Unioncamere del Veneto

Veneto 2005
Economic report

Economic and social research center

The Veneto system is taking off. After the negative results of 2002 (-0.7%) and an uncertain 2003 (+0.4%), regional economy had increased by 1.5% at the end of 2004. The field of agriculture increased, in the field of manufacturing production and turnover returned to positive levels, tourism went well, while commerce and services remained stable. For 2005 the perspectives for a recovery of the economy appear to be good, with increases expected to vary between 1.8% and 2.2%.

This is what emerges from the initial figures on the economic situation of Veneto Region in 2004 gathered in this report, which represents the Preview to the 2005 Annual Report, which will be available at the end of June.

The presentation of the initial figures on the economy of Veneto Region, which has now reached its sixth edition, is an important appointment in terms of regional economic information and it is an appointment that I am honoured to present today as President of the Union of the Chambers of Commerce of Veneto.

This year the Preview includes a novelty. Together with the brief review of the main indicators of economic trends, a small contribution related to the position of Veneto region in Europe has been includes. This is an attempt to expand the traditional analysis horizon, normally limited to the main Italian regions, by presenting an updated comparison with other European regions.

The fact that Veneto Region represents one of the strongest regions in Europe economically speaking has emerged, even if in the last five years it suffered a fall in growth rates, among the lowest in the European regions considered.

In the year that the Union of the Chambers of Commerce of Veneto celebrated its fortieth anniversary (25th January 1965), the role of its Study Centre in rapid and updated production and diffusion of statistical and economic information on a regional level has been reconfirmed.

Venice, March 2005

PAOLO TERRIBILE
President of the Union of the
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Introduction

Technical tests for the recovery. 2004 was a year of transition for the regional economy if we take into consideration the trend of the main economic indicators, which appear to confirm the launch of a period of recovery, still rather weak, after the stagnation began three years ago.

With expensive petrol and a strong Euro, delocalisation and re-localisation processes of companies and occupational bleeding, the year closed by confirming the expectations that had been indicated for Veneto Region and which included an increase of approximately 1.5% in 2004.

The picture taken by this Report is that of a region that does not surrender to the logics of decline but which, on the contrary, is transforming and developing into a new model. The initial balances that emerge from official statistics (which also underwent deep changes and transformations) and non official statistics highlight much more positive signs compared to the previous years, even if the curtain on the stagnation phase that began in 2001 cannot be closed.

2004 was a year of high expansion of world economy which was reflected in a 5% increase in gross domestic product, the highest value since the middle of the Seventies to date. The increase was dragged by the American “locomotive” which travelled at a speed of 4.3% and by the Asiatic “propeller” which, on the contrary, flew at almost double the speed.

Italy also grew in 2004, even if in a very discreet manner and decisively lower than the Euro area. After almost three years of decadence, Italian exports started to increase but they did not manage to keep up with the development of international trade, with a subsequent loss in shares in foreign markets. As has been occurring for many years, support to export together with an acceleration in international trade, continues to be counterbalanced by the Euro appreciation and by the higher dynamics of costs per product unit, much higher than German, French and Spanish exporters.

This divergence can be explained by the trend of productivity which has been decreasing in Italy since 2001. The unfavourable development of unit costs generated, on the one hand, a compression in profit margins, the sole instrument available to companies to defend price competitiveness and, on the other hand, a smaller expansion in sales abroad compared to the expansion registered by the most important industrial countries.

While the debate on the delocalisation and internationalisation movement of Italian companies is starting and the regions influenced the most by the phenomenon are moving in various ways and directions, scholars and analysts are interrogating themselves on the genesis of this unstoppable process. Why did companies move some production plants out of our country? Can the reasons be found within or in the global context that has been rapidly changed?

Would the occupational bleeding that is currently attacking the manufacturing industry have happened just the same if companies decided to remain in loco and were forced to close down due to the lack of orders rather than moving abroad? If and in what measure is China and other emerging economies that have attacked the international scenario playing an important role in this extremely delicate stage of transition?

Also in Veneto Region, among the regions involved in this phenomenon, people are asking questions about the future of the economic model which on the one hand still appears to be going through difficulties, while on the other hand it appears to be transformed by following guidelines that always escape the traditional statistic analysis.

In an open economy, the power of a productive system is evaluated by considering the skills to start relations with foreign partners, to attract investments from abroad and to confirm, always abroad, a preference for personal products and services.

As far as the latter aspect is concerned, 2004 of “made in Veneto” ended with a positive sign, despite the fact that the last few months had been characterised by a strong Euro, therefore registering the long awaited inversion of the negative cycle of external trade after a long two-year period. All of this without forgetting, however, that comparisons of exports were carried out with 2003, one of the worst years for trade exchanges and for the economy of Veneto Region.

The consideration launched in 2003 with the Regional Development Programme (RDP) must not stop with the preparation of a document but it must carry on through the skills of the public system and the private sector, each with their own skills, to operate in synergy on common projects and objectives. Veneto Region, today and in the past, is very similar to a large laboratory within which new formulas are experimented to create growth models that are more competitive, more sustainable and more responsible.

The scenario prepared by the Italian Union of the Chambers of Commerce illustrates that small and medium sized enterprises will continue to pull the growth of the country and that innovation will be diffused even more into our entrepreneurial system, increasing the rate of competitiveness of single local production systems.

Various elements are required for all of this to occur: diffusion networks of knowledge, integration systems between companies, collaboration between research centres and universities but most of all a method of constant dialogue and synergetic work between the various members of the public and private economic system. The Chambers of Commerce have decided to follow this direction: the presentation made to the European Commission proposing a commercial policy for the development and protection of the entrepreneurial system is just a few days old and was prepared together with Veneto Region, the Union of the Chambers of Commerce of Veneto, Chambers and trade associations.

This year too this report presents a contribution by the Study Centre of the Union of the Chambers of Commerce of Veneto to discussions, basing it, as normally occurs, on analyses and data.

The following pages will briefly examine the structural dynamics and the dynamics of economic trends of the regional economy which have characterised 2004, in an attempt to grasp the strong points and the weak elements of Veneto Region that is being transformed.

1. International economic context

In 2004 worldwide GDP increased by 5%

2004 was one of the years of highest growth in international economy in the last thirty years, despite the deceleration registered towards the end of the year. The worldwide GDP increased by 5% while the expansion of international trade reached 9%, exceeding all expectations. This result was possible despite worsening of tension in international prices of raw materials and the impact on exchange markets of instability generated by extensive American imbalances: this includes increases in petrol which at the end of October exceeded 50 dollars per barrel, and the Euro-Dollar exchange rate which, at the end of December, reached a record level of 1.36.

In an apparently calm geopolitical context, having overcome the threat of recession and with a recovery in share markets, the situation of 2004 economic trends has registered an important but unbalanced international growth, seen in different ways in various parts of the planet. The recovery was stimulated by the United States and by Asia (China, but also Japan and India), followed by Latin America through the canal of external demand. Europe has also ended its period of stagnation, maintaining nonetheless a poor level of dynamism and very few cues.

International growth, which characterised almost the entire 2004, had been forecast very precisely by almost all the Institutes of Research and economic operators, who confirmed the forecasts announced between spring and autumn 2004.

Last February the IMF (International Monetary Fund) defined the increase in worldwide GDP at 5%, confirming the forecast of September 2004, already touched up after the forecasts announced last spring (+4.5%).

Table 1 - The dynamics of real GDP in certain countries (% change on prev. year). 2002 - 2005

	2002	*2003*	*2004*	*2005*	*% GDP*	*% POP*
World	3,0	3,9	5,0	4,3	*100,0*	*100,0*
United states	1,9	3,0	4,3	3,5	*21,1*	*4,7*
Euro area	0,8	0,5	2,2	2,2	*15,9*	*5,0*
Japan	-0,3	2,5	4,4	2,3	*7,0*	*2,1*
China	8,3	9,1	9,0	7,5	*12,6*	*20,9*
India	4,7	5,6	6,4	6,7	*5,7*	*17,2*
Russia	4,7	7,3	7,3	6,6	*2,6*	*2,3*
Germany	0,1	-0,1	2,0	1,8	*4,5*	*1,3*
France	1,1	0,5	2,6	2,3	*3,2*	*1,0*
United Kingdom	1,8	2,2	3,4	2,5	*3,2*	*1,0*
Italy	**0,4**	**0,3**	**1,4**	**1,9**	***3,0***	***0,9***
Spain	2,2	2,5	2,6	2,9	*1,8*	*0,7*

Source: IMF, estimates September 2004

A positive adjustment also to GDP of China and Japan which in 2004 exceeded forecasts registering, respectively, 9.5% and 4.4%. A downward adjustment for the United States, where the increase in GDP estimated at 4.6% did not exceed 4.3%.

The Euro zone also started to increase in 2004 after the modest 0.5% of 2003. Forecasts of increase vary between 1.6%, as recently expressed by the IMF (after 2.2% of the latest “Outlook”) and 1.8%, as indicated by the OCSE and the European Commission. Along the same lines we find forecasts made by Prometeia which, as far as the Euro area is concerned, indicates a GDP increase of 1.8% (the previous forecast amounted to 2%). Therefore, the gap registered in 2004 with the United States is still very large, more than 2%.

2. Italian economic context

According to ISTAT data, GDP increased by1,2% in 2004

While the European economy is starting to grow, Italy is still maintaining rather modest development rates of approximately 1% lower than the average of the Euro zone. After the forecasts of spring 2004, made by the main research institutions which had estimated an increase in GDP of between 1.5% and 1.7%, in the second half of the year there was a drastic revision in the fall. According to analysts from the IMF, the Italian economy in 2004 was not to exceed 1.4%, a forecast above the assessments expressed last autumn by the European Commission and by OCSE, both of which agreed to fix the growth rate of national GDP at 1.3%. This dynamic for 2004 was also confirmed by the research institutions Isae and Prometeia, who attributed the slight progress to a recovery in exports and to the weak dynamic of industrial production. According to the final data published by Istat in March, the average GDP growth in 2004 was around 1.2% (+1% the correct data if considered the number of working days), confirming both the forecasts made by the Italian Government, as indicated in the Forecast and Programme Report of last September, and the forecasts made by other research companies (Irs and Cer). This result marks a progress in comparison with 2003 (+0.3%), even if the data is decisively lower than the average of the Euro zone (+2%) and the EU25 (+2.3%). After a modest first quarter (+0.8% in comparison with the same period in 2003) and an encouraging second quarter (+1.3%), GDP has grown during the third quarter (+1.4%). Nevertheless, in the fourth quarter Italian economy experienced a drastic fall, registering a +1% as a trend and a –0.3% contraction compared to the previous quarter, to be attributed to the loss in sales abroad and to the fall in internal demand, and in investments above all.

Table 2 - Characteristic indicators in some Italian regions. 2004

	% change 2004/2003					**% rate 2004**	
	GDP	*Internal demand*	*Family consumption*	*Gross fixed investments*	*Export*	*Employment 15-64 years*	*Unemployment 15-64 years*
Piedmont	1,5	0,5	0,9	1,3	4,7	63,4	5,3
Lombardy	1,0	1,1	1,4	2,7	4,3	65,5	4,0
Veneto	**1,5**	**1,0**	**1,3**	**2,5**	**3,1**	**64,3**	**4,2**
Emilia Romagna	1,6	1,1	1,2	3,0	3,3	68,3	3,7
Tuscany	1,6	0,8	1,2	2,0	7,2	63,2	5,2
North-west	1,1	0,8	1,2	2,3	4,5	64,4	4,5
North-east	**1,6**	**1,0**	**1,2**	**2,4**	**3,2**	**65,8**	**3,9**
Centre	1,4	0,9	1,2	2,2	6,6	60,9	6,5
South	1,3	1,1	1,2	3,3	5,6	46,1	15,0
Italy	**1,2**	**0,9**	**1,0**	**2,1**	**3,2**	**57,4**	**8,0**

Source: ISTAT, Prometeia (forecasts January 2005)

While Spain (+2.7%) and, for the first time in the last three years, France (+2.5%) faced an expansion in economy, Italy has registered very poor results, placing itself alongside Germany (+1.6% in 2004) in the classification of European countries by development rates.

In 2004 the increase in the national GDP was accompanied by a 2.5% increase in the level of goods and services, which led to a 1.5% increase in the available resources.

With regards to employment, internal demand rose in real terms by 0.9%. In particular, the levels of families consumption increased by 1%, while Public Administration expenses increased by 0.6%. The trend in fixed gross investments was positive. In 2004 it registered a 2.1% increase compared to 2003, thanks to an increase in investments in constructions (+3.1%) and in purchases of machinery (+2.7%). A net downturn for investments in means of transport which registered a negative variation of 2.9%.

Despite the regression registered during the last few months of the year, the general increase in exports was 3.2%, due to an increase in goods (+3.3%) and an increase in services (+2.8%).

In 2004 the agricultural and services sectors supported GDP increase

With regards to the product formation, the sectors of agriculture (+10.8%) and construction (+2.7%) supported growth of GDP in real terms. However, the increase in the added value of services (+1.2%) was moderate, while with regards to industry in general it was registered a substantial level of stationeries (+0.1%).

Positive signs originate from the market of employment: total employment (expressed in work units after-CIG) increased in 2004 by +0.8%, a result to be attributed to self-employment (+1.5%), rather than to dependent employment (+0.5%). Looking at the sectors, employment fell in industry (-0.4%), while positive result can be found in the sectors of construction (+3.4%), services (+0.9%) and agriculture (+0.4%).

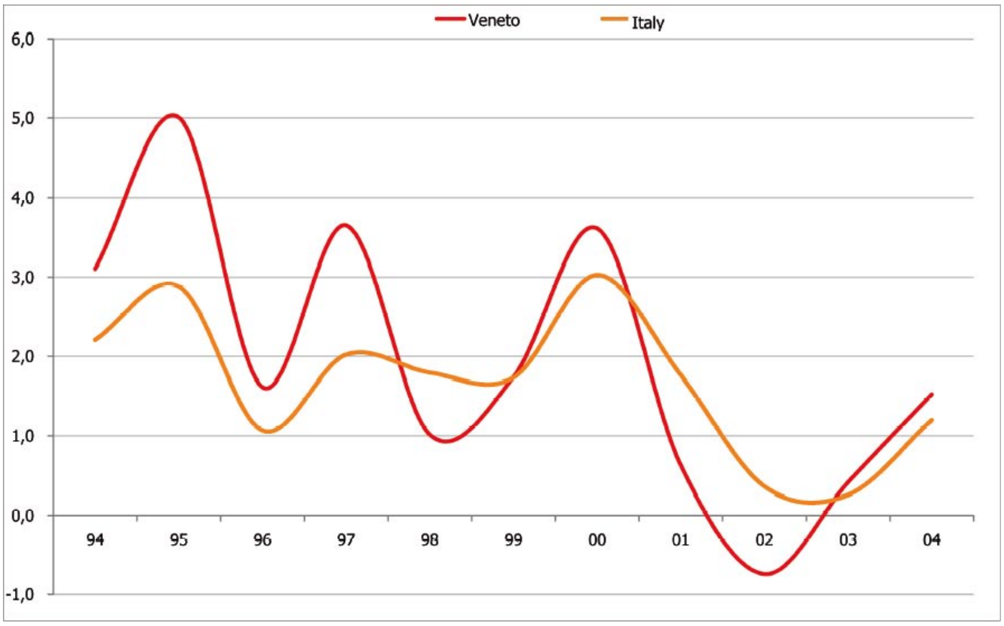
3. Veneto economy in 2004

Considering the scenario drawn by the Italian Union of the Chambers of Commerce, Veneto's GDP should register a 1.5% increase at constant prices in 2004. After the negative results of 2002 (-0.7%) and the modest reaction registered in 2003 (+0.4%), forecasts data followed an alternating trend during the year, reaching 1.5% in November.

According to Prometeia Veneto's GDP increased by 1,5%

The forecasts made by Prometeia for 2004 include a 1.5% increase above the national average (+1.2%). These forecasts are coherent with the general trend of Veneto economy, which suffered from the negative results of the manufacturing industry, particularly exposed to international competition, but which benefited from the favourable effects of climatic conditions supporting the field of agriculture and tourism.

Figure 1 - Ten years of GDP in Veneto and Italy (% change on prev. year). 1994 - 2004



Source: processing by Veneto Unioncamere of ISTAT and Prometeia data

However, according to the forecasts, the regional growth rate should be aligned with that of Lombardy and Tuscany, but should be lower than Emilia Romagna's (+1.7%) and higher than Piedmont's (+1.4%).

As far as the components of aggregated demand are considered, internal demand (+1%) and family consumption, estimated at around 1.3%, contribute to the regional GDP's growth. Also investments increase (+2.5%) as a consequence of the uniform trend of purchases of machinery and plants and of investments in constructions and buildings.

After the fall of the last two years, exports started to increase, reaching +3%, while imports increased by 3.2%.

Table 3 - GDP, employment and productivity: comparison between Veneto and Italy. 2002 - 2006

	2002	2003	2004	2005	2006
			absolute values		
VENETO					
GDP (millions of euro)*	94.039	94.430	95.870	97.559	99.515
Workers (000)	2.199	2.198	2.204	2.215	2.230
Productivity (000 of euro)	42,8	43,0	43,5	44,1	44,6
ITALY					
GDP (millions of euro)*	1.036.029	1.038.705	1.052.528	1.069.574	1.090.374
Workers (000)	24.126	24.229	24.425	24.620	24.856
Productivity (000 of euro)	42,9	42,9	43,1	43,4	43,9
			% change on previous year		
VENETO					
GDP (millions of euro)	-0,7	0,4	1,5	1,8	2,0
Workers (000)	0,6	-0,1	0,3	0,5	0,7
Productivity (000 of euro)	-1,2	0,5	1,2	1,3	1,3
ITALY					
GDP (millions of euro)	0,4	0,3	1,3	1,6	1,9
Workers (000)	1,3	0,4	0,8	0,8	1,0
Productivity (000 of euro)	-0,9	-0,2	0,5	0,8	1,0

* values at constant prices 1995
Source: ISTAT, Prometeia (forecasts December 2004)

Agriculture (+7,8%) and construction (+1,9%) sustained the regional economy growth in 2004

From the point of view of added value creation, in 2004 the regional economy growth was sustained by agriculture (+7.8%) and construction (+1.9%). The services sector, as well as the industrial one in general, provided a much smaller contribution to the regional added value, with variations of +1.6% and +0.7% respectively.

In brief, 2005 appears to have been a rather positive year for Veneto Region, even though it must not be forgotten that the comparison is done with 2003, a rather critical year for the economy of Veneto.

Labour market

According to the initial (and few) figures published by Istat, in 2004 Veneto labour market registered positive results, even though they were less favourable compared to the figures registered in 2003.

However, they are figures that must be interpreted with caution and in the light of some comments that must be briefly mentioned. The figures related to 2004 originate from a new research carried out on the work force and which is the result of a deep and complicated activity of revision and renewal of the traditional three-month surveys.

Table 4 - Veneto. Total no. of employed, labour force and unemployed (in thousands). 2003 -2004

	VENETO			NORTH-WEST			ITALY		
	2003	*2004*	*%*	*2003*	*2004*	*%*	*2003*	*2004*	*%*
Labour forces	2.107	2.133	1,2	5.011	5.021	0,2	24.289	24.365	0,3
Total employed	2.027	2.042	0,7	4.832	4.827	-0,1	22.241	22.404	0,7
- agriculture	93	86	-7,2	224	219	-2,1	967	990	2,3
- industry	788	800	1,5	1.753	1.729	-1,4	6.822	6.868	0,7
- services	1.147	1.156	0,8	2.855	2.878	0,8	14.452	14.546	0,6
Unemployed	80	90	12,5	179	195	8,9	2.048	1.960	-4,3

Source: Processing by Veneto Unioncamere of ISTAT data

The main change consists in the fact that the new survey is based on “constant” bearings: instead of registering information every three months, the analysis are carried out weekly, considering an adequate distribution during the thirteen weeks of each quarter period. The changes occurred introduced some elements of discontinuity in respect of the historical previous range: it is now difficult to compare 2004 figures with the ones of the previous years. Istat has already started to align the historical range of national figures, while the updating of 2003 figures has not yet been completed on a regional level. Therefore, this delay compromises the market analysis of regional employment, which on this occasion will be limited to the very few figures available.

The number of people employed in Veneto incresed by 0,7%

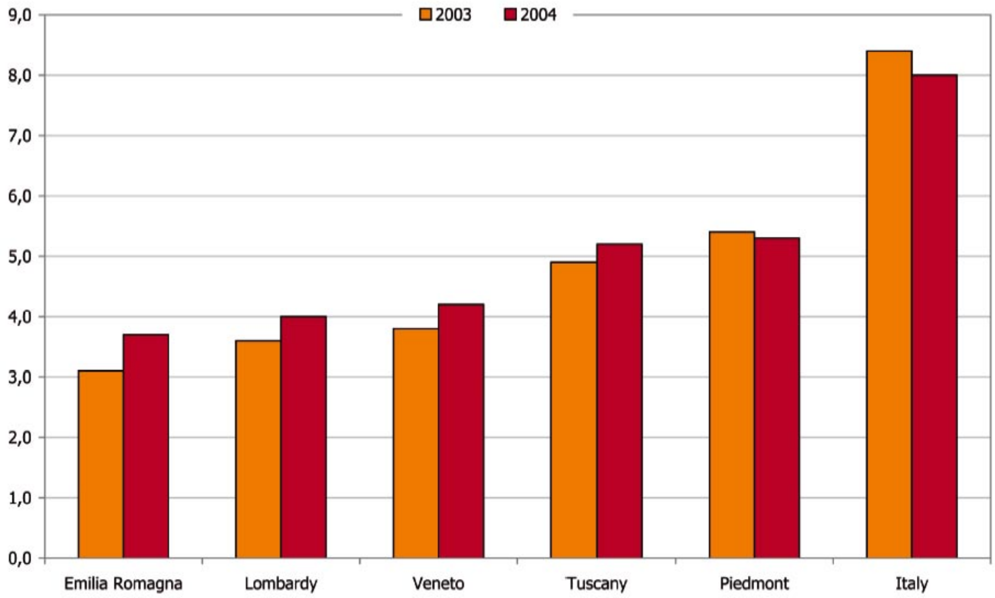
In 2004 the number of people employed increased by 0.7% compared to the previous year, with an increase of approximately 15 thousands units. This result is better than the one registered in Emilia Romagna (-1.3%) and Tuscany (+0.3%), but less encouraging compared to the one in Piedmont (+1.1%) and Lombardy (+1.6%). The increase only involved dependent workers (1.1%), while the number of independent activities remained almost stable. The growth rate of employment became even more weaker compared to the last few years, returning below the GDP rate of development (+1.5%), a figure that means a slight increase in levels of productivity.

The trend registered in Veneto is in line with the trend registered in the rest of country but it has an opposite effect compared to the North East, where employment remained stationary.

From the point of view of sectors, figures have highlighted another fall in employment in the field of agriculture (-7.2%) and an increase in services (+0.8%). With regards to the field of industry in general, the number of individuals employed increased by 1.5% but Istat figures do not provide a distinction between the trend in employment in manufacturing fields and constructions, which have definitely followed opposing dynamics. In truth, according to the results of VenetoCongiuntura, the survey on economic trends carried out on manufacturing companies by the Union of the Chambers of Commerce of Veneto, in many fields employment registered a variation of between 4% and 6%, and forecasts for 2005 are not encouraging: the entrepreneurs interviewed have estimated another fall in the number of employees (-0.3% the rate of variation).

The diverging dynamics of employment between manufacturing and constructions is also confirmed by CIG figures: in 2004 the manufacturing industry registered a three-fold increase in the number of hours compared to the number registered in building contractors (+34% against +11%).

Figure 2 - Unemployed rate in some Italian regions. 2003 - 2004



Source: processing by Veneto Unioncamere of ISTAT data.

The number of people searching for employment increases by 12,5% and the rate of unemployment rises to 4,2%

According to Istat, the number of people searching for employment increased by 12.5% in one year, from 80 to 90 thousand units (according to updated Istat forecasts). This increase affected the rate of unemployment which in 2004, according to updated figures, increased by almost 0.5%, reaching 4.2% (the new Istat forecast for 2003 amounts to 3.8%). This value exceeds the average registered for the North East (3.9%), thanks to lower values in Emilia Romagna (3.7%) and in Friuli Venice Giulia (3.9%).inferiori dell'Emilia-Romagna (3,7%) e del Friuli-Venezia-Giulia (3,9%).

Agriculture

Gross production at base prices was about 4.600 million Euro, +3% compared to 2003

The agricultural year that has just come to an end has substantially recovered the positions lost during 2003, when the economic results had been characterised by, on the one hand, the contraction of production due to the adverse climatic trend and, on the other hand, a general increase in prices. In 2004 climatic conditions favoured a general recovery in production which reached values similar to the ones registered in 2002. However, the increase in offer of the main regional markets led to an important variation in prices and, consequently, in the level of profit of farmers. According to initial INEA forecasts, gross agricultural production of Veneto Region increased by approximately 3% compared to 2003 and reached almost 4,600 million Euro. The turnover achieved in this field went back to the same values registered in 2002: the increase in offer more than compensated the variation in prices of agricultural products.

Table 5 - Veneto. Dynamics of gross agricultural production (% change 2004/2003)

	at current prices	*at constant prices*
Crop cultivations	+10%; +12%	+24%; +26%
Wood cultivations	+2%; +4%	+18%; +20%
Farm products	-3%; -5%	0; +2%
Gross production	+2%; +4%	+10%; +12%

Source: INEA estimates

By analysing the turnover at constant prices, it can been seen an increase of approximately 10% compared to 2003.

Increases in production costs sustained by farmers have worsened the level of profit of farms, in particular with regards to fodder (+14%).

Furthermore, the increase in the price of petrol has led to an increase in costs of energy products starting in May (+4% approximately). Increase of between 2% and 3% compared to the previous year also referred to seeds and fertilizers, while with regards to pesticides the variation was much lower (+0.5%).

According to the growth in gross production and production costs we can presume that Veneto agricultural added value maintained the same values achieved in 2003, a modest result compared to the expectations at the beginning of the year.

The analysis of the fields that form agriculture in Veneto Region highlights a different trend for vegetable cultivations compared to breeding. Herbaceous cultivations have produced a turnover of a little less than 1,600 million Euro, highlighting an important increase compared to the previous year (between +10% and +12%).

The field of vegetable production went through a rather negative year: recovery in production was not sufficient to compensate the heave fall in shares. In general the turnover of this field fell to 548 million Euro (-3% compared to the previous year).

However, the favourable climatic conditions had a positive effect on the production of grapes which reached almost 1.3 million tons (+20% compared to 2003). Therefore Veneto Region holds the first position in the national classification with more than 8.7 million hectolitres of wine. Turnover of this field increased by approximately 5%, reaching 513 million Euro.

Fruit growing however did not recover the positions lost in 2003. The general turnover reached 216 million Euro, with a 10% fall compared to 2002.

The field of zoo-technical products registered a turnover of approximately 1,800 million Euro, highlighting a fall of almost 4% compared to the previous year. The negative results are mainly related to the trend registered in the aviculture field.

According to the results of the Register of Companies of the Chambers of Commerce, the number of farms also fell in 2004, even though the contraction was much less compared to the previous year. At the end of the year the number of farms registered was 93,180 with a reduction of approximately 2.7% compared to the previous year.

The number of active farms fell by 2.7% in 2004.

According to Istat, in 2004 agricultural employment was at around 86,000 individuals, with a variation of 7.2% compared to 2003.

Industry

The industrial field registered a 1,5% increase in the number of active companies

In 2004 the industrial sector, which includes manufacturing and construction, grew overall by 1.5% in terms of companies active in the market with respect to 2003. The total number of companies increased by 2.000 units, reaching almost 133.000 shared equally by the two different economic activities (51% manufacturing and 49% construction).

Employment in the industrial sector in 2004 increased by 1.5%, bringing the number of employed workers to approximately 800.000 units. The increase was mainly due to dependent workers, whose number increased by 28.000 units, soaring to 632.000 (or +4.7%), while the contribution provided by self-employed workers was negative (-16.000 units or –8.8% compared to 2003).

Table 6 - Veneto. Active companies by sector and legal status. 2002-2004

	2002	*2003*	*2004*	*% change 04/03*	*%change 04/02*
Business activity					
Agriculture, hunting and forestry	100.490	95.768	93.180	-2,7	-7,3
Fishing, pisciculture and related services	2.369	2.559	2.620	2,4	10,6
Mineral extraction	312	306	302	-1,3	-3,2
Manufacturing activities	68.977	68.243	67.413	-1,2	-2,3
Prod./distrib. of electricity, gas and water	134	152	161	5,9	20,1
Construction	60.064	62.753	65.515	4,4	9,1
Wholesaling/retailing; pers./home goods repairing	104.910	105.256	105.843	0,6	0,9
Hotels and restaurants	21.307	21.638	22.062	2,0	3,5
Transport, warehousing and communications	17.183	17.296	17.668	2,2	2,8
Money and financial brokerage	8.392	8.264	8.142	-1,5	-3,0
Real estate, hiring, IT, research	44.257	46.792	49.709	6,2	12,3
Education	1.093	1.135	1.253	10,4	14,6
Health and other social services	1.022	1.095	1.178	7,6	15,3
Other public, social and personal services	16.411	16.589	17.185	3,6	4,7
Home services etc.	15	14	0	-100,0	-100,0
Non-classified companies	2.288	2.072	1.763	-14,9	-22,9
Legal status					
Corporations	55.560	51.202	61.808	20,7	11,2
Partnerships	94.559	93.500	96.076	2,8	1,6
Sole proprietorships	293.628	297.600	290.330	-2,4	-1,1
Other forms	5.477	5.324	5.780	8,6	5,5
TOTAL	**449.224**	**449.932**	**453.994**	**0,9**	**1,1**
TOTAL without agriculture and fishing	**346.365**	**351.605**	**358.194**	**1,9**	**3,4**

Source: Processing by Veneto Unioncamere of Infocamere data

Manufacturing

2004 was a more favourable year for the manufacturing industries of Veneto Region which, after the difficulties of 2003, finally managed to invert the negative trend and start to pick up. The regional trend turned out to be clearly the opposite of national values, for which a period of stagnation was still being registered.

According to the results of VenetoCongiuntura, the new survey into economic trends carried out by the Union of the Chambers of Commerce of Veneto and based on a sample of approximately 1,500 manufacturing companies with 10 or more employees, showed that during the first quarter period of 2004 the Veneto industries had shown signs of recovery which were strengthened even more during the following months and were consolidated during the last few months of the year. In particular the dimension of companies was discriminating: the performance levels of medium (50-249 employees) and large (more than 250 employees) sized companies were much more positive, while the results of companies with between 10 and 40 employees were much more limited.

Table 7 - Veneto. Main indicators of the manufacturing industry (% change on prev. quarter). 2004

	1st quarter '04	*2nd quarter '04*	*3rd quarter '04*	*4th quarter '04*
Production	2,1	4,4	-2,7	5,4
Total turnover	3,7	7,3	-1,9	8,7
Foreign turnover	6,1	6,0	4,3	8,4
Internal demand	0,2	4,0	0,5	3,8
External demand	4,1	4,1	6,0	1,6
Costs	2,6	3,6	2,1	2,3
Total employment	0,3	0,0	-0,5	-0,7
Extra-UE employment	1,1	1,5	-0,9	-1,0
% export sales	39,4	39,8	40,1	37,0
% use of facilities	75,8	75,8	76,0	76,9

Source: Veneto Unioncamere - VenetoCongiuntura Survey

Production and turnover highlighted an increase throughout 2004

Industrial production increased by 0.2% during the first quarter period and the variation was even larger during the following months (+1.7% in the second quarter period and +1.8% in the third quarter period), ending the year with +1.4%. The turnover of Veneto companies also increased, as can be seen from the trend in the mobile average calculated on the values of variations registered: in 2004 turnover increased by +2% during the first three months of the year, compared to the same period of 2003, and it reached an increase equal to +4.3% in the last quarter period.

The demand from the internal market registered an increase which was substantially high during the third quarter period of 2004 (+6.2%), while it was a lot lower for the forth quarter period (+1.2%). During the year orders from abroad varied between +4.1% at the beginning of the year and +3.7% during the forth quarter.

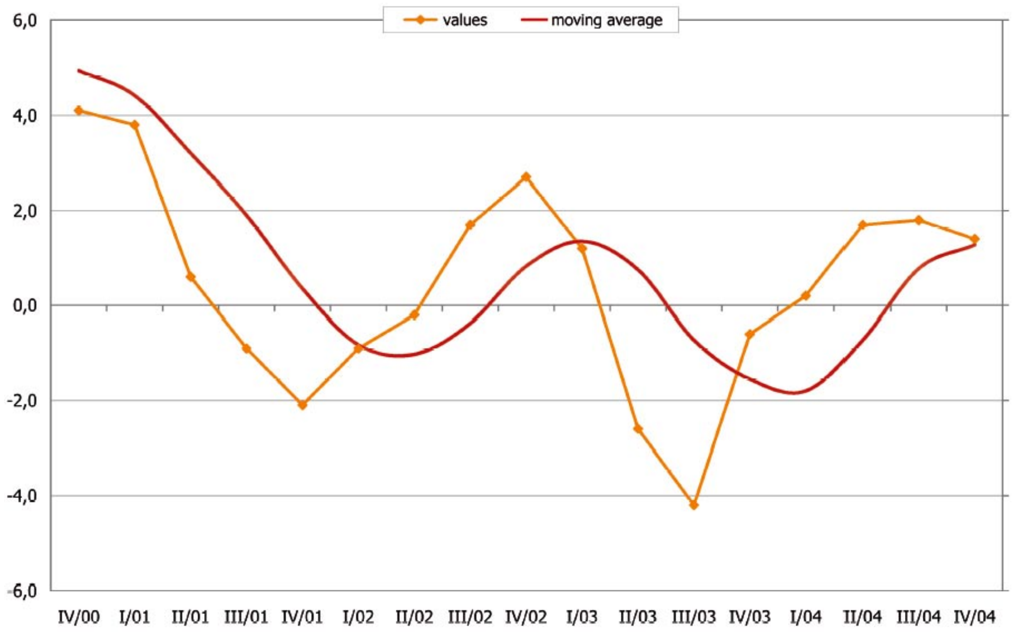
The number of employed fell, while the number of non European workers increased

The trend of exports (+4.6% for the forth quarter period) highlighted an increasing trend, while the share of foreign turnover increased by 39.4% during the first quarter period to 45.2% at the end of the year. Production costs went up due to an increase in prices of raw materials, as well as sales prices.

Positive signs can be found in the forecasts made on added value carried out by the Union of the Chambers of Commerce and Prometeia, which in 2004 registered an increase of +0.7% for the manufacturing industry.

An initial negative notice can be found in terms of employment. During 2004 the number of employed registered a drastic fall: specifically negative variations were registered (-1.2% during the second and forth quarter period and –1.4% during the third quarter period). The number of non European workers registered increases throughout 2004, in particular during the last three months there was a +9.3% increase.

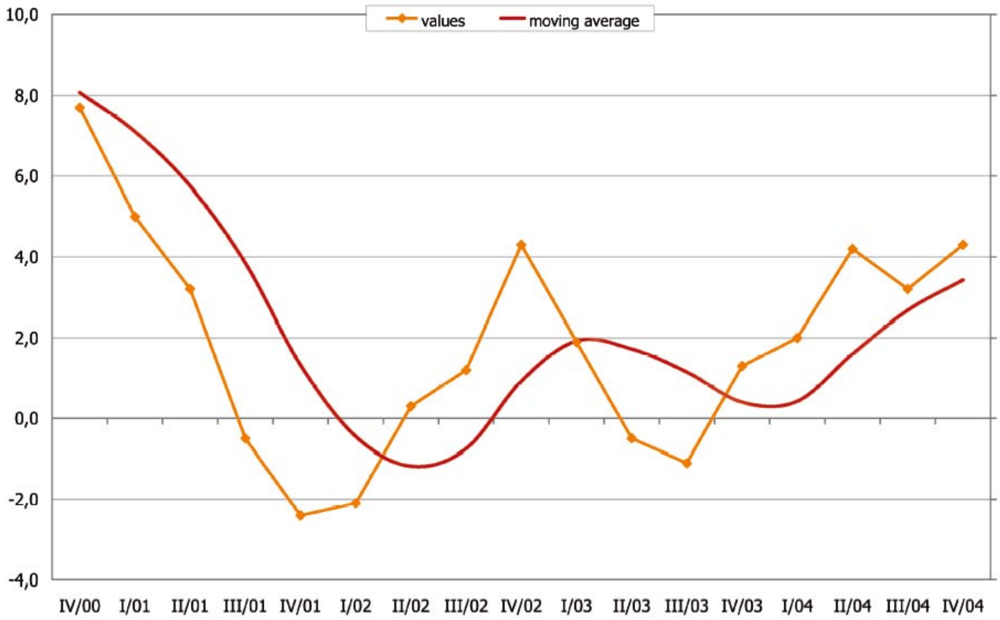
Figure 3 - Veneto. Performance of the industrial production (% change on the previous year's quarter and moving averages). 2000 - 2004



Source: Veneto Unioncamere - VenetoCongiuntura survey

The second negative note emerges observing the productive structure. 2004 registered a fall of –1.2% (-830 units) in the number of manufacturing companies, which amounted to about 67,400 active units at the end of the year.

Figure 4 - Veneto. Industrial turnover performance (% change on the previous year's quarter and moving averages). 2000 - 2004



Source: Veneto Unioncamere - VenetoCongiuntura survey

Construction

The main economic indicators showed signs of recovery for construction in 2004.

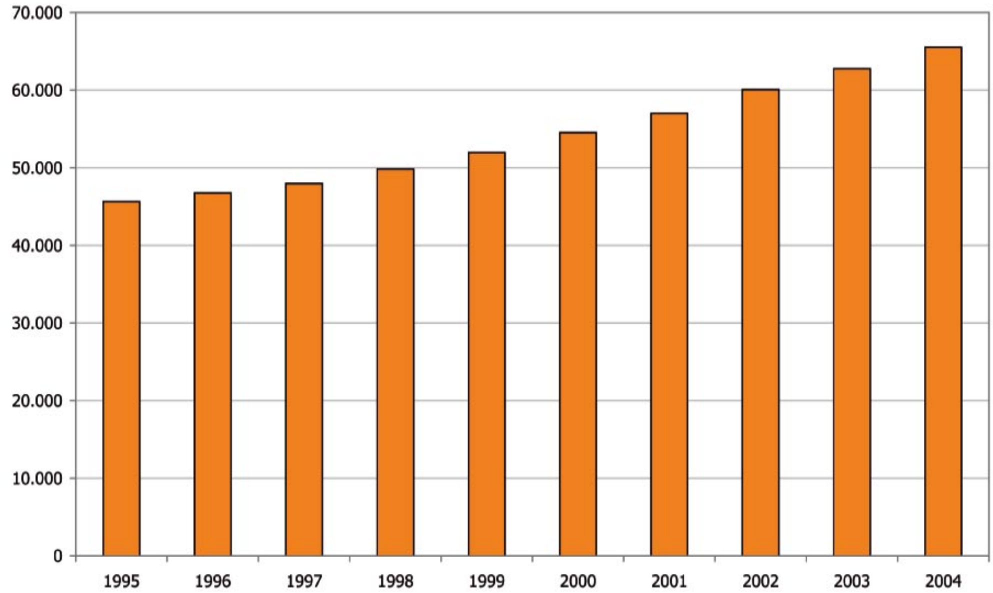
The added value estimated by the national Union of the Chambers of Commerce and by Prometeia highlighted a 1.9% increase for 2004 after the fall of 2003, while a further development is expected for 2005.

In structural terms, positive sighs have been registered: in 2004 there were approximately 2,700 more companies (+4.4%) than in 2003. The result is in line with the trend observed on a national level (+4.3%). On 31st December 2004, there were 65,500 construction companies: they contribute for the 42% to the full balance between registered and winding up companies.

The number of active companies has exceeded 65.000 units with a 4,3% increase

Construction rate of development amounts to +2.9%, marking a slight fall in comparison with the results of the previous year.

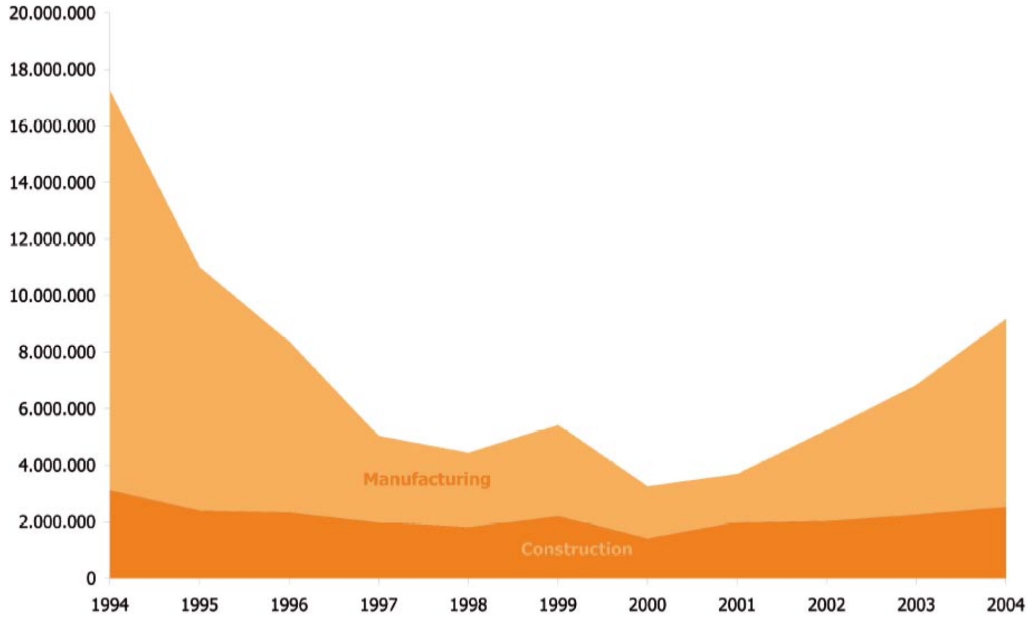
Figure 5 - Veneto. Active companies in the construction sector (absolute values). 1995 - 2004



Source: processing by Veneto Unioncamere of Infocamere data.

Having not updated Istat data at disposal, the sole indicator that can be used to understand employment trend is the Temporary Unemployment Compensation Fund (Cassa Integrazione Guadagni o CIG) carried out by INPS (Social Security). In 2004, exactly as in 2003, the use of CIG increased by 11% in terms of approved hours. It was a moderate increase when compared to manufacturing (+34%).

Figure 6 - Veneto. Hours of wage subsidies by sector. 1994 - 2004



Source: processing by Veneto Unioncamere of INPS data

SMEs and Craftmanship

In Veneto Region the number of active handicrafts companies registered a 1,4% increase compared to 2003

In order to understand the real state of health of the production system in Veneto, it is important to observe the dynamics of handicrafts companies which, if we exclude agriculture, represent 40% of the productive units that operate throughout the region.

In 2004 in Veneto the number of handicrafts companies exceeded 143,000, registering a 1.4% increase compared to the 2003 stock (almost 2,000 companies extra).

Table 8 - Veneto. SMEs by sector and their legal status. 2002-04

	2002	*2003*	*2004*	*% change 04/03*	*% change 04/02*
Business activity					
Fishing, pisciculture and related services	1	1	0	-100,0	-100,0
Mineral extraction	98	95	85	-10,5	-13,3
Manufacturing activities	48.589	47.920	47.294	-1,3	-2,7
Prod./distrib. of electricity, gas and water	11	10	8	-20,0	-27,3
Construction	49.363	51.660	54.282	5,1	10,0
Wholesaling/retailing; repairs	10.536	10.249	9.971	-2,7	-5,4
Hotels and restaurants	455	382	332	-13,1	-27,0
Transport, warehousing and communications	12.720	12.706	12.723	0,1	0,0
Money and financial brokerage	23	18	21	16,7	-8,7
Real estate, hiring, IT, research	4.743	4.790	4.724	-1,4	-0,4
Education	158	160	153	-4,4	-3,2
Health and other social services	86	82	71	-13,4	-17,4
Other public, social and personal services	12.527	12.597	12.994	3,2	3,7
Home services etc.	3	3	0	-100,0	-100,0
Companies non-classified	298	280	246	-12,1	-17,4
Legal status					
Corporations*	2.048	2.709	3.490	28,8	70,4
Partnerships	34.245	33.925	33.567	-1,1	-2,0
Sole proprietorships	103.004	104.041	105.567	1,5	2,5
Other forms	314	278	280	0,7	-10,8
TOTAL	**139.611**	**140.953**	**142.904**	**1,4**	**2,4**

*the data are influenced by the legislative changes of 2001, which gave handicraft/SME status to limited liability companies

Source: Processing by Veneto Unioncamere of Infocamere data

The increase in corporations continues. After the boom registered during the three year period 2001 – 2003, due to the modifications and integrations in the law on handicrafts companies, in 2004 the number of corporations increased to 3,490 units, registering a 29% increase on an annual basis (it had been 32% in 2003). Partnerships highlighted a new variation (-1.1%), while the number of sole proprietorship increased (more than 1,500 compared to 2003), reaching 105,500 units. With regards to the sectors, the handicrafts production companies (approximately 70% of the total) highlighted a 2% increase compared to 2003, due to a variation in the field of manufacturing (-1.3%) and to the boom of construction companies (+5.1%). As far as the services sector is concerned, the stock of service companies remained stable, inverting in this way the negative trend registered in the previous three-year period (-0.6% in 2003, -1% in 2002, -1.5% in 2001).

Table 9 - Veneto. Dependent employment (% change on prev. year). 2000 - 2004

Categories	2000	2001	2002	2003	2004
Food	3,9	-1,4	2,2	-3,0	1,6
Textiles, clothing, footwear	-2,7	-5,7	-3,4	-6,1	-7,6
Wood	0,1	-1,5	2,8	-0,8	-1,4
Graphics	0,4	-4,5	-1,0	0,4	-2,2
Ceramics, chemicals, glass	2,1	-2,0	0,3	-0,1	-1,2
Mechanics	3,1	-2,5	0,5	-2,0	0,5
Other manufs.	1,2	-3,2	-1,1	-6,8	-4,0
Total Manufactures	**1,1**	**-3,2**	**-0,4**	**-3,1**	**-2,1**
Building	2,8	-0,2	10,8	-8,5	-1,7
Plant engineering	2,0	-0,6	0,0	1,2	-0,9
Total Construction	**2,4**	**-0,3**	**5,9**	**-4,6**	**-1,4**
Repairs: cars / motorcycles	0,7	-1,6	-2,9	-1,1	0,5
Pers./misc. services	-1,0	-0,6	-0,9	-1,1	-3,1
Transport	7,3	3,1	3,5	1,5	0,7
Total Services	**1,2**	**0,0**	**-0,4**	**-0,5**	**-1,2**
Total	**1,4**	**-2,1**	**0,9**	**-3,0**	**-1,8**

Source: Veneto SME Federation - BS consulting

The year ended with a variation in employment levels (-1,8%), especially in the field of fashion (-7,6%)

A second indicator of the state of Veneto handicrafts companies is represented by the trend in employment. On the basis of the figures provided by Confartigianato Veneto[1] the year 2004 ended with a new variation in levels of employment (-1.8%) confirming the trend that began in 2001. The field of manufacturing continued to loose employment (-2.1%) due to the effect of process of production delocalisation. The field most exposed was fashion with –7.6% followed by other manufacturing industries (-4%) which include the field of jewellery. The construction market also fell (-1.4%) together with the market of services (-1.2%) where the favourable trend of activities of repairs to vehicles and transport did not compensate the negative variation associated with services related to individuals (-3.1%).

The trend in the main indicators of economic trends represents another indicator of handicrafts economy. According to the six month survey carried out by Confartigianato Veneto[2] the picture that emerges is rather negative. 2004 ended with a fall in turnover of -2.1%, a trend that reflects the trend of demand (-2.4%) in the dynamics and proportions. The perception of price increases of suppliers is going up: between 2003 and 2004 companies registered a 7.1% increase. The stage of difficulty of handicrafts companies started to have its effect on employment, which highlighted a 0.6% contraction, and on inclination to invest, which in 2004 fell by 6.3%.

1 This was a survey carried out on a six month basis and based on a sample of companies (approximately 11,000 equal to 24% of handicrafts companies with employees) selected by Confartigianato Veneto.
2 This was a survey carried out on a six month basis and based on a sample of 900 companies with less than 20 employees operating throughout the region.

Services

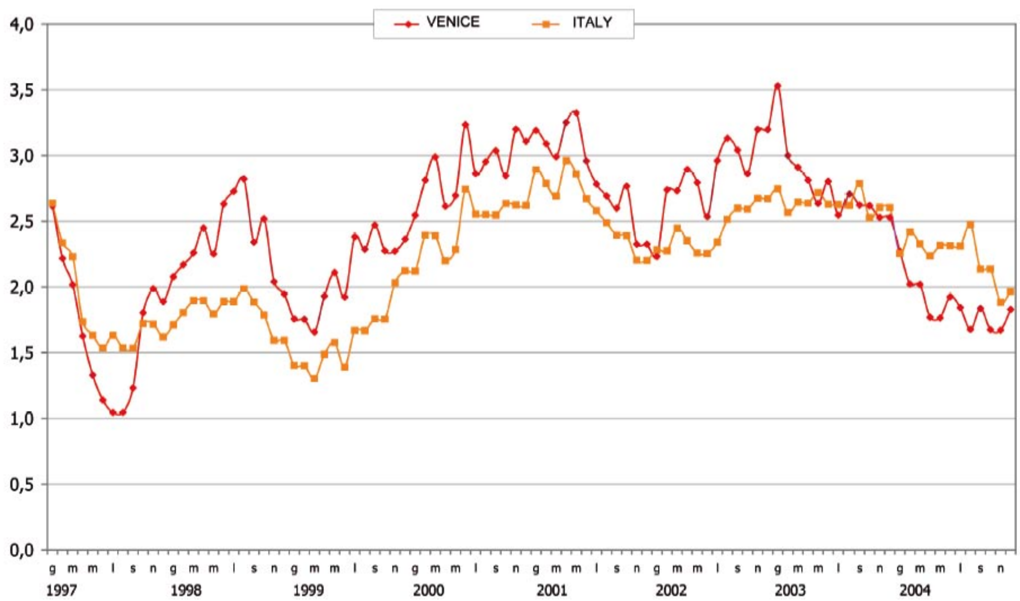
With regards to the field of services, 2004 ended with a rather positive situation. According to the latest forecasts, the added value to constant prices increased by 1.6% compared to 2003, at around 56,360 million Euro (at 1995 constant prices) which represents 62% of the total regional value. This is a positive result which places Veneto Region decisively above the national average (+1.1%) and slightly below the variation registered for the North East (+1.7%). The growth trend in services had slight positive effects on employment. According to Istat in 2004 the number of employed registered a 0.8% increase (more than 9,000 compared to 2003), involving dependent as well as self-employed equally.

Internal trade

The low growth in real income of families has had a negative effect on consumption

As far as the internal trade is concerned, 2004 was a rather negative year, marked by a drastic fall in family consumption level. While sales abroad contributed to the recovery of 2004 economic trends, the demand for private consumption (as well as for investments) slowed down by the low growth of real income available to families. In comparison with 2003, the total value of retail trade sales highlighted for the North East a contraction of –0.7%, which was much higher than in the rest of the country (equal to –0.4%), as by Istat data. After a two-year period characterised by positive trends in sales (+2.4% in 2002, +2.3% in 2003), in 2004 the trend registered a deep inversion for food products (-0.8%) as well as for non food products (-0.6%).

Figure 7 - Blue-collars and clerks families consumer prices general index. 1997 - 2004



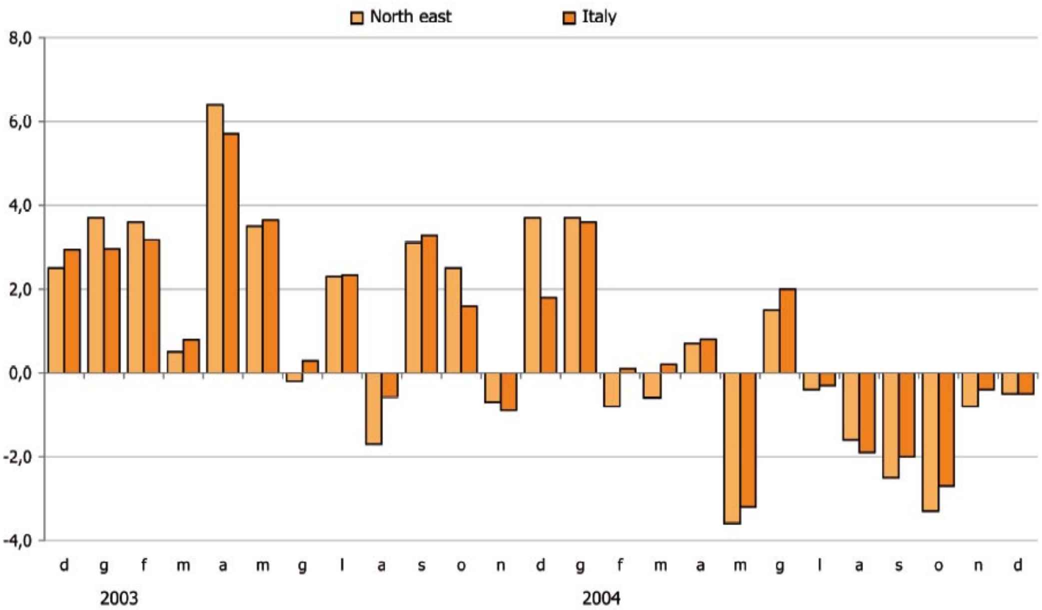
Source: processing by Veneto Unioncamere of ISTAT data

Inflation (especially the one perceived) contributed to slowing down levels of consumption. Increases in prices of oil products (fuel), tobacco and some services (tourism, education, rates), even if related to seasonal factors, provoked new tension on consumer prices throughout 2004. In this way the slowing of the inflation dynamic trend was favoured by a gradual decrease in food products. With regards to prices, the beginning of the year was, as usual, very critical, since many headings of the basket were under discussion, in a period already characterised by increases in applied or enforced prices, as well as in several company price lists. The strengthening of the Euro and the consequent reduction of imported goods' prices needed some time to have positive effects for the retailing parts of the commercial chain.

The number of companies increased slightly (+0,6%)

Looking at the entrepreneurial structure, in 2004 the number of companies increased slightly (+0.6%) and exceeded 106,000 units. However, the balance between registered and winkding up companies was negative: –0.8% is their development rate on annual basis.

Figure 8 - High street retailing sales value index at current retail prices (monthly % trend change). December 2002 - December 2004



Source: processing by Veneto Unioncamere of ISTAT data

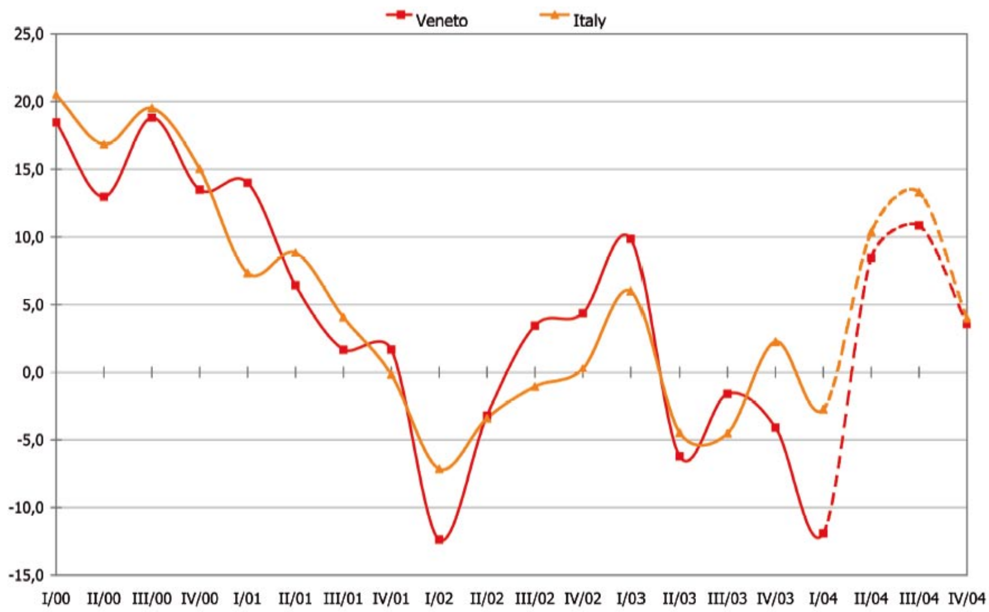
External trade

After the obstacles faced in 2003, flows of national imports and exports recovered thanks to an acceleration in American demand and in the demand of the majority of Asian economies, even though it was counter balanced by the appreciation of the Euro, registered most of all during the last few months of 2004 (at the end of the year the Euro was worth 1.36 dollars). However, there were some difficulties due to the increase in unit costs of products which provoked a contraction in sales abroad and a poor level of competitiveness of prices, both factors that are partially a result of the fall in productivity of Italian industries and of the strong increase in costs of raw materials.

Exports in Veneto increased by 2,7% compared to 2003

In 2004 Veneto Region also felt the effects of the upward trend of economy compared to 2003, registering a slight recovery in trade exchanges with foreign countries. Levels of export increased by 2.7%, but it is lower than the rate of imports, which amounted to +5.4%. In order to understand the figures on trade flows, it is important to highlight some points. Just recently Istat updated its figures on external trade in order to adapt them to the new regulations provided by the European Union and, therefore, the figures indicated in this analysis are to be considered temporary[3].

Figure 9 - Exports in Veneto and Italia (% change on prev. year's quarter). 2000-2004



Source: processing by Veneto Unioncamere of ISTAT data

3 Reading the figures it is important to consider that the percentage variations indicated are underestimated compared to the figures diffused by Istat with its press release dated 16/03/2005, as they have been calculated on the figures achieved by interrogating the Coeweb data bank (www.coeweb.istat.it). The underestimate which may vary between 1 and 2 percent depends on the fact that regional figures for 2004 cannot be directly compared to those related to the previous years for reasons due to the new calculation method introduced by Istat on the basis of the new EU regulation. From 2005, with the application of the new basic regulations of the European Union n. 638/2004 and the applicative regulations n. 1982/2004, Istat is obliged to transmit to Eurostat, on a monthly basis, the general situation of monthly exchanges carried out by all trade operators and therefore to transmit the figures from monthly statements and from estimates of three-monthly and annual reports for the month in question. In order to allow for homogenous comparisons between the single months of 2005 and those related to 2003-04, Istat carried out a revision of 2004 monthly figures which now also incorporate a monthly forecast of three-month and annual figures of statements below the assimilation threshold and it also started to line up 2003 figures.

At the end of the year, the value of Veneto Region exports exceeded 39,300 million Euro, despite the fall at the beginning of the year (-11.9% during the first quarter period) and thanks to the subsequent recovery in exchanges during the following months (+8.4% for the second quarter period, +10.9% for the third quarter period). This dynamic was however lower than the one registered in the North East (+6.3%) mainly due to the performance of Emilia Romagna (+7.7%). The variations of other export-oriented regions were much more limited, such as Piedmont (+2.9%) and Lombardy (+3.1%). In 2004 the contribution of Veneto exports to national exports fell slightly, falling to 14% (14.1 % in 2003).

2004 data suffered the effects of delocalisation, in particular in the textile, clothing and footwear sectors, as well as in the metals and machinery production sector. Production is mainly "transferred" to Romania, China and Hungary, as confirmed by VenetoCongiuntura's results, the survey carried out by the Union of the Chambers of Commerce of Veneto about Veneto manufacturing companies'inclination to productive delocalisation (see VenetoCongiuntura, 1.2004).

Table 10 - Trade flows in certain Italian regions (in million Euros). 2004

	Imports		**Exports**	
	2004	*% change 04/03*	*2004*	*% change 04/03*
Piedmont	22.680	5,0	30.964	2,9
Lombardy	104.897	6,8	78.347	3,1
Veneto	**30.984**	**5,4**	**39.316**	**2,7**
Emilia Romagna	20.079	3,5	34.190	7,7
Tuscany	15.397	1,7	21.561	4,6
North-west	135.275	6,0	113.362	2,9
North-east	60.775	5,0	88.313	6,3
Centre	43.153	0,4	44.063	3,8
The South and Islands	37.788	10,2	30.066	7,1
Other various ones	5.213	1985,7	4.888	457,0
Italy	**282.205**	**7,3**	**280.692**	**6,1**

Source: Processing by Veneto Unioncamere of ISTAT data

If we analyse the situation by sector, positive results have been registered in almost all the sectors, apart from the chemical industry and similar (-11.4%) and agriculture and fishing products (-6%). The trend in manufacturing appears to be positive and it highlights a general increase of 4.3%, with an increase in items of the most traditional sectors of the region, such as furniture (+1.8%), jewellers shops (+0.3%) and opticians (+2.6%). As far as imports are concerned, the value registered at the end of the year was slightly inferior to 31 million of Euro (+ 5.4% compared to 2003).

Table 11 - Veneto. Exports by sectors (million Euros). 2003 - 2004

SECTORS	*2003*	*2004*	*% change 04/03*
Agriculture, forestry and fishing	484	455	-6,0
Mineral products (energy and non-)	52	54	2,2
Food products	1.933	2.039	5,5
Textiles and clothing	4.663	4.738	1,6
Leather and hides products	4.100	4.114	0,3
Wood and wood products	209	222	6,3
Paper, printing, publishing	937	922	-1,6
Chemicals and similar	2.145	1.900	-11,4
Rubber/plastic products	1.069	1.163	8,8
Min. processing prods. (non-metallic)	1.350	1.373	1,7
Metals and metal products	2.920	3.535	21,0
Machines and mechanical apparatus	7.844	8.279	5,6
Electrical and precision apparatus	2.153	2.496	15,9
Motor vehicles and other means of transport	2.575	2.688	4,4
Furniture	1.842	1.876	1,8
Jewels and jewellery items	1.583	1.587	0,2
Occhialerie	1.414	1.451	2,6
Other manufactured products	417	379	-9,1
Total manufactures	**37.154**	**38.762**	**4,3**
General total	**38.298**	**39.316**	**2,7**

Source: Processing by Veneto Unioncamere of ISTAT data

Table 12 - Veneto. Imports and Exports by province (million Euros). 2003 - 2004

Provinces	*2003*	*2004*	*% change 04/03*	*comp. % 2004*
		Imports		
Verona	9.359	9.476	1,2	30,6
Vicenza	5.965	6.286	5,0	20,3
Belluno	547	563	2,9	1,8
Treviso	4.471	4.484	0,3	14,5
Venice	4.246	4.761	12,1	15,4
Padua	4.100	4.721	15,1	15,2
Rovigo	686	694	1,2	2,2
VENETO	**29.394**	**30.984**	**5,4**	**100,0**
ITALY	**262.998**	**282.205**	**7,3**	
% Veneto/Italy	11,2	11,0		
		Exports		
Verona	6.801	6.564	-3,5	16,7
Vicenza	10.586	11.271	6,5	28,7
Belluno	1.759	1.800	2,3	4,6
Treviso	8.470	8.593	1,5	21,9
Venice	4.338	4.311	-0,6	11,0
Padua	5.567	6.013	8,0	15,3
Rovigo	777	763	-1,8	1,9
VENETO	**38.298**	**39.316**	**2,7**	**100,0**
ITALY	**264.616**	**280.692**	**6,1**	
% Veneto/Italy	14,5	14,0		

Source: Processing by Veneto Unioncamere of ISTAT data

In comparison with the performances of the other North East regions, which registered a +5% increase, and of the other regions used for comparison in this publication, Veneto registered the highest increase, apart from Lombardy (+6.8%). It is interesting, and at the same time worrying, to observe how much Veneto imports from China increased. In one year the “Asian giant” jumped from the sixth position to the third position, behind Germany and France. As regards its contribution to national imports, Veneto still occupies the second position with a share of 11%, behind Lombardy and above Piedmont and Emilia Romagna, just like in the previous year.

Tourism

During the period January-December the number of visits increased (+2,5%) while the number of presences fell slightly

The figures on tourist movements in Veneto, collected by the Provincial Tourism Boards (APT), highlighted for 2004 a trend similar to the one registered in 2003. During the period January-December the number of visits increased by 295 thousand units (+2.5%) and reached 12 million, while the number of presences decreased slightly (-1%). In the analysis of resorts offers, only the ones related to cities of art presented a clearly positive situation with a +5.9% increase compared to visits and a +6.6% increased related to the number of occupancies. All other resorts highlighted contrasting signs compared to 2003: lake resorts registered a 3.4% increase in the number of visits and 0.7% in the number of occupancies, mountain tourism registered –3.9% and -6.2% respectively, beach resorts –1.6% and –4.0% respectively, and finally the spas +1.6% and –2.3% respectively. With regards to the type of structures, 2004 registered signs in extra hotel structures while, as far as hotels are concerned, the results were moderately positive. In the first case the number of visits increased by 1.3%, while the number of occupancies fell by 2.8%: in the second case a 3.0% increase was registered in the number of visits and a 1.0% increase in the number of occupancies.

Table 13 - Veneto. Tourism flows. 2003 -2004

	2003		2004		% change	
	arrivals	*stays*	*arrivals*	*stays*	*arrivals*	*stays*
Accommodation facility						
hotel industry	8.374.575	26.015.178	8.625.414	26.284.387	3,0	1,0
non-hotel	3.393.001	29.096.662	3.437.148	28.283.671	1,3	-2,8
Area						
art cities	5.497.218	12.695.305	5.822.921	13.539.438	5,9	6,6
lakes	1.506.346	8.244.637	1.557.127	8.304.192	3,4	0,7
coast	3.315.233	24.390.603	3.261.350	23.416.930	-1,6	-4,0
mountains	927.613	6.440.105	891.465	6.043.308	-3,9	-6,2
spas	521.166	3.341.190	529.699	3.264.190	1,6	-2,3
Total	**11.767.576**	**55.111.840**	**12.062.562**	**54.568.058**	**2,5**	**-1,0**

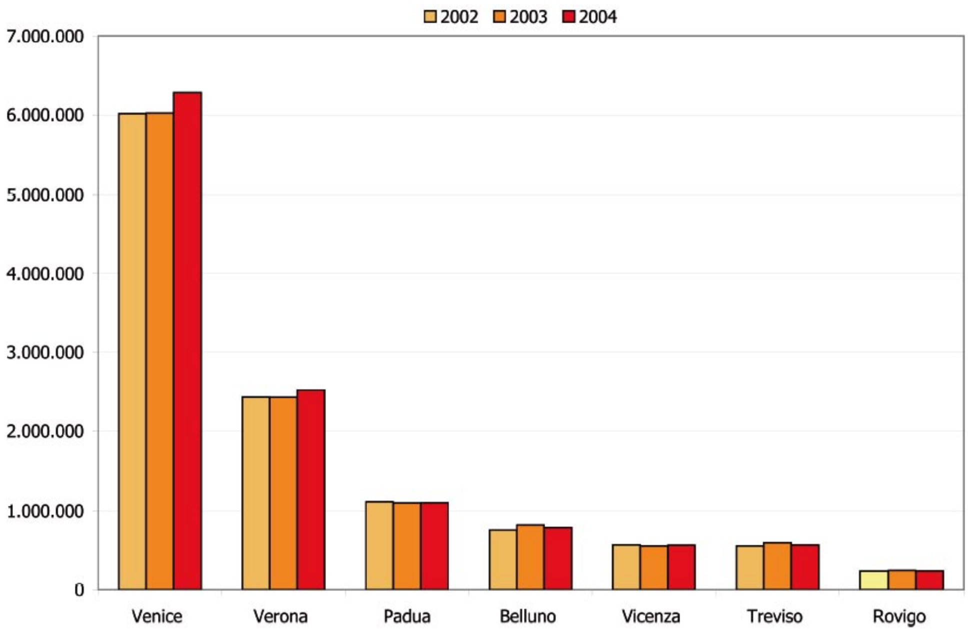
Source: Processing by Unioncamere Veneto of Veneto Region - SIRT data

A good trend in the number of visits and in the number of occupancies has been registered for the sole province of Verona (+3.7% in visits and +1.5% in occupancies). Rovigo, the weakest province as far as tourism is concerned, ended the year by registering strong falls in both cases (respectively –2.5% and –7.9%); also Belluno, which can offer only mountain tourism, ended 2004 with negative figures (respectively –3.8% and –5.0%).

Treviso was the sole province that registered opposing figure to the other provinces and to Veneto Region in its entirety, with a net fall in the number of visits (-4.8%) and a slight but important increase in the number of occupancies (+1.0%).

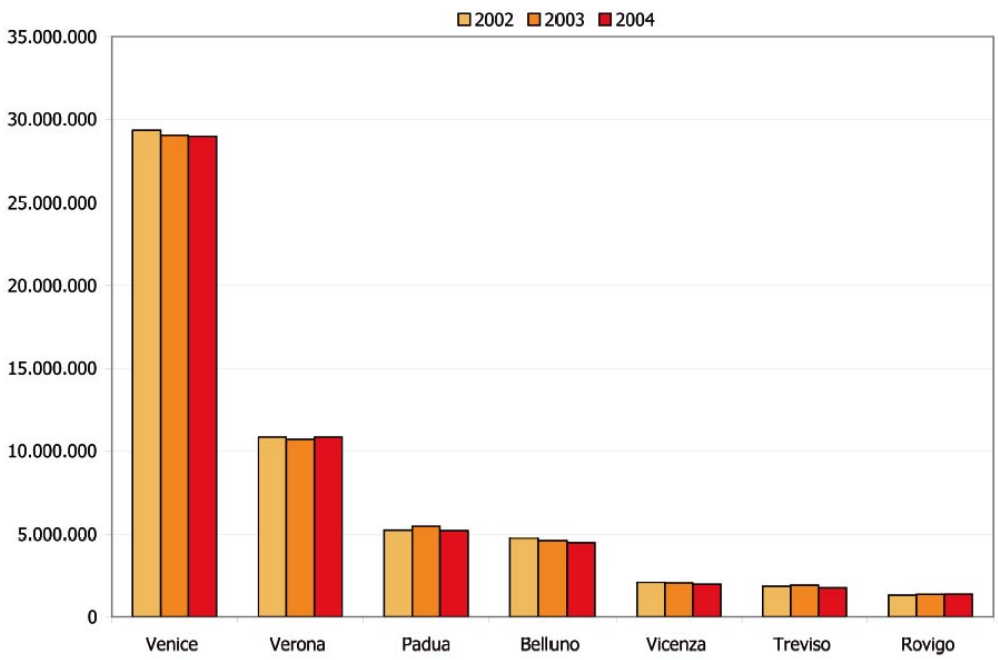
The remaining provinces ended the year with a slight increase in the number of visits and a large fall in the number of occupancies.

Figure 10 - Arrivals by province (in thousands). 2002 - 2004



Source: processing by Veneto Unioncamere of Regione Veneto data - SIRT

Figure 11 - Stays per province (in thousands). 2002 - 2004



Source: processing by Veneto Unioncamere of Regione Veneto data - SIRT

Transport

2004 will be remembered as a year of transition in the field of transport. This is what emerges from the statistics in cargo and passengers flows (which we will analyse further on) and from the process of adaptation of local infrastructures to regional economy requirements, more and more demanded for roads and motorways and for efficient services which can be useful in dealing with stronger competitors. Despite unquestionable efforts made by many local administrations, difficulties nevertheless remain, especially for road, motorway services and logistic, which continue to impose costly constraints on people and goods mobility, a vital factor for a mature development of the economy, and which reduce the level of competitiveness. Furthermore the railway network, the only really feasible alternative to road transport both for passengers and goods, has never managed to take off. The reasons are both internal, as the societies that manage the sector rarely direct their planning to structural investments, and external, as companies refuse to accept the train as a viable and economic means of transport.

Obstructions still remain in road and motorway transport and in logistics, reducing competitiveness

Table 14 - Veneto. Passengers and cargo flow at airports. 2004

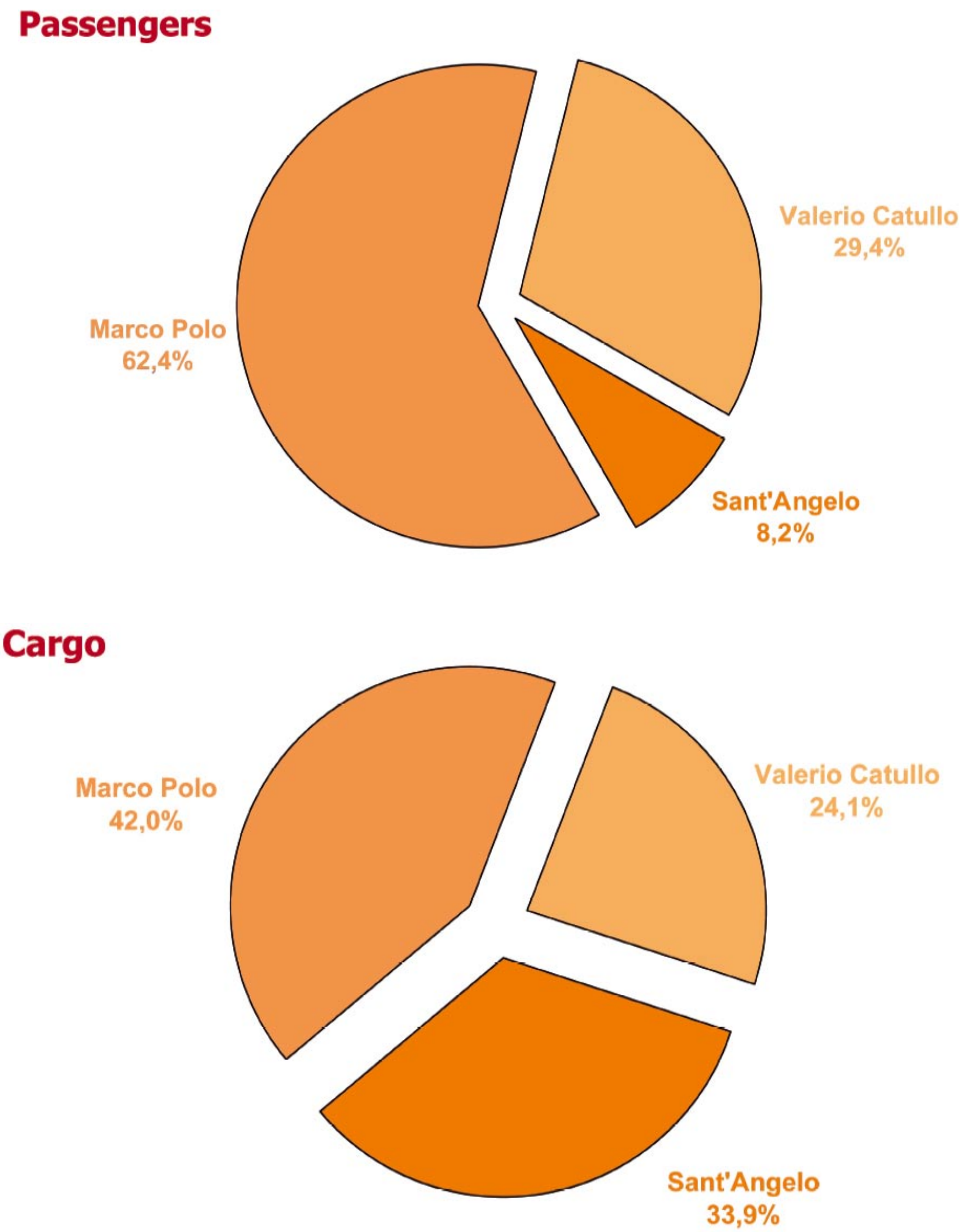
Airports	**Passengers**		**Cargo (thousands of tonnes)**	
	ass. val.	*% change 04/03*	*ass. val.*	*% change 04/03*
Marco Polo - Venice	5.871.415	10,7	22.356	13,0
Valerio Catullo - Verona	2.687.565	9,6	12.759	5,5
Sant'Angelo - Treviso	894.206	30,5	18.026	17,0
TOTAL	**9.453.186**	**12,0**	**53.141**	**12,4**

Source: Processing by Veneto Unioncamere of Assaeroporti data.

The provisional data related to the motorway network of Veneto have highlighted another strong increase in runs in 2004. In comparison with 2003, the rate of vehicles/km increased by 3.6% (2.1% in the whole Italy), divided into +2.9% for lightweight traffic and +5.6% for heavy goods vehicles. As for airports, data related to Veneto Region are very positive and are better not only than 2003, but also better than the ones registered in three previous years. This is the confirmation that the crisis in air transport has been overcome, even though it is still experiencing some difficult situations and a huge expansion of this field of transport is under way. In 2004, 9.5 million of passengers and 53.1 thousand tons of goods travelled through Veneto airports, with increases respectively of 12% and 12.4% compared to 2003. The Airport of Venice, the first regional airport and the fourth national airport (after

Fiumicino, Malpensa and Linate) ended 2004 with 5,871,415 passengers and an increase of 10.7% compared to 2003 (+25.8% in 2003 compared to 2002). The number of flights amounted to 79,994, with a 4.0% increase (+16.9% in 2003).

Figure 12 - Veneto. Passengers and cargo flow at airports (overall %). 2004



Source: processing by Veneto Unioncamere of Assaereoporti data

The year ended with excellent results for Veneto airports, with a general increase in the number of passengers (+12%) and flights (+12,4%)

A result of the development of traffic in two directions, traditional planes and low cost planes.

The field of cargo has also confirmed that the crisis, determined by the unstable rldwide political-economic situation, has now ended. 22,356 tons of goods were moved, with a 13% increase over 2003 (the increase in 2003 compared to 2002 was 10.5%).

Another positive factor refers to the “Valerio Catullo” airport of Verona. The twelfth most important national airport registered an excellent increase in the number of passengers (+9.6%) and in the amount of goods (+5.5%); the variation in the airplanes, whose movements “only” increased by 0.8%, is much more limited. This proves that it was better used the space available in the air planes for passengers, as well as for goods).This data demonstrate that Verona airport has at last became a feasible alternative to Milano Malpensa, as far as the areas from Brescia to Trento and from Mantova to Vicenza are concerned.

Eventually, Treviso Airport, which is part of the Venice airport system, achieved excellent results as for traffic segments: 894,206 passengers used this airport (+30.5% on 2003), a figure that doubled in just two years, while the number of flights increased up to 16,272 (+5.6%). In cargo sector, Treviso moved 18,026 tons with a 17% increase (+11.7% in 2003).

Looking at the data of the ports, the port of Venice ended 2004 with good results, registering a slight reduction in traffic compared to 2003 data. New records were registered in more profitable sectors, confirming the first position for the port.

Total traffic exceeded 29.7 million tons (-1.2% compared to 2003), a respectable figure considering that in 1996, when the Port Authority was established, the overall movements reached 24 million tons.

Table 15 - Cargo handling, containers and passengers in the port of Venice. 2002 - 2004

	2002	*2003*	*2004*	*% change 04/03*	*% change 04/02*
CARGO MOVEMENT (tonnes)					
TOTAL COMMERCIAL	12.475.167	12.715.743	13.016.263	2,4	4,3
TOTAL, INDUSTRIAL	5.798.989	5.970.768	5.994.289	0,4	3,4
TOTAL PETROL	11.274.386	11.440.487	10.745.587	-6,1	-4,7
OVERALL TOTAL	**29.548.542**	**30.126.998**	**29.756.139**	**-1,2**	**0,7**
CONTAINERS MOVEMENT	262.337	283.667	290.898	2,5	10,9
PASSENGERS MOVEMENT	990.193	1.124.213	1.037.833	-7,7	4,8
COMMERCIAL VESSELS	3.325	3.372	3.459	2,6	4,0
of which passenger vessels	1.262	1.406	1.154	-17,9	-8,6

Source: Processing by Veneto Unioncamere of Venice Port data

The port of Venice confirmed its first position in the national classification

The trade sector has been confirmed as the most important for Venice airport, in terms of numbers as well. It reached an historical record by increasing from 12.7 million tons of goods moved in 2003 to 13 million tons in 2004, with a 2.4% increase. In comparison with 1996, the growth percentage reached +76.8%.

Table 16 - Cargo handling in the port of Chioggia (in tonnes). 2000 - 2004*

	2000	2001	2002	2003	2004
			total values		
Offloaded	830.295	822.480	1.118.565	1.209.260	1.527.925
Loaded	657.182	589.819	727.703	620.485	511.885
TOTAL	**1.487.477**	**1.412.299**	**1.846.268**	**1.829.745**	**2.039.810**
			% changes on previous year		
Offloaded	9,3	-0,9	36,0	n.d.	26,4
Loaded	52,3	-10,3	23,4	n.d.	-17,5
TOTAL	**24,9**	**-5,1**	**30,7**	n.d.	**11,5**

Source: Processing by Veneto Unioncamere of ASP Chioggia data

The industrial traffic industry also registered good levels which, considering the general national crisis, underwent a discreet recovery so much so as to achieve a small but important increase (+0.4%) compared to the previous year. Traffic of petrol decreased, after a few years of a slow but constant increase, which had moved 10,745,587 tons of goods (-6.1%). Container traffic established a new historical record: with more than 290 thousand TEU's (+2.5%) moved, it reached the first position in the Adriatic and in this way increased its leadership against the other ports; the figure is all the more significant when compared with 1994: +153.7%. However, the movement of passengers came to a standstill after several years of growth (-7.7% in general). This reduction mainly referred to passengers that used ferries (-26.2%); the level of cruise liner traffic remained stable (-1.7%). However, the number of passengers that used fast ships (+16%) increased dramatically. It was also a positive year for the port of Chioggia as well, which, according to temporary figures available in November, saw an overall increase of 11.5% in handling goods in comparison with the data of the same period in 2003. Forecasts for the end of 2004 state that they should reach 2.3 million tons and move closer to the peak registered in 1994 (2.4 million tons).

4. Outlook for 2005

The year that has ended confirmed a high worldwide expansion in terms of GDP and commercial exchanges. However, it still remains uncertainties on oil price and on the weakening of the dollar in the currency markets, accompanied by an exponential growth of Chinese economy.

Therefore, 2004 did not simply represent a year of improvement in international growth, but it can be considered as the year that experienced the peak of the economy recovery since 2002. It seems that in the new year the economic cycle will slow down in the United States and in the Asian countries, including Japan.

However, data are encouraging: the deceleration from the 2004 peak should be limited, continuing to benefit from the support of emerging economies and in particular of the one of the Asian giant.

According to the latest IMF forecasts, which it has recently revised, world GDP should increase by 4.3% in 2005 and by 4.4% in 2006, due to the increases in oil prices. Despite the economic situation, the United States are still the “worldwide engine” and is supposed to register a development rate of approximately 3.7% between 2005 and 2006. The scenario of Asia, defined the “new centre of international growth”, is very positive: in 2005 China will increase by 8.5%, while Japan by 1.7%.

Table 17 - Rate of real GDP change: comparison of forescasts. 2003 -2006

	2003	*2004*	*2005*	*2006*
		Italy		
ISTAT March 2005	**0,3**	**1,2**	-	-
Government September 2004 *	0,3	1,2	2,1	2,2
IMF September 2004	0,3	1,4	1,9	n.d.
ISAE February 2005°	0,3	1,3	1,8	2,0
Prometeia January 2005	0,3	1,3	1,6	1,9
Unioncamere Study Centre November 2004	0,3	1,4	1,9	2,0
Cer December 2004	0,3	1,2	1,6	1,6
Confindustria Study Centre December 2003	0,3	1,4	1,4	1,5
OECD November 2004	0,3	1,3	1,7	2,1
European Commission October 2004	0,3	1,3	1,8	1,8
Ref.Irs February 2005	0,3	1,2	1,2	1,7
		Veneto		
ISTAT (Italian Central Statistics Institute)	**0,4**	-	-	-
Prometeia January 2005	0,4	1,5	1,8	2,0
Unioncamere Study Centre November 2004	0,4	1,5	2,2	2,1

(*) Updating of the Stability Programme (September 2004). Year 2005 planning table.

(°) Outlook trend for 2006.

Source: Processing by Unioncamere Veneto of quoted sources

The forecast of GDP's growth in Euro area is positive for 2005 (+1,6%)

IMF dramatically reduced the estimates of growth in Eurolandia for 2005. The forecast of the Euro area growth has been revised to 1.6%, instead of the 2.2% expressed in September 2004. The crisis of the German engine plays an important role as it is clearly experiencing a difficult period due to the increase in unemployment rate (at its highest levels since the Thirties). The strong Euro and the subsequent fall in exports have weighed down on the German economy, which in 2005 will increase by 0.8% instead of the 1.8% expected.

If 2005 appears as a year of deceleration for the international economy, in Italy, the third most important economy in Euroland, the economic situation leaves very little room to optimism. After the fall in the last quarter period of 2004 (-0.3% the economic variation) and the very weak industrial production, the Italian economy began 2005 with weak impulse.

At the beginning of the year the indicators show contrasting results. In February 2005 the climate of trust amongst Italian families increased, registering the highest value since October (104). However, the trust in manufacturing companies decreased and fell to the lowest levels since December 2003. In January general exports increased by 11% compared to the same month

Tabella 18 - Forecast scenario for 2005 - 06: comparison between Veneto , the North-East and Italy.

	Veneto			North Eastern Italy			Italy as a whole		
	2004	*2005*	*2006*	*2004*	*2005*	*2006*	*2004*	*2005*	*2006*
	annual % change on values at 1995 constant prices								
Gross Domestic Product	1,5	1,8	2,0	1,6	1,8	2,0	1,3	1,6	1,9
Final regional balance (% internal resources)	3,3	2,8	2,4	3,2	2,8	2,5	-0,2	-0,6	-0,9
Internal demand	1,0	2,3	2,4	1,0	2,1	2,3	0,9	2,0	2,2
Expenses for family consumption	1,3	1,9	2,2	1,2	1,9	2,1	1,2	1,8	1,9
Gross fixed investments	2,5	2,9	2,9	2,4	2,5	2,7	2,6	2,7	3,2
plant and machinery	2,5	2,9	4,2	2,9	3,2	4,5	2,2	2,7	4,2
constructions and buildings	2,5	2,8	1,4	1,9	1,8	0,9	3,1	2,7	1,8
Imports of goods from outside Italy	3,2	5,1	5,3	4,0	5,8	6,0	3,1	4,9	5,2
Exports of goods abroad	3,1	2,0	3,0	3,2	2,1	3,1	4,5	3,3	4,2
Added value at base prices									
agriculture	7,8	0,8	1,3	5,8	0,0	1,0	5,1	-0,2	0,9
industry	0,7	1,0	1,5	0,7	1,0	1,5	1,4	1,6	2,0
construction	1,9	3,1	1,6	1,3	2,0	1,1	2,5	2,9	2,0
services	1,6	2,1	2,7	1,7	2,2	2,8	1,1	1,7	2,4
total	1,5	1,8	2,3	1,6	1,8	2,3	1,4	1,7	2,2
Workers employed									
agriculture	3,2	-1,6	-1,6	3,1	-1,7	-1,7	3,3	-1,6	-1,6
industry	-1,9	-0,9	-0,5	-1,7	-0,8	-0,6	-0,5	0,2	0,2
construction	2,6	0,4	-0,2	3,1	0,8	0,2	2,9	0,7	0,1
services	0,9	1,3	1,6	0,9	1,3	1,7	0,8	1,2	1,5
total	0,3	0,5	0,7	0,5	0,6	0,8	0,8	0,8	1,0
Relationships characteristic (%)									
Employment rate	44,4	44,3	44,2	45,1	45,1	45,1	38,6	39,0	39,0
Unemployment rate	3,3	3,4	3,6	3,2	3,3	3,3	8,5	8,5	8,5
Activity rate	45,9	45,9	45,9	46,6	46,7	46,7	42,2	42,6	42,6
Disposable income at current prices (% change)	3,4	4,2	4,0	3,7	4,3	3,8	3,6	4,0	4,0
Consumption deflator (% change)	2,3	2,0	2,0	2,3	2,0	2,0	2,3	2,0	2,0

Source: Prometeia (January 2005 forecasts) in 2004, but they registered a 0.6% variation compared to December of the previous year.

The fragile condition of Italian manufacturing activities has been confirmed: since the 2001 recession they never registered a real recovery: In January the index of industrial production fell by 2.1% compared to the one registered on the same month of 2004.

The most important research institutes are re-assessing the 2005 forecasts. As far as the Study Centre of the Union of the Chambers of Commerce of Veneto's forecasts are concerned, the national GDP should be around 1.9%, above the forecasts made by Prometeia and by Isae which established at 1.8% the Italian rate of development. The 2005 forecasts made by the European Commission and Ocse are correct and vary between 1.7% and 1.8%, while the forecasts calculated by the Study Centre of Confindustria - Manufacturers' Federation (+1.4%) and by Ref.Irs (+1.2%) are much more cautious.

The latter is considered as the most realistic by the IMF which has reduced the forecast of growth of the Italian GDP for 2005 once again, fixing it to 1.2%, decisively lower than the figure indicated on last September (+1.9%) and almost half of what indicated by the Government (+2.1%).

Forecasts aside and despite a specific level of weakness in exports, due to the strengthening of the Euro, Italian economy should benefit from the strengthening of internal demand thanks to consumptions trend which is sustained by an increase in the income available and in investments made during the second half of the year. The appreciation of the Euro over the Dollar, expected during the first part of the year, and the start of an inversion trend during the second part of the year, may lead to a recovery in exports. With reference to the labour market, the moderate growth should be accompanied by a positive trend in employment. In 2005 work units should increase by 0.6%, while unemployment rate should be re-bunked and should reach 7.9%.

The national Union of the Chambers of Commerce indicates a growth of 2.2% in Veneto's GDP

As far as Veneto Region is regards, the initial indications for 2005 appear to provide rather positive trends but they are still weak. The estimate made by the Study Centre of the Union of the Chambers of Commerce of Veneto (November 2004) indicates an increase in GDP of approximately 2.2% for 2005, while the most updated forecast made by Prometeia (January 2005) indicates a 1.8% increase in Veneto economy.

Even though this is a cautious forecast, it represents the beginning of a new course of economic growth in Veneto Region, which could thus played again the role of North East engine, and in the national economy as a whole. In 2005 the forecast scenario given by Prometeia sees Veneto Region at the top of the list of the main Italian regions as far as development rate is concerned, together with Tuscany and above Piedmont, Emilia Romagna (both at 1.7%)

and Lombardy (1.4%).

With reference to the components of demand, the positive signs should arrive from internal demand. Family consumption levels will increase by 2.3%, while fixed gross investments will grow by 1.9%, due to purchases in machinery and plants (+2.9%) and to investments in constructions and buildings (+2.8%). External demand will have difficulty in providing a positive contribution to growth: the loss of competitiveness, linked to the appreciation of the Euro, will not favour the recovery of foreign tradeand will thus hold back export growth at 2%. However imports will increase and in 2005 they should register a 5% increase.

The favourable performance of the labour market continues. In 2005, the rate of specific employment (15-64 years) will rise to 64.8%, while the unemployment rate will be confirmed at 3.4%.

However, the forecasts expressed by the manufacturing companies of Veneto Region remain uncertain as far as the first few months of 2005 are concerned. Looking at the survey carried out on economic trends by the Union of the Chambers of Commerce of Veneto, caution prevails. The entrepreneurs interviewed at the beginning of the year did not take any risks and they expressed very little confidence in production and turnover's increase. The forecasts related to employment were negative: in 2005 the balance between companies expenditures and incomes is negative (-0.3%) and this confirms the critical period that Veneto industrial sector is experiencing.

5. Veneto, Europe's region

In a context of European economic politics and growing development of factors of internationalisation of Veneto Region, arises the need to compare the regional economy with other European realities.

Therefore the objective of the present report is to provide an analysis of comparison between Veneto Region and a selected area of European regions, by updating the benchmarking study carried out by Veneto Region during the preparation of the PRS[4]. However, the analysis must include other European regions who turned out to be very similar to Veneto Region in some social and economic characteristics. The group considered in this study therefore examines the following regions: the region of Brussels, Denmark, Baden-Wurttemberg, Baviera, Catalunya, Andalucia, Rhone-Alpes, Ireland, Piedmont, Lombardy, Emilia Romagna, Noord-Holland, Austria and finally Great Britain, the North West, the East and the South East.

The figures used for this comparison refer to Eurostat sources. The objective was not to provide updated information (alignment times of the European data bank are much longer compared to those of diffusion of national official sources), but to offer a layout with comparison of the most important trends of the social-economic phenomenon between Veneto Region and European regions.

Table 19 - Main demographic indicators in some European regions. 2002

		Total area (kmq) 2002	Density (inhab/kmq) 2002	Population: Average 2002 (x1.000)	Population: Change % 1992-02	Old-age index 2002	Active population index 2002
EU15		3.154.127	:	:	:	:	:
New Member States 10		:	:	:	:	:	:
EU25		:	:	453.756,8	:	:	:
be1	Région de Bruxelles	161	6.104,2	985,2	3,6	94,1	52,9
dk	Denmark	43.094	124,7	5.374,3	3,9	80,6	49,8
de1	Baden-Württemberg	35.751	297,4	10.631,0	5,5	92,2	47,8
de2	Bayern	70.548	175,2	12.358,1	5,8	97,1	48,0
es51	Cataluña	31.930	201,1	6.418,4	5,5	123,9	45,7
es61	Andalucia	87.268	84,8	7.406,5	5,8	79,0	46,8
fr71	Rhône-Alpes	43.698	132,5	5.790,3	6,2	76,5	52,6
ie	Ireland	70.273	55,7	3.917,2	10,2	51,3	49,4
itc1	Piemonte	25.400	166,2	4.222,3	-1,7	171,0	47,8
itc4	Lombardia	23.863	380,1	9.071,1	2,3	134,0	43,8
itd3	Veneto	18.391	247,6	4.553,6	3,8	133,7	45,0
itd5	Emilia-Romagna	22.123	181,1	4.007,4	2,6	196,4	49,9
nl32	Noord-Holland	2.657	965,8	2.566,3	5,6	75,7	45,5
at	Austria	83.859	96,0	8.053,1	2,7	92,0	47,8
ukg	West Midlands	13.004	407,9	6.783,5	-1,5	80,2	54,2
ukh	Eastern	19.120	283,6	5.422,4	4,8	84,5	53,7
ukj	South East	19.111	420,9	8.044,0	4,3	85,4	53,4

: not disposable data

Source: Processing by Unioncamere Veneto of Eurostat data

4 See Veneto Region - PRS 2003 “Veneto Region at the beginning of the new millennium: European benchmarking”. Document attached to the Regional Development Programme, Venice 2003.

Territory and population

In terms of number of inhabitants and territorial surface area, Veneto Region is definitely not a “large region” compared to the ones used for the comparison. According to the most recent figures (2002), it is in 12th position in terms of average population and in eighth position in terms of density of inhabitants. The population increase during the decade 1992-2002 was 3.8% which places Veneto Region in the 11th position in the classification guided by Ireland (+10.2% the increase in population despite the low density of inhabitants equal to 55.7 inhabitants / square kilometre). Negative results, however, can be found in Piedmont (-1.7%) and in the West Midlands (-1.5%). The birth rate in Veneto is among the lowest (9.3 births for every thousand inhabitants), also lower than the European average equivalent to 10.7 births for every thousand inhabitants, a phenomenon which can also be found in other Italian regions examined (Lombardy, Piedmont and Emilia Romagna). The remaining European regions have registered birth rates above 10%. The ageing index of the population (percentage relation between the population more than 65 years of age and the population of between 0 and 14 years of age) is much higher for Veneto Region and for other Italian regions than the European regions. The only exception is Catalunya where the index registers a similar situation to the Italian one. Considering the exchange index, which marks the entity of the active population on the rest of the population, Veneto Region covers the 2nd from the last position (45.0%) in front of Lombardy (43.8%). On the contrary, the European regions with a higher share of active population (above 50%) are the West Midlands, the East, the South East, the Brussels regions and Rhone Alpes.

Table 20 - GDP in some European regions. 2002

		GDP* (at current prices, in million of euro)	GDP Change %	GDP* per inhabitant	GDP per inhab. Change %	i.no.: GDP* per inhab.in percentage of the EU average
		2002	*1995-02*	*2002*	*1995-02*	*2002*
EU15		8.811.045,2	40,1	23.163,9	37,3	109,4
New Member States 10		814.257,0	52,1	10.965,7	54,1	51,8
EU25		9.625.302,3	41,0	21.171,6	39,0	100,0
be1	Région de Bruxelles	48.884,0	38,9	49.631,1	33,9	234,4
dk	Denmark	139.393,4	40,1	25.928,8	36,3	122,5
de1	Baden-Württemberg	280.923,8	34,1	26.425,2	29,8	124,8
de2	Bayern	330.250,7	34,5	26.723,5	30,1	126,2
es51	Cataluña	148.722,2	50,4	23.996,6	47,0	113,3
es61	Andalucia	110.060,6	58,4	15.009,7	53,3	70,9
fr71	Rhône-Alpes	139.983,8	42,9	24.175,9	36,6	114,2
ie	Ireland	110.253,9	102,7	28.081,1	86,0	132,6
itc1	Piemonte	111.731,6	25,9	26.462,2	28,1	125,0
itc4	Lombardia	272.274,6	30,6	30.015,5	28,4	141,8
itd3	Veneto	118.838,2	29,6	26.097,5	26,0	123,3
itd5	Emilia-Romagna	115.644,3	30,9	28.857,9	28,1	136,3
nl32	Noord-Holland	77.464,9	48,9	30.189,0	43,1	142,6
at	Austria	209.215,1	33,8	25.979,4	32,1	122,7
ukg	West Midlands	117.187,2	44,2	22.127,0	43,1	104,5
ukh	Eastern	126.250,8	50,8	23.318,5	44,7	110,1
ukj	South East	217.634,2	62,6	27.096,6	56,8	128,0

* GDP calculated in purchasing power standard

Source: Processing by Unioncamere Veneto of Eurostat data

Gross domestic product

With regards to GDP per inhabitant (on the basis of equal acquisition power), Veneto Region holds the 9th position in the classification of the 17 regions with a rate of 26,097 Euro, guided by the Brussels region (49,631 Euro), Noord Holland, Lombardy and Emilia Romagna. Andalucia holds the last position with a GDP per inhabitant of 15,010 Euro (30% lower compared to the European average). However, Veneto Region registers a GDP value per inhabitant that exceeds 23 percent compared to the European average. If we observe the period 1995-2002 Veneto Region registers a low percentage increase of GDP per inhabitant (30%) and is behind Lombardy and Emilia Romagna, which highlight an increase of approximately 31%. Piedmont holds the last position with a 26% increase. The first positions are held by Ireland (86%), South East of Great Britain (56.8%) and Andalucia (53.3%), regions that are characterised by economies that are growing much faster than Veneto.

Tabella 21 - Total no of employed by sector in some European regions (in thousands). 2003

		Total employed		Agriculture	Industry	Costructions	Commerce and turism*	Services
		2003	Change % 1999-03					
				Valori assoluti				
EU15		164.370.5	:	:	:	:	:	:
New Member States 10		28.807,3	:	3.502,8	7.155,6	2.061,8	5.791,6	3.215,3
EU25		193.177,8	:	:	:	:	:	:
be1	Région de Bruxelles	352,2	3,6	0,4	23.2	15,7	89,2	223,7
dk	Denmark	2.707,4	0,3	85,4	462,7	180,7	654,2	1.324,4
de1	Baden-Württemberg	4.957.2	3,1	98,8	1.546,6	297,1	971,5	1.943,2
de2	Bayern	5.823,3	0,6	191,2	1.541,4	381,2	1.256,8	2.350,7
es51	Cataluña	2.861.8	10,8	71,5	763,8	303,1	779,6	943,6
es61	Andalucia	2.565,1	19,4	256,4	299,1	366,3	729,6	933,7
fr71	Rhône Alpes	2.274.4	2,5	69,1	524,9	166,7	520,3	993,4
ie	Ireland	1.796,6	12,9	116,3	301.1	194,5	482,7	702,0
itc1	Piemonte	1.832.2	6,3	70,1	558,9	128,7	446,7	627,6
itc4	Lombardia	4.063.7	6,0	85,9	1.334.2	303,1	959,6	1.360,5
itd3	Veneto	2.083,7	5,2	80,4	680,7	167,2	480,4	612,0
itd5	Emilia-Romagna	1.849.2	6,1	92,6	531,6	133,3	478,2	613,5
nl32	Noord-Holland	1.326,0	7,4	:	:	:	:	0,0
at	Austria	3.693.2	0,0	204,1	756,6	301,5	1.039,8	1.388,2
ukg	West Midlands	2.480,3	0,9	33,3	550.9	176,3	663,0	1.056,6
ukh	Eastern	2.767,4	4,1	43,3	404,9	225,3	750,9	1.343,0
ukj	South East	4.170,4	2,9	45,6	562.7	318,4	1.126,0	2.117,7
				Valori percentuali				
EU15				:	:	:	:	:
New Member States 10		100.0		12,4	24,8	7,2	23,6	32,0
EU25				:	:	:	:	:
be1	Région de Bruxelles	100,0		0,1	6,6	4,5	25,3	63,5
dk	Denmark	100,0		3,2	17.1	6,7	24,2	48,5
de1	Baden-Württemberg	100,0		2,0	33,2	6,0	19,6	39,2
de2	Bayern	100.0		3,3	28,2	6,5	21,6	40,4
es51	Cataluña	100,0		2,5	26,7	10,6	27,2	33,0
es61	Andalucia	100.0		9,9	11,6	14,2	28,2	36,1
fr71	Rhône-Alpes	100,0		3,0	23,1	7,3	22,9	43,7
ie	Ireland	100.0		6,5	16,8	10,8	26,9	39,1
itc1	Piemonte	100,0		3,8	30.5	7,0	24,4	34,3
itc4	Lombardia	100,0		2,1	32,8	7,5	23,6	34,0
itd3	Veneto	100.0		4,0	33.0	8,3	24,1	30.5
itd5	Emilia-Romagna	100,0		5,0	28,7	7,2	25,9	33,2
nl32	Noord-Holland	100.0		:	:	:	:	:
at	Austria	100,0		5,5	20,5	8,2	28,2	37,6
ukg	West Midlands	100.0		1,3	22,2	7,1	26,7	42,6
ukh	Eastern	100,0		1,6	14.6	8,1	27,1	48,5
ukj	South East	100.0		1,1	13,5	7,6	27,0	50,6

: not disposable data
*the sectors of storage and communication are comprised
Source: Processing by Unioncamere Veneto of Eurostat data

Labour market

According to the latest figures available (2003), the employment rate in Veneto amounts to 51.4% (in the European average) which places the region in the 13th position, followed by Piedmont, Brussels region and Andalucia. Among the regions considered, Noord Holland register the highest employment rate (63.5%), followed by two regions of Great Britain: the South East (63.4%) and the East (62.4%). The increase in the employment rate from 1999 to 2003 for Veneto Region was 4.3%, mainly due to the increase in the rate of female employment (+9.4%) due to the effect of the use of part time contracts. The greater increase in employment rates was registered in Andalucia, which in just four years registered a +14.6% variation, even though it still remained below the European average. In terms of unemployment Veneto Region was among the richest regions: the rate was the lowest on a European level (3.4% compared to 9.1% of Europe). Furthermore, between 1999 and 2003 the rate of unemployment fell drastically, the opposite to what occurred in the regions of Bayern, Austria, Baden Wurttemberg and Noord Holland, where unemployment rates were, respectively, 6.2%, 4.2%, 5.6% and 3.8%. During the period 1999-2003 employment increased in Veneto by 6.2% thanks to a positive trend in constructions (+26.9%), in trade (+9.1%) and in the growth of the field of services to companies and people. In the first position in terms of the increase in the number of employed is Andalucia (+19.4%), which developed most of all in the field of agriculture, followed by Ireland (+12.9%), pushed by the development of constructions, services and trade and Catalunya, which made progress in all fields except from agriculture.

Table 22 - Employment and unemployment rates by gender in some European regions. 2003.

		Employed rates			Unemployed rates		
		Total	M	F	Total	M	F
EU15		52,1	60,9	43,8	8,1	7,4	8,9
New Member States 10		47,4	54,6	41,0	14,5	14,0	15,3
EU25		51,4	59,9	43,3	9,1	8,4	10,0
be1	Région de Bruxelles	43,4	50,8	36,8	15,6	15,9	15,1
dk	Denmark	62,0	68,0	56,2	5,4	4,8	6,0
de1	Baden-Württemberg	56,4	64,0	49,1	5,6	5,7	5,5
de2	Bayern	56,6	64,5	49,2	6,2	6,3	5,9
es51	Cataluña	53,2	64,7	42,4	9,3	7,1	12,2
es61	Andalucia	42,4	56,8	28,7	18,6	13,6	26,5
fr71	Rhône-Alpes	52,5	59,6	45,8	7,5	6,4	8,7
ie	Ireland	57,3	67,4	47,5	4,8	5,1	4,4
itc1	Piemonte	49,3	59,6	39,7	4,8	3,3	6,8
itc4	Lombardia	51,6	63,7	40,4	3,6	2,5	5,2
itd3	Veneto	51,4	64,1	39,5	3,4	2,3	5,0
itd5	Emilia-Romagna	52,4	61,6	43,9	3,0	1,9	4,5
nl32	Noord-Holland	63,5	70,9	56,4	3,8	3,7	3,9
at	Austria	56,8	65,4	49,0	4,2	4,3	4,2
ukg	West Midlands	58,3	65,8	51,0	5,7	6,1	5,1
ukh	Eastern	62,4	70,0	55,0	3,9	4,0	3,7
ukj	South East	63,4	70,8	56,2	3,8	3,9	3,5

Source: Processing by Unioncamere Veneto of Eurostat data

In last position can be found Austria, where employment has not increased, confirming the crisis that affected all the fields, except services. If we observe the distribution of employed per sector of economic activity, Veneto Region holds the 2nd position after Baden-Wurttemberg, according to the percentage of number of people employed in industries (33.2% and 33% respectively). In the field of constructions it holds the 4th position with 8.3% of the employed, after Andalucia (14.2%), Ireland (10.8%) and Catalunya (10.6%). However in the field of trade, it holds one of the last position with 30.5% of the total number of employed. The first position in the field of services, in terms of the number of employed, is the Brussels region with 63.5%.

Productive structure

AGRICULTURE

Veneto's cultivated land decreased by 0.3% between 1992 and 2001. Nonetheless Veneto is still a region in which agriculture is one of the most important activities, in spite of a constant variation in terms of employment and farms. The cultivated land in Veneto amounted to 48.3% in 2001, exceeded only by Andalucia, Emilia Romagna, Denmark and Ireland. In Veneto the land is used especially for the cultivation of cereals, corn, soya beans, beet sugar and vineyards, while in Ireland the land is almost entirely dedicated to pasture land, and Denmark which, together with the Bayern region, represent the most important producers of cereals. In Veneto 80.2% of the farms cover an internal surface area of 5 hectares, 10.4% of which are between 10 and 20 hectares and the rest exceed 20 hectares. The small-medium sized farm still risks extinction, to the advantage of a growth in large companies which are strong in sustaining costs and European policies for their personal survival. In Europe in 2000 the percentage of small farms was much lower than in Veneto Region, the symptom of a globalisation process of the agricultural markets in Italy is adapting with some delay.

INDUSTRY

The comparison with European regions illustrates a high level of concentration and density of industrial activities for Veneto Region: the percentage of local units that operate in industries is the highest among the regions considered (21.5%), as well as the number of local units for every 1,000 inhabitants (17.4 local units / 1,000 inhabitants) is the highest among the regions considered.

Table 23 - Agricultural holdings and land use in some European regions. 2001

		Land use		No. of holdings		% holdings per ha AA			
		Cultivated land agricultural area	Arable land	Total	change % 1995-00	<5	5-19	20-49	>50
EU25		168714,8	100.982	:	:	:	:	:	
EU15		130.992	73.505	6.770.670	-8,1	57,6	22,5	10,9	8,9
New Member States 10		:	:	:	:	:	:	:	
be1	Région de Bruxelles	0	0	:	:	:	:	:	
dk	Denmark	2.689	2.494	57.830	-15,9	3,4	36,3	29,7	30,6
de1	Baden-Württemberg	1.465	843	75.850	-19,5	35,1	34,5	20,4	10,0
de2	Bayern	3.258	2.087	154.190	-17,2	18,3	44,1	29,1	8,5
es51	Cataluña	1.176	551	67.220	-5,4	46,4	34,8	12,9	6,0
es61	Andalucia	4.929	2.103	294.300	4,7	61,8	25,8	6,8	5,6
fr71	Rhône-Alpes	1.695	660	56.960	-9,9	33,0	27,4	22,0	17,6
ie	Ireland	4.410	799	141.530	-7,7	8,2	36,1	38,6	17,1
itc1	Piemonte	1.220	689	105.680	-31,1	66,4	23,4	7,1	3,1
itc4	Lombardia	1.144	823	71.260	:	55,9	26,7	11,2	6,2
itd3	Veneto	889	606	177.000	-9,1	80,2	16,1	2,7	1,0
itd5	Emilia-Romagna	1.255	967	103.700	-23,1	53,8	34,0	9,1	3,2
nl32	Noord-Holland	136	67	7.400	:	32,4	31,4	28,5	7,6
at	Austria	3.375	1.380	199.470	:	36,4	41,6	17,6	4,5
ukg	West Midlands	914	502	18.800	7,9	26,9	24,4	19,5	29,3
ukh	Eastern	1.364	1.182	16.930	:	27,4	19,5	15,5	37,6
ukj	South East	1.096	703	19.120	:	29,4	27,1	16,5	27,0

: not disposable data

Source: Processing by Unioncamere Veneto of Eurostat data

CONSTRUCTIONS

In the field of construction Italian regions occupy the leading positions in terms of local units on the total: 14.2% for Veneto Region, 14.5% for Lombardy, 16.5% for Piedmont, 15.4% for Emilia Romagna. A high percentage of local units in this field can also be registered in the region of Rhone Alpes (15.5%).

TRADE

In the field of trade, Veneto Region occupies the 3rd position with 26 local units on 1,000 inhabitants even if the share of local units on the total activities is around 32.4%. Compared to this indicator, the highest percentage can be found in Andalucia (42.1%) which precedes Catalunya (36.2%).

Table 24 - Employed and local unit by sector in some European regions. 2001*

		industry	construction	commerce and repair	hotels and restaurants	transport, storage and communic.	Services[1]	**Total**
				Employed				
be1	Région de Bruxelles	15,5	5,8	26,9	8,2	14,8	28,7	100,0
dk	Denmark	30,0	11,4	27,6	6,0	6,0	19,0	100.0
de1	Baden-Württemberg	46,6	4,2	20,0	4,8	4,5	17,8	100,0
de2	Bayern	41,4	5,4	23,8	6,4	5,3	17,7	100.0
es51	Cataluña	30,3	12,2	24,0	8,3	7,3	17,8	100,0
es61	Andalucia	17,[illegible]	16,9	31,5	9,3	8,3	17,0	100.0
fr71	Rhône-Alpes	35,[illegible]	10,1	19,3	5,2	8,2	22,2	100,0
ie	Ireland	31,7	4,1	26,0	13,4	9,3	15,5	100,0*
itc1	Piemonte	43,9	9,9	19,1	4,4	8,1	14,7	100,0
itc4	Lombardia	49,5	10,3	24,5	5,5	8,1	2,0	100.0
itd3	Veneto	44,8	9,9	20,4	6,7	6,7	11,6	100,0
itd5	Emilia-Romagna	41,0	10,0	21,3	7,2	7,4	13,2	100.0
nl32	Noord-Holland	13,4	7,3s	27,6	7,1	13,4	31,1	100,0
at	Austria	30,4	11,0	25,2	9,8	11,1	12,5	100.0
ukg	West Midlands	36,3	8,0	22,3	8,2	6,1	19,1	100,0
ukh	Eastern	23,2	11,0	22,0	9,1	6,1	28,7	100.0
ukj	South East	19,7	10,7	21,5	9,2	5,3	33,6	100,0
				Local units				
be1	Région de Bruxelles	7,6	7,4	35,2	10,0	5,1	34,7	100.0
dk	Denmark	11,6	13,7	28,3	6,9	7,2	32,2	100,0
de1	Baden-Württemberg	:	:	:	:	:	:	:
de2	Bayern	:	:	:	:	:	:	:
es51	Cataluña	11,9	12,4	36,2	8,7	10,0	20,7	100.0
es61	Andalucia	7,6	7,0	42,1	11,8	10,4	21,0	100,0
fr71	Rhône-Alpes	15,5	15,5	31,7	11,3	5,5	20,5	100.0
ie	Ireland	:	:	:	:	:	:	:
itc1	Piemonte	15,8	16,5	35,2	5,8	4,2	22,4	100.0
itc4	Lombardia	16,0	14,5	30,9	5,2	4,6	26,8	100,0
itd3	Veneto	21,5	14,2	32,1	6,7	1,8	20,5	100,0
itd5	Emilia-Romagna	17,0	15,4	32,7	6,7	5,9	22,3	100,0
nl32	Noord-Holland	8,3	12,1	0,0	8,7	6,2	29,2	100.0
at	Austria	13,[illegible]	8,3	34,4	17,4	7,6	19,2	100,0
ukg	West Midlands	15,0	11,5	31,6	8,2	6,0	27,6	100.0
ukh	Eastern	17,3	13,8	27,2	7,2	6,4	34,0	100,0
ukj	South East	9,0	12,2	25,8	7,6	5,2	39,5	100.0

s: Unioncamere estimate
* it lacks the data on the industry the energy, water and gas
: not disposable data
(i) real estate, renting and research sectors
(1) The data make reference to the section regarding the productive structures of the enterprises, not to the labour forces.
Source: Processing by Unioncamere Veneto of Eurostat data

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