

Press Release

Italian export on the rise: + 4% in the next 4 years, € 490 billion in 2020

- In its latest annual report on Italian exports, “*Export Unchained*”, SACE indicates 15 markets where to focus on
- After a 1.2% growth in 2016, SACE points out to a change in Made in Italy exports among all major geographies: North America and Asia-Pacific will be the most dynamic areas; both advanced and emerging Europe will also grow; good opportunities will arise in Africa, in the Middle East and in Latin America, despite 2016 difficulties
- Chemistry, means of transport and agri-food among the most promising sectors; on the rise the capital machinery, the first for export value

Milan, 21 June 2017 – The future awaiting Italian exports in the next four years is on the rise, thanks to recovery and profound changes. This is what has been highlighted by “*Export Unchained. Dove la crescita attende il Made in Italy*”, the latest annual export report by SACE (CDP Group), presented in Milan today.

In addition to 2017-2020 forecasts on Italian exports by country and sector and some monographic analysis of high-impact global phenomena, the study shows a cautious optimism.

*“Despite the warnings about trade restrictions and persistent uncertainty, the opportunities offered by global trade exchange are by no means destined to be lost – affirms **Beniamino Quintieri, SACE Chairman**, making clear that – for 2017-2020, we expect our exports to grow at an average annual rate of 4%, showing a change in pace compared to the previous four-year performance (+ 1.7%). Businesses with a clear strategy on targeting markets and identifying appropriate tools to assess risks and opportunities will be able to seize the moment”.*

*“We are not heading toward the end of globalization, rather toward a new phase, – explains **Roberta Marracino, SACE Head of Research and Communications**, adding that – we are facing a more interconnected phase, in which some markets are shutting it down, while others are opening up. The center of global competition is shifting from individual countries to Global Value Chains. This phase will be characterized not only by sharing goods but also by trading services, projects and ideas, which will assume a more prevalent role, and export will prove itself to be an essential growth factor for Italy”.*

At least for 2017, however, the slowdown in trade and the protectionist trends will represent a crucial topic for almost all industrial sectors worldwide, forcing companies to be more accurate and selective in



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SACE together with SIMEST for the Export and Internationalization Hub of the CDP Group.

SACE, wholly-owned subsidiary of Cassa di Risparmio di Roma, offers export credit services, credit insurance, protection of foreign investments, financial guarantees, sureties and factoring. With € 87 billion in insured transactions in 198 countries, SACE supports the competitiveness of Italian companies at home and abroad, ensuring more stable cash flow and transforming insolvency risk into development opportunities.

SIMEST, owned subsidiary by SACE and by leading Italian banks and industrial associations, assists Italian companies in all phases of foreign development with low-interest loans to support their internationalization, with grants in interest to support exports and through the purchase of equity interests.

choosing the markets where to export and invest, including political and regulatory risks as primary elements of their strategic plans.

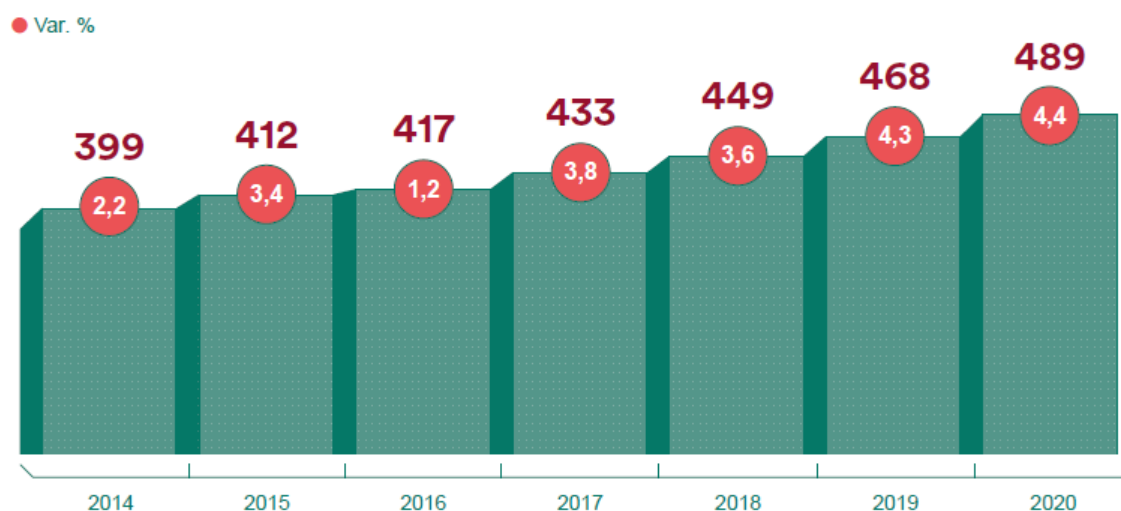
To fully exploit the potential of our country, the SACE report identifies a group of 15 high-priority markets on which we need to focus our international development efforts and points out the opportunities and the risks that should be monitored, sector by sector, in the next four years.

This is a summary of the main findings.

Italian Exports | Projections 2017-2020

A more favorable period for our exports of goods is finally beginning. Thanks to the recovery of investments in a few emerging markets, to the neutralization of the unfavorable petroleum cycle, and to the depreciation of the euro against the dollar, our export is likely to register an average growth of 4% in the next four years, reaching a value of € 489 billion in 2020 after a moderate performance in 2016 (+ 1.2%). At the same time, the incidence of exports of goods and services on GDP will increase: after rising from 25.8% in 2010 to 30.4% in 2016, it will reach 32.4% within 2020.

Exports of Italian goods 2014-2016 and projections 2017-2020



Source: SACE; ISTAT



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Perspectives for Italian exports by geographical area

For the current year, the traditional European, North American, and Asian markets, will significantly contribute to Italian exports growth. The best performance is expected from North America (+ 4.9%), driven by the United States, followed by Asia (+ 4.6%), where China, India and Indonesia will guarantee excellent opportunities for our exporting companies. The outlook of our exports results positive also for what regards advanced Europe (3.4%), as well as emerging Europe (2.9%), the Middle East and North Africa (2.1%), and Latin America (1.6%), despite 2016 difficulties. The critical issues that affect various African countries, on the other hand, will just allow us to stabilize our sales in the Sub-Saharan area (-0.4%), with a few markets in countertrend.

Between 2018 and 2020, exports in all geographical areas will grow at an average pace of more than 3.5%, showing an improvement also in the areas which recorded the weakest performance in 2016, such as Sub-Saharan Africa, Latin America, Middle East and North Africa. The European markets will be a major source of demand, in terms of volume and of solidity and stability. Asia presents some excellent opportunities even in the "smaller" but fast-growing economies, such as the Philippines, Malaysia and Vietnam.

Where to export | The 15 high-potential markets for Made in Italy exports

Depending on risk indicators, economic growth and demand, opening to imports, the performance of Italian exports in recent years, and on our competitive position compared to our traditional competitors, SACE has identified 15 high-potential markets for Italian exports and investments: a group of target markets – both emerging and advanced – that in 2016 have captured an overall volume of € 85 billion of Italian flows (to an amount equal to 20% of total exports) and that may capture more than € 100 billion in 2020, due to a growing demand for imported goods (+ 5.7% y/y in the next four years).

The 15 markets are: Saudi Arabia, Brazil, China, Arab Emirates, India, Indonesia, Kenya, Mexico, Peru, Qatar, Czech Republic, Russia, United States, South Africa and Vietnam.



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Priority markets for Italian exports 2017-2020

Markets	Exports 2016 (€ bns)	Average projected growth 2017-2020	EOI*	IOI*
United States of America	37	5.5%	76	72
China	11	6.2%	80	71
Russia	6.7	0.8%	65	55
United Arab Emirates	5.4	3.5%	70	62
Czech Republic	5.3	5.7%	72	67
Saudi Arabia	4.2	3.7%	71	59
Mexico	3.7	5.6%	67	62
India	3.3	6.2%	77	80
Brazil	3.2	2.3%	61	57
South Africa	1.6	1.6%	65	51
Indonesia	1.2	5.8%	65	61
Vietnam	1	6.5%	68	69
Qatar	0.9	3.1%	64	51
Peru	0.5	3.4%	69	66
Kenya	0.2	6.3%	65	54
Total	85.2			

Source: SACE; ISTAT

Industries | Growing sectors and potential risks

Analyzing in greater detail the outlook for the various industrial sectors in Italy, the SACE report suggests a highly positive performance for chemicals and means of transport; good perspectives for the traditional Made in Italy sectors, especially agri-food; a few caveats for capital machinery and metallurgy, though both are recovering after the adverse effects of 2016 circumstances.

Chemicals (€42 billion of exports in 2016) will show the strongest growth rate in foreign sales (6.3% in 2017 and 5.8% in 2018-2020), due to renewed investment in the relevant industrial sectors, from petrochemicals to pharmaceuticals. Capital machinery (the first sector for Italian exports with € 85 billion in 2016) will sustain a competitive advantage that will repeat the 2016 growth rate again this year (+ 2.2%), accelerating in the subsequent three years. Means of transport (€ 45.2 billion export in 2016) will point out a 5% growth this year and a 5.4% in 2018-2020 due to the performance of all sectors - automotive, nautical and aircraft- addressed to retail customers or linked to strategic economic sectors.



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Italian exports of goods in 2016 by sector and projections for 2017, 2018-2020

Sectors	Exports 2016 (€ bns)	Projected growth 2017	Average projected growth 2018-2020
Chemicals	42.0	6.3%	5.8%
Means of transport	45.2	5.0%	5.4%
Foods and beverages	21.7	4.6%	4.6%
Other agriculture	16.7	4.2%	4.6%
Extraction	11.6	4.1%	4.3%
Electrical equipment	25.0	2.8%	4.1%
Other investments	11.8	3.5%	4.1%
Textiles and apparel	39.2	2.8%	4.0%
Wood products	21.1	2.8%	4.0%
Rubber and plastics	21.3	3.8%	3.5%
Capital machinery	85.0	2.2%	3.3%
Other consumer spending	36.4	1.3%	3.3%
Metals	36.3	3.4%	4.1%

Source: SACE; ISTAT



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