



Unioncamere
Veneto



Veneto Economic Report 2016

2016: a year of moderate growth for the Veneto region

Unioncamere Veneto | Economic and Social Research Centre

Venice, 18th March 2016

centrostudi@ven.camcom.it

World economic growth is slowed down by currencies, stock markets and oil prices: GDP +3.1% , trade volume +2.6%



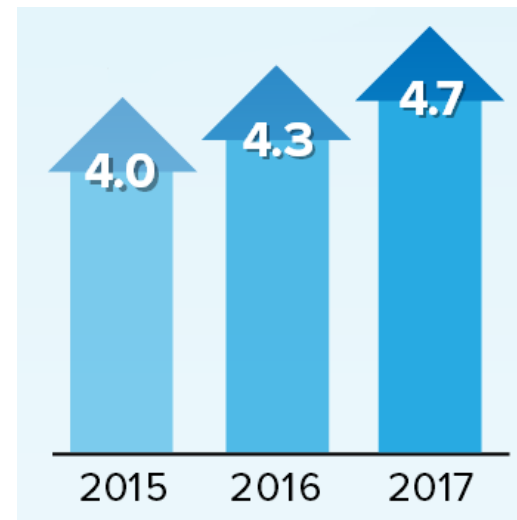
A PRECARIOUS BALANCE:

- geopolitical tensions in North Africa and the Middle East;
- Russian embargo (-3.7%);
- financial market turmoil and depreciation of Asian currencies;
- decreasing prices and decrease in international demand;
- lower growth in developing Countries (Brazil -3.8%, China +6.9%);
- deceleration of advanced economies (USA +2.5% e EMU +1.5%).

Advanced economies



Emerging economies



Sources: IMF, World Economic Outlook Database, January 2016

Italian GDP is finally growing after 3 years of contraction: +0.8%

GDP GROWTH Chain-linked volumes

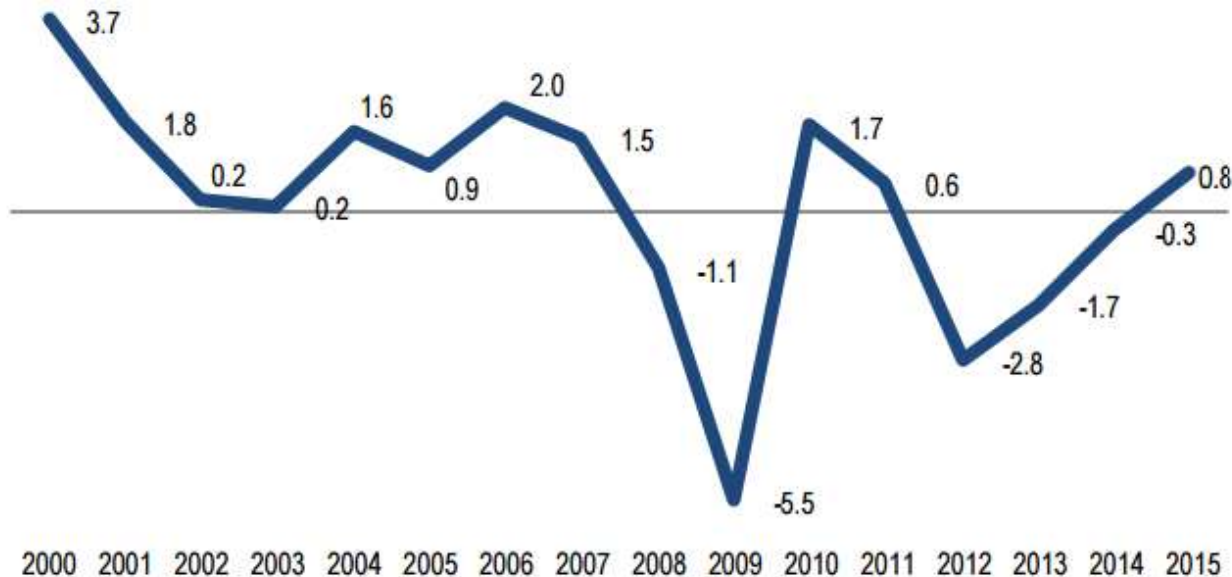
Years 2000-2015

+6.0% imports

+0.5% household consumption

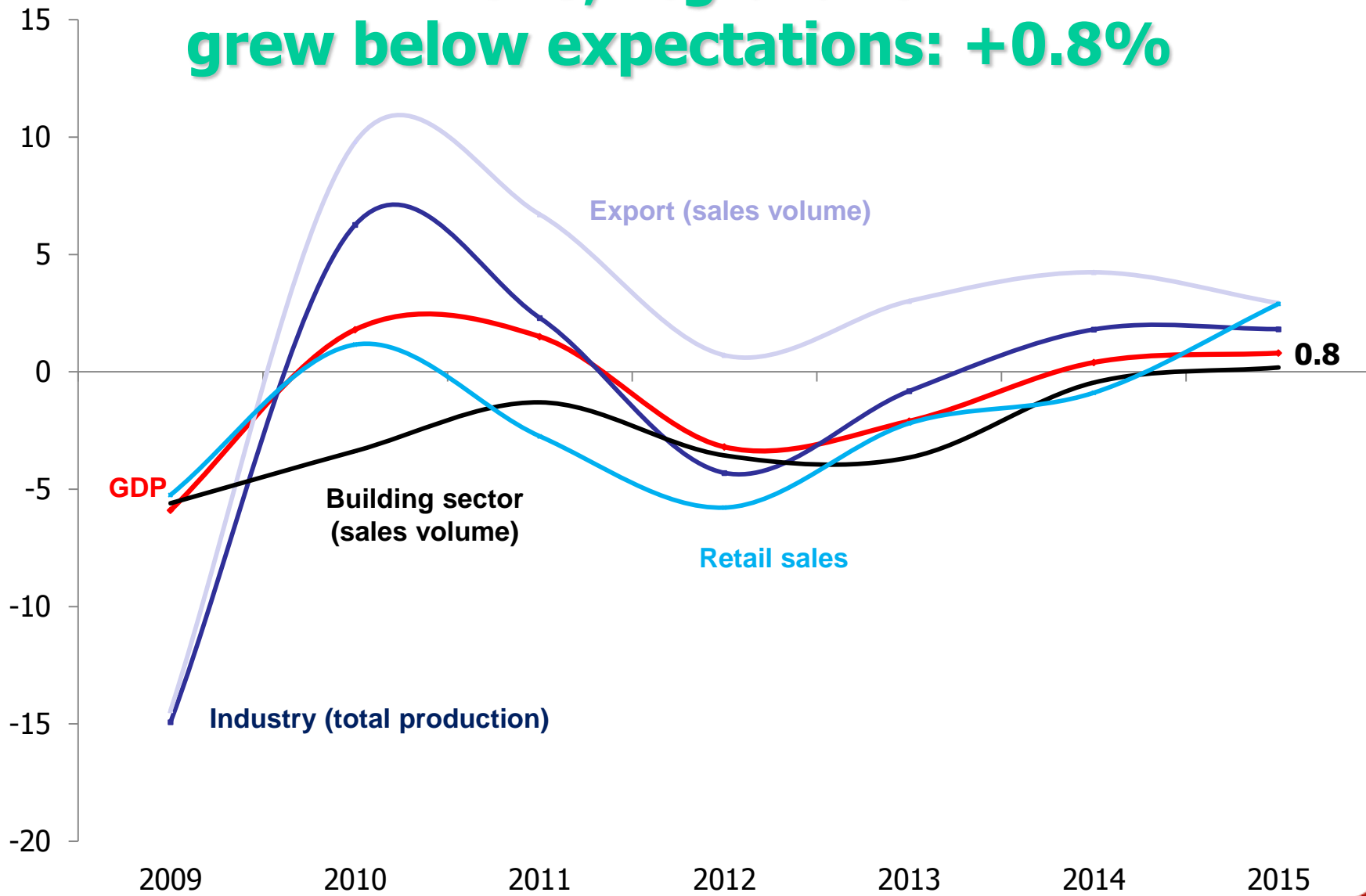
+0.8% gross fixed capital formation

+4.3% exports



Source: Istat - "GDP and General Government net borrowing", 1st March 2016

In 2015, regional GDP grew below expectations: +0.8%



Source: Unioncamere Veneto on data from Istat and VenetoCongiuntura - **ANNUAL PERCENTAGE CHANGE**

Positive trends for household consumption and capital investment, while external demand is slowing down



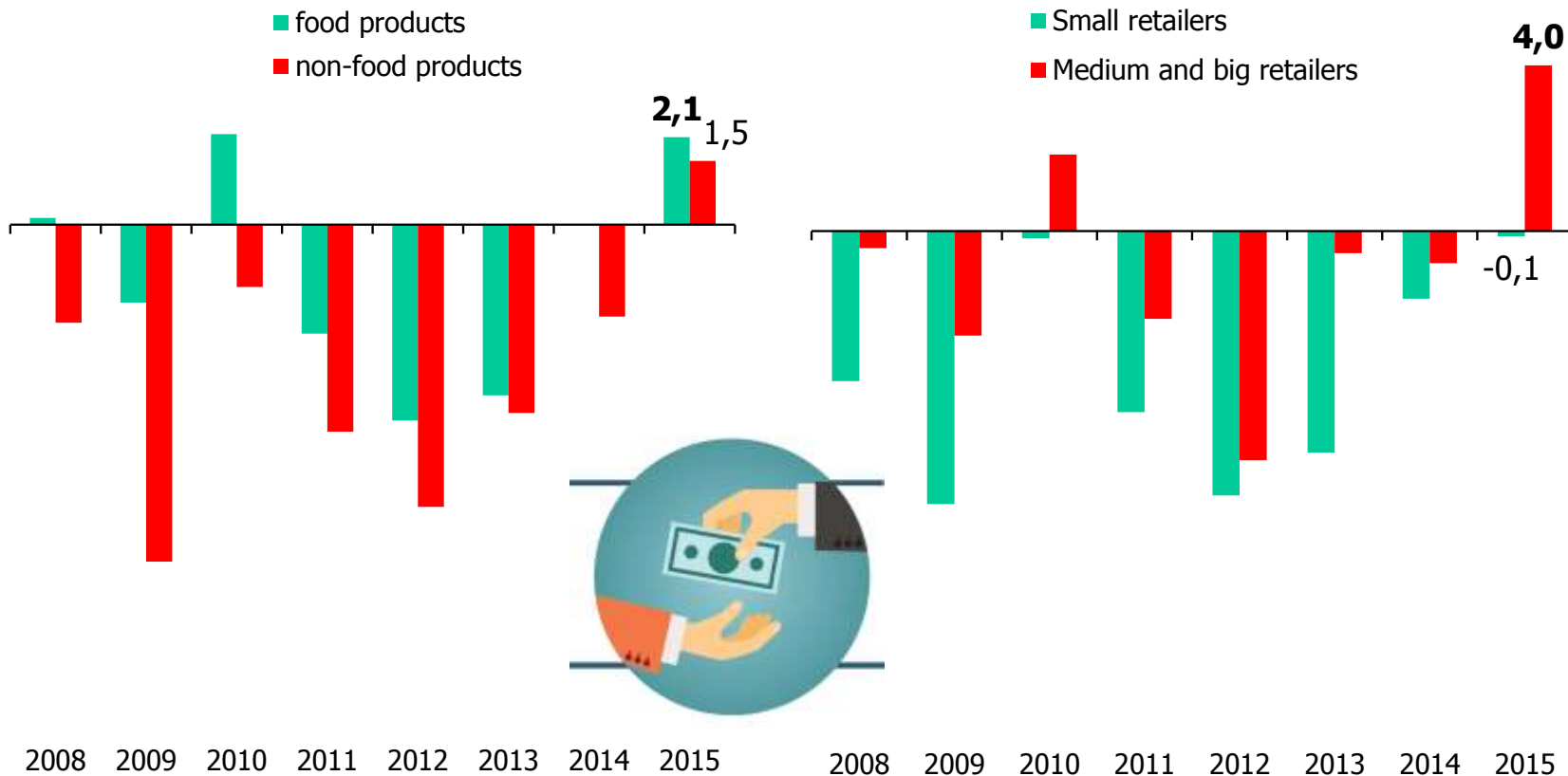
+1.4% acceleration in **household expenditure**

+0.7% awakening in **gross fixed capital investment**

+2.4% slowdown in **external demand**

After 4 years of contraction, retail sales finally grew (+2.9%)

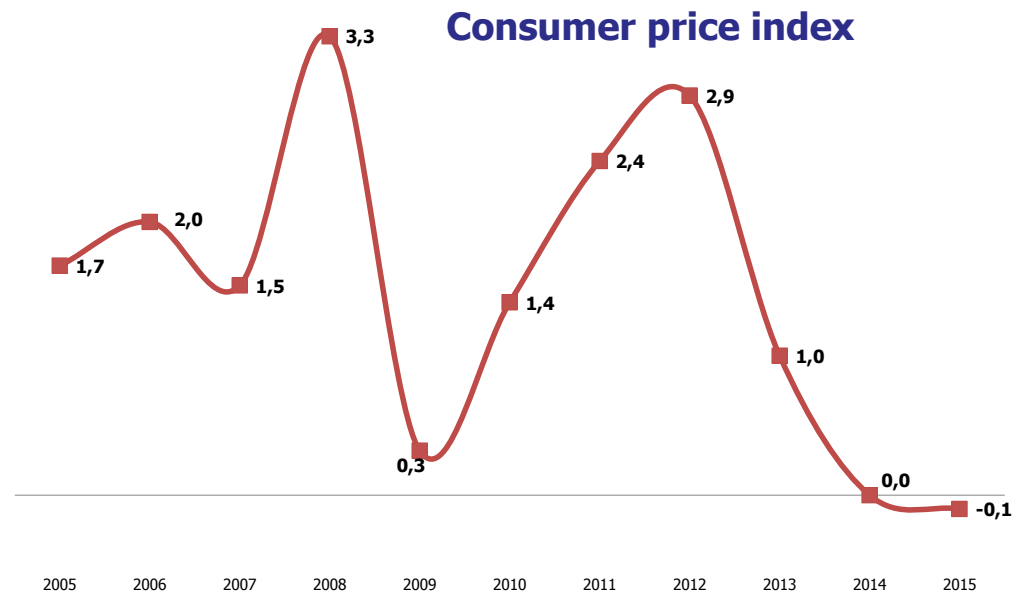
Veneto. Retail sales
(Annual percentage change)



Source: Unioncamere Veneto - VenetoCongiuntura

Disposable income and household expenditure grew

- ❖ +0.4% **household disposable income** (20,395 €/year)
- ❖ +8.2% **household expenditure** on durable goods (2,533 €/year)
- ❖ +15.3% **vehicles registered** (121,207 on 2015)

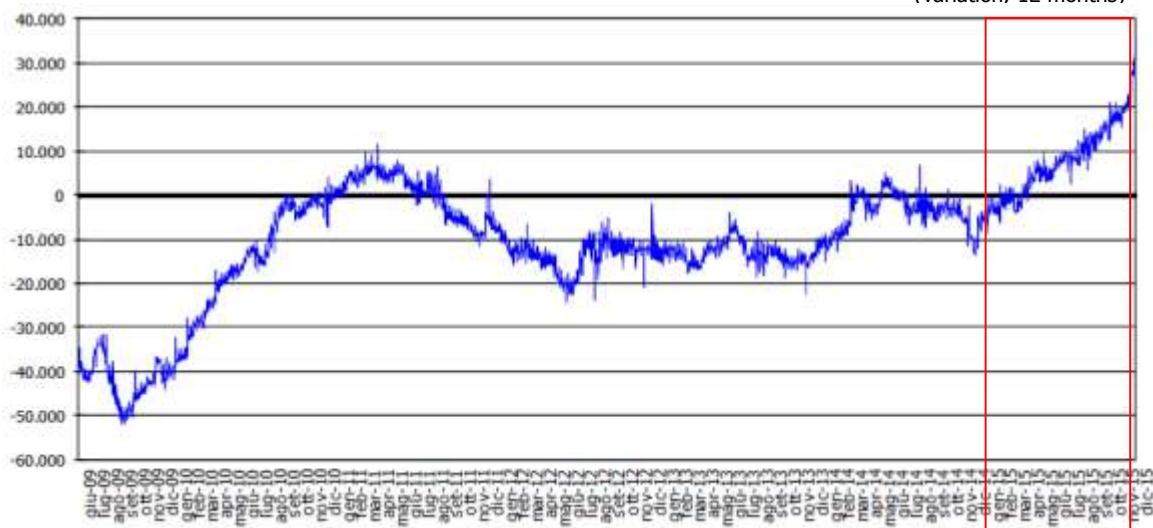


Source: Unioncamere Veneto on data from Osservatorio Findomestic, Unrae and Istat

Recruitment skyrocketed, employment did not



Veneto. No. people in employed work
(variation, 12 months)



Veneto Lavoro, Silv

- +36,600** new jobs (the balance recorded -10,900 in 2014)
- +12.3%** recruitments (+81% permanent, +73% transformations)
- +5.2%** terminations

Source: elaboration by Veneto Lavoro on data from Silv

Istat, Rfl

- 1.7%** total number of self-employed workers
- 0.3%** total number of employed workers
- 63.6%** employment rate (stable)
- 7.1%** unemployment rate (slightly decreasing)

Less births, more deaths, an ageing population: -12,000 people in 2015

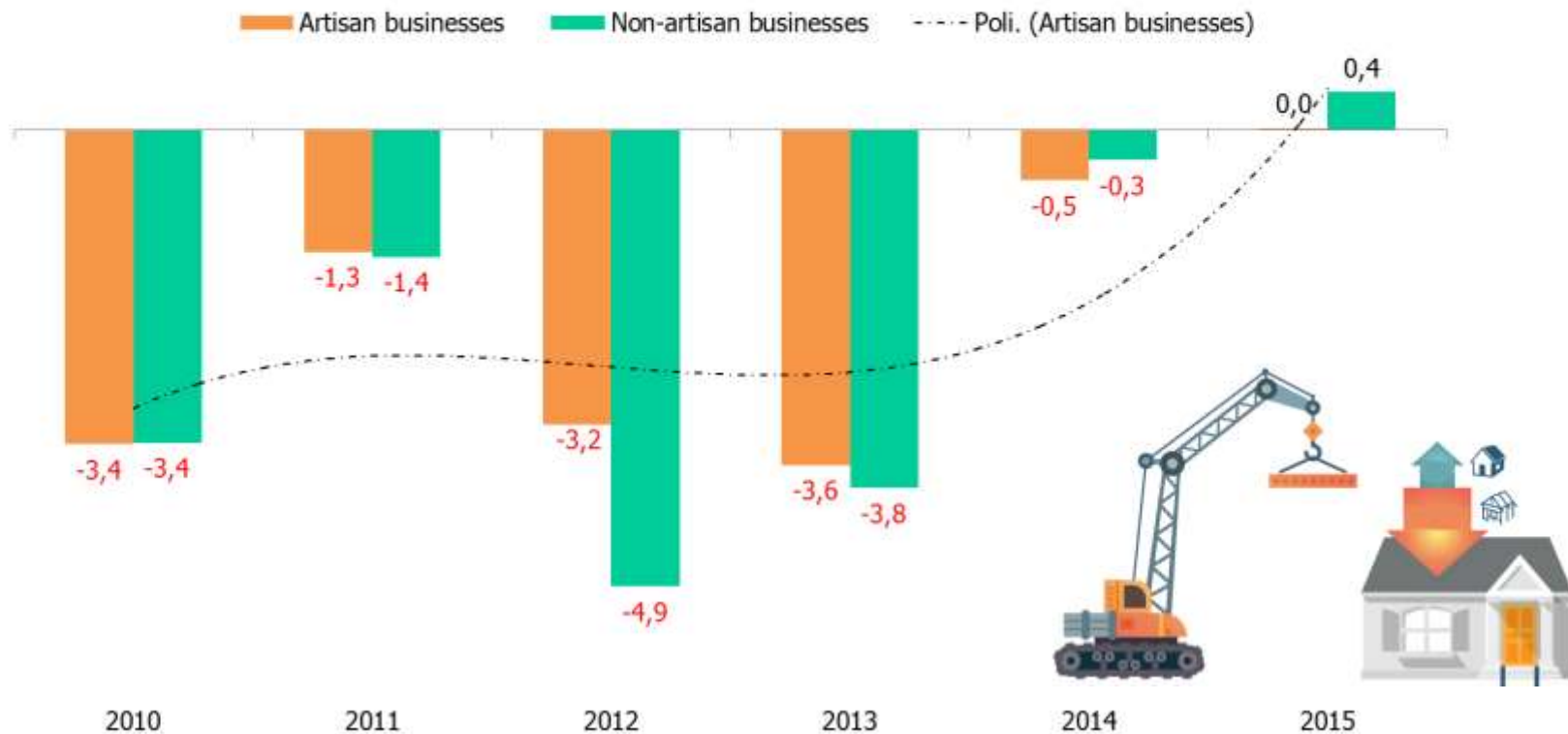


- ❖ **Resident population is decreasing: 4.9 million** (-0.24%), 4.4 million Italians and 502,000 foreigners
- ❖ **Peak in mortality rates:** 49,663 deaths (+8.1%)
- ❖ **Negative record of births:** a negative rate of natural increase (-2.1‰) is flanked by a decreasing birth rate (8‰)
- ❖ **Population is growing older:** over 65s account for 22% of the total pop. and the average age is 44.8
- ❖ **Emigration continues to grow** (net migration rate 1.2‰), immigration decreases and internal mobility slows down (net internal migration rate 0.2‰)

Source: Unioncamere Veneto on data from Istat – Demographic indicators – 2015 outlook

Positive figures for the building sector

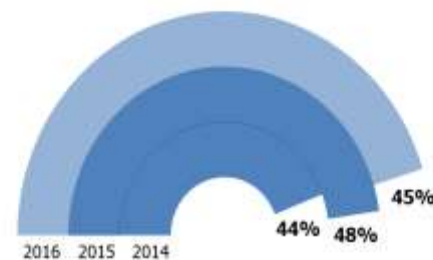
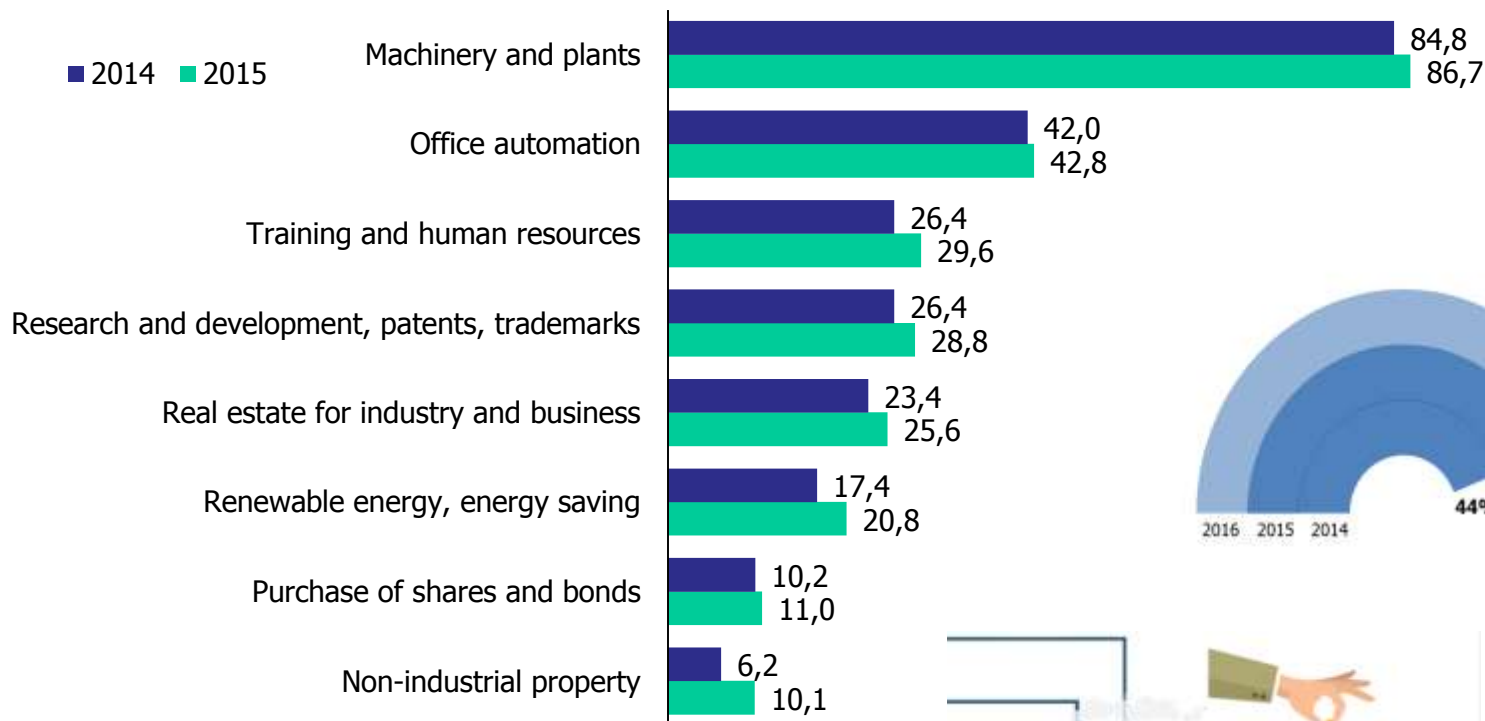
Veneto. Turnover of the building sector
(Annual percentage change)



Source: Unioncamere Veneto - VenetoCongiuntura

47.7% of manufacturing businesses set-aside resources for tangible and intangible investments

Investments made by manufacturing businesses with more than 10 employees, by type
 (% on the total amount of businesses that invested in 2015, multiple choice)



Source: Unioncamere Veneto - VenetoCongiuntura

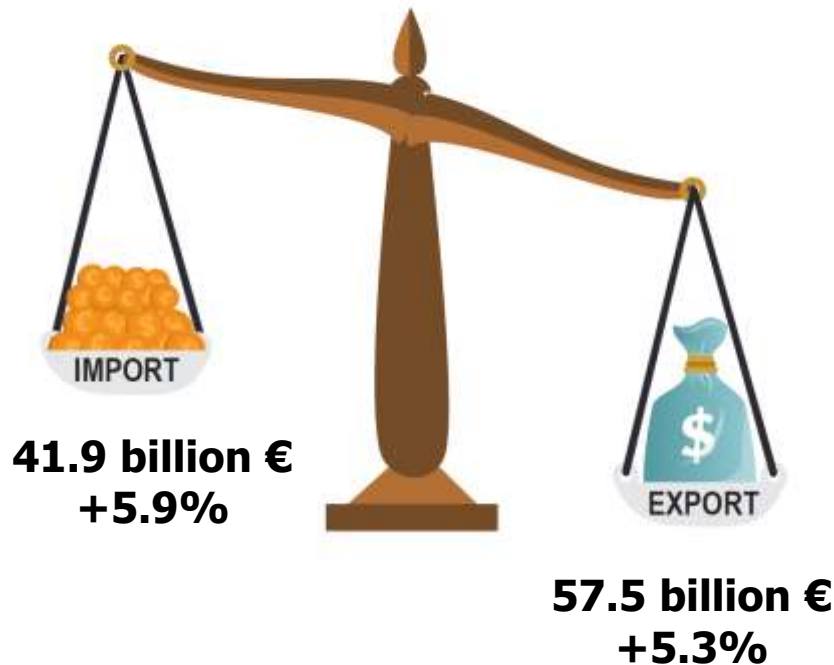
External demand is (apparently) recovering: exports grew by +5.3% in 2015

Positive balance of trade:

15.6 billion €

+588 million €

*Annual percentage variation
2015/2014*

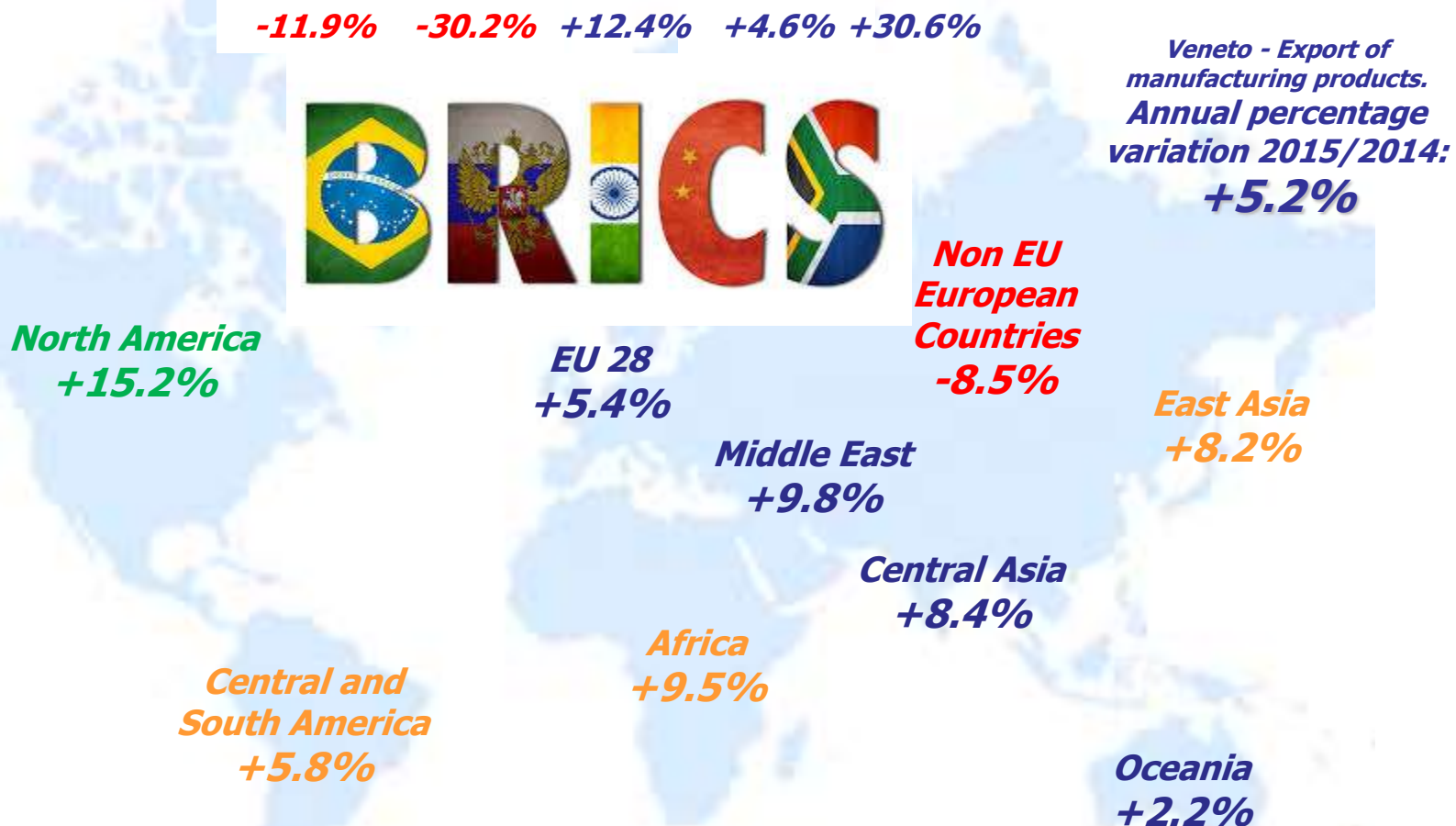


↓ Clothing industry	-1.8%
↓ Knitwear	-4.7%
↑ Food products	+13.7%
↑ Eyewear	+12.7%
↑ Chemicals	+11.7%
↑ Beverages	+10.0%
↑ Machinery	+6.0%
↑ Furniture	+5.6%
↑ positive changes for all the other sectors	

Source: Unioncamere Veneto on data from Istat

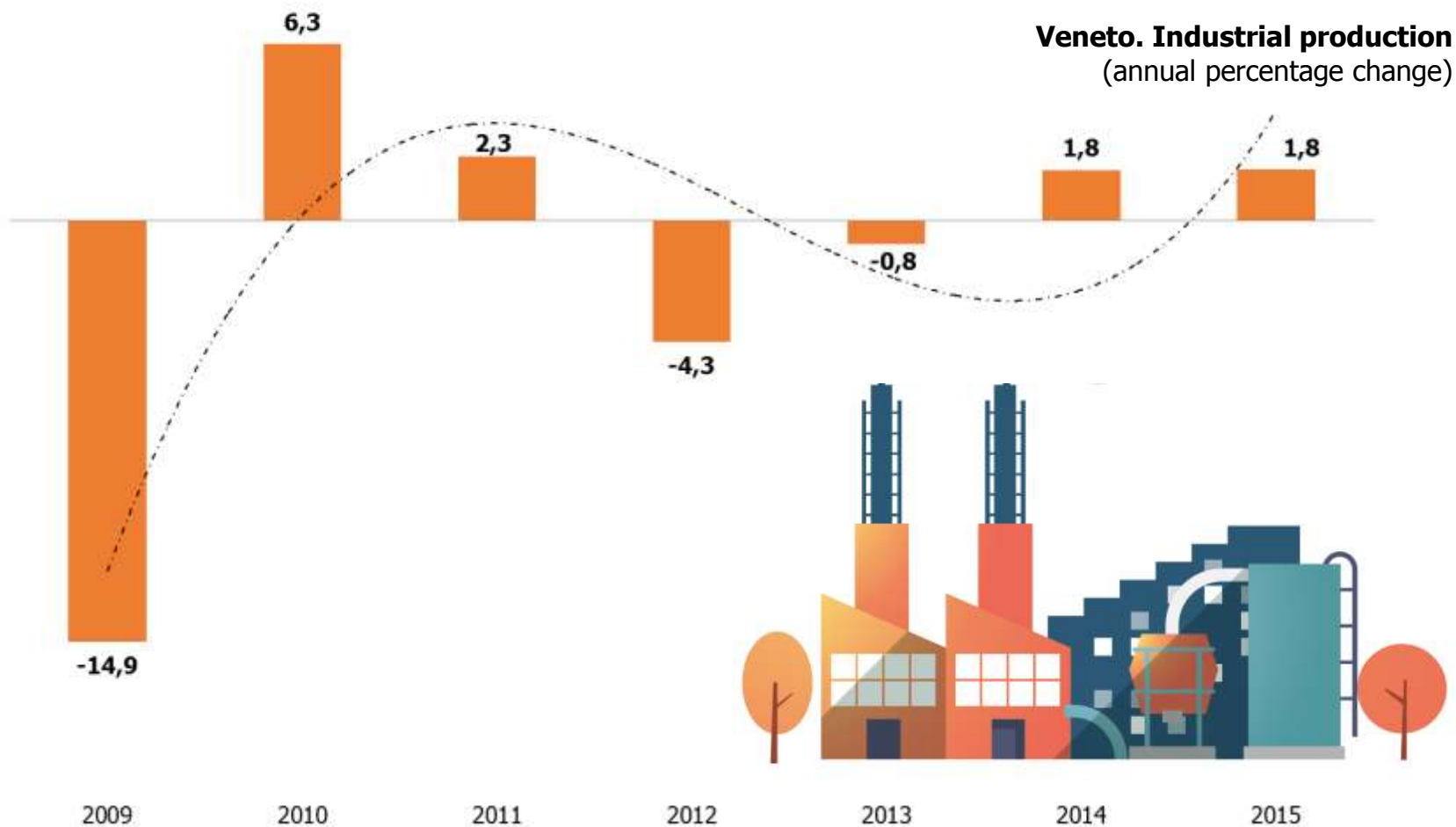
Regional manufacturing exports are supported by global demand

EXPORT



Source: Unioncamere Veneto on data by Istat

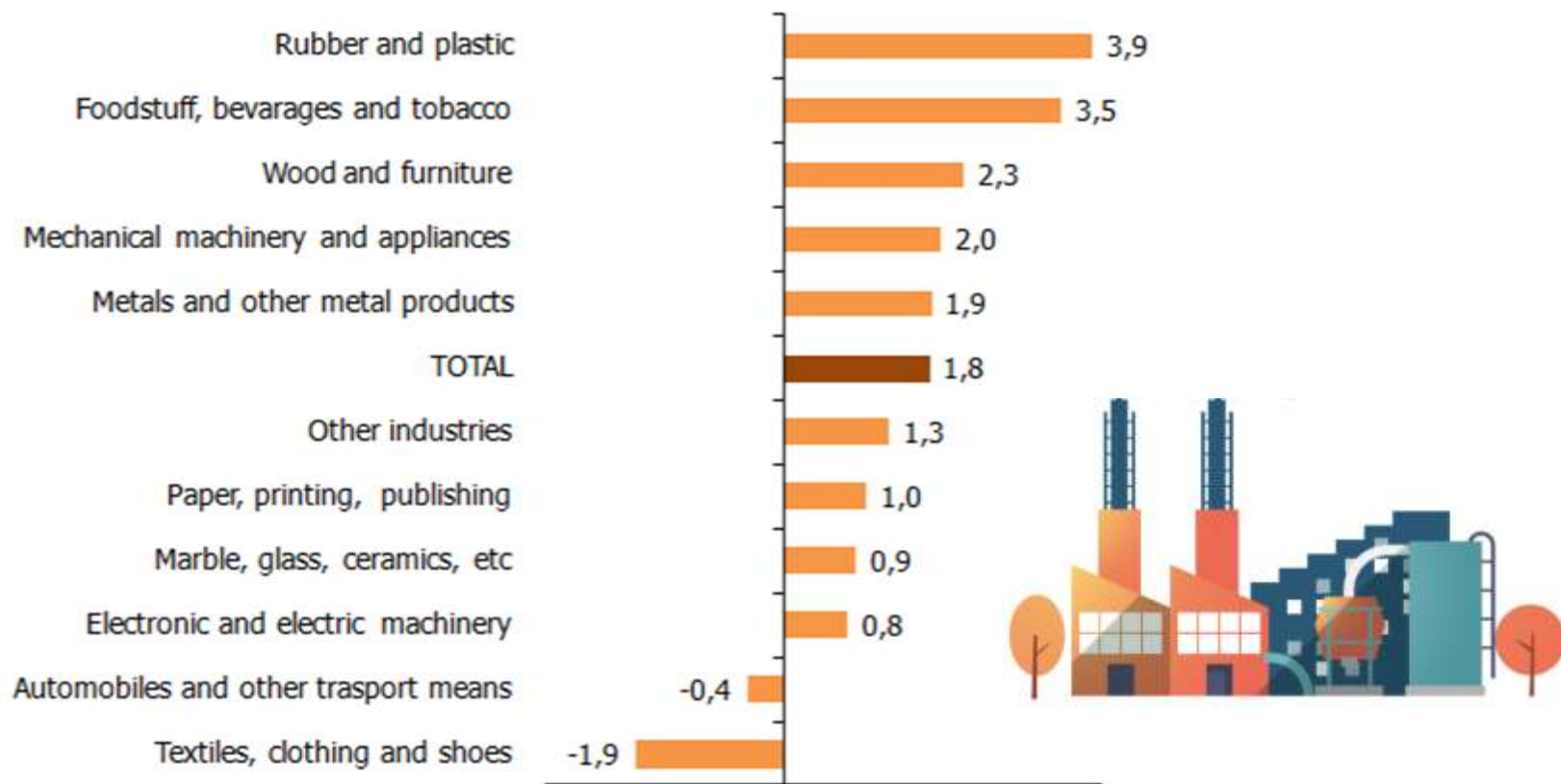
The industrial sector is keeping pace: production +1.8%, turnover +2.3%, internal demand +1.9%, external demand +3.1%



Source: Unioncamere Veneto - VenetoCongiuntura

Industrial production grew in almost all sectors

Veneto. Industrial production per sector, average 2015
(annual % change)



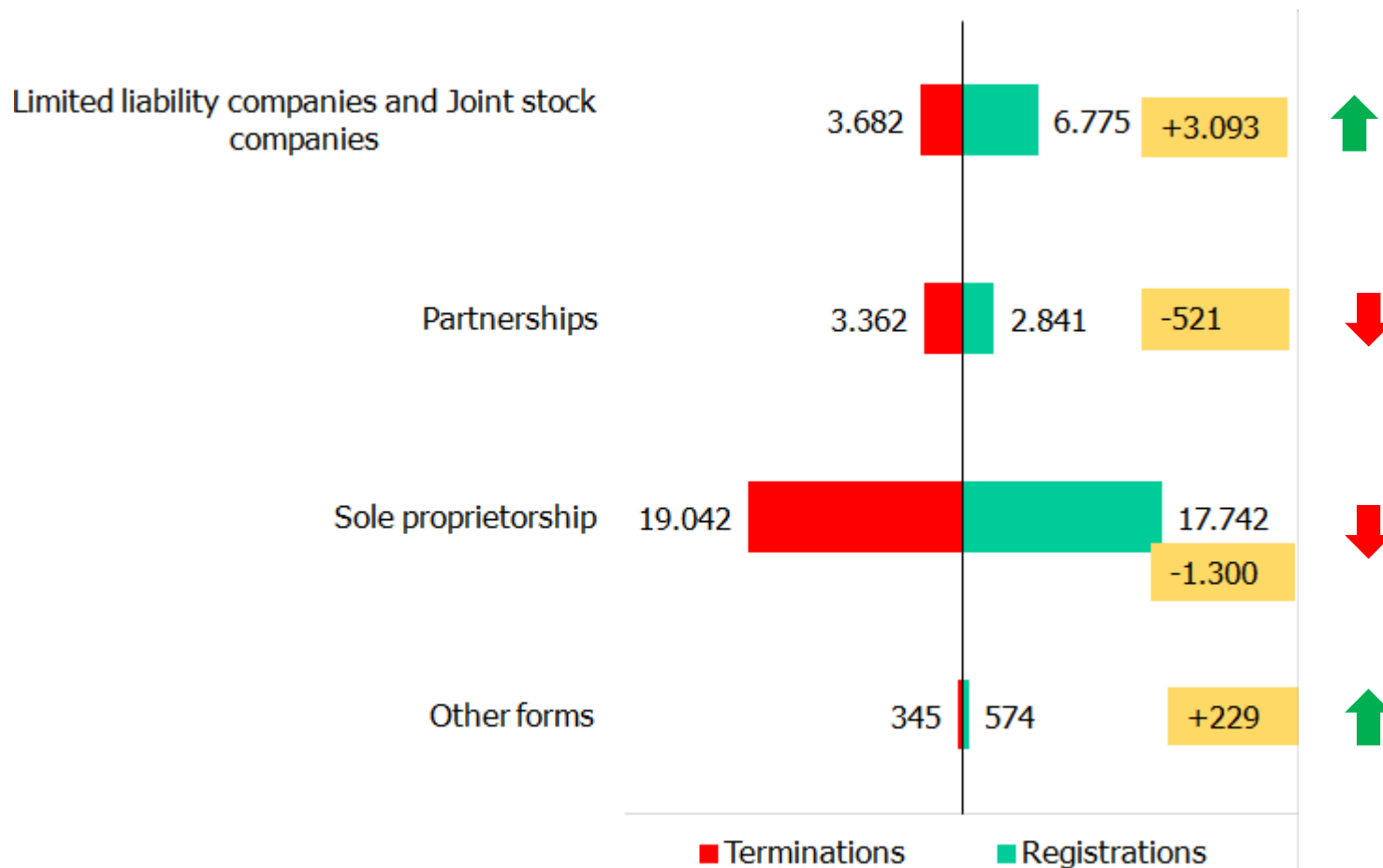
Source: Unioncamere Veneto - VenetoCongiuntura

The balance between registrations (+0.3%) and closures (-3.7%) is positive again (+1,500)



Source: elab. Unioncamere Veneto on Infocamere data

The entrepreneurial ecosystem is growing: +3,000 new capital companies

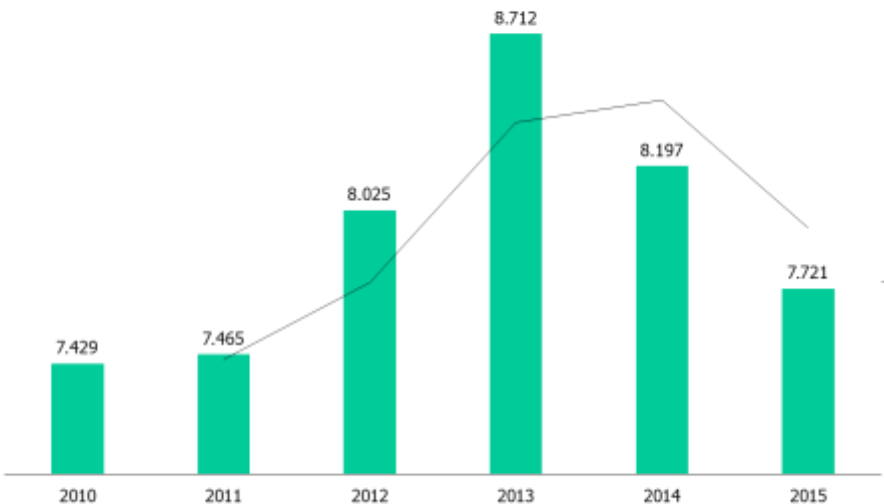


Source: Unioncamere Veneto on data from Infocamere-Movimprese



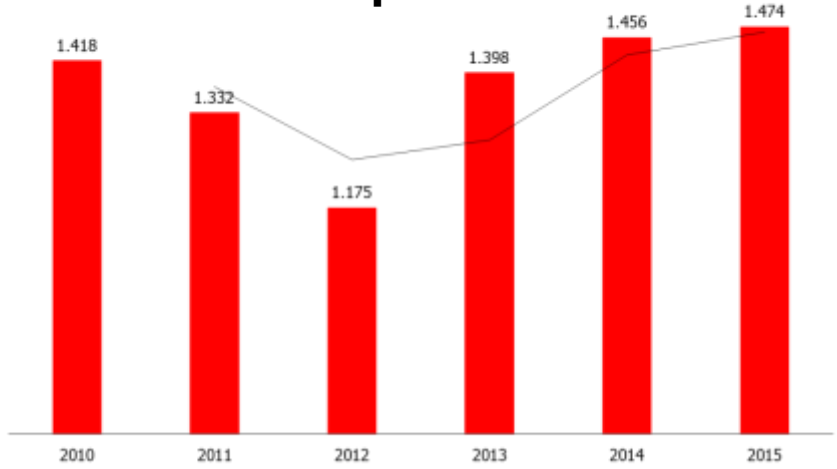
More than 20,000 businesses lost between 2010 and 2015

Dissolutions and liquidations



The total number of dissolution and liquidation proceedings decreased (7,721, **-5.8%**)

Bankruptcies and pre-bankruptcy compositions



Insolvency proceedings increased – bankruptcies and compositions (1,474, **+1.2%**)

Source: Unioncamere Veneto on data from Infocamere-Movimprese

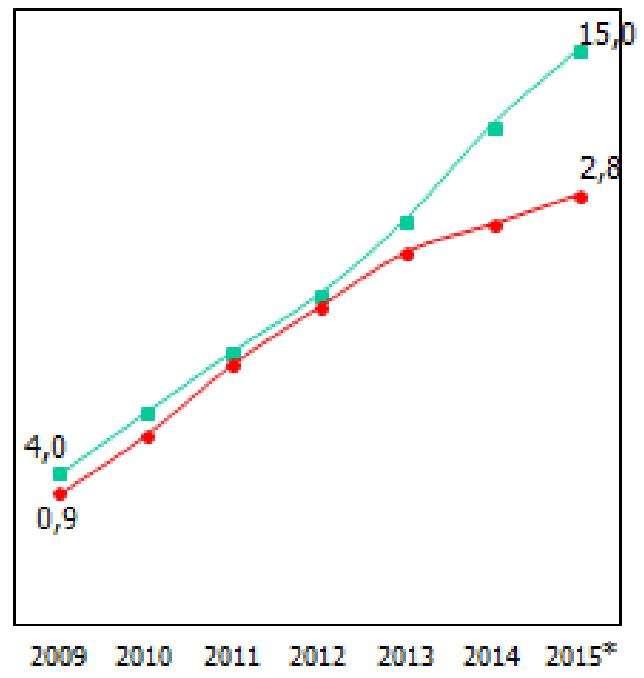
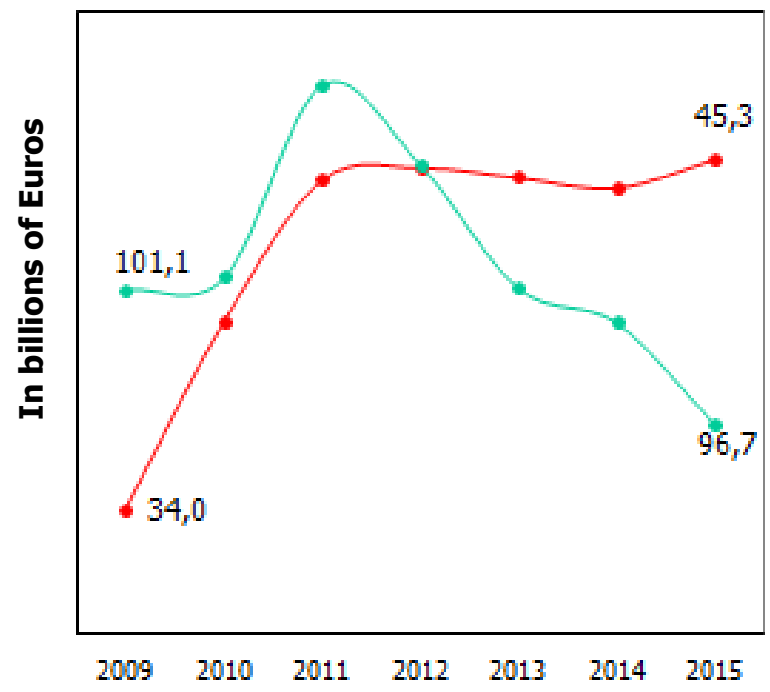
Non-performing loans are rising, both for businesses (+15%) and households (+7.3%)



- Households
- Businesses

Loans

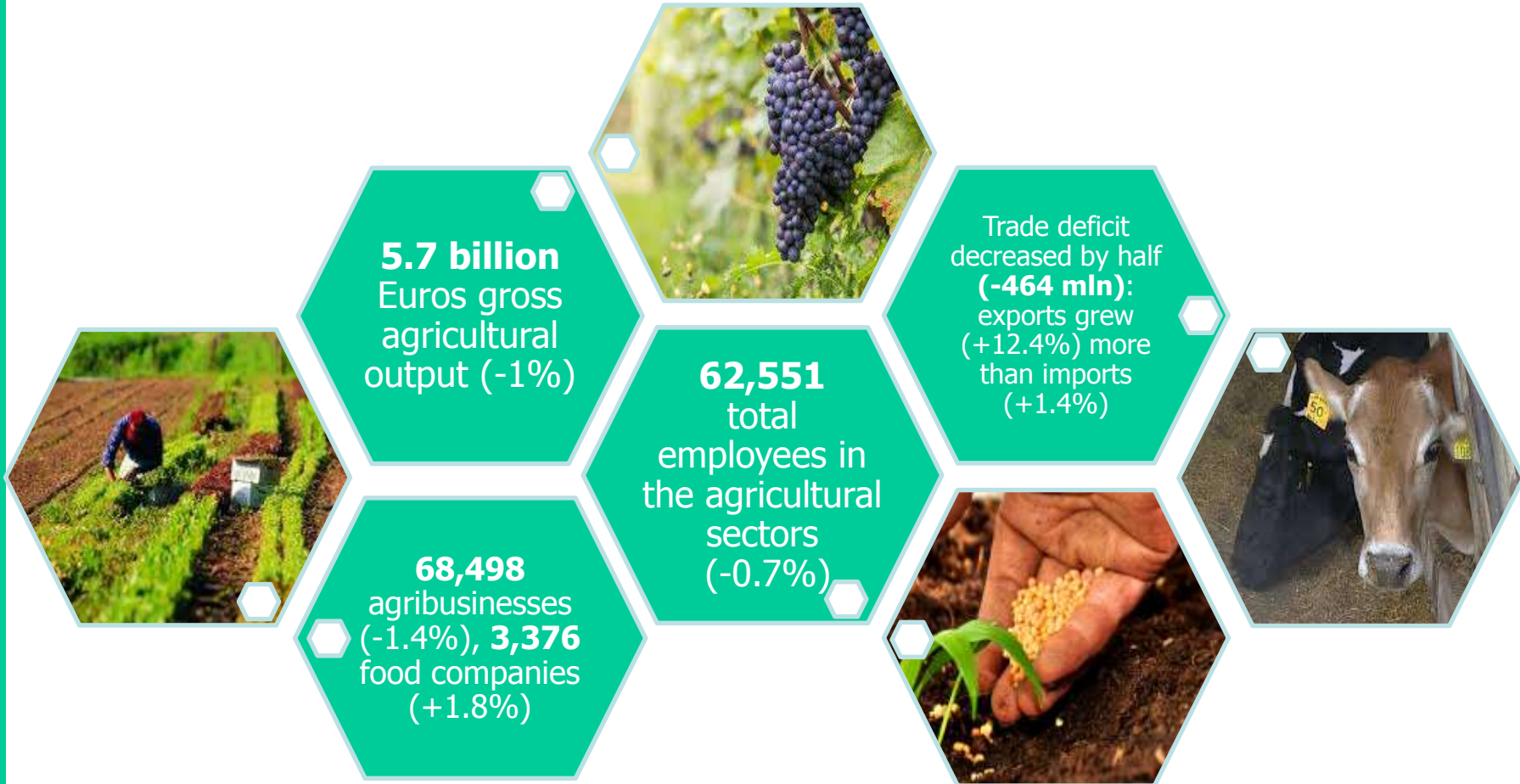
Non-performing loans



* data available only up to September 2015

Source: elaborated by Unioncamere Veneto on data from Banca d'Italia

Adverse summer climate affected regional crops



Source: Veneto Agricoltura, Istat, Infocamere-Movimprese

The regional tourist industry ranks 1st in Italy and 6th in Europe



Record of **17.2 million** annual arrivals, +6.1% especially in the mountains and lakesides

63.2 million overnight stays (+2.2%) especially in art cities and lakesides



2/3 of the tourists were foreigners (mainly from Germany, Austria and the Netherlands)

Total spending by tourists was **11.3 billion Euros**: 6.3 billion spent by Italians and 5 by foreigners (CISSET estimate)



Source: Veneto Region Data Processing- Regional Statistical System on ISTAT data Source

Passenger and cargo traffic are increasing



Venice-Treviso Airport:

3° Italian hub after Rome and Milan,
11.1 mln passengers (+3.8%),
100,000 movements (+5%);
51,000 tons of freight exchange
(+14.7%)

Verona airport:

2.6 million passengers (-6.6%),
mainly due to political instability in
North-Africa and the depreciation of
the Ruble. Nevertheless, **30,000**
tons of cargo are managed by
Catullo Spa in Brescia airport



Port of Venice:

25 million tons of goods (+15.3%),
3,402 ships (+1.2%),
1.7 million passengers (-9.8%)

Source: Save spa, Catullo spa,
Port of Venice

**Despite a positive start
2016 is not expected to be an easy year.
Stability is undermined by:**

- **Turmoil in financial markets**
- **Weak external demand**
- **Low interest rates and (imported) deflation**
- **Recovery supported by household consumption**
- **Low business confidence**

The Veneto region is experiencing a steady although moderate growth

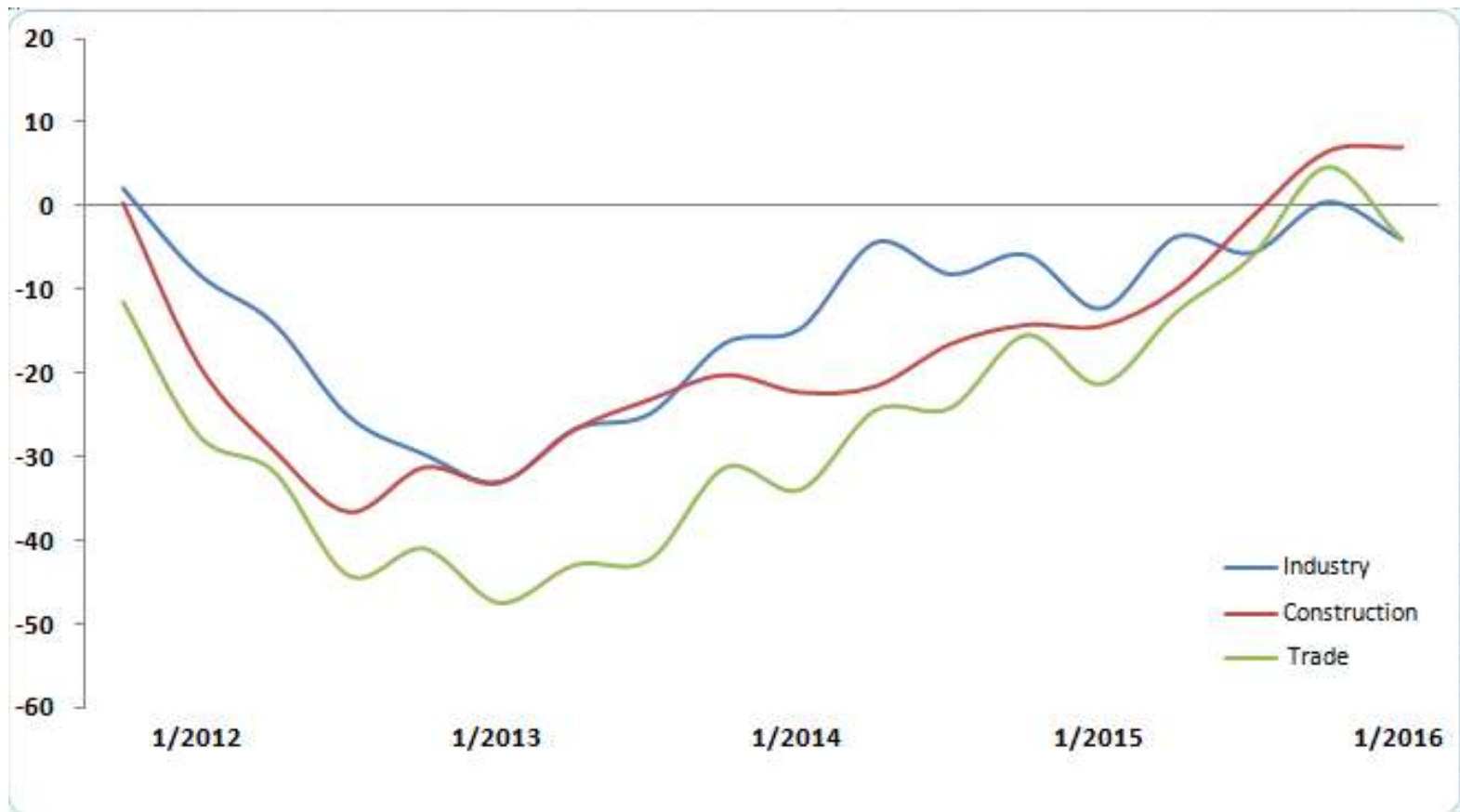


		2015	2016
€	GDP	+0,8	+1,3
🛒	HOUSEHOLD CONSUMPTION	+1,4	+1,7
📦	EXPORT	+2,4	+3,0
🚚	IMPORT	+7,2	+4,7
👤👤	INVESTMENT	+0,7	+2,6
👤	EMPLOYMENT	+0,8	+0,7
👤💻	UNEMPLOYMENT	7,1	6,7

Source: elaborated by Unioncamere Veneto on data from various sources

Business *mood* is changing, except for constructions

Veneto. Business confidence in the first quarter of 2016 (% opinions)



Source: Unioncamere Veneto - Survey VenetoCongiuntura (4,000 cases)



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Thank you for your attention!

For any additional information please contact:

centrostudi@ven.camcom.it

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