



**Oxford Economic Forecasting**

**Prospects for Italian export growth in 2006-2010**

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## CHAPTER 1

### EXECUTIVE SUMMARY

This report presents a new set of forecasts for Italian export growth by sector and destination market for 2006-10, based on a bilateral model of Italian exports.

Key findings of the study are as follows:

- In the last five years Italy's export growth has lagged behind the expansion in international trade. Consumer goods have particularly underperformed as a result of the rapid growth in low-cost competition from emerging markets.
- Nevertheless export growth has picked up since the last part of 2005 and is expected to reach a peak in 2006. Despite a slowdown since 2007-reflecting mainly the moderation in Germany's economic expansion-export performance is projected to remain strong over the forecast period (on average, 5 percentage points higher than in 2001-05). This is a result of a number of factors, including robust growth in Europe driven by domestic demand and continued strong economic development in Asia and other emerging market economies. Along with demand-side factors, better competitiveness in medium-tech export sectors is expected to drive the positive export performance.
- Exports of intermediate goods (chiefly oil-refining products, chemicals and metals) are growing rapidly, helped by commodity price rises, but we expect this rapid growth to begin to tail off by early 2007 as oil prices fall to lower levels. Meanwhile, investment goods offer the best growth opportunities to Italian exporters, especially in developing countries. Rapid industrialisation in peripheral European and emerging Asian countries should continue to increase demand for Italian mechanical engineering (machinery) products, a sector in which Italy is however traditionally strong.

This scenario is however subject to a number of risks:

- The strength of the recovery in the main EU trade partners' economies is key to short-term Italian export prospects: after a strong first-half of the year, Germany seems set for slower growth even though buoyant domestic demand in France is likely to partly offset this result.
- Scenario analysis shows though that a US harder landing could adversely affect Italian exports by further weakening consumer goods – the most vulnerable segment of Italian sales abroad – while exports of investment goods would suffer a milder setback.
- This result could be partially offset by stronger economic growth in key export markets, especially emerging Asia and oil-rich economies. An additional 2% growth per year across the fastest growing segments of in-

vestment goods exports to east Europe, Latin America and Asia, together with a moderate decline in relative wage costs, could boost total exports by around 0.7% per year in real terms and help mitigate the negative impact of exogenous shocks.

## CHAPTER 2

### RECENT EXPORT TRENDS

#### 2.1. Overview

**This chapter focuses on the Italian export performance during 2005 and in the first part of 2006.** It also provides a brief assessment of the country's export structure. Its purpose is to provide the reader with some background information to interpret the export forecast results presented in the next chapters. The main highlights in this section are:

- The structure of exports has been relatively stable over time despite recent changes. Machinery remains the most important export product, Europe the main destination market.
- Export performance in the final part of 2005 and the first seven months of 2006 has been very favourable. This result is particularly strong for non-EU destination markets.
- There are signs of potential export competitiveness recovery in some sectors (notably mechanical engineering).
- Exporters in the fastest growing export sectors were able to raise unit values while increasing their volume market share. It is likely that in such sectors product quality upgrade was a key factor underlying the positive performance.

#### 2.2. Main features of Italy's export structure

**The ratio of Italian exports to GDP is comparable to many developed countries.** Italy's export ratio was 26.3% in 2005, a level similar to the 2002-04 average, but slightly lower than in 2000 when it hit 27.1%. This ratio is 2 percentage points higher than the average for OECD countries but it is well below the figure for EU-15 countries (36.4%). Among the advanced economies, the Italian propensity to export is higher than Japan and the United States (14.3% and 10.5% respectively), slightly higher than France (26%), equal to the one of the United Kingdom (26.3%) and much lower than Canada and Germany. The EU-15 average is however affected not just by Germany, which has an outstanding position in world trade (the second largest country after the US in terms of total exports, the first one in terms of exports of goods), but also by the high trade ratios of smaller economies, including the Netherlands and Belgium which act as important conduits for EU trade. Taking into account this factor, Italy would be closer to most European partners.

**Market shares have declined over time.** Italian total exports amounted to 366.8 billion euro in 2005, representing a share in world exports of 3.5% and placing Italy as the 8th best exporter worldwide. The share has however declined over time: it was 4.7% in 1996 and 4% in 2003. Nevertheless, taking into account export data at constant prices leads to a less negative outcome. The volume market share was 3.1% in 2005, down from 3.9% in 1996. Much of this decline reflects the changing importance in international trade of emerging market economies, especially China, which have increased their share in world trade. The decline in export shares was however stronger than for the main Eurozone competitors, including Germany and Spain. The fall in the Italian market shares hit all major destination markets, with exports to Latin American countries recording the worst performance (-43%) in the period.

**Export composition is heavily tilted in favour of manufactured goods.** In 2005 only about one fifth of total exports were services, the same share as in 1996<sup>1</sup>. Exports of goods have a quite high weight in a few medium-tech sectors, such as mechanical engineering, transportation equipment, metals and chemicals. Exports are also concentrated on more labour-intensive production sectors such as food and beverages, textiles and wearing apparel, leather and footwear, and tiles and ceramics; this is the backbone of the Italian small and medium enterprise (SME) specialization (Table 2.1).

**Machinery is the most important export product, Europe the main destination market.** Export concentration by sector is very high. Slightly more than 20% of total exports of goods are generated by the mechanical engineering sector. The five largest exporting sectors – mainly belonging to the investment goods industry – cover about 62% of the total, with four of them having a weight of over 10%. Destination markets are still mostly within Europe: 55% of exports are directed to EU-25 countries and almost 73% to European countries (including Russia). Only about 10% of export demand stems from central and eastern Asian and Latin American countries: the most dynamic markets in the last decade. Mechanical engineering is the only sector with a relatively important share of export directed to the Middle East and Asian markets.

**Despite some limited changes the structure of exports has been relatively stable over time.** In 1995, the weight of the textiles and wearing apparel sector was almost 2.5 percentage points higher than today. The decline in the export share owes mostly to the impact of “low cost” competition, especially from Asian countries. A similar change – though with the opposite sign – was recorded for the chemicals and fibers sector, where Italian medium-sized firms have become leaders in some market niches. These are the main changes occurred during a decade, with the bulk of the export composition by sector and destination market remaining stable. This outcome raises questions on the ef-

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<sup>1</sup> The source is ISTAT, National Accounts. These data cannot be directly compared to Trade Statistics owing to differences in definitions. See [www.istat.it](http://www.istat.it) for a discussion.

iciency of the geography-sector mix of Italian export, especially in light of the unfavourable competitive performance in the last decade.

**Table 2.1 Italian exports of goods by geographical area and sector**  
(as a % of total exports of goods)

Sector	EU-25	Central and Eastern Europe	Other European countries	Northem Africa	Other African countries	Northem America	Central and Eastern America	Middle East	Central and Eastern Asia	Oceania	Total by row
Agriculture, hunting and forestry	1.03	0.16	0.10	0.01	0.00	0.02	0.01	0.01	0.02	0.00	1.36
Fishing	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	-	0.07
Minerals	0.21	0.03	0.02	0.01	0.00	0.01	0.00	0.01	0.03	0.00	0.33
Food, beverages and tobacco	3.44	0.37	0.30	0.04	0.10	0.78	0.06	0.07	0.22	0.07	5.44
Textiles and wearing apparel	4.47	1.47	0.67	0.28	0.03	0.69	0.10	0.16	0.98	0.04	8.88
Leather and footwear	1.84	0.78	0.34	0.05	0.02	0.49	0.03	0.05	0.61	0.03	4.24
Wood and woodworking	0.25	0.06	0.04	0.01	0.00	0.04	0.00	0.02	0.03	0.00	0.46
Paper, printing and publishing	1.52	0.20	0.13	0.04	0.02	0.09	0.04	0.05	0.07	0.02	2.18
Refined petroleum products	1.38	0.15	0.52	0.46	0.08	0.33	0.12	0.31	0.06	0.00	3.41
Chemicals and fibers	5.78	0.81	1.09	0.19	0.11	0.77	0.28	0.31	0.80	0.15	10.28
Rubber and plastics products	2.65	0.43	0.19	0.06	0.04	0.17	0.07	0.10	0.13	0.03	3.87
Non-metal minerals products	1.61	0.29	0.17	0.04	0.03	0.54	0.05	0.14	0.12	0.04	3.02
Metals and metal working	6.40	1.28	0.61	0.28	0.14	0.49	0.24	0.37	0.59	0.05	10.43
Mechanical engineering	9.73	2.49	1.09	0.58	0.41	1.68	0.86	1.33	1.91	0.30	20.37
Electrical machinery and devices	5.24	0.97	0.51	0.22	0.13	0.69	0.25	0.38	0.97	0.09	9.45
Transportation equipment	7.05	0.88	0.62	0.11	0.13	1.09	0.59	0.23	0.36	0.10	11.16
Other manufacturing products	2.49	0.53	0.38	0.08	0.04	0.69	0.12	0.31	0.33	0.06	5.03
Energy, gas and water	0.02	-	0.00	-	0.00	-	-	0.00	-	-	0.02
<b>Total by column</b>	55.14	10.90	6.77	2.46	1.29	8.57	2.83	3.84	7.22	0.99	100

Source: SACE-OEF calculations on ISTAT data (Trade Statistics).

**Responses to increasing competitive pressure have been different across sectors.** With unit labour costs growing faster than in competing economies (e.g., Germany and France)<sup>2</sup> and with smaller firm size in Italy relative to the main euro area partners, only exporters able to upgrade their products and raise efficiency in the production process have been able to keep their competitive strength, both in EU and non-EU markets. In other sectors, firms have had to either accept a reduction in overall sales or focus on high-yield export products to offset market share losses.

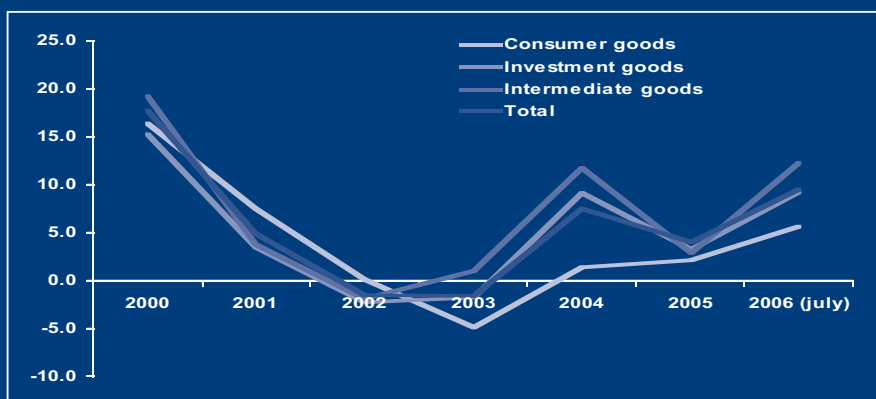
### 2.3. Recent trends

**Export performance was modest in 2005.** After the 2004 temporary recovery (+7.5% in value terms), growth in Italian exports of goods slowed down to 4% in 2005: this contrasts with international trade advancing by 7.4% in real terms in the same year. These results owe to the weak performance of investment and intermediate goods, while consumer goods export improved, albeit growth rates remained low (Chart 2.1). With the only exception of medical devices and precision instruments, exports of investment goods decelerated (i.e., growth of

<sup>2</sup> In 2000-2005 unit labour costs increased by an average annual rate of 3.2% in Italy whereas they rose by 1.8% in France and 0.2% in Germany. Labour productivity – the denominator of unit labour costs – was flat for Italy in the same period while it increased at an average annual rate of 1.0% and 1.5%, respectively, for France and Germany.

mechanical engineering goods fell from 8.4% in 2004 to 2.2% in 2005). The results were more heterogeneous, however, for the intermediate goods industries: the remarkable increase in exports of chemicals and refined oil products was offset by a negative trend in other sectors, such as textiles (-5.4% in 2005). Among the most important consumer goods, apparel showed a slight pick up in growth, while furniture exports declined by 4.4%.

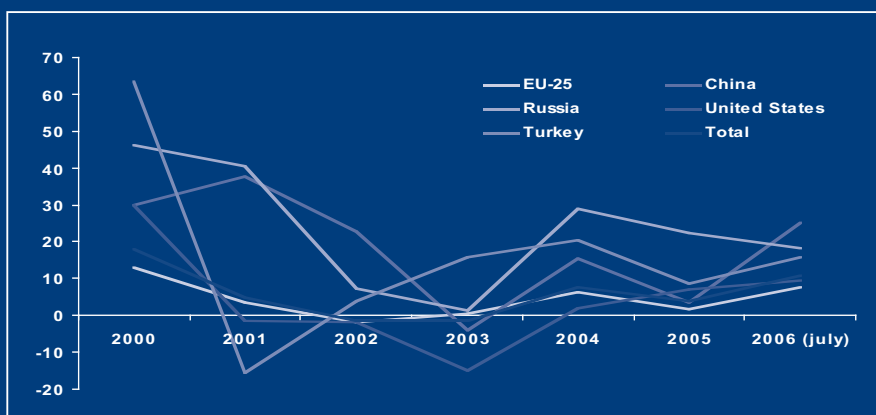
**Chart 2.1: Italian exports of goods by main groups of industries**  
(% changes; January-July for 2006)



Source: SACE-OEF calculations on ISTAT data (Trade Statistics).

**The export slowdown was spread to most destination markets.** Sales to most countries slowed down, with the exception of the United States, where Italian exports of goods increased by 7% in 2005 (led by booming investment and strong consumer demand), up from 1.8% in 2004 and three consecutive decreases in the period 2001-03 (Chart 2.2). The good performance of exports to the United States was not sufficient to offset the deceleration in export growth to EU-25 countries and to most emerging economies, including China, Russia and Turkey. The export growth slowdown was more intense in China and Turkey than in the EU-25 countries and Russia.

**Chart 2.2 Italian exports of goods by country**  
(% changes; January-July for 2006)

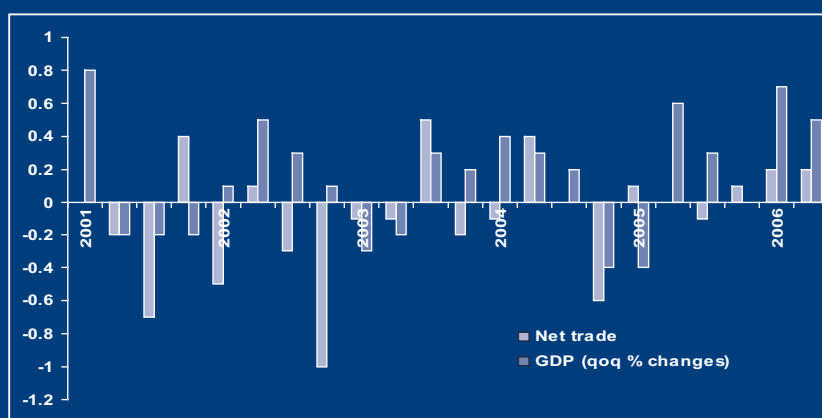


Source: SACE-OEF calculations on ISTAT (Trade Statistics).

**Export growth has rebounded, however, since the last quarter of 2005.** The pick up in export growth has delivered three consecutive positive contributions of net trade to GDP growth (Chart 2.3). Exports of goods were the main force driving this result. In the first seven months of 2006, these exports grew by 9.5% on a yoy basis, the highest upswing since 2000. The main contribution to this strong export performance stems from intermediate goods (+12.3% yoy), helped by the high price of oil and other commodities in the international markets that influenced value trends for products such as petrochemicals and metals. Investment goods export growth was in line with total export performance at 9.2%, while consumer goods export growth – though improving to 5.6%, the highest rate since 2001 – was still a drag on the expansion of sales abroad. Refined oil products (+25.0%), metals and metalworking (+23.2%), food and beverages (+10.2%), and mechanical engineering (+9.9%) have been the most dynamic export sectors in the period.

**Exports to most destination markets performed well.** Russia is the only country where demand for Italian exports continued to cool down, even though exports were still growing at very high rates (18.2% yoy in the first seven months of 2006). Exports to China picked up at an impressive rate (25.2% yoy in January-July 2006, after the poor 3.5% recorded in 2005). Goods export to Turkey grew by 15.7% yoy in the same period, almost twice as fast as in 2005. Export to EU-25 countries went up by 6 percentage points in the first seven months of 2006 to 7.6%. These recent results need to be consolidated over time in order for the Italian economy to catch up with countries that have stronger trade links with China and other emerging economies. Much will depend on whether Italian firms manage to increase their competitiveness and deal with the structural weaknesses that constrain export expansion.

**Chart 2.3 Contributions of net trade to GDP growth**  
(% points on qoq changes; 2001:I-2006:II)



Source: SACE-OEF calculations on ISTAT data (National Accounts).

**Mechanical products were the fastest growing export segment.** These products represent over a fifth of total export of goods, with a relative heavy weight in non-EU markets. This sector is very composite and includes activities in the production of machinery for other industries. Often production is customized and this peculiar feature offers more opportunities for quality upgrading, an important instrument to protect from the competition of emerging economies that have recently started to specialize in such products. In the first semester of 2006, among the countries with sizeable mechanical engineering imports from Italy, there are not only traditional destination economies but also markets where growth is expected to be very intense in the future. These countries include Turkey, Poland, Hungary, Romania, Bulgaria and Ukraine, in Europe; Morocco, Algeria and South Africa, in Africa; Venezuela, Brazil, and Argentina, in America; United Arab Emirates, India, Singapore, China and South Korea, in Asia.

## 2.4. Export prices and volumes

**In the last five years, growth in the value of exports was driven only by the price component.** Average unit values increased by 6.6% in 2005 and more than offset the reduction in exported volumes (-2.4%). In 2004, the unit value component increased by 4% and the volumes expanded by 3.1%; in the 2000-2003 period, changes were, respectively, +5.9% and -4%. Since 2000, unit average values have trended upward and export volumes downward. Two different (alternative) explanations have been given to this result: (i) quality upgrading in Italian productions and stronger market power for Italian firms; or (ii) loss in volumes sold abroad for lower quality goods due to stronger competition, triggering a concentration of exports on higher quality productions with no increase in market shares. The first explanation would evidently be more positive for Italian export performance because it would imply a strong resilience of Italian firms to competitive pressure. The alternative interpretation of these trends highlights the negative repercussions on Italian exports of low-cost pressure from competitors, particularly in labour-intensive sectors. It is difficult to say which is the correct interpretation using aggregate data; however, a closer look at recent trends may help gauge some additional empirical evidence.

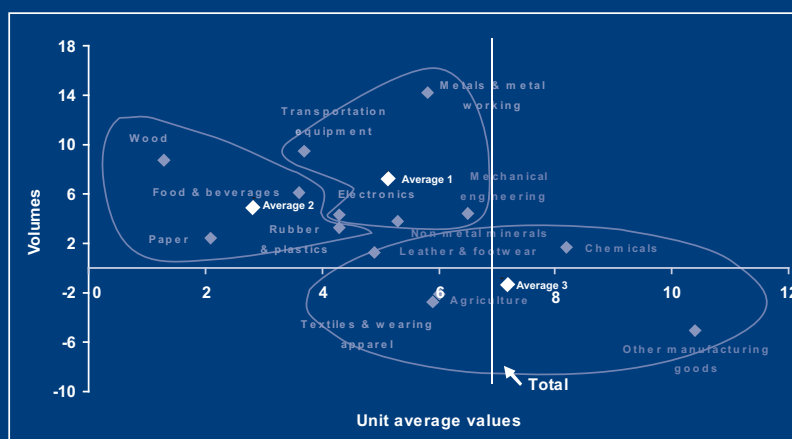
**During 2006 some exporters were able to raise prices while expanding volume market shares.** In the first semester of 2006, unit values grew by 6.8% yoy and export volumes increased by 3.6%.<sup>3</sup> There are three groups of sectors that can be identified by analyzing both volume and price dynamics (Chart 2.4). The first group includes sectors where export unit values recorded high growth rates along with a strong rise in exported quantities. This is represented by export sectors such as metals and metal working. For this group, even

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<sup>3</sup> Statistics on export unit average values and volumes lag one month behind those on export values.

taking into account the effect of rising commodity prices, an increase in the unit values of exported goods is likely to be explained by product quality upgrading. The second group includes sectors showing more modest increases both in terms of unit values and volumes of exports. This second group includes mature sectors (e.g., food and beverages, paper) where firms have lower market power; these firms increased moderately their export prices but were able to increase exported volumes too. The last group includes sectors that performed poorly in terms of export volumes, but where market conditions did not allow an increase in export prices. This last group of sectors (e.g., textiles and leather and footwear) is the one where the Italian firms have suffered most in recent years. For such firms it is very likely that interpretation (ii) above is the most accurate description of price-setting behaviour.

**Chart 2.4 Unit average values and volumes of Italian exports of goods <sup>a)</sup>**  
(% changes; January-June 2006-January-June 2005)



<sup>a)</sup> The petroleum refined products sector is not shown in this chart because it would alter the scale. Data for such sectors are: +43.4% unit average values; -12.4% volumes.

Source: SACE-OEF calculations on ISTAT (Trade Statistics).



## CHAPTER 3

### FORECASTS

The medium term outlook for Italian exports is linked to the macroeconomic prospects of destination markets.

#### 3.1. Overview of macroeconomic prospects

**The world economy is still growing fast.** Despite high commodity prices that have hit the main oil-importing countries yet again this year, the world economy as a whole is still in remarkably good shape going into 2007. The resilience of the global economy to these external shocks has been noteworthy and even with world oil prices remaining above 60\$pb for most of the year, world GDP (measured at PPP exchange rates) is expected to grow by 5.3% in 2006, the best performance for at least 30 years.

**In some ways this should not be surprising.** The economies of Asia (excluding Japan) now represent 35% of the world economy (at PPP rates) and over the last five years rapidly growing emerging Asia has accounted for 60% of world GDP growth. But the US is the world's largest individual economy (28% of the total at market exchange rates) and talk of a possible recession has grown recently. While residential investment and housing starts have dropped markedly in the last few months in the US, house prices have not actually fallen substantially. In spite of a likely poor 2007 for the housing market, we believe the US economy is heading for a soft landing with a year of sub-par growth.

**Meanwhile, the Eurozone economy looks in far better shape now than for several years.** The story that export growth would give firms the confidence to ramp up investment has finally been translated into action. And firms have also been building up their inventories again. However, we have yet to see much of a pick up in consumer spending, currently held back by low real wage growth and hesitant confidence.

**With global growth so strong for so long, shouldn't we be more worried about overheating and inflation?** With growth rates near 7% in emerging Asia perceived as "normal", strong global growth should probably not be seen as a risk of overheating. Rapid growth in emerging markets has pushed up commodity prices, but domestic inflation is either falling or is well under control.

### **3.1.1. International economic outlook**

#### **North America: US and Canada**

**Despite a brisk start to the year, the US economy slowed sharply in 2006Q2.** Growth rates fell to a 2.6% annualised rate from 5.6% in 2006Q1. It is likely that growth will remain below trend in the second half of this year and through most of 2007, with GDP expected to rise by about 2.6% in the year as a whole. The mediocre growth in hiring over the past several months is one factor behind this slowdown and renewed caution on the part of businesses suggests that non-residential fixed investment may remain relatively weak. Furthermore, residential investment has fallen sharply already and a housing downturn may trigger a wider economic slowdown in 2006H2 and 2007. This is not to say that the economy lacks positive factors. Manufacturing surveys point to a continued moderate expansion, and new orders and order backlogs remain on relatively strong upward trends. Still, on balance, we expect the economy to advance at an annual rate of about 2% over the next few quarters.

**After recording solid growth of 3.8% on the year in 2006Q1, the Canadian economy is set to slow in 2006Q2 to below-trend output growth of 2%.** Nonetheless, increased employment will continue to support personal income growth and consumer confidence, and consumer spending is expected to continue expanding at a moderate rate. This buoyancy in spending is likely to spill over into imports, and with real net trade reaching negative territory in 2005 after years of surpluses we expect this tendency to continue.

#### **Eurozone**

**GDP grew at 2.4% on the year in 2006Q2 (its fastest rate since 2001) and confidence indicators point to robust growth in 2006H2.** Encouragingly, for both the Eurozone economy and Italian trade prospects, growth is increasingly supported by domestic demand. Retail sales in the Eurozone expanded by 0.6% in July and growth is likely to accelerate in Q3 compared to Q2. However, the ECB raised interest rates in October for the fifth time since December 2005 and indicated that further interest rate rises are in the pipeline as it sees the medium-term risks to inflation on the upside but those to growth on the downside. Indeed, Eurozone growth is threatened by persistent high oil prices, slower growth in the US and fiscal tightening in the major Eurozone economies as well as rising interest rates. As the VAT rise in Germany in January 2007 impacts on consumer demand and investment, we expect intra-Euro area trade to moderate, yet still maintain a healthy pace of growth.

**The underlying inflation outlook is quite benign:** although consumer price inflation has nudged up, this mainly reflects fuel costs and the opportunity that slightly stronger domestic demand in the region's economy gives to recover profit margins. Given consumer demand is hardly racy, the ability of

firms to charge more still looks pretty limited. Also, despite falls in unemployment over the last year, workers are struggling to push through real wage increases and earnings growth is well below inflation. Overall, we expect GDP growth and consumer spending to maintain some of the momentum recently acquired going forward, but the risks are mainly on the downside.

### **Latin America**

**Most countries in Latin America are experiencing healthy economic growth.** This result is underpinned by a still favourable world growth scenario and improved domestic demand. Strong commodity prices have resulted in trade and current account surpluses in the majority of countries for the third consecutive year. Weighted average GDP growth reached 4.5% in 2005, and we expect only a slight moderation to 4.3% this year. The return of foreign investors and an improved debt position – with less foreign exchange exposure and longer debt maturities – are positive developments in terms of reducing the likelihood of a financing crisis. Judging by current trends and expectations, there are no major economic risks with the potential to significantly destabilise the region's macroeconomic conditions other than an exceptionally sharp slowdown in the global and US economies, which is not likely in our view.

**The prevalence of governments prone to fiscal expansion is likely to bring about higher social spending.** This could help relieve persistent income inequality and boost imports as a consequence. However, many countries may be poised to disregard financial constraints and sustainable levels of spending, with negative consequences for macroeconomic stability and growth in the longer term. A rapid decline in world oil prices would make Ecuador and Venezuela, for instance, vulnerable to this type of risk.

### **Asia-Pacific**

**The Asia-Pacific region as a whole is set to see some of the fastest growth rates.** China and India are the big drivers but the dynamic economies of Hong Kong, Korea and Taiwan are also contributing to overall growth. In Japan, the economy is now in its fifth year of expansion with domestic demand taking over as the main driver of growth. For the rest of 2006 we expect GDP growth to be significantly above zero, giving an annual rate of 2.9% in 2006, decreasing slightly to 2.4% in 2007. In China, GDP expanded at a sizzling rate of 11.3% in 2006Q2 surpassing the 10% rate seen in 2004 and 2005. Although we should see slightly weaker investment and thus GDP growth coming through by late 2006, we otherwise expect the rapid expansion of the economy to continue through 2007-2008. Recently, China's imports have picked up and consumer spending is buoyant but this will take time to whittle down the trade surplus, and imports will typically benefit commodity producers more than high-value added producers.

**Elsewhere, domestic demand growth is robust in nearly all emerging economies of the region.** Thailand and Indonesia are probably the main exceptions to this, affected by both high oil prices and social/political issues. The main risk, on the upside, is that with US short-term interest rates set to fall in 2007, this will ease some of the pressure for higher interest rates in those emerging economies struggling to combat inflation fears and external financing concerns.

#### **Middle East**

**In 2005, high oil prices and rapid growth in world demand sustained the strong economic performance of the largest Middle Eastern economies.** This allowed them to accumulate large current account surpluses. Inflation and interest rates are also at low levels by historic standards. Despite recent geopolitical turmoil, average crude oil prices are set to be around 25% higher in 2006 and once again, regional growth is set to overtake global growth this year.

Most governments have managed their fiscal stance prudently, with savings of oil revenues rates in excess of 50%. Nonetheless, the large oil windfalls have helped flood these economies with ample liquidity fuelling asset price booms (both in local stock markets as well as real estate) that will eventually sustain lower savings rates resulting also in a higher proportion of imports in GDP. The main risks, however, remain on the downside. For instance, we may see further volatility in oil prices induced by supply disruptions. Also, increasing long-term interest rates or an abrupt unwinding of global current account imbalances constitute risks to both financial markets and oil prices. On the other hand, the possibility of real exchange rate appreciation, which has been muted so far despite an improving trade balance, will act to increase the regions total import bill and help reduce global current account imbalances.

#### **Central and Eastern Europe**

**In the Czech Republic and Poland, 2006Q1 GDP growth maintained a robust pace recording a yoy rise of 7.4% and 4.9% respectively.** In both these countries, the outlook for consumer expenditure also looks bright. Domestic demand growth is backed by growing employment and solid business confidence buoying investment prospects. The picture is less rosy for Hungary where the need to drastically curtail the budget (and also the current account) deficit is likely to reduce GDP growth this year to 3% (from 2006Q1's 4.6% yoy rate) and to a mere 2% next year, with a significant slowdown in household spending also expected.

**Meanwhile, in Russia, oil-related inflows have been behind rouble appreciation** and the early repayment of the remaining \$22bn of debt to the Paris Club. This should support government spending into the future. Although consumer spending remains robust and is set to top 10% again this year, GDP

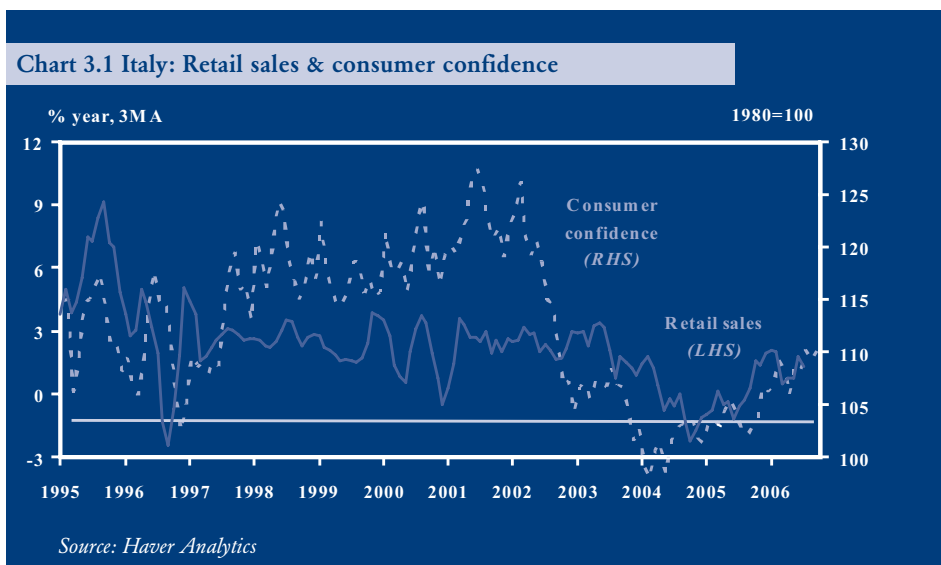
growth slowed in 2006Q1 as output constraints became more noticeable, especially in the oil sector. We expect GDP to only just exceed the trend rate of 6% this year. Overall, the outlook for the region is fairly buoyant, yet the main risk in the region is the political landscape and policy decisions. Political turmoil could derail the process of reform over the medium-term, especially during periods of sub-trend growth.

### *3.1.2. Outlook for Italy*

**The Italian economy gained momentum in the first half of 2006 after a poor performance in previous years.** GDP grew by 0.5% on the quarter and 1.5% on annual terms in 2006Q2, just slightly below the 1.6% figure recorded in 2006Q1, and we anticipate a similar result in the second half of the year. In terms of the contributions to growth in 2006Q2, all sectors suffered declines relative to Q1. Growth in household consumption was particularly dented, rising 0.3% on the quarter after rising 0.9% in Q1, and its contribution to growth moderated to 0.1% in Q2. Investment also moderated to 1.2% on the quarter (from 2.1% in Q1) but remains buoyant nonetheless, and significantly above the average of 0.3% during the last five years. The importance of investment in driving growth is also linked to that of export performance with the contribution of net exports remaining the same in Q2 and Q1 at 0.2%.

**EU-harmonised consumer prices rose 2.2% in annual terms in September.** This is the same as the average annual rise so far this year. Hourly wages in August posted a yoy rise of 2.9%, the highest since November 2005 (except for July). We expect these developments to prevent CPI inflation from falling below 2% over the rest of 2006, but productivity gains should mean that Italy avoids a further pick up in prices.

**On a more positive view, there is upside potential for consumer spending.** Higher wages are stimulating consumption and recent confidence data also point towards more positive sentiment. The ISAE overall consumer confidence indicator has been higher in every month this year relative to the same month in 2005 (Chart 3.1). Sentiment has improved along with the general economic situation and the short-term outlook. This will also act to boost retail sales volumes, which grew 1.9% in yearly terms in July and were up 1.5% in 2006Q2.

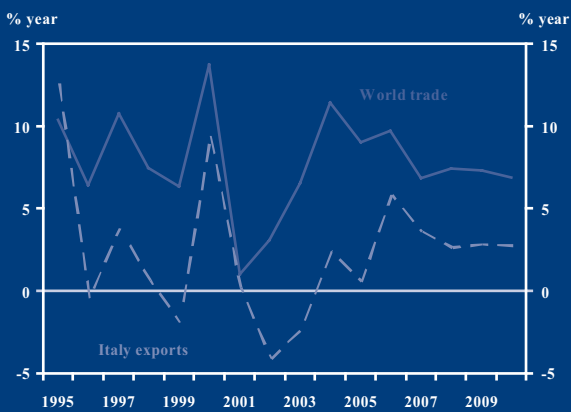


Private business investment, however, is unlikely to be ‘crowded’ in. Investment is unlikely to take over as the main driver of growth (Chart 3.2), especially as the ECB is likely to continue increasing interest rates into 2007, and real rates are set to remain less accommodative over the medium term. Furthermore, Eurozone and US growth are likely to moderate over 2007, resulting in less buoyant prospects for exports. Nonetheless, world GDP growth will remain healthy over the medium-term allowing further growth in several of Italy’s fast growing export markets at the expense of its traditional destinations.

**Net trade impact is uncertain.** Whether the upswing in exports is more than cyclical will also depend on whether the Italian economy can curb rising unit labour costs and improve productivity growth. These problems are largely linked to labour market inflexibilities and relatively rigid nominal wage growth. Indeed, although productivity has ticked up very gently over the last few quarters, there has also been nominal wage growth in excess of inflation. The stabilisation of (relative) unit labour costs in recent months suggests that these two forces are offsetting each other. It is important to note that, however, the gain in employment in Italy over the last couple of years will distort and depress the estimates for labour productivity growth. More significantly, another reason for the rise in employment may be related to the sectors of growth in the economy – growth in low productivity sectors, such as construction, has been high during the period of low growth.

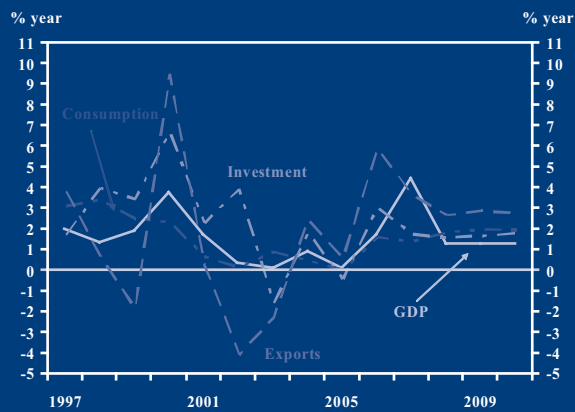
**Chart 3.2 Italy: Selected economic indicators**  
(in %)

**EXPORT GROWTH LAGS WORLD TRADE BUT PERFORMANCE IMPROVES**



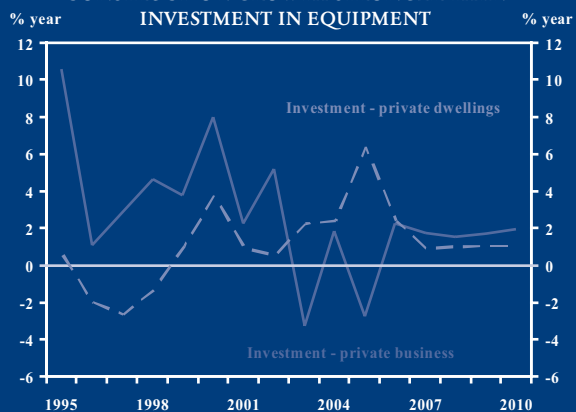
Source: SACE-OEF

**EXPORTS DRIVE GDP GROWTH - DOMESTIC DEMAND SUPPORTIVE**



Source: SACE-OEF

**CONSTRUCTION GROWTH STRONGER THAN INVESTMENT IN EQUIPMENT**



Source: SACE-OEF

**PRODUCTIVITY RECOVERS**



Source: SACE-OEF

**Table 3-1: GDP Growth Outlook**

(Annual % changes used, except where otherwise stated)

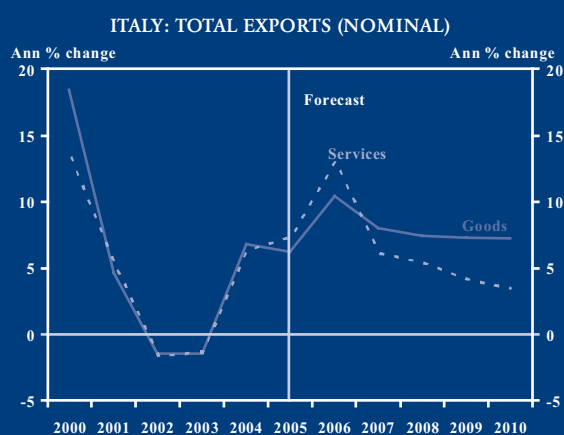
	2005	2006	2007	2008	2009	2010
<b>North America</b>						
United States	3.2	3.4	2.6	3.2	3.4	3.6
Canada	2.9	2.7	2.3	2.9	3.0	2.8
Mexico	3.0	4.8	4.1	3.6	3.5	3.5
<b>Europe</b>						
Euro Zone	1.5	2.6	1.8	1.9	2.0	1.9
Germany	1.8	2.3	1.3	1.4	1.7	1.5
France	1.2	2.3	2.0	1.9	2.2	2.1
Italy	0.1	1.7	1.4	1.3	1.3	1.3
Spain	3.5	3.5	3.0	2.9	2.8	2.8
Netherlands	1.5	2.7	2.5	1.8	1.8	1.8
Belgium	1.5	2.6	1.7	2.0	2.1	2.0
Austria	2.6	3.2	2.5	2.2	2.0	1.9
Finland	3.0	4.7	2.2	2.1	2.3	2.5
Ireland	5.5	5.3	5.4	5.1	4.6	4.2
Portugal	0.4	1.5	1.3	1.9	2.2	2.4
Greece	3.7	3.9	3.4	3.7	3.2	3.5
EU25	1.7	2.7	2.1	2.1	2.3	2.2
UK	1.9	2.7	2.3	2.7	2.9	2.5
Sweden	2.7	4.5	2.8	1.5	1.9	2.4
Denmark	3.2	3.0	2.1	2.2	2.2	2.1
Switzerland	1.9	2.7	1.8	1.8	1.8	1.8
Norway	2.5	2.5	2.8	2.6	2.4	2.2
<b>Far East</b>						
Japan	2.6	2.5	2.2	2.5	2.3	2.2
Australia	2.5	2.7	3.5	3.4	3.5	3.6
South Korea	3.9	5.1	4.9	5.1	4.9	4.8
Taiwan	4.0	4.1	4.0	4.3	4.1	4.1
China	9.9	11.0	9.7	9.7	8.8	8.0
Hong Kong	7.3	5.8	6.0	6.4	4.3	4.7
<b>G7</b>	2.6	2.8	2.1	2.4	2.6	2.6
<b>Rest of the OECD *</b>	2.4	1.9	2.5	3.0	3.1	3.1
<b>OECD</b>	2.6	3.1	2.5	2.7	2.8	2.8
OPEC	6.7	6.1	4.8	4.1	4.1	4.1
Eastern Europe	5.2	5.8	5.4	5.0	5.0	4.9
Africa	4.6	5.6	4.9	4.4	4.1	4.1
Latin America (ex. Mexico)	4.8	4.8	4.2	3.8	3.6	3.6
Rest of World	6.7	6.8	5.9	6.0	6.0	6.0
<b>World</b>	3.3	3.8	3.2	3.4	3.4	3.4
<b>World 2000 PPPs</b>	4.8	5.3	4.7	4.8	4.7	4.6
* Iceland, Luxembourg and New Zealand						

## 3.2. Italian export outlook

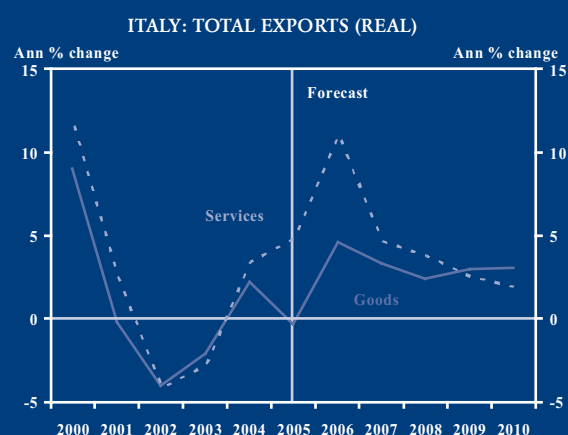
### 3.2.1. Overview

**Export growth is expected to exceed 7% per year over the forecast period.** Growth in Italian exports of goods and services picked up in late 2005, after a poor performance starting in 2000 mainly due to weak demand in Italy's main export markets. Since early 2005, however, real exports have grown rapidly, leading to the strongest and most sustained export performance since 2000. With still relatively benign world economic conditions, especially in the Eurozone, export performance is expected to maintain a healthy pace over the forecast period mostly due to improved economic performance and investment growth prospects in Europe, but also thanks to strong growth in Asia and other emerging markets, which will soak up an increasing amount of Italian investment goods exports. Based on our projections export growth will rebound in 2006 reaching a peak, and gradually slowing down to more sustainable growth levels in 2007-10, in part reflecting Germany's expected economic slowdown in 2007. Nonetheless, during the forecast period export growth will average 7.8%: more than 5 percentage points above the average export growth in 2001-05. We forecast growth of 3.7% and 2.7% in export volumes in 2007 and 2008, with increases of 7.7% and 7.1% in export values. This is about 1 percentage point higher than we had forecast in 2005. While these growth rates will still be lower than international trade expansion, Italy's export share decline (both in total and relative terms compared to the eurozone partners) will moderate as a result.

Chart 3.3 Italy: export outlook  
(in %)



Source: SACE-OEF



Source: SACE-OEF

## A bilateral-sectoral model of Italian exports: an overview

This report analyses prospective developments in Italian trade drawing on a sectoral-bilateral trade model for Italy, linked to the OEF Global Macroeconomic Model. This disaggregated trade model allows to examine in greater detail the trends and key drivers of Italy's overall export performance.

The OEF global macroeconomic model is a quarterly macroeconometric model that covers 45 economies in detail (including Italy) together with regional blocks that complete the world picture. The system thus accounts for total world GDP and trade. Within this, the country model for Italy can draw on the data and forecasts for all of the economies covered in order to examine trade on a bilateral and sectoral basis.

The OEF country models have a broadly neoclassical foundation although "Keynesian" features are seen in the short term in the sense that demand-side GDP may diverge from potential output (and unemployment may not be in equilibrium even over the medium term). The country models determine GDP as the sum of the expenditure (demand) components, covering consumption, investment and trade. However, there is also a dynamic treatment of the determination of potential output, which influences the medium- to long-run trend for actual GDP via the impact of capacity utilisation rates on the economy (e.g., price and interest rate impacts). Each country model covers key variables such as prices, the labour market, income and wealth, government accounts and financial markets. The key central banks are assumed to operate credible inflation targeting, anchoring the nominal variables in the models. As part of a global system, the models also reflect the different ways in which economies interact with one another – e.g., through trade, prices (including oil prices), interest rates and exchange rates, global commodity markets and so on.

The OEF model for Italy has been used as the background for SACE's disaggregated trade model, replacing the single equation for goods exports with a set of export equations covering four sectors (agricultural, consumer, intermediate and investment goods) on a bilateral basis for each country within the OEF system. Similarly, the single equation for service exports has been replaced by a bilateral trade linkage as well. However, the structural form of these trade equations has been retained in that exports are seen as determined by trade partners' demand growth (the dominant factor) and the evolution of relative costs (competitiveness). This implies that, in the absence of changes in competitiveness or changes in exogenous factors such as trade sanctions or tariffs, Italy's market shares should remain stable. In other words, in this model, falling market shares are largely attributed to poor cost competitiveness relative to key competitors.

In summary, within this detailed trade system:

- Italy's exports are modelled on a sectoral basis for all the key trade partners specified in the OEF global macroeconomic model (over 40 countries).
- Bilateral exports are sub-divided into agricultural products (including food, beverages and tobacco), consumer goods, intermediate goods, investment goods and services.
- The disaggregated export flows have been fully integrated into OEF's macroeconomic model for Italy, allowing sectoral trends in the key trading partners to determine Italy's total exports, which, in turn, impact on GDP and other economic variables.
- Demand growth in the trade partner countries is the most important influence on export performance, especially in the short term, and the source of this demand (consumption, industrial growth or investment) also matters, distinguishing the sectoral model from a total export equation.
- Competitiveness also feeds into the determination of exports and the evolution of competitiveness is itself influenced by developments in the domestic economy (wages, employment, other cost factors) as well as the change in costs in trade partner economies (via the evolution of their wages, productivity and so on).
- Competitiveness indicators, based on relative wage costs, are all determined on a consistent basis across the country models of the OEF Global Macroeconomic Model – thus for Italy the measure of competitiveness is based on Italian costs relative to a weighted average of its competitors.

See: SACE-Oxford Economic Forecasting 'Prospects for Italian export growth based on a sectoral-bilateral model of trade for Italy', November 2005, for full details.

[http://www.sace.it/ita/news/listing.aspx?TRS\\_ID=1681000&YEAR=2005](http://www.sace.it/ita/news/listing.aspx?TRS_ID=1681000&YEAR=2005).

### 3.2.2. Sectoral detail

#### Exports of Agricultural goods

**Agricultural exports should increase by an average of 7.7% per year over the forecast period**, with the share of agricultural goods as a proportion of total goods exports declining very marginally – from 7.0% in 2005 to 6.9% in 2010<sup>4</sup>. The forecast reflects a marked improvement relative to the average of the past three years when export growth was 2.8% per year (see 3.2.8 for detailed tables).

#### Exports of Intermediate goods

**Intermediate goods exports are forecast to increase at an annual average**

<sup>4</sup> See Annex 2 for detailed data on export shares.

**rate of 9.3%**, a modest deterioration relative to the average growth rate during the past three years of 10.4% per year. The share of intermediate goods exports in Italian goods exports will rise, however, from 26.2% in 2005 to 27.7% by the end of the forecast period.

**Given that export prices are forecast to decrease in the near term as global commodity and energy prices moderate**, the overall performance in the value of intermediate goods exports is encouraging. Some goods within this sector, such as chemicals and rubber and plastics, are set to see a rise in export prices over the forecast, however, helping compensate the larger declines in raw materials prices. Still, exports should grow robustly in the long run underpinned by industrial performance across both mature and newly industrialised economies

### **Exports of Investment goods**

**Investment goods exports are expected to increase by 9.2% per year on average.** This compares to an average annual growth rate of 3.6% for the last three years, thus making investment goods the most buoyant export sector over the forecast period. The share of investment goods exports in Italian goods exports will rise noticeably from 39.8% in 2005 to 42.0% by the end of the forecast period.

**Newly industrialised countries will offer the greatest growth opportunities.** This is likely to be the case especially if we consider Italy's traditional strength in mechanical engineering rather than other higher value-added electronic sectors. In this sector, the economies of eastern Europe (also Turkey and Russia) offer a long-run growth opportunity, with geographical proximity and political convergence as factors that will act as catalysts in this process. With investment growth generally higher than GDP growth in these economies, a long-run support for investment goods exports can be exploited and we therefore expect investment goods exports to outperform all other sectors in our forecast. While the pick up in industrial growth that began in 2005 will encourage exports of investment goods this year, a moderation in growth is expected beginning in 2007.

### **Exports of Consumer goods**

**Exports of consumer goods will, on average, grow by 5.5% per year over the forecast period** which compares to an average annual growth rate of -2.8% for the last three years. Even with positive growth, the share of consumer goods exports in Italian exports will continue its decline, falling from 25.1% in 2005 to 22.3% by the end of the forecast period.

**Thus, consumer goods will remain the lowest growth sector of Italian exports, as has been the case since the start of the decade.** As with the case of intermediate goods, the risk is that long-term declines in unit value of exports

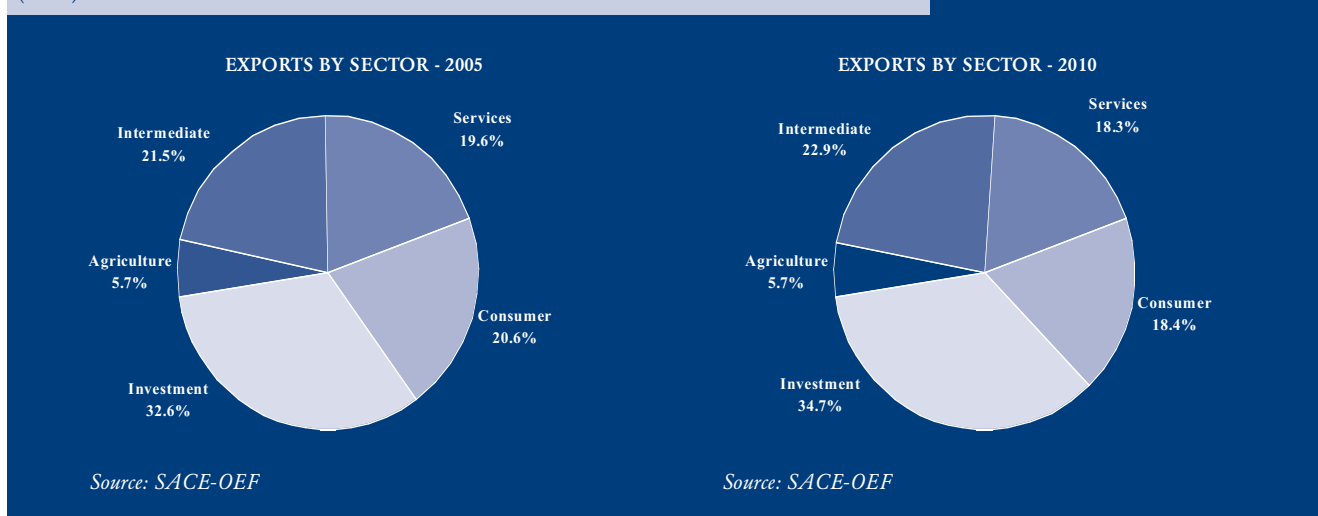
goods such as wearing apparel and industrial textiles (despite potentially offsetting growth in certain niches within these) will exacerbate the declining trend in export volumes.

**This is not to say, however, that nominal export growth will see a trend decline.** On the contrary, with the total value of export goods having risen by 10.4% on the year in 2006Q2 - the highest rate since 2001Q1 - growth in the total value of consumer goods exports is expected to be positive in 2006, after 4 years of decline. Most of the declines in unit values of consumer goods exports have already taken place and only a gradual moderation in export prices is likely over the medium-term, with some sectors, such as leather and leather products, expected to witness steeper declines.

### Exports of Services

**Exports of services are forecast to grow at an annual average rate of 6.6%.** The forecast reflects an improvement relative to the average of the past three years when export growth was 4.2% per year. The upbeat prospects reflect a more buoyant outlook for services export growth especially in oil-rich, newly industrialised economies.

Chart 3.4 Italy: export by sector 2005-10  
(in %)



### 3.2.3. Destination markets

#### North America: US and Canada

We expect exports of goods to the US and Canada to rise. Export growth is expected to reach an average of 8.0% per year and 8.3% per year respectively over the forecast period, with the share of exports relative to the rest of the

world unaltered over the forecast period and remaining at 7.9% for the US and 0.8% for Canada. This is following a period of declining market shares of exports to these countries, especially after total goods exports to the US and Canada fell by an average of 2.1% per year and 0.4% per year during the past three years (2003-05).

### **Eurozone**

**Average annual growth rates are forecast to rise robustly in EU markets.** The most active partners for Italian exports of goods will be Spain (9.1% per year), Sweden and Greece (8.9% per year respectively), and Ireland (8.8% per year). Exports to Germany (8.2% per year) and France (8.5% per year), which together account for around 25% of Italian exports, will also expand healthily over the forecast period. This represents an improvement compared to the last three years, when average export growth to Germany (1.4%) and France (3.2%) was weak.

**The shares of goods exports for the main mature countries will remain broadly unaltered,** with the German share constant at 12.8%, and the share of goods exported to France rising very marginally to 12.1% in 2010 from 11.9% in 2005. Also as regards to Spain, the share rise will be marginal, from 7.4% to 7.6% over the forecast period.

### **Latin America**

**Average annual growth rates of goods exports in the forecast period will see the continued growth** of the past few years and the most active partners for Italian exports will be Brazil (10.3% per year) and Argentina (9.9% per year). Mexican and Chilean average growth (9.2% per year and 8.9% per year) will also be respectable. This, however, represents a normalisation compared to the last three years, when exceptional circumstances led to average export growth of 1.8% per year to Brazil and 28.0% per year to Argentina. Overall, the shares of goods exports for Brazil, Argentina and Mexico will remain broadly unaltered at 0.7%, 0.2% and 0.7% respectively over the forecast period.

### **Asia-Pacific**

**Exports in the forecast period in this region will see some of the fastest growth,** with average annual growth rates of goods exports expected to rise by 14.4% per year in China, 11.9% per year in Malaysia, 11.1% per year in India, 10.9% per year in Thailand and 10.5% per year in Indonesia. The more mature markets of Japan and Korea will also see respectable growth rates of 7.3% per year and 9.9% per year. This forecast extends the large gains in export growth seen over the last three years in some countries, but not in others. Indeed, during the period 2003-05 average growth rates reached 5.0% per year in China, 18% per year in India, 1.2% per year in Indonesia, 0.4% per year in Japan and -1.7% per year in Korea. The shares of goods exports for China and India will

rise, from 1.5% to 2.0% in China and 0.5% to 0.6% in India. Meanwhile, the share in Korea will remain unchanged at 0.7% while that in Japan will register a modest fall, from 1.5% to 1.4% by the end of the forecast period.

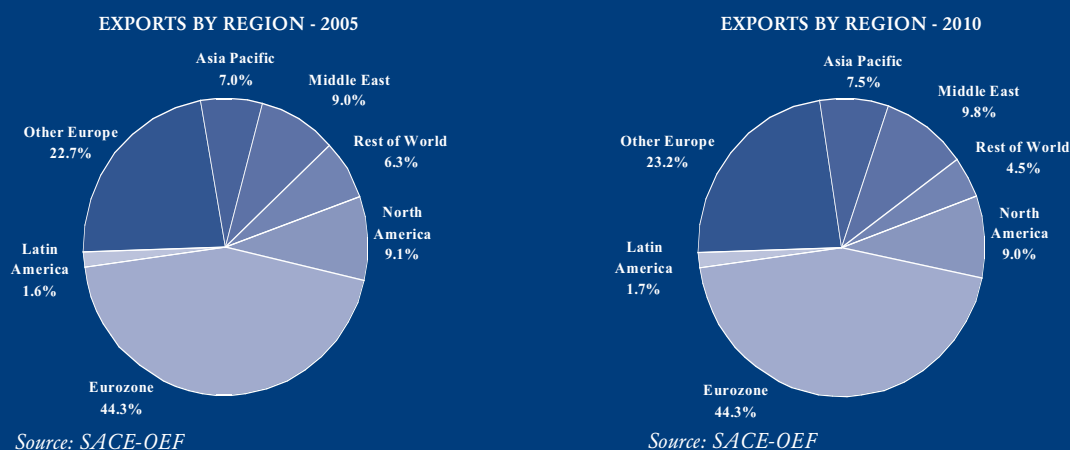
### Middle East

**Goods exports in the broader Middle East are forecast to rise by 8.4% per year** over the forecast period, against growth of 4.3% per year in 2003-05. The share of exports going to these markets will also rise from 9.0% in 2005 to 9.8% by 2010.

### Central and Eastern Europe

**Exports in the forecast period in this region will see rapid growth**, with average annual growth rates of goods exports in the fastest markets expected to rise by 10.0% per year in Russia, 9.8% per year in Slovakia, 9.7% per year in Romania, 9.1% per year in Bulgaria and 8.8% per year in Poland. This forecast builds on the gathering pace of goods exports growth in recent years. Indeed, during the period 2003-05 average growth rates reached 17.5% per year in Russia, 5.8% per year in Slovakia, 8.9% per year in Romania, 13.1% per year in Bulgaria and 8.3% per year in Poland. The shares of goods exports for the largest countries are expected to rise moderately over the forecast period, with the share in Russia rising from 2.0% to 2.2%, the share in Poland rising from 1.8% to 1.9% and the share in Romania rising from 1.5% to 1.7%.

Chart 3.5 Italy: Export by region 2005-10  
(in %)



### 3.2.4. *Sector and destination*

**The highest overall rates of growth will be seen in exports of goods to China** (14.4% per year), Malaysia (11.9% per year), India (11.1% per year), Thailand (10.9% per year), Indonesia (10.5% per year), South Africa (10.6% per year), Brazil (10.3% per year) and Russia (10.0% per year). Turning to the sectoral details and starting with agricultural goods, the fastest growing markets include Romania (13.8% annual average growth during the forecast period), Korea (12.8% per year), India (12.7% per year), Slovakia (12.6% per year), Turkey (12.5% per year), and Chile (11.1% per year).

**In the case of intermediate goods**, the most rapid increases will be experienced by exports to China (14.9% per year), India (13.2% per year), Brazil (12.4% per year), Greece (12.3% per year), Romania (12.1% per year), South Africa (11.3% per year), Portugal (11.2% per year). Growth in France and Germany will also be relatively strong, averaging 9.7% per year and 9.2% per year respectively, but the share in Italian exports of intermediate goods to Germany will decrease slightly, falling from 13.8% in 2004 to 12.8% in 2010 while it will remain fairly stable in the case of France, with a very small decline from 12.7% in 2004 to 12.4% in 2010. However, the overall repositioning of Italian intermediate goods exports will be directed towards emerging markets, which are expected to grow in terms of share by more than 1.9 percentage points, rising from 14.4% in 2004 to 16.3% in 2010.

**Turning to investment goods**, the most rapid rates of growth are forecast to be in exports to China (14.5% per year), Malaysia (14.0% per year), Russian Federation (12.7% per year), Romania and Thailand (12.5% per year respectively) and Bulgaria and the Philippines (11.7% per year respectively). Germany (9.3% per year) and France (9.4% per year) will also contribute significantly to Italian exports growth rebounding over the forecast period. Rapid industrialising in high growth emerging markets is likely to see the emerging markets' share of the export market in this sector increase from 21% to 23%.

**Italian exports of consumer goods are expected to increase fastest in those emerging countries with highest per-capita GDP growth.** These countries include China (13.6% per year), Brazil (10.7% per year), Indonesia (9.9% per year), Turkey (8.6% per year), Korea (8.3% per year), India (8.2% per year) and Thailand (8.0% per year). Competitive pressure will continue to be most severe in this sector, especially in more mature markets, resulting in industrialised countries' share of Italy's export market for consumer goods declining by 0.6 percentage points and emerging markets becoming an increasingly important export destination.

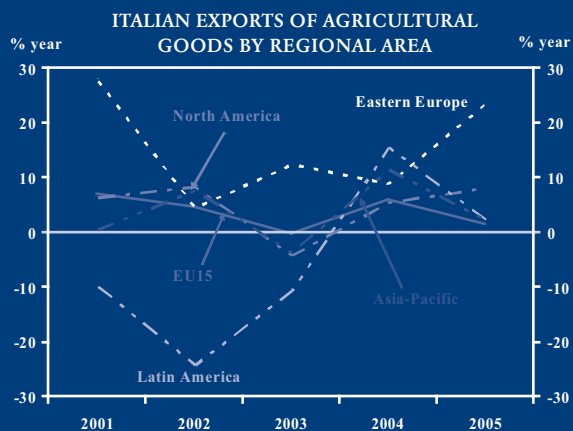
Finally, as for services, there will be major increases in demand from the Russian Federation (16.3% per year), Turkey (9.6% per year), China (9.5% per year), Brazil (9.2% per year), Switzerland (8.1% per year) and the Czech Republic (6.8% per year). An average growth rate of 5.5% per year in export of services to other European (EU15) will see the EU-15's share of the market decrease by over 3 percentage points over the forecast period. In this segment, the US will remain an important market with a share of around 9% and an average growth rate of 5.0% per year.

**Table 3.2 Italy: Changes in the share of sectoral exports by region (2005-2010)**  
(percentage points)

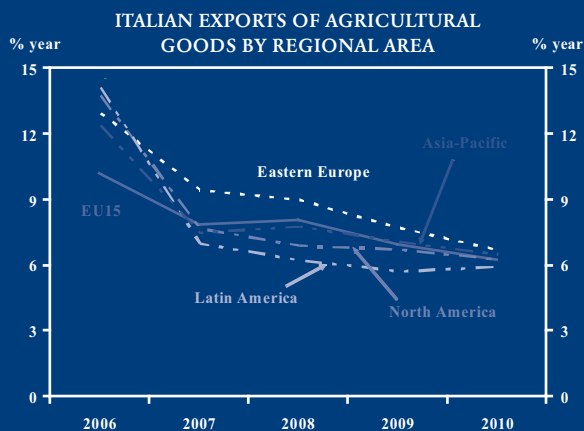
	Agriculture	Consumer	Intermediate	Investment	Services
North America	0.00	-0.37	0.12	0.21	-0.34
Eurozone	0.00	-1.11	0.74	1.01	-1.21
Latin America	0.00	0.00	0.07	0.06	-0.01
Other Europe	-0.01	-0.58	0.53	0.63	-0.38
Asia Pacific	0.01	-0.09	0.23	0.55	-0.15
Middle East	-0.04	-0.04	-0.28	-0.38	0.85
Total	-0.04	-2.19	1.41	2.08	-1.24

Source: SACE-OEF

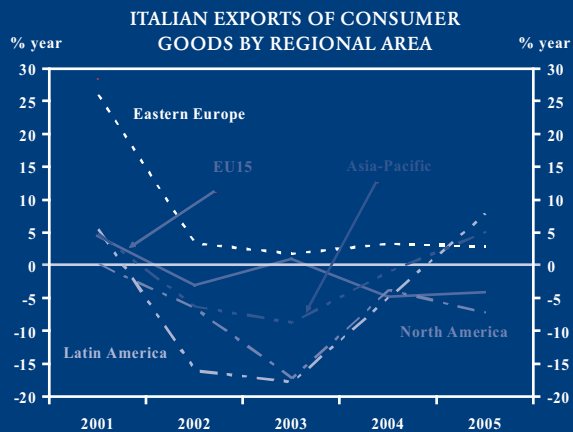
### 3.2.5. Geographical breakdown of export markets



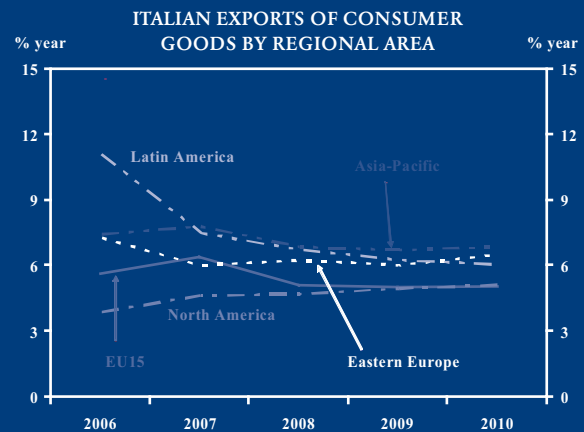
Source: SACE-OEF



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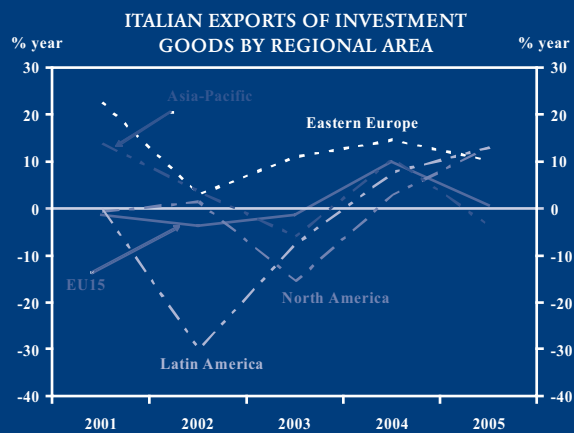


Source: SACE-OEF



Source: SACE-OEF

### 3.2.5. Geographical breakdown of export markets



Source: SACE-OEF



Source: SACE-OEF



Source: SACE-OEF



Source: SACE-OEF

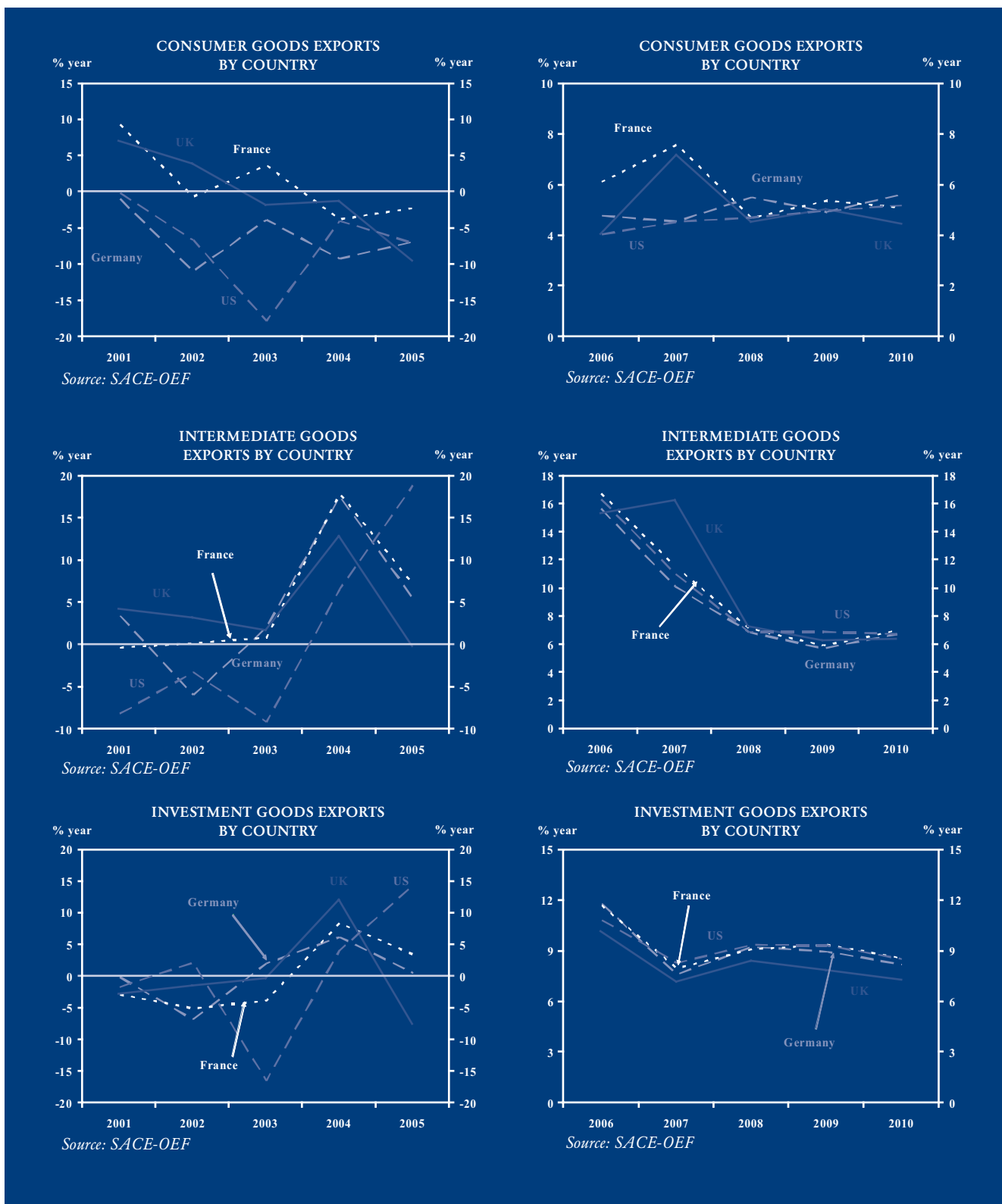


Source: SACE-OEF



Source: SACE-OEF

### 3.2.6. Sectoral forecast for Italy's main export markets



### 3.2.7. Sectoral forecast for key emerging markets



Source: SACE-OEF



Source: SACE-OEF



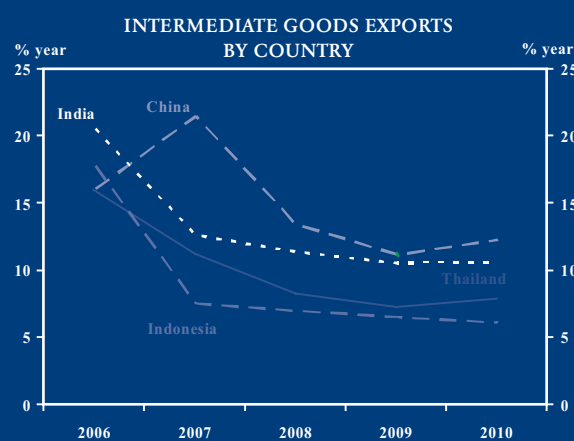
Source: SACE-OEF



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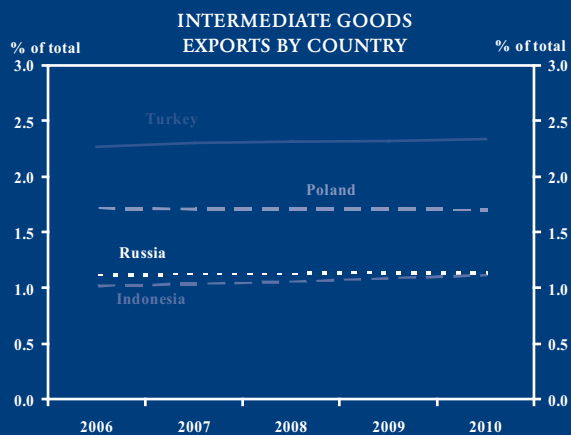


Source: SACE-OEF

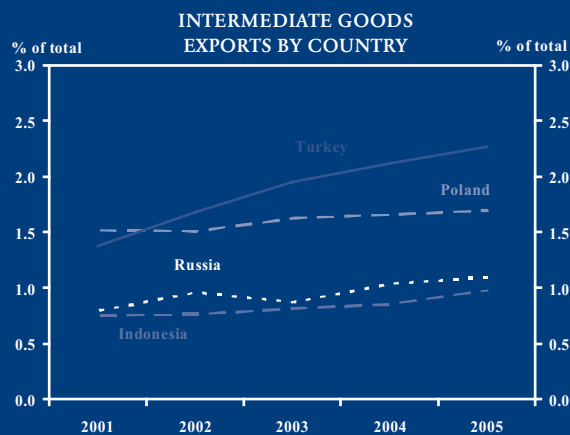


Source: SACE-OEF

### 3.2.7. Sectoral forecast for key emerging markets



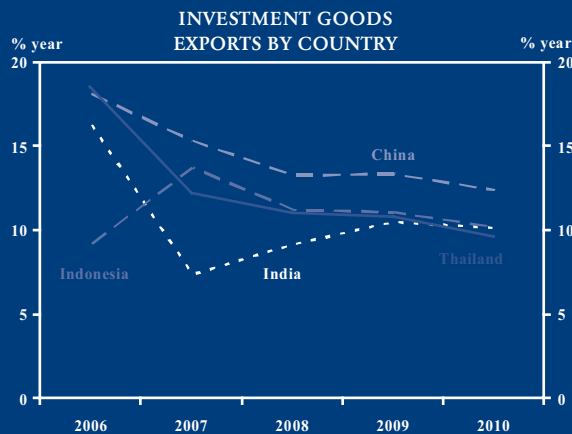
Source: SACE-OEF



Source: SACE-OEF



Source: SACE-OEF



Source: SACE-OEF



Source: SACE-OEF



Source: SACE-OEF

### 3.2.8. Detailed forecast tables

The following tables present forecasts for the different components of Italian exports by destination country.

Value of agricultural exports by partner country (% change on previous year)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>7.6</b>	<b>4.9</b>	<b>-0.8</b>	<b>5.7</b>	<b>3.4</b>	<b>10.4</b>	<b>7.6</b>	<b>7.5</b>	<b>6.8</b>	<b>6.3</b>
<b>EU15</b>										
Austria	12.9	4.7	0.1	3.2	-4.2	11.5	7.8	7.4	6.6	6.3
Belgium	6.4	10.6	0.9	7.8	6.1	8.1	11.3	7.8	6.8	6.3
Germany	7.4	0.4	-1.0	2.7	0.7	9.4	7.3	8.9	7.1	6.3
Denmark	14.2	6.3	-1.2	12.8	5.8	9.8	7.3	7.4	6.8	6.3
Spain	1.8	11.1	5.8	18.7	9.5	16.2	10.2	7.6	7.1	6.3
Finland	16.5	11.5	3.5	2.4	2.2	10.3	8.3	7.5	6.8	6.3
France	3.0	4.4	0.8	6.0	1.3	10.4	7.2	7.2	6.7	6.3
UK	11.9	6.4	-1.9	7.6	4.8	10.3	7.6	7.6	6.8	6.3
Greece	1.0	10.4	-6.1	10.6	-10.1	8.5	5.6	8.1	6.4	5.9
Ireland	36.9	30.2	-13.7	5.2	3.4	13.4	7.4	7.3	6.8	6.3
Netherlands	5.1	7.9	-1.2	4.0	3.7	8.4	7.7	7.7	7.0	6.5
Portugal	14.0	10.4	6.7	11.0	-21.7	14.6	7.3	10.6	8.8	7.3
Sweden	6.8	11.5	8.2	0.0	0.1	10.7	8.6	8.5	7.5	6.7
<b>Other EU</b>										
Czech Republic	18.5	-2.5	7.8	7.7	30.5	3.8	14.4	10.0	8.6	7.2
Hungary	40.2	8.2	4.2	13.6	25.9	18.2	7.0	9.9	8.2	6.7
Poland	32.3	-19.2	6.4	20.1	27.2	11.3	5.2	7.8	6.9	6.3
Slovakia	3.4	2.9	-3.7	11.4	23.7	25.6	12.2	10.6	8.0	6.4
<b>Other Europe</b>										
Bulgaria	-2.8	-2.3	20.8	12.5	29.2	26.5	6.3	6.4	7.8	6.4
Croatia	13.3	14.1	8.7	8.8	6.2	11.0	10.5	8.4	6.8	6.3
Romania	12.0	35.8	36.0	13.7	25.0	30.0	12.2	10.2	9.3	7.1
Russian Federation	50.1	23.8	21.2	-0.8	27.4	12.4	10.3	9.0	7.8	6.6
Norway	28.8	3.9	2.6	-1.9	19.3	10.7	6.9	7.7	6.8	6.3
Switzerland	15.8	0.9	2.7	3.4	-2.1	10.9	7.7	7.4	6.8	6.3
Turkey	-41.0	40.3	3.0	17.2	35.1	23.3	10.6	12.5	9.3	6.7
<b>North America</b>										
Canada	6.5	2.9	-3.3	7.6	9.6	15.7	7.4	7.5	6.8	6.3
U S	6.4	9.2	-3.7	5.1	7.7	14.0	7.7	6.7	6.9	6.3
<b>South America</b>										
Argentina	-10.5	-73.8	-5.1	12.8	19.4	9.7	7.4	7.8	5.3	3.6
Brazil	-18.8	-20.5	-14.6	14.7	3.7	17.0	6.9	4.6	4.4	6.0
Chile	-0.1	4.2	-20.3	27.1	12.4	17.8	10.9	10.9	8.9	7.2
Mexico	12.0	12.5	-4.8	16.1	-4.4	11.2	6.8	7.0	6.8	6.3
<b>Asia</b>										
Australia	0.3	12.2	4.1	17.0	4.5	16.1	7.2	6.8	6.1	6.3
China	34.9	-1.1	24.9	11.4	13.4	13.1	6.2	11.2	9.3	7.7
Hong Kong	-2.6	-9.7	-15.7	23.7	-5.1	10.5	3.1	7.1	6.9	6.3
Indonesia	-48.3	11.6	-24.3	64.0	20.4	13.2	20.5	9.0	6.8	6.3
India	-17.4	52.4	-24.2	37.4	15.4	20.2	13.5	11.5	10.0	8.1
Japan	4.1	8.3	-5.1	3.1	-1.0	8.2	7.0	7.2	6.8	6.3
Korea (south)	-4.9	24.5	-7.6	42.3	17.0	17.7	15.4	12.8	10.1	7.8
Malaysia	4.6	14.3	5.9	0.7	9.6	13.6	11.3	9.1	6.8	6.3
Philippines	-25.3	-8.7	-11.1	0.1	18.1	15.4	3.5	7.4	6.0	5.8
Singapore	0.2	0.4	-4.2	7.1	-0.3	18.7	4.5	6.5	6.8	6.3
Thailand	-36.3	21.4	28.9	35.4	10.7	24.1	6.5	5.3	7.2	5.1
Taiwan	-1.6	-5.2	-15.3	32.2	-5.5	21.9	3.7	6.3	6.4	6.8
<b>Africa</b>										
South Africa	-13.7	6.5	16.0	27.8	7.0	15.7	8.6	10.6	8.6	6.8

Value of exports of consumer goods by partner country (% change on previous year)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	6.3	-3.3	-3.0	-3.6	-1.7	5.7	5.9	5.2	5.2	5.5
<b>EU15</b>										
Austria	2.5	-1.6	2.6	-5.6	-4.2	5.0	4.1	4.2	3.6	3.7
Belgium	4.0	-3.7	-2.8	-2.5	-1.0	6.7	5.8	5.6	4.7	5.0
Germany	-0.4	-10.9	-4.0	-9.1	-6.8	4.8	4.6	5.5	5.2	5.2
Denmark	7.0	-3.6	-2.3	1.5	-0.7	7.2	6.5	5.2	5.2	5.5
Spain	6.9	2.0	12.4	-2.1	1.6	8.6	8.1	5.8	5.5	5.5
Finland	2.1	-4.3	-0.7	-5.5	-4.1	1.9	5.7	4.3	4.8	4.7
France	9.4	-0.5	3.8	-3.6	-2.1	6.1	7.3	5.5	5.1	5.4
UK	7.0	4.0	-1.8	-1.2	-9.5	4.0	7.3	4.5	5.0	4.4
Greece	5.4	7.5	5.5	-5.0	-5.0	5.6	6.0	4.1	3.8	4.5
Ireland	20.4	1.5	3.9	12.3	-1.2	4.6	8.6	6.5	4.3	4.3
Netherlands	6.5	-6.9	-2.6	-8.5	-1.3	4.3	5.9	4.8	4.5	4.7
Portugal	3.4	-4.8	-2.0	-8.7	-3.9	5.1	6.5	4.6	4.5	4.4
Sweden	-1.1	1.4	5.9	-5.6	-4.3	5.5	4.1	4.8	4.9	5.2
<b>Other EU</b>										
Czech Republic	19.6	0.7	8.0	4.9	3.7	6.8	6.2	5.5	5.2	5.2
Hungary	22.1	-7.5	-2.8	-10.4	-8.1	2.8	4.5	4.4	3.8	4.1
Poland	15.1	-0.1	-5.6	-4.8	2.3	8.3	7.6	8.3	7.7	5.9
Slovakia	17.2	8.6	4.6	-8.0	3.1	3.9	11.5	5.2	5.2	5.5
<b>Other Europe</b>										
Bulgaria	31.0	7.5	8.4	4.6	8.9	5.9	5.6	6.6	6.6	6.6
Croatia	19.4	16.2	4.7	5.3	-3.2	6.2	5.2	5.1	6.3	6.7
Romania	31.2	7.8	4.6	3.4	-2.2	5.2	5.8	7.0	6.7	8.2
Russian Federation	33.5	2.6	1.5	13.6	14.8	11.5	6.2	5.6	5.5	5.9
Norway	11.2	-4.2	-7.8	1.1	1.4	5.5	4.4	5.4	5.3	5.6
Switzerland	17.1	-8.6	5.7	16.2	-0.4	6.2	4.7	5.2	5.2	5.5
Turkey	-14.1	22.9	2.6	17.7	2.7	7.7	7.2	9.1	9.5	9.3
<b>North America</b>										
Canada	5.5	-4.0	-8.8	-0.4	-7.1	2.5	5.9	4.8	5.0	4.6
U S	0.0	-6.4	-17.8	-3.9	-6.9	4.1	4.5	4.8	5.0	5.1
<b>South America</b>										
Argentina	-22.3	-58.2	1.2	22.8	-6.6	7.3	10.1	7.1	6.0	5.8
Brazil	-9.4	-32.2	-23.0	7.1	9.8	17.7	10.3	10.1	8.3	7.0
Chile	-10.4	-26.0	-21.2	-3.4	8.5	6.6	7.4	6.5	6.4	6.4
Mexico	45.5	11.5	-17.1	-13.3	10.0	9.5	5.6	5.2	5.2	5.5
<b>Asia</b>										
Australia	-14.7	7.7	-4.8	-1.8	-5.4	2.8	6.2	4.9	5.0	4.5
China	16.9	-3.4	2.9	14.4	10.7	17.9	11.5	12.8	13.0	12.7
Hong Kong	3.9	-7.0	-12.9	7.6	5.6	6.6	6.4	6.4	5.9	5.9
Indonesia	0.1	-5.3	-11.3	5.0	13.4	11.1	14.5	8.4	7.9	7.8
India	3.3	-8.0	-5.3	15.2	24.4	9.5	10.7	6.9	6.8	6.9
Japan	8.6	-11.5	-4.9	-5.3	5.9	4.1	7.9	5.8	5.4	5.6
Korea (south)	15.0	4.1	-14.9	-20.9	5.2	12.8	7.8	6.1	6.8	8.2
Malaysia	-8.7	-2.4	-4.2	-7.7	-4.9	3.1	7.7	6.1	6.5	6.8
Philippines	12.7	-12.5	-10.8	19.1	-12.5	-0.5	3.8	5.1	5.7	6.1
Singapore	-8.0	-8.4	-14.6	-18.4	6.1	5.3	7.2	7.5	5.5	5.5
Thailand	9.1	10.6	5.6	9.6	3.0	7.9	8.6	8.5	7.5	7.3
Taiwan	-5.9	-15.1	-16.9	1.6	7.1	6.9	6.6	5.5	5.9	6.4
<b>Africa</b>										
South Africa	-0.5	-5.4	-6.6	1.5	9.3	8.6	8.1	6.2	5.8	5.4

Value of exports of intermediate goods by partner country (% change on previous year)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>4.8</b>	<b>0.8</b>	<b>0.8</b>	<b>18.1</b>	<b>12.3</b>	<b>15.7</b>	<b>10.5</b>	<b>7.2</b>	<b>6.5</b>	<b>6.8</b>
<b>EU15</b>										
Austria	6.1	-0.9	5.7	27.9	3.8	17.5	10.6	7.1	6.5	6.5
Belgium	31.3	6.1	-28.9	-13.8	39.2	12.9	3.4	5.9	5.8	6.1
Germany	3.5	-5.9	2.1	17.7	5.1	16.0	10.1	7.2	6.0	6.8
Denmark	8.0	-4.6	0.5	11.7	10.8	17.4	12.2	7.7	6.1	6.6
Spain	7.4	1.8	11.1	13.8	16.8	15.3	10.8	7.3	6.6	6.0
Finland	10.7	1.5	-3.3	19.2	8.4	16.1	11.7	7.7	6.8	7.3
France	-0.3	0.3	0.9	18.0	7.2	17.3	10.9	7.2	6.5	6.8
UK	4.2	3.0	1.7	13.1	-0.4	15.5	16.2	7.2	6.3	6.4
Greece	-4.6	6.8	8.2	16.8	-6.2	27.7	13.3	7.3	6.5	6.8
Ireland	5.7	-4.0	19.3	-7.5	-1.4	20.8	10.5	6.0	6.0	6.7
Netherlands	6.6	-2.0	1.3	14.2	22.1	13.0	10.6	9.6	6.4	7.0
Portugal	10.0	-0.1	-1.5	12.5	-1.9	24.3	11.5	7.4	6.2	6.6
Sweden	-0.5	0.3	1.6	19.1	8.9	19.0	12.7	7.4	6.4	7.3
<b>Other EU</b>										
Czech Republic	23.6	2.5	8.5	21.6	13.4	17.3	10.7	7.4	6.7	7.1
Hungary	14.1	9.8	5.8	17.5	8.1	17.6	11.7	6.8	6.5	7.0
Poland	18.2	0.1	8.5	21.1	14.6	17.1	9.6	7.4	6.2	6.6
Slovakia	26.9	5.4	5.1	16.4	17.9	20.3	10.4	8.3	7.1	6.9
<b>Other Europe</b>										
Bulgaria	2.9	2.2	19.0	25.5	24.9	12.2	11.1	6.9	6.4	6.7
Croatia	9.6	12.5	-0.9	7.8	11.9	15.7	10.2	7.3	7.1	7.7
Romania	23.8	1.6	7.4	24.3	28.6	19.7	12.5	9.8	9.0	9.7
Russian Federation	34.7	21.4	-8.5	40.8	19.4	17.1	12.0	7.2	6.7	6.9
Norway	21.5	16.3	-7.1	14.4	11.5	12.1	12.0	7.4	6.5	6.8
Switzerland	13.0	6.9	10.3	32.0	-3.0	18.0	10.8	8.5	7.9	8.0
Turkey	-31.4	23.0	17.2	28.9	20.1	15.9	11.7	7.8	7.0	7.6
<b>North America</b>										
Canada	20.8	-10.7	16.7	11.8	1.4	20.4	9.2	7.4	6.4	6.8
U S	-8.1	-3.2	-9.2	6.8	18.9	16.4	11.0	6.9	7.0	6.8
<b>South America</b>										
Argentina	-3.3	-51.0	31.3	2.5	12.3	19.0	9.2	7.8	6.8	7.6
Brazil	12.5	3.0	15.3	21.4	7.4	19.4	14.0	10.4	9.0	9.0
Chile	-16.0	-16.4	3.1	2.3	14.8	12.2	11.5	9.0	8.8	9.4
Mexico	6.3	16.4	-7.7	17.9	45.6	15.9	12.7	8.4	7.8	8.0
<b>Asia</b>										
Australia	21.0	6.5	19.8	-2.3	13.2	13.3	12.0	7.9	6.9	6.9
China	23.2	48.5	19.3	24.3	27.8	16.3	21.5	13.2	11.8	11.9
Hong Kong	-12.7	-9.9	-6.6	12.0	3.9	11.2	10.5	5.9	5.6	6.1
Indonesia	24.9	-28.1	-6.1	1.3	14.3	17.2	8.1	7.1	6.5	6.7
India	3.0	13.6	-0.9	22.0	16.2	20.6	12.8	11.4	10.7	10.7
Japan	6.4	6.7	9.9	7.6	11.5	12.9	11.4	7.2	6.5	6.8
Korea (south)	9.8	14.6	-4.5	2.1	26.4	13.0	15.6	8.9	8.1	8.5
Malaysia	-2.6	15.4	33.1	14.1	101.8	13.3	11.1	9.9	8.6	8.3
Philippines	-8.4	13.1	-10.2	-11.3	9.2	11.0	8.6	8.3	9.1	9.4
Singapore	1.8	-11.4	2.8	28.5	19.7	23.0	8.4	5.9	6.2	7.4
Thailand	22.9	-6.2	-12.6	5.1	23.0	15.6	11.0	8.7	7.2	7.8
Taiwan	-15.8	12.4	-16.6	10.4	3.5	14.3	10.0	8.0	8.9	9.1
<b>Africa</b>										
South Africa	-2.9	-0.6	-3.8	14.9	31.8	33.5	0.0	6.6	8.4	8.2

Value of exports of investment goods by partner country (% change on previous year)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>3.3</b>	<b>-2.3</b>	<b>-2.2</b>	<b>10.2</b>	<b>2.8</b>	<b>10.7</b>	<b>8.0</b>	<b>9.2</b>	<b>9.4</b>	<b>8.8</b>
<b>EU15</b>										
Austria	-3.7	4.3	3.1	19.3	9.8	8.9	9.0	10.5	10.3	9.3
Belgium	10.0	-6.3	-4.8	11.5	0.3	8.0	7.1	9.3	9.4	8.8
Germany	0.1	-6.9	1.8	6.4	0.6	12.2	7.4	9.3	9.1	8.3
Denmark	2.0	-6.0	-11.9	12.8	44.1	-5.4	11.8	9.9	10.1	6.1
Spain	-0.2	2.4	6.2	11.3	0.3	11.9	9.5	10.1	10.4	9.0
Finland	16.3	17.1	-12.7	12.9	8.7	16.3	13.1	10.7	9.3	8.1
France	-2.5	-5.0	-3.7	8.4	3.6	11.2	8.1	9.3	9.4	8.8
UK	-2.7	-1.4	-0.4	12.0	-7.5	10.1	7.2	8.1	8.2	7.6
Greece	-2.3	2.1	-3.9	23.9	-19.9	10.0	9.5	9.9	9.5	8.0
Ireland	-30.5	-17.0	-20.8	-3.7	8.5	13.9	8.1	9.3	9.1	8.3
Netherlands	2.2	-6.4	-19.4	10.0	-1.2	10.6	8.0	9.3	9.3	9.1
Portugal	-5.3	-14.6	-4.5	8.3	-9.1	7.0	7.1	8.3	7.8	7.2
Sweden	-7.7	2.0	1.0	8.3	12.1	10.9	9.3	9.9	9.6	8.8
<b>Other EU</b>										
Czech Republic	33.5	0.9	25.0	4.8	-4.4	3.8	7.3	8.8	10.0	9.6
Hungary	26.1	-17.3	12.3	-8.6	0.9	12.3	8.6	9.2	9.4	8.8
Poland	4.0	3.3	13.2	14.8	1.5	10.2	7.2	9.3	9.6	8.8
Slovakia	36.3	17.3	3.0	7.0	7.3	14.6	7.8	11.2	10.8	10.0
<b>Other Europe</b>										
Bulgaria	38.8	24.6	5.5	19.6	22.2	16.4	11.1	11.2	10.9	9.1
Croatia	30.7	43.4	5.1	-3.0	8.0	11.7	6.6	9.3	8.7	8.1
Romania	17.6	9.3	11.4	20.6	20.7	15.4	9.2	11.9	13.8	12.4
Russian Federation	53.3	6.6	2.2	51.5	31.0	11.4	12.4	15.9	12.9	10.7
Norway	3.1	13.8	-3.3	0.2	-2.0	12.9	8.2	10.4	8.8	8.9
Switzerland	13.0	-11.4	4.9	8.5	0.8	8.7	8.0	9.9	9.8	9.0
Turkey	-7.7	-10.7	23.1	18.0	3.7	10.5	8.9	11.3	10.9	10.7
<b>North America</b>										
Canada	11.8	-4.9	-2.1	-7.1	3.3	14.0	8.3	9.1	9.7	9.4
U S	-1.6	2.3	-16.4	4.4	14.4	11.0	8.0	9.5	9.5	8.8
<b>South America</b>										
Argentina	-19.1	-73.1	59.6	52.7	15.0	15.6	7.9	10.3	9.3	8.7
Brazil	9.0	-29.0	-20.8	8.9	16.1	9.9	8.2	9.6	9.9	9.9
Chile	-0.5	-14.6	-2.0	5.7	24.2	11.1	5.5	9.4	9.4	9.1
Mexico	-0.6	-13.4	-0.7	-3.2	6.9	8.0	7.8	10.1	10.4	9.9
<b>Asia</b>										
Australia	5.1	20.0	-1.2	22.9	-6.8	11.8	8.1	9.3	10.5	10.2
China	48.9	25.5	-10.5	13.5	-4.5	17.9	15.4	13.5	13.2	12.6
Hong Kong	-3.4	0.3	-13.9	11.8	-6.5	5.5	9.2	8.8	9.1	8.7
Indonesia	21.1	5.8	-23.7	29.1	-4.5	9.3	13.7	11.4	11.1	10.3
India	-3.9	1.8	10.2	15.1	42.3	16.4	7.7	9.3	10.4	9.9
Japan	10.6	1.5	-7.1	4.2	1.4	7.8	8.8	9.2	9.4	8.8
Korea (south)	11.0	5.0	3.0	-4.8	4.8	11.8	9.0	11.8	9.6	9.0
Malaysia	23.2	-23.0	-8.8	1.0	-40.9	23.6	14.4	11.5	10.8	9.9
Philippines	-26.7	11.8	-6.8	4.7	-14.1	14.6	13.0	10.7	10.9	9.3
Singapore	10.6	-20.1	0.7	15.4	-12.5	9.7	9.3	10.9	11.1	10.5
Thailand	25.9	-2.3	-4.4	26.6	-9.9	18.8	12.1	11.1	10.7	9.6
Taiwan	-13.3	-5.4	0.9	-9.5	2.6	11.9	8.6	10.6	11.6	11.6
<b>Africa</b>										
South Africa	16.9	-8.8	-5.2	23.7	8.6	15.4	11.9	9.8	10.1	9.1

Value of exports of goods by partner country (% change on previous year)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>4.6</b>	<b>-1.5</b>	<b>-1.4</b>	<b>6.8</b>	<b>6.2</b>	<b>10.4</b>	<b>8.0</b>	<b>7.5</b>	<b>7.3</b>	<b>7.2</b>
<b>EU15</b>										
Austria	2.3	1.3	3.3	12.6	3.3	10.9	8.4	7.9	7.4	7.1
Belgium	15.3	0.1	-13.7	-0.9	11.7	9.5	5.8	7.1	6.9	6.8
Germany	1.4	-7.1	-0.1	4.2	0.0	11.2	7.5	7.9	7.2	7.0
Denmark	5.7	-3.6	-5.6	9.2	20.2	3.2	10.0	8.0	7.8	6.1
Spain	3.6	2.5	9.0	9.2	6.1	12.6	9.7	8.1	8.0	7.2
Finland	11.8	9.2	-7.9	9.8	6.1	13.6	11.5	9.0	8.1	7.4
France	1.5	-1.9	-0.1	6.8	2.8	11.5	8.6	7.6	7.3	7.3
UK	2.5	1.7	-0.6	7.9	-5.5	9.7	9.3	6.9	6.9	6.4
Greece	-0.4	5.9	2.2	11.2	-10.6	14.3	9.6	7.2	6.7	6.5
Ireland	-15.3	-8.6	-5.1	-1.0	2.8	13.7	8.9	7.5	7.0	6.9
Netherlands	4.7	-4.4	-8.2	5.0	5.7	9.6	8.4	8.3	7.0	7.2
Portugal	1.1	-7.4	-2.5	3.6	-6.3	11.2	8.2	7.0	6.4	6.3
Sweden	-3.4	2.4	3.0	6.3	6.6	11.8	9.2	8.3	7.8	7.6
<b>Other EU</b>										
Czech Republic	26.9	1.1	16.3	8.6	3.3	8.0	8.5	7.8	8.0	7.9
Hungary	23.0	-8.7	5.8	-2.9	1.3	11.7	8.5	7.5	7.3	7.2
Poland	10.5	0.8	7.3	12.0	5.6	11.6	7.8	8.5	8.3	7.6
Slovakia	26.3	11.4	3.6	4.6	9.3	13.8	9.6	9.0	8.4	8.0
<b>Other Europe</b>										
Bulgaria	27.7	12.5	8.9	13.3	17.0	11.8	8.9	8.7	8.5	7.7
Croatia	18.2	21.7	3.5	3.8	5.0	11.1	7.6	7.3	7.3	7.4
Romania	26.4	7.6	7.0	10.7	9.1	11.3	8.3	9.2	9.6	9.9
Russian Federation	40.3	7.4	1.2	29.1	22.3	12.3	9.8	10.4	9.1	8.3
Norway	10.0	8.1	-4.7	2.7	3.2	10.7	8.0	8.4	7.3	7.5
Switzerland	14.8	-4.5	6.5	17.9	-1.1	11.1	7.8	7.7	7.4	7.3
Turkey	-15.6	3.7	16.4	20.7	8.3	11.8	9.5	9.8	9.4	9.4
<b>North America</b>										
Canada	10.1	-4.5	-1.9	0.3	0.4	12.0	7.7	7.3	7.3	7.1
U S	-1.6	-1.7	-14.9	1.7	7.0	10.2	7.6	7.4	7.5	7.2
<b>South America</b>										
Argentina	-16.4	-66.3	38.6	33.5	11.9	15.4	8.4	9.4	8.4	8.1
Brazil	6.4	-23.7	-19.6	12.0	12.9	13.1	9.9	9.8	9.4	9.3
Chile	-6.0	-17.1	-5.2	3.9	19.7	10.9	7.0	9.0	8.8	8.8
Mexico	8.0	-2.2	-6.2	-0.2	17.3	10.9	9.1	8.7	8.6	8.5
<b>Asia</b>										
Australia	1.6	13.1	2.9	10.4	-1.2	10.8	8.7	7.9	8.2	8.0
China	38.7	22.5	-4.3	15.4	3.8	17.5	16.0	13.3	12.8	12.4
Hong Kong	0.2	-5.6	-12.6	9.3	2.2	6.9	7.4	6.9	6.6	6.6
Indonesia	15.1	-3.7	-18.7	20.2	2.0	11.2	12.9	10.0	9.5	9.1
India	-1.4	3.7	4.3	17.2	32.6	16.6	9.3	9.6	10.0	9.8
Japan	8.3	-4.3	-3.5	-0.1	4.9	7.0	8.7	7.1	6.8	6.7
Korea (south)	12.2	6.6	-6.4	-8.9	10.1	12.6	10.5	9.2	8.4	8.6
Malaysia	18.0	-18.3	-3.5	2.5	-12.9	17.8	12.7	10.5	9.7	9.0
Philippines	-14.7	3.9	-8.6	5.3	-9.3	9.8	9.6	8.8	9.2	8.5
Singapore	5.9	-16.8	-1.6	12.7	-4.3	12.5	8.7	9.2	9.2	9.1
Thailand	20.4	-0.7	-3.8	18.4	-0.6	15.9	11.0	9.9	9.2	8.7
Taiwan	-11.3	-4.5	-9.1	-0.6	3.6	11.6	8.3	8.5	9.3	9.5
<b>Africa</b>										
South Africa	8.4	-6.2	-4.6	18.3	13.3	18.8	8.2	8.6	9.1	8.4

Value of exports of services by partner country (% change on previous year)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>5.4</b>	<b>-1.6</b>	<b>-1.2</b>	<b>6.4</b>	<b>7.4</b>	<b>13.2</b>	<b>6.2</b>	<b>5.5</b>	<b>4.3</b>	<b>3.6</b>
<b>EU15</b>										
Austria	1.0	4.9	12.1	-24.3	6.0	16.3	6.4	2.3	1.3	0.7
Belgium	5.1	2.4	3.8	16.6	5.1	14.1	6.1	4.9	3.7	3.3
Germany	10.0	-3.5	6.0	-1.8	6.9	13.3	5.7	4.9	3.6	3.0
Denmark	3.7	12.3	4.4	-3.5	6.5	10.6	1.5	5.5	4.0	3.0
Spain	-2.0	2.7	6.5	5.0	6.8	12.2	4.8	4.1	2.9	2.9
Finland	21.3	76.9	-36.6	34.0	5.3	8.2	3.8	5.4	4.1	3.5
France	4.6	8.5	-9.8	3.7	4.9	10.1	2.4	3.2	3.0	2.3
UK	24.2	-10.8	14.2	5.6	6.8	11.7	4.5	4.1	3.3	2.6
Greece	6.7	18.2	15.9	-22.9	5.2	13.2	6.2	5.5	4.3	3.6
Ireland	69.5	12.1	-3.5	10.8	7.8	11.6	4.8	4.5	3.8	3.1
Netherlands	12.7	2.9	0.8	10.9	6.8	11.1	3.9	3.1	2.6	3.5
Portugal	-8.2	-11.2	6.5	20.4	7.5	12.4	5.5	4.6	3.7	3.6
Sweden	2.5	1.3	1.5	10.6	6.5	13.7	6.2	5.7	4.2	3.6
<b>Other EU</b>										
Czech Republic	16.5	8.0	30.1	22.8	10.2	13.2	6.2	5.5	4.3	4.9
Hungary	18.6	39.5	7.4	20.2	8.4	12.4	5.3	4.6	3.3	2.6
Poland	9.6	20.0	0.6	62.2	8.5	9.2	3.8	3.9	2.7	2.8
Slovakia	9.5	89.1	11.5	101.0	9.2	10.8	5.6	5.6	5.8	5.3
<b>Other Europe</b>										
Bulgaria	58.5	15.4	24.0	-2.2	2.8	8.5	4.4	3.4	0.5	-1.1
Croatia	5.1	44.9	-10.6	-51.4	11.3	13.2	6.2	5.5	4.3	3.6
Romania	-17.1	122.5	10.6	107.6	10.4	14.7	7.4	6.5	5.4	5.2
Russian Federation	65.2	-25.4	0.1	-29.8	17.6	33.6	18.0	12.5	9.1	8.1
Norway	-6.8	76.0	-28.1	25.1	5.5	7.9	1.0	0.9	1.0	0.8
Switzerland	8.2	7.7	-0.8	-2.2	8.9	14.9	7.7	7.0	5.7	5.1
Turkey	-9.8	7.0	52.2	17.4	11.3	16.5	9.3	8.5	7.1	6.4
<b>North America</b>										
Canada	36.6	-20.8	-16.3	59.6	8.3	9.3	2.8	3.7	2.7	2.0
U S	-6.4	-15.7	-23.6	36.6	6.5	13.1	4.7	3.7	2.4	1.7
<b>South America</b>										
Argentina	-26.2	-64.1	32.6	32.0	12.9	12.3	5.6	4.8	3.6	2.9
Brazil	-24.0	-16.1	-9.8	16.6	-0.2	19.6	9.3	7.1	5.3	4.8
Chile	-45.0	-52.7	-23.1	90.0	9.5	9.1	2.2	1.3	1.8	4.2
Mexico	-8.4	-9.2	-23.8	-1.6	6.6	13.0	5.5	4.0	3.3	2.6
<b>Asia</b>										
Australia	-2.1	-18.1	-5.1	150.5	9.4	10.7	3.8	3.0	1.8	3.1
China	-18.5	71.7	-42.5	2.0	5.5	13.7	6.2	7.7	10.0	9.8
Hong Kong	-2.3	-44.4	61.7	26.3	7.5	10.3	3.2	3.0	4.1	3.6
Indonesia	-39.1	-28.6	-25.0	46.7	6.7	10.9	4.0	3.2	2.0	1.2
India	-0.6	-11.4	-24.5	95.5	6.8	7.8	2.4	5.2	4.3	3.6
Japan	-19.2	-9.0	-29.2	-22.6	-1.4	5.8	0.7	0.0	3.2	3.6
Korea (south)	-0.4	-9.8	-22.1	-16.2	-2.3	3.0	-4.0	-5.2	0.0	3.2
Malaysia	54.5	20.6	-28.0	45.8	8.4	12.4	6.1	5.4	4.1	3.5
Philippines	-42.6	-35.2	-68.6	181.8	-2.7	12.1	5.7	5.4	4.4	3.8
Singapore	0.0	14.5	-5.1	80.0	5.9	5.5	6.3	6.2	5.0	4.3
Thailand	-31.7	19.5	-30.6	155.9	11.9	11.0	4.1	3.4	2.1	1.4
Taiwan	9.3	50.0	-61.0	49.1	9.7	15.4	6.8	5.5	4.3	3.6
<b>Africa</b>										
South Africa	1.0	-19.2	-11.9	83.8	-24.3	9.4	2.5	1.7	3.3	4.0

Value of exports of goods and services by partner country (% change on previous year)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>4.8</b>	<b>-1.5</b>	<b>-1.4</b>	<b>6.7</b>	<b>6.4</b>	<b>10.9</b>	<b>7.7</b>	<b>7.1</b>	<b>6.7</b>	<b>6.5</b>
<b>EU15</b>										
Austria	1.9	2.4	6.0	0.4	4.0	12.2	7.8	6.4	5.9	5.5
Belgium	13.5	0.5	-10.7	2.5	10.3	10.5	5.9	6.6	6.2	6.1
Germany	3.2	-6.3	1.3	2.8	1.6	11.7	7.1	7.1	6.3	6.1
Denmark	5.4	-1.3	-4.0	6.9	18.0	4.3	8.7	7.7	7.2	5.6
Spain	3.0	2.5	8.8	8.8	6.2	12.6	9.3	7.8	7.5	6.9
Finland	12.9	17.1	-13.0	12.9	6.0	12.8	10.4	8.5	7.6	6.9
France	2.0	-0.1	-2.0	6.3	3.2	11.2	7.6	6.9	6.7	6.5
UK	7.9	-1.9	3.3	7.2	-2.0	10.3	7.8	6.1	5.8	5.3
Greece	0.6	7.6	4.3	5.3	-8.6	14.1	9.1	7.0	6.3	6.1
Ireland	0.2	-2.2	-4.6	3.2	4.7	12.9	7.3	6.4	5.8	5.5
Netherlands	6.7	-2.5	-5.7	6.7	6.1	10.1	7.0	6.7	5.7	6.1
Portugal	0.4	-7.7	-1.9	4.7	-5.2	11.4	8.0	6.8	6.2	6.0
Sweden	-2.6	2.3	2.8	6.9	6.6	12.1	8.7	7.9	7.3	7.0
<b>Other EU</b>										
Czech Republic	25.9	1.7	17.7	10.1	4.2	8.6	8.2	7.5	7.5	7.5
Hungary	22.7	-5.9	6.0	-0.9	2.1	11.8	8.1	7.2	6.9	6.7
Poland	10.4	2.6	6.6	17.1	6.0	11.3	7.3	7.9	7.5	7.0
Slovakia	25.3	15.2	4.3	12.8	9.3	13.3	9.0	8.5	8.1	7.7
<b>Other Europe</b>										
Bulgaria	29.7	12.7	10.1	11.9	15.9	11.6	8.6	8.3	8.0	7.2
Croatia	14.9	27.1	-0.3	-9.4	5.8	11.4	7.4	7.0	6.9	6.9
Romania	24.5	11.0	7.2	16.6	9.2	11.7	8.2	8.9	9.1	9.4
Russian Federation	45.0	0.3	1.0	19.7	21.9	14.2	10.7	10.6	9.1	8.3
Norway	7.1	18.4	-10.0	6.8	3.7	10.1	6.5	6.9	6.1	6.3
Switzerland	12.9	-1.2	4.4	12.3	1.3	12.1	7.8	7.5	6.9	6.7
Turkey	-15.3	3.8	18.5	20.4	8.5	12.1	9.5	9.7	9.2	9.2
<b>North America</b>										
Canada	14.2	-7.5	-4.2	8.5	2.0	11.4	6.6	6.6	6.4	6.2
U S	-2.7	-4.9	-16.6	8.2	6.9	10.8	6.9	6.5	6.3	6.0
<b>South America</b>										
Argentina	-18.8	-65.8	37.2	33.1	12.1	14.7	7.8	8.4	7.4	7.0
Brazil	0.1	-22.5	-17.9	12.8	10.4	14.3	9.8	9.3	8.7	8.5
Chile	-13.2	-21.3	-6.5	8.9	18.6	10.7	6.6	8.3	8.3	8.4
Mexico	6.3	-2.8	-7.6	-0.3	16.6	11.0	8.8	8.4	8.3	8.2
<b>Asia</b>										
Australia	1.0	8.0	1.9	26.4	1.2	10.7	7.5	6.8	6.7	7.0
China	30.8	26.7	-8.8	14.4	3.9	17.2	15.3	13.0	12.7	12.2
Hong Kong	0.1	-7.5	-10.4	10.2	2.5	7.1	7.1	6.6	6.5	6.4
Indonesia	9.8	-5.0	-19.0	21.2	2.2	11.2	12.5	9.7	9.2	8.8
India	-1.3	1.5	0.6	24.6	28.8	15.5	8.5	9.1	9.4	9.1
Japan	-1.5	-5.7	-10.8	-5.1	3.7	6.8	7.3	5.9	6.3	6.3
Korea (south)	10.7	4.9	-7.8	-9.5	9.2	12.0	9.6	8.4	8.0	8.4
Malaysia	19.7	-16.1	-5.5	5.2	-11.1	17.2	12.0	10.0	9.2	8.6
Philippines	-21.4	-3.0	-15.7	13.1	-8.6	10.1	9.1	8.4	8.7	8.0
Singapore	5.6	-15.6	-1.7	16.1	-3.5	11.9	8.5	9.0	8.9	8.8
Thailand	15.2	0.5	-5.7	25.6	0.7	15.3	10.2	9.2	8.5	8.0
Taiwan	-10.0	-0.1	-15.3	2.2	4.1	11.9	8.1	8.2	8.8	9.0
<b>Africa</b>										
South Africa	7.7	-7.4	-5.1	23.1	9.3	18.1	7.8	8.1	8.8	8.1



## CHAPTER 4

### SCENARIOS

**The following scenarios illustrate the sensitivity of Italy's export performance to economic developments in partner countries and product competitiveness.** The first scenario is based on the pessimistic assumption that the US slowdown is more severe than expected, although not a true hard landing. Continued geopolitical problems (Israel-Lebanon crisis, threats of sanctions against Iran, and so on) as well as tight capacity may well continue to support high oil prices, and may even fuel further increases, which would push the Fed into maintaining short rates at 5.25%, or higher, through 2007. This scenario also puts pressure on inflation and monetary policy in other countries as well. The second scenario is more optimistic as it envisages Italian exporters improving their position by successfully expanding their sales in emerging markets as a result of product and process innovation in the best performing sectors. This innovation leads to increasing average unit values above base line assumptions for investment and intermediate goods. These two scenarios are then combined in scenario 3 to assess the extent of risk mitigation stemming from export product upgrading.

#### 4.1. The impact of a US hard landing in 2007

**Table 4.1 shows the impact on the Italian economy of a sharper slowdown in global and US growth over the coming year.** This scenario is initially triggered by oil prices remaining higher than the base forecast – that is staying at levels of \$70-75 (Brent crude spot price) due to persistent geo-political instability instead of drifting back down to around \$60 in 2007. Faced with the prospect of sustained high inflation, with the threat of high fuel costs spreading into other transport costs and wages, the Fed has to maintain the federal funds rate in the 5.25-5.5% range until late 2007, only moderating gently thereafter. Sustained higher fuel costs and interest rates could cause a decline in housing investment and consumer confidence, resulting in US GDP growth of just 1.6% in 2007 relative to the 2.6% forecast in the baseline scenario (Chart 4.1).

**This scenario is expected to trigger a monetary tightening across several countries as well,** which is considered appropriate in response to higher oil prices and inflation. This may not only reduce domestic demand in individual countries but also create further impacts through depressing trade and global growth. Potential output could also be damaged by persistently high fuel costs impacting on the viability of capital stock and by pressures to adjust investment in view of changes in cost structures.

The impact on the Italian economy is not as substantial as that seen for the US and is similar to the response expected for the Eurozone as a whole. The shock is sufficient to create a decline in GDP of 0.3 percentage points in 2007 and 0.4 percentage points in 2008 relative to the baseline scenario. Consumer spending and investment growth also fall in response to restrictive monetary policy. Inflation is expected to be higher, lowering real income growth and potentially damaging competitiveness. Indeed, the current account (as a proportion of GDP) is projected to worsen by 0.1 percentage points and 0.6 percentage points in 2007 and 2008 as growth in goods exports declines to about 4.0% in real terms, less than the rates of near 5% projected in the baseline scenario.

Chart 4.1 US and Italy: Scenario 1 results

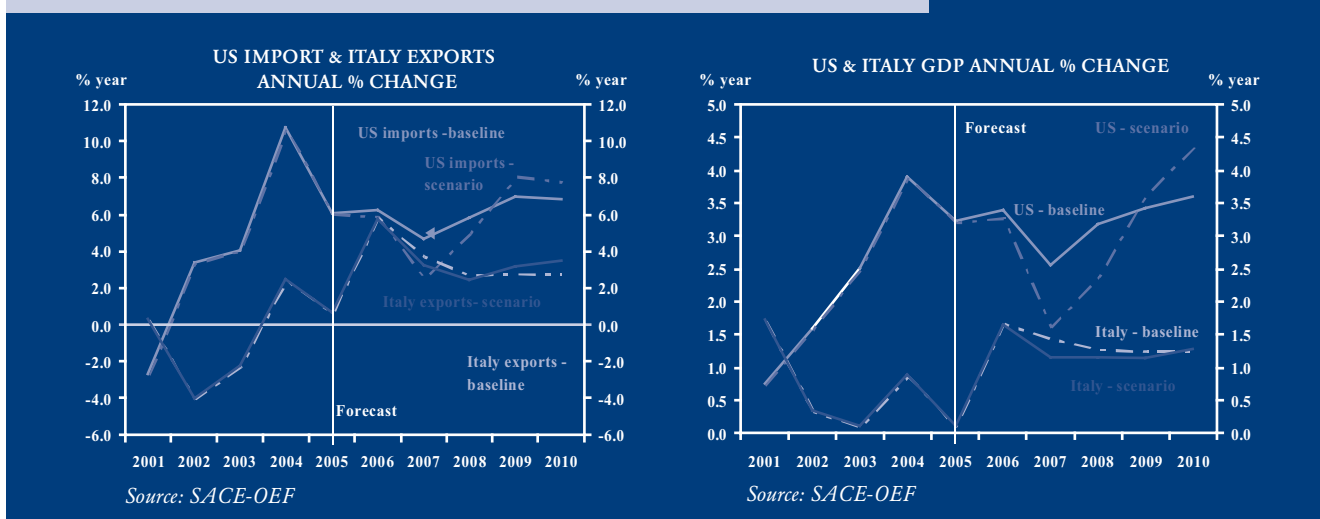


Table 4-1: Scenario 1: Key variables

U.S.A.

(percentage changes from base, unless otherwise specified)

YEARS BEGINNING Q1	CONSUMER EXPENDITURE	REAL PERSONAL INCOME	GDP	INDUSTRIAL OUTPUT	UNEMPLOYMENT ('000S)	EMPLOYMENT	AVERAGE EARNINGS	CONSUMER PRICES	SHORT-TERM INTEREST RATE (PTS)	EXCHANGE RATE PER DOLLAR	EXPORT	CURRENT ACCOUNT (% OF GDP)	GOVERNMENT BALANCE (% OF GDP)
2007	-0.5	-0.7	-1.0	-5.4	488.7	-0.4	-0.5	0.2	0.0	0.0	-0.6	0.0	-0.4
2008	-1.4	-1.4	-1.8	-3.3	623.8	-0.8	-1.4	0.1	0.0	0.4	-1.0	-0.1	-0.7
2009	-1.7	-1.5	-1.6	-1.5	279.1	-0.7	-1.8	-0.4	0.0	0.7	-0.6	-0.5	-0.6
2010	-1.4	-1.1	-0.8	0.2	-72.6	-0.4	-1.5	-0.5	0.0	0.9	0.0	-0.8	-0.4

Euro Zone

(percentage changes from base, unless otherwise specified)

YEARS BEGINNING Q1	CONSUMER EXPENDITURE	REAL PERSONAL INCOME	GDP	INDUSTRIAL OUTPUT	UNEMPLOYMENT ('000S)	EMPLOYMENT	AVERAGE EARNINGS	CONSUMER PRICES	SHORT-TERM INTEREST RATE (PTS)	EXCHANGE RATE PER DOLLAR	EXPORT	CURRENT ACCOUNT (% OF GDP)	GOVERNMENT BALANCE (% OF GDP)
2007	-0.3	-0.3	-0.3	-0.4	105.8	-0.1	0.0	0.3	0.2	0.3	-0.6	-0.1	-0.2
2008	-0.6	-0.7	-0.5	-0.6	210.8	-0.2	-0.1	0.7	0.2	-0.2	-0.8	-0.4	-0.3
2009	-0.9	-0.8	-0.5	-0.5	268.9	-0.2	0.1	1.1	0.4	-0.7	-0.5	-0.5	-0.4
2010	-1.3	-0.8	-0.5	-0.1	282.7	-0.3	0.3	1.6	0.6	-1.1	0.2	-0.5	-0.4

Table 4-1: Scenario 1: Key variables

Italy (percentage changes from base, unless otherwise specified)													
YEARS BEGINNING Q1	CONSUMER EXPEND- ITURE	REAL PERSONAL INCOME	GDP	INDUSTRIAL OUTPUT	UNEM- PLOYMENT (%00S)	EMPLOYMENT	AVERAGE EARNINGS	CONSUMER PRICES	SHORT-TERM INTEREST RATE (PTS)	EXCHANGE RATE PER DOLLAR	EXPORT	CURRENT ACCOUNT (% OF GDP)	GOVERNMENT BALANCE (% OF GDP)
2007	-0.4	-0.3	-0.3	-0.6	24.4	-0.1	0.0	0.4	0.2	-0.3	-0.6	-0.1	-0.2
2008	-0.6	-0.6	-0.4	-0.7	44.7	-0.2	0.1	0.8	0.2	0.2	-0.8	-0.6	-0.3
2009	-1.0	-0.9	-0.6	-0.8	60.6	-0.3	0.3	1.3	0.4	0.7	-0.6	-0.7	-0.5
2010	-1.4	-1.0	-0.6	-0.7	69.6	-0.4	0.6	1.8	0.6	1.1	0.1	-0.7	-0.6

**Exporters to US will suffer most.** The greater amplitude of the US business cycle relative to the Eurozone implies that the largest declines in total export growth for Europe are likely to be felt in those sectors exporting directly to the US (including export of services) and thus most exposed to the shock. Given the high levels for oil prices, exporters to oil producing countries would be less affected and may even see trade rise in this scenario.

**The negative shock to consumption in key markets, especially in the US and Europe, would further weaken consumer goods export growth** – the most vulnerable segment - while exports of investment goods would suffer less of a setback, especially outside of the US. Overall, we would expect intermediate goods exports to continue their strong performance in light of higher oil prices, and this will partly offset some of the direct loss in exports to the US, as well as the losses induced by the global slowdown. Agricultural goods are set to be the least affected, being staple goods, and may also benefit marginally from the overall rise in commodity prices.

#### 4.2. The effect of further export product upgrading

Table 4.2 shows the impact of an upside scenario to Italian exports involving a direct improvement in exports of investment goods to key markets coupled with an increase in competitiveness. In particular, the scenario sees an additional 2% growth per year across the fastest growing segments of investment goods exports to destinations such as east Europe, Latin America and Asia resulting from a faster trend towards product upgrading for investment and intermediate goods than in the baseline. This is reflected in an increase in the quality mix of Italian exports that leads to higher average unit values. This assumption is consistent with faster-than-baseline policy induced product and process innovation resulting from liberalization measures in the labour and product markets increasing export non-cost competitiveness.

We have coupled the above benign scenario with a reduction of 1% in Italy's (relative) unit wage costs. This could be achieved through the elimination of barriers to entry where entrenched monopoly positions exist, thus increasing the incentives for innovation. This would lower mark-ups in some sectors of the manufacturing industry while increasing competition in the retail sector. This scenario assumes that the momentum behind the reform agenda will continue and anticipates measures to liberalise the economy and ease regulatory burdens further in this year's budget.

The result is a boost of 0.7 percentage points per year to total exports in real terms in 2007, with Italy's GDP higher by just under 0.5 percentage points of GDP in every year relative to the baseline scenario. The net result is a marked improvement in the current account balance of about half a percentage point of GDP at the end of the scenario, together with an improvement of about 0.3 percentage points of GDP in the government balance.

Table 4-2: Scenario 2: Key variables

Italy (percentage changes from base , unless otherwise specified)													
YEARS BEGINNING Q1	CONSUMER EXPEND- ITURE	REAL PERSONAL INCOME	GDP	INDUSTRIAL OUTPUT	UNEM- PLOYMENT (%00S)	EMPLOYMENT	AVERAGE EARNINGS	CONSUMER PRICES	SHORT-TERM INTEREST RATE (PTS)	EXCHANGE RATE PER DOLLAR	EXPORT	CURRENT ACCOUNT (% OF GDP)	GOVERNMENT BALANCE (% OF GDP)
2007	0.1	0.2	0.3	0.5	-23.9	0.1	0.2	0.1	0.0	-0.1	0.7	0.2	0.1
2008	0.2	0.2	0.4	0.5	-29.5	0.1	0.5	0.3	0.1	-0.1	1.0	0.2	0.2
2009	0.2	0.2	0.4	0.6	-37.1	0.2	0.9	0.7	0.1	-0.1	1.1	0.3	0.2
2010	0.3	0.3	0.5	0.7	-46.3	0.2	1.5	1.2	0.1	-0.1	1.3	0.4	0.3

### 4.3. Combination of scenarios 1 and 2: risk mitigation

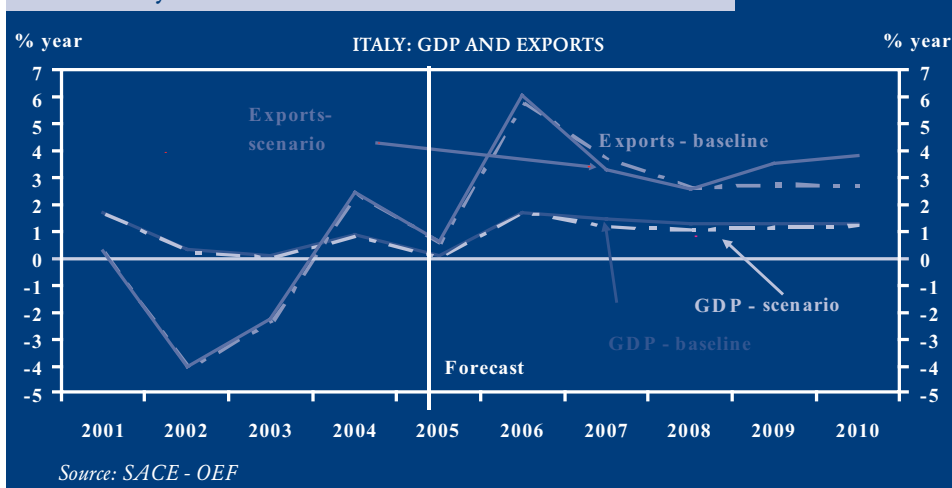
Table 4.3 illustrates the combination of scenarios 1 and 2. The overall result is slightly negative for the outlook of Italian exports. This means that continued product upgrading is not sufficient to fully offset potential negative effects on Italian export stemming from lower global demand. Indeed, a downturn in the US is the main trigger behind the slowing down of world demand and hence the growth rate of Italian exports which decline by 0.3 percentage points in 2007 and 0.4 percentage points in 2008 (Chart 4.2) relative to the baseline. Nevertheless, thanks to higher import penetration of Italian investment goods in key export markets, the effect of a US downturn is mitigated, with GDP falling by only 0.1 percentage points in 2007 and 0.2 percentage points in 2008, compared to 0.3 percentage points and 0.4 percentage points respectively in Scenario 1.

Relatively high energy and commodity prices despite the US downturn allow larger than anticipated surpluses and spending on imports in the oil-producing emerging economies of the Gulf, Russia and Mexico. This also helps boosting Italian exports of intermediate goods and explains why the total growth rate of exports bounces back in the longer-run (2009 and 2010) with growth 1.2 percentage points higher in 2010 relative to the baseline scenario.

Table 4-3: Scenario 3: Key variables

Italy (percentage changes from base, unless otherwise specified)													
YEARS BEGINNING Q1	CONSUMER EXPENDITURE	REAL PERSONAL INCOME	GDP	INDUSTRIAL OUTPUT	UNEMPLOYMENT ('000S)	EMPLOYMENT	AVERAGE EARNINGS	CONSUMER PRICES	SHORT-TERM INTEREST RATE (PTS)	EXCHANGE RATE PER DOLLAR	EXPORT	CURRENT ACCOUNT (% OF GDP)	GOVERNMENT BALANCE (% OF GDP)
2007	-0.2	-0.2	-0.1	-0.1	3.4	0.0	0.2	0.5	0.2	-0.1	-0.3	0.2	-0.1
2008	-0.5	-0.5	-0.2	-0.4	24.6	-0.1	0.6	1.1	0.2	1.0	-0.4	-0.5	-0.2
2009	-0.8	-0.8	-0.3	-0.4	34.7	-0.2	1.1	2.0	0.4	2.7	0.2	-0.5	-0.3
2010	-1.3	-0.9	-0.2	-0.3	38.7	-0.2	2.0	3.1	0.7	4.1	1.2	-0.4	-0.4

Chart 4.2 Italy: scenario 3 results



#### 4.4. Concluding remarks

**Italian exports have started to recover.** Supported by recent activity, there are good reasons to believe that at least part of the severe adjustment needed in consequence of globalisation and Italy's export product mix has been undertaken and that Italy can now move ahead with the global economic current instead of fighting to stay afloat. The growth outlook in the economy can now recover towards the rate prevailing in other major Eurozone countries. This should translate into a revival in productivity compared to the stagnation induced by the weak GDP performance of recent years.

**The pattern of exports of investment goods will be a key determinant of overall export performance.** In this sector, developments in export prices, however, have been largely responsible for sustaining buoyant exports of machinery and optical instruments in value terms. Indeed, behind the benign prospects for investment goods in value terms lies the risk that performance could worsen in volume terms, especially to more mature markets. Increases in prices may continue to drive rising (value) shares but without concomitant quality improvements in products this would lead to a further (long-term) deterioration in trade shares. Within investment goods, transport equipment, machinery and equipment goods may be the most vulnerable to these developments.

**As for consumer goods, the long-term outlook remains generally unfavourable.** China's accession to the WTO and the acceleration of growth in low-wage economies in South East Asia, but also in other countries such as Mexico and Turkey, imply that Italy is likely to lose market share in this sector as more mature economies exploit the cost competitiveness of these economies. However, over the medium-term, declining savings ratios in emerging economies and shifting tastes will present a unique growth opportunity for some Italian consumer goods exports in sectors such as home, furniture and fashion. Indeed, consumer goods export growth to countries such as Mexico, China, Indonesia and India exceeded or was equal to 10% per year in 2005 and will continue to be strong. This may help stem the decline in exports to more traditional markets.

**There are, however, some non-negligible risks to this outlook, mainly related to the international economic cycle:** the potential for volatile oil prices and a downturn in the housing market to tip the US into a growth recession could be the catalyst for such a pessimistic scenario. Furthermore, the main risk stems from volatility in growth and financial crises to which some of the emerging economies are prone. While some emerging economies such as Russia, Mexico, Venezuela and Middle Eastern economies have benefited from the global rise in commodity prices over the last few years, the volatility of growth is likely to increase in the future. Moreover, political cycles/turmoil in countries like Turkey but also to a lesser extent in countries as diverse as Mexico, Indonesia or Thailand also pose downside risks to these forecasts, which are predicated on a sustained opening of world markets and increasing world economic integration via trade and cross-border investment and financial flows.

**However, there are steps that Italian exporters in particular could take to offset these risks.** A continued improvement in Italian export growth, where we already see encouraging signs of a move towards new growth markets and higher value added products, could offer upside potential and may limit the impact of any slowdown in the US and global economy.

## ANNEX 1

DETAILED SECTORAL DATA<sup>5</sup>

Agricultural exports by partner country (Euro millions)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>18527.5</b>	<b>19429.3</b>	<b>19281.6</b>	<b>20382.6</b>	<b>21079.1</b>	<b>23266.8</b>	<b>25033.3</b>	<b>26919.9</b>	<b>28760.2</b>	<b>30581.8</b>
<b>EU15</b>										
Austria	669.9	701.2	701.6	723.7	693.5	772.9	833.5	895.1	954.2	1014.1
Belgium	515.2	569.8	574.9	619.8	657.6	710.9	791.0	853.1	911.3	969.0
Germany	4341.7	4357.5	4316.0	4433.7	4463.3	4884.7	5243.5	5710.5	6115.1	6498.0
Denmark	246.9	262.6	259.4	292.5	309.6	339.9	364.8	391.9	418.4	444.9
Spain	717.2	797.0	843.6	1001.4	1096.5	1274.0	1404.5	1511.2	1618.0	1720.2
Finland	60.2	67.1	69.4	71.1	72.7	80.2	86.8	93.4	99.8	106.1
France	2246.4	2345.9	2364.1	2505.2	2537.2	2801.6	3002.0	3218.7	3434.2	3650.0
UK	1628.3	1733.0	1700.4	1829.2	1917.2	2115.0	2276.0	2449.2	2616.8	2782.2
Greece	516.4	569.9	535.0	591.9	532.1	577.5	609.7	659.2	701.2	742.5
Ireland	65.3	85.1	73.4	77.2	79.9	90.6	97.3	104.4	111.5	118.6
Netherlands	590.4	637.3	629.5	654.9	679.4	736.8	793.4	854.2	913.8	972.7
Portugal	129.0	142.4	151.9	168.6	132.1	151.4	162.4	179.6	195.4	209.7
Sweden	244.1	272.2	294.5	294.6	294.8	326.3	354.3	384.4	413.2	440.9
<b>Other EU</b>										
Czech Republic	124.6	121.5	130.9	141.0	184.0	191.1	218.7	240.5	261.2	280.0
Hungary	90.6	98.0	102.1	116.0	146.1	172.7	184.8	203.1	219.7	234.5
Poland	182.4	147.3	156.7	188.2	239.3	266.5	280.3	302.3	323.1	343.5
Slovakia	36.0	37.0	35.6	39.7	49.1	61.6	69.1	76.4	82.6	87.9
<b>Other Europe</b>										
Bulgaria	18.2	17.8	21.4	24.1	31.2	39.4	41.9	44.6	48.1	51.2
Croatia	121.5	138.5	150.6	163.8	174.0	193.2	213.5	231.4	247.1	262.8
Romania	32.6	44.2	60.1	68.4	85.5	111.1	124.7	137.5	150.3	161.0
Russian Federation	149.1	184.6	223.6	221.8	282.5	317.6	350.3	381.9	411.5	438.5
Norway	86.4	89.8	92.2	90.4	107.8	119.3	127.6	137.4	146.8	156.1
Switzerland	880.0	887.5	911.4	942.0	922.2	1022.5	1101.2	1183.2	1264.2	1344.3
Turkey	38.3	53.7	55.3	64.8	87.5	107.9	119.3	134.2	146.7	156.6
<b>North America</b>										
Canada	309.1	318.0	307.5	330.9	362.7	419.5	450.6	484.6	517.7	550.5
U S	1801.7	1967.1	1894.8	1991.1	2145.2	2444.5	2631.9	2808.2	3002.0	3192.1
<b>South America</b>										
Argentina	34.5	9.1	8.6	9.7	11.6	12.7	13.6	14.7	15.5	16.1
Brazil	63.5	50.5	43.2	49.5	51.3	60.1	64.2	67.1	70.1	74.2
Chile	6.9	7.2	5.7	7.2	8.1	9.6	10.6	11.8	12.8	13.8
Mexico	35.5	39.9	38.0	44.1	42.2	46.9	50.0	53.5	57.2	60.8
<b>Asia</b>										
Australia	139.6	156.6	163.1	190.8	199.4	231.5	248.2	265.0	281.3	299.1
China	36.5	36.1	45.1	50.3	57.0	64.5	68.4	76.1	83.2	89.6
Hong Kong	54.7	49.4	41.6	51.5	48.9	54.1	55.7	59.7	63.7	67.8
Indonesia	9.8	11.0	8.3	13.6	16.4	18.6	22.4	24.4	26.1	27.7
India	13.0	19.8	15.0	20.6	23.7	28.5	32.4	36.1	39.7	42.9
Japan	445.5	482.4	457.8	471.8	467.2	505.7	541.2	579.9	619.6	658.8
Korea (south)	29.3	36.5	33.7	48.0	56.1	66.0	76.2	86.0	94.7	102.1
Malaysia	9.4	10.7	11.3	11.4	12.5	14.2	15.8	17.3	18.4	19.6
Philippines	8.1	7.4	6.5	6.5	7.7	8.9	9.2	9.9	10.5	11.1
Singapore	21.0	21.1	20.2	21.6	21.6	25.6	26.8	28.5	30.4	32.3
Thailand	7.7	9.3	12.0	16.3	18.1	22.4	23.9	25.1	27.0	28.3
Taiwan	38.7	36.7	31.1	41.2	38.9	47.4	49.2	52.3	55.6	59.4
<b>Africa</b>										
South Africa	26.9	28.7	33.3	42.5	45.5	52.7	57.2	63.3	68.7	73.3

<sup>5</sup> The sum of export values country by country does not equal the total value of exports because there is a group of minor destination markets for Italy that are not taken into account in these tables.

Exports of intermediate goods by partner country (Euro millions)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>85199.3</b>	<b>82393.5</b>	<b>79947.2</b>	<b>77065.5</b>	<b>75743.4</b>	<b>80034.7</b>	<b>84741.4</b>	<b>89176.4</b>	<b>93831.4</b>	<b>98971.9</b>
<b>EU15</b>										
Austria	1726.7	1698.3	1742.2	1643.8	1575.2	1654.5	1721.8	1793.6	1858.2	1927.2
Belgium	1993.3	1919.8	1866.6	1819.7	1801.2	1922.6	2034.6	2148.5	2250.3	2363.1
Germany	12044.2	10727.8	10300.3	9364.9	8730.0	9152.4	9573.7	10103.1	10631.9	11187.2
Denmark	624.4	602.1	588.1	596.8	592.7	635.5	676.8	712.0	749.0	790.1
Spain	3816.0	3891.6	4372.3	4279.5	4347.9	4719.9	5103.3	5399.7	5695.4	6007.4
Finland	283.8	271.6	269.6	254.9	244.6	249.3	263.5	274.7	287.8	301.3
France	9526.8	9477.8	9842.1	9483.1	9284.3	9847.3	10562.5	11139.8	11707.8	12344.8
UK	5425.8	5640.7	5539.3	5474.1	4952.1	5148.9	5525.0	5771.3	6060.6	6328.4
Greece	1659.6	1784.3	1883.1	1789.6	1700.2	1796.2	1904.6	1982.0	2058.2	2150.9
Ireland	281.8	286.1	297.2	333.8	329.7	344.9	374.6	398.8	415.9	433.7
Netherlands	2071.0	1928.6	1877.7	1717.7	1694.5	1767.7	1871.9	1962.0	2050.3	2146.3
Portugal	1207.1	1148.6	1125.2	1027.5	987.2	1037.4	1104.7	1155.2	1207.2	1260.1
Sweden	594.1	602.5	637.7	602.3	576.2	608.1	633.2	663.5	695.9	732.2
<b>Other EU</b>										
Czech Republic	488.3	491.9	531.2	557.2	577.6	616.9	655.1	690.9	726.6	764.7
Hungary	935.6	865.5	840.9	753.8	692.9	712.2	744.4	777.2	806.4	839.3
Poland	1060.5	1059.9	1000.2	952.2	974.5	1054.9	1134.9	1229.0	1323.4	1401.5
Slovakia	279.9	303.9	317.8	292.5	301.5	313.2	349.1	367.4	386.6	407.7
<b>Other Europe</b>										
Bulgaria	370.2	397.8	431.4	451.4	491.5	520.6	550.0	586.5	625.3	666.3
Croatia	614.3	713.9	747.3	787.1	761.8	809.4	851.7	895.4	951.8	1015.8
Romania	2046.8	2206.2	2307.6	2386.3	2333.6	2454.2	2597.7	2780.3	2968.0	3211.7
Russian Federation	1736.7	1781.9	1808.3	2054.0	2357.7	2629.8	2792.6	2949.3	3111.2	3295.2
Norway	316.7	303.5	279.7	282.9	287.0	302.7	316.0	333.0	350.7	370.5
Switzerland	3654.3	3339.5	3529.0	4102.2	4084.7	4338.1	4541.5	4779.2	5028.7	5304.1
Turkey	772.1	948.6	973.1	1145.1	1176.0	1266.3	1357.1	1480.5	1621.2	1772.2
<b>North America</b>										
Canada	905.3	869.0	792.3	789.2	733.1	751.8	796.0	834.4	876.1	916.6
U S	10705.2	10019.1	8231.4	7908.3	7364.1	7664.1	8008.0	8394.3	8811.6	9265.2
<b>South America</b>										
Argentina	129.9	54.2	54.8	67.3	62.9	67.4	74.3	79.6	84.3	89.2
Brazil	277.9	188.5	145.1	155.5	170.6	200.9	221.5	243.9	264.2	282.5
Chile	92.2	68.2	53.8	52.0	56.4	60.1	64.5	68.7	73.1	77.8
Mexico	404.5	451.2	374.0	324.3	356.7	390.8	412.6	434.2	456.8	482.2
<b>Asia</b>										
Australia	517.8	557.4	530.8	521.1	492.8	506.8	538.3	564.6	592.6	619.0
China	589.9	569.7	586.2	670.6	742.1	874.8	975.2	1100.2	1243.6	1401.5
Hong Kong	2140.4	1990.5	1733.5	1865.2	1969.4	2099.3	2233.3	2375.9	2516.1	2664.6
Indonesia	77.4	73.3	65.0	68.3	77.4	86.0	98.5	106.8	115.2	124.2
India	162.9	149.8	142.0	163.5	203.4	222.8	246.5	263.5	281.5	301.0
Japan	2518.5	2227.7	2117.9	2005.7	2123.1	2210.1	2385.4	2522.9	2660.4	2808.8
Korea (south)	895.7	932.4	793.8	628.0	660.7	745.2	803.6	852.3	910.4	985.1
Malaysia	66.2	64.6	61.9	57.1	54.3	56.0	60.3	64.0	68.1	72.8
Philippines	76.7	67.1	59.8	71.2	62.3	62.0	64.4	67.7	71.5	75.9
Singapore	253.3	231.9	198.0	161.6	171.4	180.5	193.4	207.8	219.3	231.5
Thailand	117.7	130.2	137.5	150.7	155.2	167.6	181.9	197.3	212.2	227.7
Taiwan	333.2	282.9	235.2	239.0	256.0	273.6	291.6	307.7	325.8	346.6
<b>Africa</b>										
South Africa	178.2	168.6	157.5	159.8	174.6	189.7	205.0	217.7	230.3	242.7

Exports of intermediate goods by partner country (Euro millions)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>58597.8</b>	<b>59075.6</b>	<b>59571.5</b>	<b>70347.6</b>	<b>78998.3</b>	<b>91396.5</b>	<b>100999.2</b>	<b>108239.5</b>	<b>115252.2</b>	<b>123057.7</b>
<b>EU15</b>										
Austria	1540.2	1526.2	1613.9	2064.2	2142.6	2516.9	2782.8	2981.6	3176.7	3381.7
Belgium	3109.7	3298.2	2343.5	2019.3	2811.8	3174.0	3282.9	3477.3	3679.6	3904.5
Germany	8541.3	8036.3	8206.1	9661.6	10158.9	11783.9	12974.9	13908.0	14739.4	15737.8
Denmark	372.1	354.9	356.7	398.7	441.8	518.5	581.7	626.4	664.8	708.8
Spain	4913.8	5004.2	5561.4	6331.2	7392.3	8527.1	9447.9	10134.9	10803.5	11455.8
Finland	251.8	255.5	247.0	294.5	319.3	370.6	413.9	446.0	476.2	510.8
France	7493.0	7512.0	7578.0	8941.1	9587.4	11244.9	12467.8	13366.2	14228.7	15196.7
UK	3482.5	3587.3	3646.6	4123.7	4107.1	4742.7	5511.3	5905.5	6278.2	6682.7
Greece	1465.5	1564.5	1692.6	1976.3	1854.6	2369.1	2684.0	2881.1	3067.8	3275.5
Ireland	392.5	376.7	449.6	416.0	410.1	495.3	547.1	580.0	615.0	656.4
Netherlands	1641.3	1608.1	1628.8	1860.5	2271.5	2565.7	2838.0	3111.5	3310.8	3543.3
Portugal	762.3	761.7	750.6	844.4	828.6	1030.0	1148.8	1233.4	1310.1	1397.1
Sweden	536.3	537.7	546.4	650.6	708.3	842.7	949.7	1020.2	1085.5	1164.5
<b>Other EU</b>										
Czech Republic	478.9	491.0	532.9	648.2	735.0	862.0	954.6	1025.4	1093.8	1172.0
Hungary	511.2	561.4	594.0	697.8	754.5	887.2	991.1	1058.9	1127.6	1207.1
Poland	896.2	897.3	973.3	1178.4	1350.4	1581.8	1733.7	1861.8	1977.8	2107.4
Slovakia	198.2	208.9	219.5	255.6	301.4	362.6	400.5	433.7	464.5	496.7
<b>Other Europe</b>										
Bulgaria	103.8	106.1	126.3	158.5	197.9	222.1	246.7	263.8	280.6	299.3
Croatia	529.9	596.3	591.0	636.9	712.6	824.6	908.8	974.9	1043.8	1123.9
Romania	450.7	457.8	491.8	611.2	785.9	940.7	1058.4	1162.5	1267.0	1390.4
Russian Federation	473.1	574.4	525.5	740.0	883.3	1034.3	1158.6	1242.5	1325.9	1418.0
Norway	176.4	205.1	190.6	218.0	243.0	272.5	305.2	327.8	348.9	372.7
Switzerland	2552.5	2728.4	3009.9	3974.4	3856.0	4551.5	5042.3	5470.8	5903.6	6373.7
Turkey	805.5	990.7	1161.4	1497.5	1798.8	2084.6	2328.6	2511.0	2685.9	2890.2
<b>North America</b>										
Canada	398.8	356.0	415.5	464.4	471.1	567.2	619.6	665.3	708.0	756.0
U S	4101.1	3969.1	3605.2	3852.0	4579.4	5331.3	5918.1	6328.6	6771.1	7234.6
<b>South America</b>										
Argentina	190.0	93.1	122.3	125.3	140.7	167.5	183.0	197.3	210.7	226.6
Brazil	440.7	453.9	384.5	466.8	501.1	598.5	682.2	753.4	821.4	895.0
Chile	77.7	65.0	67.0	68.5	78.6	88.2	98.4	107.2	116.7	127.6
Mexico	369.4	429.9	396.7	467.6	680.8	789.3	889.2	963.7	1038.8	1122.0
<b>Asia</b>										
Australia	455.4	484.8	580.7	567.3	642.2	727.4	814.7	879.4	940.3	1005.0
China	354.8	526.9	628.6	781.4	998.7	1161.1	1410.4	1596.5	1784.7	1996.6
Hong Kong	308.3	277.8	259.3	290.3	301.7	335.5	370.6	392.5	414.4	439.8
Indonesia	114.1	82.0	77.0	78.0	89.1	104.5	112.9	121.0	128.8	137.5
India	237.4	269.7	267.2	326.1	378.7	456.7	515.1	574.0	635.4	703.4
Japan	565.6	603.7	663.8	714.3	796.5	899.4	1002.0	1074.6	1144.1	1221.7
Korea (south)	367.9	421.8	402.7	411.1	519.4	587.0	678.8	739.3	799.4	867.6
Malaysia	89.4	103.1	137.3	156.6	316.1	358.1	397.8	437.2	475.0	514.4
Philippines	42.1	47.6	42.7	37.9	41.4	45.9	49.8	53.9	58.9	64.4
Singapore	256.6	227.5	233.7	300.2	359.3	442.1	479.3	507.7	539.1	578.7
Thailand	160.0	150.0	131.1	137.8	169.5	196.0	217.6	236.5	253.4	273.1
Taiwan	236.7	266.0	221.8	245.0	253.6	289.9	319.0	344.5	375.3	409.7
<b>Africa</b>										
South Africa	207.5	206.1	198.3	227.9	300.3	401.0	401.0	427.4	463.4	501.3

Exports of investment goods by partner country (Euro millions)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>110664.9</b>	<b>108165.1</b>	<b>105815.3</b>	<b>116617.7</b>	<b>119918.2</b>	<b>132789.3</b>	<b>143373.6</b>	<b>156606.9</b>	<b>171368.6</b>	<b>186466.0</b>
<b>EU15</b>										
Austria	1951.4	2036.1	2099.2	2503.8	2750.2	2994.4	3263.7	3607.3	3977.3	4346.1
Belgium	2544.6	2383.6	2269.5	2531.3	2539.8	2744.1	2939.8	3211.9	3513.8	3824.4
Germany	14934.7	13911.3	14164.6	15078.1	15172.6	17027.1	18279.1	19972.8	21781.9	23582.3
Denmark	911.7	857.1	755.5	851.9	1227.5	1161.0	1298.4	1426.6	1570.2	1665.2
Spain	7316.9	7493.4	7955.3	8851.9	8875.9	9932.6	10875.7	11971.0	13213.7	14404.4
Finland	705.3	826.1	721.5	815.0	886.2	1030.3	1164.8	1289.2	1409.7	1524.1
France	14142.9	13434.1	12941.7	14033.8	14542.0	16178.0	17490.1	19111.6	20898.8	22731.2
UK	7836.4	7724.6	7690.7	8616.0	7968.9	8775.9	9406.0	10169.3	11005.6	11836.5
Greece	1710.5	1746.9	1679.3	2081.4	1667.0	1833.6	2008.0	2206.2	2416.7	2610.6
Ireland	851.3	706.6	559.7	539.2	585.1	666.1	720.1	786.8	858.1	929.0
Netherlands	2923.0	2736.7	2205.9	2426.2	2396.1	2650.2	2862.1	3128.8	3419.0	3728.6
Portugal	1527.1	1304.3	1245.7	1349.6	1227.3	1313.5	1407.2	1524.1	1642.9	1761.6
Sweden	1151.4	1174.9	1186.7	1284.9	1440.2	1597.8	1746.8	1920.4	2105.2	2290.5
<b>Other EU</b>										
Czech Republic	1026.3	1036.1	1294.8	1357.1	1297.3	1346.2	1444.2	1571.9	1729.4	1894.6
Hungary	1435.5	1187.9	1334.5	1219.6	1231.1	1382.9	1501.5	1640.3	1794.9	1953.0
Poland	2080.2	2149.5	2433.2	2794.0	2835.8	3124.0	3350.0	3660.5	4012.5	4366.5
Slovakia	389.6	456.8	470.4	503.3	540.1	619.1	667.3	741.7	822.0	904.4
<b>Other Europe</b>										
Bulgaria	264.5	329.7	347.8	415.9	508.0	591.4	656.9	730.4	809.7	883.3
Croatia	420.6	603.0	633.8	615.0	664.2	741.6	790.6	864.2	939.2	1015.2
Romania	819.8	895.9	998.1	1204.0	1452.7	1677.0	1831.1	2049.6	2331.8	2619.9
Russian Federation	1168.5	1245.8	1273.3	1928.6	2525.7	2813.8	3162.6	3666.2	4140.8	4584.0
Norway	485.7	552.6	534.4	535.4	524.6	592.0	640.8	707.8	770.0	838.4
Switzerland	2687.6	2380.6	2496.7	2708.4	2729.4	2966.1	3203.7	3519.4	3863.3	4209.8
Turkey	2208.5	1971.2	2426.0	2862.1	2966.8	3279.5	3572.7	3977.6	4412.2	4882.8
<b>North America</b>										
Canada	958.1	911.6	892.2	829.3	856.9	977.1	1057.7	1154.0	1265.5	1384.5
U S	9535.6	9756.8	8157.5	8514.8	9741.4	10810.9	11677.9	12784.2	14002.5	15236.1
<b>South America</b>										
Argentina	550.6	148.3	236.7	361.4	415.7	480.4	518.3	571.6	625.0	679.1
Brazil	1810.0	1285.8	1017.7	1108.8	1287.5	1415.2	1531.0	1678.7	1845.1	2027.5
Chile	238.5	203.8	199.8	211.3	262.5	291.7	307.8	336.8	368.2	401.9
Mexico	1149.9	995.4	988.4	957.0	1022.8	1104.6	1191.0	1311.7	1448.1	1590.8
<b>Asia</b>										
Australia	855.3	1026.8	1014.8	1247.2	1161.9	1299.2	1404.0	1534.4	1695.0	1867.7
China	2261.2	2838.3	2539.3	2882.8	2754.5	3246.7	3747.2	4253.6	4816.7	5421.3
Hong Kong	761.4	763.9	657.7	735.3	687.3	725.0	791.7	861.2	939.8	1021.7
Indonesia	293.2	310.1	236.7	305.5	291.9	319.1	362.7	404.0	448.8	494.9
India	564.6	574.9	633.5	729.4	1038.1	1208.6	1301.5	1422.3	1569.8	1725.6
Japan	1134.8	1151.6	1069.4	1114.7	1130.0	1217.8	1324.7	1446.6	1582.9	1722.6
Korea (south)	729.0	765.4	788.5	751.0	786.7	879.5	958.3	1071.0	1174.0	1279.6
Malaysia	940.2	724.0	660.5	667.3	394.1	487.0	557.3	621.3	688.7	756.7
Philippines	124.5	139.2	129.8	135.9	116.7	133.7	151.0	167.2	185.4	202.6
Singapore	1173.4	937.2	943.7	1089.2	953.1	1045.7	1142.5	1267.4	1408.2	1555.5
Thailand	363.8	355.3	339.8	430.2	387.5	460.2	516.0	573.3	634.8	696.0
Taiwan	469.9	444.5	448.5	406.1	416.5	466.1	506.1	559.9	624.9	697.5
<b>Africa</b>										
South Africa	648.5	591.6	560.6	693.6	753.3	869.6	973.3	1068.6	1176.8	1284.1

Exports of goods by partner country (Euro millions)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>273381.3</b>	<b>269353.4</b>	<b>265491.9</b>	<b>283599.5</b>	<b>301166.6</b>	<b>327487.3</b>	<b>354147.4</b>	<b>380942.7</b>	<b>409212.4</b>	<b>439077.3</b>
<b>EU15</b>										
Austria	5888.2	5961.9	6156.9	6935.4	7161.5	7938.7	8601.8	9277.5	9966.3	10669.0
Belgium	8162.8	8171.4	7054.6	6990.1	7810.4	8551.6	9048.3	9690.8	10355.0	11061.1
Germany	39861.9	37032.9	36987.0	38538.2	38524.8	42848.1	46071.2	49694.4	53268.3	57005.3
Denmark	2155.1	2076.7	1959.8	2139.9	2571.6	2655.0	2921.8	3156.9	3402.4	3609.0
Spain	16763.8	17186.3	18732.7	20464.0	21712.6	24453.5	26831.4	29016.8	31330.5	33587.9
Finland	1301.0	1420.2	1307.6	1435.5	1522.8	1730.3	1929.0	2103.3	2273.5	2442.3
France	33409.1	32769.9	32725.9	34963.2	35951.0	40071.8	43522.4	46836.2	50269.6	53922.7
UK	18373.0	18685.6	18577.1	20042.9	18945.3	20782.5	22718.3	24295.3	25961.2	27629.9
Greece	5352.0	5665.6	5790.0	6439.3	5753.9	6576.4	7206.4	7728.5	8243.9	8779.6
Ireland	1590.9	1454.5	1379.9	1366.2	1404.7	1596.9	1739.1	1870.1	2000.5	2137.7
Netherlands	7225.8	6910.6	6342.0	6659.4	7041.6	7720.4	8365.3	9056.5	9693.8	10390.9
Portugal	3625.5	3357.0	3273.4	3390.2	3175.2	3532.4	3823.1	4092.3	4355.6	4628.5
Sweden	2525.8	2587.3	2665.3	2832.3	3019.6	3375.0	3684.1	3988.5	4299.7	4628.1
<b>Other EU</b>										
Czech Republic	2118.1	2140.4	2489.8	2703.4	2794.0	3016.3	3272.6	3528.7	3810.9	4111.3
Hungary	2973.0	2712.9	2871.5	2787.1	2824.6	3155.0	3421.9	3679.5	3948.6	4233.9
Poland	4219.3	4253.9	4563.4	5112.9	5400.1	6027.2	6498.9	7053.6	7636.8	8219.0
Slovakia	903.6	1006.6	1043.3	1091.0	1192.1	1356.5	1486.1	1619.2	1755.6	1896.8
<b>Other Europe</b>										
Bulgaria	756.6	851.3	926.9	1050.0	1228.7	1373.6	1495.5	1625.3	1763.7	1900.1
Croatia	1686.2	2051.8	2122.7	2202.8	2312.6	2568.9	2764.5	2965.8	3181.8	3417.6
Romania	3349.9	3604.1	3857.7	4269.9	4657.6	5183.0	5612.0	6129.9	6717.1	7383.0
Russian Federation	3527.3	3786.7	3830.7	4944.3	6049.2	6795.5	7464.2	8239.8	8989.4	9735.7
Norway	1065.2	1151.0	1096.9	1126.7	1162.4	1286.6	1389.6	1505.9	1616.5	1737.8
Switzerland	9774.4	9336.0	9947.1	11727.0	11592.3	12878.3	13888.8	14952.6	16059.8	17232.1
Turkey	3824.4	3964.3	4615.8	5569.4	6029.1	6738.4	7377.7	8103.2	8865.9	9701.8
<b>North America</b>										
Canada	2571.3	2454.7	2407.4	2413.8	2423.8	2715.6	2923.9	3138.3	3367.2	3607.7
U S	26143.6	25712.0	21889.0	22266.2	23830.0	26250.8	28235.9	30315.3	32587.3	34928.0
<b>South America</b>										
Argentina	905.1	304.6	422.4	563.8	630.9	728.1	789.2	863.1	935.5	1011.0
Brazil	2592.2	1978.7	1590.5	1780.6	2010.7	2274.6	2498.9	2743.1	3000.7	3279.3
Chile	415.3	344.2	326.3	339.0	405.6	449.7	481.3	524.5	570.9	621.1
Mexico	1959.3	1916.3	1797.2	1793.0	2102.5	2331.6	2542.8	2763.1	3001.0	3255.8
<b>Asia</b>										
Australia	1968.0	2225.5	2289.4	2526.5	2496.4	2765.0	3005.1	3243.5	3509.3	3791.0
China	3242.4	3971.0	3799.3	4385.1	4552.3	5347.1	6201.3	7026.3	7928.3	8908.9
Hong Kong	3264.9	3081.5	2692.2	2942.3	3007.4	3213.8	3451.3	3689.3	3934.0	4193.9
Indonesia	494.5	476.4	387.1	465.4	474.9	528.2	596.5	656.2	718.9	784.3
India	977.9	1014.2	1057.6	1239.5	1643.9	1916.6	2095.5	2295.9	2526.4	2772.9
Japan	4664.4	4465.4	4308.9	4306.6	4516.9	4833.1	5253.3	5624.0	6007.0	6411.9
Korea (south)	2021.9	2156.1	2018.7	1838.0	2022.9	2277.8	2517.0	2748.7	2978.5	3234.3
Malaysia	1105.2	902.4	871.0	892.4	777.0	915.3	1031.2	1139.7	1250.3	1363.4
Philippines	251.3	261.2	238.8	251.5	228.1	250.5	274.5	298.8	326.3	354.1
Singapore	1704.4	1417.7	1395.6	1572.7	1505.5	1693.9	1842.0	2011.5	2197.1	2398.0
Thailand	649.3	644.9	620.5	735.0	730.3	846.2	939.3	1032.2	1127.3	1225.1
Taiwan	1078.6	1030.1	936.7	931.1	965.0	1077.0	1165.9	1264.4	1381.6	1513.2
<b>Africa</b>										
South Africa	1061.0	995.0	949.7	1123.9	1273.8	1512.9	1636.6	1776.9	1939.3	2101.5

Exports of services by partner country (Euro millions)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total</b>	<b>64930.8</b>	<b>63918.8</b>	<b>63146.6</b>	<b>67211.8</b>	<b>72211.6</b>	<b>81714.0</b>	<b>86804.1</b>	<b>91576.5</b>	<b>95475.3</b>	<b>98897.1</b>
<b>EU15</b>										
Austria	2593.0	2721.0	3050.0	2308.0	2447.1	2845.4	3027.7	3097.7	3138.1	3160.2
Belgium	1614.0	1653.0	1716.0	2000.0	2101.9	2397.9	2544.5	2668.1	2766.6	2858.3
Germany	11520.0	11114.0	11782.0	11574.0	12378.0	14021.8	14824.9	15545.7	16111.7	16589.7
Denmark	366.0	411.0	429.0	414.0	440.9	487.7	495.2	522.2	542.9	559.0
Spain	1783.0	1832.0	1951.0	2049.0	2188.9	2456.5	2574.8	2680.9	2758.0	2838.2
Finland	173.0	306.0	194.0	260.0	273.8	296.3	307.6	324.3	337.4	349.1
France	7008.0	7603.0	6858.0	7109.0	7455.3	8207.5	8408.0	8679.1	8937.5	9142.6
UK	7384.0	6590.0	7526.0	7946.0	8485.7	9477.2	9903.8	10305.5	10646.1	10925.9
Greece	881.0	1041.0	1206.0	930.0	978.6	1107.4	1176.4	1241.0	1293.9	1340.2
Ireland	708.0	794.0	766.0	849.0	914.8	1020.8	1069.4	1117.4	1159.3	1195.0
Netherlands	2563.0	2638.0	2658.0	2948.0	3149.0	3498.7	3634.7	3747.6	3844.1	3977.0
Portugal	259.0	230.0	245.0	295.0	317.2	356.6	376.2	393.6	408.2	422.8
Sweden	460.0	466.0	473.0	523.0	556.8	633.2	672.7	711.0	740.5	767.1
<b>Other EU</b>										
Czech Republic	212.0	229.0	298.0	366.0	403.2	456.2	484.6	511.3	533.5	559.4
Hungary	185.0	258.0	277.0	333.0	360.9	405.5	427.0	446.4	461.3	473.3
Poland	421.0	505.0	508.0	824.0	893.7	976.2	1013.4	1053.2	1081.3	1112.0
Slovakia	46.0	87.0	97.0	195.0	212.9	235.8	249.0	262.9	278.3	292.9
<b>Other Europe</b>										
Bulgaria	65.0	75.0	93.0	91.0	93.6	101.5	106.0	109.6	110.1	109.0
Croatia	515.0	746.0	667.0	324.0	360.5	407.9	433.3	457.1	476.6	493.7
Romania	102.0	227.0	251.0	521.0	575.1	659.7	708.2	754.5	795.5	836.9
Russian Federation	965.0	720.0	721.0	506.0	595.3	795.3	938.5	1055.8	1151.7	1244.8
Norway	192.0	338.0	243.0	304.0	320.8	346.1	349.4	352.4	356.1	359.0
Switzerland	3633.0	3914.0	3882.0	3797.0	4136.5	4754.8	5122.7	5479.9	5792.0	6088.6
Turkey	229.0	245.0	373.0	438.0	487.6	568.2	621.2	673.9	722.0	768.0
<b>North America</b>										
Canada	582.0	461.0	386.0	616.0	667.4	729.4	749.6	777.5	798.8	815.1
U S	7755.0	6537.0	4991.0	6816.0	7260.6	8211.4	8595.3	8910.1	9125.0	9281.6
<b>South America</b>										
Argentina	256.0	92.0	122.0	161.0	181.8	204.2	215.5	226.0	234.1	241.0
Brazil	485.0	407.0	367.0	428.0	427.1	510.8	558.3	597.9	629.7	659.8
Chile	55.0	26.0	20.0	38.0	41.6	45.4	46.4	47.0	47.9	49.9
Mexico	185.0	168.0	128.0	126.0	134.3	151.8	160.2	166.6	172.1	176.5
<b>Asia</b>										
Australia	382.0	313.0	297.0	744.0	814.2	901.3	935.5	963.8	980.8	1011.2
China	304.0	522.0	300.0	306.0	322.8	367.1	389.9	420.1	462.3	507.5
Hong Kong	169.0	94.0	152.0	192.0	206.4	227.6	235.0	242.1	251.9	261.0
Indonesia	28.0	20.0	15.0	22.0	23.5	26.0	27.1	27.9	28.5	28.8
India	166.0	147.0	111.0	217.0	231.7	249.8	255.8	269.1	280.6	290.7
Japan	1935.0	1761.0	1246.0	965.0	951.5	1007.1	1013.7	1014.1	1046.2	1084.0
Korea (south)	246.0	222.0	173.0	145.0	141.7	145.9	140.1	132.8	132.7	137.0
Malaysia	68.0	82.0	59.0	86.0	93.2	104.8	111.2	117.2	122.0	126.3
Philippines	54.0	35.0	11.0	31.0	30.2	33.8	35.7	37.7	39.3	40.8
Singapore	69.0	79.0	75.0	135.0	143.0	150.9	160.5	170.5	178.9	186.6
Thailand	41.0	49.0	34.0	87.0	97.3	108.0	112.4	116.2	118.7	120.3
Taiwan	94.0	141.0	55.0	82.0	89.9	103.8	110.9	117.0	122.0	126.3
<b>Africa</b>										
South Africa	104.0	84.0	74.0	136.0	103.0	112.6	115.4	117.3	121.2	126.0

Exports of goods and services by partner country (Euro millions unless otherwise specified)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total (Euro bn)</b>	<b>338.3</b>	<b>333.3</b>	<b>328.6</b>	<b>350.8</b>	<b>373.4</b>	<b>409.2</b>	<b>441.0</b>	<b>472.5</b>	<b>504.7</b>	<b>538.0</b>
<b>EU15</b>										
Austria	8481.2	8682.9	9206.9	9243.4	9608.6	10784.1	11629.5	12375.2	13104.4	13829.2
Belgium	9776.8	9824.4	8770.6	8990.1	9912.3	10949.6	11592.8	12358.9	13121.6	13919.4
Germany	51381.9	48146.9	48769.0	50112.2	50902.8	56869.9	60896.1	65240.1	69380.0	73595.0
Denmark	2521.1	2487.7	2388.8	2553.9	3012.5	3142.7	3416.9	3679.1	3945.3	4168.0
Spain	18546.8	19018.3	20683.7	22513.0	23901.5	26910.0	29406.2	31697.8	34088.5	36426.1
Finland	1474.0	1726.2	1501.6	1695.5	1796.5	2026.6	2236.6	2427.5	2610.9	2791.4
France	40417.1	40372.9	39583.9	42072.2	43406.2	48279.2	51930.4	55515.4	59207.1	63065.3
UK	25757.0	25275.6	26103.1	27988.9	27431.0	30259.7	32622.1	34600.7	36607.2	38555.9
Greece	6233.0	6706.6	6996.0	7369.3	6732.5	7683.8	8382.7	8969.5	9537.8	10119.9
Ireland	2298.9	2248.5	2145.9	2215.2	2319.5	2617.8	2808.5	2987.5	3159.8	3332.6
Netherlands	9788.8	9548.6	9000.0	9607.4	10190.6	11219.1	12000.0	12804.1	13538.0	14367.9
Portugal	3884.5	3587.0	3518.4	3685.2	3492.4	3889.0	4199.4	4486.0	4763.8	5051.3
Sweden	2985.8	3053.3	3138.3	3355.3	3576.4	4008.2	4356.8	4699.5	5040.3	5395.2
<b>Other EU</b>										
Czech Republic	2330.1	2369.4	2787.8	3069.4	3197.1	3472.5	3757.2	4040.0	4344.4	4670.7
Hungary	3158.0	2970.9	3148.5	3120.1	3185.5	3560.5	3848.8	4125.9	4409.9	4707.2
Poland	4640.3	4758.9	5071.4	5936.9	6293.7	7003.4	7512.4	8106.8	8718.1	9331.0
Slovakia	949.6	1093.6	1140.3	1286.0	1405.0	1592.4	1735.0	1882.2	2033.9	2189.7
<b>Other Europe</b>										
Bulgaria	821.6	926.3	1019.9	1141.0	1322.2	1475.1	1601.5	1734.9	1873.8	2009.1
Croatia	2201.2	2797.8	2789.7	2526.8	2673.1	2976.8	3197.8	3423.0	3658.4	3911.3
Romania	3451.9	3831.1	4108.7	4790.9	5232.7	5842.7	6320.3	6884.4	7512.6	8219.9
Russian Federation	4492.3	4506.7	4551.7	5450.3	6644.5	7590.8	8402.7	9295.6	10141.1	10980.5
Norway	1257.2	1489.0	1339.9	1430.7	1483.2	1632.7	1739.1	1858.3	1972.6	2096.8
Switzerland	13407.4	13250.0	13829.1	15524.0	15728.8	17633.1	19011.4	20432.5	21851.8	23320.7
Turkey	4053.4	4209.3	4988.8	6007.4	6516.7	7306.5	7998.9	8777.1	9587.9	10469.7
<b>North America</b>										
Canada	3153.3	2915.7	2793.5	3029.8	3091.2	3445.0	3673.5	3915.8	4166.0	4422.8
U S	33898.6	32249.0	26880.0	29082.2	31090.6	34462.2	36831.2	39225.4	41712.3	44209.6
<b>South America</b>										
Argentina	1161.1	396.6	544.4	724.8	812.7	932.2	1004.7	1089.1	1169.6	1252.0
Brazil	3077.2	2385.7	1957.5	2208.6	2437.8	2785.3	3057.2	3341.0	3630.4	3939.1
Chile	470.3	370.2	346.3	377.0	447.2	495.0	527.7	571.5	618.7	671.0
Mexico	2144.3	2084.3	1925.2	1919.0	2236.8	2483.5	2703.1	2929.7	3173.0	3432.4
<b>Asia</b>										
Australia	2350.0	2538.5	2586.4	3270.5	3310.6	3666.2	3940.6	4207.3	4490.0	4802.2
China	3546.4	4493.0	4099.3	4691.1	4875.1	5714.2	6591.2	7446.4	8390.5	9416.5
Hong Kong	3433.9	3175.5	2844.2	3134.3	3213.8	3441.4	3686.3	3931.4	4185.9	4454.9
Indonesia	522.5	496.4	402.1	487.4	498.4	554.2	623.5	684.2	747.3	813.1
India	1143.9	1161.2	1168.6	1456.5	1875.6	2166.4	2351.3	2565.1	2807.0	3063.6
Japan	6599.4	6226.4	5554.9	5271.6	5468.4	5840.2	6267.0	6638.1	7053.1	7495.9
Korea (south)	2267.9	2378.1	2191.7	1983.0	2164.6	2423.8	2657.1	2881.5	3111.2	3371.3
Malaysia	1173.2	984.4	930.0	978.4	870.3	1020.1	1142.4	1256.9	1372.3	1489.7
Philippines	305.3	296.2	249.8	282.5	258.3	284.3	310.2	336.4	365.6	394.9
Singapore	1773.4	1496.7	1470.6	1707.7	1648.5	1844.8	2002.4	2182.0	2376.0	2584.6
Thailand	690.3	693.9	654.5	822.0	827.6	954.2	1051.8	1148.4	1246.0	1345.4
Taiwan	1172.6	1171.1	991.7	1013.1	1055.0	1180.8	1276.8	1381.4	1503.6	1639.5
<b>Africa</b>										
South Africa	1165.0	1079.0	1023.7	1259.9	1376.8	1625.5	1752.0	1894.3	2060.4	2227.5



## ANNEX 2

EXPORT SHARES<sup>6</sup>

Agricultural exports by partner country (% total agricultural goods exports)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total (% total goods)</b>	<b>6.78</b>	<b>7.21</b>	<b>7.26</b>	<b>7.18</b>	<b>6.99</b>	<b>6.99</b>	<b>6.96</b>	<b>6.97</b>	<b>6.94</b>	<b>6.88</b>
<b>EU15</b>										
Austria	3.63	3.62	3.64	3.56	3.29	3.32	3.32	3.32	3.31	3.31
Belgium	2.78	2.93	2.98	3.04	3.12	3.05	3.17	3.17	3.17	3.17
Germany	23.50	22.45	22.41	21.79	21.22	20.96	20.93	21.21	21.26	21.24
Denmark	1.34	1.35	1.35	1.44	1.47	1.46	1.46	1.46	1.46	1.46
Spain	3.87	4.09	4.37	4.90	5.19	5.41	5.56	5.57	5.58	5.58
Finland	0.32	0.35	0.36	0.35	0.34	0.34	0.35	0.35	0.35	0.35
France	12.14	12.08	12.27	12.31	12.05	12.05	12.00	11.96	11.94	11.94
UK	8.77	8.90	8.81	8.96	9.08	9.07	9.09	9.10	9.11	9.11
Greece	2.78	2.94	2.77	2.92	2.54	2.47	2.43	2.45	2.44	2.42
Ireland	0.35	0.44	0.38	0.38	0.38	0.39	0.39	0.39	0.39	0.39
Netherlands	3.19	3.28	3.27	3.22	3.23	3.18	3.18	3.18	3.18	3.19
Portugal	0.70	0.73	0.79	0.83	0.63	0.65	0.65	0.67	0.68	0.69
Sweden	1.32	1.40	1.53	1.45	1.40	1.40	1.42	1.43	1.44	1.44
<b>Other EU</b>										
Czech Republic	0.67	0.63	0.68	0.69	0.87	0.82	0.87	0.89	0.91	0.92
Hungary	0.49	0.51	0.53	0.57	0.69	0.74	0.74	0.75	0.76	0.77
Poland	0.97	0.76	0.81	0.91	1.13	1.14	1.11	1.12	1.12	1.12
Slovakia	0.19	0.19	0.19	0.19	0.23	0.26	0.28	0.28	0.29	0.29
<b>Other Europe</b>										
Bulgaria	0.10	0.09	0.11	0.12	0.15	0.17	0.17	0.17	0.17	0.17
Croatia	0.66	0.71	0.78	0.81	0.83	0.83	0.86	0.86	0.86	0.86
Romania	0.18	0.23	0.31	0.33	0.40	0.48	0.50	0.51	0.52	0.53
Russian Federation	0.80	0.94	1.15	1.08	1.33	1.36	1.39	1.41	1.42	1.43
Norway	0.46	0.46	0.48	0.45	0.51	0.51	0.51	0.51	0.51	0.51
Switzerland	4.75	4.57	4.72	4.61	4.39	4.39	4.39	4.39	4.39	4.39
Turkey	0.21	0.27	0.29	0.31	0.41	0.46	0.47	0.50	0.51	0.51
<b>North America</b>										
Canada	1.66	1.63	1.59	1.62	1.71	1.81	1.80	1.80	1.80	1.80
U S	9.71	10.11	9.83	9.74	10.16	10.53	10.51	10.43	10.44	10.44
<b>South America</b>										
Argentina	0.19	0.05	0.04	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Brazil	0.34	0.26	0.22	0.24	0.24	0.26	0.26	0.25	0.24	0.24
Chile	0.04	0.04	0.03	0.04	0.04	0.04	0.04	0.04	0.04	0.05
Mexico	0.19	0.21	0.20	0.22	0.20	0.20	0.20	0.20	0.20	0.20
<b>Asia</b>										
Australia	0.75	0.80	0.84	0.94	0.94	1.00	0.99	0.98	0.98	0.98
China	0.20	0.18	0.23	0.24	0.27	0.28	0.27	0.28	0.29	0.29
Hong Kong	0.29	0.25	0.21	0.25	0.23	0.23	0.22	0.22	0.22	0.22
Indonesia	0.05	0.06	0.04	0.07	0.08	0.08	0.09	0.09	0.09	0.09
India	0.07	0.10	0.08	0.10	0.11	0.12	0.13	0.13	0.14	0.14
Japan	2.41	2.48	2.37	2.32	2.21	2.17	2.16	2.15	2.15	2.15
Korea (south)	0.16	0.19	0.17	0.23	0.26	0.28	0.30	0.32	0.33	0.33
Malaysia	0.05	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Philippines	0.04	0.04	0.03	0.03	0.04	0.04	0.04	0.04	0.04	0.04
Singapore	0.11	0.11	0.10	0.11	0.10	0.11	0.11	0.11	0.11	0.11
Thailand	0.04	0.05	0.06	0.08	0.08	0.10	0.10	0.09	0.09	0.09
Taiwan	0.21	0.19	0.16	0.20	0.18	0.20	0.20	0.19	0.19	0.19
<b>Africa</b>										
South Africa	0.15	0.15	0.17	0.21	0.22	0.23	0.23	0.23	0.24	0.24

<sup>6</sup> The sum of export shares by country does not equal 100%, because there is a group of minor destination markets for Italy that are not taken into account in these tables.

Exports of consumer goods by partner country (% total consumer goods exports)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total (% total goods)</b>	<b>31.17</b>	<b>30.59</b>	<b>30.08</b>	<b>27.18</b>	<b>25.12</b>	<b>24.06</b>	<b>23.59</b>	<b>23.10</b>	<b>22.65</b>	<b>22.28</b>
<b>EU15</b>										
Austria	2.03	2.06	2.16	2.13	2.08	2.07	2.03	2.01	1.98	1.95
Belgium	2.34	2.33	2.33	2.36	2.38	2.41	2.40	2.41	2.40	2.39
Germany	14.14	13.02	12.84	12.16	11.53	11.43	11.29	11.33	11.33	11.30
Denmark	0.73	0.73	0.73	0.77	0.78	0.79	0.80	0.80	0.80	0.80
Spain	4.47	4.71	5.41	5.56	5.74	5.90	6.02	6.06	6.07	6.07
Finland	0.33	0.33	0.33	0.33	0.32	0.31	0.31	0.31	0.31	0.30
France	11.18	11.50	12.28	12.32	12.28	12.31	12.47	12.49	12.48	12.48
UK	6.37	6.84	6.91	7.11	6.54	6.42	6.51	6.47	6.45	6.39
Greece	1.94	2.16	2.32	2.32	2.25	2.25	2.25	2.22	2.19	2.17
Ireland	0.33	0.35	0.37	0.43	0.43	0.43	0.44	0.45	0.44	0.44
Netherlands	2.43	2.34	2.34	2.23	2.24	2.21	2.21	2.20	2.19	2.17
Portugal	1.42	1.39	1.39	1.33	1.30	1.30	1.30	1.30	1.29	1.27
Sweden	0.70	0.73	0.79	0.78	0.76	0.76	0.75	0.74	0.74	0.74
<b>Other EU</b>										
Czech Republic	0.57	0.60	0.67	0.72	0.76	0.77	0.77	0.77	0.77	0.77
Hungary	1.10	1.05	1.06	0.98	0.91	0.89	0.88	0.87	0.86	0.85
Poland	1.24	1.29	1.26	1.24	1.28	1.32	1.34	1.38	1.41	1.42
Slovakia	0.33	0.37	0.40	0.38	0.40	0.39	0.41	0.41	0.41	0.41
<b>Other Europe</b>										
Bulgaria	0.43	0.48	0.54	0.59	0.65	0.65	0.65	0.66	0.67	0.67
Croatia	0.72	0.87	0.94	1.02	1.01	1.01	1.01	1.01	1.02	1.03
Romania	2.40	2.68	2.92	3.10	3.08	3.07	3.07	3.12	3.17	3.25
Russian Federation	2.03	2.16	2.26	2.66	3.10	3.29	3.29	3.30	3.31	3.32
Norway	0.37	0.37	0.35	0.37	0.38	0.38	0.37	0.37	0.37	0.37
Switzerland	4.29	4.06	4.41	5.31	5.40	5.43	5.36	5.36	5.36	5.36
Turkey	0.91	1.15	1.22	1.48	1.55	1.58	1.60	1.66	1.73	1.79
<b>North America</b>										
Canada	1.06	1.06	1.00	1.02	0.97	0.94	0.94	0.94	0.93	0.93
U S	12.57	12.16	10.37	10.26	9.72	9.57	9.45	9.41	9.39	9.36
<b>South America</b>										
Argentina	0.15	0.07	0.07	0.09	0.08	0.08	0.09	0.09	0.09	0.09
Brazil	0.33	0.23	0.18	0.20	0.23	0.25	0.26	0.27	0.28	0.29
Chile	0.11	0.08	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08
Mexico	0.48	0.55	0.47	0.42	0.47	0.49	0.49	0.49	0.49	0.49
<b>Asia</b>										
Australia	0.61	0.68	0.66	0.68	0.65	0.63	0.63	0.63	0.63	0.62
China	0.70	0.69	0.74	0.87	0.98	1.09	1.15	1.23	1.33	1.42
Hong Kong	2.52	2.42	2.17	2.42	2.60	2.62	2.64	2.67	2.69	2.70
Indonesia	0.09	0.09	0.08	0.09	0.10	0.11	0.12	0.12	0.12	0.13
India	0.19	0.18	0.18	0.21	0.27	0.28	0.29	0.30	0.30	0.30
Japan	2.96	2.71	2.67	2.60	2.81	2.76	2.82	2.83	2.84	2.84
Korea (south)	1.05	1.13	1.00	0.81	0.87	0.93	0.95	0.96	0.97	1.00
Malaysia	0.08	0.08	0.08	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Philippines	0.09	0.08	0.08	0.09	0.08	0.08	0.08	0.08	0.08	0.08
Singapore	0.30	0.28	0.25	0.21	0.23	0.23	0.23	0.23	0.23	0.23
Thailand	0.14	0.16	0.17	0.20	0.21	0.21	0.22	0.22	0.23	0.23
Taiwan	0.39	0.34	0.30	0.31	0.34	0.34	0.34	0.35	0.35	0.35
<b>Africa</b>										
South Africa	0.21	0.20	0.20	0.21	0.23	0.24	0.24	0.24	0.25	0.25

Exports of intermediate goods by partner country (% total intermediate goods exports)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total (% total goods)</b>	<b>21.43</b>	<b>21.93</b>	<b>22.43</b>	<b>24.79</b>	<b>26.21</b>	<b>27.46</b>	<b>28.08</b>	<b>28.03</b>	<b>27.80</b>	<b>27.69</b>
<b>EU15</b>										
Austria	2.63	2.58	2.71	2.93	2.71	2.75	2.75	2.75	2.75	2.74
Belgium	5.29	5.61	3.93	2.88	3.52	3.49	3.25	3.21	3.19	3.17
Germany	14.57	13.61	13.79	13.76	12.92	12.91	12.88	12.88	12.81	12.81
Denmark	0.63	0.60	0.60	0.57	0.56	0.57	0.58	0.58	0.58	0.58
Spain	8.38	8.47	9.32	9.02	9.39	9.32	9.38	9.38	9.39	9.32
Finland	0.43	0.43	0.41	0.42	0.41	0.41	0.41	0.41	0.41	0.42
France	12.77	12.72	12.73	12.74	12.18	12.30	12.36	12.36	12.36	12.36
UK	5.95	6.07	6.13	5.87	5.22	5.17	5.46	5.46	5.45	5.43
Greece	2.50	2.64	2.84	2.82	2.36	2.59	2.66	2.66	2.66	2.66
Ireland	0.67	0.64	0.75	0.59	0.52	0.54	0.54	0.54	0.53	0.53
Netherlands	2.80	2.72	2.73	2.65	2.88	2.80	2.82	2.88	2.88	2.89
Portugal	1.30	1.29	1.26	1.20	1.05	1.13	1.14	1.14	1.14	1.14
Sweden	0.91	0.91	0.92	0.93	0.90	0.92	0.94	0.94	0.94	0.95
<b>Other EU</b>										
Czech Republic	0.82	0.83	0.90	0.92	0.93	0.94	0.95	0.95	0.95	0.95
Hungary	0.87	0.95	1.00	0.99	0.96	0.97	0.98	0.98	0.98	0.98
Poland	1.53	1.52	1.64	1.67	1.71	1.73	1.72	1.72	1.72	1.71
Slovakia	0.34	0.35	0.37	0.36	0.38	0.40	0.40	0.40	0.40	0.40
<b>Other Europe</b>										
Bulgaria	0.18	0.18	0.21	0.22	0.25	0.24	0.24	0.24	0.24	0.24
Croatia	0.90	1.01	0.99	0.90	0.90	0.90	0.90	0.90	0.90	0.91
Romania	0.77	0.78	0.83	0.87	0.99	1.03	1.05	1.07	1.10	1.13
Russian Federation	0.81	0.97	0.88	1.05	1.11	1.13	1.14	1.14	1.15	1.15
Norway	0.30	0.35	0.32	0.31	0.31	0.30	0.30	0.30	0.30	0.30
Switzerland	4.36	4.62	5.04	5.63	4.89	5.00	5.02	5.07	5.13	5.19
Turkey	1.38	1.68	1.95	2.12	2.27	2.27	2.30	2.31	2.32	2.34
<b>North America</b>										
Canada	0.68	0.60	0.70	0.66	0.60	0.62	0.62	0.62	0.62	0.62
U S	7.00	6.71	6.05	5.46	5.76	5.83	5.83	5.83	5.85	5.86
<b>South America</b>										
Argentina	0.32	0.16	0.21	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Brazil	0.75	0.77	0.65	0.66	0.63	0.66	0.67	0.69	0.71	0.73
Chile	0.13	0.11	0.11	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Mexico	0.63	0.73	0.67	0.66	0.86	0.86	0.88	0.89	0.90	0.91
<b>Asia</b>										
Australia	0.78	0.82	0.98	0.80	0.81	0.79	0.81	0.81	0.82	0.82
China	0.61	0.89	1.05	1.11	1.27	1.27	1.41	1.48	1.56	1.63
Hong Kong	0.53	0.47	0.43	0.41	0.38	0.37	0.37	0.36	0.36	0.36
Indonesia	0.19	0.14	0.13	0.11	0.11	0.11	0.11	0.11	0.11	0.11
India	0.41	0.46	0.45	0.46	0.48	0.50	0.51	0.53	0.55	0.57
Japan	0.97	1.02	1.12	1.02	1.01	0.98	0.99	0.99	0.99	0.99
Korea (south)	0.63	0.71	0.68	0.59	0.66	0.64	0.67	0.68	0.70	0.71
Malaysia	0.15	0.17	0.23	0.22	0.39	0.39	0.39	0.40	0.41	0.42
Philippines	0.07	0.08	0.07	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Singapore	0.44	0.38	0.39	0.43	0.45	0.49	0.47	0.47	0.47	0.47
Thailand	0.27	0.25	0.22	0.20	0.21	0.21	0.22	0.22	0.22	0.22
Taiwan	0.40	0.45	0.37	0.35	0.32	0.32	0.32	0.32	0.33	0.33
<b>Africa</b>										
South Africa	0.35	0.35	0.33	0.32	0.38	0.45	0.40	0.40	0.40	0.41

Exports of investment goods by partner country (% total investment goods exports)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total (% total goods)</b>	<b>40.46</b>	<b>40.15</b>	<b>39.86</b>	<b>41.12</b>	<b>39.79</b>	<b>39.91</b>	<b>39.89</b>	<b>40.55</b>	<b>41.34</b>	<b>41.96</b>
<b>EU15</b>										
Austria	1.76	1.88	1.98	2.15	2.29	2.25	2.28	2.30	2.32	2.33
Belgium	2.29	2.21	2.15	2.17	2.12	2.07	2.06	2.06	2.06	2.06
Germany	13.52	12.87	13.40	12.96	12.67	12.84	12.76	12.77	12.73	12.66
Denmark	0.83	0.79	0.71	0.73	1.02	0.87	0.91	0.91	0.92	0.89
Spain	6.60	6.92	7.51	7.58	7.41	7.47	7.58	7.64	7.71	7.73
Finland	0.64	0.77	0.68	0.70	0.74	0.77	0.81	0.82	0.82	0.82
France	12.76	12.44	12.23	12.03	12.16	12.18	12.20	12.20	12.20	12.19
UK	7.09	7.16	7.28	7.44	6.65	6.61	6.56	6.50	6.42	6.35
Greece	1.54	1.61	1.58	1.79	1.39	1.38	1.40	1.41	1.41	1.40
Ireland	0.77	0.65	0.53	0.46	0.49	0.50	0.50	0.50	0.50	0.50
Netherlands	2.63	2.53	2.09	2.07	2.00	2.00	2.00	2.00	2.00	2.00
Portugal	1.38	1.21	1.18	1.16	1.02	0.99	0.98	0.98	0.96	0.95
Sweden	1.04	1.08	1.12	1.10	1.20	1.21	1.22	1.23	1.23	1.23
<b>Other EU</b>										
Czech Republic	0.93	0.96	1.22	1.17	1.08	1.01	1.01	1.01	1.01	1.02
Hungary	1.29	1.10	1.26	1.05	1.03	1.04	1.05	1.05	1.05	1.05
Poland	1.89	1.99	2.30	2.39	2.37	2.36	2.34	2.34	2.35	2.35
Slovakia	0.35	0.42	0.44	0.43	0.45	0.47	0.46	0.47	0.48	0.48
<b>Other Europe</b>										
Bulgaria	0.24	0.31	0.33	0.36	0.42	0.45	0.46	0.47	0.47	0.47
Croatia	0.38	0.56	0.60	0.53	0.55	0.56	0.55	0.55	0.55	0.54
Romania	0.74	0.83	0.95	1.03	1.21	1.26	1.28	1.31	1.36	1.40
Russian Federation	1.06	1.15	1.21	1.65	2.10	2.11	2.20	2.34	2.41	2.46
Norway	0.44	0.51	0.50	0.46	0.44	0.45	0.45	0.45	0.45	0.45
Switzerland	2.43	2.20	2.35	2.32	2.28	2.22	2.24	2.25	2.26	2.26
Turkey	1.99	1.82	2.28	2.46	2.46	2.47	2.49	2.54	2.57	2.62
<b>North America</b>										
Canada	0.86	0.84	0.84	0.71	0.71	0.74	0.74	0.74	0.74	0.74
U S	8.62	9.02	7.71	7.31	8.13	8.14	8.14	8.16	8.17	8.17
<b>South America</b>										
Argentina	0.50	0.14	0.22	0.31	0.34	0.36	0.36	0.36	0.36	0.36
Brazil	1.64	1.19	0.96	0.95	1.07	1.07	1.07	1.07	1.07	1.09
Chile	0.22	0.19	0.19	0.18	0.22	0.22	0.21	0.21	0.21	0.22
Mexico	1.04	0.92	0.93	0.82	0.85	0.83	0.83	0.84	0.84	0.85
<b>Asia</b>										
Australia	0.77	0.95	0.96	1.07	0.97	0.98	0.98	0.98	0.99	1.00
China	2.05	2.64	2.40	2.47	2.29	2.45	2.61	2.72	2.81	2.91
Hong Kong	0.69	0.70	0.62	0.63	0.57	0.55	0.55	0.55	0.55	0.55
Indonesia	0.27	0.29	0.22	0.26	0.25	0.24	0.25	0.26	0.26	0.27
India	0.51	0.53	0.59	0.62	0.86	0.91	0.91	0.91	0.92	0.93
Japan	1.03	1.07	1.01	0.96	0.94	0.92	0.92	0.92	0.92	0.92
Korea (south)	0.66	0.71	0.74	0.64	0.65	0.67	0.67	0.68	0.68	0.69
Malaysia	0.85	0.67	0.62	0.57	0.33	0.37	0.39	0.40	0.40	0.41
Philippines	0.11	0.13	0.12	0.12	0.10	0.10	0.10	0.11	0.11	0.11
Singapore	1.06	0.85	0.89	0.93	0.80	0.78	0.80	0.81	0.82	0.83
Thailand	0.33	0.33	0.32	0.37	0.32	0.35	0.36	0.37	0.37	0.37
Taiwan	0.42	0.41	0.42	0.35	0.35	0.35	0.35	0.36	0.36	0.37
<b>Africa</b>										
South Africa	0.59	0.55	0.53	0.59	0.62	0.65	0.68	0.68	0.68	0.69

Exports of goods by partner country (% total goods exports)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total (% tot. exports)</b>	<b>80.8</b>	<b>80.8</b>	<b>80.8</b>	<b>80.8</b>	<b>80.7</b>	<b>80.3</b>	<b>80.0</b>	<b>80.3</b>	<b>81.1</b>	<b>81.7</b>
<b>EU15</b>										
Austria	2.15	2.21	2.32	2.45	2.38	2.38	2.39	2.40	2.40	2.40
Belgium	2.99	3.03	2.65	2.47	2.59	2.57	2.52	2.51	2.50	2.49
Germany	14.57	13.75	13.93	13.60	12.79	12.88	12.82	12.87	12.86	12.83
Denmark	0.79	0.77	0.74	0.76	0.85	0.80	0.81	0.82	0.82	0.81
Spain	6.13	6.38	7.05	7.22	7.21	7.35	7.47	7.52	7.56	7.56
Finland	0.48	0.53	0.49	0.51	0.51	0.52	0.54	0.54	0.55	0.55
France	12.21	12.17	12.32	12.34	11.94	12.04	12.11	12.13	12.13	12.14
UK	6.72	6.94	7.00	7.08	6.29	6.24	6.32	6.29	6.26	6.22
Greece	1.96	2.10	2.18	2.27	1.91	1.98	2.01	2.00	1.99	1.98
Ireland	0.58	0.54	0.52	0.48	0.47	0.48	0.48	0.48	0.48	0.48
Netherlands	2.64	2.57	2.39	2.35	2.34	2.32	2.33	2.35	2.34	2.34
Portugal	1.33	1.25	1.23	1.20	1.05	1.06	1.06	1.06	1.05	1.04
Sweden	0.92	0.96	1.00	1.00	1.00	1.01	1.03	1.03	1.04	1.04
<b>Other EU</b>										
Czech Republic	0.78	0.79	0.94	0.95	0.93	0.91	0.91	0.91	0.92	0.93
Hungary	1.09	1.01	1.08	0.98	0.94	0.95	0.95	0.95	0.95	0.95
Poland	1.54	1.58	1.72	1.80	1.79	1.81	1.81	1.83	1.84	1.85
Slovakia	0.33	0.37	0.39	0.38	0.40	0.41	0.41	0.42	0.42	0.43
<b>Other Europe</b>										
Bulgaria	0.28	0.32	0.35	0.37	0.41	0.41	0.42	0.42	0.43	0.43
Croatia	0.62	0.76	0.80	0.78	0.77	0.77	0.77	0.77	0.77	0.77
Romania	1.23	1.34	1.45	1.50	1.54	1.56	1.56	1.59	1.62	1.66
Russian Federation	1.29	1.41	1.44	1.74	2.00	2.04	2.07	2.13	2.17	2.19
Norway	0.39	0.43	0.41	0.40	0.39	0.39	0.39	0.39	0.39	0.39
Switzerland	3.58	3.47	3.74	4.12	3.85	3.87	3.87	3.87	3.88	3.88
Turkey	1.40	1.47	1.74	1.96	2.00	2.02	2.05	2.10	2.14	2.18
<b>North America</b>										
Canada	0.94	0.91	0.91	0.85	0.80	0.82	0.81	0.81	0.81	0.81
U S	9.56	9.54	8.25	7.84	7.90	7.89	7.85	7.85	7.86	7.86
<b>South America</b>										
Argentina	0.33	0.11	0.16	0.20	0.21	0.22	0.22	0.22	0.23	0.23
Brazil	0.95	0.73	0.60	0.63	0.67	0.68	0.70	0.71	0.72	0.74
Chile	0.15	0.13	0.12	0.12	0.13	0.14	0.13	0.14	0.14	0.14
Mexico	0.72	0.71	0.68	0.63	0.70	0.70	0.71	0.72	0.72	0.73
<b>Asia</b>										
Australia	0.72	0.83	0.86	0.89	0.83	0.83	0.84	0.84	0.85	0.85
China	1.19	1.47	1.43	1.54	1.51	1.61	1.73	1.82	1.91	2.01
Hong Kong	1.19	1.14	1.01	1.04	1.00	0.97	0.96	0.96	0.95	0.94
Indonesia	0.18	0.18	0.15	0.16	0.16	0.16	0.17	0.17	0.17	0.18
India	0.36	0.38	0.40	0.44	0.54	0.58	0.58	0.59	0.61	0.62
Japan	1.71	1.66	1.62	1.52	1.50	1.45	1.46	1.46	1.45	1.44
Korea (south)	0.74	0.80	0.76	0.65	0.67	0.69	0.70	0.71	0.72	0.73
Malaysia	0.40	0.33	0.33	0.31	0.26	0.28	0.29	0.30	0.30	0.31
Philippines	0.09	0.10	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.08
Singapore	0.62	0.53	0.53	0.55	0.50	0.51	0.51	0.52	0.53	0.54
Thailand	0.24	0.24	0.23	0.26	0.24	0.25	0.26	0.27	0.27	0.28
Taiwan	0.39	0.38	0.35	0.33	0.32	0.32	0.32	0.33	0.33	0.34
<b>Africa</b>										
South Africa	0.39	0.37	0.36	0.40	0.42	0.45	0.45	0.46	0.47	0.47

Exports of services by partner country (% total services exports)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total (% tot. exports)</b>	<b>19.2</b>	<b>19.2</b>	<b>19.2</b>	<b>19.2</b>	<b>19.3</b>	<b>19.7</b>	<b>20.0</b>	<b>19.7</b>	<b>18.7</b>	<b>18.3</b>
<b>EU15</b>										
Austria	4.00	4.26	4.84	3.44	3.39	3.48	3.49	3.38	3.29	3.20
Belgium	2.49	2.59	2.72	2.98	2.91	2.93	2.93	2.91	2.90	2.89
Germany	17.77	17.41	18.68	17.23	17.14	17.16	17.08	16.98	16.88	16.77
Denmark	0.57	0.64	0.68	0.62	0.61	0.60	0.57	0.57	0.57	0.57
Spain	2.75	2.87	3.09	3.05	3.03	3.01	2.97	2.93	2.89	2.87
Finland	0.27	0.48	0.31	0.39	0.38	0.36	0.35	0.35	0.35	0.35
France	10.82	11.91	10.88	10.58	10.33	10.05	9.69	9.48	9.36	9.24
UK	11.38	10.32	11.92	11.83	11.75	11.60	11.41	11.25	11.15	11.05
Greece	1.36	1.63	1.91	1.39	1.36	1.36	1.36	1.36	1.36	1.36
Ireland	1.09	1.24	1.21	1.26	1.27	1.25	1.23	1.22	1.21	1.21
Netherlands	3.95	4.13	4.21	4.39	4.36	4.28	4.19	4.09	4.03	4.02
Portugal	0.40	0.36	0.39	0.44	0.44	0.44	0.43	0.43	0.43	0.43
Sweden	0.71	0.73	0.75	0.78	0.77	0.77	0.77	0.78	0.78	0.78
<b>Other EU</b>										
Czech Republic	0.33	0.36	0.47	0.54	0.56	0.56	0.56	0.56	0.56	0.57
Hungary	0.29	0.40	0.44	0.50	0.50	0.50	0.49	0.49	0.48	0.48
Poland	0.65	0.79	0.80	1.22	1.24	1.19	1.17	1.15	1.13	1.12
Slovakia	0.07	0.14	0.15	0.29	0.29	0.29	0.29	0.29	0.29	0.30
<b>Other Europe</b>										
Bulgaria	0.10	0.12	0.15	0.14	0.13	0.12	0.12	0.12	0.12	0.11
Croatia	0.80	1.17	1.06	0.48	0.50	0.50	0.50	0.50	0.50	0.50
Romania	0.16	0.35	0.40	0.77	0.80	0.81	0.82	0.82	0.83	0.85
Russian Federation	1.49	1.13	1.14	0.75	0.82	0.97	1.08	1.15	1.21	1.26
Norway	0.30	0.53	0.39	0.45	0.44	0.42	0.40	0.38	0.37	0.36
Switzerland	5.61	6.13	6.16	5.65	5.73	5.82	5.90	5.98	6.07	6.16
Turkey	0.35	0.38	0.59	0.65	0.67	0.70	0.72	0.74	0.76	0.78
<b>North America</b>										
Canada	0.90	0.72	0.61	0.92	0.92	0.89	0.86	0.85	0.84	0.82
U S	11.96	10.25	7.92	10.14	10.05	10.05	9.90	9.73	9.56	9.39
<b>South America</b>										
Argentina	0.39	0.14	0.19	0.24	0.25	0.25	0.25	0.25	0.25	0.24
Brazil	0.75	0.64	0.58	0.64	0.59	0.62	0.64	0.65	0.66	0.67
Chile	0.08	0.04	0.03	0.06	0.06	0.06	0.05	0.05	0.05	0.05
Mexico	0.29	0.26	0.20	0.19	0.19	0.19	0.18	0.18	0.18	0.18
<b>Asia</b>										
Australia	0.59	0.49	0.47	1.10	1.13	1.10	1.08	1.05	1.03	1.02
China	0.47	0.82	0.48	0.46	0.45	0.45	0.45	0.46	0.48	0.51
Hong Kong	0.26	0.15	0.24	0.29	0.29	0.28	0.27	0.26	0.26	0.26
Indonesia	0.04	0.03	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.03
India	0.26	0.23	0.18	0.32	0.32	0.31	0.29	0.29	0.29	0.29
Japan	2.99	2.76	1.98	1.44	1.32	1.23	1.17	1.11	1.10	1.10
Korea (south)	0.38	0.35	0.28	0.22	0.20	0.18	0.16	0.15	0.14	0.14
Malaysia	0.10	0.13	0.09	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Philippines	0.08	0.05	0.02	0.05	0.04	0.04	0.04	0.04	0.04	0.04
Singapore	0.11	0.12	0.12	0.20	0.20	0.18	0.18	0.19	0.19	0.19
Thailand	0.06	0.08	0.05	0.13	0.13	0.13	0.13	0.13	0.12	0.12
Taiwan	0.15	0.22	0.09	0.12	0.12	0.13	0.13	0.13	0.13	0.13
<b>Africa</b>										
South Africa	0.16	0.13	0.12	0.20	0.14	0.14	0.13	0.13	0.13	0.13

## ANNEX 3

## SECTORAL CLASSIFICATION

Sectoral classification		
CATEGORY	HS PRODUCT CODE	DESCRIPTION
Agr.	1	Live animals
Agr.	2	Meat and edible meat offal
Agr.	3	Fish and crustaceans, molluscs and other aquatic invertebrates
Agr.	4	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included
Agr.	5	Products of animal origin, not elsewhere specified or included
Agr.	6	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage
Agr.	7	Edible vegetables and certain roots and tubers
Agr.	8	Edible fruit and nuts; peel of citrus fruits or melons
Agr.	9	Coffee, tea, mat and spices
Agr.	10	Cereals
Agr.	11	Products of the milling industry; malt; starches; inulin; wheat gluten
Agr.	12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder
Agr.	13	Lac; gums, resins and other vegetable saps and extracts
Agr.	14	Vegetable plaiting materials; vegetable products not elsewhere specified or included
Agr.	15	Animal or vegetable fats and oils and their cleavage products; prepared edible fats; Animal or vegetable waxes
Agr.	16	Preparations of meat, of fish or of crustaceans; molluscs or other aquatic invertebrates
Agr.	17	Sugars and sugar confectionery
Agr.	18	Cocoa and cocoa preparations
Agr.	19	Preparations of cereals, flour, starch or milk; pastrycooks' products
Agr.	20	Preparations of vegetables, fruit, nuts or other parts of plants
Agr.	21	Miscellaneous edible preparations
Agr.	22	Beverages, spirits and vinegar
Agr.	23	Residues and waste from the food industries; prepared animal fodder
Agr.	24	Tobacco and manufactured tobacco substitutes

Sectoral classification		
CATEGORY	HS PRODUCT CODE	DESCRIPTION
Agr.	25	Salt; sulphur; earths and stone; plastering materials, lime and cement
Int.	26	Ores, slag and ash
Int.	27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; Mineral waxes
Int.	28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth Metals, of radioactive elements or of isotopes
Int.	29	Organic chemicals
Int.	30	Pharmaceutical products
Int.	31	Fertilisers
Int.	32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other mastics; Inks colouring matter; paints and varnishes; putty and other
Int.	33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations
Int.	34	Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar preparations with a basis of plaster articles, modelling pastes, 'dental waxes' and dental
Int.	35	Albuminoidal substances; modified starches; glues; enzymes
Int.	36	Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations
Int.	37	Photographic or cinematographic goods
Int.	38	Miscellaneous chemical products
Int.	39	Plastics and articles thereof
Int.	40	Rubber and articles thereof
Con.	41	Raw hides and skins (other than furskins) and leather
Con.	42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silkworm gut)
Con.	43	Furskins and artificial fur; manufactures there of
Con.	44	Wood and articles of wood; wood charcoal
Con.	45	Cork and articles of cork
Con.	46	Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork
Con.	47	Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard
Con.	48	Paper and paperboard; articles of paper pulp, of paper or of paperboard

Sectoral classification		
CATEGORY	HS PRODUCT CODE	DESCRIPTION
Con.	49	Printed books, newspapers, pictures and other products of the printing industry; Manuscripts, typescripts and plans
Con.	50	Silk
Con.	51	Wool, fine or coarse animal hair; horsehair yarn and woven fabric
Con.	52	Cotton
Con.	53	Other vegetable textile fibres; paper yarn and woven fabrics of paper yarn
Con.	54	Man-made filaments
Con.	55	Man-made staple fibres
Con.	56	Wadding, felt and nonwovens; special yarns; twine, cordage, ropes and cables and articles thereof
Con.	57	Carpets and other textile floor coverings
Con.	58	Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery
Con.	59	Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use
Con.	60	Knitted or crocheted fabrics
Con.	61	Articles of apparel and clothing accessories, knitted or crocheted
Con.	62	Articles of apparel and clothing accessories, not knitted or crocheted
Con.	63	Other made-up textile articles; sets; worn clothing and worn textile articles; rags
Con.	64	Footwear, gaiters and the like; parts of such articles
Con.	65	Headgear and parts thereof
Con.	66	Umbrellas, sun umbrellas, walking-sticks, seat-sticks, whips, riding-crops and parts thereof
Con.	67	Prepared feathers and down and articles made of feathers or of down; artificial flowers; Articles of human hair
Con.	68	Articles of stone, plaster, cement, asbestos, mica or similar materials
Con.	69	Ceramic products
Con.	70	Glass and glassware
Con.	71	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewellery; coin
Int.	72	Iron and steel
Int.	73	Articles of iron or steel
Int.	74	Copper and articles thereof

Sectoral classification		
Int.	75	Nickel and articles thereof
Int.	76	Aluminium and articles thereof
Int.	78	Lead and articles thereof
Int.	79	Zinc and articles thereof
Int.	80	Tin and articles thereof
Int.	81	Other base metals; cermets; articles thereof
Inv.	82	Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal
Int.	83	Miscellaneous articles of base metal
Inv.	84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof
Inv.	85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, Television image and sound recorders and reproducers, and parts and accessories of such articles
Inv.	86	Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) Traffic signalling equipment of all kinds
Inv.	87	Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof
Inv.	88	Aircraft, spacecraft and parts thereof
Inv.	89	Ships, boats and floating structures
Inv.	90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof
Con.	91	Clocks and watches and parts thereof
Con.	92	Musical instruments; parts and accessories of such articles
Inv.	93	Arms and ammunition; parts and accessories thereof
Con.	94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings
Con.	95	Toys, games and sports requisites; parts and accessories thereof
Con.	96	Miscellaneous manufactured articles
Con.	97	Works of art, collectors' pieces and antiques
Con.	99	Other products



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**Prospects for Italian export growth in 2006-2010**

November 2006



