

DISCUSSION OF:

COMPETITIVENESS AND
EXPORT PERFORMANCE
OF ITALY

Stefano Manzacchi

LUISS Guido Carli - LUISS Lab

MEF - Rome, November 24, 2009

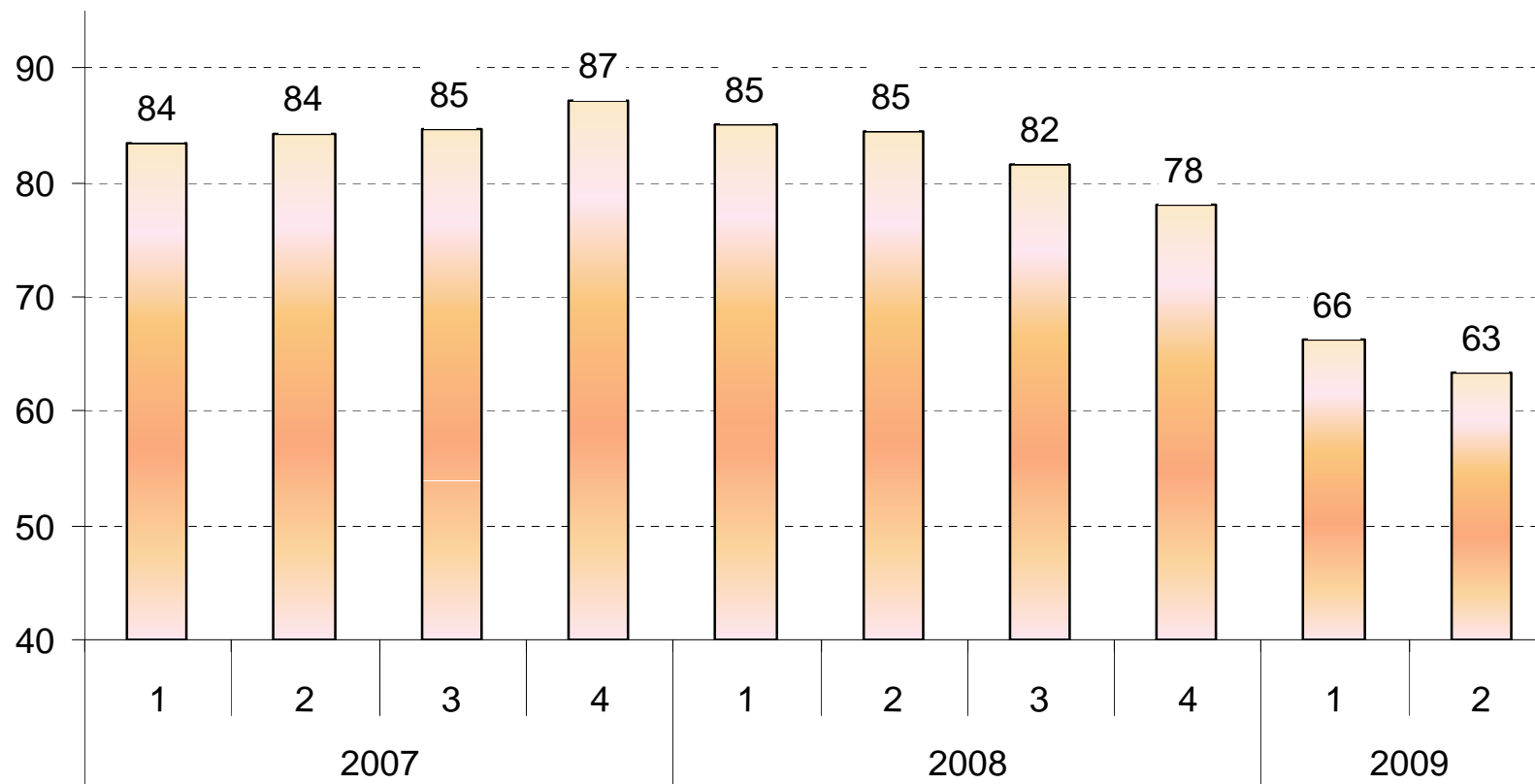
1. A paper against the “decline” hypothesis
2. Italian manufacturing in the current crisis
3. What next?

The paper deals with one aspect of the “decline” debate, which includes others (ageing of population, quality of the education system, low productivity dynamics, ...)

The author has an “anti-declinist” view; his argument is well resumed by Table 3, i.e. the Italian “Four F” sectors were relevant in international comparison before 2008.

However, the crisis has heavily affected export-oriented sectors...

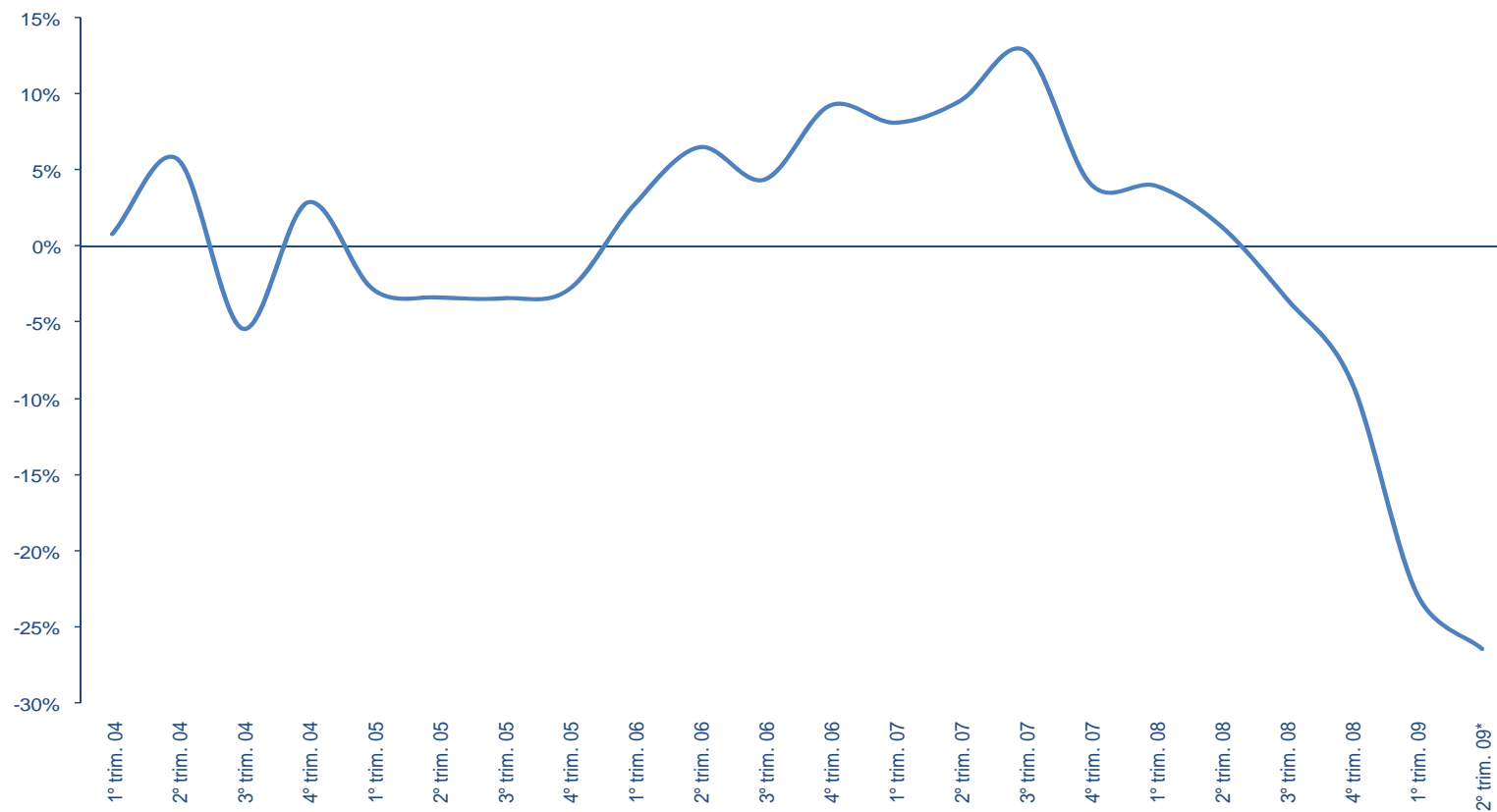
Industrial machinery in Italy, capacity utilization (in %)



source: Ucimu

However, the crisis has heavily affected export-oriented sectors...

Italian export of wood and furniture (% change quarter over quarter)



source: FederLegnoArredo

What next?

The debate on “how bad is our trade specialization?” is a long lasting one: in 2005 Riccardo, who did not believe in the “decline hypothesis”, wrote that: “Il vero punto debole dell’economia italiana sembra essere il suo modello di specializzazione a livello internazionale”.

Why should we be worried about that?

% of World import of Manufactures (source: WTO)

	1980	1990	2007
Clothing	4,9	5,6	3,6
Machinery and transport equipment	35,3	53,5	51,2
<i>of which:</i>			
<i>Electronic data processing and office equipment</i>	0,8	2,5	5,8
<i>Integrated circuits and electronic components</i>	0,7	1,9	5,4
<i>Office and telecom equipment</i>	8,0	13,7	17,6