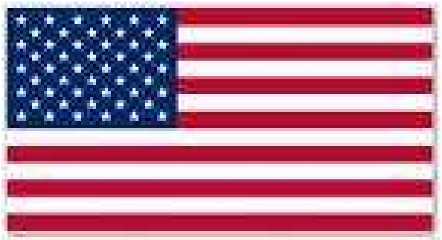
UNIONCAMERE EMILIA-ROMAGNA
UNIVERSITA' DI BOLOGNA

Introducing Emilia-Romagna's economy and commercial relations with USA



University of Bologna at Rimini

11th September, 2009

Matteo Beghelli, Research Department, Unioncamere Emilia-Romagna

Regional Scenario I

Introducing you to our region: geography

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Regional Scenario II

Introducing you to our region: social and macro-economic indicators

	Italy	*Emilia-Romagna*	*E.R / Italy*
Population	59.619.290	4.275.802	7,17%
Active Businesses	5.316.104	431.918	8,12%
Added Value	1.381.449 Mil €	121.616 Mil €	8,80%
GDP p.c. (EUR)	26.278,00 €	32.255,00 €	122,75%
Activity rate (15-64)	63,00%	72,60%	115,24%
Unemployment rate	6,70%	3,20%	47,76%
Export Value	365.806 Mil €	47.464 Mil €	12,97%

Data source: Unioncamere Emilia-Romagna Research Dept. on ISTAT and Tagliacarne Institute gross data (1st Jan 2009)

Regional Economy

The structure of our economy I: the weight of the macro-sectors ADDED VALUE

	Agriculture	*Industry*	*Services*	*Total amount*
Emilia -Romagna (millions of Euros)	2.747	41.579	77.290	121.616
Emilia -Romagna (relative weight)	2,26%	34,19%	63,55%	100,00%
Italy (millions of Euros)	28.341	380.133	972.975	1.381.449
Italy (relative weight)	2,05%	27,52%	70,43%	100,00%
Emilia-Romagna / Italy	9,69%	10,94%	7,94%	8,80%

Data source: Unioncamere Emilia-Romagna Research Dept. on Tagliacarne Institute gross data (1st Jan 2009)

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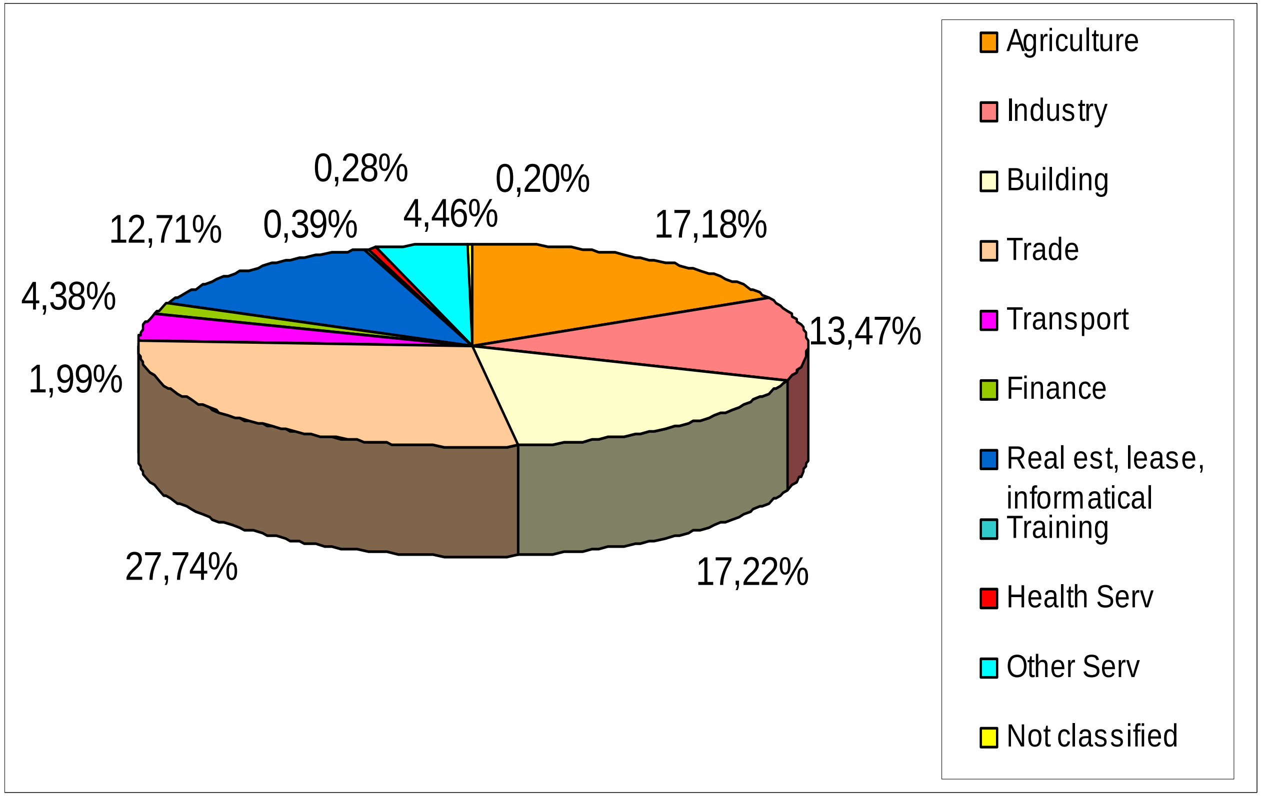
Regional Economy

The structure of our economy II: the weight of the macro-sectors ACTIVE BUSINESSES

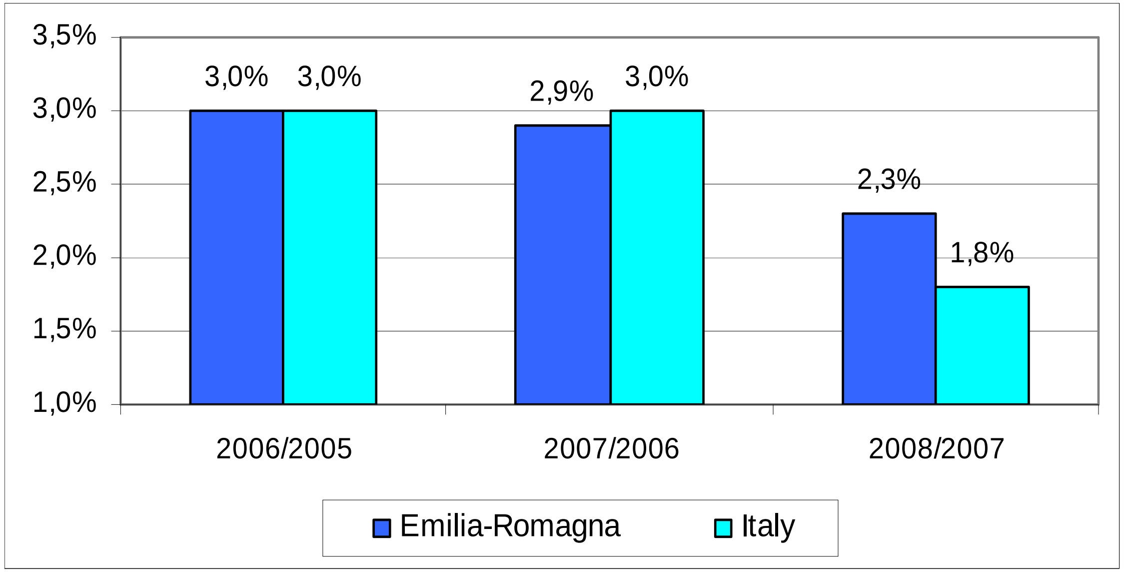


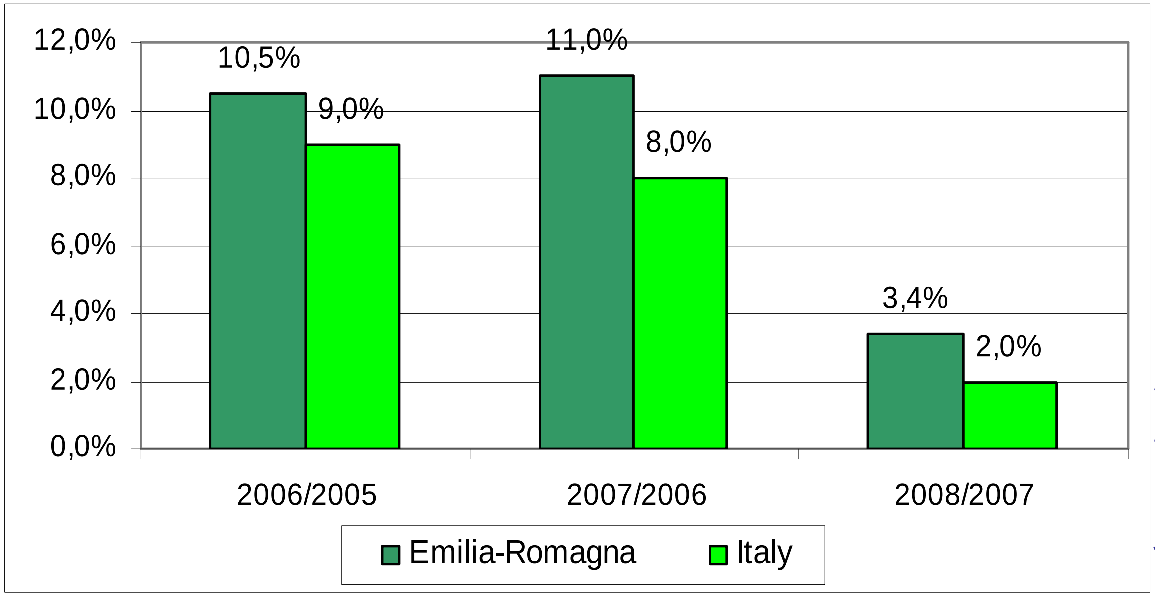
Agriculture	17,18%
Industry	13,47%
Building	17,22%
Trade	27,74%
Transport	4,38%
Finance	1,99%
Real est, lease, informatical	12,71%
Training	0,28%
Health Serv	0,39%
Other Serv	4,46%
Not classified	0,20%
Grand Total	100,0%

Data source: Unioncamere Emilia-Romagna Research Dept. on Business Register gross data

Regional Economy

GDP per capita growth

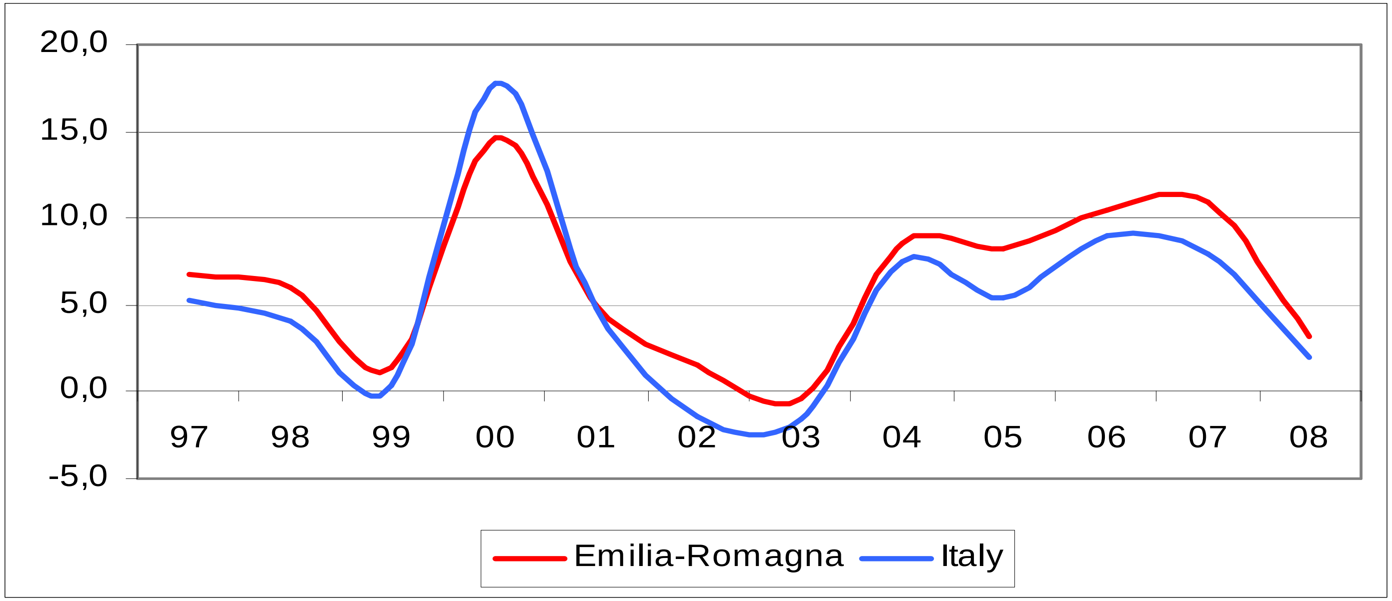




Export growth 2008

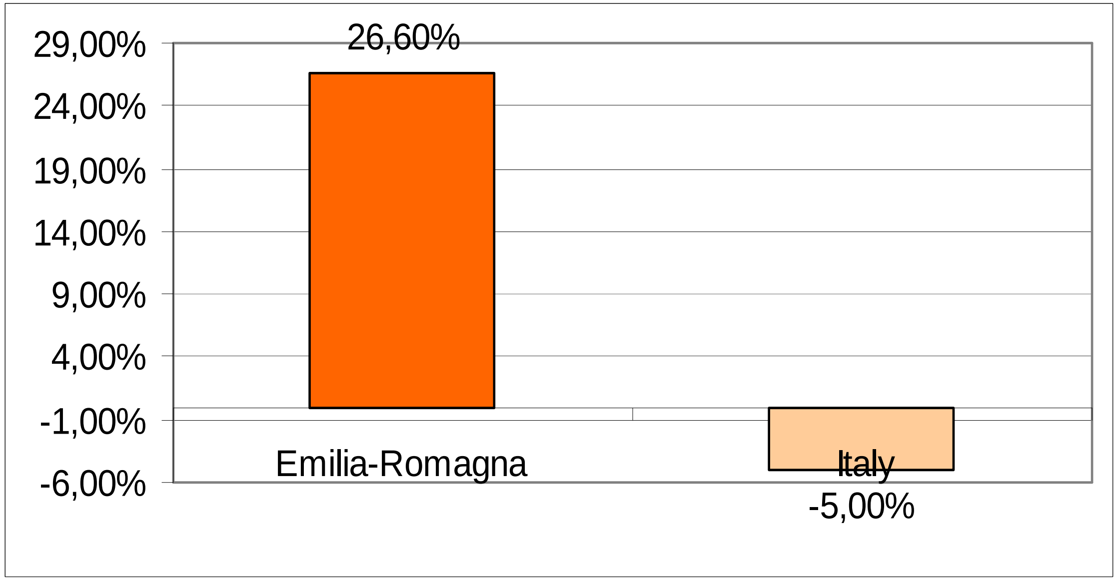
Data source: Unioncamere Emilia-Romagna Research Dept. on Tagliacarne and ISTAT Institute gross data

Regional Economy



Export growth in value terms

Change of the average value of export 2000-2007



Data source: Unioncamere Emilia-Romagna Research Dept. on ISTAT Institute gross data

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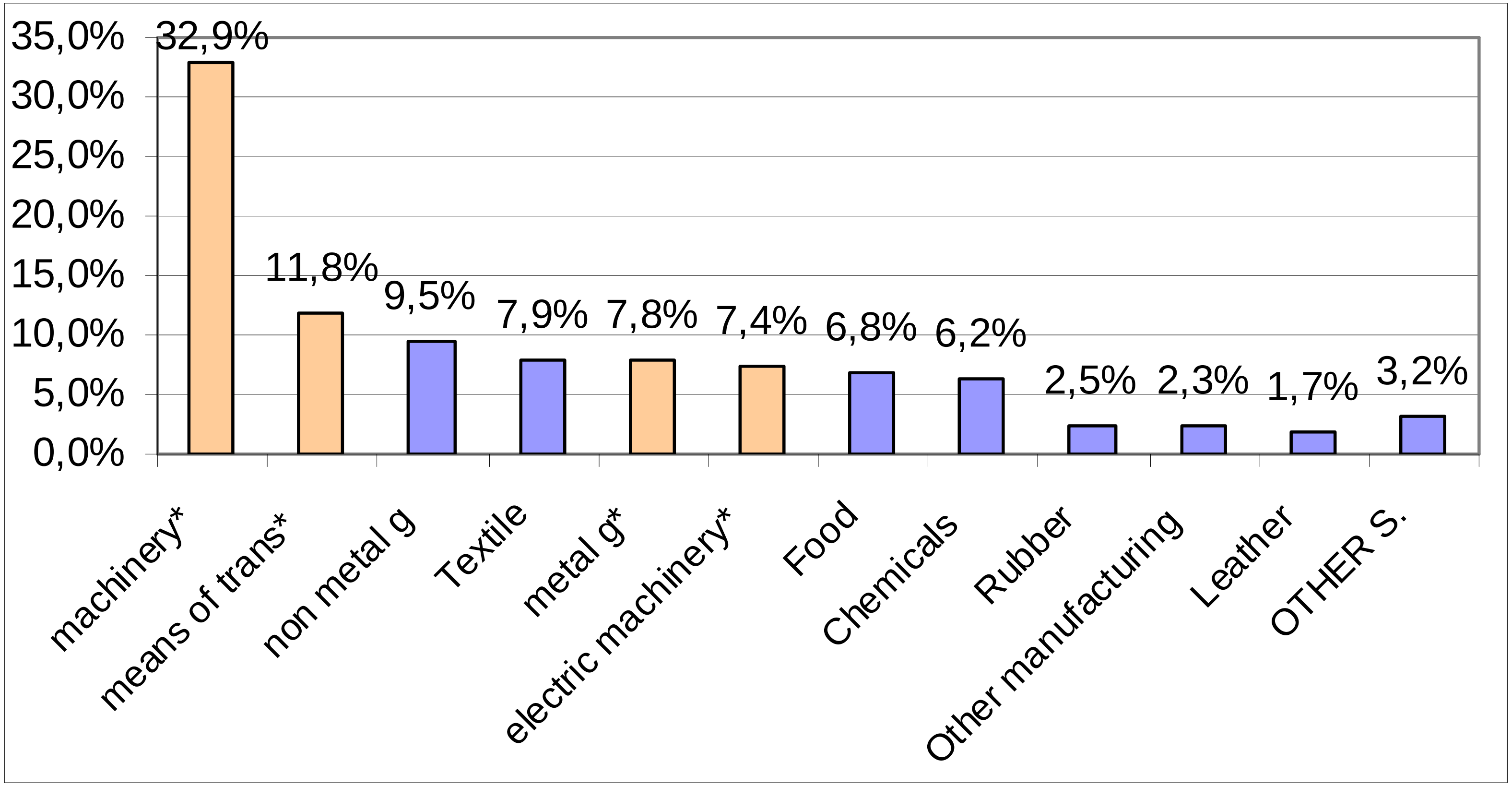
Regional Economy

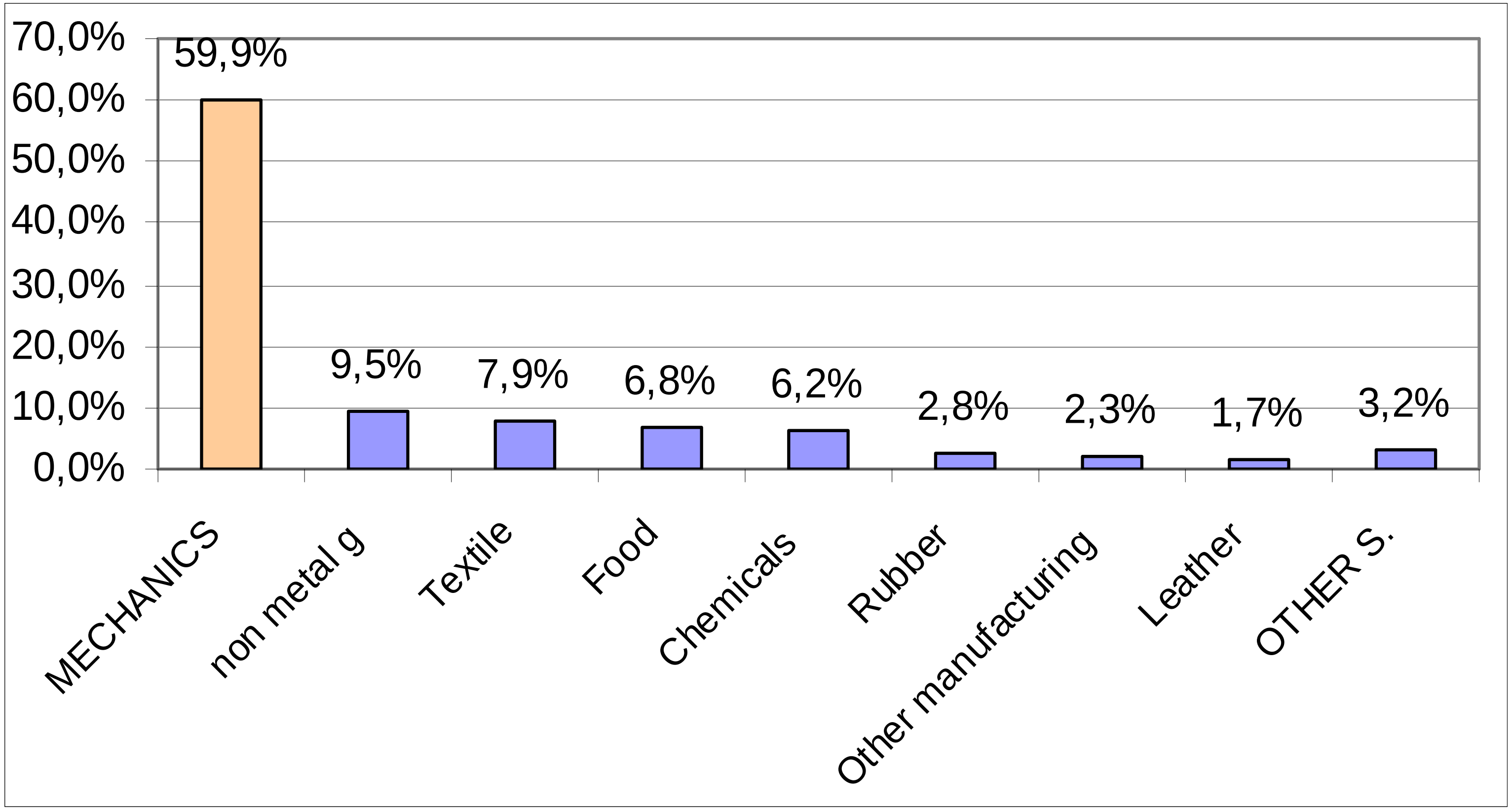
Exports:
weight of economic sectors I



Data source: Unioncamere Emilia-Romagna Research Dept. on ISTAT gross data (1st Jan 2008)

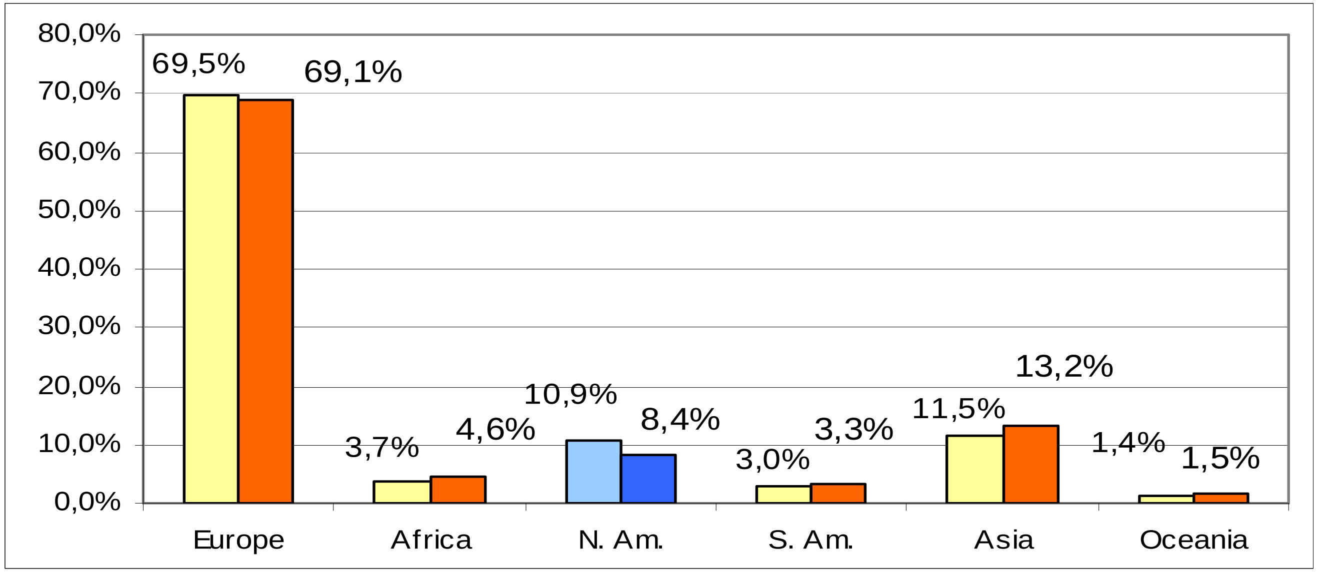
Regional Economy

Exports:
weight of economic sectors II



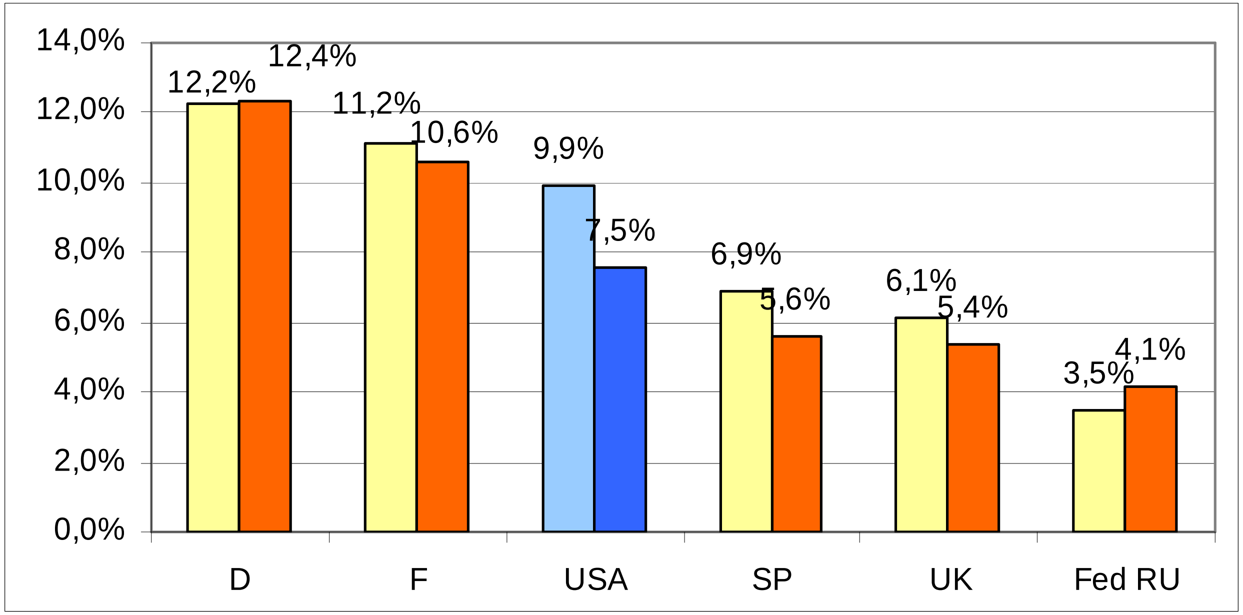
Data source: Unioncamere Emilia-Romagna Research Dept. on ISTAT gross data (1st Jan 2009)

Regional Economy



Exports: weight of economic areas

Exports: Our main trade partners



Data source: Unioncamere Emilia-Romagna Research Dept. on ISTAT gross data (1st Jan 2009)

Emilia-Romagna – USA

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Export 2008: 3.576.329.117 € -9,5% (1 € = 1,44 $)

MAIN EXPORTS:

Mechanics (as a whole)	69,8%
Machines and mechanical machineries	32,8%
Means of transport	29,6%
Products from non metal. Minerals (tiles)	12,1%
Food & Beverage	5,6%

MAIN IMPORTS:

Mechanics (as a whole)	55,3%
Machines and mechanical machineries	25,9%
Optical, electronic & electric machineries	16,5%
Chemicals and synthetic fibres	14,4%
Food and beverage	14,3%

Import 2008: 689.685.196 € -1,4%

Data source: Unioncamere Emilia-Romagna Research Dept. on ISTAT gross data (1st Jan 2009)

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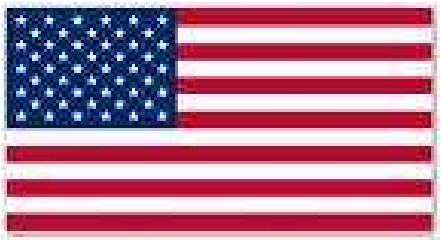
Introducing clusters and their development



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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 monocultural 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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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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Evolution of industrial clusters

key critical factors for success:

'70 — Similar process and product

'80 — Sharing strategies oriented to consumers

Difficulties connected with distribution and personalization of products

'90 — Investments in technology and internationalization in medium and large sized enterprises, flexibility in SME

New technologies and new competitors

'00 — "Pocket multinationals" looking for comparative adv. worldwide

Locating every phase of the value chain wherever there's a comparative advantage

The virtuous circle is weakening

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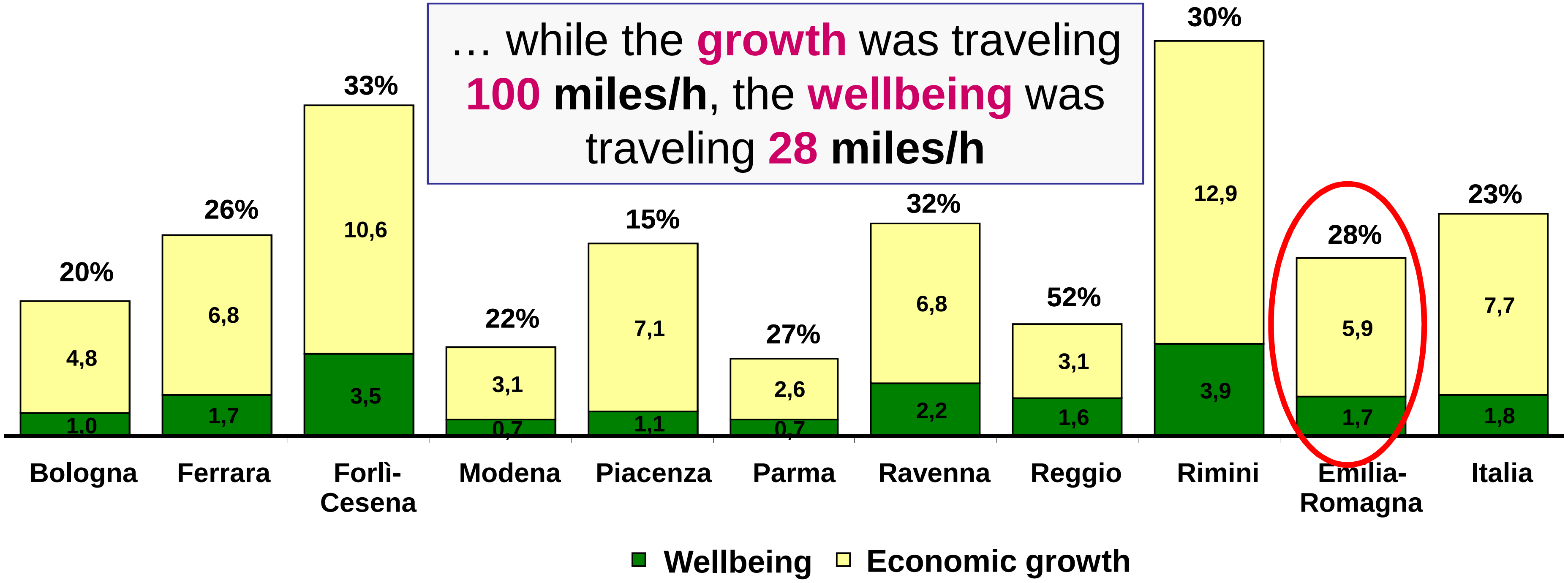
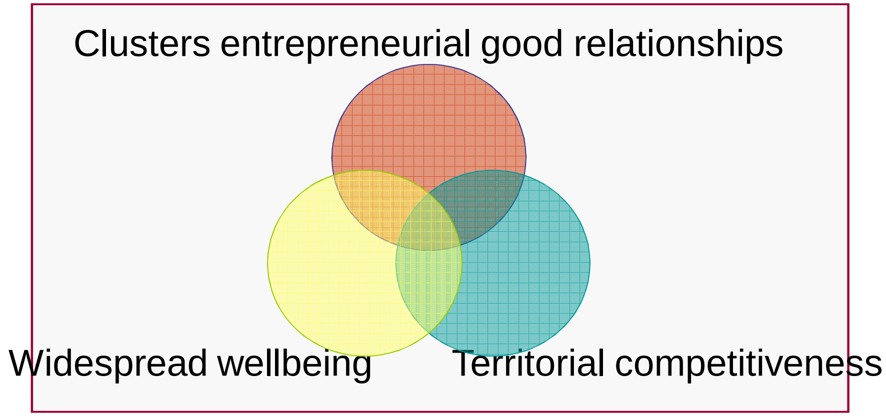
… while the **growth** was traveling **100 miles/h**, the **wellbeing** was traveling **28 miles/h**





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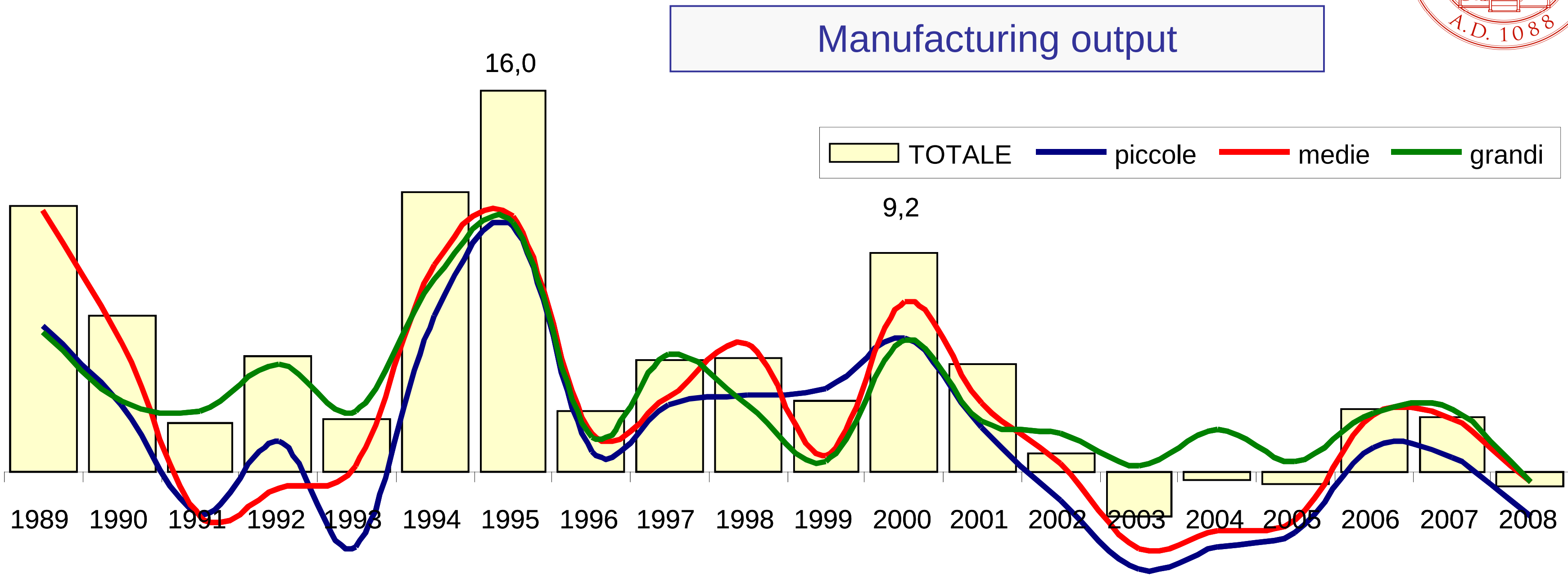
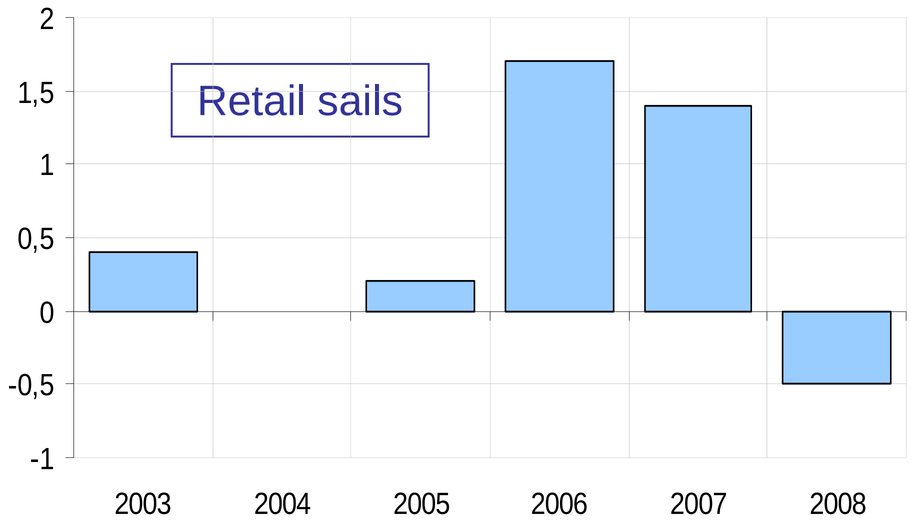
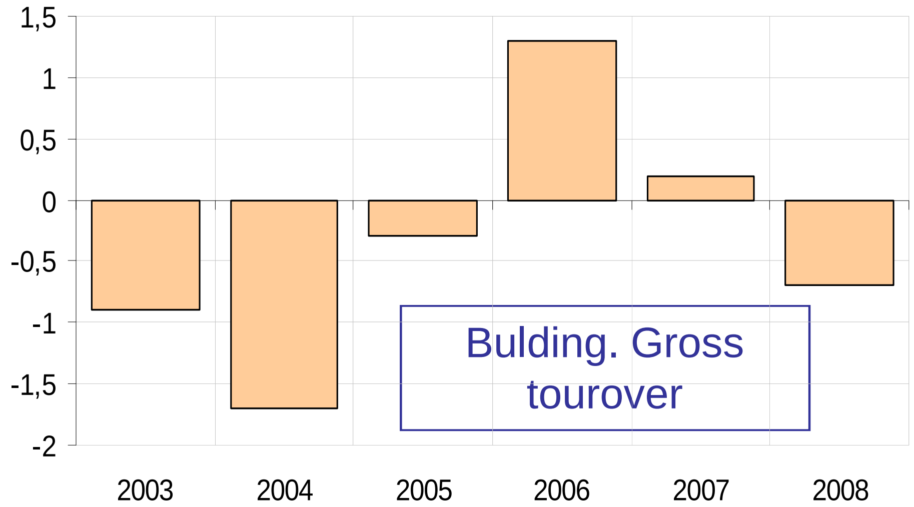
We are facing new scenarios







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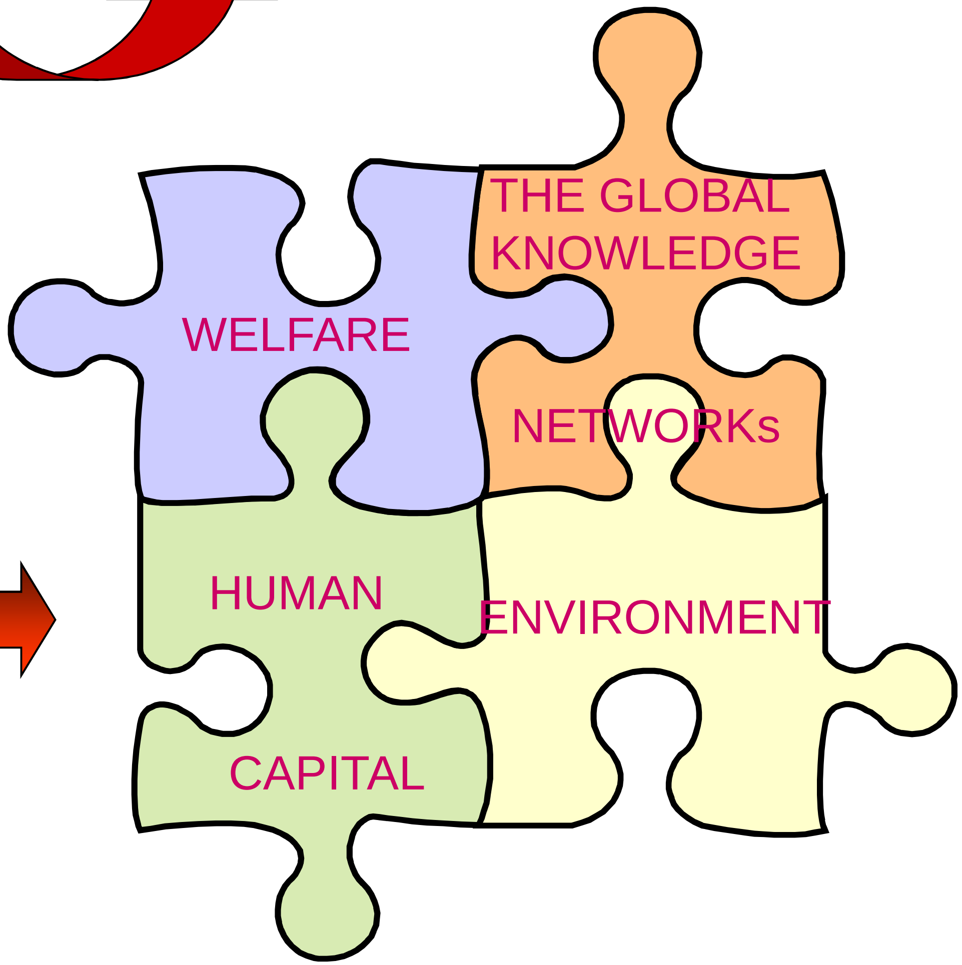
Changing the way we look at the world

Competitive companies make a competitive territory (society)

A competitive territory (society) can make the companies competitive

We need to reverse the paradigm

Elements that will surely shape up the future



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Coupling up with the global networks of knowledge

Our clusters need to couple up with the **world wide network of knowledge** to exploit innovations created here on a world basis and to have access to innovations created elsewhere.

The EU stress the connection between innovation and territorial systems
Innovation is a collective process that requires strategy, financing for research and the creation of the new kind of public goods (essential)

Urban "clever" and "creative" territories , with high living standard (non strictly economically), where talented people grow up or tend to move to live to.

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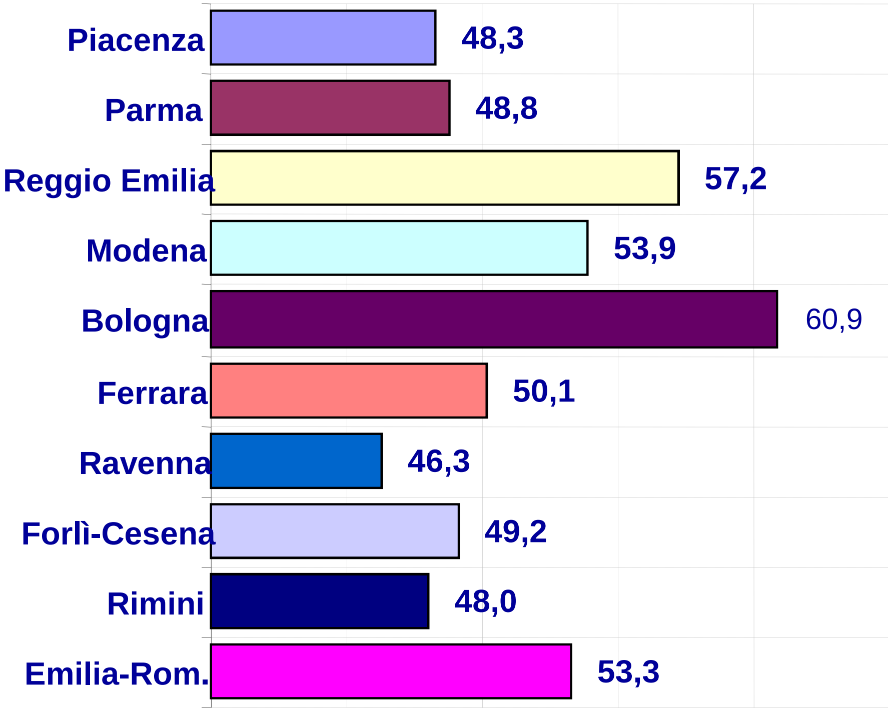
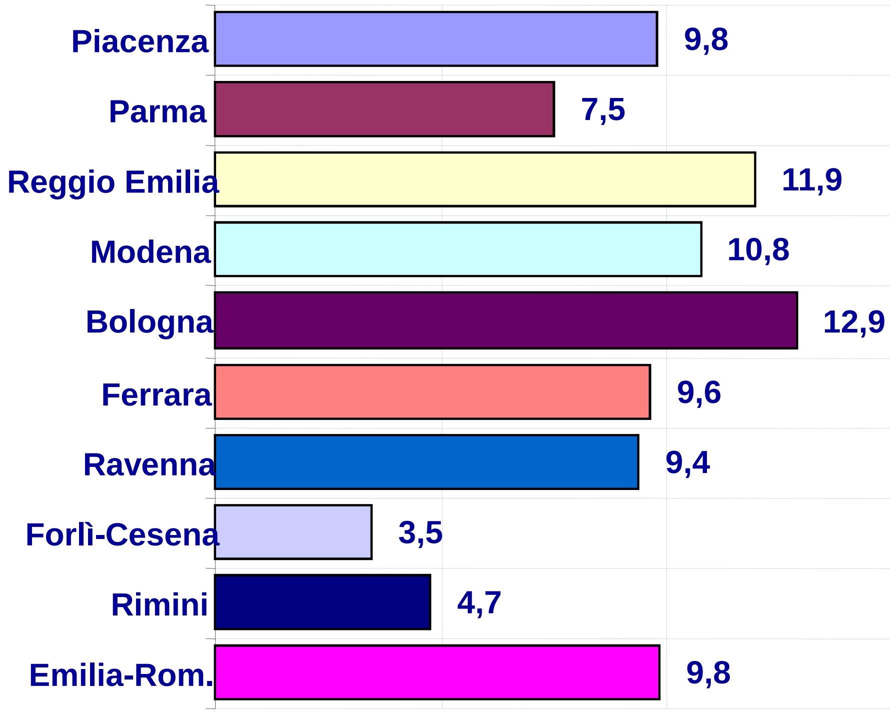
… the human capital

the knowledge economy has arrived (????)

% of hirings with secondary and tertiary education



Variation in % points from 2005 to 2008



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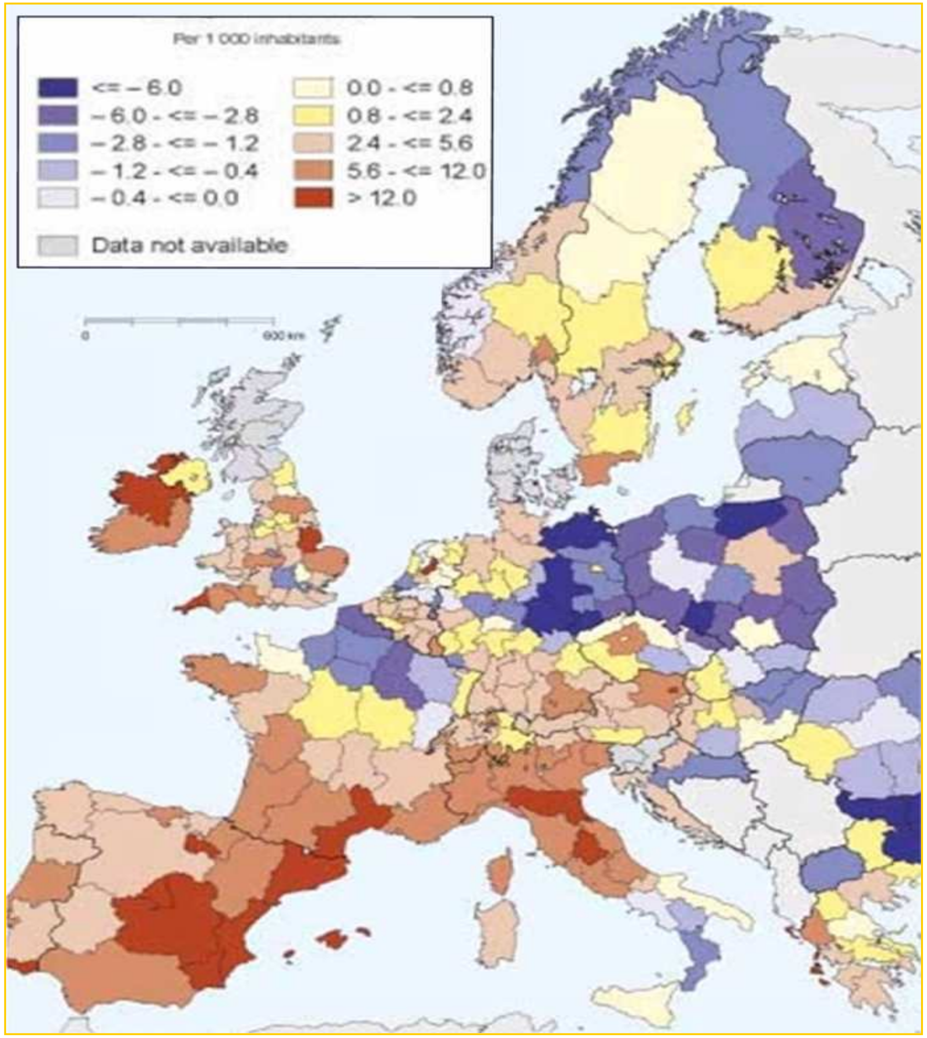
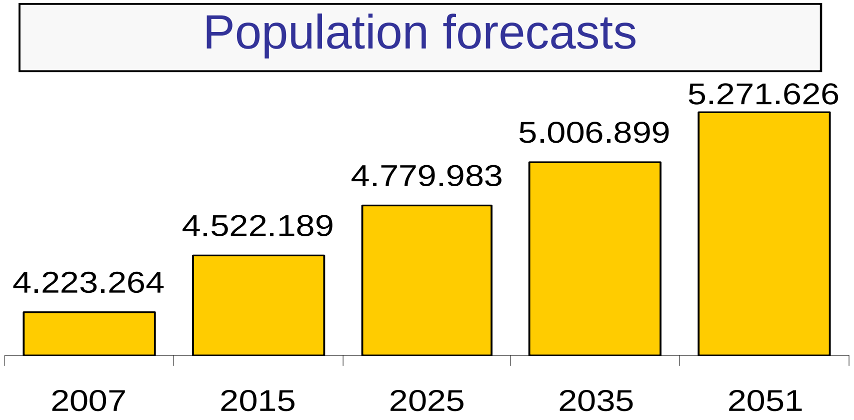
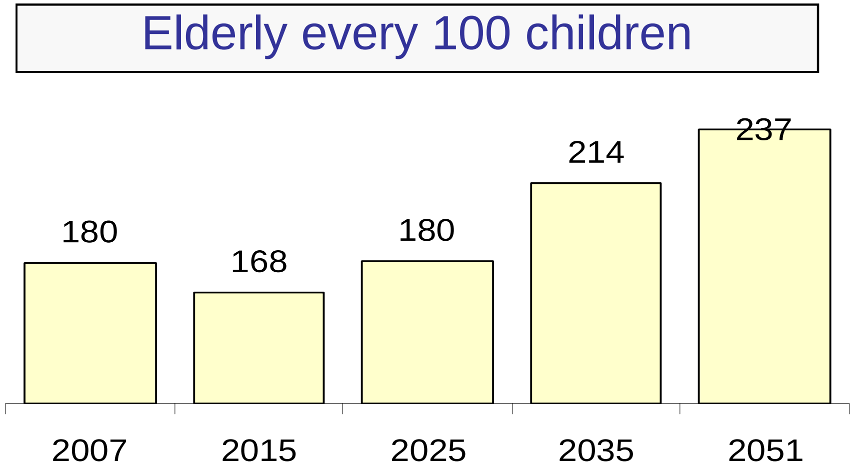
Re-think the welfare system

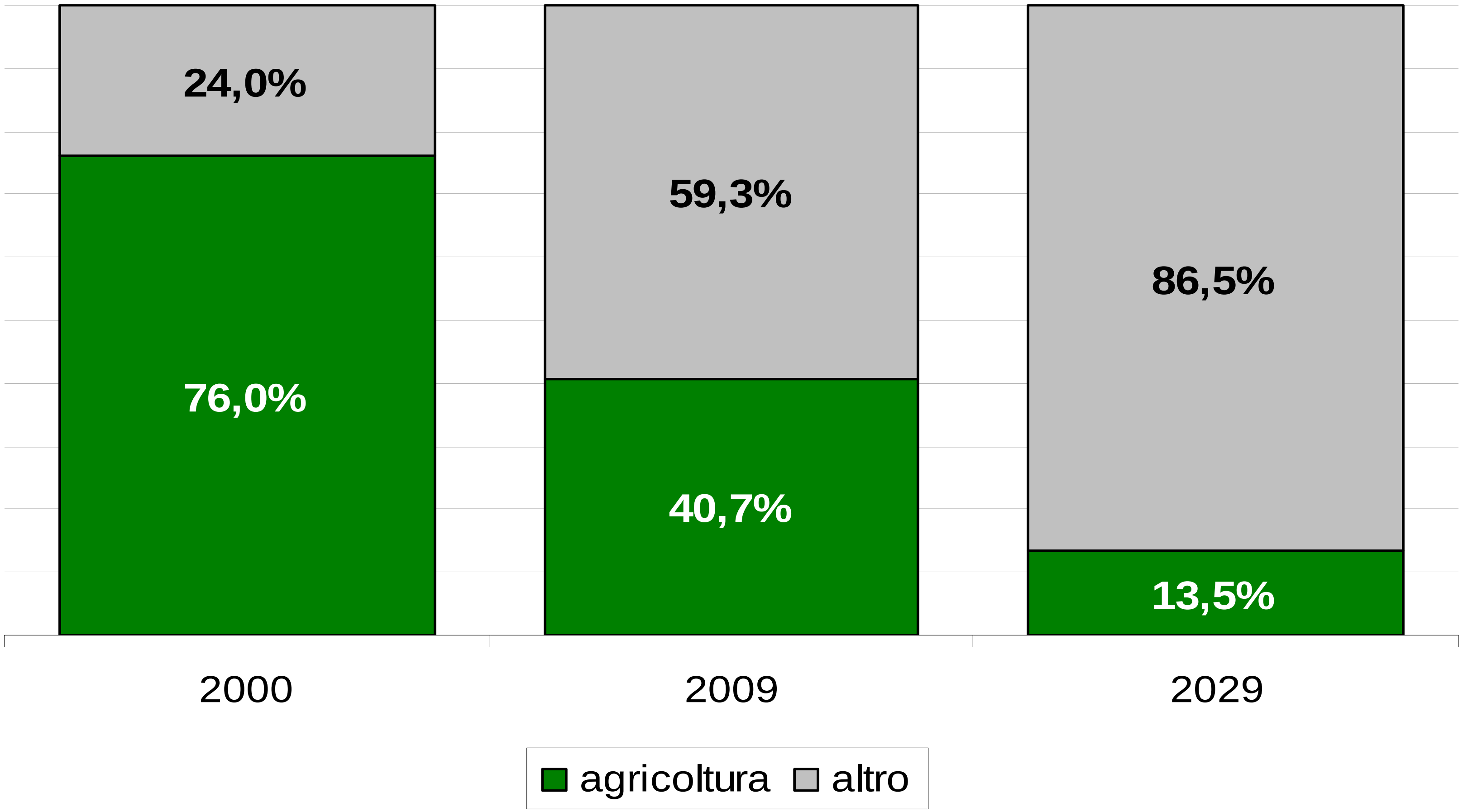






Over the last 5 years, **282.000 new residents** have arrived from abroad and other regions (net of people leaving Emilia-Romagna): the dimension of a new province ….

… and the environment as well



Projection of the use of land of the last five year s to 2029, the case of the Province of Rimini

Further info:

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