

Euler Hermes: €15 billion of new exports expected for Italian products in 2015

MILAN - 3 NOVEMBER 2014 – At the data presentation of its 2014 International Trade Observatory, [Euler Hermes](#), the worldwide leader in trade credit insurance, analyzed the risks and opportunities of new routes for Italian exports. With the contraction of the principal economic indicators, exports once again prove to be the mainstay for a fresh start (+1.6% in 2014 and +2% in 2015).

“After 3 years of recession in Italy, 2015 should be the year recovery picks up slightly,” said Ludovic Subran, chief economist at Euler Hermes. “The new measures recently adopted by the government, together with the boost from exports and the recovery of domestic consumption, should contribute to a positive return of the GDP (+0.3%).”

Italy: There is light at the end of the tunnel

2014 should close with the GDP down by 0.3% as a result of weak domestic demand and a credit crunch which is only slowly loosening its grip on businesses. The financial problem is clearly visible from two indicators, the Days Sales Outstanding (DSO) and business insolvencies. According to Euler Hermes, private enterprise DSO will reach an average of 100 days in 2014, a significant variance from the standard 60 days defined by the European Directive. The difficulties and lengthy lead times for debt collection are reflected in the growing number of business insolvencies, which will reach peak at 15,500 cases in 2014 (+10% vs. 2013), an increase for the seventh consecutive year.

Exports: The constant driver

With their highly diversified platform of goods and services, Italian exports are preparing to capture an additional demand for Italian products, estimated at €15 billion. With two-thirds generated by countries outside the Eurozone, demand will be sustained by the weakening of the euro against the U.S. dollar. The chemical, machinery and textile sectors will be the primary beneficiaries.

“For the past several years, Italian companies have been leaning toward the opportunities offered by foreign markets, especially the new, emerging economies. In the last three years, we have seen a 26% growth in the policies covering international markets, with an even sharper rise for China, Saudi Arabia and Tunisia,” said Michele Pignotti, head of the Euler Hermes Mediterranean Countries, Middle East and Africa (MMEA) region.

Export opportunity: sectors and countries

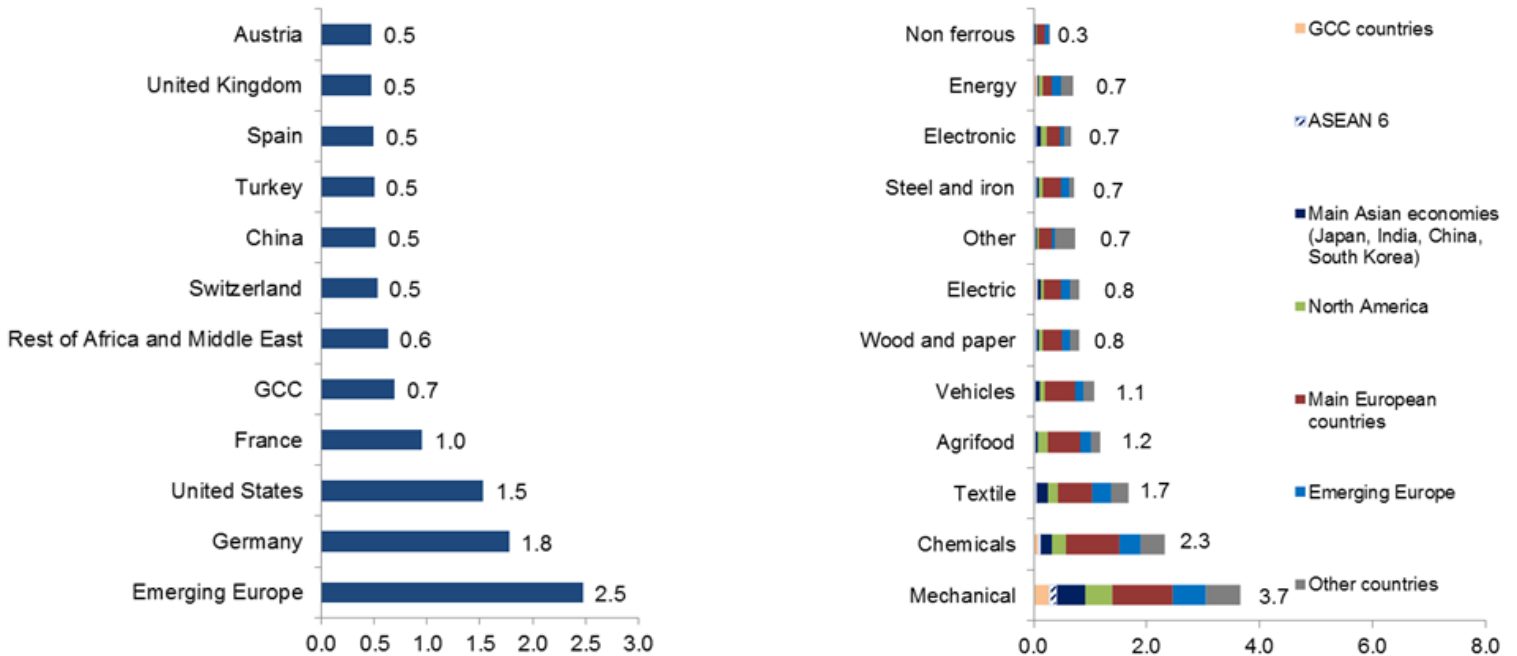
- **Agrifood** – Export volumes are expected to stabilize in 2015 at around € 33 billion. The current embargo on Russia should not greatly impact export volumes, as Italy can continue to rely on its historic partners France, Germany and the USA and on the emerging economies of Eastern Europe. Wine stands out among the best performing sectors on international markets and, in 2015, should achieve an export turnover of € 6 billion (+11% vs. 2014).
- **Agricultural machinery** – Agricultural machinery exports are expected to rise by 7.5% in 2015 compared to 2014, to a turnover of €2.3 billion. This equates 46,000 tractors sold, of which 35,000 in Europe. High potential markets include Turkey and Eastern Europe.

Press Release

- **Textile machinery** – Exports of textile machinery are expected to grow by 12% in 2015 vs. 2014, to €1.9 billion. The USA (+46%) and Turkey (+24%) are the principal outlet markets.
- **Textiles and Clothing** – Orders for top quality products are increasing, to reach a new peak in 2015 and a return to the levels of the year 2000. Exports in 2014 will reach €49 billion and should rise to €52 billion in 2015 (+ 6%). The additional €3 billion growth equates to 10 million extra garments in overseas demand.
- **Furniture and Furnishings** – The sector’s dip should halt in 2014 and return to growth in 2015 (+3.5%), delivering an export turnover of € 11 billion - with approximately 9 million pieces of furnishings sent to the GCC, China and Turkey.
- **Plastic** – The development of new technologies and materials guarantees new growth margins for the plastic sector, especially for its use in vehicle and medical device production. In 2015, the sector is expected to grow by 6%, with an additional export of €1.3 billion compared to 2014. The principal destinations are Germany, Romania and Turkey.

“Focusing on the strength of the “Made in Italy” brand and on significantly reducing the gap with the main competitors in international markets is the recipe for successful, long-term export growth for more than 200,000 Italian businesses,” concluded Subran.

Additional exports expected in 2015, in EUR bn per country and sector.



Contacts:

Euler Hermes Group Media Relations

Remi Calvet – +33(0)1 84 11 61 41
remi.calvet@eulerhermes.com

Euler Hermes MMEA

Head of Communications
Guglielmo Santella – +39 335 84 96 775
guglielmo.santella@eulerhermes.com

Euler Hermes is the global leader in trade credit insurance and a recognized specialist in the areas of bonding, guarantees and collections. With more than 100 years of experience, the company offers business-to-business (B2B) clients financial services to support cash and trade receivables management. Its proprietary intelligence network tracks and analyzes daily changes in corporate solvency among small, medium and multinational companies active in markets representing 92% of global GDP. Headquartered in Paris, the company is present in over 50 countries with 6,000+ employees. Euler Hermes is a subsidiary of Allianz, listed on Euronext Paris (ELE.PA) and rated AA- by Standard & Poor's and Dagong. The company posted a consolidated turnover of €2.5 billion in 2013 and insured global business transactions for €789 billion in exposure at the end of 2013. Further information: www.eulerhermes.com, [LinkedIn](#) or Twitter [@eulerhermes](#).

Euler Hermes Italy

Euler Hermes established trade credit insurance activities in Italy in 2002 with the acquisition of Società Italiana Assicurazione Crediti (SIAC), which was originally established in 1927. With 400 employees based in the Rome headquarters and regional office, Euler Hermes Italy today serves more than 4,500 customers across a range of business sectors and sizes. www.eulerhermes.it

Cautionary note regarding forward-looking statements: The statements contained herein may include statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. In addition to statements which are forward-looking by reason of context, the words "may", "will", "should", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" and similar expressions identify forward-looking statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (i) general economic conditions, including in particular economic conditions in the Euler Hermes Group's core business and core markets, (ii) performance of financial markets, including emerging markets, and including market volatility, liquidity and credit events (iii) the frequency and severity of insured loss events, including from natural catastrophes and including the development of loss expenses, (iv) persistency levels, (v) the extent of credit defaults, (vi) interest rate levels, (vii) currency exchange rates including the Euro/U.S. Dollar exchange rate, (viii) changing levels of competition, (ix) changes in laws and regulations, including monetary convergence and the European Monetary Union, (x) changes in the policies of central banks and/or foreign governments, (xi) the impact of acquisitions, including related integration issues, (xii) reorganization measures, and (xiii) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

The company assumes no obligation to update any forward-looking statement.