



# **10 TRUTHS**

## ABOUT ITALIAN COMPETITIVENESS

### *FOCUS ON THE BOATBUILDING SECTOR*

Italy is slowly pulling out of the economic crisis. Yet, the Country has to deal with problems that the global stagnation has worsened, but that have been there for decades: low social mobility, underground economy, crime, the South still lagging behind, an often ineffective bureaucracy, an imbalanced tax burden. All these factors weigh down on society, prevent innovation, hinder production and stop entrepreneurial energies from expressing their full potential.

Despite all this, Italy must step up to the challenges and the opportunities that the world places in front of us: the new environmental policies and practices, the new markets, the growth of middle classes in Countries still described as “emerging” (like China, India or South Korea), the increasing desire for high-quality Made in Italy goods.

We need a vision of the future based on an awareness of our real strengths.

Not all the sectors are ready. However, in many cases we have been able to meet the challenge of international competition by leveraging a model built on the indissoluble triad that characterizes Made in Italy: creativity, quality and innovation, increasingly linked to the green economy. Boatbuilding is one of these cases, as demonstrated by the detailed analysis of international trade data: Italy ranks first in more than 220 products, and among these the boatbuilding sector holds the 8<sup>th</sup> place.

After a series of difficult years in which the domestic market was close to non-existent, the Italian companies of the sector are growing again, in particular in the foreign markets. Italy strengthens its undisputed primacy in boatbuilding thanks to its companies’ ability to invest in quality and innovation, driven by the positive image that consumers from all over the world associate with our products.

Our market share, i.e. the percentage of Italian exports out of total world exports, continued to grow throughout the crisis, reaching more than 20%. If we only look at the production of inboard engine recreational boats and yachts our performance is even better, supplying over 30% of international demand.

This result is not only a sign of industrial competitiveness, but also of the potential of the Country’s economy: just to give an idea, the surplus generated by the boatbuilding sector alone is higher than that generated by the production of unfilled pasta or of eyewear, and contributes by more than 4% to the total surplus generated by the national economy.

The Italian boatbuilding industry is the “manufacturing heart” of our blue economy. Its wealth of professional and technical expertise should be recognized, in the first place, for its great industrial and economic value as one of the sectors able to win over the competition in the international markets and secondly, for its exceptional value in representing Italy in the public’s imagination as the land of quality and beauty, known all over the world also through our boats. Giving new impetus to the boating market is in the primary interest of our Country.

**CARLA DEMARIA**

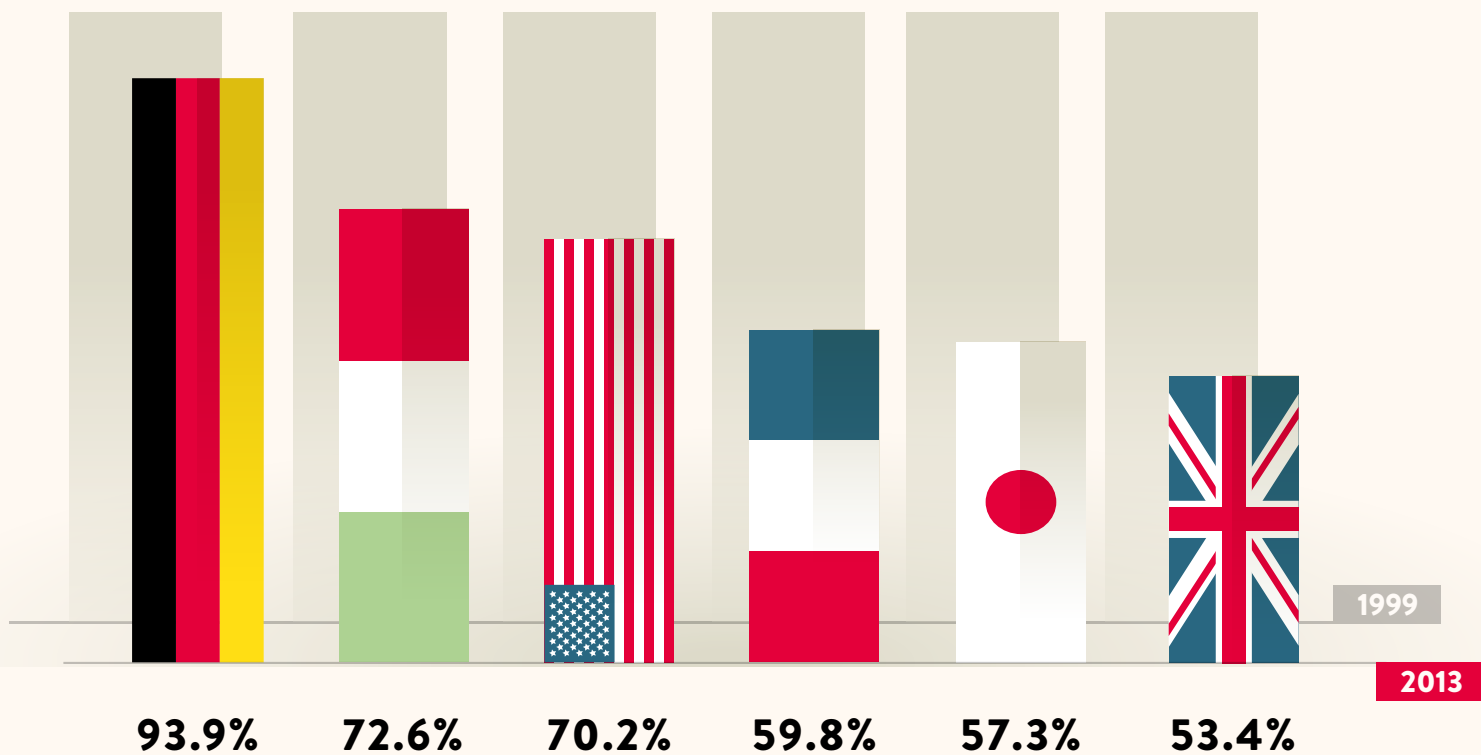
*UCINA Italian Marine Industry Association*

**MARCO FORTIS**

*Fondazione Edison*

**ERMETE REALACCI**

*Fondazione Symbola*



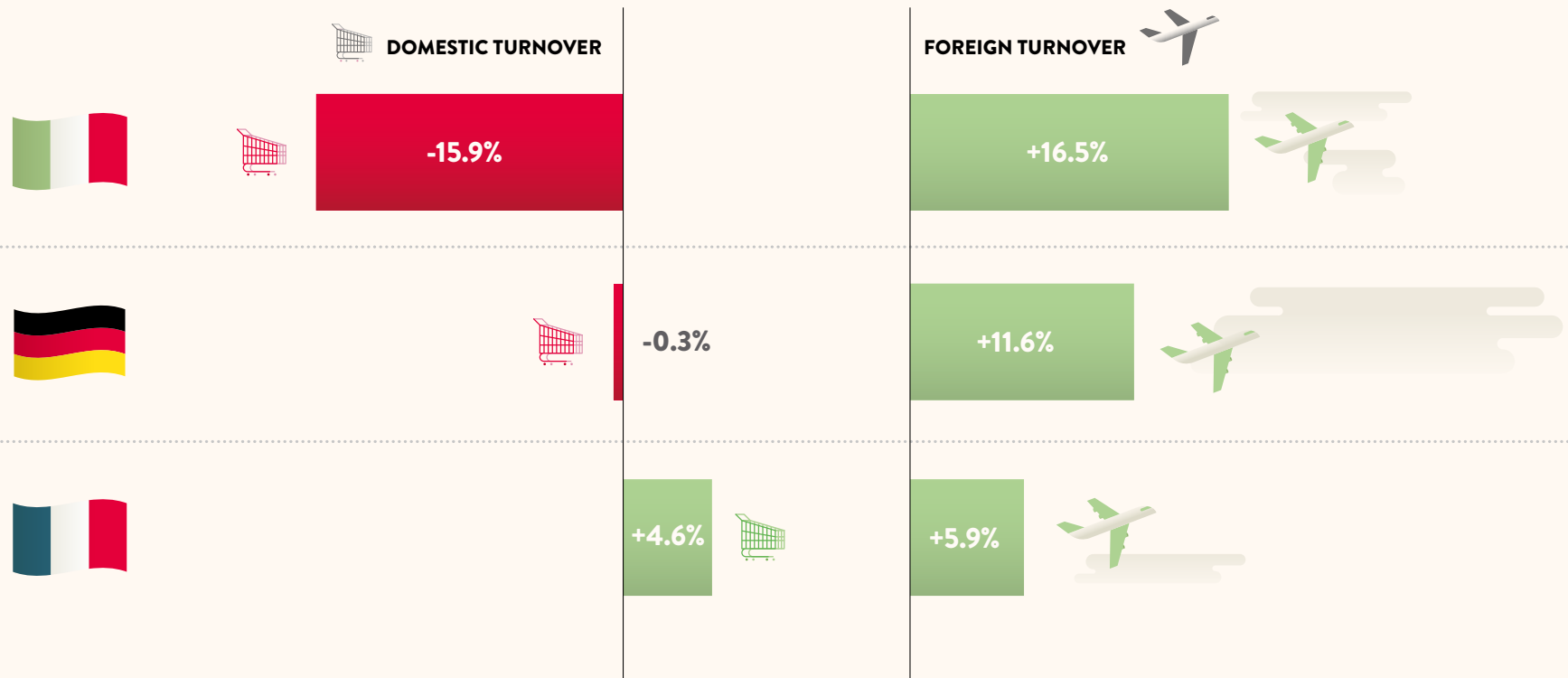
ITALY IS AMONG THE COUNTRIES THAT HAVE MAINTAINED THE HIGHEST WORLD MARKET SHARES THROUGHOUT THE **GLOBALIZATION PROCESS**

Italy has maintained 72.6% of the share of world exports of manufactured goods it held in 1999 (based on 2013 data), before countries like China revolutionized the global trade. While not comparable to that of Germany (93.9%), our performance was better than that of France (59.8%), Japan (57.3%) and the United Kingdom (53.4%).

01.

Shares of world exports of manufactured goods, 2013 vs 1999

SOURCE | Fondazione Symbola, Unioncamere, Fondazione Edison, 10 TRUTHS ABOUT ITALIAN COMPETITIVENESS



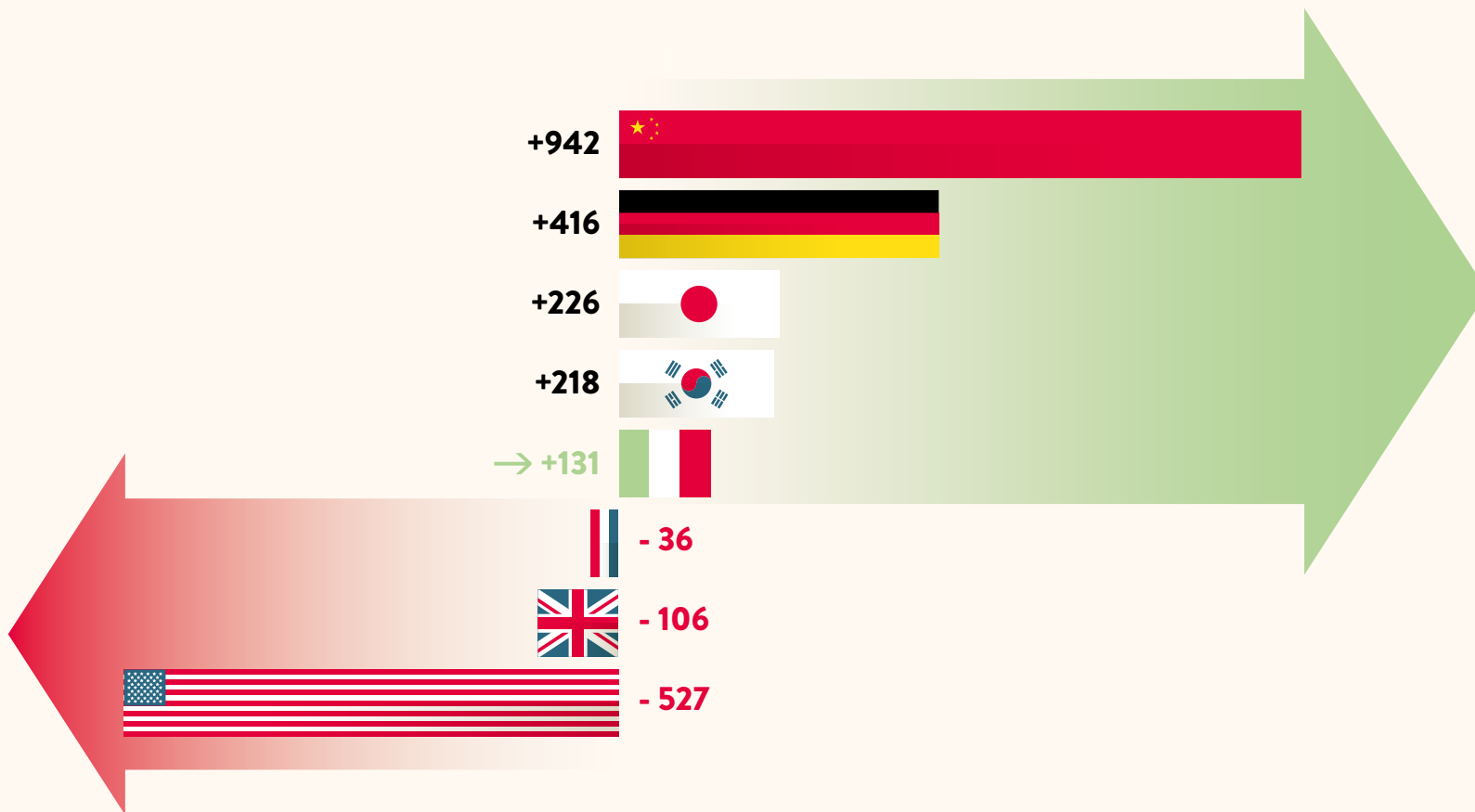
## WHAT IS IMPACTING **ITALY'S GDP** IS THE COLLAPSE IN DOMESTIC DEMAND, NOT THE INDUSTRY'S COMPETITIVENESS

From the beginning of the global crisis (set off by Lehman Brothers' bankruptcy) to November 2013, the domestic revenue of Italy's manufacturing sector plummeted (-15.9%), unlike that of France and Germany (+4.6% and -0.3% respectively). Conversely, our foreign revenue grew by 16.5%, performing better than that of Germany (+11.6%) and France (+5.9%).

# 02.

Trend in the manufacturing industry's revenue (2012=100)

SOURCE | Fondazione Symbola, Unioncamere, Fondazione Edison, 10 TRUTHS ABOUT ITALIAN COMPETITIVENESS



ITALY IS AMONG THE **ONLY FIVE COUNTRIES IN THE WORLD TO HAVE A MANUFACTURING SURPLUS OF OVER \$ 100 BILLION**

With a manufacturing trade surplus with foreign countries of \$ 131 billion in 2013, our Country confirms its leading role in the world's industry. The same cannot be said of other countries like France (-36 bn), United Kingdom (-106 bn) and USA (-527 bn).

03.

Manufacturing trade balance, 2013, US\$ bln

SOURCE | Fondazione Symbola, Unioncamere, Fondazione Edison, 10 TRUTHS ABOUT ITALIAN COMPETITIVENESS



## ITALY IS THE FAVOURITE **EUROPEAN DESTINATION** OF **NON-EUROPEAN TOURISTS**

We are the leading eurozone country for number of non-EU tourist overnight stays with 56 million nights in 2013 (13 million more than Spain).

We are the #1 European country for number of overnight stays of tourists from China (2.8 mln), South Korea (750,000), Japan (2.8 mln), Brazil (1.8 mln), Australia (2.3 mln), United States (11.7 mln) and Canada (2 mln).

# 04.

Overnight stays of non-European tourists in the eurozone, 2013

**SOURCE** | Fondazione Symbola, Unioncamere, Fondazione Edison, 10 TRUTHS ABOUT ITALIAN COMPETITIVENESS



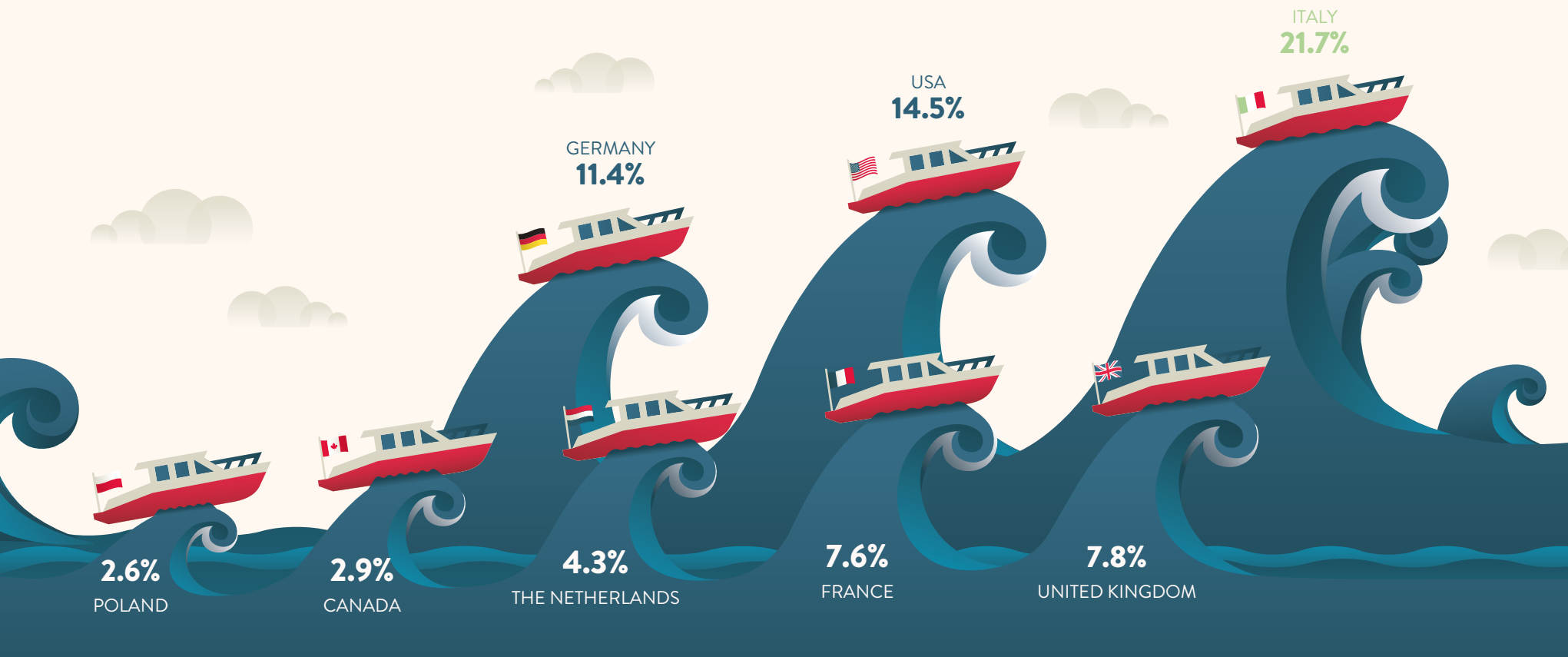
FROM 1996 TO 2013 **ITALY** PRODUCED THE **HIGHEST CUMULATIVE STATE PRIMARY SURPLUS IN MODERN HISTORY**

With a surplus of € 591 billion in current terms, Italy performed better than Germany (€ 371 bn) by € 220 billion. Spain, France and the UK all recorded deficits (-192 bn, -311bn and - £364 bn respectively).

05.

Cumulative state primary surplus,  
1996 – 2013

SOURCE | Fondazione Symbola, Unioncamere,  
Fondazione Edison, 10 TRUTHS ABOUT ITALIAN  
COMPETITIVENESS



## ITALY RANKS FIRST IN THE BOATBUILDING SECTOR WITH ONE FIFTH OF GLOBAL EXPORTS

With over one fifth of the international demand for recreational craft met by Made in Italy products, the Italian boating industry has the world's largest market share. Our major competitors, USA and Germany, follow at a distance with 14.5% and 11.4% respectively.

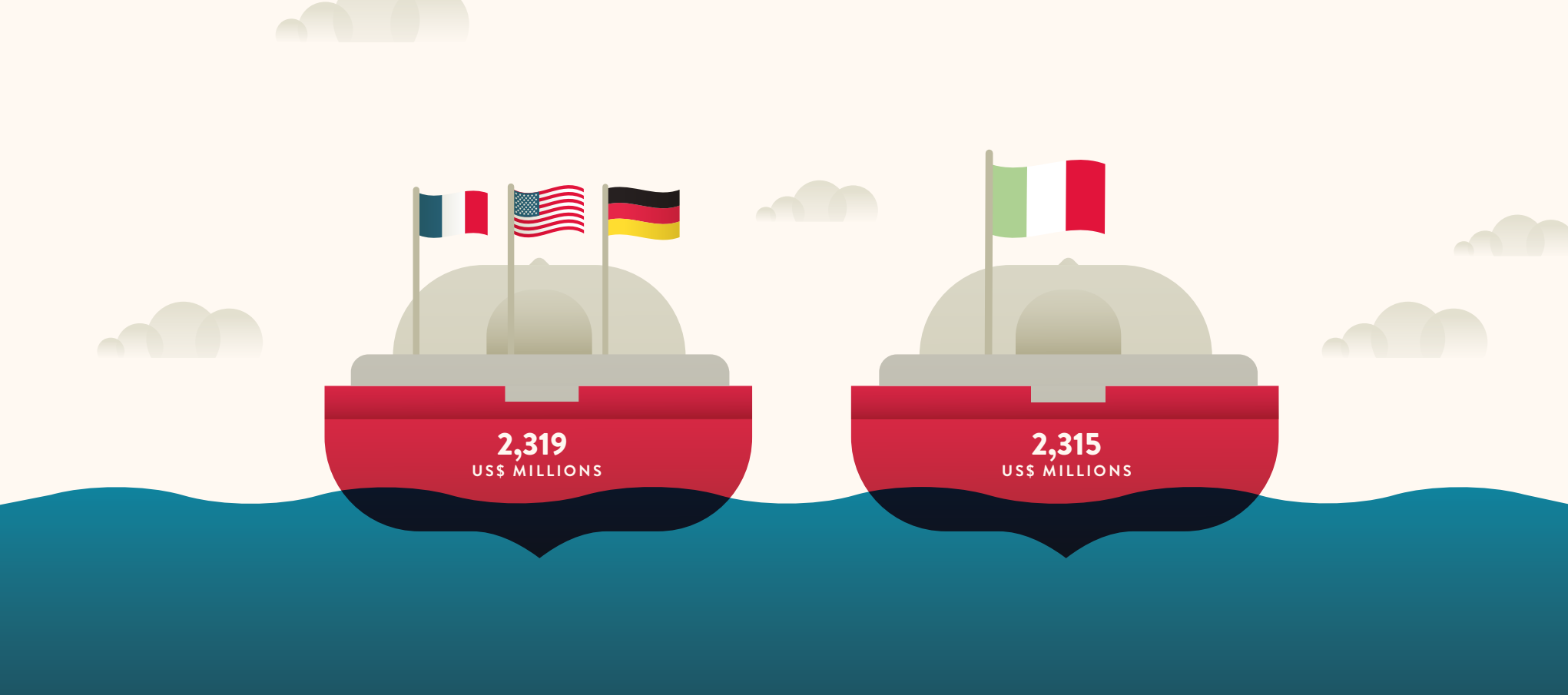
This undisputed leadership is even more significant if we only consider the segment of recreational boats and yachts (with inboard engine), where Italy's market share reaches 32.2% with exports of more than \$ 2.4 billion, more than the sum (26.2%) of the market shares of the top two competitors, USA and Germany.

06.

Major boat exporting countries, 2014  
(percentages on the industry's total global exports)

SOURCE | Processing of UN-COMTRADE and EUROSTAT data





## ITALY'S **BOATBUILDING INDUSTRY** IS #1 IN THE WORLD FOR TRADE **SURPLUS**

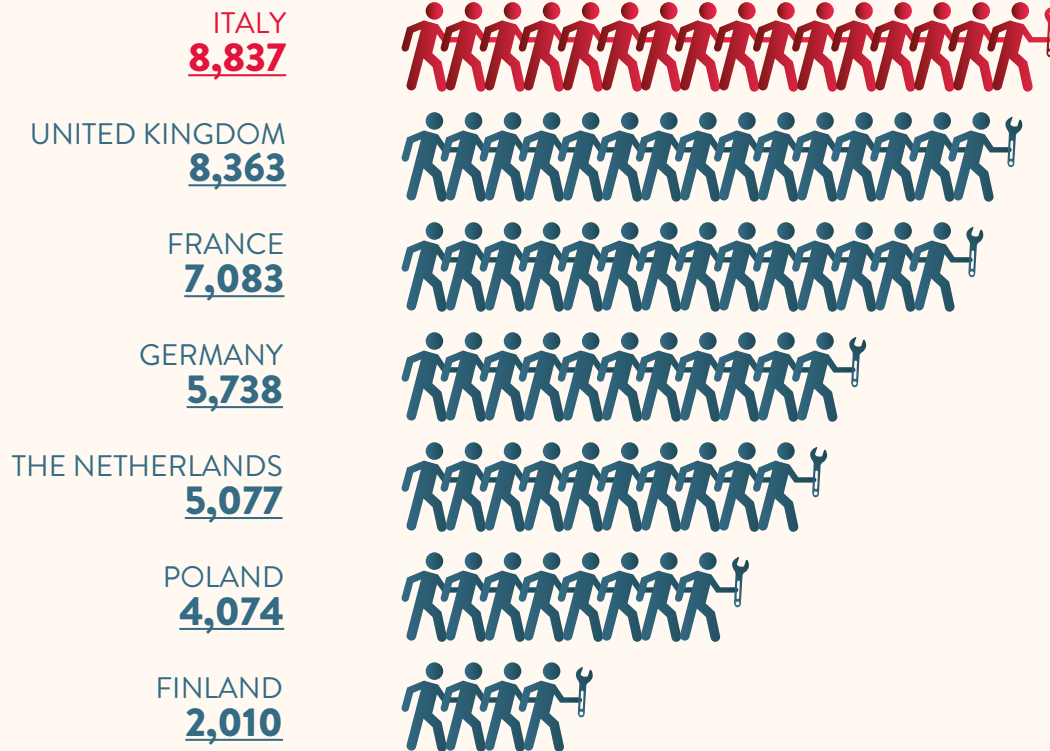
Italy's boatbuilding industry is the world's leader for trade surplus (difference between exports and imports) with over \$ 2.3 billion, twice as much as Germany (\$1.2 bln), and much better than France (\$ 583 bln) and USA (\$ 547 bln), which rank second, third and fourth respectively.

In fact, Italy's result is equal to the sum of those of its three major competitor countries, and growing compared to the surplus recorded in 2009 (\$ 1.9 bln).

To give an idea of the importance of this figure, it should be noted that the boatbuilding industry's surplus accounts for more than 4% of the total surplus recorded by Italy in 2014.

# 07.

Leading countries for boatbuilding industry's trade surplus, 2014, US\$ mln



## ITALY HAS THE **LARGEST** BOATBUILDING INDUSTRY IN **EUROPE** AND RANKS FIRST FOR **NUMBER OF EMPLOYEES**

The Italian boatbuilding industry is first in Europe with nearly 9,000 people directly employed in boatbuilding (out of a total of 18,000): more than the UK (8,363), France (7,083) and Germany (5,738). As concerns the number of boatbuilding companies, only the Netherlands have more than us (but much smaller in size, with an average of 5.7 employees per company compared to our 14.8), while Italy, with 598 companies, ranks first ahead of Sweden, UK, France, Poland and Germany.

08.

Leading EU countries for number of people directly employed in boatbuilding, 2012 (absolute values, latest available data)

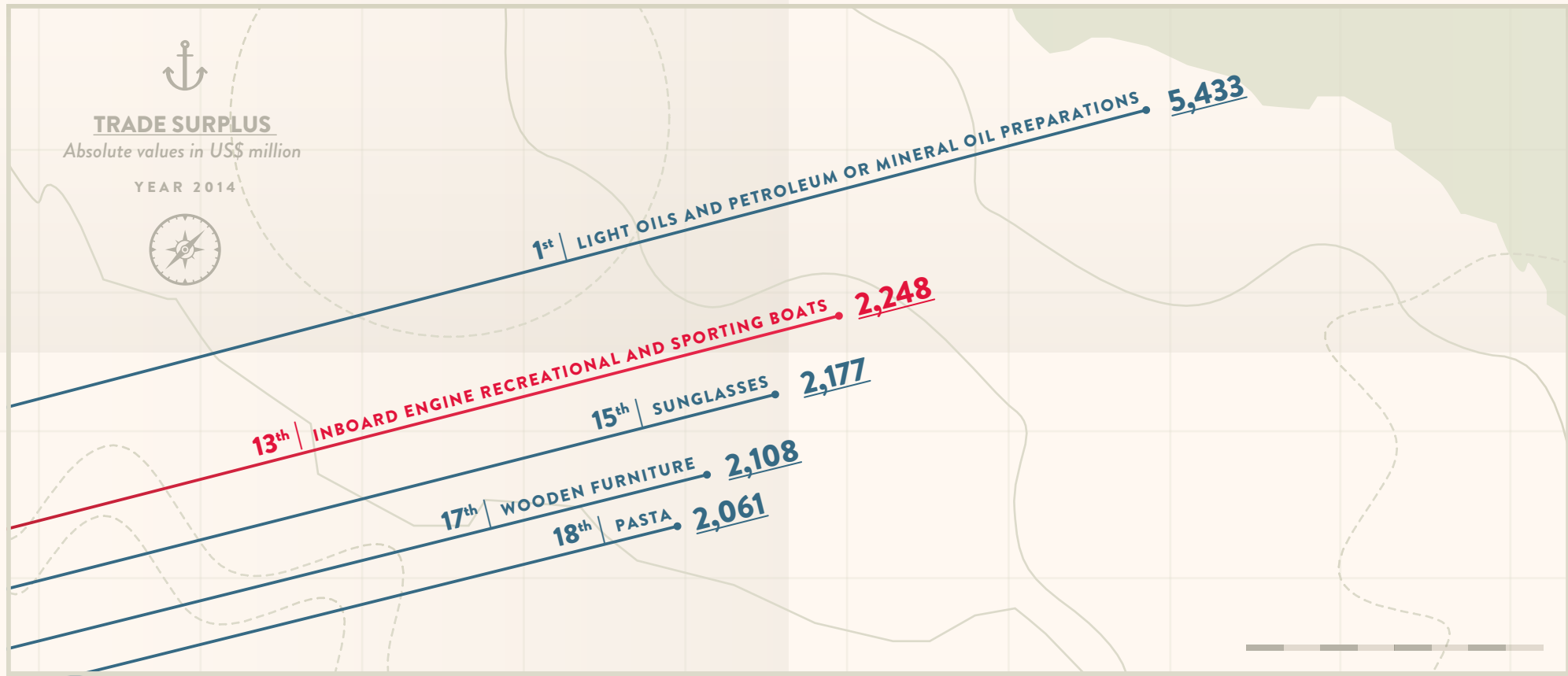
SOURCE | Processing of EUROSTAT data (in the absence of updated data for the UK, ICOMIA data were used)



## TRADE SURPLUS

Absolute values in US\$ million

YEAR 2014



## THE BOATBUILDING INDUSTRY'S PRODUCTS DRIVE ITALY'S TRADE SURPLUS

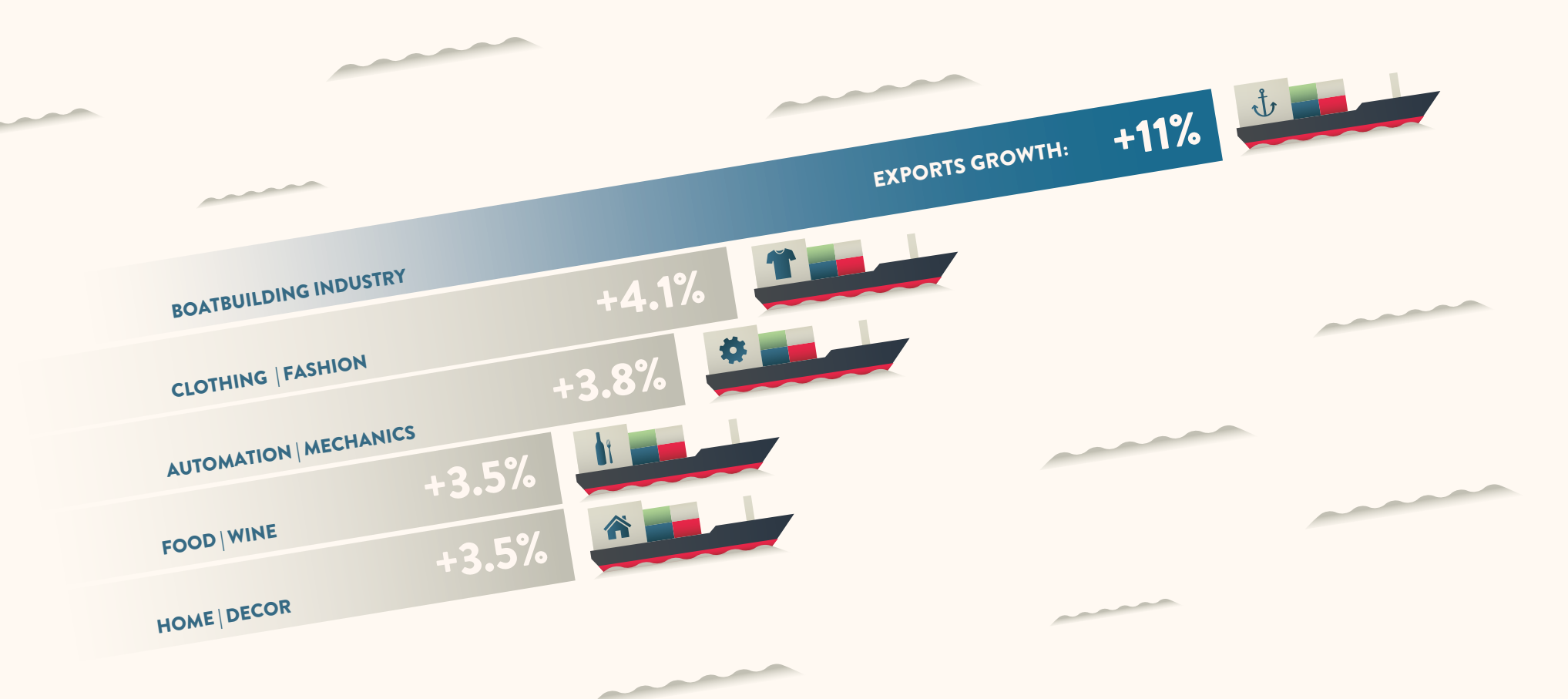
In terms of trade surplus generated by its products, the boatbuilding industry ranks among the very first Made in Italy sectors.

For example, the trade of inboard engine recreational boats generates one of the largest national surpluses: \$ 2.2 billion, more than other top Italian products, including eyewear, unfilled pasta and wooden furniture. Italy's production of inboard engine craft comes 13<sup>th</sup> out of more than 5,000 products listed.

In the ranking of products for which Italy is a world leader, the boatbuilding industry holds 8<sup>th</sup> place for value of exports.

# 09.

Top products for which Italy is the leading trade surplus country, 2014 (absolute values in US\$ million)



## THE BOATBUILDING INDUSTRY LEADS MADE IN ITALY EXPORTS

None of the other Made in Italy sectors can compare with the boatbuilding industry for growth in exports: between 2013 and 2014, with the economic crisis still lingering, it recorded an increase of 11%\*, significantly more than Food & Wine (+3.5%), Fashion (+4.1%), Home Decor (+3.5%) and Mechanics (+3.8%).

\*This figure does not include the contract for the construction of the 140 m "Ocean Victory" yacht, accounted for by ISTAT only in 2014, when it was delivered to the owner.

10.

Trends in exports in key Made in Italy sectors, 2013 - 2014 (percentage variations)

SOURCE | Fondazione Edison and UCINA based on ISTAT data

