

UNIONCAMERE EMILIA-ROMAGNA

Introducing the most important features of Emilia-Romagna's economy. (What has changed? What can we do? What are we doing?)

**at UNIVERSITY OF
PARMA:**

**Second cycle
degree
course in
International
Business and
Development (IBD)**

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Unioncamere
Emilia-Romagna

Who we are, What we do

Unioncamere Emilia-Romagna is the Regional Association of the Chambers of Commerce of Emilia-Romagna: we bring together all nine Chambers of our region (Bologna, Ferrara, Forlì-Cesena, Modena, Parma, Piacenza, Ravenna, Reggio Emilia and Rimini).

Our aim is the promotion of the region's economic strength, in cooperation with all local policy-makers.

We:

- **provide institutional representation of Chambers;**
- **coordinate the activities of the Chambers;**
- **we analyze and monitor the regional economy.**

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First of all let me introduce you to who we are and what we do

Read the slide

What has changed?

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Let's start analyzing the most important features of Emilia-Romagna's regional economy and what has changed over the last few years due to the crisis, and not only due to it.

Regional Economy

	Italy	Emilia-Romagna	E.R./ Italy
Population	59.952.488	4.392.305	7,3%
Active Businesses	5.142.960	414.286	8,1%
GDP (€ mn)	1.567.010	140.913	9,0%
p.c. GDP (€)	26.138	32.080	122,7%
Active population (15-64)	63,5%	73,0%	115,0%
Unemployment rate	12,7%	9,3%	73,2%
Export Value (€ mn)	389.854	50.788	13,0%

Data source: Unioncamere Emilia-Romagna, Centre for Economic Research on Tagliacarne institute gross data

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Ok, here we are with some general information about our economy and society, just to draw your attention to some of the above mentioned features of our economy and productive structure:

- For a population of 4.4 millions we have 420 thousands active firms. That is something like 1 firm every 10 inhabitants;
- Take a look at the regional GDP, it's well above our share of the Italian population;
- Coherently with what I've just said, the level of GDP per capita (more than 31.600 €, that is 44.000 USD) is well above the national average;
- As well, you see we have a big share of the value of the Italian export, too.
- Even if the crisis is still biting hard, the conditions of the labor market are far better than the national average with higher PARTICIPATION RATE into the labor market (for the population aged 15 to 64) and smaller unemployment rate.

About unemployment, till 2009 and from more than 25 years, the unemployment rate was 3% – 3,5% in heavy recession 4,5%, so this gives you the magnitude of what is undergoing in our productive structure.

Regional Economy

The structure of our economy: the weight of the macro-sectors (added value)

	Emilia-Romagna		Italy		E.R. / Italy
	€ millions	relative weight	€ millions	relative weight	
Agriculture	2.900	2,30%	27.655	2,00%	10,50%
Industry	37.941	30,10%	349.413	24,70%	10,90%
Services	85.231	67,60%	1.036.480	73,30%	8,20%
Total Added Value	126.072	100,00%	1.413.548	100,00%	8,90%

Data source: Unioncamere Emilia-Romagna, Centre for Economic Research on Tagliacarne institute gross data

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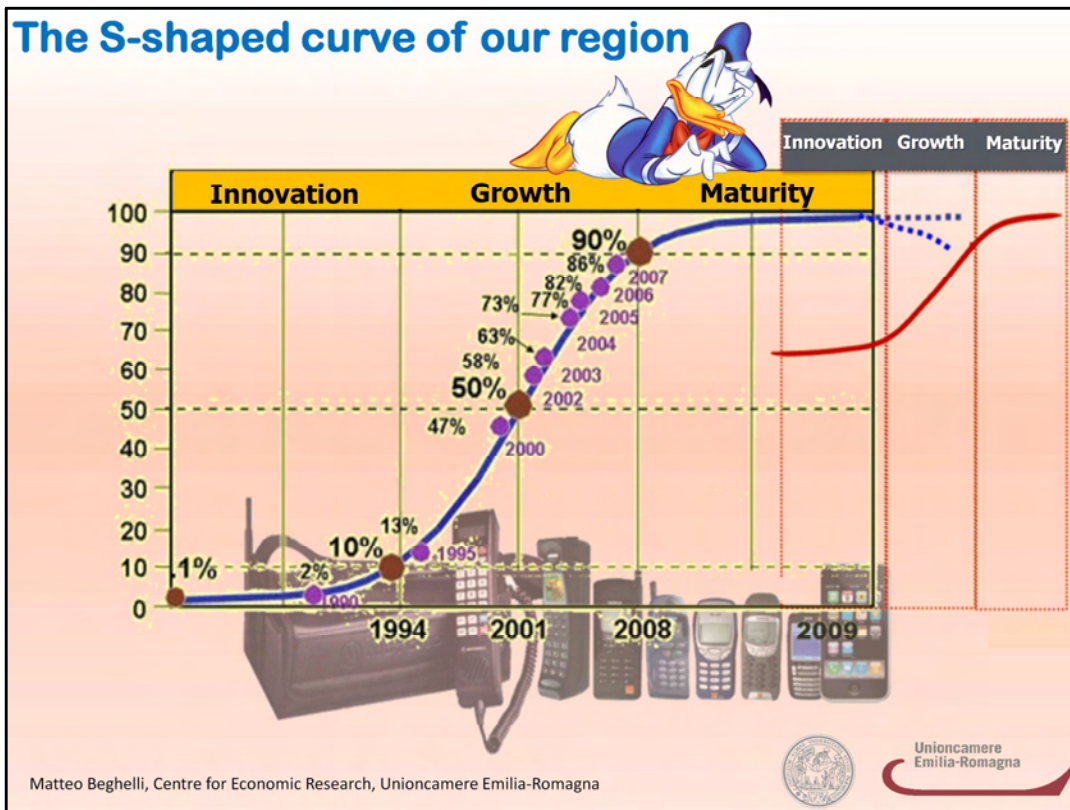
On this slide you can see the composition of our economy as far as the macro-sectors are concerned.

The picture you can have from it is of economy different from the ones of many other European countries: the weight of industry, of manufacturing, is still high: we are still big manufacturer and big exporter of goods.

The weight of manufacturing is 30% but, due to the crisis, it's fast decreasing. It was 34% in 2009. The exact opposite can be said about the service sector, while the agriculture is stable in term of relative weight.

Quite probably, a part of this change in the weight and role of manufacturing in the region, and Italy as a whole, will be a permanent one as a consequence of the crisis.

This change is the first prominent fact I'd like to underline to you.



If you take the GDP per capita curve during the years from 1975 to today for Emilia-Romagna, you have a curve that looks like the one of the turnover of the mobile phones, the pace of growth is slower and slower during the more recent years, even before the world crisis. You know that the mobile phone was, then, substituted by smart-phones.

So we asked ourselves, as Daffy Duck on this slide, if that can be true for our paradigm for growth and social cohesion. Are we leaving an old paradigm for a new one? Like leaving mobile phones for smart phones?

So what is, or has been for decades, our paradigm of growth? Let's answer to this question

The industrial clusters I

Traditionally, we talk about **industrial clusters** when a large number of businesses operating in the same sector (or in correlated ones) are grouped in relatively small areas;

The large majority of these businesses are **small-sized** (less than 10 employees);

So they (were used to) generate monoculture areas in which every company has a **low level of vertical integration**;

There are clusters specialized in **consumer goods** (less and less in Emilia-Romagna), ex, Tiles in Modena & Reggio Emilia and ham in Parma;

There are clusters specialized in **engineering** (the most successful in the region), like, automatic machinery and packaging machinery in Bologna, engines and fancy cars in Bologna, Modena and Reggio Emilia.

There are clusters specialized in **service sector**, like, advertising in Bologna.

These clusters are organized (via subcontracting) around **medium-sized** businesses that **innovate** and control the **connection** to the market (**export** in specific)

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So what is, or has been for decades, our paradigm of growth?

All of you surely know about business clusters. Let me underline only the feature relevant for us here today

Read the slide:

The industrial clusters II

The development of this organization dates back to 1960s and 1970s and is due to:

- 1) The development of **trade union power** since 1960s → their power is limited to those firms with more than 15 employees: a twofold labor market;
- 2) The reduction of the importance of economies of scale in favor of the importance of **customization** (short series of production) + the increasing importance of **flexibility** + the importance of **agglomeration economies** (4 innovation, incremental in specific – Marshallian economies) + the importance of knowledge that **can't be codified**;
- 3) The **cultural environment**: “it's better to be the head of a little under-capitalized company than a manager of a multinational”. This was the prevailing mood those days;

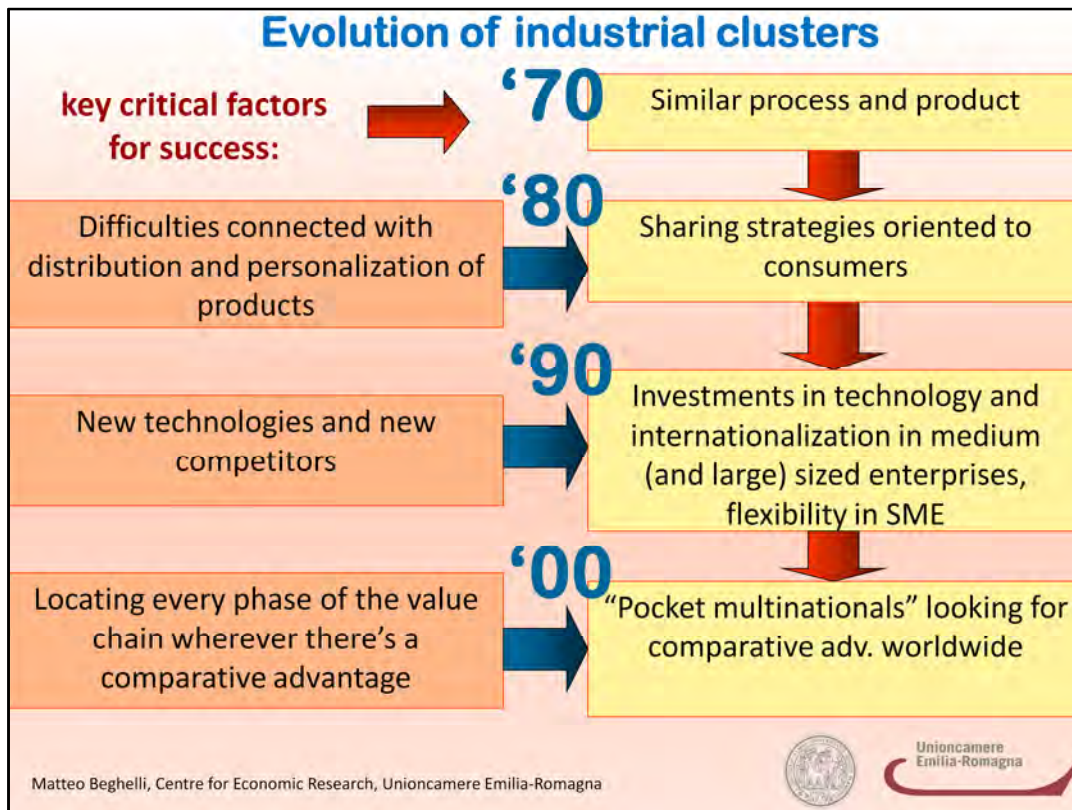
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Read the slide:

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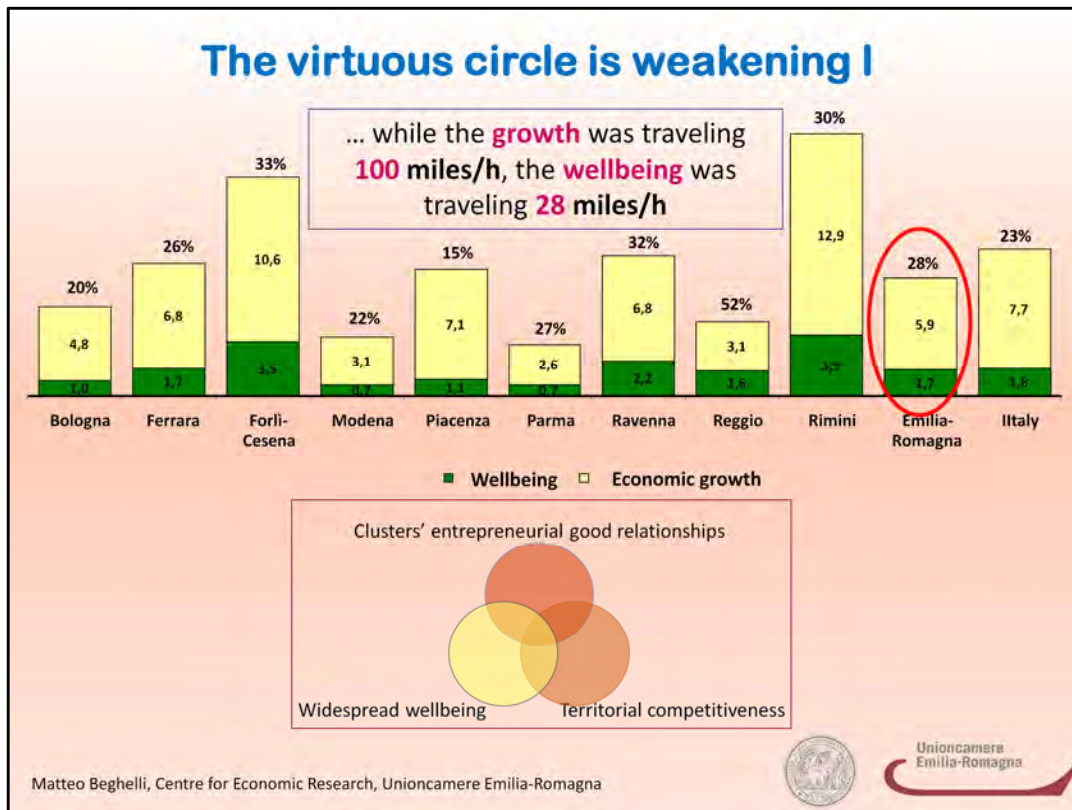
The evolution of the critical factor of success has shaped the clusters during the decades:

During the 70s and 80s the importance of customization of products have changed the attitude toward small sized enterprises. Before they were considered a legacy of the past. Then they become the key element that introduced flexibility in manufacturing.

During the 80s and 90s some of these small companies has arisen from the mass. Exploiting the importance of knowledge in terms of technological innovation and internationalization, they acquired a prominent role in the cluster becoming the backbone of the system.

These prominent companies have become what we call pocket multinationals: these are SMEs for international standards (let's say from 50 to 1.000 employees) that are world class leader in their specific niche of production, generally in good commercial connection with proper multinationals (car industry in an example).

They are the backbone of our economy: These companies have strong connection with a local network of sub-contracting small enterprises. This used to be our key to a good level of development and social cohesion because subcontracting were spreading wealth across society. I say used to be because this model is now facing new challenges due to globalization and the world crisis.



The link I've just described was part of a VIRTUOUS CIRCLE that was linking businesses with each other and with the society:

Driver companies, international leader of their specific niche, were strictly connected with small local companies by subcontracting. This success story has benefited the great majority of the population and the regional government, that, thanks to the fiscal gains have been used to provide good service (like health and education) and all the kind of material and immaterial infrastructure to enhance competitiveness.

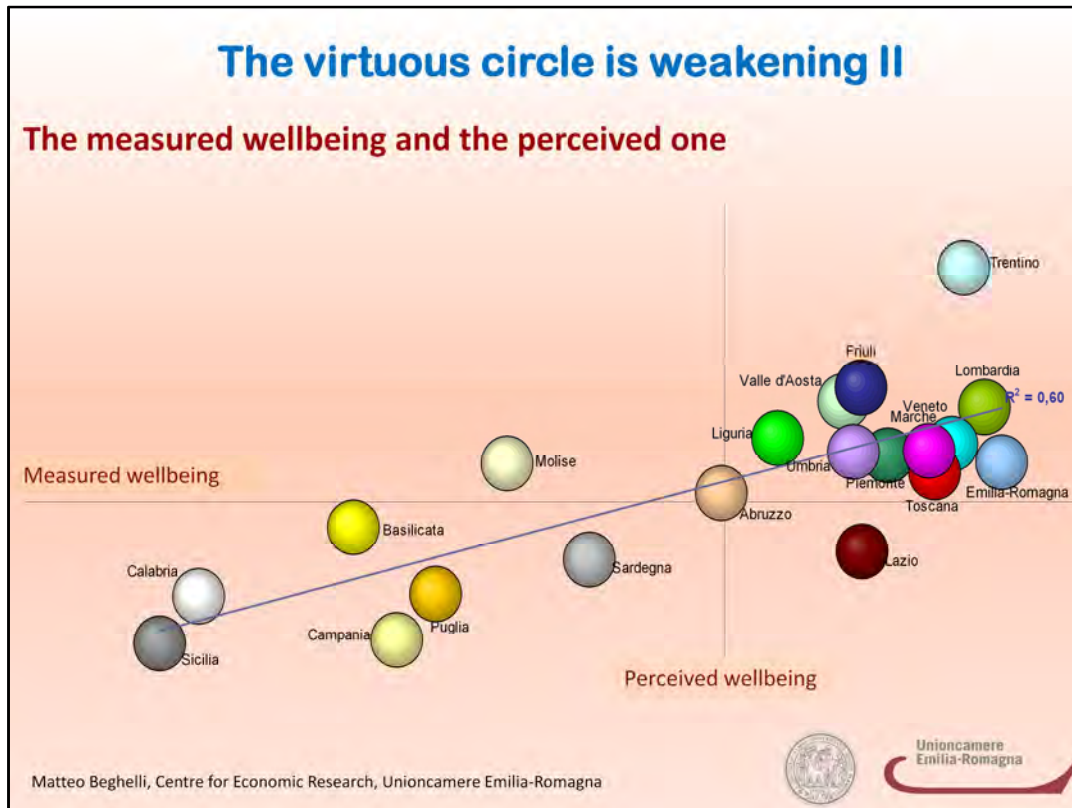
This virtuous circle has WEAKENED over the last years because leader companies are looking for competitive advantage worldwide and not only among their local suppliers. They can't do otherwise: they need to remain competitive world wide. The now undergoing world wide crisis is stressing even more the situation.

You can find evidence of the weakening of this virtuous circle on the first graph of this slide. There we have measured the speed of growth of the GDP and compared it with the speed of growth of material wellbeing of the population in our region and in the nine provinces that are, now, part of it.

To measure the material wellbeing we have used a composite index to take into account every data about material wellbeing of the population (from the expenditure on leisure, to car ownership. From disposable income, to tax revenues).

We found out that, even before the beginning of the crisis, and even if the GDP in those years was already growing very slowly, the GDP was growing almost 4 times as faster than the material wellbeing of the population.

The weakening this virtuous circle is the second fact I'd like to underline for you.

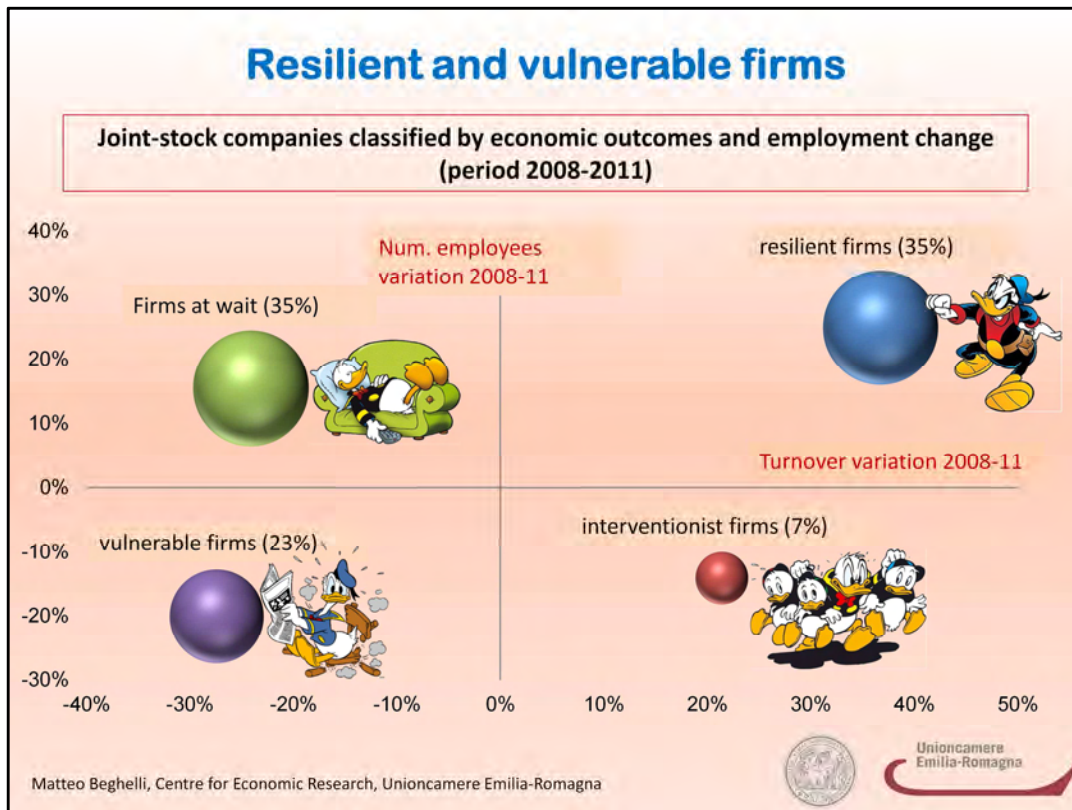


Evidence of the fact that the virtuous circle in weakening can be derived also from the relationship between the wellbeing of the population measured by the use of numbers and statistics and the wellbeing perceived by the population, self reported by them:

The perceived wellbeing was measured by a self assessing questionnaire delivered to a representative sample of the population.

The measured one, as already said, was attained as a composite index of all the available data.

Emilia-Romagna is, on average, the region with the highest level of material objective wellbeing but is also the one in which the distance between the measured wellbeing and the one perceived is the highest – with the letter just a little higher than the national average.



So, this phenomena (the weakening on the virtuous circle) has changed the shape of our economic structure. The differences in term of outcome has widened much from company to company within the same sector and the same size-range of companies.

We have analyzed the outcomes of regional firms in terms of employment and turnover during the horrible years of the crisis (nowadays the 2012 data are still not completely available so we will check the situation again soon) and we found out that:

- 35% of the firms, that we called resilient firms, have been able to get better outcomes even when the crisis was biting so hard;
- Some 7%, the interventionists, have improved turnover but decreased employment;
- Almost a quarter of our businesses have reduced both employment and turnover, we called them fragile, vulnerable firms;
- Then, another 35% have decreased their turnover but increased the employment, we called them "firms at wait".

In general, the driver companies, the pocket multinationals I told you about on the previous slide, are resilient companies.

I think that this situation is coherent with the last IMF article 4 consultation about Italy, when they analyze the Italian competitive puzzle: low productivity growth but relative success in international market for Italian products:

→ There is a divide in productivity from resilient companies that compete worldwide and the other companies that are losing the connections with international markets.

→ So, the average that we use for international comparisons for productivity is more and more meaningless.

→ The growing difference between resilient companies and "the other ones" is the third fact I want to underline for you



Ok, and which are the most important features of these resilient firms?

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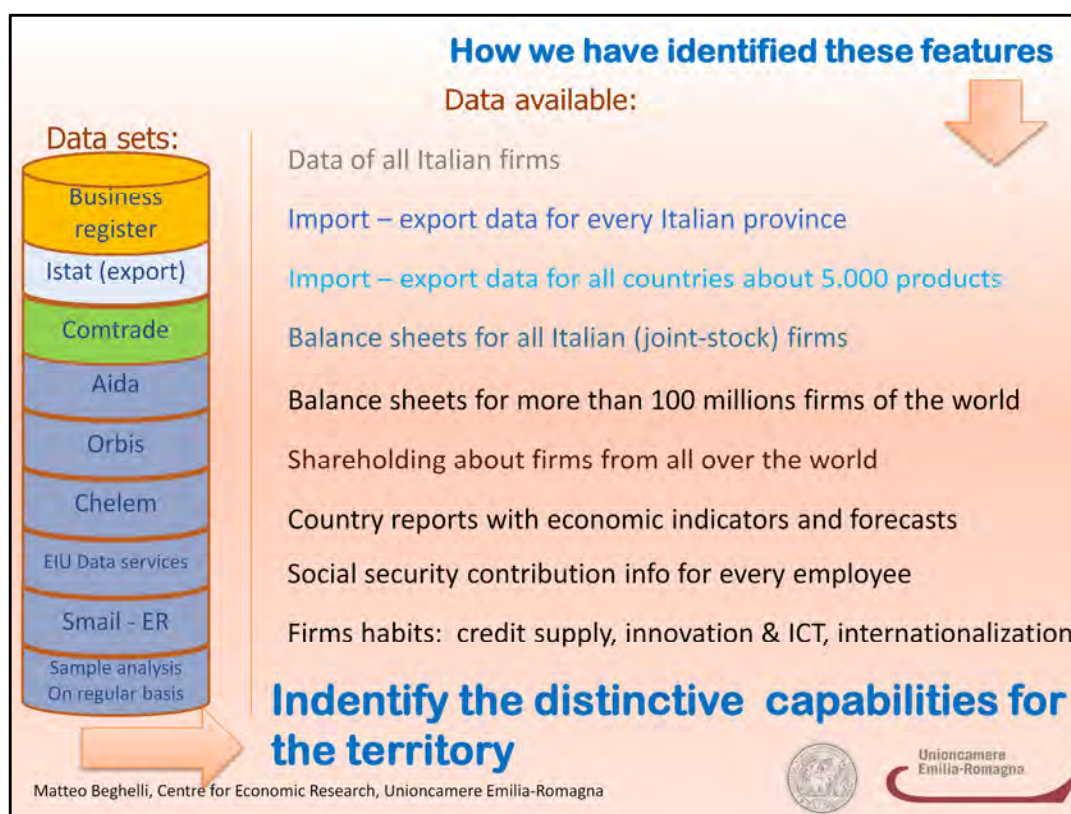
You see, I don't have said a thing about:

- Sector of activity.
- Size of the companies.

That's because, according to our surveys all these features are statistically not able to predict the outcomes of the firms in term of turn-over, employment or profit.

OK, this is what has changed with our regional economic structure.
Summarizing:

- a) The weight of manufacturing, of industry and service sector;
- b) The weakening of this virtuous circle;
- c) The increasing differences in terms of employment and economic outcomes from resilient companies and the rest of the firms.



All this features about regional (and Italian) resilient companies have been found analyzing all kinds of available sources of data:

a) Data collected at national or regional level for various reasons:

- business register taken by the chambers of commerce → compulsory registration to get the limited liability for the business,
- external trade from the Italian statistical board – originated for vat exception reasons of export (and vat payment for import),
- Social security contribution information for every employee,
- Balance sheets for joint stock companies.

b) Data collected at international level:

- Like import-export data for all countries of the whole world for 5.000 products;
- Balance sheets for overseas firms;
- Share-holding about firms from all over the world,
- Country reports,

c) Data collected from sample analysis carried out on regular basis, about:

- credit supply conditions for firms;
- innovation and ICT habit of firms;
- Internationalization habits of the firms.

All these data have been analyzed with the techniques for big-data to get useful indicators in order to, I wrote on the slide, “identify the distinctive competences for the territory”, translated that means:

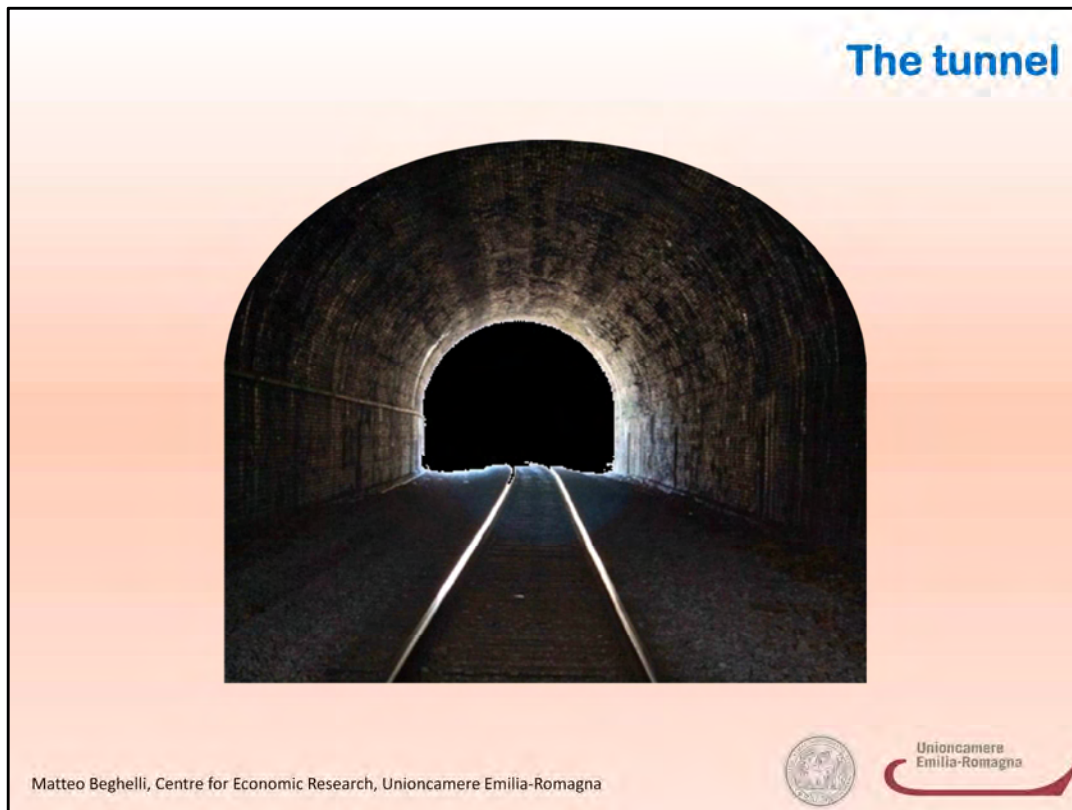
a) Drop the identikit, or the profile for resilient firms → that is what we have already did before;

b) And help policy makers and companies to better design political and business strategies.



If the virtuous circle is weakening and the difference between resilient firms and “the other” firms is widening, what can we do? And what are we, at the Center for economic research of the regional association of the chamber of commerce of Emilia-Romagna.

I will tell you about both of these two subjects together



Now, let me talk about what can we do. What can we do to get out of the tunnel.

I say the tunnel because we have had the longest and deepest recession from 1929 and, maybe, this crisis is going to be even deeper and longer, unfortunately

Sure, most the more relevant decision are not for us to take. They are not under the responsibility of Rome or Brussels. Notwithstanding that, there is still something we are responsible for, in the most etymological sense of the ability to give response .

We have some deep strong beliefs about what to do.

Distinctive capabilities

The first rule of globalization

If you are not the only provider of a good or a service, you should enrich it with your distinctive capabilities. Otherwise, sooner or later, you'll face price competition

↓

Which are our distinctive competencies

?



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The first strong and deep belief is that we have to start from our distinctive capabilities. The distinctive capabilities are the distinctive features of our economy that fit more the nowadays international environment.

So which are our distinctive capabilities??

I will tell you later on about them but I can tell you right now that these features are:

- Internationalization;
- The new welfare, or second welfare;
- Tourism

All there 3 are our regional distinctive features and they fit the new mega-trends of international economy

Let's start from figures



... notwithstanding what is said about figures...

«if you are able to collect enough numbers, you can demonstrate whatever you want» (one of the Laws of Murphy)

«There are three kind of lies: small ones, big ones and statistics» (Mark Twain)


...Big Data are the future...

... getting useful information from the enormous quantity of data available nowadays ...

According to the Harvard Business Review, US companies that use big data have a profit 6 percentage points higher than other companies

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The second one is that we have to start from numbers and figures to fix the problems because we desperately need to be sure that we are doing the right things.

Indeed, the first thing you should do when you don't feel good is to understand what's going wrong. This is true for every aspect of life. In economic affairs this mean to have the right figures about phenomena that make you feel not good.

The second thing to do is to (try to) fix what's not good for you. In economic life this mean having the right figures to enable policy makers, companies and business associations to plan good policies.

All this can be better done with the use of big data.

Read the slide.....

Later on we will see what we, at the Centre for Economic Research of Emilia-Romagna, are doing about this.

You got just a little example of the use of big data in the profiling of resilient companies we have carried out previously.

Internationalization

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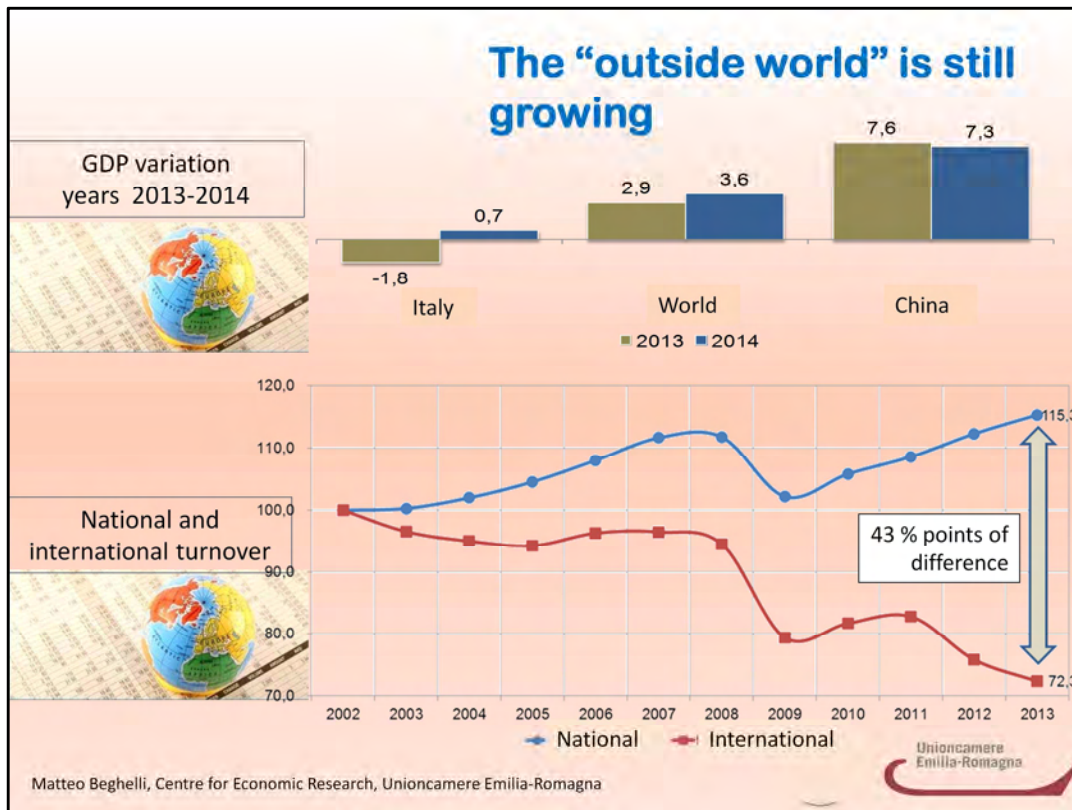


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We think that this two strong beliefs can be applied into three important fields:

- Internationalization;
- Tourism;
- And the new welfare, or second welfare.

For sure, export and internationalization are one of our regional distinctive competences. Let's explore it.



This slide is just to say that the “outside world” is still growing and that we should take advantage from it, and some of us is already doing so.

On the first graph you see that while the Italian economy has shrank during 2013 and is expected to grow only 0,7% in 2014, the world went on growing during 2013 and is expected to grow faster in 2014. Even is China is expected to grow slower than before, the growth is expected to be over 7% for 2014.

The second graph is even more interesting: it compares the historical development of national and international turnover for Emilia-Romagnan companies. This graph is obtained using our conjunctural periodical survey. You can see yourself that, if we assign a value of 100% to the level of national and international turnover in 2002, this 100% has always been increasing for the international turnover part (the blue line) and always been decreasing for the national turnover (the red line). In 2013 the 100% of the national turnover became 72% while the international one increased to 115%. This means 43 percentual point of difference!!

This astonishing difference exemplifies very good the advantage that can be attained but a company operating in international markets instead of relying on national markets.

What can we do to help firms to internationalize?

One of the main promotional activity of the Chambers in for internationalization. Right now, the Temporary Export Manager project is undergoing And is just one of many.

We, at the Centre for Economic Research at the Unioncamere ER, are trying to provide companies and stake holder with the beat economic information that is available.

Help companies and policy makers

Data sets:

Data available:

- Data of all Italian firms
- Import – export data for every Italian province
- Import – export data for all countries about 5.000 products
- Balance sheets for all Italian (joint-stock) firms
- Balance sheets for more than 100 millions firms of the world
- Shareholding about firms from all over the world
- Country reports with economic indicators and forecasts
- Social security contribution info for every employee
- Firms habits: credit supply, innovation & ICT, internationalization

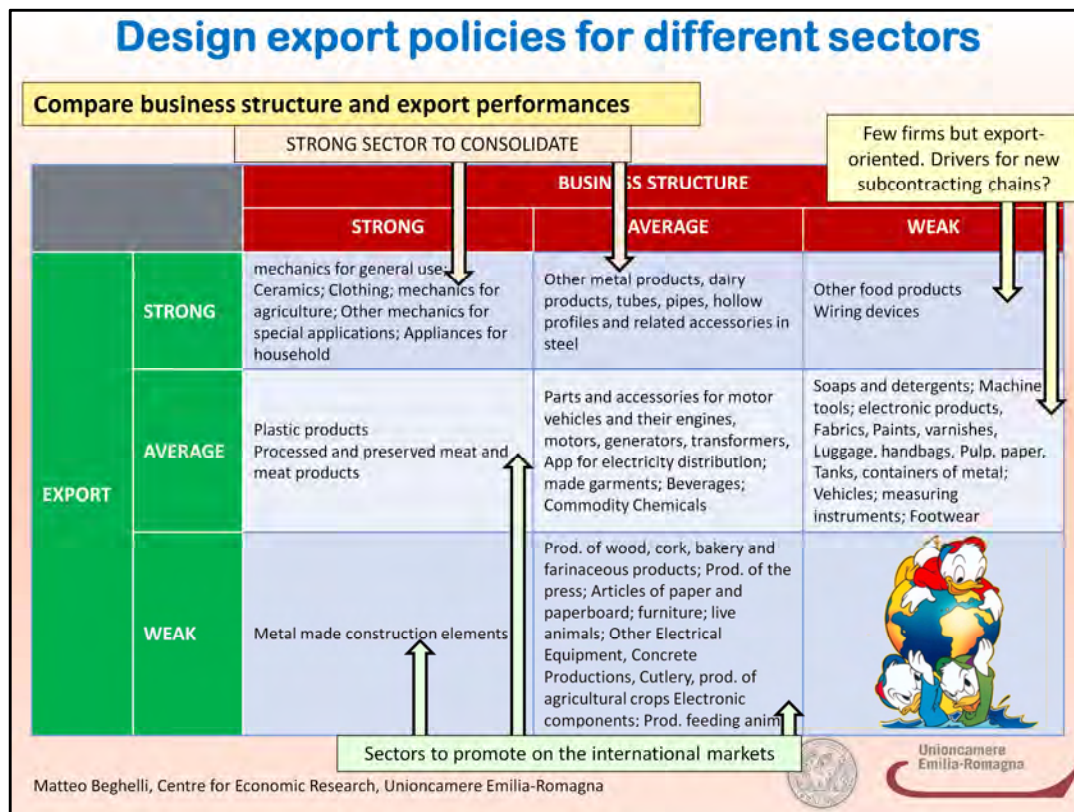
Better planning policies and strategies

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We already seen this slide about the various sources of data. I already told you we have combined them together to get economic information out of data. All these data have been analyzed with the techniques for big-data to get useful indicators.

We already have seen an example of use of big data to drop the identikit, or the profile if you prefer the criminal-mind series point of view, for resilient firms

We can use them to help policy makers and companies to better design political and businesses strategies.



Here we have a couple of example of what you can get:

In order to better design an export policy we can compare the regional or national business structure and export performances: this is a case of one of our provinces, Reggio Emilia:

- 1) we have business sectors in which we have strong business structure (number of active firms, balance-sheets outcomes) and strong export performance. For this sectors what is needed is to look after the international perspectives to check if the world demand expected is growing or reducing, and the like;
- 2) You have business sectors for which you have weak export but strong business structure, so you can ask yourself why. Maybe their products are not suitable for export, or, maybe, there is international market for them that the territory is not jet exploiting due to various reasons that are needed to be explored;
- 3) And you have sectors in which you have few firms but very export oriented. The policy makers, can ask themselves if these firms can be the beginners, the drivers, of new subcontracting productive chains than need to be, somehow, supported

The possible policies I told you about were just the easiest examples that came to my mind right now, of course.



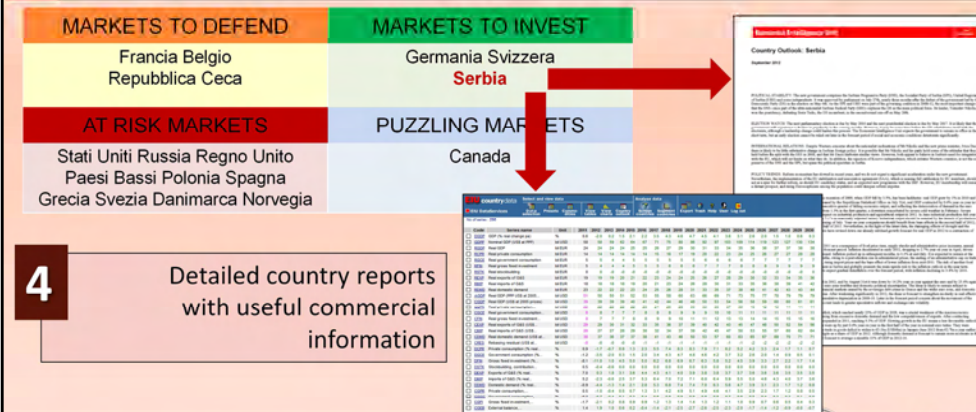
We can help policy makers with the kind of analysis we have exemplified in the previous slide, but we can also go deep in detail for a single product analyzing the international market situation (this could be useful not only for policy makers but for business association and for single companies as well):

Read the slide

You can see that there is a big assumption underlining this analysis: the Italian dependence from international development to get out of crisis.

...detailed country reports

- 1** Through the world import-export data is possible to assess the degree of exportability of a product
- 2** Through some balance-sheet indicators (only for joint-stock companies) you can assess the sustainability of overseas activity for the firm
- 3** Through the dynamics of world exports is possible to drop the map of the competitiveness



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On the previous slide we have already carried out the analysis of the first three points.

To help our stake holders (policy makers, business associations and companies) to better design their strategies and policies we can also provide them with detailed country reports and commercial information

2) Mapping the competition

Rank	Company name	Country	Turnover Class	Evaluation
1	PERNOD RICARD SA	FR	7.764.000BB	
2	LION PTY LTD	AU	3.738.568B	
3	D.E MASTER BLENTERS 1753 N.V.	NL	2.601.556	
4	YIBIN WULIANGYE CO., LTD.	CN	2.299.713A	
5	CONSTELLATION BRANDS, INC.	US	1.874.485BB	
6	KWEICHOW MOUTAI CO., LTD	CN	1.853.328AA	
7	NESTLE AUSTRALIA LTD	AU	1.921.905BB	
8	TAKARA HOLDINGS INC	JP	1.810.890BB	
9	FOOD INVESTMENTS PTY LIMITED	AU	1.644.390BB	
10	BEAM INC.	US	1.786.150BBB	
11	KRAFT AUSTRALIA HOLDINGS PTY LTD.	AU	1.524.152BBB	
12	M H C S	FR	1.462.971 A	
13	COCA COLA ICEDEK A.S	TR	1.400.258BBB	
14	DISTELL GROUP LIMITED	ZA	1.251.340A	
15	UNILEVER AUSTRALIA (HOLDINGS) PROPRIETARY LIMITED	AU	1.258.263AA	
16	DIAGEO NORTH AMERICA INC.	US	991.576	
17	HEINZ WATTIE'S PTY LTD	AU	858.335AA	
18	SIMPLON AUSTRALIA (HOLDINGS) PTY LIMITED	AU	873.194BBB	
19	LUZHOU LAOJIAO CO., LTD.	CN	848.477A	
20	MANILDRA MILLING PTY LTD	AU	817.332	

5 List of International and Italian firms operating in the specified sector with balance sheet indicators

6 Positioning in Italian and international market

7 Comparison with business of the same size operating in the spec. sector

8 list of Italian and International firms investing abroad and where they invest

		IMPRESA PAPERINIK	VALORI DEL SETTORE	
			Mediana	Media
Ricavi delle vendite	migl.EUR	395.561	32.390	86.062
EBITDA	migl.EUR	-16.348	2.238	9.283
EBITDA/Vendite	%	-4,11	7	8,17
Redditività delle vendite (ROS)	%	-8,03	3,32	4,03
Utile Netto	migl.EUR	-50.002	190	2.497
Totale Attività	migl.EUR	349.019	37.204	107.012
Patrimonio Netto	migl.EUR	42.120	10.337	38.833
Posizione finanziaria netta	migl.EUR	153.266	6.595	18.019
Redditività del totale attivo (ROA)	%	-9,14	2,92	3,9
Redditività del capitale proprio (ROE)	%	-118,71	3,73	2,98
Rotaz. cap. investito (volte)	-	1,13	0,93	1,01
Debt/Equity ratio	X	3,76	0,98	1,71
Debiti v/banche su fatt.	%	38,48	25,44	26,53
Debt/EBITDA ratio	X	-9,7	3,26	5,76

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And we can also help them mapping the competitive situation:

- Provide them with list of International and Italian firms operating in the specified sector with balance sheet indicators;
- Or, and these are only examples, provide them with comparison with firms of the same size operating in the sectors;

As already said before, the Chambers have many activities in the field of internationalization of companies. Here we are talking only about economic information.

..... List of distributors

9

List of companies operating in the country chosen distributing the product marketed by the company

Economic and financial indicators are also provided to help the company to assess the trustworthiness of potential partners

Rank	Company name	Country	Turnover	Class	Evaluation
1.	VINO ZUPA	RS	54.735	BB	
2.	VINOPRODUKT-COKA	RS	6.896	-	
3.	VRSACKI VINOGRADI - U RESTRUKTURIRANJU	RS	5.560	-	
4.	VINEX LEVACKI GROZD	RS	1.818	A	
5.	SWEET HOME	RS	1.671	BB	
6.	PODRUM RADOVANOVIC	RS	1.288	-	
7.	DIONIS D.N.D.	RS	1.131	B	
8.	KUCA VINA ZIVKOVIC	RS	520	CC	
9.	NAVIP-VINARSTVO	RS	238	C	
10.	VINO BUDIMIR	RS	145	BB	
11.	DILER	RS	123	A	
12.	PODRUM DO KRAJA SVETA	RS	122	BBB	
13.	VINARIJA KIS	RS	88	CC	
14.	TOPLICKI VINOGRADI	RS	77	C	
15.	VINARSKA KUCA SPASIC MILAN SPASIC PR	RS	74	B	

modefinance credit risk analysis									
	2011	2010	2009	2008	2007	2006	2005	2004	
MOBE evaluation									
Class	A	A	BBB	A	AA	A	BBB	A	
Probability of default (%)	0.25	0.25	0.45	0.25	0.15	0.25	0.45	0.25	
Confidence level (%)	100	100	100	100	100	100	100	100	
Click here to hide the explanatory ratios									
Solvency ratios									
Leverage ratio	●	●	●	●	●	●	●	●	●
Assets to debt	●	●	●	●	●	●	●	●	●
Liquidity ratios									
Current ratio	●	●	●	●	●	●	●	●	●
Quick ratio	●	●	●	●	●	●	●	●	●
Profitability and economic ratios									
Return on Investment (ROI)	●	●	●	●	●	●	●	●	●
Return on Equity (ROE)	●	●	●	●	●	●	●	●	●
Asset turnover	●	●	●	●	●	●	●	●	●
Profit margin	●	●	●	●	●	●	●	●	●
Interest coverage ratio									
Interest Paid coverage	●	●	●	●	●	●	●	●	●
Evaluation scale: ● ● ● ● ● ● ● ● ● ●									

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As well, we can provide the company or the business association with information about distributors and their trustworthiness by the use of economic and financial indicators.

Ok so getting positive outcome from internationalization is, at list in part, our response-ability. The ingredients of the receipt are:

- Good economic information;
- The ability of decision making by policy makers, business associations and single companies

Our aim, at the Centre for economic research of Unioncamere ER, is to provide good economic information

Tourism

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Let's talk about tourism

Tourism as a competitive capability...



5	Fifth for Tourism expenses of foreigners	30	Last country (among the top 30 destinations) for tourism growth
1	First for Tourism infrastructure	26	Twenty-sixth for competitiveness (Spain fourth, seventh France)
3	Third for tourism sites	100	hundredth position for regulation and policies on tourism
6	For international fairs and exhibitions	134	For price competitiveness
1	For reputation of tourism heritage and tourism	15	Fifteenth for brand reputation

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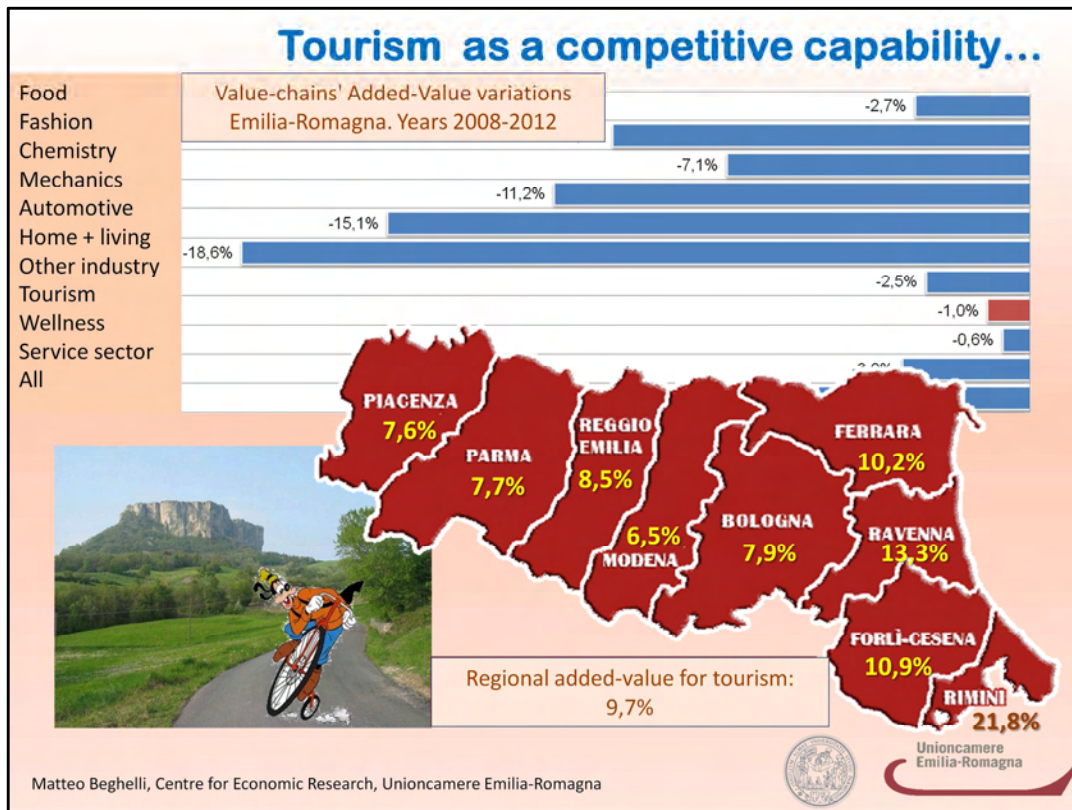
Here we have some world tourism organization's and Bank of Italy's data

As far as tourism is concerned, we have a lot of potential capital (underlined on the left side of the slide)

....

That is not JET exploited properly to get prosperity from (ad underlined on the right side of the slide)

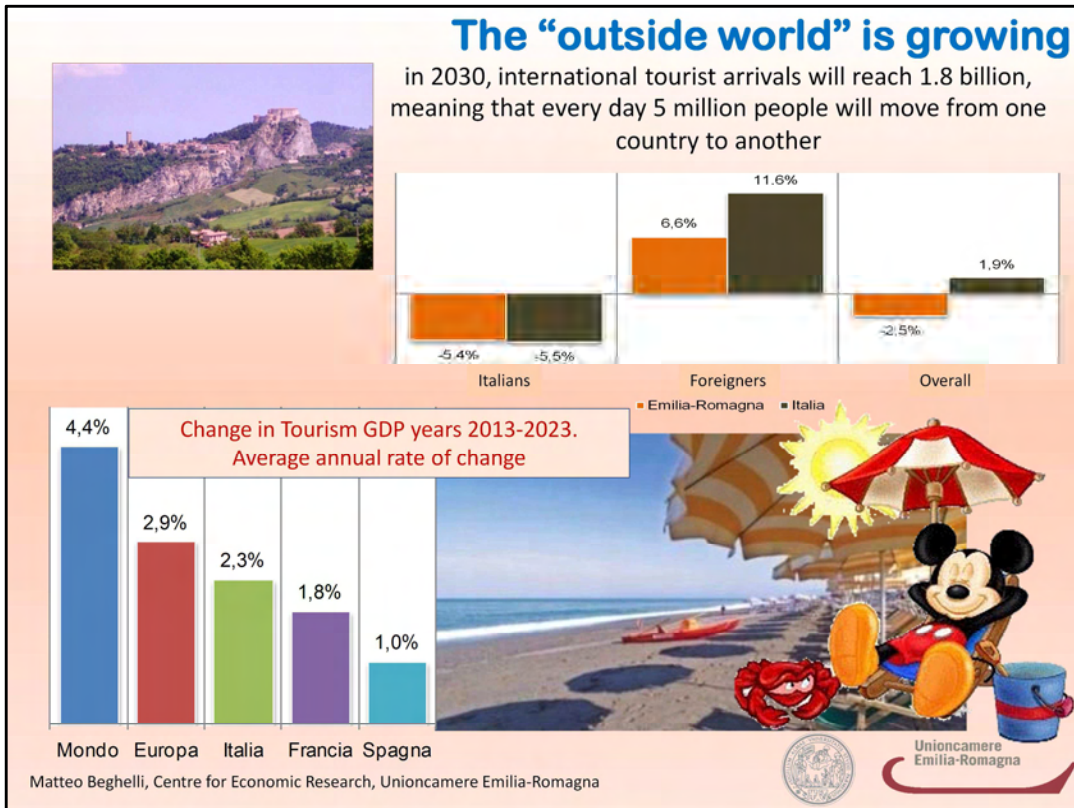
.....



Even in a Region like Emilia-Romagna that guests millions of tourists every year, tourism is undervalued, nowadays.

If we compare the added-value produced by the different value-chains that make our economy, we find out that:


- a) Tourism is the one that has faced best the years of the big crisis, as you can see on the upper part of this slide;
- b) Tourism is, already, worth one in ten euros of regional added value. 2 every ten in Rimini and even 1 in 8 in a industrial and service prone province as Parma is.



Also in term of tourism, the outside world is growing fast and may provide Italy with opportunities.

Read the slide

Check the competitiveness of a specific tourism products:

 <p>CULTURAL HOLIDAYS AND HOLIDAY IN CITIES OF ART</p>	MARKETS TO DEFEND	MARKETS TO INVEST
	United States, Spain, Poland, Belgium	Russia, Germany, Austria, Australia
	France, the United Kingdom, Switzerland, Netherlands, Hungary	Japan, Brazil
	MARKETS AT RISK	MARKETS TO EXPLORE
NOT RELEVANT MARKET WITH GOOD OUTLOOK	EMERGING MARKETS	ABSENT
	China, Greece, Denmark	Canada
 <p>SEASIDE HOLIDAYS</p>	MARKETS TO DEFEND	MARKETS TO INVEST
	Austria, the Netherlands, United Kingdom	Russia
	Germany, Switzerland, France, Hungary, Poland	Belgium
	MARKETS AT RISK	MARKETS TO EXPLORE
NOT RELEVANT MARKET WITH GOOD OUTLOOK	EMERGING MARKETS	ABSENT
	Belarus, Spain, Ukraine	Denmark, Sweden, Ireland, Norway

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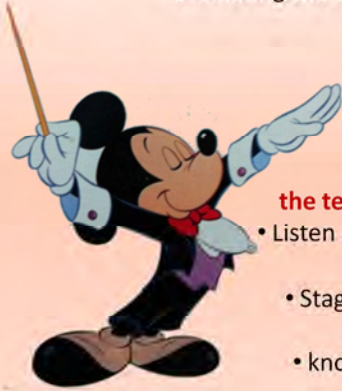
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We can apply to tourism the same techniques we used talking about internationalization.

On this slide you see some different touristic products. We have identified different kind of markets for each of them

Tourism and territorial system

The cultural and artistic heritage is not enough.
The final choice of the tourist is made, more and more,
evaluating the authenticity of the emotional experience for
the holiday.



the territorial system is increasingly “director of experiences”:

- Listen and direct all the actors involved: tour operators, residents, temporary citizens;
- Stage/perform a tourism supply that respects and values the identity elements of the territory → authenticity;
- knows how to intercept the desires of the individual tourist

Build an authentic experiences

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So, to exploit all the heritage that we have as far as tourism is concerned we need the territorial system, thus the policy makers, to be like a “director of experience”:

Read the slide....

And this is more and more clear if you try to explain the success in tourism of certain destinations that have a little to offer from the natural, artistic and historical heritage point of view like Singapore or, even more, Dubai

Also in tourism getting positive outcomes is, at list in part, or response-ability. The ingredients of the receipt are, again:

- a) Good economic information;
- a) The ability of decision taking and making by policy makers, business associations and single companies

Again we, at the Center for Economic research, are trying to provide good economic information

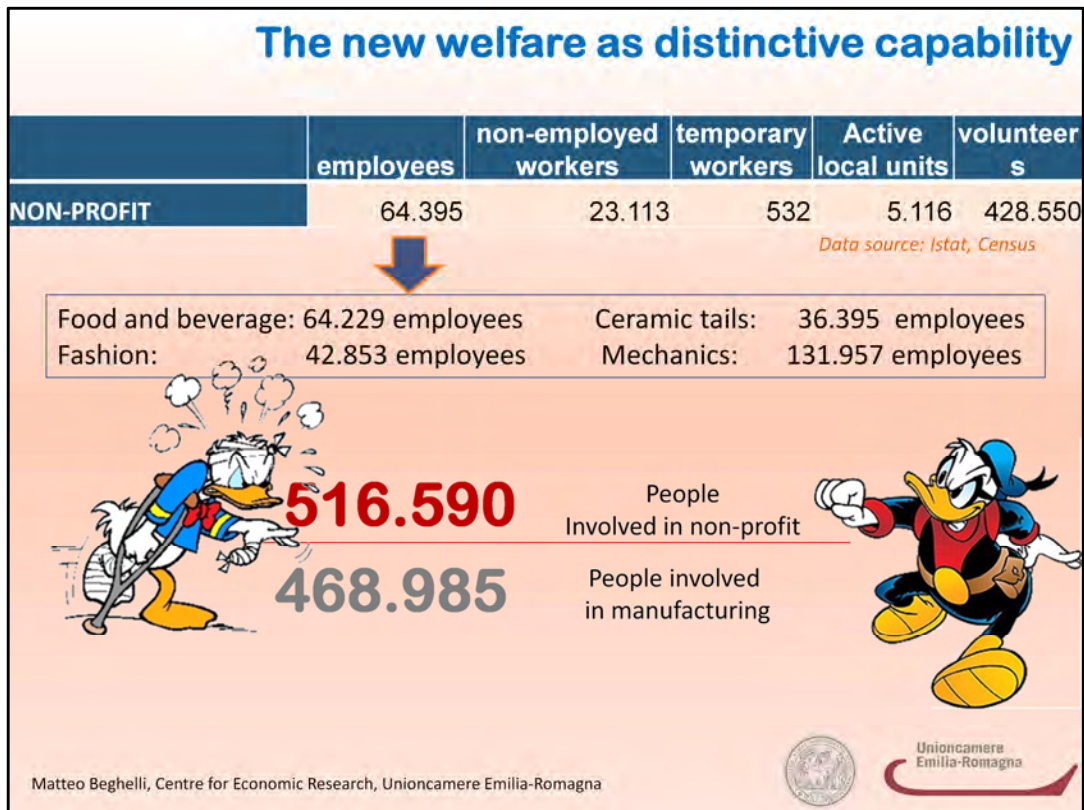
The new welfare

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Let's now talk about the third of our distinctive feature of our economy and society, the new welfare or second welfare.

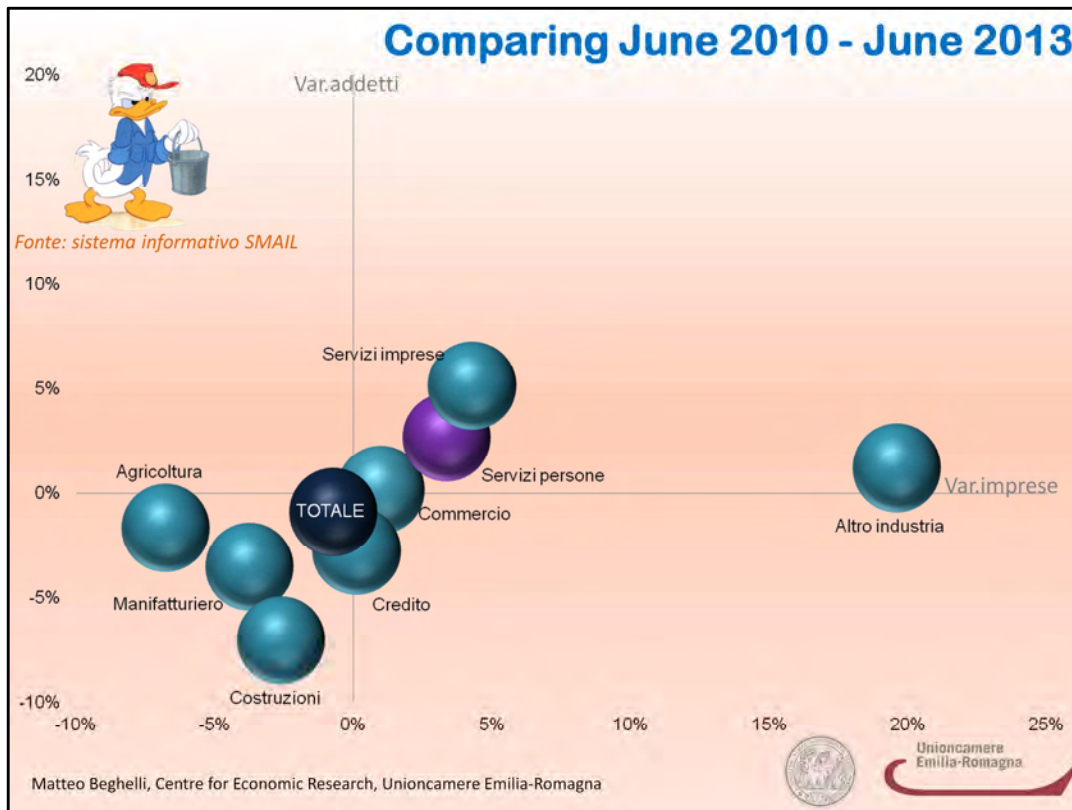


These are few figures about the non-profit sector in Emilia-Romagna.

These are official data from the Census (I have been the person in charge for the organization at the regional level of Census operations that had been delegated from Istat, the Official Italian statistical board, to the Chambers of commerce).

You can see that the non profit sector has more employees than Food and beverage, fashion and ceramic tiles (we have the biggest ceramic tiles industrial district world-wide) and just half of mechanics (our biggest private sector employer).

So we can surely say that this is a distinctive feature of our economy and society

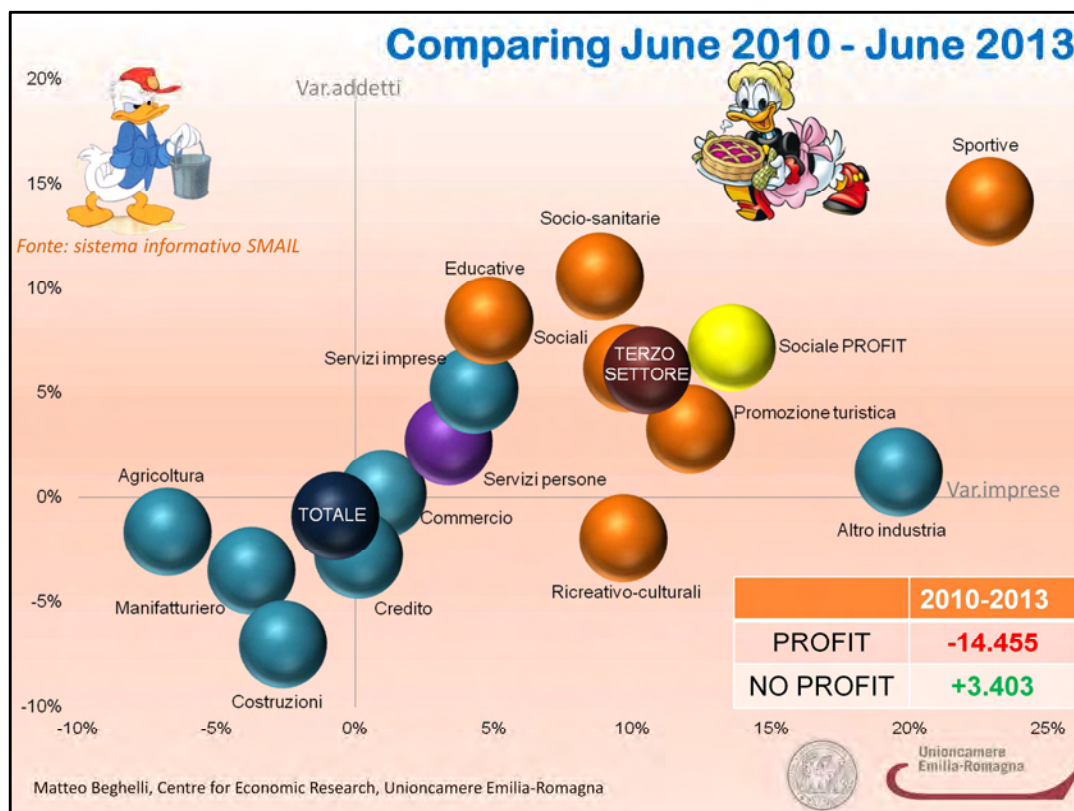


And the employees and firms operating in this sector are increasing.

This slide and on the next show the change in the number of active businesses and employees for the different sectors of our economy from June 2010 to June 2013.

This slide is about the for profit sector. You can see that:

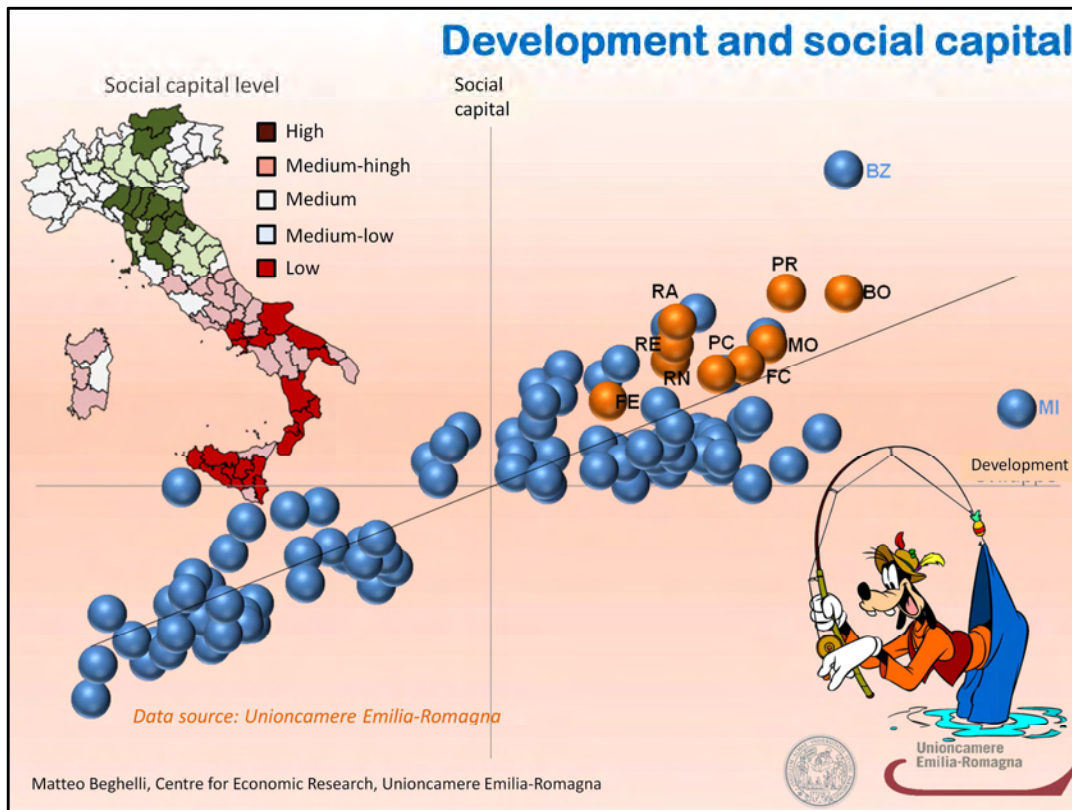
- the overall situation is negative;
- the manufacturing, construction and agriculture sectors have negative outcomes from both points of view;
- the service sectors (private service and service for companies) are doing better on both sides.



On this slide I added to the previous page's graph the non for profit sector. You can notice that:

- the overall situation is positive in term of both employees and active companies;
- every single kind of company operating in non for profit sector has positive outcome.

Taking into account what we said up to now about the non for profit sector in our region, we surely can say that this kind of organizations have an enormous weight in our economy and society in term of quantitative parameters (number of companies and employees) and that this weight went on growing during the years of crisis.



The extreme relevance of non for profit sector can also be demonstrated exploring the relationship between social capital (in strict connection with the non for profit sector) and economic development

On this slide you can see this relationship. We have measured economic development by the use of a composite index that combine economic data (GDP capita, disposable income, and the like) and economic wellbeing indicators (expenditure for culture, leisure and the like). We have measured social capital combining every statistics we have about like blood donation ratios, polling turnouts.

Thus, you can see yourself that the relationship between social capital and economic development for Italian provinces (in orange the nine provinces of our region) exists and is strong → so investing in social capital is investing non only in social wellbeing but also in economic wellbeing.

In the field of non for profit we can:

- provide good economic information
- but also many other activities in which the Chambers, with many other partners, are playing a big role.


From welfare network to community welfare

Network contracts
Corporate Network in Varese involving firms of different sizes and sectors with the aim to provide employees with welfare services and training


Development agreements
Unindustria Treviso and trade unions have promoted the introduction of welfare packages in business contracts. Unindustria bergains with suppliers in name of al member firms

Business contract welfare
Decentralized bargaining, company or local (social partners, bilateral agencies, ...)


Public tenders and calls
Regions, Chambers of commerce...



Community welfare
Sustainable through crowdfunding, online platforms operated by banks, social impact bonds (UK and U.S.), social bonds ...
ACTIVATION OF PRIVATE SAVINGS



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Here we have the most important developments that the “second welfare” in undergoing nowadays. In many ways the Chambers are involved.

Read the slide ...

By the use of these means, we can reach a many goals:

- 1) On one side, we can increase the level of wellbeing of the population providing goods and services (child care, care for elderly and the like);
- 2) All these goods and services can severely increase their productivity liberate time and energy for paid work (women);
- 3) By a modern use of insurance we can also increase the level of confidence in the society, thus, helping people to increase the level of consumption → very important to get out of a crisis that is due to lack of Demand.
- 4) Activate private savings by the use of social impact bonds.

FURTHER INFO:

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