



U.S. Department of State FY 2001 Country Commercial Guide: Italy

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I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Italy's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. embassies through the combined efforts of several U.S. government agencies.

Italy, with world's sixth largest industrial economy, remains in the midst of a process of political and economic transformation. The Italian government continues on a path of budget austerity and privatization, reducing its significant role in the economy. As this rationalization of the economy moves forward, Italy should offer even more opportunities for U.S. firms, both as a destination for exports and a point for investment.

Italy is the slowest growing country among the 11 founding members of the European Economic and Monetary Union (EMU) and is likely to remain so through 2000. This reflects the substantial fiscal tightening and restrictive monetary policy needed to get into the EMU and structural impediments that discourage investment and job creation. Italy's real GDP grew 1.4 percent in 1999, significantly less than the 2.9 percent growth in the Euro-11 area and the 2.2 percent of all industrialized economies. Domestic demand remained the dominant factor in GDP growth, while the contribution of net exports was negative. Most economic forecasters expect GDP growth to accelerate in 2000 to 2.8% and slightly below 3 percent in 2001.

Exports decreased slightly while imports grew, with the result that the trade surplus of \$20.4 billion in 1999 (1.7% of GDP) was over 40 percent smaller than the 1998 surplus balance of \$36.3 billion (3.1% of GDP). A modest surplus of 0.3% of GDP is forecast for 2000. This is the result of the weakness of the euro and high oil and raw material prices and their impact on import prices. Through 1999 Italy reduced foreign exchange reserves to \$40.8 billion, down from the level at end 1998 (\$54.8 billion).

On inflation, Italy is now firmly within norms specified for Economic and Monetary Union, a major achievement for this historically inflation-prone country. Though still relatively high by European standards, consumer inflation stood around two percent in 1997, 1998 and 1999. Due to the increase of oil prices and to the strengthening of the dollar vis-à-vis the euro consumer inflation is expected to accelerate 2.4 percent in 2000. The 1992 and 1993 agreements on wage adjustments, which have helped keep wage pressures on inflation low, have been renewed by December 1998 and will be effective through 2002. Besides guidelines for wage negotiations, the new pact cuts some labor costs and includes incentives from investment and worker training.

The key economic challenges facing Italy are keeping the government deficit under control, continuing efforts to reduce the high level of government debt, reducing unemployment, addressing structural rigidities of the Italian market and improving public administration.

The Italian market is mature and highly competitive, demanding high quality products and services. The market is very open to U.S. items, particularly innovative and niche market products, services and technologies. European Union (EU) changes to the Common Agricultural Policy (CAP) and Italy's implementation of EU harmonized phytosanitary and sanitary regulations should offer fresh opportunities for U.S. agricultural exports. For example, the continued move toward a fully integrated single European market should aid U.S. high value, convenience, and health food products. The realignment of the distribution sector toward larger chains and more competitive pricing should also aid U.S. exports.

Italy's participation in the "euro" will simplify trade for those companies exporting to several EU countries. It also creates opportunities for U.S. companies with technologies and services that can assist Italian firms compete in the more integrated European market. However, these changes also will benefit European competitors who are increasing their presence in the Italian market through mergers and joint ventures with Italian firms. U.S. companies, already well known for innovation, will have to continue to emphasize the quality of their products as well as focus on price and service to maintain or develop their market share. The U.S. exporter also should be aware that to be successful in Italy they need to establish linkages with Italian representatives or partners and be flexible in their approach to this market.

II. ECONOMIC TRENDS AND OUTLOOK

MAJOR TRENDS AND OUTLOOK

Italy is the slowest growing country among the 11 founding members of the European Economic and Monetary Union (EMU) and is likely to remain so through 2000. This reflects the substantial fiscal tightening and restrictive monetary policy needed to get into the EMU and structural impediments that discourage investment and job creation. Italy's real GDP grew 1.4 percent in 1999, significantly less than the 2.9 percent growth in the Euro-11 area and the 2.2 percent of all industrialized economies. Domestic demand remained the dominant factor in GDP growth, while the contribution of net exports was negative. Most economic forecasters expect GDP growth to accelerate in 2000 to 2.8% and slightly below 3 percent in 2001.

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ECONOMIC TRENDS AND OUTLOOK FOR AGRICULTURE

Italy's agricultural trade is composed mainly of raw material imports from other EU member states (approximately 74 percent) and value-added exports to other EU member states (approximately 70 percent). U.S. exports to Italy suffered from the high dollar and fell to about \$800 million in 1999, compared to slightly under \$1 billion in 1998. Neither U.S. nor Italian trade statistics reveal the actual level of imported U.S. products, because of the EU open borders. Many U.S. food and agricultural products (i.e. ingredients, frozen foods and beverages, etc.) arrive in Italy via France and Germany. This trend toward regional distribution has consolidated during the last three years and is expected to continue.

According to U.S. trade statistics the leading U.S. agricultural exports to Italy in 1999 were seafood (\$47 million), forest products (\$204 million), cotton (\$11 million), grains and feed (\$109 million), soybeans and soybean meal (\$32 million) and fruits and vegetables (\$16 million) and pet foods (\$18 million). The following product categories also performed well in spite of the Italian recession: processed fruit and vegetables, snack foods, dried fruits (prunes), and dried nuts (almonds), hides and skins (leather and reptile skins), and vegetable seeds. Italy exported \$1.5 billion in agricultural, fish and forestry products to the United States in 1999, including: vegetable oils such as olive oil (\$239 million), wine (\$554 million), cheese (\$146 million) and forestry products (\$104 million).

The following national and international developments are expected to shape Italy's agricultural sector in the future: Italy's acceptance in the European Monetary Union; the national budget deficit; CAP reform (i.e. reduced subsidies for cereals and oilseeds, and high penalties for out of quota production of tobacco and milk); EU Enlargement and the Mediterranean Agreements; and new environmental restrictions as a result of the "green" movement (i.e. more stringent packaging requirements, tighter controls on the use of chemical inputs, and possible limits on the use of biotechnology). These factors are expected to foster a very competitive environment, which may drive some marginal producers out of the farming sector.

PRINCIPAL GROWTH SECTORS

Italian companies are expected to boost investment in response to domestic demand as Italy's economy gradually recovers and in response to export demand from European Union markets enjoying more robust economic growth than Italy. In addition, Italian firms are seeking to improve their operations to compete effectively in the increasingly competitive European market. This increase in investment will create excellent opportunities in Italy for American exporters. American investors and exporters may also find opportunities in the ongoing privatization program.

The full liberalization of the Italian telecommunications market, with a belated but enthusiastic interest in the Internet, is creating substantial business opportunities. Privatization and liberalization in the energy sector following EU directives should also spur future demand for equipment and services in this sector. In addition, the Italian public as well as private sector is looking for ways to improve efficiency while reducing costs, through outsourcing, training programs and better application of new information technologies. U.S. firms with products and services that contribute to the further rationalization and increased competitiveness of the Italian economy will find that Italy offers significant opportunities.

Despite the current economic climate in Italy, the fluctuations in the dollar/lira exchange rate, and the often protectionist regulations of the Common Agricultural Policy (CAP), there are still many opportunities in the near-to-medium term to both maintain and expand the market for a variety of U.S. agricultural products.

Specific agricultural and non-agricultural products and services which offer good prospects for U.S. firms are described in Chapter V below.

GOVERNMENT ROLE IN THE ECONOMY

The Italian state traditionally played a dominant role in the Italian economy. In the early 1990's, the Italian government controlled about a third of all industrial activity and almost two-thirds of banking operations. An ambitious privatization program begun in 1992 has resulted in elimination or substantial reduction of the government's controlling role in various companies.

Since 1993, four major banks, Credito Italiano, Banca Commerciale Italiana, Istituto Mobiliare Italiano and Banca Nazionale del Lavoro, and the country's second largest insurance company, INA, have been totally privatized. IRI, once the major government-owned industrial holding company, is dismantling itself through sell-offs. Telecom Italia was sold in a stock offering in 1997. There have been four offerings of stakes in oil and gas parastatal ENI, the last of which reduced the government's holdings to under 40 percent. More recently, in 1999-2000, there have been the offerings of 35% of Enel, the electricity company; 87% of Autostrade, which operates highways and 45% of Finmeccanica, the defense industries holding company Tech holding company.

The government in spring 2000 sold 52% of the Rome Airport Authority to a European consortium. Expected in the coming years are the privatizations of Alitalia airlines and remaining government stakes in Enel, Eni, Telecom Italia and other firms. The government estimates that privatizations and sale of rights for third generation wireless telephony will reach \$33 billion in the year 2001.

BALANCE OF PAYMENTS SITUATION

Italy has had current account surpluses since 1993. In 1999, the surplus was \$6.4 billion, down from the \$21.8 billion surplus registered in 1998. Current account surpluses since 1993 brought Italy's net external position in balance at end of 1997, and through 1999 produced a net external credit position equal to 4.5% of GDP. Italy's external position registered a huge credit position for the first time after 14 years. Foreign portfolio disinvestment increased dramatically, while Italian portfolio outflows were at the same level of 1998, resulting in a \$25 billion net outflow. This reflects the intensive shift of Italian investors' portfolios into foreign assets, mostly in the Euro zone. There was a modest net inflow of direct investment totalling \$3.3 billion in 1999.

INFRASTRUCTURE

Railroad--The railroad system is nationalized and operated by the Italian State Railways (Ferrovie dello Stato, abbreviated FS), a government agency. The railroad provides an efficient and economical method of transportation. More than half of the rail system is electrified.

Highway--The highway system is approximately 197,000 miles, including over 3,000 miles of superhighways, called "autostrade." The network connects the major industrial centers and offers easy access to Northern Europe. Trucking services are operated mainly by private companies under government concession.

Air--Alitalia, a state-owned company that is scheduled to be fully privatized, is Italy's principal airline providing both international and domestic service. Additional service is provided by Lauda Air, Itavia, Air Europe and Meridiana airlines. Charter service is offered by SAM, an Alitalia subsidiary, and by Air One, while air-taxi service is available from Unijet Italia in Rome and Agena in Milan. Italy has an extensive airport network consisting of 19 international, 17 domestic, and 59 general aviation airports. Federal Express, DHL, and other rapid delivery services are also available.

Sea--Italy has six major seaports: Genoa, Livorno, Naples, Palermo, Trieste, and Venice. In addition, there are 35 smaller ports mostly used for coastal shipping.

Industrial Districts -- Small and medium sized enterprises, especially in the North, have contributed heavily in terms of output, exports and job creation. Their activities have been fostered by the functioning of "industrial districts". The districts take advantage of areas where many small enterprises operate in the same industry and where the steps of production are divided up among the various enterprises. Over time, cooperation among the firms (and often unions of their workers) has paid off in better exchange of

information, group purchases, and market development. The districts have been recognized in law to give the communities the tools to plan joint activities, tap national and regional financing for projects, establish service contracts, for example, with research institutes and universities, and otherwise maximize public and private resources for the success of their industry and local development.

III. POLITICAL ENVIRONMENT

NATURE OF THE POLITICAL RELATIONSHIP WITH THE UNITED STATES

Italy is an important economic and political partner of the United States. Italy's proximity to areas of tension in the Balkans, the Eastern Mediterranean, and North Africa underscores its strategic significance. A founding member of NATO, Italy has worked with the United States in efforts to promote democratization and stability in Central and Eastern Europe, implementation of the Dayton accords in Bosnia and the success of the Middle East Peace Process. Italy played a crucial role in NATO's action in Kosovo and in managing the refugee crisis, as well as in efforts toward economic and political stabilization in Albania. Italy has played a central role in the growth of the European Union, supporting European economic and political integration and advocating a stronger European security and defense identity within NATO.

MAJOR POLITICAL ISSUES AFFECTING BUSINESS CLIMATE

Prime Minister Giuliano Amato took office on April 26, 2000 at the head of a center-left coalition government. He succeeded Massimo D'Alema and current President of the European Commission Romano Prodi as Prime Minister. The center-left coalition, in power since the April 1996 general elections, has a narrow majority in Parliament. The Parliament's 5-year term will finish in April 2001 but general elections could be called earlier.

The center-left government coalition, which pursued austerity budgets, conservative fiscal policies and privatization, is credited with guiding Italy into the European Monetary Union. Their success was built on a tripartite agreement committing Italian employers and unions to an income policy that generated a period of economic stability. In December 1998, government, unions and employers renewed their commitment to a

“Social Pact” that, among other provisions, reduced tax burdens on workers and employers to encourage new investment and reduce unemployment. The center-left majority’s current objectives include economic development in Italy’s South (Mezzogiorno), job creation and judicial and electoral reform.

BRIEF SYNOPSIS OF POLITICAL SYSTEM/MAJOR POLITICAL PARTIES

The Republic of Italy is a parliamentary democracy. Parliament consists of the Chamber of Deputies (630 members) and the Senate (325 members). The Chamber of Deputies is the more influential body. No single political party commands a parliamentary majority and coalition governments are the norm. Much of Parliament's work takes place in committees.

Executive authority is vested in the Council of Ministers, headed by the President of the Council (Prime Minister) who, as Head of Government, is responsible for its day-to-day functioning. The ministries form the basic structure of the state's public administration. The current (Amato) government has 24.

The President of the Republic is Head of State and has limited powers. He or she appoints the Prime Minister, subject to parliamentary concurrence. The President can also dissolve Parliament and call for elections if it is clear that no governing majority can be formed. The President is elected for a term of seven years by the Members of the Chamber of Deputies, the Senate and representatives of the 20 regions. Carlo Azeglio Ciampi was elected President of the Republic in May 1999.

The judicial system includes three separate lower courts whose decisions may be appealed to the Assizes Court of Appeals. Decisions of the Assizes Court of Appeals can be appealed to the highest court, the Court of Cassation (Supreme Court) in Rome. The Constitutional Court rules only on matters concerning the constitutional legitimacy of referenda, legislation and other actions of the central and regional governments.

Although State authority in Italy remains centralized, the country has devolved responsibility for transportation, health and welfare issues to regional and local bodies. Regions can also present draft laws to Parliament on issues of particular interest.

Major Political Parties:

Center-left Governing Coalition:
(Led by Prime Minister Giuliano Amato)

Democrats of the Left (DS)

Italian People's Party (PPI)
The Democrats (DEMOCRATICI)
The Greens (VERDI)
Italian Communists (PDCI)
Union of Democrats for Europe (UDEUR)
Italian Renewal (RI)
Italian Socialists (SDI)

Center-right "Freedom Pole" (POLO) Opposition Coalition:
(Led by former Prime Minister Silvio Berlusconi)

Forza Italia (FI)
National Alliance (AN)
Christian Democratic Center (CCD)
United Christian Democrats (CDU)

Independents:

Northern League (LN)
(Led by Chamber Deputy Umberto Bossi, currently (6/00) allied with the "POLO".)

Communist Renewal (RC)
(Led by Chamber Deputy Fausto Bertinotti.)

POLITICAL ENVIRONMENT FOR AGRICULTURE

Recently, the Italian Government adopted legislation reorganizing the Ministry of Agricultural, Food, and Forestry Resources. The Decree states that all the old Ministry's functions in the fields of agriculture, forestry, fishing, agro-tourism, hunting, rural development and food are to be performed by the regional governments. However, the new Ministry of Agricultural Policies, will be allowed to continue as a reference center for agricultural, food, and forestry policy issues of national interest. The largest impact from this decision will be the ability of the regional governments to determine their own budgets for marketing and aid programs.

IV. MARKETING U.S. PRODUCTS AND SERVICES

DISTRIBUTION AND SALES CHANNELS

American business representatives will find that selling in Italy offers new challenges, but it presents no overwhelming problems. Over 7,500 American companies are actively represented in Italy, with approximately 850 of them having subsidiaries there. U.S. executives may find that some commercial practices differ from those in the United States, but most will be very familiar. The system of retail and wholesale distribution, for instance, centers on small family-operated stores, although the supermarket-type operation has gained importance and there are a number of substantial department store operations.

Retail Distribution in Italy

As Italy has a population of 57.6 million, its retail distribution sector is large in total sales and serves the consumer at the retail level through numerous small, family-owned, retail outlets rather than large, mass market operations. The market offers many commercial opportunities because of the large sales volume and a lack of competitive companies. Many large retail stores have recently been opening on Sundays. Recent legislation has liberalized the range of products and hours of operation permitted at retail outlets and should promote a more modern, competitive retail system.

In order to satisfy Italian consumers, firms operating in the Italian retail distribution sector find that they must invest large amounts of money in new techniques, management, research, media promotion, and equipment. The industry's average return on investment is approximately 13 percent. In terms of existing points of sale, there is a trend away from the family-type stores and street vendors to the distribution chains. Italian distribution systems include small family-owned stores, street vendors, hypermarkets, shopping malls, specialized stores and discount stores.

Horizontal points of sale such as general stores, which had experienced boom conditions in the early 1980s, have begun to lose ground to specialized stores, franchising chains, and hypermarkets. In order to create a unique business identity, department stores have begun a process of realignment and now tend to attract the more affluent, quality-oriented consumers, as well as compete on price and product selection. Supermarket chains now look toward further expansion, particularly in creating and operating large shopping malls. Where such shopping centers exist, they are proving to be successful.

The Italian retail distribution system is faced with the new challenges of competition and technology. It is in the process of being reorganized in terms of number of points of sale and of marketing strategies. The small traditional retail outlets are considered obsolete, but the Italian distribution groups are still too small in many cases to compete effectively with large chains operating in some of the other European nations. A process of internationalization is now taking place among Italian and foreign chains with some agreements already signed. There is, however, room for more.

The marketing of products in Italy is accomplished through a variety of channels, depending on the nature of the product, the sales territory to be covered, the type of buyer, and the sales promotional activities required. Brokers, commission merchants, and independent representatives are used extensively for the sale of raw materials, semifinished products, and capital goods to the larger manufacturing organizations. However, well-established distributors are normally employed to reach industrial firms as well as the large number of wholesalers and retailers engaged in the marketing of consumer goods.

If the product normally has a high sales volume and low profit margin, the Italian firms seek to deal directly with the manufacturer. Sales to a department store, chain store, or end-user often yield the best sales results, but require greater promotional effort by the American exporter. The direct sales method eliminates the added shipping and warehousing expenses, but the U.S. exporter and Italian importer must handle the shipping formalities and expend greater effort to ensure a successful business relationship.

USE OF AGENTS/DISTRIBUTORS; FINDING A PARTNER

Italy represents a large and affluent market where language and personal relationships are valued when conducting business transactions. Consequently some form of local presence is generally required to be successful. American firms have found that relying on local Italian sales agents or distributors, who have the contacts and understand the market, can most effectively develop sales.

There are important distinctions in Italian law between distribution and agency agreements:

Agency: Agency contracts are governed by the Italian Civil Code and by a number of other legislative decrees. An Italian agent for a foreign firm is generally regarded as being authorized to act for the firm. Depending on the contract, the principal may be subject to termination compensation payments and to income taxes and other levies on sales effected through the agent.

Distributorship: Under this arrangement the local distributor takes title of the merchandise and assumes the risks, and has the obligation to pay any taxes. Distribution agreements are subject only to the terms of the contract itself. There are no laws or regulations currently in effect in Italy providing for advance notice of termination, termination compensation, or social security payments in connection with these agreements.

Frequently, a distributorship agreement provides for exclusive sales rights. There is nothing in Italian law preventing exclusive arrangements in all or part of Italy. However, if these agreements provide for exclusive sales rights in all or part of the EU, they should be examined carefully, and with the assistance of a competent international lawyer, in light of the antitrust provisions of the EU regulations.

Appointing an Agent or a Distributor

It is important to obtain specific legal advice on appointing an agent or distributor. However, some general guidelines apply and are outlined here. Italy implemented the EU directive 86-653 in October, 1991. As a result, Italian agency law is now in conformity with EU requirements. All agent agreements should be in writing and state the marketing area and any exclusivity arrangements. Termination of the relationship is the area that most frequently causes problems for American exporters. Generally, the civil code protects the interests of the representative. In the absence of termination provisions in a written agreement, the law provides for a minimum notice of termination of one month during the first year of the agreement, two months during the second year, three months for the third year, four months for the fourth year, five months for the fifth year, and six months for the sixth and additional years. Parties may agree to other terms, provided the notice of termination is not less than the above. An agreement with a definite period terminates on the agreed expiration date. If the parties continue to operate under the agreement after that date, the agreement becomes an agreement of indefinite term, which can be terminated in accordance with the aforementioned notice periods. If the American principal wants to terminate the relationship, notice of termination should be given, even with a definite term contract.

The termination of an agreement without the required notice makes a U.S. principal liable for compensation. The Italian sales agent could seek to claim the amount of the commissions that would have been earned during the termination period or for the amount of actual damages suffered. In exceptional cases, and only for just cause (such as competition or fraud), an agreement may be terminated without notice provided the other party is immediately advised of the reason. In such cases, the courts may be requested to terminate the contract.

At the expiration or termination of an agreement, by whatever means, an agent who has increased the value of the business is entitled, in principle, to an adequate remuneration which cannot exceed the average of the commissions in 1 year. Such claims by agents are subject to an expiration period of 1 year.

Three kinds of distribution agreements are commonly used:

- Exclusive distributorships, where the distributor has the sole right to sell specified goods within a defined area.

- Quasi-exclusive distributorships, where the distributor sells almost all the specified products within a defined area.

- Informal distributor arrangements, under which the grantor imposes heavy obligations on the distributor and which would cause damage to the distributorship if the grantor terminated the agreement.

In the absence of mutual agreement, or the failure to meet contract obligations, a distribution agreement of indefinite term cannot be terminated by the grantor without reasonable notice or fair compensation. In general, grantors should consider protecting themselves by entering into agreements for definite periods rather than an indefinite period. Also, specific minimum performance clauses should be considered, such as percent of distributor's sales, minimum annual sales, and number of business contacts to be made, and grantors should propose that U.S. law and courts have jurisdiction.

A continued and close working contact between the American firm and the agent or distributor is very desirable and should be developed early in the relationship. Certain products and equipment require servicing to maintain their useful life. The U.S. exporter should determine if servicing is needed and develop a distribution network to include such servicing by qualified personnel. To build trust, loyalty, and marketing skills, U.S. producers frequently bring their agents or distributors to the United States for training and marketing assistance.

FRANCHISING

Franchising in Italy has been growing a very fast pace. Latest figures available indicate that at in 1999 Italy had approximately 550 franchisors and over 27,000 franchisees, ranking it among the highest in Europe in terms of franchises operating. The franchising sector has continued to thrive total turnover for the franchising sector was in excess of \$11 billion, representing close to 3 percent of all retail and services sales in Italy. Employment of the sector reached 73,000 in 1999.

Market Demand

The Italian population has shown itself to be receptive to the fast and efficient services provided by franchises. At the same time, the Italian end-user is not always open to franchises for those services that are traditionally strong and consolidated. Nevertheless, the Italian market's receptivity to the franchising concept appears to be steadily growing.

The Italian business community has accepted the concept that franchising is the most innovative way to introduce a business concept.

End-User Profile

There is a vast difference in the economic make-up of the geographic regions of the country, as the north is predominantly industrial and the south is primarily agricultural. The north has a large number of commercial, financial, and industrial enterprises and has double the per capita income rate of the south. Similarly, the local geographic distribution of franchising is disparate, with a concentration of franchising networks in Northern Italy. However, recently, there are some indications that franchising is also gaining momentum in Southern Italy, where it is perceived as a way to alleviate the effects of chronic unemployment.

Competitive Situation

Italy has an extremely fragmented distribution system. The predominance of small, family-owned stores and the disproportionately large number of point-of-sale outlets are viewed as cause of market inefficiency. The present retail system survives mainly due to the complexity and protective nature of existing regulations. However, there is now a noticeable move towards concentration in retail distribution, which creates economies of scale and more efficient management. Thus franchising seems to be increasingly a system well suited to Italy.

While franchising is relatively new in Italy, there are local companies which have been in operation for a number of years and which have achieved both success and profitability. The most developed franchising sector is the services sector, with 11,000 franchisees and 198 franchisors, while the personal products sectors ranks second, with 4,600 franchisees and 117 franchisors. Another very strong sector is specialty retail stores, with 77 franchisors and 3,800 franchisees.

The Italian business community views American franchising companies with a very open mind and recognizes their predominance in the sector. However, smaller American franchisors trying to find Italian master licensees have to face obstacles related to their lack of name recognition in Italy and to inexperience with local business practices. The price for the master license is almost always set too high and the assistance to be provided by the franchisor is never spelled out clearly enough.

Best Sales Prospects

The sectors that appear to have the best potential are in the services area. They are travel and tourism, education and training, fast delivery services, management and consulting services, automotive services. Other good prospects are offered in fast food and hotels with a good brand recognition, and to personal items and fashion.

Legal Requirements

The development of the European Union has stimulated harmonization of trade, tariffs, legal requirements, standards and procedures. There is no specific legislation in Italy defining or regulating franchising. Rules governing franchising are those issued by the EU Commission. In Italy a franchising agreement is governed by general contract law principles and is considered a bilateral agreement between separate business enterprises resulting in "collaboration", not "association", between parties. Franchising agreements are subject to the laws governing commercial contracts in general, and to those governing sales of trademark licensing agreements in particular. The Italian Franchising Association (Assofranchising) has established a set of rules which reflect standards prevailing in the Italian business community and often taken into consideration in legal proceedings.

There are no trade barriers or limitations to the importation of US franchise business methods in Italy. However, due to the lack of specific Italian norms on franchising agreements, it is advisable that contracts be written in great detail when entering into an agreement with a master licensee

The average validity of a franchising contract in Italy is 5 years in 39 percent of cases, 3 years in 24 percent and 6 years in 10 percent. An entry fee is required by 51 percent of franchisors, while royalties are requested by 70 percent of master franchisors. Eighty-four percent of the standard contracts provide comprehensive training programs, manuals and programs of regularly scheduled workshops for franchisees.

Financing

Financing tailored to franchising activities is a concept which is still alien to Italian banks. However, one leading bank has very recently announced that it will offer loans to franchising systems and has set up a specialized department to this end. Nevertheless, the prevailing practice remains that financing is generally negotiated privately on a case-by-case basis between the master franchisor and the franchisees. Over 50 percent of the franchisors offer financing and leasing programs. Virtually all franchisees pay entry fees, royalties and contribute to advertising expenditures.

More than 80 percent of franchisor grant exclusive area contracts, while 46 percent require total inventory turnover with a contractually based mark-up.

More than 70 percent of the large companies offer assistance in the way of operations manuals, computerized management programs, assistance for the opening of the points of sale, as well as training seminars. Most companies hold annual conventions and provide newsletters and comprehensive assistance programs.

The cost of a franchise varies from a minimum of \$ 50,000 to an average cost of \$ 150,000 and escalates to \$ 350,000 and more.

DIRECT MARKETING

There are many logistical problems of operating a nationwide sales network as well as managing the growing personnel and promotion costs. Part-time employment is presently restricted, although there are now some moves to liberalize regulations governing part-time employment. Marketing firms are developing new distribution techniques designed to employ the casual worker and to target groups of consumers by catalog, door-to-door sales, teleshopping or telemarketing. The most widely used methods of direct marketing are:

- Direct selling, mainly used in the nonfood sector.
- Mail order, catalog sales, or orders placed directly with the supplier.

Mail order marketing has been in Italy for approximately 15 years. Although direct marketing is considered a very effective marketing technique, it still remains a modest channel of distribution for Italian companies. One of the disadvantages of this technique, which may be overlooked by foreign investors, is frequent delays by the postal system. However, the establishment of a semiprivate nationwide express mail service, the proliferation of couriers, and the arrival of foreign parcel delivery services now offer alternatives to the national mail system.

Telephone direct marketing is growing faster than any other selling technique. With the development of new telephone equipment, the business world has turned to the use of the facsimile, making Italy the second largest per capita user in the world.

Teleshopping (home shopping through TV) is becoming a popular sales approach to reach the consumer. There are a number of privately owned television stations which mainly host telemarketing programs.

Telecommunications technologies are playing an increasing role in the process of restructuring the distribution system. Scanners, electronic cash registers, and display management systems are now common while computerized stock control systems, customer databases, and inventory control programs are being used only by the large distribution networks. The more sophisticated groups have also resorted to consulting services, resulting in technical cooperation agreements between a number of Italian and international chains.

Electronic Commerce

1999 represented a turning point for the Italian Internet market. Italian businesses connected to the Internet were estimated at 1.5 million at the end of 1999 -- out of a total of 3.4 million -- and are expected to reach at least 2 million by the end of 2002. Internet subscriptions in the consumer segment grew from 540,000 in 1998 to over 3.7 million in 1999. Internet penetration -- which is comparatively lower than in other European countries -- is predicted to double by the end of this year. The number of Internet access providers and Internet content and service providers increased from about 150 in 1996 to about 900 in 1999, with over 3,000 Points of Presence (POP).

Although electronic commerce applications in Italy are still in their early stages, all trade sources concur that they will boom in the next two years. Many Italian companies still utilize their Web home pages to create brand awareness, offer product information and generate leads, but this trend is rapidly changing. It is estimated that a growing number of companies are implementing web sales and web purchasing applications. Business-to-business transactions are expected to have a dramatic impact on the Italian economy, similar to what is happening in other countries.

Business-to-Business Transactions

According to IDC, the total market value for e-commerce transactions in Italy in 1998 was approximately \$360 million, of which \$290 million were business-to-business. In 1999, this value grew to approximately \$1.1 billion, of which over \$970 million were business-to-business. It is expected that this value will quadruple in the year 2000, reaching \$4 billion. On-line trading of financial services boomed in 1999, totaling 4 percent of all traded securities, a share which could increase to even 20 or 30 percent in the next two to three years. Virtually all major Italian industrial groups -- as well as the public administration -- are organizing for e-procurement, and it is predicted that in a three years time at least half of all company purchases will be via e-procurement.

The main factors fueling the development of e-commerce in Italy are: 1) the increasing recognition of e-commerce as a means to provide better support to customers/suppliers; 2) recent Italian legislation which recognizes the legal validity of digital signatures and digital contracts; 3) improved consumer protection legislation; 4) and recent agreements between Italian banks and credit card operators to introduce the SET-Secure Electronic Transaction protocol.

In business-to-business e-commerce, the most successful sectors are expected to be computers and software, financial and banking services, and general procurement services by larger companies. The development of e-business in Italy will create superb opportunities for companies specializing in this sector. Consulting services to assist the customer in developing an e-business strategy and custom development services for e-commerce applications in the areas of marketing, sales, post-sales, and purchasing are

expected to boom in the next two years. The greatest opportunities for American exporters and especially for American trading companies and virtual market places, are likely to be in the e-procurement area.

Business-to-Consumer Transactions

Business-to-consumer transactions via the Internet are still marginal in Italy, with \$70 million in 1998, and \$195 million in 1999. It is worth noting, however, that imports of foreign products via the internet were estimated to account for 45 percent of total sales to consumers, a much higher share than the European 13 percent average.

The relatively low diffusion of personal computers (less than 20 percent of Italian families) has represented one of the major obstacles to the development of the Internet consumer market and of business-to-consumer e-commerce transactions. High telephone tariffs and cultural factors have also hindered a faster development of this market segments. The increasing availability of inexpensive personal computers and set-top-boxes, the possibility of accessing the Internet free-of-charge, and the expected fall in the prices of Internet-related telephone calls are all acting as a strong driving force. More importantly, as the diffusion of mobile phones in Italy is among the highest in the world, the Internet consumer market is expected to be driven by the availability of web-enabled mobile phones, which, through the WAP technology, should allow Italy to catch up quickly.

In the business-to-consumer e-commerce, the most promising sectors are computers and software, publishing, internet music and videos, and bookings for entertainment events, vacation and travel. However, cultural resistances are still strong, and it is not likely that the Internet will soon become a real alternative to traditional distribution channels for consumer goods.

Interesting Internet sites:

osservatorio.ecom@minindustria.it (in Italian)

www.minindustria.it/Osservatorio/pol_ce_engl.index/html (for Italian legislation on electronic commerce in English)

www.bakerinfo.com/ecommerce (legal aspects of e-commerce in 33 countries)

Major Italian Search Engines:

<http://www.motoridiricerca.it/> (for a complete list)

<http://www.altavista.it/> (Italian version of AltaVista)

<http://www.virgilio.it/>

<http://www.iol.it/>

<http://excite.tin.it/> (Italian version of Excite)

<http://www.yahoo.it/> (Italian version of Yahoo)

<http://www.arianna.it/>

<http://www.godado.it/>

LEASING

It has become common to lease, rather than buy, certain types of machinery. The leasing of foreign machines is usually arranged with Italian clients through local branch offices or agents of foreign manufacturers established to provide this type of service. Leasing is complicated by the fact that the importation, payment of customs duties, and other related business formalities must be taken care of by a firm established in Italy. Such tasks would usually be done by either an agent of the foreign manufacturer or by the Italian lessee. Because the lessee is often not willing to assume the inconvenience of handling importation of leased equipment, local representation is usually necessary.

JOINT VENTURES / LICENSING

A joint venture (Associazione in Partecipazione) involves the participation by a supplier of capital in the profits of the business. The operator manages the business and is solely responsible for the obligations he or she assumes toward third parties. The person furnishing the capital is responsible for any loss in direct proportion to his or her share in the net profit, limited to the amount of his/her original investment.

Joint ventures can be for one-time defined transactions with a definite duration (contractual joint venture) or a permanent cooperation between separate groups through the incorporation of a joint-stock company (corporate joint venture). Corporate joint ventures are now seen frequently in Italy.

Licensing in Italy allows foreign entities to profit from technology transfers of a formula, process or patent without the need to invest substantial capital. The Italian government imposes no exchange control limitations on the transfer of royalties abroad. Protection over the use and ownership of the technology transferred should be included in the terms of the licensing agreement.

STEPS TO ESTABLISHING AN OFFICE

A foreign citizen wishing to establish temporary or permanent residence in Italy to administer a business or to manage a corporation should obtain a business visa for this purpose from one of the Italian Consulates in the United States. All individuals or firms in business in Italy must be registered with the local Chamber of Commerce, Industry and Agriculture. This is a quasi-government office, operating essentially as a field office

of the Ministry of Industry and Commerce. To register with this office, an agent for a foreign company must produce a power of attorney duly notarized by Italian consular or diplomatic official in the country of the principal.

ADVERTISING AND TRADE PROMOTION

Advertising in Italy has grown rapidly in volume, importance, and sophistication. This growth in advertising has been accompanied by a proliferation of advertising agencies and an expansion of services. Along with Italian-owned agencies, there are joint ventures with other European or American firms. While some agencies specialize in specific services and media, a large number of full service agencies deal with all advertising aspects and have market research capabilities.

Media use for advertising is as follows: newspapers, 35 percent; magazines, 35 percent; radio and television, 22 percent; movies, 2 percent; other methods, 6 percent.

Newspapers and magazines: The main means of product advertising in Italy is through daily newspapers. Newspapers work closely with advertising firms, both Italian and foreign. However, since the newspapers themselves do not maintain advertising departments, advertising firms must place their ads with special agencies commissioned by the papers to receive advertising for them.

Of about 90 daily newspapers in Italy, only a dozen or so are distributed throughout the country. While some 230 Italian and foreign periodicals are on sale in Italy, only about 20 have a large circulation (see list below).

Television: Italy is served by three public television networks operated by Radiotelevisione Italiana (RAI), a government-regulated company in which the state owns a majority interest. The three networks carry commercials in programs all day long. There are also 4 major nationwide privately-owned television stations. In addition, some 100 private television stations are licensed for local broadcasting.

Radio: There are three radio stations owned and operated by RAI. These are on the air for more than 340 hours weekly, and commercial time is available. In addition to the three networks, there are hundreds of local radio stations and several national private stations.

Motion Picture Theaters: Wide use of film clips is made for advertising purposes. There are some 10,000 motion picture theaters in Italy and many regularly show advertising. The rates for advertising vary according to the showing time and class of the theater. Advertising is shown during every intermission. Therefore, this medium may be used to reach a wide market and cuts across economic strata.

Posters and Billboards: Poster advertising is handled by a number of specialized companies, as is electric sign advertising, which is subject to special regulations. Poster advertisement on walls, along streets, in street cars, buses, and other means of transportation are used to reach the consumer market. Both posters and billboards are subject to the approval of provincial authorities and to payment of a tax on poster advertising.

Show Windows and Flyers: Show window advertising is extensively used in Italy. Displays are usually attractively done and show prices of the items for sale. Advertising flyers are in common use, and street banners are used also for special occasions. Loudspeakers are used for advertising at sporting events. Direct advertising, through the distribution of gifts, samples, and price reduction coupons, is frequently used to motivate consumers.

Trade Fairs: Exhibitions are a cost-effective method to enter a foreign market and meet a wide range of buyers interested in a particular industry sector. Sales professionals find that trade fairs attract extensive buyer attendance and frequently can be used to gauge acceptance and pricing of new products and to observe the competition. In the course of a few days, a new market entrant may be able to generate more qualified and motivated prospects than by using any other sales approach. Also, fairs are useful for finding an agent, distributor, or representative. The U.S. Department of Commerce frequently organizes U.S. pavilions at events that are identified as providing excellent prospects for American exporters. Information on participating in Italian trade fairs can be obtained from Department of Commerce Export Assistance Centers located throughout the United States.

For information about trade fairs at Fiera Milano, the large international trade fair site in Europe, firms can contact Fiera Milano's U.S. representative for information by calling 1-800 524-2193. Fiera Milano organizes an extensive variety of international shows each year, and the U.S. Department of Commerce participates in some of these events.

Major Italian newspapers and business journals:

Newspapers:

AVVENIRE
Piazza Carbonari, 3
20125 Milano
tel. 39-02-67801
fax. 39-02-678-0208
www.avvenire.it

lettere@avvenire.it

CORRIERE DELLA SERA

Via Solferino, 28
20121 Milano
tel. 39-02-6339/628-27246
fax. 39-02-2900-9668/2900-9705
www.corriere.it/
astroni@rcs.it

LA DISCUSSIONE

Piazza del Gesù, 46
00186 Roma
tel. 39-06-6902-0931/679-6564
fax. 39-06-6920-9333

IL FOGLIO

Viale Milano Fiori, STR.3. Pal. B/10
20090 Assago (MI)
tel. 39-02-575771
www.ilfoglio.it/
lettere@ilfoglio.it

LA GAZZETTA DEL MEZZOGIORNO

Viale Scipione l'Africano, 264
70124 Bari
tel. 39-080-547-0400
fax. 39-080-547-0488
gazz@interbusiness.it

GAZZETTA DEL SUD

Via Ubeto Bonino, 15/C
98124 Messina
tel. 39-090-2261
fax. 39-090-2936-359/2932-063
www.gazzettadelsud.it
info@gazzettadelsud.it

GIORNALE DI SICILIA

Via Lincoln, 21
90133 Palermo
tel. 39-091-662-7111
fax. 39-091-662-7280/617-7517

www.gds.it
info@quotidianodelsabato.it

IL GIORNALE
Via Gaetano Negri, 4
20123 Milano
tel. 39-02-85661
fax. 39-02-7202-3859/80

IL GIORNO
Piazza Cavour, 2
20123 Milano
tel. 39-02-77681
fax. 39-02-7600-6656
<http://ilgiorno.monrif.net/>

IL MANIFESTO
Via Tomacelli, 146
00186 Roma
tel. 39-06-687-191
fax. 39-06-689-2600/6871-9573
www.ilmanifesto.it
redazione@ilmanifesto.it

IL MATTINO
Via Chiatamone, 65
80121 Napoli
tel. 39-081-794-7111
fax. 39-081-794-7288
www.ilmattino.it

IL MESSAGGERO
Via del Tritone, 152
00187 Roma
tel. 39-06-47201
fax. 39-06-472-072
www.ilmessaggero.it/indexmsgr.htm

LA NAZIONE
Via Ferdinando Paolieri, 2
50121 Firenze
tel. 39-055-87951
fax. 39-055-234-3646

<http://lanazione.monrif.net/>

L'OSSERVATORE ROMANO

Via del Pellegrino

00120 Citta' del Vaticano

tel. 39-06-6989-9310

fax. 39-06-6988-3675

www.vatican.va/news_services/or/home_ita.html

ornet@ossrom.va

IL PICCOLO

Via Guido Reni, 1

34123 Trieste

tel. 39-040-373-3111

fax. 39-040-373-3283

www.ilpiccolo.it

piccolo@ilpiccolo.it

IL POPOLO

Via del Gesù, 62

00186 Roma

tel. 39-06-695071

fax. 39-06-6994-2377

LA REPUBBLICA

Piazza Indipendenza, 11/b

00185 Roma

tel. 39-06-49821

fax. 39-06-4982-2923

www.repubblica.it

larepubblica@repubblica.it

IL RESTO DEL CARLINO

Via Mattei, 106

40138 Bologna

tel. 39-051-536-111/530-202

fax. 39-051-532-990

www.ilrestodelcarlino.monrif.net

IL SECOLO XIX

Piazza Piccapietra, 21

16121 Genova

tel. 39-010-53881
fax. 39-010-538-8426
www.ilsecoloXIX.it
redazione@ilsecoloxix.it

LA SICILIA
Viale Odorico da Pordenone, 50
95126 Catania
tel. 39-095-330-544
fax. 39-095-338-073/336-466

IL SOLE-24 ORE
Via Lomazzo, 52
20154 Milano
tel. 39-02-31031
fax. 39-02-3454-9701
www.ilsole24ore.it
info@ilsole24ore.it

LA STAMPA
Via Marengo, 32
10126 Torino
tel. 39-011-65681
fax. 39-011-655-306/310-0759
www.lastampa.it
online@lastampa.it

IL TEMPO
Piazza Colonna, 366
00187 Roma
tel. 39-06-675-881
fax. 39-06-675-8869/315

L'UNITÀ
Via dei Due Macelli, 23/13
00187 Roma
tel. 39-06-699-961
fax. 39-06-678-3555
www.unita.it/
posta@unita.it

Major Italian Business Journals:

L'ESPRESSO

Via Po, 12

00198 Roma

tel. 39-06-84781

fax. 39-06-884-5167

www.espressoedit.kataweb.it/

ITALIA OGGI

Via Marco Burigozzo, 5

20122 Milano

tel. 39-02-582-191

fax: 39-02-5831-7559

www.italiaoggi.it

italiaoggi@class.it

MILANO FINANZA

Via Puligozzo, 5

20122 Milano

tel. 39-02-582-191

fax: 39-02-5831-7518

www.milanofinanza.it

mf-milanofinanza@class.it

PANORAMA

Viale Mondadori 1

20090 Segrate (MI)

tel. 39-02-75421

fax. 39-02-7542-2769

www.mondadori.com/panorama

IL MONDO

Via Angelo Rizzoli, 2

20132 Milano

tel. 39-02-25841

fax. 39-02-2720-1158

www.ilmondo.rcs.it

ilmondo@rcs.it

Largest Advertising Agency Trade Association:

ASSAP –

Associazione Italiana Agenzie di Pubblicità a Servizio Completo

Via Larga, 19
20122 Milano
Tel: 011/39/02 5830-7450
Fax : 011/39/025830.7147
www.assocomunicazione.it

Advertising Agencies:

Armando Testa
Via Luisa del Carretto, 58
10131 Torino
Tel. 011/39-0118810111
Fax: 011/39-0118810367
www.testa.it

Young & Rubican Italia
Piazza Eleonora Duse, 2
20122 Milano
Tel: 011/39/027732.1
Fax: 011/39/027600.0904
www.yr.com

McCann-Erickson Italiana S.p.A.
Via Albricci, 10
20122 Milano
Tel: 011/39/028529.1
Fax: 011/39/0285292557
www.mccann.com
194.244.76.3

BGSD'ARCY
Corso Galileo Ferraris, 24/A
10121 Torino
Tel: 011/39-0115601911
Fax: 011/39-0115175300

Via Correggio, 18
20149 Milano
Tel: 011/39/02/4679.1
Fax: 011/39/02/4818633

J. Walter Thompson S.p.A.
Via Paolo Lomazzo, 19

20154 Milano
Tel: 011/39/02/336341
Fax: 011/39/02/33634400
www.jwalterthompson.com

Lowe Lintas Pirella Gottsche
Piazzale Biancamano, 8
20121 Milano
Tel: 011/39/02/290281
Fax: 011/39/02/6597722

Milano & Grey S.p.A.
Via Bertani, 6
20154 Milano
Tel: 011/39/02/349761
Fax 011/39/02/34530785

Leo Burnett Company
Via Fatebenefratelli, 14
20121 Milano
Tel: 011/39/02/6354.1
Fax: 011/39/02/2900.5229
www.leoburnett.it

Euro RSCG
Via Dante, 7
20123 Milano
Tel: 011/39-02802021
Fax: 011/39-0272000027

Saatchi & Saatchi
Corso Monforte, 52
20122 Milano
Tel: 011/39-0277011
Fax 011/39-02781196
www.saatchi saatchi.it

PRICING PRODUCT

When providing the Italian buyer with a price quote, American firms most frequently provide a quote that includes sales price plus packing costs, insurance, and freight to the named point of destination. This is called the c.i.f. price. The average Italian business

representative can then usually determine the charges for customs, taxes, and local transportation to arrive at the final landed cost to the importer. The customary terms of sale in Italy are either cash on delivery (which is rare) or settlement 60-120 days after invoice date (more common).

Sales made on cash terms call for payment before delivery, on delivery, or shortly after delivery -- usually within 10 days from the date of delivery. A 2 to 5 percent discount is made for payment of the full amount of the transaction at the end of the specified period from 1 to 4 months from the date of the invoice. The length of the period depends on the commodity involved, the credit standing of the buyer, and the marketing and sales objective of the seller. A period of up to 2 years is often allowed for payment of capital goods, store equipment, trucks, and similar heavy equipment.

Italian firms indicate that some American suppliers are too rigid in their payment terms and have thus lost business to other suppliers because of their rigidity. Financing is considered as much a competitive factor as the product itself, the delivery date, or after-sales service.

While some U.S. manufacturers request payment upon receipt of the goods, more successful sellers are offering terms allowing settlement of the account from 60 to 120 days following date of invoice, which is the most common practice in Italy.

The use of irrevocable letters of credit for the Italian market has declined appreciably in recent years. Although such instruments are still required by American exporters, especially when the Italian customer's credit reputation is not well known, the growing reluctance of Italian firms to provide letters of credit has required American exporters to turn to other methods to assure payment or lose the sale to other suppliers in the competitive Italian market. The Italian businessperson is reluctant to pay a high fee for a letter of credit when other suppliers or means of payment are available. American firms have put to greater use the export credit insurance and guarantee programs available through the Foreign Credit Insurance Association (FCIA).

Quotes and Payment Terms

Italian importers generally prefer price quotes on a c.i.f. basis since they are usually familiar with the Italian customs charges and value-added taxes levied on the product at the time of importation, but may not be acquainted with U.S. costs for trucking, ocean, or air freight. Large Italian firms and department stores, however, may prefer to buy on other terms when they arrange for the shipping and insuring the goods. Quotes and invoicing are usually in terms of the currency of selling country.

American quotes, usually stated in dollars and on a f.o.b. basis, are completely acceptable to Italian buyers. The usual practice of American firms selling to a new

customer is to require cash against documents for the first sale or two. After establishing credit, the importer will expect to pay by 30-, 60-, or 90-day letter of credit. In all cases, the American exporter will have to decide how to strike a balance between making the sale perhaps more easily with liberal financing terms versus striking a sale by seeking more secure payment terms. When first starting out, American firms may often find it necessary to offer their best price and payment terms in order to land the sale in the competitive international market. Later, prices may be adjusted as sales and volume permit.

The Italian buyer may request a quote or shipment of goods under INCOTERMS. This is a set of international rules defining the important commercial terms and practices. By referencing INCOTERMS in contracts or invoices, both buyer and seller will have a uniform understanding of their responsibilities in an agreement. Copies of the 90-page publication *Guide to INCOTERMS* are obtainable from ICC Publishing, 156 Fifth Avenue, New York, NY 10010, (212) 206-1150. Exporters can also obtain information from the *Dun & Bradstreet Exporters' Encyclopedia*.

Merchandise may be examined by the Italian importer before customs clearance for inventory purposes. Goods cannot clear customs without shipping documents and payment of any required customs duty, applicable value-added taxes, and excise taxes. These formalities must be undertaken by the importer at the time of clearing customs. Import licenses, if required, should be presented by the importer within the period for which they were issued.

SELLING TECHNIQUES/SERVICE / CUSTOMER SUPPORT

An American company that is successful in Italy becomes so because its products are marketed with the same diligence employed in the U.S. market. Whether the firm establishes a manufacturing operation or a sales branch, or appoints a commission agent, a stocking distributor, or a combination agent/distributor, the American exporter must make a long-term commitment to exporting and follow sound marketing practices in order to sell successfully in the Italian market. A key factor in this commitment to serving the overseas buyer is the local stocking of parts and giving priority to immediate air shipments on request of the European customer.

An American company that is entering the competitive Italian market is advised to commit the resources needed to market the products properly and establish long-term sales to achieve maximum sales volume. The appointment of a resident representative is extremely important. For business promotion and market knowledge, there is no effective alternative to a resident representative who is part of the local business community and readily available to customers. Having a local representative is particularly important when the product is complex and may be expected to require

follow-up servicing or modification. Local representatives are familiar with the product and needs of the customer and are in a position to solve problems. Personalized service is frequently demanded by customers, creates goodwill, and often stimulates repeat sales. Technical manuals and promotional literature should be in Italian. Italy is a competitive market where reliability is important. Local representatives with solid reputations and promotional material in Italian reflects a commitment to customer service and enhances the prestige of the American firm.

A number of U.S. firms maintain their own sales organizations in Italy. Still others sell through specialized importers or appoint sales agents who often are manufacturers' brokers. A large, well-established Italian firm with an efficient nationwide sales organization is likely to insist on an exclusive arrangement. About 7,500 U.S. firms are represented in the Italian market through agents, branches, subsidiaries, or licenses. Of these, nearly 850 have a substantial direct capital investment in the form of stock as a sole owner or partner in an enterprise. Generally, the sales territory includes all of Italy. In other cases, the territory also covers the entire European Union, depending on the type of product and degree of technical support needed. Italian distributors also have excellent contacts with Eastern Europe and the Mediterranean Basin.

SELLING TO THE GOVERNMENT

The Italian government does not typically purchase goods and services abroad unless they cannot be procured locally through domestic sources, which would include subsidiaries, branches and agents of American companies. In order to be considered as a source for Italian government purchases, it is recommended that the American firm be represented by an agent/distributor rather than try to deal directly with Italian government agencies.

Each of the Italian agencies maintains its own list of contractors and suppliers. Therefore, U.S. firms need to contact each agency directly to establish their eligibility. U.S. companies must first establish their financial and technical capabilities by presenting them directly to the Italian agencies.

NEED FOR A LOCAL ATTORNEY

American companies which are interested in setting up agencies, distributorships, licenses or joint ventures are encouraged to seek professional legal advice and counsel. The American Embassy in Rome, as well as the individual Consulates, maintain a list of lawyers (according to geographic jurisdiction) which is available to the public.

PERFORMING DUE DILIGENCE

Information on specific Italian firms is available from a variety of private agencies. American companies can contact their local U.S. Department of Commerce Export Assistance Center for a listing of firms offering this service. In addition, this section includes a list of Italian private sector firms which provide this service. American banks also provide credit information services.

Just as the terms of any sales offer should be presented in a clear and detailed manner, shipments should conform to the contract and to any samples which may have been sent to the Italian importer. Special attention should be given to the prompt observance of agreed delivery schedules, as prompt delivery may be a decisive and possibly an overriding consideration of the importer in placing additional orders. When shipping on letter of credit, all terms specified on the letter of credit must be strictly observed. If the terms are not followed, the letter of credit may not be honored by the issuing bank.

ITALIAN PRIVATE SECTOR FIRMS PROVIDING BACKGROUND INFORMATION CHECKS:

DUN & BRADSTREET KOSMOS SpA

Via di Valtorta, 48
20127 Milano
Tel: 39-02-284-551
Fax: 39-02-287-2181

EUROINFORM ITALIA srl

Via Roma, 108/F
20060 Cassina de' Pecchi MI
Tel: 39-02-954-291
Fax: 39-02-9530-1869

LINCE SpA

Corso Vittorio Emanuele, 22
20122 Milano
Tel: 39-02-77541
Fax: 39-02-7602-0458

PONZI SpA

Corso Monforte, 9
20122 Milano
Tel: 39-02-7600-2821
Fax: 39-02-781-515

MARKETING U.S. AGRICULTURAL PRODUCTS AND SERVICES

Although demand for food products in the domestic market is changing slowly, the Italian food sector is dynamic. In the early 1990s the transformation was far reaching, with the sector moving closer to U.S. norms for products, packaging and services. However, Italy still lags behind some of the other major European countries with similar socioeconomic parameters in restructuring its food distribution system, but progress in this area has accelerated. There is a slow, but steady movement towards the consolidation of both processors and distributors which will favor increased cooperation with foreign firms, particularly in the north. Higher unemployment rates and lower incomes are slowing changes in the south. Family run shops are in a decline as a result of the growing consumer preference for modern distribution formats, the increased importance of price in consumer decision making, new stricter tax regulations and higher space rental costs. However, strong traditional preferences in food and shopping mean that this trend will develop slowly. It is estimated that in Italy is at least 5 years behind other European countries such as France and Germany in its marketing trends.

The relationship between the Italian food processing industry and food distributors is changing dramatically. There are now over 6500 supermarkets and hyper-markets in Italy. Many of the larger companies have become vertically integrated, while the smaller entities have closed their doors or made significant changes to become more competitive. Sales receipts for larger chain stores are increasing rapidly.

Hard discount stores have become firmly established in the Italian market, particularly in the north. The soft consumer demand has forced price into the forefront although Italians remain quality conscious. New research and expanded promotion trials have been undertaken to improve market share. Private labels are becoming more and more popular. This trend tends to favor least-cost suppliers.

There are over 30 retail food chains in Italy. As with most other agricultural sectors, no single chain or company commands more than 2% or 3% of the market. They can be divided into two main categories: chains owned by individuals, corporations or cooperatives; and networks of individually owned independent stores that share in group purchasing and logistical, marketing and (sometimes) financial services. Some networks incorporate a form of vertical integration by including one or more wholesalers. Most retail outlets in Italy are still individually owned and operated.

Important differences exist in Italian style supermarkets versus U.S. food chains. For example, Italian shoppers still prefer to walk to their local supermarket, thus packaging

is smaller and lighter. Brand loyalty is high and Italy has one of the lowest levels of penetration of private labels in Europe. However, private labels are on the rise and represent a real opportunity for U.S. companies.

Many of the larger supermarket chains have centralized buying offices and attend foreign food shows to seek new products. In addition, supermarkets, hypermarkets and hard discounts stores (which have increased in numbers as a result of the recession) have their own logistics departments and can, although infrequently, act as direct importers. Wholesale marketing channels vary greatly according to the commodity (i.e. fish versus dried fruit). Regional wholesale markets continue to be important distribution points for fresh foods.

Most imported food products still enter the Italian market through brokers or specialized traders. Price is an increasingly important basis for import purchases, although quality and novelty alone does move some products. Imported products enter Italy indirectly from Rotterdam or directly via air, although 95% of all freight inside of Italian borders is transported via truck.

Northern Italy remains the country's most important economic region. The north accounts for almost 55 percent of national income and 45 percent of the population. The large difference in average income means that household expenditures on food and drink vary considerably by region. For example, the average family in northern Italy spends less than 19 percent of their income on food, while a southern family spends over 24 percent of total income on food items.

The importance of the tourist industry in Italy cannot be underrated. Approximately 30 million tourists visit Italy every year, and it is estimated that an additional 10 million will come for the Catholic Jubilee in the year 2000. Food service outlets vary greatly and bars and cafes are becoming increasingly important for American type foods. The popularity of snack foods has pushed up demand for fast food outlets and the typical Italian coffee bar now stocks a broad selection of sweet and salty snacks and ice creams, in addition to serving hot and cold plates.

The institutional food sector has consolidated and become much more efficient in recent years. Institutional cafeterias and restaurants are most interested in semi-prepared foods, frozen foods, ready to cook pasta or individual dishes and snacks. Roughly 12% of all frozen food purchases are frozen french fries, many of which are prepared in the microwave.

Consolidation of small companies and an increasing number of joint ventures is also continuing in the food processing sector. Selling strategies are more aggressive and marketing/PR spending is on the upswing in order to survive the price competition inspired by the advent of hard discount stores.

Italian food processors are seeking specialized ingredients such as whole grain flours and organic cereal products. Food processors are using an increasing amount of dried fruits and nuts (i.e. in the bakery and ice cream industry) in order to develop new products. Products with technical advantages such as sugar substitutes and exotic fruits and vegetables also are in increasing demand.

V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

A. BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES

Following is a listing of non-agricultural products and services which are considered to offer particularly good opportunities for U.S. exporters. Sectors are listed in rank order based on estimated import market size. Statistics are unofficial estimates based on best available data and industry sources. The Commercial Service in Italy organizes special trade promotion events in many of these and other sectors. For more information please contact the Commercial Service at the American Embassy in Rome or the American Consulate General in Milan, Italy (see chapter XI for contact information).

1. Computer Software
2. Computers and Peripherals
3. Computer Services
4. Franchising
5. Management Consulting Services
6. Airport and Ground Support Equipment
7. Insurance Services
8. Telecommunications Services
9. Pet Products
10. Automotive Parts & Service Equipment
11. Education & Training Services
12. Electric Power Systems
13. Medical Equipment
14. Pollution Control Equipment & Supplies
15. Travel & Tourism

Sector Rank: 1

Sector Name: COMPUTER SOFTWARE

ITA Industry Code: CSW

The Italian computer software market is estimated at over 3 billion dollars and is Europe's fourth-largest. Application software accounts for 58 percent of the total market, and systems software for 42 percent (middleware accounts for 57 percent of

systems software).

The market for software products recorded another positive year in 1999 with an 11 percent growth over 1998 (due to currency fluctuations, it increased by 6 percent in dollar terms). This is the first time since 1990 that the Italian IT market reached double-digit growth.

Application software scored the best performance with a 14 percent growth while systems software grew by 7 percent. Although this trend is in line with the European average on an annual basis, Italian market growth was higher in the third and fourth quarters than in the rest of Europe. In the first half of the year, demand was largely driven by Y2K projects and by the Euro currency conversion. In the second half of 1999, a sharp reduction in orders was compensated by purchases from large organizations of Supply Chain Management, Customer Relation Management and Datawarehousing software, and near-boom conditions for e-commerce and Internet-related software by large clients as well as by small and medium size businesses following free Internet access introduced by many operators.

Market analysts forecast an annual growth of 10 percent over the next three years. Italy relies heavily on foreign production of software, which account for approximately 75 percent of the total market. The United States is the leading exporter of multiple platform and application software, with a share of around 73 percent of imports. The Italian climate for U.S. software will continue to remain favorable as the market recognizes the supremacy and innovative quality of American products.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	3051	3234	3557
*Total Local Production	1960	2070	2215
Total Exports	331	349	370
Total Imports	1422	1513	1712
**Imports from U.S.	1035	1134	1308
Exchange rate:	1737	1818	2000

*Sales by Italian subsidiaries of U.S. companies are included in Total Local Production and include sales to the captive market.

**Imports from U.S. refer to direct sales from U.S.-based suppliers or through Italian distributors.

Source: ASSINFORM for Total Market Size
The above statistics are unofficial estimates.

Sector Rank: 2
Sector Name: COMPUTERS AND PERIPHERALS
ITA Industry Code: CPT

The computer and peripherals sector is forecast to remain one of the very best prospects for U.S. imports in the next three years.

The current re-structuring of Italian business is greatly impacting the development of the market. Italian companies are increasingly investing in ICT technologies, which are recognized as a means of strategic innovation in order to implement business process re-engineering, improve communications and expand the company's clientele. Information systems are being upgraded or substituted in order to adopt the most innovative solutions, from networking and Internet/Intranet based applications to e-commerce applications.

The increasing need for networking and Internet/e-commerce technologies is the major driving force in the growth of this sector. The market for LANs and WANs is developing at very high rates, and the need for network systems offering increased resource sharing capabilities, advanced enterprise communications features, integration of data, as well as voice and images on standard platforms, is booming. Excellent prospects exist for intelligent hubs, LAN and ATM switches, bridges and routers, gateway products, remote access servers, network interface cards, network security systems, and protocol conversion hardware.

Good opportunities also exist for both UNIX-based mini-systems (mainly used for enterprise applications such as ERP and CRM solutions, database server solutions and data warehouse), and Wintel systems (used for workgroup and as an infrastructure environment). UNIX workstations are still in demand in the high and medium-end segments, while they are increasingly substituted by PC workstations in the low-end segments.

The number of personal computers sold is growing at a rate of over 20 percent yearly. PC servers are in very high demand, because of their widespread utilization for networking, e-mail and internet applications. Portable PCs have registered the highest growth in 1999, due to their wide acceptance as real working tools, especially from "mobile workers" in the insurance, financial and pharmaceutical sectors. Demand for desktop PCs, which include personal workstations and multimedia edutainment PCs, is also growing very rapidly. Demand for integrated CD-ROM and multimedia products is expected to become one of the most dynamic parts of the Italian computer hardware/multimedia market, with the consumer/home PC market as one of the major driving forces.

U.S. technology and standards are highly regarded. The best opportunities for success

lie with American companies offering innovative and sophisticated products, and who are willing to team up with well-established Italian firms for distribution or joint venture agreements.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	5,190	5,805	5,780
Total Local Production	5,265	5,420	5,300
Total Exports	3,390	3,445	3,480
Total Imports	3,315	3,830	3,960
Imports from the U.S.	1,300	1,535	1,670
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 3

Sector Name: COMPUTER SERVICES

ITA Industry Code: CSV

The computer services sector was the most dynamic sector within the Italian Information and Communication Technology (ICT) market in 1999, and is expected to remain so in the next three years. Italian companies are increasingly investing in ICT solutions as a means to implement renewed business strategies and face the challenges of the new Web Economy.

Internet-related services to support intranet/extranet and electronic commerce solutions represent the area with the highest development potential in the short term. Italian companies are investing heavily in solutions and services related to the improvement of systems and network design and integration; web hosting; integration of Web and e-commerce solutions with ERP, Supply Chain Management and Customer Relationship Management solutions; data warehousing solutions to support knowledge management, decision support systems, business intelligence, document management, integrated logistics, sales force automation, and customer care services. Other services that are developing rapidly are transaction and payment management, Internet customer service, e-procurement and security management, production procurement, maintenance, repair and operating (MRO) solutions, home banking, and online financial services.

The growing complexity of technologies, resulting from the convergence of information

technology and telecommunications and from the widespread utilization of the Internet and Intranet, is leading Italian companies to resort increasingly to external service providers to supplement their in-house capabilities.

Global outsourcing and "selective" outsourcing services (data processing, hardware/software maintenance, applications management, network management, desktop management and disaster recovery services) will be increasingly utilized as tools to operate efficiently and cost-effectively.

The U.S. dominates the market and its superiority in this sector is widely recognized. Good opportunities exist for new-to-market U.S. companies offering highly specialized and integrated services and who are willing to team up with well-established Italian firms.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	7,125	7,740	8,100
Sales by Local Firms	4,985	5,060	5,250
Exports by Local Firms	215	310	320
Sales by Foreign-owned Firms	2,355	2,990	3,170
Sales by U.S.-owned Firms	1,765	2,230	2,360
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 4

Sector Name: FRANCHISING

ITA Industry Code: FRA

Franchising plays a significant role in the Italian economy and is perceived as the most innovative way to introduce a new business concept in Italy. Franchising has been growing at an average annual rate of 11 percent over the last few years and forecasts for the next three years indicate that this same rate will be maintained.

The total number of franchisors is in the range of 550, while franchisees are estimated at over 27,000. In 1999, the total turnover of the franchising sector was in excess of \$11 billion, representing close to 3 percent of the total retail and services in Italy. The total number of employees in franchising operations has risen to 73,000.

The highly fragmented Italian retail distribution system is gradually being replaced with more modern distribution methods. Some of the greatest obstacles to franchising are being removed, and despite complex bureaucratic hurdles, there has been continued expansion of new and existing franchising operations.

The most dynamic sectors are services, with 198 franchisors; personal items, with 117 franchisors; and food chains, with 27 franchisors. Adaptability to the Italian business and cultural environment and flexibility in setting master license fees are key factors for the successful introduction of a foreign franchise.

The number of U.S. companies operating through a master franchisee is 33, out of a total of 74 foreign franchisors present in Italy. France is second both in terms of franchisors and franchising units. The Italian business community views American franchise companies with a very open mind and recognizes their predominance in the sector.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	10,625	11,580	11,700
Sales by Local Firms	10,500	11,420	11,500
Exports by Local Firms	800	875	900
Sales by Foreign-owned Firms	925	1,035	1,100
Sales by U.S.-owned Firms	580	710	750
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 5

Sector Name: MANAGEMENT CONSULTING SERVICES

ITA Industry Code: MCS

The Italian market for management consulting was estimated at USD 1.8 billion in 1999 (excluding earnings additional to fee income, such as revenues from outsourcing activities, software licenses, etc.). Consulting is having an unprecedented period of growth in Italy, with yearly increases of 15% or more. Corporate strategy consulting accounts for about 40% of total fee revenues (with strategic planning and organization development totaling 15% and 13% respectively). Information technology consulting follows with 32% of total revenues (with “pure” IT consulting totaling 13% and IT systems development/integration 16%). Operations management and human resources

consulting total respectively 20% and 8% of total revenues. In 1999, the manufacturing sector was the biggest purchaser of management consulting services (32%), followed by the banking and insurance sectors (29%), the communication and transportation sectors (19%), and the central & local governments (8).

The market in Italy is comprised of about 800 firms with 22,000 people, and is divided among global competitors (most of which are of U.S. origin) offering a full-range of state-of-the-art products, a few “national champions”, and a number of local or niche players and “gurus”. Concentration is high, with the top 20 firms making up about 40% of overall fee revenues. Multinational firms are said to make up as much as 60% of the market.

Most big multinational consulting firms are well established in the Italian market. The largest consulting firm in Italy is Andersen Consulting, which recorded sales in excess of USD 370 million in 1999 and employs over 3,000 people. In addition to consulting, Andersen Consulting (like other important consulting firms) provides solutions and technology in the area of information services, as well as outsourcing services in the area of administration and financial control. The top Italian firms include Consiel, Praxi, Soges, Elea, Monitor, Value Partners, and GEA.

Issues such as e-business, implementation of ERP systems, globalization/internationalization, mergers and acquisitions are said to be key drivers for management consulting services in the near future. Both private and public organizations offer opportunities. Public service companies and government agencies are slowly but steadily re-organizing and reviewing their operations to achieve higher efficiency. In particular, utility companies -- which used to hold monopoly positions in the telecommunications, energy, and transportation sectors -- are now faced with challenging liberalization and privatization processes.

A solid knowledge of the local regulatory environment and market conditions, as well as unique know how in specialized sectors/functions and adequate international experience have become pre-conditions for effectively competing in this market. American consulting firms considering entering the Italian market should therefore explore the possibility of teaming up with Italian partners.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	1,580	1,750	1,850
Sales by Local Firms	700	770	815

Exports by Local Firms	60	70	75
Sales by Foreign-owned Firms	940	1,050	1,110
Sales by U.S.-owned Firms	660	740	780
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 6

Sector Name: AIRPORT AND GROUND SUPPORT EQUIPMENT

ITA Code: APG

After a difficult period that lasted until 1997, the Italian market for airport and ground support equipment is showing signs of substantial recovery. This is due to resumption of expenditures for capital equipment by both central and regional governments, in order to face the increasingly stronger European competition. In addition, the preparation for the massive passenger traffic anticipated for the current Jubilee year has prompted increased public and private expenditures and near term investments for airport expansion, (i.e. traffic control systems at the new Milan International Airport “Malpensa 2000”), upgrading of existing infrastructures (i.e. Naples Capodichino airport, Rome Leonardo da Vinci airport) and purchase of ground support equipment and systems. All the above works were deemed necessary to meet world standards of safety, performance and system maintenance.

Among the 88 Italian airports, 14 have been selected for upgrading air transportation management and passenger/cargo terminal facilities. In addition to the central government and regional financing, USD 500 million are expected to be spent in the current year by private enterprises. Most of the activity is concentrated in the 7 largest Italian airports whose passenger traffic amounted to some 50 million (over a national figure of nearly 62 million), split as follows: Rome (Fiumicino and Ciampino): 24,000,000; Milan (Linate and Malpensa): 16,000,000; Naples: 3,000,000; Venice: 3,000,000; Turin: 2,000,000; Bari: 1,100,000; Genoa: 900,000.

As U.S. technology and design is highly regarded by Italian airport and ground support equipment operators, U.S. manufacturers should be able to successfully compete against the increasingly strong efforts of companies from European countries such as Germany, France and U.K. U.S. industry which supplies nearly 25% of the total market, is likely to improve its share in the next year.

DATA TABLE:

(USD Millions)	1998	1999	2000
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	(actual)	(actual)	(estimated)
Total Market Size	2530	2500	2550
Total Local Production	1880	1860	1900
Total Exports	780	775	795
Total Imports	1430	1415	1445
Imports from the U.S.	660	650	675
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 7

Sector Name: INSURANCE SERVICES

ITA Industry Code: INS

Total direct insurance premiums (exclusive of re-insurance) collected in Italy in 1999 increased 20 percent in nominal terms, with an extraordinary 34 percent increase in the sale of life insurance, surpassing for the second consecutive time the total amount of casualty insurance premiums and representing almost 58% of the entire Italian insurance business. This remarkable increase is a direct consequence of the increasing uncertainties regarding the guarantees offered by the Italian state pension and health systems. Among the factors which contributed to such a lively trend, is the necessity of Italian households to increase the proportion of savings set aside for retirement needs, and their reduced preference for cash assets (a result of the drop in interest rates together with the positive development of the financial markets). In addition to the greater attention paid by the population to welfare problems, the growth in life insurance is also due to the variety of distribution channels and the expansion of index-linked and unit-linked policies.

Among the first top ten companies operating in the sector are eight large Italian insurance companies led by "Assicurazioni Generali". Foreign-owned insurance companies, which have been quite aggressive in the market, maintain an estimated market share of 30 percent. Countries whose firms have the strongest market presence are Germany, Switzerland and France (e.g. "Ras", "Lloyd Adriatico", "Axa Assicurazioni", "Winterthur Assicurazioni", "Zurigo").

The handful of U.S. companies presently doing business in Italy (namely "AIG Europe", "Cigna Life Insurance", "Chubb Insurance", "Prumerica Life" -- former "Pricoa Vita" -- and "Allstate" -- new entry) are estimated to have increased their performance by 17%, but still only still represent approximately 0.3 percent of the market. Nonetheless, U.S. companies are expected to take advantage of greater opportunities in Italy due to the liberalization of the EU insurance services market, as well as to the upcoming Italian fiscal incentives for insurance covers involving individual supplemental allowance and long term care plans (Italian Legislative Decree 47/2000 effective as of January 1, 2001).

The insurance industry will thus be playing a major role in Italy's financial markets, both as a source of capital and management for the newly created private pension funds and as a complementary system for the national pension and health systems. U.S. firms, which have operated in highly competitive environments, and have a long history and expertise, especially in life insurance, pension funds, individual retirement accounts, and health insurance, should take advantage of increased Italian need for insurance products. There is ample ground to believe that the Italian insurance industry will experience a further increase of 17% during the year 2000, with life insurance growing at about 23%.

Italy allows non-EC based insurance companies access to its market through local subsidiaries, branches or representative offices. Thus, in order to sell insurance products, a U.S. insurance company must set up in Italy at least a representative office which has to be authorized by ISVAP (Supervisory Institute of private and public-interest Insurance companies which monitors insurance activities in Italy). The license can normally be obtained in six months.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	57,674	65,875	70,060
Sales by Local Firms	54,791	67,193	72,035
Exports by Local Firms	14,419	21,080	22,995
Sales by Foreign-owned Firms	17,302	19,762	21,020
Sales by U.S.-owned Firms	197	220	240
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 8

Sector Name: TELECOMMUNICATION SERVICES

ITA Industry Code: TEL

The Italian telecommunication services market is estimated at over 25 billion dollars and is Europe's fourth largest. Results were strong in 1999, as the sector increased by an additional 15 percent, the third successive year of double-digit growth. (Due to currency fluctuations, it increased by 10 percent in dollar terms).

Once again, the mobile communications segment turned in the best performance, with an increase overall of 36 percent in value terms from 1998. As of December 31, 1999, there were 30 million active users of cellular telephones in Italy, a penetration rate of 53

percent of the population, compared with an average of 40 percent for Europe. Fixed line traffic revenues remained stable, increasing by 0.7 percent from 1998. Demand for data transmission services grew by 34 percent, as internet usage accelerated sharply during 1999, spurred by offers of free connectivity services by many operators. Non-corporate subscribers are estimated at 3.7 million (540,000 in 1998) and business subscribers at 1.5 million (246,300 in 1998). E-commerce is reported to have grown by 48 percent for the year; 79 percent of Italian companies are said to have a website. In the value-added services sub-sector, internet services (i.e. access/subscriptions, hosting, housing, web sites, intranets, portals, etc.) reported a record-breaking growth of 234 percent over 1998.

Future market indicators:

- the demand for data transmission services will continue to grow as internet usage expands further;
- quicker, better data and value-added services at substantially lower prices will be offered by an increasing number of competing operators;
- the cost of voice telephony will continue to decrease as new providers enter the market;
- five UMTS cellular phone licenses are to be awarded during 2000, with services to be operational starting in 2002.

In consideration of the market conditions described above, there are good business opportunities for U.S. companies with technical skills and expertise in website design and in e-commerce consultancy. Business-to-business e-commerce opportunities include internet access services, specialized services such as intranet/extranet and financial services. As Wireless Application Protocol technology for UMTS cellular telephony develops, there will be good prospects for internet services in the business-to-consumer market for publishing, internet music and videos, bookings for entertainment events, vacation and travel.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	32,988	25,320	28,358
Sales by Local Firms	22,758	25,070	28,058
Exports by Local Firms	---	---	---
Sales by Foreign- *Owned Firms	230	250	300
Sales by U.S.-*Owned Firms	20	30	50
Exchange rate:	1737	1818	2000

*Data not available from outside sources.

The above statistics are unofficial estimates.

Sector Rank: 9

Sector Name: PET PRODUCTS

ITA Industry Code: PET

The Italian pet market has recorded the highest growth rates in Europe over the past several years. At the same time, the market remains far from saturated. Research shows the role that pets play in Italy has become more important in recent years leading to the development of a strong and growing market for pet products.

The pet products market in Italy is estimated at USD 2.1 billion in 2000, increasing approximately 12 percent from the previous year. Trade sources have forecast increases of the same magnitude for the next few years.

Dog food is one of the sectors that is expected to increase the most, since the consumption rate of commercial food is still very low compared to other countries. While the “Mediterranean diet” (pasta and rice) is still prevalent in dog and cat diets, the market for industrial or commercial pet food has increased greatly in recent years. The pet care sector is experiencing remarkable growth. The trends towards “humanization” of pets has led owners to use specific products for their animal companions. In the pet accessories sector, the trend towards diversification is greater. The growth in this sector is due to the development of high technology products, as well as accessories that focus on the beauty, elegance and “personality” of pets and satisfy pet owner whims.

At the same time, imports play a major role in this market, especially in the pet food sector – with over one third of the total market. Over 50 percent of pet food and 20 percent of pet accessories are imported. U.S. brands are the leading imports, especially in the pet food sector, where they enjoy an excellent reputation and continue to be the market leaders.

Given these positive market conditions, the Italian pet products market has great growth potential and offers many opportunities for U.S. companies wishing to expand their sales internationally.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
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Total Market Size	1,890	2,060	2,100
Total Local Production	1,320	1,380	1,400
Total Exports	110	120	125
Total Imports	680	800	825
Imports from the U.S.	130	145	160
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 10

Sector Name: AUTOMOTIVE PARTS AND SERVICE EQUIPMENT

ITA Industry Code: APS

The demand in the 1999 Italian auto market exceeded all forecasts despite the expiration of State automobile purchase incentives. Automobile sales amounted to 2,349,200 units, slightly decreasing by 1.2%; sales of commercial vehicles actually rose 9% during 1999, reaching sales of almost 200,000 units, while heavy truck sales topped the previous 1989 record to reach 34,904 units, an increase of 34.2% over 1998.

The market for automotive parts and service equipment experienced an estimated 8% increase during 1999, with domestic production covering approximately 67% of the demand (up 4% compared to the previous year), and imports covering the remaining 33% (up 7% compared to the previous year). Sales of original equipment (OE) experienced an overall increase of 7% and accounted for 71% of total components demand (16% of which were covered by imports, which in turn increased 11 percentage points). Noteworthy is the fact that Italian car manufacturers tend to use imported components to a much lower extent (approximately 12%) than commercial/industrial vehicle producers (about 39%). Therefore, if the production of cars declines while the production of commercial/industrial vehicles grows (as was the case in 1999), the share of OE demand covered by the domestic component production decreases and the share covered by imports increases.

Aftermarket (AM) sales increased by 6% and represented 29% of overall components demand (well over half of which - that is, 61% - were covered by imports, which themselves increased by 9%). The exceptional market share of AM imports is attributable to the development of modern distribution channels and transnational operators, improved performance of foreign automotive organizations and greater competitiveness of imported products, especially due to the fall in the exchange rates of the currencies in many south-east Asian countries.

The main country suppliers are Germany (33%) and France (25%). Imports from the U.S. represent only 3% of overall imports. Italy has reportedly the highest auto density in the world and still has one of the oldest circulating auto fleets in Europe with approximately 36 million vehicles currently on the road. In the near future, a further boost to the renewal of the automotive fleet (with positive effects on OE sales) will result from the need to eliminate some of the many vehicles (currently 15 million) not equipped with catalytic converters due to the ban on the sale of leaded fuel in Italy scheduled for January 1, 2002. The higher frequency of periodic compulsory motor vehicle inspections and stricter pollution control regulations are also likely to spur sales in Italy of spare parts and service equipment.

Growth in U.S. auto parts, accessories, components and service equipment shipments to Italy is expected to experience a 6% average annual increase for the next couple of years. The U.S. industry is also supplying the Italian market primarily from its European subsidiaries and pursuing several joint ventures and “greenfield” investments. Best prospects include a wide range of passive and active security components/accessories, environmentally-friendly features, diagnostic apparatuses and light weight/acoustic insulation/advanced materials.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	20,295	21,022	20,500
Total Local Production	28,033	27,839	26,800
Total Exports	14,450	13,657	13,050
Total Imports	6,712	6,840	6,750
Imports from the U.S.	213	213	210
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 11

Sector Name: EDUCATION AND TRAINING SERVICES

ITA Industry Code: EDS

The education and training services sector includes: language training, comprising language courses in both Italy and abroad; post-university programs (master programs and doctorates); and executive management training programs. Language training, with

an estimated value of \$680 million in 1999, and postgraduate programs, with an estimated value of \$400 million, are the largest segments.

It has been estimated that only ten percent of Italians have a sufficient command of the English language to be able to use it in business transactions. On the other hand, the importance of possessing adequate language skills is becoming increasingly recognized in the era of globalization, and more and more Italians, both companies and individuals, are ready to invest time and money in order to learn foreign languages, particularly English. Therefore, language study abroad is a market with great potential. Estimates are that this segment will grow over 30 percent in the next three years, bringing the number of Italians studying a foreign language abroad from 1.2 to 1.7 million.

English is the preferred language for studying abroad by 64 percent of young people aged between 12 and 28, while this percentage goes up to 86 percent of the segment aged 12-17. Italian families are sending their children overseas to study/practice a foreign language because they consider the level of language teaching in traditional schools to be inadequate. Programs in the United Kingdom hold the lion's share of this market. However, there is an increasing trend towards studying in the U.S, because of the growing demand for higher quality programs that also includes a wide range of extra curricula activities.

Another market in which the U.S. has a larger and increasing share, is that of postgraduate education. In 1999, approximately 3,000 Italians obtained a J1 visa, which is granted to such students. This figure is still low compared to other European countries. However, increasing cooperation between the U.S. and the European Union in educational exchange programs, as well as numerous bilateral agreements between Italian and U.S. universities is likely to increase the number of Italian students and young researchers who go to the U.S.

Finally, there is growing demand for executive management programs, both in the public and private sectors. Italian enterprises are increasingly recognizing the need to restructure their organizations to meet international competition and develop a global strategy for their markets. The public sector at national and regional levels is also seeking to reorganize its operations in order to reduce expenditures while providing services more efficiently.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	1170	1230	1170

Sales by Local Firms	580	600	550
Exports by Local Firms	30	30	30
Sales by Foreign-owned Firms	620	660	650
Sales by U.S.-owned Firms	125	140	145
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 12

Name of Sector: ELECTRIC POWER SYSTEMS

ITA Industry Code: ELP

Italy is heavily dependent (nearly 80% of energy requirements) on foreign sources of energy and this fact strongly influences its energy policy. The economic strain experienced in the past years slowed down the implementation of the National Energy Plan (PEN), including investments in energy equipment and systems. Nevertheless demand for electric power has continued to increase, resulting in substantial imports of electricity from neighboring countries such as France, Switzerland and Austria. Italy decided to ban nuclear power for energy production in 1994 and, as a consequence, both the government and the industry are seeking alternatives to traditional energy production systems. In the last few years there has been a shift from oil/coal to oil/gas for energy production. Government policy is focusing on investments in energy production (including incentive to self producers), diversification of energy sources, promotion of energy conservation technologies and utilization of alternative renewable sources. Consequently, and as a result of the EU Directive on Electricity, ENEL, the National Electricity Company, which still produces and distributes almost 80% of total electricity, is being privatized, and the country will open its market to both domestic and foreign competition. Although market liberalization is expected to stimulate increased demand for electric power systems, independent power producers have been holding off major investments until the new regulations governing the market are clarified.

Although still comparatively small (representing only 5-6% of the total market) there is growing interest in alternative sources of energy, especially for high-tech and sophisticated design in sectors like wind energy generation equipment, solar energy generation equipment (especially photovoltaic) and biomass. These renewable sources should reach 10% of the total energy production by 2003. There is good market potential also for advanced fuels systems, peak-load gas turbines and cogeneration systems.

European competition is strong and growing through a number of mergers and acquisitions aimed at achieving increasingly larger market shares. U.S. firms should concentrate their efforts on innovative products/systems while strengthening their

leadership in licensing and technical cooperation, since the majority of Italian manufactured heavy electrical machinery is made under U.S. licenses.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	5790	5730	5560
Total Local Production	6020	5960	5780
Total Exports	1930	1910	1880
Total Imports	1700	1680	1660
Imports from the U.S.	320	320	310
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 13

Sector Name: MEDICAL EQUIPMENT

ITA Industry Code: MED

The National Healthcare System (SSN) is by far the major healthcare provider in Italy and it guarantees almost totally free medical care to all 57 million Italians. The Ministry of Health establishes the fundamental objectives of healthcare, including preventive care and rehabilitation, defines the level of healthcare guaranteed to all citizens and issues guidelines for the organization, delivery and funding of healthcare services paid by the SSN. The 20 Italian Regions, which now have the primary role in setting and implementing healthcare policies, are responsible for developing regional health plans and for organizing and delivering healthcare services through local "Health Units".

Public hospitals account for 75 percent of total expenditures for medical equipment and products, with the balance being held by private healthcare facilities. Private healthcare expenditures are increasing at a higher pace than public expenditures. In addition, the SSN purchases a significant portion of healthcare services from private providers. The SSN has jurisdiction over 1,005 public hospitals with a total of 311,000 beds. The private healthcare service providers account for 790 private and independently operated clinics, with a total of 75,000 beds. The latest trend shows an increase in the number of private healthcare facilities over public hospitals.

The Italian market for medical equipment relies heavily on imports. Major suppliers are the United States and Germany. The domestic production is limited for most of the more sophisticated and hi-tech medical equipment and products, those for which investments in R&D are of critical importance. Local production is good in such areas as radiology,

dental and ultrasonic equipment. A large percentage of the medical equipment in use is obsolete, with potentially adverse effects on patients. In recent years, the local health care market has suffered from drastic cuts in public expenditures in an effort to reduce overall public expenditures. Prices are considered to be the primary factor in purchasing decisions. Effective June 1998 Italy has implemented a special certification program, known as CE mark, which is an EU-wide certification standard covering the majority of medical products, equipment and services.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	2,580	2,610	2,550
Total Local Production	1,056	1,065	1,040
Total Exports	279	285	280
Total Imports	1,803	1,830	1,790
Imports from the U.S.	996	1,020	1,000
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 14

Sector Name: Pollution Control Equipment and Services

ITA Industry Code: POL

The Italian pollution control equipment and services market continues to be one of the best prospects for U.S. products, technologies and services. Italy is giving increasing attention to the protection of the environment. Although Italy has lagged behind its industrialized European neighbors in safeguarding the environment, it has recently stepped up its efforts.

The government has implemented EU directives on waste, hazardous waste, and waste packaging and is moving forward in their application. Italy has also enacted a "Water Safeguard Law," a comprehensive reform of Italy's water quality/discharge, and more restrictive air pollution control legislation. The more stringent water legislation and higher water and waste water charges are likely to stimulate the modernization of industrial water and waste water treatment plants. Recent legislation also requires the creation of monitoring networks by utilities and industries which have major environmental impact, such as power plants, oil refineries, and chemical industries. Opportunities exist in the industrial applications market for air analysis equipment, as

well as for continuous monitoring systems, control instruments, dust collectors and other pollution control equipment. Waste-to-Energy systems and technologies are also likely to represent an excellent market for air pollution control equipment.

The Italian industry is largely dependent on foreign expertise for know-how. In particular, U.S. products and technologies are very highly regarded. Competition in the marketplace is fierce, but demand is strong for truly innovative products and services. Moreover, Italy's strategic position in the Mediterranean Basin makes it an ideal gateway to other emerging markets. Italian companies specializing in turnkey operations have strengthened their position in foreign markets. American companies that team up with well-established local firms will have the greatest opportunities for success.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	4,292	4,390	4,170
Total Local Production	3,893	3,982	3,783
Total Exports	475	485	461
Total Imports	874	893	848
Imports from the U.S.	388	397	377
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Sector Rank: 15

Sector Name: TRAVEL AND TOURISM

ITA Industry Code: TRA

Italy ranks fourth among the world's top tourism destinations, and second in total receipts. At the same time, Italy is a country where taking a vacation is a must and a national tradition. In 1998, Italian residents made almost 93 million trips with at least one night out, and 85 percent of these trips were for vacation purposes.

Italy is also becoming an important source for international tourism. The number of outgoing flows has significantly increased in recent years. Italy recorded a boost of 30

percent from 1995 to 1998 in outgoing, bringing the number of Italians travelling abroad every year to over 20 million. Since 1997, Italy is also the fifth largest spender in international travel.

Italians travel abroad to get acquainted with different cultures, learn languages, seek new ideas, experiment new technologies, and use their leisure time to its fullest. For this reason, the number of Italian visitors to the U.S. keeps growing, despite an increasingly unfavorable exchange rate. In 1999, the arrivals exceeded 626,000, a three percent increase over 1998. Consequently, Italy remains the sixth most important overseas market for the U.S. tourism industry.

The U.S. is the most preferred long haul destination for Italian tourists. The number of repeat visitors is also increasing steadily. In addition to New York, California and Florida, which are the states most visited by Italians, there are several emerging destinations such as Nevada, the Rocky Mountain Region, and New England. The success of the latter destinations is directly related to the targeted marketing and promotional efforts that the tourism authorities of those states have devoted to the Italian market.

DATA TABLE:

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Holiday expenditures	64,500	62,000	59,600
Domestic Travel	47,100	45,400	43,700
Incoming Travel	29,800	28,400	28,100
Outgoing Travel	17,400	16,600	15,900
Travel to the U.S.	2,600	2,450	2,400
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

B. BEST PROSPECTS FOR AGRICULTURAL PRODUCTS

The Italian diet has become an international reference point as it combines both Continental and Mediterranean eating habits. Italians have access to a broad range of fresh foods due to their own wealth of agricultural production. However, they remain fairly traditional in their food habits. While the per capita volume figures paint a picture of a fish and vegetable hungry Mediterranean nation, the per capita value figures also point to a group of health conscious modern consumers willing to pay a premium for quality food products. While the recent economic recession put a damper on luxury food

sales and expensive restaurant visits, Italy still spends more per capita on food than any other EU country except Portugal.

Both American style fast food chains and American style buffet/salad bars are establishing themselves more firmly in the Italian market. This move toward cheaper and more convenient dining has led Italian importers to seek out U.S. food products adapted to self-service eateries. Many bars, restaurants and food service companies also are seeking foods that microwave easily. While home use of microwaves is still low, microwaves sales are increasing. Families with two working parents in the cities are relying more and more on microwaves to reheat food and prepare frozen foods.

Italy imports and produces a large quantity of "American style" foods such as breakfast cereals, organic foods and snack foods. The Italian youth market is especially interested in lifestyle foods such as American beer and salted corn chips. Finally, American packaging is perceived as being more sophisticated and more consumer (and environment) friendly.

Trade journals predict that Italian companies will be seeking more foods that meet U.S. standards of quality control and FDA labeling. American style innovations in food marketing (i.e. cross brand marketing) is predicted to be a U.S. driven trend in Italy within several years. Finally, Italians are looking to the U.S. for a better understanding of organic and low fat foods.

Finally, U.S. origin products do very well in the Italian seafood market (i.e. fresh lobster and frozen squid, etc.) and U.S. exports of bulk and packaged dried fruits and nuts including popcorn are on the upswing and expected to rise in the next year.

In addition to high-value products, U.S. companies also should look for opportunities to supply Italian export industries with raw materials. Forest products remain the most important U.S. export to Italy. While the value has increased slightly, the volume of imports decreased as a direct result of the higher value of the U.S. dollar versus the Italian lira. The Italian forest product market is characterized by the import of raw materials for manufacturing finished products for export. The Italian economy also affects domestic purchases of these products, but a strong foreign demand is compensating for the weak demand in the domestic market.

Forestry Products

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	na	na	na
Total Local Production	na	na	na

Total Exports	180	182	182
Total Imports	3,518	3,508	3,500
Imports from the U.S.	245	233	240
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Pet Food

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	na	na	na
Total Local Production	na	na	na
Total Exports	5	5	5
Total Imports	236	214	230
Imports from the U.S.	31	17	20
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

Seafood

(USD Millions)	1998 (actual)	1999 (actual)	2000 (estimated)
Total Market Size	na	na	na
Total Local Production	na	na	na
Total Exports	34	32	33
Total Imports	2,222	2,167	2,200
Imports from the U.S.	48	47	49
Exchange rate:	1737	1818	2000

The above statistics are unofficial estimates.

C. SIGNIFICANT INVESTMENT OPPORTUNITIES

The Italian Government will spend 90,000 billion lire (US\$ 45 billion) in EU “objective one” structural funds and matching national funds in southern Italy as part of the 2000-2006 EU spending program. Additional EU funds will be spent in disadvantaged parts of Italy under “objective two” funding, for certain areas in Northern and Central Italy.

The Italian government’s overall strategy for southern Italy focuses on reducing barriers

to domestic and foreign private sector investment: strengthening law and order, fostering the spirit of innovation, reducing the underground economy, and boosting tourism. Natural resources will receive 19.7% of total funding (4.2 billion Euros and service networks (security, transportation, telecommunication, and sanitation infrastructure) are slated for 18.9% (4 billion Euros). The tourism infrastructure sector is to receive some 800 million Euros. Environmental protection projects are slated to receive 7.7% for a total of 1.6 billion Euros from the natural funding for resources.

The Italian government, which has had to return unused EU funds in the past, is determined to ensure that it can program its full share of funds allocated by the EU.

Some 50% of the EU funds for southern Italy will be spent in 2 regions – the Campania region, including Naples, and Sicily. Campania will receive over 25% of the funds for southern Italy or almost 4 billion Euro. That region, home to Capri, the Amafi Coast and the Sorrento peninsula, boasts significant tourism sector opportunities and environmental projects. Another 25% will go to Sicily where, thanks to its special autonomous status, U.S. firms participating in investment projects in Sicily can benefit from additional regional grants from the Sicilian regional government.

The Italian Government's determination to make full use of EU funds provides opportunities for U.S. firms to partner with European firms and regional governments on realizable projects. U.S. firms can also partner with Italian firms on investment projects in under-developed areas. In these cases, the venture can receive up to 50% of the funds required for land, buildings, equipment, and feasibility studies in grant form from the EU. Promising areas for American firms include franchising of lodging facilities, airport expansion projects, theme park, and golf course developments. Opportunities are also available for firms with advanced environmental technologies for waste disposal and soil and water clean up.

For information on infrastructure projects in southern Italy, American firms should contact the Commercial Service at the U.S. Consulate in Naples.

VI. TRADE REGULATIONS, CUSTOMS AND STANDARDS

TRADE BARRIERS

Broadcast Directive and Motion Picture Quotas

Italy passed legislation in 1998 to significantly tighten European content requirements (TV quotas). The new law replaces Italy's previous requirement that a majority of

television broadcast time for feature films be reserved for EU-origin films, and that half of the European quota be dedicated to Italian films. The new quota goes beyond the EU "Broadcast without Frontiers" Directive by applying quotas specifically to prime time broadcasting, and by excluding talk shows from the types of programming that may be counted towards fulfilling the quota. (The Directive excludes only news, sports, game shows, advertising, teletext and teleshopping. The Italian law excludes these categories as well, but additionally excludes talk shows.)

A separate but related issue concerns films shown in Italian theaters. After eliminating obligatory screen quotas for Italian films in 1994, Italy reinstated EU content quotas specifically for multiplex cinemas in Fall 1998, at the same time including building restrictions on new multiplexes in order to minimize competition with existing cinemas. The quotas require that multiplexes devote 15-20% of seats, in at least three theaters per multiplex, to EU content on a "stable" (daily) basis. The United States continues its efforts both to obtain elimination of discriminatory laws and regulations in the audiovisual sector and to limit their impact in the interim.

Civil Aviation

Italy and the United States agreed on an "Open Skies" civil aviation regime in 1999. This is expected to liberalize the Italy-U.S. air travel market dramatically and, indeed, within the first eight months after the agreement was signed, several U.S. air carriers began new passenger or cargo service linking Italy with Chicago, Detroit and other cities.

Government Procurement

In Italy, fragmented, often non-transparent government procurement practices and previous problems with corruption have created obstacles to U.S. firms' participation in Italian government procurement. However, Italy has made progress in making the laws and regulations governing government procurement more transparent, although Italy has not yet fully updated its government procurement code, nor has it completely implemented EU directives on government procurement. In addition, the pressure to reduce government expenditures while increasing efficiency is resulting in increased use of competitive procurement procedures and greater emphasis on best value rather than automatic reliance on traditional suppliers. This trend is benefiting U.S. firms; to successfully meet the bureaucratic requirements, however, most firms rely on experienced local representatives and/or agents.

CUSTOMS REGULATIONS/TARIFF RATES/IMPORT LICENCE REQUIREMENTS

Prior to signing a long-term contract or sending a shipment of considerable value, it may be prudent for a U.S. exporter to first obtain an official ruling on the customs classification, duty rate, and taxes. Such requests should be sent to the Ministry of Finance's Customs Department, Rome, Italy (see "Customs Contact Information" at the end of this Section). The request should describe the product, the material it is made from, and other details needed by customs authorities to classify the product correctly. While customs will not provide a binding decision, the advance ruling usually will be accepted if the imported goods are found to correspond exactly to the full description provided when requesting the ruling.

With exception of a small group of largely agricultural items, practically all goods originating in the United States and most other free-world countries can be imported without import licenses and free of quantitative restrictions. There are, however, monitoring measures applied to imports of certain sensitive products. The most important of these measures is the automatic import license for textiles. This license is granted to Italian importers when they provide the requisite forms.

Various apparel and textile products, and controlled items such as arms and munitions are the most frequently regulated items. Import licenses are generally rapidly granted for goods of U.S. origin and delays are usually from lack of proper documentation or information.

Licenses are not transferable. They may be used to cover several shipments within the total quantity authorized. In general, the goods involved are indicated on the license by the Harmonized System classification number and the corresponding wording of the tariff position.

VALUE-ADDED TAXES

While customs duty rates are the same for all 15 EU countries, the value-added tax (VAT) and excise tax on products and services usually differ from country to country. These taxes are levied in the country of final destination. Following is the schedule of VAT rates presently applicable in Italy:

Zero rate: Applies to exports outside the EU and supplies of goods to entrepreneurs in other EU states, sales of ships and aircraft and related parts, and supplies (with certain limitations) and specified services relating to international operations;

4%: Applies to numerous basic agricultural products, basic foodstuffs (i.e. bread, milk and fruits), certain medical aids, books and newspapers;

10%: Applies to certain agricultural products, transportation services for individuals, most foodstuff, livestock and meat, most pharmaceutical products, energy for private use, telecommunication services rendered through public phones (tlc for private use are at 20% rate), services rendered by hotels and restaurants and the cost of domestic airline tickets;

20%: As the standard rate, applies to all goods and services not subject to other rates (including most of the goods previously subject to the 12% rate – i.e., shoes, textiles, records and tapes).

TEMPORARY GOODS ENTRY REQUIREMENTS

Temporary Imports

Material may temporarily be imported into Italy without payment of duties and tax if such material is to be used in the production or manufacture of a product that is to be exported. The importer gives security, usually in the form of a guarantee from a bank or insurance company, for the amount of the usual duties and taxes. Upon exportation of the finished product, the guarantee is released or the deposit returned.

Temporary entry of goods intended to be reexported in the same condition is permissible free of import duties and taxes upon approval of an application by Italian Customs.

Samples without commercial value are admitted free of duty and taxes. Product literature should be marked "product Literature - no commercial value". Samples with commercial value are also admitted duty and tax free, provided that the following conditions are complied with:

- (a) The samples are accompanied by a representative of the U.S. firm with a statement, notarized by an Italian Consulate, identifying the commercial traveler and attesting to the intention that the samples are being imported into Italy for the purpose of being shown or demonstrated and they are to be reexported in due course.
- (b) A certificate of origin from a recognized chamber of commerce is submitted to identify the source of the goods.
- (c) A deposit or bond, in the amount of the applicable customs duties and taxes, is made at the point of entry. This will be refunded when the goods are reexported.
- (d) A list (in duplicate) with a full description of each sample, including weight and value, is submitted. It is helpful to have such a list in Italian.

U.S. traders should be aware of another and more simplified procedure in the form of a carnet for the temporary importation of samples without posting guarantees. See the "Carnets" section located in Chapter IX: Business Travel (under Temporary Entry of Goods).

In practice, samples valued in excess of lira 1 million (or about 1,250 USD) are practically impossible to clear through Italian customs. In such cases, it is advisable to engage the services of a local freight forwarder.

Goods in Transit:

Goods may clear customs with an EU transit procedure that provides for the issuance of a single transit document under which the goods may be easily shipped across frontiers of the EU member states. These transit documents are completed for the importer by a freight forwarder in Italy. The EU transit document provides the basis for a single, comprehensive procedure covering the goods within the EU. Since single transit document is an EU form, the European importer, customs house broker, freight forwarder, or shipper must prepare the document at the point of entry.

Inward and Outward Processing

Inward processing is the temporary importation of raw material or products for additional manufacture or processing. Merchandise imported for additional processing and eventual reexport out of the EU is eligible for custom-free treatment.

The reexported goods may be partly or totally processed. The import duty and taxes are levied only on those goods that are not reexported and are finally sold in the EU.

To qualify for inward processing, an Italian (or EU) firm must satisfy customs that it is necessary to use imported goods instead of EU goods; state an intention to export products manufactured from the imported goods (or equivalent goods available in the EU); and assure that, upon reexportation, the conditions set forth in the authorization are satisfied, the exported products are accounted for, and the entered goods are identifiable and relate to specific importations.

In outward processing, a firm in Italy may export goods for further manufacture or processing from the EU customs area and then reimport the final product. Duties and taxes are levied only on the increased value added by the expatriate manufacturing or processing when the goods are returned to Italy and not to the total value of the product. Only firms located in Italy or another EU country are eligible to take advantage of this option, and they should first gain approval of the Customs authorities.

SPECIAL IMPORT/EXPORT REQUIREMENTS AND CERTIFICATIONS

Documents required for exporting include the usual shipper's commercial invoice and the bill of lading or air waybill, none of which require consular legalization. For textiles and apparel, it is good practice to provide a certificate of origin, available through most state chambers of commerce. For other products, however, if substantive proof of U.S. origin is provided through other accompanying documents as well as through characteristic trademarks, a certificate of origin is not normally necessary. For additional information or assistance on export documentation, readers should consult publications such as the Exporter's Encyclopedia, published by Dun's Marketing Services or contact a local U.S. Department of Commerce International Trade Administration Export Assistance Center.

LABELING REQUIREMENTS

There is no general requirement that imports be marked as to country of origin. Under Italian legislation, the origin of imported merchandise is established through documentation accompanying the shipments arriving in Italy and not through marking of products or their containers. Certain specified commodities, however, must be marked or labeled to show composition, and name and location of manufacturer, in accordance with various laws and regulations. The following articles are subject to special marking or labeling regulations: lime, cement and similar binding agents; pianos, automatic pianos, harmonicas and similar instruments; clinical thermometers; ethical medicines; cosmetics. Hallmarking of gold and silver articles is required before they can be offered for sale. Only small tolerances are allowable for manufacturing errors. The hallmarking may be done by a hallmarking office after importation.

Italy uses the metric system of weights and measures, which is called the International System of Units (SI). The European Community has established standardized packaging units for numerous products which should be consulted by U.S. exporters. Labeling must be in metric units for all imported products to be sold in Italy. Products are allowed to be imported and then labeled in SI metric units prior to sale. Dual labeling information is permitted, but the nonmetric information must not predominate.

Imports of certain commodities such as packaged foods, distilled spirits, beer, wine, vinegar and foodstuffs are subject to special regulations regarding the manner in which they must be labeled to show manufacturer, composition, content (in metric units), and country of origin. In view of the complexity of these regulations and changing requirements, information should be requested from the importer prior to shipment. When the services of an importer are not available, information can be obtained directly from the appropriate Italian Government authority listed at the end of this publication. For agricultural and food products, see "Trade Regulations and Standards for Agriculture" below.

PROHIBITED IMPORTS

There are a number of Italian regulations and European Community directives that prohibit certain foodstuffs, food colorings, drugs and narcotics, animal products, plants, seed grains, alcohol, cosmetics and toiletries, etc. It is therefore recommended American exporters contact the Italian importer prior to the shipment or use their freight forwarder to make the determination.

WARRANTY AND NON-WARRANTY REPAIRS

Import duties and taxes are not imposed on products exported from Italy, if the item which is shipped back is the same to return to Italy.

Shipments of replacement parts to Italy, however, are subject to duties plus VAT, even if shipped for a product under warranty.

EXPORT CONTROLS

For the purpose of national security, foreign policy, or the short supply of materials, the United States controls the export of goods and technology by two broad categories of export licenses -- general and validated.

The vast majority of U.S. exports are shipped abroad under general licenses that do not require formal application or approval. To determine which kind of export license is required, exporters should consult the U.S. Export Administration Regulations for complete details or obtain assistance from the local U.S. Department of Commerce district office.

As an overview, the first step in the export licensing process is to determine whether a product requires a general or validated license. Determine what is being exported, the destination of the product, its end-use, and the organization that will be using the product. Check the schedule of Country Groups listed in the U.S. Export Administration Regulations to determine the destination category; check the Commodity Control List to determine if the product requires a validated license for shipment to that particular country; and determine if any special restrictions are in effect.

If the product is not on the control list, then it can be exported under a general license. The U.S. exporter simply completes the "U.S. Shippers Export Declaration", Form 7525-V, providing details of the shipment; includes a commercial invoice; and exports the goods. If the product is on the control list, a validated license is needed. An

application must be made and an export license granted. As a general rule, an exporter will need a validated license (1) if the products are controlled or in short supply regardless of the country of destination; (2) for any commodity to a destination with foreign policy concerns; or (3) for unpublished technical data to certain destinations. Certain special licenses are also issued to cover large projects or repeated sales through a foreign distributor.

For assistance in determining what type of license is needed and to initiate the processing of an application, contact your local Department of Commerce district office or the Bureau of Export Administration, Office of Export Assistance, Room H-1099D, U.S. Department of Commerce, Washington, DC 20230, (202) 482-4811.

STANDARDS

As a member of the EU, Italy applies the product standards and certification approval process developed by the European Community. Italy is required by the Treaty of Rome to incorporate approved EU directives into its national laws. However, there is frequently a long lag in implementing these directives at the national level. In addition, in some sectors such as pollution control, the uniformity in application of standards may vary according to region, further complicating the certification process. Italy has been slow in accepting test data from foreign sources, but is expected to adopt EU standards in this area. U.S.-EU negotiation of mutual recognition agreements should, over time, reduce problems in this area. In the Spring of 1997 the U.S. and EU concluded mutual recognition agreements in the following areas: network and electromagnetic compatibility (EMC) for telecommunications and information technology equipment and radio transmitters; EMC and electrical safety for electrical and electronic products; good manufacturing practices inspections for pharmaceutical products and certain medical devices; product assessment for medical devices; and safety of recreational craft.

As part of the unification program to establish common standards for all member countries, key product areas are being regulated by the EU. Mandatory requirements to protect the health and safety of consumers, as well as the environment are constantly being developed and implemented. To indicate conformance to the mandatory EU requirements, a CE mark must be placed on all regulated products by the manufacturer or a representative before they can be sold on the EU market. The applicable product testing and certification requirements for individual product categories are specified in the various EU directives. The CE mark relates only to the mandatory health, safety, and environmental requirements established by the EU; it does not indicate conformity to European product standards. Thus, national marks of conformity with product standards remain compatible with the CE mark and both may be applied to the product. It should be noted, however, that the CE mark does replace all national safety marks for the regulated products.

U.S. firms exporting to Italy are confronted with both national and EU standards for many products. Further, these regulations occasionally change to meet new technology and more stringent demands. Exporters can stay fully informed of the latest EU technical standards activities by contacting the Standards Information Service of the National Institute of Standards and Technology (NIST) at (301) 975-4040. A part of the U.S. Department of Commerce, NIST offers industry an in-depth reference system on EU standards information gathered from the two European standards bodies tasked to write the EU norms --the European Committee for Standards (CEN) and the European Committee for Electrotechnical Standardization (CENELEC). NIST also can provide updated information from the EU which will elaborate on directives and provide assistance in identifying EU and member state standards and regulations. For more information, contact NIST at (301) 975-4038.

Other valuable sources of information with regard to Italian standards include: the American National Standards Institute, 1430 Broadway, New York, NY 10018, (212) 354-3300; the Department of Commerce's National Technical Information Service, Springfield, VA 22161, (703) 557-4733; UNI, Ente Nazionale Italiano di Unificazione, Via Battistotti Sassi, 20133 Milan (Italian National Bureau of Standards); or through the various trade associations that follow international activities for their membership.

FREE TRADE ZONES / WAREHOUSES

There are two free trade zones in Italy located in Trieste and Venice. Goods of foreign origin may be brought in without payment of taxes or duties, as long as the material is to be used in the production or assembly of a product that will be exported.

Benefits of a free-trade zone include:

- customs duties deferred for 180 days from the time that the goods leave the free-trade zone to enter another EU country;
- the goods may undergo any transformation free of any customs restraints;
- absolute exemption from any duties on products coming from a third country.

The free-trade zone law also allows a company, of any nationality, to employ workers of the same nationality, under that country's labor laws and social security.

Italy also has numerous general warehouses that are located throughout Italy in all the port areas and cities. There are no limitations as to the type or origin of merchandise that can be stored in free trade zones or bonded or customs warehouses. The time limit

for such storage is 5 years. Merchandise deteriorated while in storage can be destroyed without payment of duty.

The advantage of a free trade zone or bonded warehouse to American firms is having a European base of supply to assure customers prompt delivery and service. Being able to maintain inventory at low cost with a minimum of customs paperwork is also a distinct advantage.

MEMBERSHIP IN FREE TRADE ARRANGEMENTS

Italy has been a member of the European Union (EU) since its inception in 1958. The other EU members are Belgium, Denmark, France, Germany, Greece, Ireland, Luxembourg, the Netherlands, Portugal, Spain, the United Kingdom, Austria, Finland and Sweden. Other countries have applied for membership. The EU forms a customs union and a large unified market having free trade among the member states. It levies a common tariff on imported products coming from non-EU countries such as the United States, Japan, and Canada. The EU also has a common agricultural policy, joint transportation policy, and free movement of goods and capital within the member states. Other aspects of commercial activity are being harmonized.

The EU grants tariff preferences to more than 100 developing countries and about 40 overseas territories under the EU's Generalized System of Preferences (GSP). Imports of nearly all semimanufactured and manufactured goods originating in these countries and territories enter the EU duty free. Annual duty-free quotas are established for those products and a system of providing certificates of origin has been established to ensure that goods are not diverted through the GSP countries to take advantage of the lower tariff concessions.

Free trade agreements have been developed between the European Union and the European Economic Area (EEA), which includes Norway, Iceland, Liechtenstein, and Switzerland. Under the terms of these agreements, most industrial products and certain processed agricultural products are exempt from import duties if traded within this trading bloc. The result of the agreements reached between the EU members and the EEA members is an open trading area for most industrial products of 19 nations with an affluent population of 380 million.

CUSTOMS CONTACT INFORMATION

Ministero delle Finanze
(Ministry of Treasury)
Dipartimento delle Dogane
(Customs Department)

Via M. Carucci 71
00143 Rome
Tel. 39-06-50241

TRADE REGULATIONS AND STANDARDS FOR AGRICULTURE

Since Italy is a member of the European Union (EU), virtually all of its agricultural sector is governed by the Common Agricultural Policy (CAP). Similarly, Italy employs the same tariffs, levies and other EU regulations as the other fourteen member states. For example, Italy imposes variable levies (on grain products) and quotas (on meat, cheese, bananas) as required by the European Union. Italy also applies a value added tax on most food/agricultural items (ranging from 4 percent for semi processed commodities to 19 percent for “luxury” high value food items).

In general, if a U.S. food product is imported into one EU member state it can be transhipped to Italy, provided it has a label written in Italian, and provided the product does not present a public or animal/plant health risk. However, if the product is directly imported into Italy it must meet all Italian food safety and quality standards, as well as Italian labeling and packaging regulations. Many of these standards and regulations have been harmonized within the European Union. For example, the EU has adopted a number of regulations covering production standards, analytical characteristics, product specifications, allowable additives, and labeling. Specific EU regulations exist for cocoa and chocolate products, sugars, fruit juices, fruit jams and jellies, milk and casein products.

However, where EU standards do not exist, Italy can set its own national requirements and some of these have been known to hamper imports of game meat, processed meat products, frozen foods, alcoholic beverages, and snack foods/confectionary products. U.S. exporters of “health” foods, weight loss/diet foods, baby foods and vitamins should work closely with an Italian importer, since Italy's labeling laws regarding health claims can be particularly stringent.

Italian legislation sets forth orders, obligations and criminal sanctions for violations. Food law is divided into two basic categories: rules dealing with hygiene/sanitary issues and rules governing labeling and packaging. All laws apply equally to domestically produced and imported goods.

Italy is still working on specific sectors of the food law to bring the regulations up to date scientifically in the areas of hygiene/sanitation. In the case of food additives, coloring and modified starches, Italy's laws are considered to be close to current U.S. laws, albeit sometimes more restrictive.

Basic labeling requirements in the EU/Italy:

Name of products (physical condition or specific treatment)
 Name/address of manufacturer, packer, seller or importer in
 EU Local language
 Country of origin
 Ingredients in descending order of weight
 Metric weight and volume
 Additives by category name
 Special storage conditions
 Minimum shelf life date
 Special preparation instructions

U.S. exporters should be aware that any food or agricultural product transhipped through Italian territory must meet Italian requirements, even if the product is transported in a sealed and bonded container and is not expected to enter Italian commerce.

VII. INVESTMENT CLIMATE

OPENNESS TO FOREIGN INVESTMENT

For the most part, foreign investors do not find major impediments to investing in Italy, although bureaucratic requirements can be burdensome. Foreign ownership of 100 percent of Italian firms is allowed. Some restrictions to foreign investment exist. The government has the authority to block mergers involving foreign firms for "reasons essential to the national economy" or if the home government of the foreign firm applies discriminatory measures against Italian firms. There are industry sectors which are either closely regulated or prohibited outright to foreign investors, such as aircraft manufacturing. Outside these sectors, there are no screening or blocking procedures directed solely at foreign investment. Italian anti-trust law (which applies to domestic and foreign investors) gives the government the right to review mergers and acquisitions over certain financial thresholds.

Italy provides national treatment to foreign investors except in a few instances. The exceptions include limits to access to government subsidies for the film industry, some additional capital requirements for banks from countries not in the European Union (EU), and restrictions on non-EU airlines operating domestic routes. Italy also maintains restrictions in shipping. Also, companies may bring in non-EU workers only after certifying that no unemployed Italian is available to carry out the expected duties.

Foreign investment flows into Italy are weak. According to the Economist Intelligence

Unit (EIU) has been ranked 13th between the 14 EU countries in the period 1995-1999 and is expected to keep the same position also in the period 2000-2004. Italy ranks well below the United Kingdom, which has a similar-sized economy, in attracting foreign investment. Analysts and surveys routinely cite excessive bureaucracy, inadequate infrastructure and a rigid labor market as disincentives for foreign investment in Italy.

Firms incorporated in European union (EU) countries may offer investment services in Italy without establishing a presence. U.S. and other firms which are not from countries that belong to the EU may operate based on authorization from CONSOB, the securities oversight body. CONSOB may deny such authorization to firms from countries which discriminate against Italian firms.

In the banking sector, the formerly dominant role of the state is being reduced by privatizations and a wave of mergers and other alliances. Authorization by the Bank of Italy, the country's central bank, is required to acquire more than five percent of a financial institution's capital (or to gain effective control of a financial institution, regardless of the amount of capital acquired). Non-bank companies (either Italian or foreign) may not acquire more than 15 percent of a bank's capital. Government authorization is required to offer life and property insurance and usually based on reciprocal treatment for Italian insurers. Foreign insurance firms must prove that they have been active in life and property insurance for not less than ten years and must appoint a general agent domiciled in Italy.

There are some limits regarding foreign private ownership in banks. For instance, according to the banking law a foreign institution willing to increase its stake in a bank above 5 percent needs the authorization by the Bank of Italy, which has not been reluctant to use its authority to influence mergers.

The expansion of modern, large-scale distribution units, such as chain stores, department stores, and large supermarkets, is restricted by local practice and national legislation which subjects applications for retail units above a certain merchandising surface to a lengthy and cumbersome authorization process.

Foreign investors are not prevented from investing in firms to be privatized, except in the defense sector. Privatization sales techniques have included private placement, worker shareholdings and management buy-outs and public stock offerings. Often the government establishes a "hard-core" group of shareholders (who agree to keep their shares for a minimum period, say three years), or retains a "golden share" (modest government stake, but with controlling influence).

The Italian tax system does not discriminate between foreign and domestic investors. The government has proposed to reduce corporate income tax rate from 41% to a

standard rate of 37% and a reduced rate of 19% for reinvested profits. If approved, this would reduce the average corporate income tax to 28%.

RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

There is no limitation in either the Italian constitution or Italian civil law on the right to private ownership and establishment. In general, there is competitive equality between the private and public sectors. For years, Italian government bonds absorbed a large share of available domestic investment, but this share has declined as interest rates on those bonds dropped in the runup to European economic and monetary union. As an alternative, Italian investors have turned to stocks and corporate bonds, significantly increasing the Milan stock exchange's capitalization as a result.

PROTECTION OF PROPERTY RIGHTS

From 1989 through 1997, the U.S. Trade Representative placed Italy on the intellectual property rights "watch list" under the Special 301 provision of the United States Trade Act of 1988, primarily reflecting problems with protection of copyright for computer software, sound recordings and film videos. In 1998, USTR raised Italy to the Special 301 "Priority Watch List" due to delays in passing effective anti-piracy legislation, and to introduction of European content requirements (TV broadcast quotas) at the national level that are more strict than those required by the EU Broadcast Directive (see "Broadcast Directive and Motion Picture Quotas" below). The U.S. kept Italy on the "Priority Watch List" in 1999 and 2000, and scheduled an Out-of-Cycle Review of Italy for September 2000.

In recent years, the Italian Government has substantially increased enforcement actions against both video and software pirates, creating an Interministerial Anti-Piracy Committee, specialized training courses for Italy's three law enforcement agencies, and "pools" of prosecutors specialized in combatting intellectual property crimes in Milan, Rome, Naples and other major cities. The Government's efforts have led to decreases from previous levels in both piracy rates and piracy losses for some U.S. copyright industries; however, further effort will be needed to reduce the level of piracy, which remains unacceptably high, and to stem piracy losses which are growing for some copyright industries.

Italy is a member of the Paris Union International Convention for the Protection of Industrial Property (patents and trademarks) to which the United States and about 85 other countries adhere. U.S. citizens generally receive national treatment in acquiring and maintaining patent and trademark protection in Italy. In addition, after filing a patent application in the United States, a U.S. citizen is entitled to a 12-month period within which to file a corresponding application in Italy and receive the benefit in Italy

of his or her first U.S. filing date (rights of priority). The priority right filing period for trademarks is 6 months.

Italy is also a member of the Berne Copyright Union and adheres to the Universal Copyright Convention to which the United States and 50 other countries are signatories. U.S. authors can thereby obtain copyright protection in Italy for their work first copyrighted in the United States merely by placing on the work, their name, date of first publication, and the symbol ©. In turn, Italian authors have the same rights in the United States for works first copyrighted in Italy.

Patent and trademark applications and inquiries should be addressed to:

Ministero dell'Industria, del Commercio, e dell'Artigianato
Ufficio Italiano Brevetti e Marchi
Via Molise, 19
00187 Rome, Italy

Applications and inquiries concerning copyrights should be addressed to:

Presidenza del Consiglio dei Ministri
Dipartimento per l'Informazione e per l'Editoria
Via Boncompagni, 15
00187 Rome, Italy

Laws Governing Intellectual Property Rights

Patents and Licensing: The principal laws governing patent protection are Royal Decrees No. 3731 of October 30, 1859, No. 1127 of June 29, 1939, Law No. 633 of April 22, 1941, and Presidential Decree No. 338 of June 19, 1979. Decree 338 amends the former Italian legislation and implements the European Patent Convention. To be patentable, an invention must be novel, that is, it cannot have been available to the public anywhere else before the date of the filing or of the priority claimed.

Patents are granted for 15 years from the effective filing date of application. They are assignable and transferable. A patent can be subject to compulsory licensing if not worked within 3 years from date of grant or 4 years from the filing date of application, whichever is later. In accordance with Italy's Uruguay Round implementing statute (Law 747 of December 29, 1994) and the implementing decree enacted on March 19, 1996, the Italian law was amended so that the introduction or sale in Italy of items manufactured in foreign countries belonging to the World Trade Organization constitutes working of the invention.

Licensing and technical assistance agreements with foreign firms are encouraged by the government. The foreign exchange necessary to effect payment abroad (including the United States) of bona fide royalties and/or technical assistance fees can be obtained simply upon application to the Italian Exchange Office through a bank. Applicants are required to produce the original contract with the foreign concern and to submit a certified copy of such a contract. A certificate confirming the validity of the patent should also be submitted in the event that the contract provides for the use of patents.

Annual taxes must be paid each year during the period an Italian patent is in force. These taxes are progressive and range from lire 1,000 for the first year to lire 35,000 for the 15th year.

Trademarks: The principal trademark registration laws are Royal Decree No. 929 of June 21, 1942, and Presidential Decree No. 795 of May 8, 1948. Some types of terms are not registrable as trademarks, such as those deemed to be generic, those containing false indications of quality or origin of goods, and those with similar terms already registered by others in Italy or for which applications are pending. For some goods, geographic names may not be used in trademarks nor can the portraits of persons be registered without their consent.

Trademark applications are examined for acceptability of their format and consistency with the laws. If an application is in order, the mark will be registered. There is no opportunity for opposition and the first applicant is entitled to registration. However, any other person who claims to be the first user of the mark in Italy can have the prior registration cancelled, provided one can prove the claim. No claim of prior use can be made after the registered mark is 5 years old.

Trademarks are registered for 20 years from the effective application filing date and are renewable for similar periods. Failure to use a mark within 3 years after its registration can result in cancellation. Trademarks may be assigned to other users provided such action does not involve deceptive trade practices.

For administrative purposes, trademark products are classified under 42 groups (1-34 for products and 35-42 for services). Applications must indicate the appropriate classification.

Copyrights: Both Italy and the United States are signatories of the Universal Copyright Convention, which provides for mutual copyright protection. In Italy, copyrights are protected by Law No. 633 of April 22, 1941 and Decree Law No. 82 of August 23, 1946. Executive recognition in the form of copyright protection to the author is accorded intellectual creations pertaining to science, literature, music, decorative arts, architecture, the theater, and motion pictures.

The following additional legislation relating to the protection of copyright was subsequently issued: Illegal duplication of phonographic material (No. 406 7/29/81); Illegal duplication and transmission of film works (No. 400 7/20/85); Illegal duplication of software (No. 518 12/20/92 - enacting EU Directive 91/250) -- penalties for software piracy were subsequently increased by legislative decree in April 1996; Rental and neighboring rights related to intellectual property (No. 685 11/16/94 - enacting EU rental rights directive and outlawing unauthorized "bootleg" recordings of live performances).

Further detailed information on procedures regarding patent, trademark, and copyright protection in Italy should be obtained from competent legal counsel.

EU Initiatives on IPR

Italy is also a signatory to the European Patent Convention, which provides for a centralized European-wide patent protection system (Italy has not yet ratified the convention). The European Patents Act of 1977 provides increased legal protection, a patents court, and guidelines for compensation of an inventor. Under the European Convention, an applicant for a patent is to be granted a preexamined 15-year, non-renewable European patent that has the effect of a national patent in all 16 countries that are signatories of the convention, based on a single application to the European Patent Office. This procedure should expedite the granting of patents. However, infringement proceedings remain within the jurisdiction of the national courts, which could result in some divergent interpretations. Further information may be obtained from the European Patent Office, Motorama-Haus, Rosenheimer Strasse 30, Munich, Germany.

The EU commission is attempting to harmonize copyright protection in several areas and views continued progress as a key part of its programs for the internal market. The software directive, approved by the European Council in 1991, entered into force on January 1, 1993. Seven member states including Italy have transposed the directive into national legislation. The directive on rental and lending rights, approved by the Council in 1992, was implemented in Italy in late 1994 (see above).

In September 1993, the Council adopted a directive on the harmonization of copyright laws in satellite broadcasting and cable retransmission (EU Directive 93/83). This measure allows satellite broadcasters to clear in their country of origin full copyright responsibility for their entire footprint throughout Europe. In an attempt to overcome the significant divergences among the member states in this area of IPR protection, in October 1993, the Council adopted the directive on the harmonization of the duration of copyright and of certain related rights (EU Directive 93/98). It provides for the term of copyright to be harmonized for a period of 70 years after the author's death. For related rights, it harmonizes the term of protection at 50 years from the date of production. Italian Decree Law 544 of June 1995 and Law 52 of February 1996 implemented these two directives.

ADEQUACY OF LAWS AND REGULATION GOVERNING COMMERCIAL TRANSACTIONS

Laws governing physical property are adequate and enforced.

FOREIGN TRADE ZONES/FREE PORTS

There are two free trade zones in Italy, located in Trieste and Venice, both in the northeast. Goods of foreign origin may be brought in without payment of taxes or duties, as long as the material is to be used in the production or assembly of a product that will be exported. The free-trade zone law also allows a company, of any nationality, to employ workers of the same nationality under that country's labor laws and social security systems.

Benefits of a free-trade zone include:

- customs duties deferred for 180 days from the time that the goods leave the free trade zone to enter another EU country;
- the goods may undergo transformation free of any customs restraints;
- absolute exemption from any duties on products coming from a third country.

MAJOR TAXATION ISSUES AFFECTING U.S. BUSINESS

The Italy-U.S. tax treaty contains provisions to avoid the double taxation of income for firms with operations in both countries. Royalties from patents and like properties are exempt from tax withholding under the treaty. They are freely remittable, subject to documentation requirements. In late 1998, Italian and U.S. tax authorities initiated an update to the tax treaty, affecting royalties and a new Italian tax. While it has not yet been ratified by the U.S. Congress and Italian Parliament, its provisions are currently in force.

PERFORMANCE REQUIREMENTS/INCENTIVES

Investors do not face performance requirements specifically directed at foreigners. However, in the telecommunications sector, many new entrants are subject to performance requirements and must post a performance bond to receive a license necessary to operate. The European Union has challenged some of Italy's performance criteria for telecoms licenses. The Italian government offers incentives designed to encourage private sector investment (by both Italian and foreign firms) in depressed

areas, particularly in the underdeveloped "Mezzogiorno" in the south of Italy. The 1999 national government budget included significant incentives for hiring new workers in some areas of the South. A regulation that provided tax breaks nationwide for companies that reinvested earnings, known as the Dual Income Tax, has been recently strengthened. Foreign investors are able to participate in government research and development programs based on reciprocal treatment for Italian firms.

TRANSPARENCY OF THE REGULATORY SYSTEM

Italy is subject to single market directives mandated by the European Union, which are intended to harmonize many regulatory structures across EU countries. This includes the mutual recognition agreements negotiated between the EU and the U.S. The EU directives are intended to benefit EU member countries by creating a non-discriminatory, less restrictive trade regime. The directives are expected to yield significant benefits to non-EU trading partners (such as the U.S.) as well. Harmonization of standards relating to labeling, content, production, safety, etc., should reduce development costs and contribute to economies of scale for companies which wish to operate in Italy.

Several EU directives deal with the issue of transparency in public sector contracts and subcontracts. The process of incorporating these directives into Italian law has focused new public attention on public works corruption scandals that rocked the Italian political world in the early 1990s.

CORRUPTION

According to a study by the International Monetary Fund, the level of corruption in Italy is among the worst in western Europe, but the situation is improving. The study cited the weight of bureaucracy, confusing regulations, the financing of political parties and the level of civil servants wages as factors fostering corruption. The wide-ranging "Bribesville" domestic corruption scandals of the early 1990's led to a wholesale re-forming of the Italian political structure, but also sharp cutbacks in public works programs (which had been the source for kickbacks).

Corruption is punishable under Italian law. Much discretion for punishment is left to the presiding judge in the case. Most corruption in the recent past has involved government procurement or bribes to tax authorities. Surveys of the business community in Italy routinely identify such domestic corruption as a disincentive to investing or doing business in the south and some other less-developed areas of Italy.

Italy, like the U.S., is a signatory to the 1997 OECD Convention on Combatting Bribery. The two houses of Parliament have passed bills ratifying the Convention and

are now trying to reconcile differences between the two versions. There is no record of enforcement for cases involving bribery of foreign government officials.

The implementation of the OECD Anti- Bribery Convention will introduce into Italian legislation a new concept: indictment of a corporate body. Once Parliament ratifies the Convention, the Ministry of Justice will issue a decree that will give the Convention the force of law in Italy.

According to the Ministry of Finance (Italy's tax authority), paying bribes to foreign officials is currently not a criminal act under current Italian law. This should change when the Convention is ratified and implemented. Consistent with an earlier OECD recommendation for members, tax deductibility of bribes paid to foreign officials is not allowed.

The principal government authority for combating domestic financial corruption is the "Guardia di Finanza" (Finance Police), a law enforcement entity responsible for customs and financial crimes. The "Polizia dello Stato" (Police of the State, or National Police) and the "Carabinieri", a branch of the Defense Ministry that has responsibility for certain civilian law enforcement functions throughout the country, also play important roles.

LABOR

The national unemployment rate in April 2000 was 10.8%, down from 11.4% in January 2000. Breaking down this figure by geographic area shows that unemployment is much higher in the South (21.0%) than in the North (5.0%) and Center (8.8%) and is also much higher for women (14.9%) than for men (8.3%). The unemployment rate for young people (15-24) was 31.5% nationally, with Southern youth unemployment at 54.5%. The April data show an increase of 133,000 people employed compared to January 2000, but much of that employment is in temporary or part time jobs, with a more modest increase of full time jobs.

There is a skilled labor pool in the North, where industries and services are more developed. In some areas of the North, labor shortages exist in engineering, nursing, computers, marketing, and for skilled manual workers. The South, where agriculture and the underground economy are more widespread, has an abundance of unskilled labor and well-educated young people who tend not to leave their regions to find a job. Immigrant workers are employed for seasonal harvesting, as well as construction, nursing, and lower-paying, unskilled jobs that no longer attract sufficient numbers of Italian workers.

With the Italian economy picking up steam, some academics have suggested the need for tax incentives to promote greater labor mobility and prevent labor shortages. Currently,

some northern regions have unemployment rates under five percent yet there is little movement to these areas by persons from high unemployment areas. The higher cost of living in northern cities (relative to the south), along with financial support from families and the availability of informal sector jobs, account at least in part for this anomaly.

The Italian labor market is becoming more flexible. Legislative and regulatory changes in 1997, 1998, and 1999 encouraged the hiring of part time employees by reducing employer social security contributions for these workers. Legislation decentralizing the public employment service was enacted, and private employment agencies were allowed to operate. These changes opened the way for the hiring of temporary workers whose scope of activity is substantial, although not as great as in other countries having experience with this type of employment.

A "Social Pact" signed by government, labor and management representatives in December 1998, recognized Italy's need for greater flexibility in its labor market as a spur to economic development in the South and reduction in the region's unemployment. However, plans for more government investment in underdeveloped areas have been restricted by Italy's need to stay within European monetary union spending guidelines.

Wages and salaries represent slightly more than half the cost of labor to management. Indirect pay (annual leave, holidays, bonuses, seniority allowances, severance pay) and social security contributions can account for up to 45 percent of gross salary. Italian law provides workers with substantial legal protection against dismissal, imposing complex and costly consequences for employers.

Labor relations in Italy are relatively good, although strikes are common in some industries, especially transport.

The Constitution enshrines a number of labor and trade union rights, and these core and other rights are the subject of a considerable body of supplementary legislation. The most significant of these is the Workers' Statute (law 300 of May 1970), which deals in part with the right of association, granting most workers the right to establish unions in workplaces with more than 15 employees (5 in agriculture).

Most Italian unions are grouped in four major national confederations: The General Italian Confederation of Labor – CGIL; the Italian Confederation of Workers' Unions – CISL; the Italian Union of Labor – UIL; and the General Union of Labor - UGL. The first three organizations are affiliated with the International Confederation of Free Trade Unions (ICFTU), while the UGL is an affiliate of the world confederation of Labor WCL. The confederations negotiate national level collective bargaining agreements with the employer associations, which in effect are binding on all employers in a sector or industry. Through a July 1993 tripartite agreement, the confederations accepted wage moderation and agreed to consult with the government on economic and social policy.

EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT

Financial resources flow relatively freely in Italian financial markets and credit is allocated on market terms. Foreign participation in Italian markets is not restricted. Capitalization on the Italian stock market is small relative to that of other G-7 countries. Activity on the stock market has increased dramatically in 1999 and 2000. The market is technologically modern and efficiently administered. The Italian government bond market, among the world's largest, is predominantly an electronic screen-based market, and is also administered efficiently.

The Italian banking system is highly fragmented and generally regarded as inefficient, with high operating costs and excessive dependence on interest rate spreads for income. The top five Italian banks control a smaller percentage of total assets than is the norm in most other EU countries. Government ownership of financial institutions, once common, has almost disappeared as a result of privatization. The return on equity systemwide is well below the European average. ABI, Italy's banking association, contends that the average tax rate of 53%, compared to 37% EU average, hurts Italian banks' profitability.

There are percentage limits on cross-shareholding among banks and between banks and non-bank companies. Complex cross-shareholding has been used to fight off takeover attempts in the financial sector, but this has not been directed at takeovers by foreign companies.

CONVERSION AND TRANSFER POLICIES

In conformance with EU directives, Italy has no foreign exchange controls. There are no special exchange rates and currency transfers are freely permitted. There are no restrictions on repatriation of capital and earnings, or on payments to foreign creditors.

Italians are free to undertake financial transactions abroad, including direct investments and purchases and sales of foreign securities, real estate and loans. Regulations formerly prohibiting residents from entering or leaving the country with bearer securities worth more than 20 million lire (about \$12,500) have been lifted. Residents may freely hold foreign exchange and Italian lire in any form in Italy and abroad. Banks and authorized intermediaries must submit data on their foreign exchange transactions exceeding 20 million lire to the foreign exchange office of the Bank of Italy.

EXPROPRIATION AND COMPENSATION

The Italian constitution permits expropriation of private property for "public purposes". Compensation is guaranteed and must adequately compensate the legitimate proprietor for losses. Lenders are not covered by the same constitutional guarantee as proprietors. The constitution also authorizes the nationalization of enterprises, which provide essential public services or are indispensable to the national economy. There are two or three longstanding disputes in Italy involving U.S. citizens who assert that municipal governments unjustly expropriated their real property or inadequately compensated them.

DISPUTE SETTLEMENTS

U.S. investors in Italy have a choice in selecting a means of dispute resolution, which should be specifically set forth in the contract. Given the slowness of the Italian judicial system (normally 3 - 5 years for trial in a civil matter and two automatic appeals), investors are advised to choose arbitration, which can be Italian or international.

POLITICAL VIOLENCE

Political violence is considered a low threat to foreign investments in Italy. During the NATO bombing in the Balkans in spring 1999, some retail outlets identified with the U.S. were the targets of attacks, almost always after hours, that resulted in minor damage (broken glass, graffiti) but no injuries to personnel.

BILATERAL INVESTMENT AGREEMENTS

Italy has bilateral investment agreements with the following countries:

Albania	Kuwait
Algeria	Latvia
Argentina	Lithuania
Bangladesh	Macedonia
Barbados	Malaysia
Belarus	Mongolia
Bolivia	Oman
Bulgaria	Peru
Chile	Philippines
China	Poland
Croatia	Romania
Cuba	Russia

Czech Republic	Saudi Arabia
Egypt	South Korea
Ethiopia	Sri Lanka
Hungary	Tunisia
Indonesia	Ukraine
India	United Arab Emirates
Jamaica	Uruguay
Kazakistan	Vietnam

The 1948 U.S.-Italy Friendship, Commerce and Navigation Treaty contains provisions that may protect U.S. investment in Italy. Generally, existing bilateral investment accords create favorable conditions and guarantees for capital investment. They include reciprocal guarantees of equal treatment vis-à-vis domestic firms and most-favored-nation status vis-à-vis third countries, assurances against expropriation without fair market compensation and indemnities against losses suffered during war or revolution. Agreements also include statements allowing for the free transfer of returns, royalties and funds to maintain investments. They usually detail the procedures under which disputes would be arbitrated.

OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

The U.S. Overseas Private Investment Corporation (OPIC) does not operate in Italy. Italy is a member of the Multilateral Investment Guarantee Agency (MIGA).

CAPITAL OUTFLOW POLICY

In conformance with EU directives, Italy has no foreign exchange controls. There are no special exchange rates and currency transfers are freely permitted. There are no restrictions on repatriation of capital and earnings, or on payments to foreign creditors.

MAJOR FOREIGN INVESTORS

Italy has for several years been a net source of foreign investment. In 1999, Italy received the second lowest amount of foreign direct investment in the European Union. Italian direct investment abroad totaled \$4.4 billion (0.4 percent of GDP), down from \$11.7 billion in 1998.

The services sector remained the largest recipient of inflows at \$2.7 billion, up from \$1.5 billion registered in 1998. Investment in banking and insurance led the list. Investment inflows in industrial activity increased slightly to \$1.1 billion in 1999. Key areas of

foreign industrial investment in Italy include the mechanical, food, mineral/metal and chemical sectors.

The Bank of Italy estimates that the stock of total foreign direct investment in Italy at the end of 1999 was \$105.6 billion, or 9.6 percent of GDP, of which U.S. investment amounted to \$14.1 billion, 13.3 percent of total. The stock of total Italian direct investment abroad was \$165.6 billion (15.0 percent of GDP). Italian investment in the U.S. was valued by the Bank of Italy at \$18.2 billion (15.0 percent of total Italian direct investment overseas).

According to Bank data, Switzerland has the largest stock of foreign direct investment in Italy (17.5 percent of the total), followed by the U.S. EU countries as a whole account for 59.5 percent of foreign investment, with France, U.K., Germany, Luxembourg and Netherlands the principal sources. Although Japan is a net investor in Italy, both Italian investments in Japan and Japanese investment in Italy (mostly in the banking and insurance sectors) are modest: 1.9 and 1.1 percent of the respective totals.

Except for France and Sweden, Italy's European Union partners are net recipients of Italian investment. Among non-EU countries, the largest recipients of Italian investment are Brazil and Argentina.

About two-thirds of U.S. investment in Italy is in industry and one-third is in services. The chemical sector has the largest share of U.S. industrial investment -- \$2.6 billion. The largest portion of service sector investment was in banking and insurance -- \$2.1 billion.

About 54 percent of Italy's \$18.2 billion direct investment in the U.S. was in the services sector, with the remainder in industry (38 percent) and energy (8 percent). The value of direct investment in banking and insurance activities was \$5.2 billion. The top category among industrial investments was mechanical products, and the level of investment increased from \$2.4 billion in 1998 to \$2.6 billion in 1999.

Many well known major multinationals, both U.S. and foreign, have a presence in Italy. General Electric, IBM, AT&T, Boeing, Pfizer, and McDonalds are just a few of the American companies with sizeable investments in Italy.

HOST COUNTRY CONTACT INFORMATION FOR INVESTMENT-RELATED ACTIVITIES

For information on foreign investment in Italy, contact Sviluppo Italia, a government body with offices in the U.S. and other countries, or the Italian Trade Commission in Rome as follows:

Istituto Nazionale del Commercio Estero
Area Cooperazione Investimenti e rapporti con la UE e con OMC
Via Liszt, 21
00144 Roma EUR
Tel: 39-06-5992-9381
Fax: 39-06-5992-6002
39-06-5422-0007
39-06-5421-8275

(See also Section VIII “Availability of Project Financing”.)

VIII. TRADE AND PROJECT FINANCING

DESCRIPTION OF BANKING SYSTEM

There are numerous banking offices located throughout the country, with over 800 banks and 22,000 branches performing commercial services. Among the most important are the Istituto Bancario San Paolo di Torino, Banca di Roma, Cassa di Risparmio delle Provincie Lombarde (CARIPO), Banca Commerciale Italiana, Credito Italiano, Banco di Napoli and Banca Nazionale del Lavoro. These banks are a principal source of credit information. The banking sector is undergoing consolidation involving mergers and acquisitions among the major banks. This process is expected to continue over the next several years as the Italian banking sector seeks to become more competitive in the European market.

Several U.S. banks perform banking services in Italy through branches, subsidiaries, or representatives. Many American banks can also provide their commercial customers with bank reports on an overseas buyer as well as provide assistance on letters of credit and foreign exchange. U.S. banks with offices in Italy include Chase, Citibank, Morgan Guaranty Trust, Bank of New York, and Bank of America and numerous smaller, regional banks.

Banks in Italy that have the authority to participate in foreign exchange usually have an U.S. correspondent. Foreign currency transfers and foreign exchange transactions must be channeled via authorized intermediaries (the Bank of Italy, the Italian Foreign Exchange Office, and authorized banks). The larger Italian banks have branches in one or more U.S. cities.

The Bank of Italy, Italy's central bank, is widely respected both nationally and internationally as a non-political overseer of the Italian economy responsible for controlling inflation and balance of payments pressures.

FOREIGN EXCHANGE CONTROLS AFFECTING TRADING

Italy has no restrictions on the amount of foreign exchange instruments, currency, or checks that may be brought into the country. Normally, lire 20 million may be taken out of the country, but any amount declared on entry may be reexported.

Italian exchange regulations are issued by the Italian Exchange Office (Ufficio Italiano dei Cambi--UIC), Via Quattro Fontane 123, Rome 00184, Italy under authority of the Ministry of Foreign Trade. Foreign exchange may be sold or acquired from the Bank of Italy or any of the banks authorized by the Bank of Italy. In practice, all commercial banks are authorized to conduct foreign exchange transactions.

Dollar currency, travelers checks, and, in some cases, personal checks, may be exchanged at banks, exchange offices, and authorized tourist offices and hotels. Major credit cards are accepted with proper identification. It is best to first confirm what form of payment is accepted.

GENERAL AVAILABILITY OF FINANCING

Italy has a well-developed banking and credit system with numerous correspondent U.S. banks. Italian banks are subject to close government supervision. The Bank of Italy must authorize the establishment of a new bank.

Until 1993, the Italian banking system was divided into two categories, differentiated by length of lending authorized. The Single Banking Law passed in 1993 abolished this division, effectively allowing all Italian banks to lend at any maturity. Due to this historical legacy, those institutions that focused on longer-term lending remain at the forefront for this type of finance. Short-term business and trade finance is available from a wide range of Italian and U.S. banks.

U.S. firms desiring to finance major portions of their capital investment outside the United States may find capital available in the Eurodollar market. U.S. bank branches in Italy can assist in financing capital investment.

HOW TO FINANCE EXPORTS / METHODS OF PAYMENT

When providing the Italian buyer with a price quote, American firms most frequently provide a quote that includes packing costs, insurance, and freight. This is called the c.i.f. price. The average Italian business representative can then usually determine the charges for customs, taxes, and local transportation to arrive at the final landed cost to importer. The customary terms of sale in Italy are either cash or net. Sales made on cash terms call for payment before delivery, on delivery, or shortly after delivery -- usually within 10 days from the date of delivery. A 2 to 5 percent discount is made for payment of the full amount of the transaction at the end of the specified period from 1 to 4 months from the date of the invoice. The length of the period depends on the commodity involved, the credit standing of the buyer, and the motivation of the seller. A period of up to 2 years is often allowed for payment of capital goods, store equipment, trucks, and similar heavy equipment.

Italian firms indicate that some American suppliers are too rigid in their payment terms and have thus lost business to other suppliers because of their rigidity. Financing is considered as much a competitive factor as the product itself, the delivery date, or after-sales service. While some U.S. manufacturers request payment upon receipt of the goods, more successful sellers are offering terms allowing settlement of the account from 60 to 120 days following receipt of the order.

The use of irrevocable letters of credit for the Italian market has declined appreciably in recent years. Although such instruments are still required by American exporters, especially when the Italian customer's credit reputation is not well known, the growing reluctance of Italian firms to provide letters of credit has required American exporters to utilize other methods to assure payment or lose the sale to other suppliers in the competitive Italian market. The Italian businessperson is reluctant to pay a high fee for a letter of credit when other suppliers or means of payment are available. American firms have put to greater use the export credit insurance and guarantee programs available through the Foreign Credit Insurance Association (FCIA).

Just as the terms of any sales offer should be presented in a clear and detailed manner, shipments should conform to the contract and to any samples that may have been sent to the Italian importer. Special attention should be given to the prompt observance of agreed delivery schedules, as prompt delivery may be a decisive and possibly an overriding consideration of the importer in placing additional orders. When shipping on letter of credit, all terms specified on the letter of credit must be strictly observed. If the terms are not followed, the letter of credit may not be honored by the bank.

EXPORT FINANCING AND INSURANCE

As a member of the G-7, Italy as a market for U.S. exporters does not warrant any special USG credit assistance. The network of Italian banks with branches in the U.S.

will offer limited export credit assistance. Similarly, large U.S. banks and/or local banks located in the exporter's state can offer factoring; exchange fluctuation hedging and limited exporter's credit services. The Export-Import Bank of the United States (Exim Bank) and FCIA consider Italy a low political risk country. Italy is classified as a "rich" country under the OECD rate classification. Small business exporters may obtain assistance under the SBA's Export Revolving Line of Credit (ELRC) loan program.

AVAILABILITY OF PROJECT FINANCING

The Italian government has for decades promoted development in poorer parts of the country, particularly the southern "Mezzogiorno", through incentives such as tax reductions and financial assistance for private investment projects. A number of American companies have taken advantage of these incentives over the years to establish facilities in Italy. The government is trying to promote the "one office" concept so that potential investors have one place to go for all the information and permits they may require. At present, however, a company seeking information on these incentives should inquire at all of the following agencies:

1. Istituto per la promozione industriale
Viale Maresciallo Pilsudsky, 124
00197 Rome
Tel. 39-06-809721
Fax 39-06-8072898
2. Ministero dell'Industria, Commercio ed Artigianato
(Ministry of Industry and Commerce)
Direzione Generale per il Coordinamento degli Incentivi alle Imprese
(Directorate for Coordination of Enterprise Incentives)
Via del Giorgione, 2
00111 Roma
Tel. 39-06-5401-633
Fax 39-06-5960-1226
3. Sviluppo Italia
Via Molise
00187 Rome
Tel. 39-06-42129-1
Fax 39-06-41219-232
4. Ministero del Tesoro, Bilancio e Programmazione Economica
(Ministry of the Treasury, Budget and Economic Planning)
Dipartimento delle politiche di Sviluppo ed di Coesione

Responsabile Servizio Contrattazione Programmata

Tel. 39-06-4816-1242

Fax 39-06-4745-327

LIST OF BANKS WITH CORRESPONDENT U.S. BANKING ARRANGEMENTS

A large number of Italian banks have correspondence relationships with U.S. banks. Below is a listing of Italian banks with branch offices in the U.S.

Istituto Bancario San Paolo di Torino S.p.A.

Piazza San Carlo, 156

10121 Turin

Tel: 39-011-5551

Fax: 39-011-555-6650

www.sanpaolo.it

444 South Flower Street

45th Floor

Suite 4550

Los Angeles, CA 90071

Tel: (213) 489-3100

Fax: (213) 622-2514

losangeles.us@sanpaolo.com

245 Park Avenue, Suite 3500

New York, NY 10167

Tel: (212) 692-3000

Fax: (212) 599-5303/599-5304

Newyork.us@sanpaolo.com

Banca di Roma

Via Marco Minghetti, 17

00187 Rome

Tel: 39-06-670-71

Fax: 39-06-678-1929

www.bancaroma.it

34 East 51st Street

New York, NY 10022

Tel: (212) 407-1600/407-1707/407-1746

Fax: (212) 407-1677

Bdrny@earthlink.net

225 West Washington Street, Suite 1200
Chicago, IL 60606
Tel: (312) 368-8855
Fax: (312) 726-3058
Bdrchicago@aol.com

One Market Stewart Tower, Suite 1000
San Francisco, CA 94105
Tel: (415) 357-0800
Fax: (415) 357-9869
Bdrsf@opticemail.com

CARIPLLO - Cassa di Risparmio delle Provincie Lombarde S.p.A.
Via Monte di Pietà, 8
20121 Milan
Tel: 39-02-886-61
Fax: 39-02-8866-2302
www.cariplo.it
scrivici@cariplo.it

190 South La Salle Street, Suite 2890
Chicago, IL 60603
Tel: (312) 444-1500
Fax: (312) 444-1501

One Embarcadero Center, Suite 2820
San Francisco, CA 94111-3717
Tel: (415) 439-6780
Fax: (415) 439-6785

Banca Nazionale del Lavoro BNL S.p.A.
Via V. Veneto, 119
00187 Rome
Tel: 39-06-470-21
Fax: 39-06-470-7298
www.bnl.it

25 W. 51st Street
New York, NY 10019
Tel: (212) 581-0710
Fax: (212) 489-9088
comdiv@bnlny.com

Xerox Center 55 West Monroe Street, Suite 3490
Chicago, IL 60603
Tel: (312) 444-9250, 444-9251, 444-9252, 444-9253, 444-9254
Fax: (312) 444-9410
BNLChicago@aol.com

Banca Commerciale Italiana S.p.A.
Piazza della Scala, 6
20121 Milan
Tel: 39-02-88501
Fax: 39-02-8850-3026
www.bci.it

1 William Street
New York, NY 10004
Tel: (212) 607-3500
Fax: (212) 809-2124

150 North Michigan Ave., Suite 1500
Chicago, IL 60601
Tel: (312) 346-1112
Fax: (312) 346-5758

55 S. Flowers Street, Suite 4300
Los Angeles, CA 90071
Tel: (213) 624-0440
Fax: (213) 624-0457

Banco di Napoli S.p.A.
Via Toledo, 177/178
80132 Naples
Tel: 39-081-792-1111
Fax: 39-081-580-1343
www.bancodinapoli.it

4 East 54th St.
New York, NY 10022
Tel: (212) 872-2400
Fax: (212) 872-2426

Banco di Sicilia S.p.A.

Via Generale Vincenzo Magliocco, 1
90141 Palermo
Tel: 39-91-608-1111
Fax: 39-91-608-5964/3227
www.bancodisicilia.it
sicilbanco@bancodisicilia.it

Credito Italiano
Direzione Centrale
Piazza Cordusio
20123 Milan
Tel: 39-02-88621
Fax: 39-02-837-0161
www.credit.it
info@credit.it

375 Park Avenue
New York, NY 10152
Tel: (212) 546-9600
Fax: (212) 546-9675

Two Prudential Plaza
180 North Stetson Suite 1310
Chicago, IL 60601-6713
Tel: (312) 946-1-111
Fax: (312) 946-1-112
unicrechgo@aol.com

Monte dei Paschi di Siena
Piazza Salimbeni, 3
53100 Siena
Tel: 39-0577-294-111
Fax: 39-0577-294-653
www.mps.it

55 East 59th Street
New York, NY 10022-1112
Tel: (212) 891-3600
Fax: (212) 891-3661/30

IX. BUSINESS TRAVEL

BUSINESS CUSTOMS

In general, what is considered good business practice in the United States also applies when doing business in Italy. Businesspeople in Italy also appreciate prompt replies to their inquiries, and they expect all correspondence to be acknowledged. Conservative business attire is recommended at all times. Business appointments are also required, and visitors are expected to be punctual. The "golden keys" of customary business courtesy, especially replying promptly to requests for price quotations and to orders, are a prerequisite for exporting success. In general, European business executives are more formal than their American counterparts; therefore, it is best to refrain from using first names until a solid relationship has been formed. During the first stages of conducting business, it is best to let the prospective buyer take the lead since the American approach of "getting down to business" may be considered abrupt. Avoid commenting on political events or negative comments about the country. Some positive and sincere observations about the Italian culture, style, art, history, cuisine, or music are always appropriate. Italian business executives tend to use titles indicating their position in the firm. Friendship and mutual trust are highly valued, and once an American has established this relationship a productive business association can usually be counted upon.

Italian buyers appreciate style, quality, and service, but are also interested in delivered price. Care must be taken to assure that stated delivery dates will be maintained and that after-sales service will be promptly honored. Italians, and Europeans in general, are concerned that after placing an order with a supplier that the delivery date be honored. While there are numerous factors that may interfere with prompt shipment, the U.S. exporter must allow for additional shipping time and keep in close contact with the buyer. Meeting delivery schedules is of prime importance. It is much better to quote a later delivery date that can be guaranteed than promise an earlier delivery that is not completely certain.

TRAVEL ADVISORY AND VISAS

Every U.S. traveler must have a valid passport. No visa is required of U.S. citizens visiting Italy for less than 3 months, but one is required for longer stays. American citizens entering Italy must register at the police station (Questura) within 8 days of entering the country if they plan to stay more than 30 days. Application for a Residence Permit (Permesso di Soggiorno) is made at the local police station. U.S. citizens planning to work in the country must first obtain a work visa. Work permit approval must first be obtained by the Italian employer and is usually granted only for specialized work or skills. Management and skilled workers have no difficulty in obtaining work permits. The Italian employer files an application at a Provincial Labor Office. If

clearance is granted, the prospective employer is further required to obtain a work permit with the approval of the regional and central authorities. The permit is then sent to the worker so that he or she may apply for the entry visa. There are Italian consular offices in all of the largest American cities. The application process should be initiated three to four months before it will be needed.

For further information concerning entry requirements for Italy, travelers can contact the Consular Section of the Embassy of Italy at 1601 Fuller Street, NW, Washington, DC 20009, telephone: (202) 328-5555 or 328-5512, or fax 328-5593, or the nearest Italian Consulate General in Boston, Chicago, Houston, Los Angeles, New Orleans, New York, Philadelphia, or San Francisco.

A person seeking to work in Italy in an independent or self-employed capacity, files an application directly with the Italian Consulate along with needed credentials demonstrating experience in the field of work.

Italy has a very low rate of violent crime, little of which is directed toward tourists. Petty crime (pickpocketing, theft from parked cars, purse snatching) is a significant problem, especially in large cities. Most reported thefts occur at crowded tourist sites, on public buses, or at the major railway stations, including Rome's Termini, Milan's Centrale, Florence's Santa Maria Novella, and the Centrale in Naples. More detailed information is available from the Department of State's Consular Information sheet for Italy. Contact the Bureau of Consular Affairs' homepage at: <http://www.travel.state.gov>. The Embassy's homepage can be found at: <http://www.usis.it>.

U.S. Citizens are reminded that certain Alitalia flights between Italy and various middle eastern points (usually Damascus or Amman) make en route stops in Beirut. The State Department warns U.S. Citizens to avoid all travel to or through Lebanon.

Embassy and Consulate locations:

The U.S. Embassy in Rome is located at Via Veneto 119/A, telephone: 39-06-46741, fax: 39-06-488-2672 or 4674-2356. There are U.S. Consulates at the following locations: Florence, at Lungarno Amerigo Vespucci 38, telephone: 39-055-239-8276/7/8, or 217-605; fax: 39-055-284088; Milan, at Via Principe Amedeo 2/10, telephone: 39-02-290351; fax: 39-02-2900-1165; Naples, at Piazza della Repubblica, telephone: 39-081-583-8111; fax: 39-081-761-1869; Palermo (consular Agent), at Via Vaccarini 1, telephone: 39-091-305857 or 39-337-793421 (cellular); fax: 39-091-6256026. Trieste (consular agent), at Via Roma 15, telephone: 39-040-660177, fax: 39-040-631240; Genoa (consular agent), Via Dante 2, telephone: 39-010-584492; fax: 39-101-553-3033.

WORKWEEK

The usual Italian business hours are from 8 or 9 A.M. to Noon or 1 P.M. and from 3 to 6 or 7 P.M., Monday through Friday. Working hours for the various ministries of the government are normally from 8 A.M. to 2 P.M. without intermission. Bank hours are from 8:30 A.M. to 1:30 P.M. and 3:00-4:00 P.M.; they are closed on Saturdays. Retail establishments are closed on Sundays although there are exceptions primarily in tourist areas. Italy recently enacted legislation providing flexibility in store operating hours when retail establishments can be open.

HOLIDAYS

Italian holidays must be taken into account when planning a business itinerary. July and August are poor months for conducting business in Italy since most business firms are closed for vacation during this period. The same is true during the Christmas and New Year period. Italian commercial holidays are listed below and are the official statutory holidays when most commercial offices and banks are closed. Certain other days are celebrated as holidays within local jurisdictions. Italian holidays are also observed by the U.S. Embassy and should be considered when telephoning or visiting the U.S. and Foreign Commercial Service staff there. When an Italian holiday falls on a Saturday, offices and stores are closed.

Listed below are Italian holidays for 2000-2001:

2000:

January 6, Thursday	Epiphany
April 24, Monday	Easter Monday
April 25, Tuesday	Anniversary of the Liberation
May 1, Monday	Labor Day
August 15, Tuesday	Assumption Day
November 1, Wednesday	All Saints' Day
December 8, Friday	Feast of the Immaculate Conception
December 26, Tuesday	St. Stephen's Day

2001:

January 6, Saturday	Epiphany
April 16, Monday	Easter Monday
April 25, Wednesday	Anniversary of the Liberation
May 1, Tuesday	Labor Day
August 15, Wednesday	Assumption Day

November 1, Thursday	All Saints' Day
December 8, Saturday	Feast of the Immaculate Conception
December 26, Wednesday	St. Stephen's Day

Patron Saint's Day are observed by the following cities:

Milan:

December 7, 2000, Thursday	St. Ambrogio's Day
December 7, 2001, Friday	St. Ambrogio's Day

Florence & Genoa:

June 24, 2000, Saturday	St. John's Day
June 24, 2001, Sunday	St. John's Day

Rome:

June 29, 2000, Thursday	St. Peter and St. Paul's Day
June 29, 2001, Friday	St. Peter and St. Paul's Day

Palermo:

July 15, 2000, Saturday	St. Rosalia's Day
July 15, 2001, Sunday	St. Rosalia's Day

Naples:

September 19, 2000, Tuesday	St. Gennaro's Day
September 19, 2001, Wednesday	St. Gennaro's Day

BUSINESS INFRASTRUCTURE

Italian is the official language and is spoken in all parts of Italy, although some minority groups in the Alto Adige and Aosta regions speak German and French, respectively. Correspondence with Italian firms, especially for an initial contact, should be in Italian. If a reply comes in English then the subsequent correspondence with the Italian firm can be in English. The use of Italian is not only regarded as a courtesy, but assures prompt attention, and prevents inaccuracies which might arise in translation. Most large commercial firms are able to correspond in various languages in addition to English and Italian, but a business overture or proposal is given more serious attention if written in Italian.

The importance of having trade literature, catalogs, and instructions for the use of servicing of products printed in Italian cannot be overemphasized. The agent

representative in Italy who has such material is in a far better competitive position than the one who can only show prospective customers and consumers literature in English.

With the ease of telephone communications, international calls are frequently the best method of arranging appointments and maintaining solid commercial relations. Fax machines have increased the speed and ease of international communications and should be used to maintain strong business ties. The Italians are usually able to handle business calls in English; however, be prepared to expect some language differences and to make simple requests in Italian. The time zone for Italy is 6 hours ahead of U.S. eastern standard time.

As in many Western European countries, Italy's telephone dialing procedures have changed and the city code has become part of each telephone number. An example of a local call within Rome would be: 06-46741 (06 is the city code). Incoming long distance calls to Italy also require that the "0" in the city code be included when dialing. An example of an incoming long distance call from the U.S. to Rome is as follows: 011-39-06-46741 (39 being the country code, 06 the city code for Rome). Milan's city code 02. Italians are avid users of mobile phones and will generally provide their mobile telephone number.

Many Italian companies are now using E-mail communications; requests for E-mail addresses are becoming more frequent from Italian businesspersons.

Medical services are good and hospitals compare with those in the United States. Common medical needs are readily obtained, and special supplies are normally available on short notice. An international certificate of vaccination is not required for travelers from the United States. Drinking water is acceptable and most pharmaceuticals are available, and sanitation is at American standards.

Rental automobiles are available at numerous locations. An international or state driving license is acceptable. Tipping is as appropriate in Italy as it is in the United States. Generally, tip waiters 10 percent if "servizio" has not been added to the check.

Electrical power supplies are generally 220 volts, 50 cycles, single-phase and 380 volts, 50 cycles, three-phase. Electricity at 60 cycles is not available. American appliances, such as electric shavers or hair dryers, do not work and will be damaged if used without a transformer. Service interruptions are rare and the frequency of the current is stable. The electrical plug is the standard plug B. This is a plug that has two round pins instead of the flat prongs. Some outlets may require different plugs in other parts of the country.

Currency

The basic monetary unit is the lira (plural: lire) and is usually indicated as L or Lit. When Italy joined the European Economic and Monetary Union, effective January 1,

1999, the exchange rate between the euro and lira was fixed at L1936 = 1 euro. The value of the euro changes with respect to the dollar, which in turn changes the value of the lira against the dollar. Check the financial section of the daily newspaper for the current exchange rate.

Major U.S. credit cards are usually accepted with proper identification, such as a passport but visitors should always ask if a particular card is accepted prior to ordering meals or making hotel reservations. Travelers checks are accepted, but visitors should first inquire on the policy of the bank, hotel, or store before attempting to use them.

TEMPORARY ENTRY OF GOODS

Italy participates in the International Convention to Facilitate the Importation of Commercial Samples and Advertising Materials. Samples of negligible value imported to promote sales are accorded duty-free and tax-free treatment. Prior authorization is not required. To determine whether the samples are of negligible value, their value is compared with a commercial shipment of the same product. Granting of duty-free status may require that the samples be rendered useless for future sale by marking, perforating, cutting, or other means.

Imported samples of commercial value may be granted a temporary entry and exemption from custom charges. However, a bond or cash deposit may be required as security that the goods will be removed from the country. This security is the duty and tax normally levied plus 10 percent. Samples may remain in the country for up to 1 year. They are not permitted to be sold, put to their normal use (except for demonstration purposes), or utilized in any manner for remuneration. Goods imported as samples may be imported only in quantities constituting a sample according to normal commercial usage.

Carnets

As a result of various customs agreements, simplified procedures are available to U.S. business and professional people for the temporary importation of commercial samples and professional equipment. A carnet is a customs document that facilitates customs clearance for temporary imports of samples or equipment. With the carnet, goods may be imported without the payment of duty, tax, or additional security. The carnet also usually saves time since formalities are all arranged before leaving the United States. A carnet is usually valid for 1 year from the date of issuance and is issued at moderate cost. A bond or cash deposit of 40 percent of the value of the goods covered by the carnet is also required. This will be forfeited in the event the products are not reexported and duties and taxes are not paid.

Carnets are sold in the United States by the U.S. Council for International Business at the following locations: 1212 Avenue of the Americas, New York, NY 10036, (212)

354-4480; 3345 Wilshire Boulevard, Los Angeles, CA 90010, (213) 386-0767; and 1930 Thoreau Drive, #101, Schaumburg, IL 60173.

Business travelers to Italy seeking appointments with U.S. Embassy Rome officials should contact the Commercial Section in advance. The Commercial Section can be reached by telephone at 39-06-4674-2382, fax at 39-06-4674-2113, or E-mail at Rome.Office.Box@mail.doc.gov.

X. ECONOMIC AND TRADE STATISTICS

APPENDIX A: THE DOMESTIC ECONOMY

1999 ACTUAL, 2000 AND 2001 ESTIMATES - USD MILLIONS

	1999	2000	2001
- GDP AT CURRENT PRICES	1,170,547	1,103,943	1,176,771
- NOMINAL GDP GROWTH RATE			
- (PERCENT)	3.4	3.8	3.9
- REAL GDP GROWTH RATE			
- (PERCENT)	1.4	2.8	2.9
- GDP PER CAPITA (USD)	20,294	19,139	20,402
- GOVERNMENT SPENDING AS			
- PERCENTAGE OF GDP	48.8	48.5	48.3
- INFLATION (PERCENT)	1.7	2.3	1.8
- UNEMPLOYMENT (PERCENT)	11.4	11.0	10.6
- FOREIGN EXCHANGE RESERVES	42,760	40,280	41,340
- AVERAGE EXCHANGE RATE			
- (LIRA/\$)	1818	2000	1950
- FOREIGN DEBT	71,031	70,193	72,041

			100 of 148
- DEBT SERVICE RATIO (PERCENT)	5.5	5.6	5.5

APPENDIX B: TRADE STATISTICS

1999, ACTUAL, 2000 AND 2001 ESTIMATES - USD MILLIONS

	1999	2000	2001
- TOTAL ITALIAN EXPORTS	230,529	230,672	254,766
- TOTAL ITALIAN IMPORTS	216,860	249,153	270,329
- EXPORTS TO THE US	21,893	21,906	24,194
- IMPORTS FROM THE US	10,675	12,265	13,307

U.S. SHARE OF HOST COUNTRY OF MANUFACTURED GOODS

	1999	2000	2001
- TOTAL (FROM WORLD)	190,101	184,079	209,952
- TOTAL FROM THE US	9,680	11,122	12,067
- U.S. SHARE OF MANUFACTURED			
- IMPORTS (PERCENT)	5.1	6.0	5.7
- MANUFACTURED GOODS TRADE			
- BALANCE WITH US	11,608	12,121	13,664
- PROJECTED AVERAGE ANNUAL			
- GROWTH RATE FROM WORLD			
- THROUGH 2001 (PERCENT)	22.8	18.5	11.2

- PROJECTED AVERAGE ANNUAL			
- GROWTH RATE FROM U.S.			
- THROUGH 2001 (PERCENT)	37.1	33.7	4.3

IMPORTS OF AGRICULTURAL GOODS

	1999	2000	2001
- TOTAL (FROM WORLD)	11,608	12,121	13,664
- FROM THE US	603	692	751
- U.S. SHARE OF AGRICULTURAL			
- IMPORTS (PERCENT)	5.2	5.7	5.5
- AGRICULTURAL GOODS TRADE			
- BALANCE WITH US	-555	-642	-695

TRADE BALANCE WITH FOUR LEADING PARTNERS in 1999

- GERMANY	-3,205	-9,320	-9,372
- FRANCE	2,641	-1,413	-949
- UNITED KINGDOM	3,215	1,264	1,690
- UNITED STATES	11,218	9,642	10,887

SOURCE: BANK OF ITALY, ISTAT, ISAE, EMBASSY FORECAST

APPENDIX C: INVESTMENT STATISTICS

TABLE 1: FOREIGN DIRECT INVESTMENT INFLOWS BY ECONOMIC SECTOR (NET) 1996-1999 (USD MILLIONS) (1)

	1996	1997	1998	1999
AGRICULTURE	31.8	32.9	15.9	9.3
ENERGY	-169.8	29.9	-98.6	-2.2
INDUSTRY	618.9	1,197.9	1,034.1	1,080.9
OF WHICH:				
MECHANICAL	432.9	732.2	748.1	225.5
CHEMICAL	-182.8	42.9	48.7	187.6
FOOD	48.6	129.2	101.0	185.4

TEXTILES	86.2	88.7	24.7	135.3
MINERAL/METAL	66.1	149.7	71.6	215.6
OTHER	167.9	55.2	39.9	131.5
 BUILDING AND PUBLIC WORKS	 40.8	 9.4	 45.2	 80.3
SERVICES	2,855.5	2,253.7	1,507.9	2,553.4
OF WHICH:				
BANKING/ INSURANCE	1,612.4	751.6	934.2	875.2
TRADE	105.0	229.6	149.7	140.3
TRANSPORTATION/ COMMUNICATION	201.6	116.9	-309.5	-289.9
OTHER SERVICES (NOT FOR SALE)	936.5	1,155.6	733.4	1,827.8
 T O T A L	 3,377.2	 3,523.8	 2,504.4	 3,721.7

(1) COMPILED BY THE ECONOMIC SECTION OF THE EMBASSY BASED ON BANK OF ITALY DATA AND CONVERTED AT THE FOLLOWING AVERAGE EXCHANGE RATES:

	1996	1997	1998	1999
LIRA/DOLLAR	1,543	1,703	1,737	1,818

NET = NEW INVESTMENT LESS DISINVESTMENT

TABLE 2: ITALIAN DIRECT INVESTMENT OUTFLOWS BY ECONOMIC SECTOR (NET) 1996-1999 (MILLIONS OF DOLLARS) (1)

	1996	1997	1998	1999
AGRICULTURE	27.2	44.0	240.1	-25.9
ENERGY	1,027.2	1,182.0	577.4	2,484.0
INDUSTRY	1,292.3	3,039.3	1,717.3	5,173.3
OF WHICH:				
MECHANICAL	362.9	1,243.7	348.2	2,643.0
CHEMICAL	275.4	476.8	-13.2	425.2
FOOD	118.0	396.9	201.5	548.4
TEXTILES	167.2	339.4	249.3	186.5

				103 of 148
MINERAL/METAL	136.7	302.4	203.2	611.7
OTHER	232.0	280.1	128.4	758.5
BUILDING AND PUBLIC WORKS	86.8	54.1	24.2	187.6
SERVICES	3,750.5	5,875.5	9,169.3	-3,432.3
OF WHICH:				
BANKING/ INSURANCE	2,277.8	4,860.2	6,711.0	1,810.8
TRADE	429.7	227.2	271.7	769.0
TRANSPORTATION/ COMMUNICATION	189.9	32.9	863.0	330.0
OTHER SERVICES (NOT FOR SALE)	753.1	755.1	1,323.5	-6,342.1
T O T A L	6,184.1	10,195.0	11,720.3	4,386.7

(1) COMPILED BY THE ECONOMIC SECTION OF THE EMBASSY BASED ON BANK OF ITALY DATA AND CONVERTED AT THE FOLLOWING AVERAGE EXCHANGE RATES:

	1996	1997	1998	1999
LIRA/DOLLAR	1,543	1,703	1,737	1,818

NET = NEW INVESTMENT LESS DISINVESTMENT

TABLE 3A: STOCK OF FOREIGN DIRECT INVESTMENT IN ITALY BY MAJOR INVESTORS; YEAR END 1996-1999 (USD MILLIONS) (1)

	1996	1997	1998	1999
UNITED STATES	10,931.2	11,815.2	14,298.2	14,051.4
EU	42,112.4	47,450.3	61,145.8	62,850.0
OF WHICH:				
FRANCE	9,866.3	11,101.8	14,446.5	15,501.3
NETHERLANDS	6,853.0	7,562.9	9,771.3	9,522.1
UNITED KINGDOM	8,287.1	9,177.9	12,020.3	11,931.5
GERMANY	6,670.7	7,305.9	9,496.7	10,473.3
LUXEMBOURG	6,153.3	7,513.4	9,406.5	9,712.0

SWEDEN	1,976.4	2,129.1	2,643.1	2,552.7
SPAIN	264.6	250.7	350.3	463.9
OTHER EU (2)	2,041.3	2,408.7	3,011.1	2,693.3
SWITZERLAND	12,428.7	13,764.6	17,377.5	18,445.3
LIECHTENSTEIN	1,319.8	1,416.1	1,758.6	1,646.6
JAPAN	1,360.3	1,510.5	1,951.6	2,035.3
ARGENTINA	113.7	128.5	159.1	148.9
BRAZIL	39.2	38.7	75.6	68.0
OTHER	4,215.5	5,030.1	5,976.4	6,352.8
TOTAL	72,520.7	81,154.1	103,099.8	105,598.3

(1) COMPILED BY THE ECONOMIC SECTION OF THE EMBASSY BASED ON BANK OF ITALY DATA AND CONVERTED AT THE FOLLOWING END YEAR EXCHANGE RATES:

	1996	1997	1998	1999
LIRA/DOLLAR	1,531	1,759	1,653	1,927

(2) BELGIUM, AUSTRIA, DENMARK, FINLAND, PORTUGAL, GREECE, IRELAND.

TABLE 3B: STOCK OF FOREIGN DIRECT INVESTMENT IN ITALY BY MAJOR INVESTORS; YEAR END 1996-1999 (PERCENTAGE OF TOTAL)

	1996	1997	1998	1999
UNITED STATES	15.1	14.6	13.9	13.3
EU	58.1	58.5	59.3	59.5
OF WHICH:				
FRANCE	13.6	13.7	14.0	14.7
NETHERLANDS	9.4	9.3	9.5	9.0
UNITED KINGDOM	11.4	11.3	11.6	11.3
GERMANY	9.2	9.0	9.2	9.9
LUXEMBOURG	8.5	9.3	9.1	9.2
SWEDEN	2.7	2.6	2.6	2.4
SPAIN	0.4	0.3	0.3	0.4
OTHER EU (1)	2.9	3.0	2.6	2.5

SWITZERLAND	17.1	17.0	16.9	17.5
LIECHTENSTEIN	1.8	1.7	1.7	1.6
JAPAN	1.9	1.9	1.9	1.9
ARGENTINA	0.2	0.2	0.2	0.1
BRAZIL	0.1	0.0	0.1	0.1
OTHER	5.7	6.1	5.8	6.0
T O T A L	100.0	100.0	100.0	100.0

(1) BELGIUM, AUSTRIA, DENMARK, FINLAND, PORTUGAL, GREECE, IRELAND.

TABLE 4A: STOCK OF ITALIAN DIRECT INVESTMENT ABROAD BY MAJOR RECIPIENT; YEAR END 1996-1999 (MILLIONS OF DOLLARS) (1)

	1996	1997	1998	1999
UNITED STATES	10,077.8	12,318.9	16,131.9	18,198.8
EU	70,939.6	80,430.4	103,573.5	104,320.7
OF WHICH:				
LUXEMBOURG	13,293.1	16,238.2	22,274.7	19,853.7
NETHERLANDS	21,522.7	23,447.4	29,797.3	25,522.6
FRANCE	10,531.7	10,585.0	13,626.7	15,235.6
GERMANY	5,901.3	6,756.7	8,594.7	11,467.6
UNITED KINGDOM	8,218.5	10,034.7	11,983.1	14,181.1
SWEDEN	284.2	380.3	510.0	793.5
SPAIN	5,791.3	6,253.0	8,044.2	8,003.1
OTHER EU (2)	5,396.8	6,735.1	8,742.8	9,263.6
SWITZERLAND	8,186.5	9,898.2	11,326.7	9,926.8
BRAZIL	2,369.1	2,831.2	2,827.0	4,165.0
ARGENTINA	1,673.2	1,992.0	1,712.6	2,057.6
JAPAN	1,234.8	1,264.4	1,445.3	1,839.6
LIECHTENSTEIN	102.6	127.8	157.9	140.1
OTHER	12,915.6	16,225.1	21,149.4	24,915.0
T O T A L	107,499.2	125,088.1	159,160.3	165,563.6

(1) COMPILED BY THE ECONOMIC SECTION OF THE EMBASSY BASED ON BANK OF ITALY DATA AND CONVERTED AT THE FOLLOWING END YEAR EXCHANGE RATES:

	1996	1997	1998	1999
LIRA/DOLLAR	1,531	1,759	1,653	1,927

(2) BELGIUM, AUSTRIA, DENMARK, FINLAND, PORTUGAL, GREECE, IRELAND.

TABLE 4B: STOCK OF ITALIAN DIRECT INVESTMENT ABROAD BY MAJOR RECIPIENT; YEAR END 1996-1999 (PERCENTAGE OF TOTAL)

	1996	1997	1998	1999
UNITED STATES	9.4	9.8	10.1	11.0
EU	66.0	64.3	65.1	63.0
OF WHICH:				
LUXEMBOURG	12.4	13.0	14.0	12.0
NETHERLANDS	20.0	18.7	18.7	15.4
FRANCE	9.6	8.5	8.6	9.2
GERMANY	5.5	5.4	5.4	6.9
UNITED KINGDOM	7.6	8.0	7.5	8.6
SPAIN	5.4	5.0	5.1	4.8
SWEDEN	0.3	0.3	0.3	0.5
OTHER EU (1)	5.2	5.4	3.1	5.6
SWITZERLAND	7.6	7.9	7.1	6.0
BRAZIL	2.2	2.3	1.8	2.5
ARGENTINA	1.6	1.6	1.1	1.2
JAPAN	1.1	1.0	0.9	1.1
LIECHTENSTEIN	0.1	0.1	0.2	0.1
OTHER	12.0	13.0	13.3	15.1
TOTAL	100.0	100.0	100.0	100.0

(1) BELGIUM, AUSTRIA, DENMARK, FINLAND, PORTUGAL, GREECE,
IRELAND.

TABLE 5A: U.S. INVESTMENT IN ITALY BY ECONOMIC SECTOR
OUTSTANDING END-YEAR 1996-1999
(MILLIONS OF DOLLARS) (1)

	1996	1997	1998	1999
AGRICULTURE	4.6	9.1	14.5	17.1
ENERGY	394.6	427.5	529.3	527.8
INDUSTRY	7,241.7	7,776.0	9,235.3	8,788.8
OF WHICH:				
MECHANICAL	962.4	944.9	1,195.4	1,144.3
TRANSPORTATION				
EQUIPMENT	550.1	593.0	729.0	672.0
CHEMICAL	2,412.8	2,619.1	2,750.8	2,614.9
FOOD	1,153.2	1,237.1	1,587.4	1,499.2
TEXTILES	124.8	158.6	198.4	193.6
MINERALS/METALS	100.6	117.7	152.5	209.7
OTHER	1,937.8	2,105.6	2,621.9	2,455.1
SERVICES	3,290.3	3,602.6	4,519.1	4,717.7
OF WHICH:				
TRADE	308.4	334.3	709.0	676.7
BANKING/				
INSURANCE	1,656.2	1,797.6	2,219.0	2,141.2
TRANSPORTATION/				
COMMUNICATION	514.8	564.0	426.5	482.1
OTHER SERVICES	810.8	906.9	1,164.5	1,417.7
TOTAL	10,931.2	11,815.2	14,298.2	14,051.4

(1) COMPILED BY THE ECONOMIC SECTION OF THE EMBASSY BASED ON
BANK OF ITALY DATA AND CONVERTED AT THE FOLLOWING END YEAR
EXCHANGE RATES:

	1996	1997	1998	1999
LIRA/DOLLAR	1,531	1,759	1,653	1,927

TABLE 5B: U.S. INVESTMENT IN ITALY BY ECONOMIC SECTOR
 OUTSTANDING END-YEAR 1996-1999
 (PERCENTAGE OF TOTAL)

	1996	1997	1998	1999
AGRICULTURE	0.0	0.1	0.1	0.1
ENERGY	3.6	3.6	3.7	3.8
INDUSTRY	66.3	65.8	64.6	62.5
OF WHICH:				
MECHANICAL	8.8	8.0	8.4	8.1
TRANSPORTATION				
EQUIPMENT	5.0	5.0	5.1	4.8
CHEMICAL	22.1	22.2	19.2	18.6
FOOD	10.6	10.5	11.1	10.7
TEXTILES	1.1	1.3	1.4	1.4
MINERALS/METALS	0.9	1.0	1.1	1.5
OTHER	17.8	17.8	18.3	17.4
SERVICES	30.1	30.5	31.6	33.6
OF WHICH:				
TRADE	2.8	2.8	5.0	4.8
BANKING/INSURANCE	15.2	15.2	15.5	15.2
TRANSPORTATION/				
COMMUNICATION	4.7	4.8	3.0	3.4
OTHER SERVICES	7.4	7.7	8.1	10.2
T O T A L	100.0	100.0	100.0	100.0

TABLE 6A: ITALIAN INVESTMENT IN THE U.S. BY ECONOMIC SECTOR
 OUTSTANDING END-YEAR 1996-1999 (MILLIONS OF DOLLARS) (1)

	1996	1997	1998	1999
AGRICULTURE	20.9	32.4	66.5	47.7
ENERGY	855.2	1,032.4	1,179.1	1,456.7
INDUSTRY	4,054.7	4,886.9	5,925.0	6,964.7
OF WHICH:				

				109 of 148
MECHANICAL	1,598.1	1,861.3	2,399.9	2,551.1
TRANSPORTATION				
EQUIPMENT	486.7	600.3	697.5	801.8
CHEMICAL	169.2	227.4	234.1	389.7
FOOD	75.8	139.9	157.3	416.7
TEXTILES	274.4	375.2	522.7	644.5
MINERALS/METALS	1,070.2	1,232.5	1,396.2	1,574.5
OTHER	280.3	450.3	517.2	586.4
SERVICES	5,147.1	6,367.3	8,961.3	9,729.7
OF WHICH:				
TRADE	556.0	718.6	1,013.3	1,130.8
BANKING/ INSURANCE	2,330.5	3,030.7	4,759.8	5,191.5
TRANSPORTATION/ COMMUNICATION	42.5	63.1	200.8	0.0
OTHER SERVICES	2,218.1	2,554.9	2,987.3	3,407.4
T O T A L	10,077.9	12,318.9	16,131.9	18,198.8

(1) COMPILED BY THE ECONOMIC SECTION OF THE EMBASSY BASED ON BANK OF ITALY DATA AND CONVERTED AT THE FOLLOWING END YEAR EXCHANGE RATES:

	1996	1997	1998	1999
LIRA/DOLLAR	1,531	1,759	1,653	1,927

TABLE 6A: ITALIAN INVESTMENT IN THE U.S. BY ECONOMIC SECTOR
OUTSTANDING END-YEAR 1996-1999 (PERCENTAGE OF TOTAL)

	1996	1997	1998	1999
AGRICULTURE	0.2	0.3	0.4	0.3
ENERGY	8.5	8.4	7.3	8.0
INDUSTRY	40.2	39.7	36.7	38.3
OF WHICH:				
MECHANICAL	15.9	15.1	14.9	14.0
TRANSPORTATION				

EQUIPMENT	4.8	4.9	4.3	4.4
CHEMICAL	1.7	1.9	1.4	2.1
FOOD	0.8	1.1	1.0	2.3
TEXTILES	2.7	3.0	3.2	3.5
MINERALS/METALS	10.6	10.0	8.7	8.7
OTHER	3.7	3.7	3.2	3.3
SERVICES	50.6	51.6	55.6	53.4
OF WHICH:				
TRADE	5.5	5.8	6.3	6.2
BANKING/INSURANCE	23.1	24.6	29.5	28.5
TRANSPORTATION/ COMMUNICATION	0.4	0.5	1.3	0.0
OTHER SERVICES	22.1	20.7	18.5	18.7
TOTAL	100.0	100.0	100.0	100.0

TABLE 7: DIRECT INVESTMENT BY ORIGIN AND DESTINATION
OUTSTANDING END-YEAR 1999 (MILLIONS OF DOLLARS) (1)

	FOREIGN INVESTMENT IN ITALY	ITALIAN INVESTMENT ABROAD	NET ITALIAN POSITION
EU	62,850.0	104,320.7	41,470.7
OF WHICH:			
UNITED KINGDOM	11,931.5	14,181.1	2,249.6
NETHERLANDS	9,522.1	25,522.6	16,000.5
GERMANY	10,473.3	11,467.6	994.3
FRANCE	15,501.3	15,235.6	-265.7
SPAIN	463.9	8,003.1	7,539.2
LUXEMBOURG	9,712.0	19,853.7	10,141.7
BELGIUM	1,588.0	3,192.0	1,604.0
SWEDEN	2,552.7	793.5	-1,759.2
OTHER EU (2)	1,105.3	6,071.6	4,966.3
NON-EU	42,748.3	61,242.9	18,494.6
OF WHICH:			
USA	14,051.4	18,198.8	4,147.4
SWITZERLAND	18,445.3	9,926.8	-8,518.4

LIECHTENSTEIN	1,646.6	140.1	-1,506.5
JAPAN	2,035.3	1,839.6	-195.6
CANADA	337.8	904.0	566.2
ARGENTINA	148.9	2,057.6	1,908.7
BRAZIL	68.0	4,165.0	4,097.0
OTHER	6,015.0	24,010.9	17,995.8
T O T A L	105,598.3	165,563.6	59,965.2

(1) ORIGINAL DATA IN LIRE AND CONVERTED AT THE END-1999 EXCHANGE RATE ONE DOLLAR EQUALS 1,927.

(2) AUSTRIA, DENMARK, FINLAND, PORTUGAL, GREECE, IRELAND.

SOURCES: ITALIAN EXCHANGE OFFICE AND BANK OF ITALY ANNUAL REPORT 1999.

XI. US AND COUNTRY CONTACTS

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00144 Eur-Rome
Tel: 39-06-59943946
Fax: 39-06-59943217

ITALIAN TRADE ASSOCIATIONS

GENERAL/INDUSTRIAL:

American Chamber of Commerce in Italy
Via Cantu', 1
20123 Milan
Tel: 39-02-869-0661
Fax: 39-02-805-7737
www.amcham.it
amcham@enter.it

Associazione Bancaria Italiana
(Association of Italian Banks)
Piazza del Gesu, 49
00186 Rome
Tel: 39-06-67671
Fax: 39-06-676-7457
www.abi.it
abi@abi.it

Associazione Imprenditrici e Donne Dirigenti d'Azienda (AIDDA)
(Association of women managers and entrepreneurs)
Associazione Nazionale del Commercio con l'Estero (ANCE)
(National Association for Foreign Trade)
Corso Venezia, 49
20121 Milan
Tel: 39-02-775-0320/775-0321
Fax: 39-02-775-0329
www.aidda.org

www.ance.it
ance.italy@iol.it

Associazione Nazionale fra le Imprese Assicuratrici
(National Association of Business Insurance)
Via della Frezza, 70
00186 Rome
Tel: 39-06-326-881
Fax: 39-06-322-7135

www.ania.it
info@ania.it

ANFIA - Associazione Nazionale fra Industrie Automobilistiche
(Auto Industry Association)
Corso Galileo Ferraris 61
10128 Turin (TO)
Tel: 39-011-545160/545057
Fax: 39-011-545464
Contact: Dr. Aldo Malandra, Director

www.anfia.it
info@anfia.it

ASTER S. cons.a.r.l
(Agency for the Development of Technology in Emilia-Romagna. This agency promotes use of new technologies and international trade in the Region.)

Via Morgani 4
40122 Bologna
Tel: 39-051-236-242
Fax: 39-051-227-803
Contact: Debora Facchini

www.aster.it
info@aster.it

CESVIT S.p.A. / M.Cube
(M. Cube is part of the European Union's Esprit project to promote the development of the multimedia sector in Italy.)

Via Giovanni del Pian dei Carpini 28-30
50127 Florence
Tel: 39-055-429-4261
Fax: 39-055-429-4220
Contact: Paolo Martinez

www.mcube.org
martinez@cesvit.it

Confederazione Generale dell'Industria (Confindustria)
(Confindustria is the general confederation of Italian industry and principal trade association in Italy acting as an umbrella organization covering numerous industry trade associations.)

Viale dell'Astronomia, 30
00144 Rome

Tel: 39-06-59031

Fax: 39-06-591-9615

www.confindustria.it

confindustria@confindustria.it

Confederazione Generale Italiana dell'Artigianato
(General confederation of handicrafts associations.)

Via San Giovanni in Laterano 152
00187 Rome

Tel: 39-06-703-741

Fax: 39-06-7045-2188

www.confartigianato.it

confartigianato@confartigianato.it

Confederazione Generale dell'Agricoltura Italiana
Corso Vittorio Emanuele II, 101

00186 Rome

Tel: 39-06-690151

Fax: 39-06-6830-8578/686-1726

Confederazione Generale Italiana del Commercio e del Turismo (Confcommercio)
(Confcommercio is an umbrella trade association affiliated with industry groups in commerce and tourism.)

Piazza G. G. Belli, 2
00153 Rome

Tel: 39-06-58661

Fax: 39-06-580-9425

www.confcommercio.it

confcommercio@confcommercio.it

Confederazione Italiana della Piccola e Media Industria (CONFAPI)
(Industry confederation serving small- and medium-size firms.)

Via della Colonna Antonina, 52
00186 Rome

Tel: 39-06-690151

Fax: 39-06-679-1488

www.confapi.it
mail@confapi.it

Lega Nazionale Cooperative e Mutue
(National Cooperative and Mutual League)
Via Guattani, 9
00161 Rome
Tel: 39-06-844-391
Fax: 39-06-8443-9406/8443-9216
www.legacoop.it/home.htm
presidenza@legacoop.it

Promo Firenze
(Special Agency of the Florence Chamber of Commerce for the promotion of
international trade)
Via Por Santa Maria
angolo Via Volta dei Mercanti 2
50123 Florence
Tel: 39-055-267-141
Fax: 39-055-267-1607
Contact: Dante Cecchini
www.promofirenze.com
promofirenze@promofirenze.com

punto.it
(a "virtual" organization with no fixed address that promotes electronic commerce and
internet use)
www.puntoit.org

Unione Italiana delle Camere di
Commercio Industria Artigianato e Agricoltura
(responsible as umbrella organization for all chambers of commerce in Italy)
Piazza Sallustio, 21
00187 Roma
Tel: 39-06-47041
Fax: 39-06-470-4342
www.unioncamere.it
unioncamere@unioncamere.it

UCINA - National Union of Italian Shipyards, Nautical Industries and Related Sectors
Piazzale J F. Kennedy 1
16129 Genoa (GE)
tel; 39/010/5769811

fax: 39/010/5531104
internet: www.ucina.it
e-mail: ucina@ucina.it
Contact: Eng. Andrea Gasparri, Director General

AGRICULTURAL:

Associazione Italiana Allevatori
(Breeders)
Dr. Bonizzi, Director
Via Tomassetti 9
00161 Rome
Tel: 39-06-854-5118
Fax: 39-06-8545-1252
www.aia.it
info@aia.it
spag@aia.it

Associazione Italiana Industria Olearia
(Veg Oil)
Giorgio Cilenti, Director Generale
Piazza Campitelli 3
00186 Rome
Tel: 39-06-6994-0058
Fax: 39-06-6994-0118
assitol@foodarea.it

A.I.S.S.
(Seed Industry Assoc)
Marco Nardi, Secretary
Piazza della Costituzione, Galleria del Reno, Scala C
40128 Bologna
Tel: 39-051-850-3881
Fax: 39-051-355-166

Associazione Nazionale Allevatori Bovini della Razza Bruna
(Brown Swiss Breeders)
Giuseppe Santus, Director
Via Locatelli 20
37122 Verona
Tel & Fax: 39-030-364-280

Associazione Nazionale Allevatori Razza Frisona Italiana
(Holstein Frisian Breeders)
Giancarlo Lanari, President
Via Bergamo 292
21626 Cremona
Tel: 39-037-412-521
Fax: 39-037-474-203

Associazione Nazionale Allevatori Suini
(Swine Breeders)
Giancarlo Cintoli
Via G.B. De Rossi 3
00161 Rome
Tel: 39-06-844-9106
Fax: 39-06-844-3471

Associazione Nazionale Bieticoltori
(Beet Growers)
Luciano Biasco, Director General
Via D'Azeglio 48
40123 Bologna
Tel: 39-051-334-884
Fax: 39-051-331-403

Associazione Nazionale Cerealisti
(Grain Traders)
Lorenzo Fineschi, Director
Via Po 102
00198 Rome
Tel: 39-06-841-6554
Fax: 39-06-884-0877

ASSALZOO
(Compound Feed)
Emilio Minetti, Secretary General
Via Lovanio 6
00198 Rome
Tel: 39-06-854-1641
Fax: 39-06-854-1641

ANEIOA
(Nat'l Imp/Exp Hort Assoc)
Pino Calcagni, President

Via Sabotino 46
00195 Rome
Tel: 39-06-3751-5147
Fax: 39-06-372-3569

ANIPO
(Nat'l Imp Hort Assoc)
Fausto Ratto, Secretary General
Largo Brindisi 5
00182 Rome
Tel: 39-06-7049-7472
Fax: 39-06-700-4428

FEDERCOMLEGNO
(Wood Trade Federation)
Alfonso Froncillo, President
Via G. d'Arezzo 16
00198 Rome
Tel: 39-06-841-7195
Fax: 39-06-8530-1785

FEDERORTOFRUTTA
(Fruit Trade Assoc)
Paolo Antenore
Via Gigli d'Oro 21
00186 Rome
Tel: 39-06-689-3414
Fax: 39-06-689-3409

FEDERVINI
(Wine Trade Assoc)
Federico Castellucci
Via Mentana 2B
00185 Rome
Tel: 39-06-494-1630
Fax: 39-06-494-1566

ITALMOPA
(Millers Assoc)
Fabrizio Vitali, Deputy President
Via Crociferi 44
00187 Rome
Tel: 39-06-678-5409

Fax: 39-06-783-054
www.italmopa.it
italmopa@foodarea.it

UNA
(Poultry Union)
Rita Pasquarelli, Secretary General
Via V. Mariano 58
00189 Rome
Tel: 39-06-325-4015
Fax: 39-06-3325-2427

UNAPROL
(Olive Oil Producers Assoc)
Paolo Nigro, President
Via Rocca di Papa 12
00197 Rome
Tel: 39-06-784-6901
Fax: 39-06-7834-4373
unaprol@tin.it

UNICEB
(Livestock Meat Traders)
Renzo Fossato, Director
Via dei Campioni 13
00144 Rome
Tel: 39-06-592-1241/592-1239
Fax: 39-06-592-1478/591-4843
uniceb@tin.it

UNIFI
(Pasta Traders Assoc)
Giuseppe Menconi, President
Via Po 102
00198 Rome
Tel: 39-06-854-3262
Fax: 39-06-841-5132
www.unifi-pasta.it
unifi@foodarea.it

Addressvitt S.r.l.
Via Anna Kuliscioff 38
20152 Milan
Tel: 39-02-483-361
Fax: 39-02-4830-1355
Contact: Dr. Marida Cagnoli
www.addressvitt.it
info@Addressvitt.it

Commark - Comunicazione e Marketing S.r.l.
Via Isonzo 25
00198 Rome
Tel: 39-06-855-8748/854-9394
Fax: 39-06-841-6677

Databank
Corso Italia 8
20122 Milan
Tel: 39-02-8052-855
Fax: 39-02-865-579
Contact: Mrs. Daniella Bosio

Directa S.r.l.
Via Solari 8
20144 Milan
Tel: 39-02-4819-3581
Fax: 39-02-4801-2277
Contact: Dr. Giorgio Calo'

Executive Services Business Centres S.r.l.
Via V. Monti 8
20123 Milan
Tel: 39-02-4819-4271
Fax: 39-02-48013233

Loverso Dr. Alfredo
Via Morosini 39
20135 Milan
Tel: 39-02-55011554
Fax: 39-02-72002889

Nielsen
Via G. di Vittorio 10

20094 Corsico (MI)
Tel: 39-02-451-971
Fax: 39-02-4510-1068/4586-6235

Palandri Horwath S.r.l.
Piazza Navona 49
00186 Rome
Tel: 39-06-686-7841
Fax: 39-06-689-6075
Contact: Dr. Aldo Sanchini

Reseau
Ricerche e Studi su Elettronica & Automazione
Via S. Vittore 39
20123 Milan
Tel: 39-02-4819-3800
Fax: 39-02-439-0535

Serin S.r.l.
Viale Beatrice d'Este 37
20122 Milan
Tel/Fax: 39-02-5832-2635

ITALIAN COMMERCIAL BANKS

(SEE CHAPTER VIII FOR LISTING)

WASHINGTON-BASED USG COUNTRY CONTACTS

TPCC Trade Information Center
Tel: 1-800-USA-TRADE

U.S. Department of Commerce
Market Access Compliance Office
David DeFalco, Italy Desk Officer
Room H-3042
14th Street and Constitution Ave, NW
Washington, DC 20230
Tel: (202) 482-2178
Fax: (202) 482-2897

www.mac.doc.gov

U.S. Department of State Office of Business Affairs
2201 C Street, NW
Washington, DC 20520
Tel: (202) 646-1625
Fax: (202) 646-3953

U.S. Department of Agriculture
Foreign Agricultural Service
14th St. & Independence Ave. S.W.
Washington, DC 20250
Trade assistance and promotion office:
Tel: (202) 720-7420

Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, DC 20527
Tel: (202) 336-8799
Fax: (202) 408-9859
www.opic.gov
info@opic.gov

U.S. - BASED MULTIPLIERS RELEVANT FOR ITALY

GENERAL

National Italian American Foundation (NIAF)
(NIAF conducts cultural and educational events, sponsors exchange programs, works to enhance cultural, political, and economic relations between the United States and Italy and serves as an advocacy group.)
1860 19th Street, NW
Washington, DC 20009
Tel: (202) 387-0600
Fax: (202) 387-0800
www.niaf.org

Italy-America Chamber of Commerce
1825 I Street N.W.
Suite 400
Washington, D.C. 20006

Tel: (202) 429-2068
Fax: (202) 429-9574
www.iaccmd.com
info@iaccmd.com

Delegation of the European Community
2300 M Street NW
3rd Floor
Washington, DC 20037
Tel: (202) 862-9500/1/2
Fax: (202) 429-1766

AGRICULTURAL

Alaska Seafood
Marketing Institute
J.C. Power, Exec Director
P.O. Box DX
Juneau, Alaska
99811-0800
Tel: (907) 586-2902

American Hardwood Export Council
Kathleen Landauer, Exec Director
1250 Conn Ave, Suite 200
NW463-2720
Washington, DC 20037
Tel: (202)463-2785

American Quarter Horse Association
Gary Griffith, Director of Field Operations
2701 I-40 East
P.O. Box 8112
Amarilly, Texas 79168
Tel: (806) 376-4811
Fax: (806) 376-8112

American Seed Trade Assoc
Jack W. Wells, Int'l Mktg
Suite 964
1030 15th St, NW
Washington, DC 20005

Tel: (202) 223-4080
Fax: (202) 293-2617

American Soybean Assoc
Tom Brennan, Div Manager Europe
P.O. Box 27300
St. Louis, MO St. Louis, MO
Tel: (314) 576-1770
Fax: (314) 576-2786

California Prune Board
Richard Peterson, Exec Director
5990 Stoneridge Drive, Suite 101
Pleasanton, CA 94588-2706
Tel: (510) 734-0150
Fax: (510) 734-0525

California Walnut Commission
Nathan Hollerman, Marketing Director
1540 River Park Drive, Suite
Sacramento, CA 95815
Tel: (916) 646-3807
Fax: (916) 923-2548

Cotton Council International
K. Adrian Hunnings, Exec Director
Suite 964
1110 Vermont Ave NW
Washington, DC 20005
Tel: (202) 331-2943
Fax: (202) 331-0622

Hardwood Plywood Manufacturers Association
E.T. Altman, President
P.O. Box 2789
Reston, Virginia 22090
Tel: (703) 435-9200
Fax: (703) 435-2537

Leather Industries of America
Charles Myers, President
1000 Thomas Jefferson Street N.W., Suite 515
Washington, D.C. 20007

Tel: (202) 342-8086
Fax: (202) 342-9063

MIATCO

Drayton C. Mayers, Executive Director
820 Davis Street, Suite 212
Evanston, IL 60201
Tel: (708) 866-7300
Fax: (708) 866-7413

Michigan Bean Shippers Association

James E. Byrum
P.O. Box 473
Leslie, MI 9688
Tel: (517) 790-3010
Fax: (517) 790-3742

Mohair Council of America

Brian J. May, Exec Director
P.O. Box 5337
San Angelo, TX 76902
Tel: (915) 655-3161
Fax: (915) 655-4761

Nat'l Assoc of Animal Breeders

Gordon A. Doak, President
P.O. Box 1033
Columbia, MO 65205
Tel: (314) 445-4406
Fax: (314) 446-2279

National Dry Bean Council

Philip Kimball
Suite 700
1101 Conn Ave, NW 857-1169
Washington, DC 20026
Tel: (202) 429-5154

National Honey Board

Mary R Humann, Exec Director
421 First St, Suite 203
Longmont, CO 80501-1421
Tel: (303) 776-2337

Fax: (303) 776-2337

National Forest Products Assoc
Steve Lovett, Vice President
Suite 200
1250 Conn Ave, NW
Washington, DC 20036
Tel: (202) 463-2723
Fax: (202) 463-2785

National Peanut Council
Jeannette Anderson, Director
1500 King Street, Suite 301
Alexandria, VA 22314
Tel: (703) 838-9500
Fax: (703) 838-9508

Northwest Horticultural Council
Christian Schlect, President
P.O. Box 570
Yakima, WA 98907
Tel: (509) 453-3193
Fax: (509) 453-4880

Southern U.S. Trade Association
Scott Hansen, Exec Director
World Trade Center, Suite 1540
2 Canal Street
New Orleans, LA 70130-1408
Tel: (504) 568-5986
Fax: (504) 568-6010

Tobacco Associates
Kirk Wayne, President
1725 K St, NW
Suite 512
Washington, DC 20006
Tel: (202) 828-9144
Fax: (202) 828-9149

USA Dry Pea & Lentil Council
Harol Blaine, Administrator
5071 Hwy West

Moscow, ID 83843-4023
Tel: (208) 882-3023
Fax: (208) 882-6406

USA Rice Council
Bill J. Goldsmith, Exec Vice Pres
PO Box 740123
Houston, TX 77274
Tel: (713) 270-6699
Fax: (713) 270-1146

U.S. Hide, Skin & Leather Association
Jerome J. Breiter, President
1700 North Moore
Suite 1600
Arlington, VA 22209
Tel: (703) 841-5485
Fax: (703) 841-9656

U.S. Wheat Associates
Winston L. Wilson, President
1620 I St, NW
Suite 801
Washington, DC 20006
Tel: (202) 463-0999
Fax: (202) 785-1052

Western Wood Products Association
H.A. Roberts, President
522 SW Fifth Ave
4th Floor
Portland, OR 97204-2122
Tel: (503) 224-3930
Fax: (503) 224-3934

Wine Institute
John A. De Luca, President
425 Market St
Suite 1000
San Francisco, CA 94105
Tel: (415) 512-0151
Fax: (415) 442-0742

XII. MARKET RESEARCH

Commercial Service Italy Industry Sector Analyses (ISA) and Industry Market Insight (IMI) reports completed/to be completed in fiscal year 2000: Non-agricultural sectors

ISA REPORTS:

Industry subsector: Air Conditioning Equipment for Residential Use

Date: October 30, 1999

Researcher: M. Calabria/Rome

Industry subsector: Agricultural Machinery in Italy

Due date: July 31, 2000

Researcher: F. Alberti/Milan

Industry subsector: The Italian Market for Tourism to the U.S.

Due date: July 31, 2000

Researcher: G. Vecchio/Milan

Industry subsector: The Italian Sporting Goods Market

Due date: July 31, 2000

Researcher: A. Anselmini/Milan

Industry subsector: Leather Goods: Personal

Due date: July 31, 2000

Researcher: A. Gola/Florence

Industry subsector: Automotive Parts and Accessories

Due date: August 31, 2000

Researcher: S. Lezzi/Genoa

Industry subsector: Electronic Commerce

Due date: August 31, 2000

Researcher: N. Postiglione/Milan

Industry subsector: Home Health Care

Due date: August 31, 2000

Researcher: P. Gattinoni/Milan

Industry subsector: Hazardous Waste Management Disposal Equipment & Services

Due date: September 30, 2000

Researcher: Leonarda Chiochi/Rome

Industry subsector: Plastics
Due date: September 30, 2000
Researcher: E. Colombo/Rome

Industry subsector: Safety & Security Equipment for Large Industry
Due date: September 30, 2000
Researcher: M. Calabria/Rome

Industry subsector: Value-Added Services in Telecommunications
Due date: September 30, 2000
Researcher: M. Stannus/Rome

IMI REPORTS:

Industry subsector: Regional/Business Aircraft/Parts
Date: April 30, 2000
Researcher: C. Sartorio/Rome

Industry subsector: Airport Development Opportunities
Date: August 30, 1999
Researcher: C. Sartorio/ Rome

Industry subsector: Italy approves three-year plan for integration of central and regional administrations through information technology
Date: February 01, 2000
Researcher: M. Stannus/Rome

Industry subsector: Italy's Pleasure Boating Trends
Date: November 4, 1999
Researcher: S. Lezzi/Genoa

Industry subsector: New system for qualifying construction firms wanting to bid on public works introduced in Italy will generate USD 2 million business for firms certifying qualification requirements
Date: February 3, 2000
Researcher: F. Alberti/Milan

Industry subsector: The Italian Market for Used and Refurbished Medical Equipment
Date: March 24, 2000
Researcher: P. Gattinoni/Milan

Industry subsector: The Italian Textile Machinery Sector. Orders are up 129%

Date: March 15, 2000
Researcher: P. Gattinoni/Milan

Industry subsector Liberalization of Energy Market in Italy
Date: June 7, 2000
Researcher: C. Sartorio/Rome

Industry subsector: Italian Market for Vitamin and Mineral Nutritional Supplements
Date: June 01, 2000
Researcher: M. Stannus/Rome

For copies of these reports and information on additional market research, see the
Commercial Service Website: www.usatrade.gov

Market Research: Agricultural

Market Briefs have been completed on:

- Agricultural Export Opportunities to Italy
- Ensure Payment for Your Exports
- Exporting U.S. Food Products to Italy
- Food and Agricultural Import and Sanitary Requirements (Fairs)
- Forest Products Annual Reports
- Frozen Food
- Hotel, Restaurant and Institute Industry (HRI)
- Italian Food Distribution System
- Italian Licensing System
- Italian Food Labeling Requirements
- Italy: A Billion Dollar US Market with Potential for Another \$400 Million in Sales
- Nursery Products
- Organic Food Products
- Pet Food
- Seafood Annual Report
- Snack Food
- Step by Step Advice for U.S. Exporters and Italian Importers
- The Intertwined Breakfast and Snack Bar Industry
- The Lobster Import Market

Copies of these market briefs may be found on the Foreign Agricultural Services' home page <http://www.fas.usda.gov>.

A complete resource for exporting agricultural products to Italy may be found at the Agricultural Trade Website <http://www.usdaitaly.org>.

For additional information, you may contact:

In Italy:
Foreign Agricultural Service
Via Veneto 119A
00187 Roma
Italia

From the United States
Foreign Agricultural Service
PSC 59 Box 13
APO AE, 09624

Tel: (39) (06) 4674-2396
Fax: (39) (06) 4788-7008
e:mail: AgRome@fas.usda.gov

Tel: (39) (06) 4674-2396
Fax: (39) (06) 4788-7008
e:mail: AgRome@fas.usda.gov

XIII. TRADE EVENT SCHEDULE

(Last Quarter of Calendar Year 2000 and Calendar Years 2001 & 2002)

A) COMMERCIAL SERVICE TRADE EVENTS

Name of event: U.S. CATALOG EXHIBIT AT GENOA INTERNATIONAL BOAT SHOW

Event location: Genoa, Italy
Industry theme: Boats and Marine Accessories
Dates of event: October 14 - 22, 2000
October 2001
October 2002

Type of event: Trade Fair

Name and phone number of post recruiter: Susanna Lezzi, CS Genoa, Tel: 39/010543877; Fax: 39/0105761678; e-mail: Genoa.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT SAIE 2000

Event Location: Bologna, Italy
Industry Theme: Building Products, Construction Equipment
Dates of Event: October 18-22, 2000
Type of Event: Trade Fair

Name and Phone Number of Post Recruiter: Barbara Lapini, CS Florence, Tel: 39/055292266, Fax: 39/055283780; e-mail: Florence.Office.Box@mail.doc.gov
& Franco Alberti, CS Milan, Tel: 39/026592260; Fax 39/026596561;
e-mail: Milan.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT SMAU
Event location: Milan, Italy
Industry theme: Information and Communications Technology
Dates of event: October 19-23, 2000
October 18-22, 2001

Type of event: Trade Fair
Name and phone number of post recruiter: Nicoletta Postiglione, CS Milan, Tel.
39/026592260; Fax 39/026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT BIAS
Event location: Milan, Italy
Industry theme: Process Controls Instrumentation, Electronic Components, Industrial
Automation

Dates of event: November 7-11, 2000
Type of event: Trade Fair
Name and phone number of post recruiter: Steven Harper, TD-OMMI, 202-482-2991; e-
mail: Steven_Harper@ita.doc.gov & Gabriella Vecchio, CS Milan, Tel: 39/026592260;
Fax: 39/026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT FRANCHISING & PARTNERSHIP
Event location: Milan, Italy
Industry theme: Franchising
Dates of event: November 10-13, 2000
November 2001

Type of event: Trade Fair and Matchmaker
Name and phone number of post recruiter: Piera Gattinoni, CS Milan, Tel:
39/026592260; Fax: 39/02659561; e-mail: Milan.Office.Box@mail.doc.gov

Name of event: U.S. CATALOG EXHIBIT AT SICUREZZA 2000
Event location: Milan, Italy
Industry theme: Security & Safety Equipment
Dates of event: November 22-25, 2000

Type of event: Trade Fair
Name and phone number of post recruiter: Maria Calabria, CS Rome, Tel:
39/0646742427; Fax: 39/046742113; e-mail: Rome.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT CHIBI
Event location: Milan, Italy
Industry theme: Jewelry, Handicrafts, Giftware
Dates of event: January 18-21, 2001

Type of event: Trade Fair
Name and phone number of post recruiters: Barbara Lapini, CS Florence Tel:
39/055292266; Fax: 39/055283780; e-mail: Florence.Office.Box@mail.doc.gov &

Annalena Anselmini, CS Milan, Tel: 39/026592260; Fax: 39/026596561; e-mail:
Milan.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT BIT 2001

Event location: Milan, Italy

Industry theme: Travel & Tourism

Dates of event: February 14-18, 2001
February 2002

Type of event: Trade Fair

Name and phone number of post recruiter: Gabriella Vecchio, CS Milan, Tel:
39/026592260; Fax: 39/026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT ZOOMARK 2001

Event location: Milan, Italy

Industry theme: Pet Products

Dates of event: March 1-4, 2001

Type of event: Trade Fair

Name and phone number of post recruiter: Annalena Anselmini, CS Milan,
Tel: 39/026592260; Fax: 39/026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT TAU EXPO

Event location: Milan, Italy

Industry theme: Environmental Protection

Dates of event: March 14-17, 2001

Type of event: Trade Fair

Name and phone number of post recruiter: Nicoletta Postiglione, CS Milan,
Tel. 39/026592260; Fax 39/026596561; e-mail: Milan.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT BOLOGNA CHILDREN'S BOOK FAIR

Event location: Bologna, Italy

Industry theme: Multimedia Products

Dates of event: April 4-7, 2001

Type of event: Trade Fair

Name and phone numbers of post recruiters: Barbara Lapini, CS Florence, Tel:
39/055292266; e-mail: Florence.Office.Box@mail.doc.gov & Annalena Anselmini, CS
Milan, Tel: 39/026592260; Fax: 39/026596561; e-mail:
Milan.Office.Box@mail.doc.gov

Name of event: U.S. CATALOG EXHIBIT AT AUTOMOTOR

Event location: Turin, Italy

Industry theme: Motor Vehicle Spare Parts, Accessories and Garage Equipment

Dates of event: May 2 - 6, 2001

Type of event: Trade Fair

Name and phone number of post recruiter: Susanna Lezzi, CS Genoa, Tel:
39/010543877; Fax: 39/0105761678; e-mail: Genoa.Office.Box@mail.doc.gov

Name of event: U.S. PAVILION AT SANA

Event location: Bologna, Italy

Industry theme: Herbal, Natural and Environmental Friendly Products

Dates of event: September 2001

Type of event: Trade Fair

Name and phone number of post recruiter: Piera Gattinoni, CS Milan, Tel:
39/026592260; Fax: 39/02659561; e-mail: Milan.Office.Box@mail.doc.gov

Name of event: U.S. CATALOG EXHIBIT AT VENDITALIA

Event location: Genoa, Italy

Industry theme: Automatic Vending/Distribution

Dates of event: May 2002

Type of event: Trade Fair

Name and phone number of post recruiter: Susanna Lezzi, CS Genoa, Tel:
39/010543877; Fax: 39/0105761678; e-mail: Genoa.Office.Box@mail.doc.gov

B) OTHER SIGNIFICANT TRADE EVENTS

Name of event: BI-MU/SFORTEC

Event location: Milan, Italy

Industry theme: International Machine Tools, Robots, Automation and Welding
Exhibition

Dates of event: October 3-8, 2000
October 2002

Type of event: Trade Fair, biennial

Organizer/contact information: Centro Esposizioni UCIMU S.p.A., Tel: 39/02262551;
Fax: 39/0226255214; e-mail: ucimu@ucimu.it; Website: www.ucimu.it

Name of Event: MIFED - The Autumn Film Market

Event location: Milan, Italy

Industry theme: Films and Videos

Dates of event: October 29-November 2, 2000
November 2001
November 2002

Organizer/contact information: Fiera di Milano-MIFED, Tel: 39/0249977267; Fax:
39/0249977020; e-mail: mifed@fmd.it; Website: www.fmd.it/mifed

Name of event: LINEAPELLE
Event location: Bologna, Italy
Industry theme: Hides and Skins
Dates of event: November 7-9, 2000
 May 8-10, 2001
 November 6-8, 2001
 May and November 2002
Type of event: Trade Fair
Organizer/contact information: AREAPELLE, Tel: 39/028807711; Fax: 39/02860032;
e-mail: lineapelle@unic.it; Website: www.lineapelle-fair.it

Name of event: EIMA
Event location: Bologna, Italy
Industry theme: International Exhibition of Agricultural Machinery Manufacturers &
Exhibition of Gardening Machinery
Dates of event: November 18-22, 2000
 November 2001
 November 2002
Type of event: Trade Fair
Organizer/contact information: Unacoma Service S.r.l., Tel: 39/06442981; Fax:
39/064402722; e-mail: eima@unacoma.it; Website: www.eima.it

Name of event: MOTOR SHOW
Event location: Bologna, Italy
Industry theme: International Car, Motorcycle and Bicycle Exhibit
Dates of event: December 7-17, 2000
 December 2001
 December 2002
Type of event: Trade Fair
Organizer/contact information: Promotor S.r.l., Tel: 39/0516451011; Fax:
39/0516451099; e-mail: salone@motorshow.it; Website: www.motorshow.it

Name of event: CART
Event location: Milan, Italy
Industry theme: Paper Products and Stationery
Dates of event: January 18-21, 2001
 January 2002
Type of event: Trade Fair
Organizer/contact information: Fiera Milano International S.p.A., Tel: 39/02485501;
Fax: 39/024817681; e-mail: chicart@fmi.it; Website: www.fmi.it

Name of event: MACEF
Event location: Milan, Italy

Industry theme: International Exhibition of Tableware, Household and Gift Items, Silverware, Goldsmith's Items, Watches

Dates of event: February 2-5, 2001

September 7-10, 2001

February 2002

Type of event: Trade Fair

Organizer/contact information: Fiera Milano International S.p.A., Tel: 39/02485501;

Fax: 39/0248004423; e-mail: macef@planet.it; Website: www.fmi.it

Name of event: SEP/URBANIA

Event location: Padua, Italy

Industry theme: Environmental Protection

Dates of event: February 28-March 3, 2001

Type of event: Trade Fair

Organizer/contact information: PadovaFiere, Tel: 39/049840111; Fax 39/049840570;

e-mail: info@padovafiery.it; Website: www.padvafiery.it

Name of event: MIPEL

Event location: Milan, Italy

Industry theme: Leathergoods

Dates of event: March 1-4, 2001

September 20-23, 2001

March 2002

September 2002

Type of event: Trade Fair

Organizer/contact information: Aimpes-Mipel, Tel: 39/02584511; Fax: 39/0258451320;

e-mail: segreteria@mipel.com; Website: www.mipel.com

Name of event: INTERNATIONAL FURNITURE FAIR

Event location: Milan, Italy

Industry theme: Furniture

Dates of event: April 2-8, 2001

April 8-14, 2002

Type of event: Trade Fair

Organizer/contact information: I Saloni S.p.A., Tel: 39/02725941; Fax: 39/0289011563;

e-mail: salone@cosmit.it; Website: www.cosmit.it

Name of event: COSMOPROF

Event location: Bologna, Italy

Industry theme: International Perfumery and Cosmetics Exhibition

Dates of event: April 20-23, 2001

April 2002

Type of event: Trade fair
Organizer/contact information: SoGeCos S.r.l, Tel: 39/02796420; Fax: 39/02795036;
e-mail: sogecos@cosmoprof.it; Website: www.cosmoprof.com

Name of event: MIDO
Event location: Milan, Italy
Industry theme: International Optics, Optometry and Ophthalmology Exhibition
Dates of event: May 4-7, 2001
May, 2002

Type of event: Trade Fair
Organizer/contact information: E.F.O.P., Tel: 39/02326731; Fax: 39/02324233;
e-mail: info@mido.it; Website: www.mido.it

Name of event: AUTOPROMOTEC
Event location: Bologna, Italy
Industry theme: International Exhibition of Machinery, Tools and Products for Auto Repair Centers, Service Stations, Body Repair Shops, Tire Retreading and Servicing
Dates of event: May 23-27, 2001
Type of event: Trade Fair, biennial
Organizer/contact information: Promotec S.r.l., Tel: 39/051733000; Fax: 39/051731886;
e-mail: info@autopromotec.it; Website: www.autopromotec.it

Name of event: INTEL
Event location: Milan, Italy
Industry theme: Electrotechnical and Electronic Equipment
Dates of event: May 23-27, 2001
Type of event: Trade Fair, biennial
Organizer/contact information: Associazione Intel, Tel: 39/023264282; Fax: 39/0232644284; e-mail: intel@intel.anie.it; Website: www.intelshow.com

Name of event: EICMA
Event location: Milan, Italy
Industry theme: Bicycles, Motorcycles and Accessories
Dates of event: September 2001
Type of event: Trade Fair
Organizer/contact information: AICMA; Tel: 39/0266981818; Fax: 39/0266982072;
e-mail: eicma@eicma.it; Website: www.eima.com

Name of event: RICH & MAC
Event location: Milan, Italy
Industry theme: Laboratory Instruments, Equipment for Chemical Industry
Dates of event: October 2-6, 2001
Type of event: Trade Fair, biennial

Organizer/contact information: E.I.O.M., Tel: 39/0255181842; Fax: 39/0255016755;
e-mail: eiom.fairs@bias-net.com; Website: www.bias-net.com

Name of event: MOVINT EXPOLOGISTICA

Event location: Milan, Italy

Industry theme: International Industrial and Mechanical Handling Exhibition/Material Handling, Transport and Logistics

Dates of event: October 3-6, 2001

Type of event: Trade Fair, biennial

Organizer/contact information: Promexpo S.p.A., Tel: 39/024234258; Fax: 39/024236919;

e-mail: promexpo@iol.it; Website: www.fieremostre.it/movint

Name of event: FLUIDTRANS COMPOMAC

Event location: Milan, Italy

Industry theme: General Industrial Equipment – Components for Industrial Automation

Dates of event: March, 2002

Type of event: Trade Fair, biennial

Organizer/contact information: F&M S.r.l., Tel: 39/0248955041; Fax: 39/0248955060;

e-mail: info@fieremostre.it; Website: www.fieremostre.it

Name of event: INTERNATIONAL MOTOR VEHICLE SHOW

Event location: Turin, Italy

Industry theme: Cars, Car Bodies, Components, Tires and Wheels

Dates of event: June 2002

Type of event: Trade Fair, biennial

Organizer/contact information: Promotor S.r.l., Tel: 39/0516451011; Fax:

39/0516451099; e-mail: info@saloneautotorino.it; Website: www.saloneautotorino.it

Name of event: 28 EXPODENTAL – EXPOTECNODENTAL

Event location: Milan, Italy

Industry theme: Dental Equipment

Dates of event: September 2002

Type of event: Trade Fair, biennial

Organizer/contact information: PROMONIDI, Tel: 39/024675101; Fax: 39/02461330;

e-mail: expodental@expodental.it; Website: www.expodental.it

B) AGRICULTURAL SERVICE TRADE EVENTS

Name and phone number of post recruiter: Clay Hamilton, FAS

Tel. 39-06-4674-2396

FOREST PRODUCTS SHOWS

Name of Event: SAIE I
 Location: Bologna
 Date: Oct 18-22, 2000
 Type of show: Wood and other construction material
 Frequency: Annual
 Organizer: Bologna Fiere
 Piazza Costituzione 6
 40128 Bologna
 Tel. (39) 051-282111
 Fax: (39) 051-282332
 Internet: Bolognafiere.it/SAIE

Name of Event: SASMIL
 Location: Milan
 Date: May 24-28, 2000
 Type of show: Wood and other construction material
 Frequency: Bi-annual
 Organizer: Cosmit
 Corso Magenta 96
 20123 Milano
 Italy
 Tel. 011-39-02-725941
 Fax: 011-39-02-89011563

HIDES AND SKINS/FUR SHOWS

Name of Event: LINEAPELLE
 Location: Bologna
 Date: 7-9 Nov, 2000
 8-10 May, 2001
 Type of Show: Hides & skins
 Frequency: Annual
 Organizer: UNIC-Ente Areapelle Firenze
 Via Lamarmora 45
 50121 Firenze
 Tel. (39) 055-570660
 Fax: (39) 055-570663

HEALTH FOOD AND INGREDIENTS

Name of Event: SANA
 Location: Napoli
 Date: Feb, 2001
 Type of show: Health food and ingredients
 Organizer: Fiere e comunicazioni S.r.l
 Via San Vittore, 14
 20123 Milano
 Tel. (39) 286-451078
 Fax: (39) 286-453506
 Internet: fierecom@starlink.it

Name of Event: SANA
 Location: Bologna
 Date: Sept 14-17, 2000
 Type of show: Health food, ingredients & natural products
 Frequency: Annual
 Organizer: Fiere e Comunicazione srl
 Via S. Vittore 14
 20123 Milano
 Tel. (39) 02-86451078
 Fax: (39) 02-86453506

FOOD AND DRINK

Name of Event: MOSTRA INTERNAZIONALE DELL' ALIMENTAZIONE (MIA)
 Location: Rimini
 Date: Feb 25-28, 2000
 Type of show: Food and drink
 Frequency: Annual
 Organizer: Ente Fiera di Rimini
 Via della Fiera, 52-C.P. 300
 47037 Rimini
 Tel. (39) 541-711711
 Fax: (39) 541-786686
 Internet: fierimini.it@rn.nettuno.it

Name of Event: CIBUS
 Location: Parma
 Date: May, 2002
 Type of Show: Food & drinks
 Frequency: Bi-Annual
 Organizer: E. A. Fiere di Parma

Via Rizzi 67/a
43031 Baganzola Parma
Tel. (39) 0521-9961
Fax: (39) 0521-996270

Name of Event: EXPO FOOD
Location: Milano
Date: April 21-23, 2001
Type of show: Food & drinks
Frequency: Annual
Organizer: Expo CTS
Via Londonio 2
20154 Milano
Tel. (39) 02-349841
Fax: (39) 02-33600493

TEXTILE (WOOL/COTTON)

Name of Event: PITTI IMMAGINE FILATI
Location: Florence
Date: 5-7 July, 2000
25-27 January, 2001
Type of show: Textile & yarn
Frequency: Annual
Organizer: Pitti Immagine
Via Faenza 109
50100 Firenze
Tel. (39) 055-36931
Fax: (39) 055-3693200

Name of Event: PRATO EXPO
Location: Prato
Date: 14-16 Sept, 2000
Feb 15-17, 2001
Type of Show: Textile
Frequency: Annual
Organizer: Prato Trade
Via Velentini 14
50047 Prato (Fi)
Tel. (39) 0574-455280
Fax: (39) 0574-21293

HORTICULTURE

Name of Event: EUROFLORA
 Location: Genoa
 Date: 21 April - 1 May, 2001
 Type of show: Horticulture-plants
 Frequency: Annual
 Organizer: Ente Internazionale Fiera di Genova
 Piazzale F. Kennedy 1
 16129 Genova
 Tel. (39) 010-53911
 Fax: (39) 010-53991270

Name of Event: MACFRUIT
 Location: Pievesestina di Cesena
 Date: May 3-6, 2001
 Type of show: Horticulture-fruits
 Frequency: Annual
 Organizer: Agri Cesena S.p.A
 Via Dismano, 3845
 47020 Pievesestina di Cesena
 Tel: (39) 547-371435
 Fax: (39) 547-318431
 Internet: agricesena@mbox.queen.it

Name of Event: FLORMART
 Location: Padova
 Date: Sept 15-17, 2000
 Sept 14-16, 2001
 Type of show: Horticulture-plants, flowers and seeds
 Frequency: Annual
 Organizer: Padova Fiere
 Via Tommaseo 59
 35131 Padova
 Tel. (39) 049-840111
 Fax: (39) 049-840570

AGRICULTURAL/LIVESTOCK FAIR

Name of Event: ZOOMARK (PET)

Location: Milan
Date: May 1-4, 2001
Type of show: Pet products
Frequency: Bi Annual
Organizer: Publi Euro Press srl
Via Monte Rosa 13
20149 Milan
Tel. (39) 02-48014713
Fax: (39) 02-48014745

Name of Event: EUROCARNE
Location: Verona
Date: 2003
Type of show: Meat and meat processing industry
Frequency: Tri-annual
Organizer: Ente Autonomo Fiere di Verona
Viale del Lavoro 8
37100 Verona
Tel. (39) 045-8298111
Fax: (39) 045-8298288

Because trade event schedules may change, firms should consult the Export Promotion Calendar on the NTDB or contact the Commercial or Agricultural Sections at the Embassy in Rome or the Consulate in Milan for latest information.