exports, and increased by 244,424 over the previous year. If we consider the entire chain of production (i.e., including components and repairs), the bicycle industry consists of 3,098 companies and 7,741 employees. An important contribution to the prospect of a more sustainable mobility.

08.

Number of bicycles exported per country, EU (2017)



THE WORLD'S **LEADING MANUFACTURER OF MAKE-UP** AND THE FIRST COUNTRY TO ELIMINATE MICROPLASTICS FROM COSMETICS

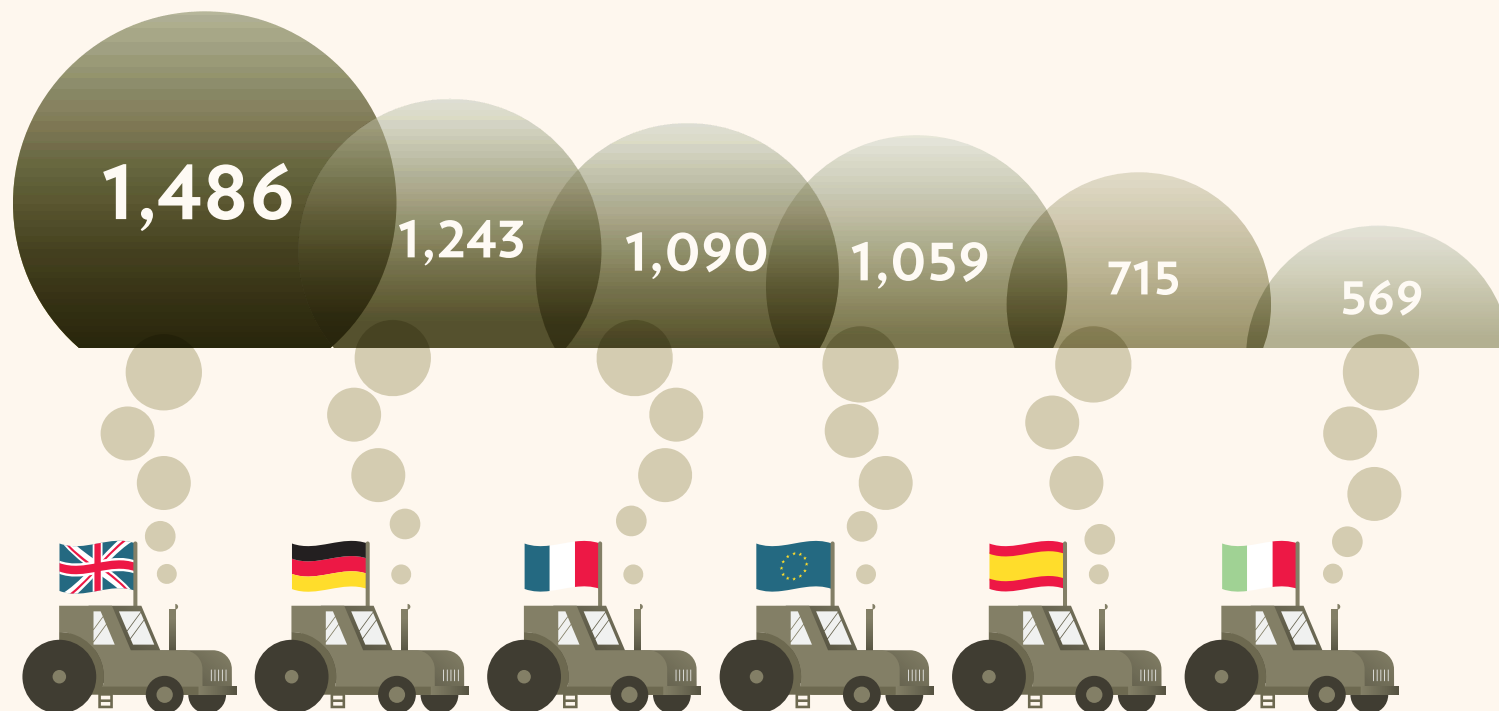
Italy is the world's leading manufacturer of make-up, with almost 55% of the world market produced by Italian companies. By far ahead of its competitors, including South Korea, Germany, France and Brazil. In the European market, cosmetics made in Italy are worth 67% of the market. In 2018, Italian exports grew by 8%, while the trade surplus was worth € 2.6 billion.

We also rank first in terms of environmental challenges: we will eliminate microplastics from cosmetics from 1 January 2020. Effective 1 January 2019, Italy banned non-biodegradable plastic cotton swabs.

The first country in the world to do so.

09.

World market share of make-up products made in Italy, given as a percentage (2017)



ITALY IS THE MOST SUSTAINABLE COUNTRY IN AGRICULTURE

With 569 tonnes per million euros produced, Italian agriculture emits 46% less greenhouse gases than the EU28 average, and fares much better than Spain (+25% compared to Italy), France (+91%), Germany (+118%) and the United Kingdom (+161%). Italy has the lowest number of food products with pesticide residues (0.48%), seven times lower than French products and almost four times lower than Spanish and German products. With 64,210 organic producers, our country is an industry champion, followed by Spain (36,207) and France (32,264). It is the sixth largest organic farm in the world (1.8 million hectares). As far as these records too is concerned the added value per hectare in Italy is more than double in respect to the EU28 average and the national added value of Germany, France and Spain and is four times higher than that in the UK. Young people also played a role in achieving these results: 55,331 farms are run by people who are aged under 35, placing Italy at the top of Europe. Young people's farms have higher turnover (+75%) and more employees (+50%) than the average.

10.

Tons of greenhouse gases emitted per million euro of product (2016, latest figure available)



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