

## SACE FORECASTS

### ITALIAN EXPORTS TO € 480 BILLION IN 2019 (+ 3.7% 2016-2019)

*SACE publishes “RE-action, Export Calling” the report on Italian exports with a focus on the machinery sector, a driving force that could reach € 100 billion in exports in 2019*

*New this year, SACE introduces the Risk&Export Map, a single tool for reading the opportunities for exports and investments in 190 countries*

Milan, 15<sup>th</sup> June 2016 – A world traveling at a slower pace, risks that rise and become more widespread because of financial and currency dynamics, the commodities cycle, and growing political risk. It is this framework, permanently impacted by the global financial crisis, that fostered “**RE-action Export Calling**”, the latest export report of SACE (Cdp Group), which stimulates exporting companies to react and compete in the international markets, regardless of this highly complex moment in time.

The report projects **moderate growth for Italian exports in the next four years**, at an **annual rate of 3.7%**, reaching **€ 480 billion in 2019**, and dedicates an in-depth look at **capital equipment**, the leading, driving sector of Made in Italy in the world in terms of innovation and exports. It accounts 21% of total Italian exports and could reach € 100 billion in 2019 (versus the current 80).

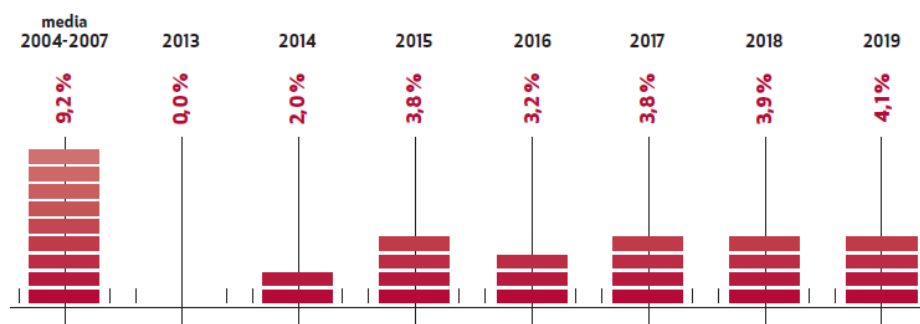
With this edition of Export Report, SACE is also introducing the Risk&Export Map, an integrated tool that will help Italian companies identify the countries with greatest potential not only for exports but also (new this year) for investments represented by two indices: the Export Opportunity Index (EOI) and the Investment Opportunity Index (IOI).

#### **Italian Exports | Outlook 2016-2019**

According to SACE projections, **Italian exports, despite their weak performance in the early months of this year, may register growth of 3.2% in 2016**, a slightly slower pace than the previous year (3.8%), provided companies focus their efforts on the high potential areas.

The growth rate may increase further in the subsequent three years, reaching 4.15% in 2019: positive but far from the pre-crisis rate, considering that in 2004-2007 exports grew an annual average of 9.2%. Such a “plunge” reflects the lingering impact of the financial crisis on global trade but also makes it imperative for exporting companies to buttress their international development strategies with all the information and insurance and financial instruments available.

## Exports: actual 2004-2015 and projections for 2016-2019 (€ bns and annual % chg.)



Source: ISTAT, SACE

## Sectors | Capital machinery, the high-potential core of Italian exports

Examining the outlook for the various sectors of Italian exports, the SACE report projects greater growth in value for **capital assets (+ 4.3% average in 2016-2019)**, thanks to increasing investments in Europe, North America and India and despite uncertainty in markets like Russia, Brazil and Nigeria.

The report devotes its most thorough analysis to capital machinery, the driving sector in Italian exports but one still seeking a true Made in Italy brand. By bolstering its positioning in a **global market today worth € 1,600 billion**, Italian machinery could reach € 100 billion in exports by 2019.

The report also confirms the dynamism of **agro-food products (+ 5% per year up to 2019)** and **consumer goods (+ 4%)**, driven by the performance of high-end textiles and apparel, furniture and jewelry, especially in the Asian markets.

The exports of **intermediate products shows modest growth (+ 2.1%)**: rubber, plastics, and chemicals will keep pace due to growth in the downstream sectors (automotive and packaging), while the extractive industries, refined products and metals will feel the decline in demand and rising competition from the emerging economies.

## Markets | Apart from the United States, the business engine is increasingly eastward

The best opportunities for Italian exports in the next four years will come from a diversified basket of advanced and emerging markets. The latter, despite the current slowdown, will provide a third of the export growth in the reference period.

For the current year, among the advanced markets, **the United States** will continue to be the workhorse **(+10.5%)**. Among the emerging countries, the continent that will best satisfy the ambitions of Italian exporters will be **Asia (+ 4%)**, thanks to India and Far Eastern countries like Malaysia, Indonesia and the Philippines. Conversely, the sanctions against Russia will continue to weigh on the entire Community of Independent States area (- 7.5%), and South America will be affected by the Brazilian slowdown (-2.4%) and the commodities cycle.

These projections are reflected in the composition of the SACE indicators—the Export Opportunity Index (EOI) and the Investment Opportunity Index (IOI)—which assign to each

country a score on its potential for Italian exports and investments (from a minimum of 0 to a maximum of 100).

Based on the EOI, the top markets for Italian exports this year are United Arab Emirates (score 81), followed by the U.S. (76), India, China, South Korea and Saudi Arabia, all with a score of 75. Based to the IOI, the U.S. and India (score 80) lead the classification of the most promising countries for investments, followed by the U.K. (78), China (76) and Poland (73).

**Markets with the greatest potential according to the Export and Investment Opportunity Indices**

Export Opportunity Index	score	Investment Opportunity Index	score
United Arab Emirates	81	United States	80
United States	76	India	80
India	75	United Kingdom	78
South Korea	75	China	76
Saudi Arabia	75	Poland	73
China	75	Vietnam	70
Spain	74	Philippines	65
Qatar	74	Peru	65
United Kingdom	73	Mexico	64
Poland	73	South Korea	64

Source: SACE

**[Consult the new Risk&Export Map](#)**



Download the new SACE app to have an interactive, simple, immediate world map at your fingertips to analyze the risks and the best export opportunities for our companies.



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