CBI MARKET SURVEY

THE CHEMICALS MARKET IN ITALY

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Report summary

This CBI market survey discusses, amongst others, the following highlights for the market for chemicals in Italy:

- Italy is one of the largest chemicals consuming EU countries, with an industrial demand amounting to € 87.3 billion in 2005.
- Italy is the fourth largest EU importer of chemicals. Total chemical imports increased by 7% annually, from € 4.5 billion to € 6.0 billion, in the period 2002-2006.
- The share of developing countries in Italy's imports is relatively large at 9%. Moreover, this share increased by 17% annually between 2002 and 2006, amounting to € 535 million.

This survey provides exporters of chemicals with sector-specific market information related to gaining access to The Netherlands. By focusing on a specific country, the survey provides additional information, complementary to the more general information and data provided in the CBI market survey covering the EU chemicals market.

As you will notice in this survey, much trend-related information is similar to that for the EU in general. Interview results showed that most of the major trends in individual countries are the same as the ones identified in the CBI market survey covering the EU chemicals market. This is due to the fact that the chemicals market is a very international market. Some countries export more than half of their chemical production. Moreover, the chemicals market is a very mature market, featuring commodities and many complex products which all have their own specific application. As this survey does not allow for the description of all of these individual products and is limited to four product groups[1], trend information is also mainly limited to those trends which are relevant to the entire chemical industry. Therefore it is recommended that you read this survey together with the CBI market survey covering the EU chemicals market.

That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.eu/marketinfo.

1. Market description: industrial demand and production

Industrial demand

Total market size

- Italy is the second leading consumer of chemicals in the EU, accounting for 16% of total EU25 industrial demand for chemicals.
- In 2005, total Italian industrial demand for chemicals amounted to € 87 billion, representing an annual average increase in consumption of 14% during the review period (European Chemical Industry Council (CEFIC), 2006). Compared to the other EU25 countries, Italy's increase in industrial demand is relatively strong. According to the central department on economic analysis of the National Federation of the Chemical Industry (FEDERCHIMICA), the growth is strong, widespread and persistent. It is driven by the growth of the global economy and particularly by the growing demand from developing

[1] Inorganic chemicals, organic chemicals, dyes & pigments and oleochemicals.

countries for products with a high chemical content. Consequently, demand in Italy from the manufacturing industries for chemicals is growing as well.

Table 1.1 Industrial demand for chemicals in the EU and Italy, 2001-2005, in € million

	2001	2003	2005	Average annual growth
EU25	496,581	507,835	564,598	3.3%
Italy	74,273	79,879	87,261	4.1%

Source: CEFIC (2006)

- Demand for chemicals comes from different industries. Compared to other countries, the textiles and leather industries are particularly important in Italy. Demand for chemicals thus consists, for a relatively large part, of products for the textile and leather industries. However, according to FEDERCHIMICA, the textile and leather industries face structural problems which will not be easily solved in the next few years. The situation of the strongly related man-made fibre industry is similar. Italy is the second leading producer of man-made fibres in the EU, accounting for 20% of EU production. However, the man-made fibre industry showed a weak performance between 2001 and 2005 and suffered from imports of (finished) man-made fibres (Assofibre, National Association of Artificial and Synthetic Fibres, 2006).
- In 2005, demand for pharmaceuticals was influenced by a change in legislation. The legislation aims to liberalize the market for pharmaceuticals and caused a rise in sales of self-medication products, which can now be sold outside pharmacies (ANIFA, National Association of Pharmaceutical Industries (manufacturing pharmaceuticals for self-medication) 2007).
- Demand for detergents stagnated in 2006 and is expected to grow at less than 1% in 2007. Households shifted their expenditure on household products to other products and services. (Assocasa, National Association of Producers of Detergents and specialties for Industries and Households, 2007).
- After a period of stagnation, sales of perfumes and cosmetics picked up again. They increased by 2.2% in 2006, compared to the previous year. The main contributors to this growth were the body-care and facial-care products.
- Biotech is an emergent industry, according to Assobiotec, the National Association for the Development of Biotechnology.

Trends in industrial demand

- According to Federchimica, a consolidation in industrial demand can be observed in Italy.
- Over the past decade, demand for crop protection products has moved towards products, which are required in smaller dosages to achieve the same effect.
- Quality is becoming more important again for consumers of cosmetics and perfumes. This translates into higher quality requirements by the manufacturers.
- For more general trends, please refer to the CBI market survey covering the EU market.

Production

Total production

- Italy is the third leading producer of chemicals in the EU, accounting for 13% of total EU production.
- In 2005, the total turnover of Italy's chemical industry amounted to € 77 billion, representing an annual average increase of 4% during the review period (CEFIC, 2005).
- Federchimica (2007) expects the turnover of chemicals in Italy to grow less than in the rest of Europe, due to the time required for innovative changes made in this industry. They expect to see a significant slowdown in production (+1.3% expected) as demand will become less dynamic both in domestic and foreign markets.

Table 1.2 Production growth in 2004, 2005 and 2006, real terms, % change

	2004	2005	2006	2007
Production	0.1%	-0.8%	1.9%	1.2%
Basic chemicals	3.1%	3.3%	-2.3%	1.6%
Plastics	0.5%	-0.7%	0.3%	3.6%
Fertilisers	-3.0%	-4.0%	-0.5%	0.5%
Fibres	-11.0%	-11.0%	4.0%	0.0%
Paint, coatings and adhesives	-1.8%	-1.8%	3.9%	1.1%
Fine chemicals and specialties	0.5%	0.7%	2.0%	1.3%
Crop protection	2.0%	1.8%	-2.7%	2.7%
Technical and special gasses	2.0%	-0.6%	5.0%	2.0%
Detergents	0.8%	0.5%	0.0%	0.8%
Cosmetics	0.9%	1.6%	2.7%	2.5%
Animal health care products	1.5%	1.5%	1.5%	1.5%
Active ingredients for pharmaceuticals	0.5%	0.5%	1.0%	1.5%
OTC medicines	-2.2%	-0.8%	-1.0%	1.5%

Source: Federchimica (2007)

Product groups

The market can be segmented according to the various sub-sectors. In Italy, there are three main sectors. The first one accounts for 32% of total production output and consists of basic chemicals and fibres, such as plastics and synthetic rubber, petrochemicals, chemicals fibres, inorganics, technical gases and fertilizers. The second sub-sector accounts for 29% and consists of fine and specialty chemicals, such as paints & inks, pharmaceutical raw materials, plant protection products and other specialties. The third sub-sector accounts for 26% and consists of pharmaceuticals (Federazione Nazionale dell'Industria Chimica (Federchimica), 2005). According to figures of Eurostat, the production of the chemicals sector consists for 48% of basic chemicals, for 19% of consumer chemicals, for 15% of auxiliaries for the industry, for 13% of paints and inks, for 3% of man-made fibres and for 2% of crop protection chemicals.

In 2005, the pharmaceutical sector performed worse than in the other major chemicals producing EU countries. According to the IMS retail drug monitor, sales did not grow at all, while other major producing countries all registered significant growth. This is mainly the result of the aforementioned change in legislation, which also included measures to increase the use of non-prescription medicines. The government set price limits and stimulated manufacturers of non-prescription medicines to give discounts on their products to promote these products. This had a negative impact on the value of sales, although volumes are not expected to have decreased. In fact, sales, in terms of value, are expected to have increased again in 2007, as price limits were removed. In any case, Italy remains the fourth largest producer of pharmaceuticals in the EU.

Major players

The chemical industry in Italy consisted in 2003 of 2,121 enterprises employing altogether about 198,000 people. Italy is the home of a fairly large number of small producers of fine chemicals and Active Pharmaceutical Ingredients (APIs). Most of those companies can be found in the area between Milan and Como, in the north of the country. Some 83% of the chemical companies employs less than 100 people. These companies are particularly concentrated in pharmaceuticals, agrochemicals, fine and specialty chemicals and play the important role of technological transfer from the big basic chemical companies to the downstream sectors. Most of the small and medium-sized companies are not as internationally oriented as their larger counterparts in other EU countries. Nevertheless, some are certainly interested in expanding their involvement in developing countries. Federchimica expects that the relatively large number of small companies will face some problems in complying with the REACH system, which was implemented in 2006. For more information on REACH, please refer to http://www.cbi.eu/marketinfo.

Some of the major players in Italy for the products under review are listed below.

- Mapei is a manufacturer of products for the building industry (http://www.mapei.it/).
- Fidia farmaceutici produces pharmaceuticals, such as OTCs (http://www.fidiapharma.it).
- Gruppo Colorobbia is a manufacturer of ceramics (http://www.colorobbia.com).

The Italian chemical industry is concentrated in the North of the country, next to the downstream European markets and near to customer companies. 70% of chemical companies is located in the northern regions and more than 41% only in Lombardy (Federchimica, 2003).

Trends in production

- The Italian chemical sector has experienced severe competition from developing country producers, particularly for generics and other products which require low production costs. This has caused the sector to specialize in more innovative high-quality products, which require more research.
- The increasing use of contract manufacturing is a recent trend in production. In contract manufacturing, which is mainly done in the pharmaceutical industry, a chemical ingredient is produced on the special order of a client. Only very specialised and non-standard products are produced in contract manufacturing.
- There is increasing competition, mainly based on prices, from India and China. The import of final products (which contain chemicals) is preferred to the import of raw chemicals, since the entire production process is much cheaper in these developing countries. This will be further discussed under the heading Opportunities and threats. No major changes were observed since the EU was extended by 10 new member states, since Italy was already trading with most of these countries.

Opportunities and threats

The increasing demand for chemicals offers interesting opportunities for developing country exporters. This particularly applies to exporters of chemicals for high-quality products with much added value, such as perfumes & cosmetics, crop protection products and pharmaceuticals. However, some problems arise as well. The main problem in developing countries is lack of information on the various rigid EU regulations on product quality and the environment. Some of the products are, therefore, not allowed to be imported into the EU. The EU legislation requires special attention.

Useful sources

- Interesting sources for obtaining information on the industrial demand and production of chemicals are firstly encountered in the CBI market survey covering the EU market for chemicals.
- For information from Federchimica and its sector Associations, look at the site http://www.federchimica.it. Information is provided on statistics and forecasts about the Italian industry, environmental and safety publications and communication initiatives.
- At http://www.cheminitaly.it, there is the possibility of getting in touch with Italian chemical companies and discovering manufacturers and distributors of a particular product.
- CEFIC, the European Chemical Industry Council - http://www.cefic.org/factsandfigures
- The National Institute of Statistics of Italy (ISTAT) can also be a source of information - http://www.istat.it/english
- ChemIndustry.com, (http://chemindustry.com/index.html) is also of interest, for chemical information as well as finding companies in Italy.

2. Trade channels for market entry

Trade channels

In general, the same trade channels apply to Italy as in the rest of the EU. These channels have been described extensively in the CBI market survey covering the EU market for chemicals. Focusing on Italy, there is a number of routes which lead from a producer of chemicals to the final customer. Open market places are not generally used in the chemical sector. The main distribution channels are distributors, agents and traders. In addition, e-business has become increasingly popular in the chemical industry.

The distributor plays a key role in the chemical sector. Distributors take care of all of the marketing. They search for customers and they are responsible for the logistics. Especially for end-users, which need a lot of different performance chemicals, it is efficient to buy them from one source. Distributors obtain various materials from a variety of different companies and can offer complete packages of all the products that producers need. Although the payment risk is low, the downside is that the producer does not gain customer contact and/or market knowledge, because these 'belong' to the distributor. He also takes part of the added value, so the producer has a lower margin.

Agents sell the product on behalf of the manufacturer. When they have sold a product they pass on the order to the manufacturer, who then supplies the product to the buyer. The manufacturer invoices the client, and pays a commission (pre-arranged percentage of the sales value) to the agent. Most agents will also take care of the logistics (for a fee). A typical problem when working with agents is that the agent is torn between being loyal to his principal (the manufacturer) and his clients.

Traders are only interested in buying and selling products. They never see any product, and sometimes they resell products within the hour. They are normally only interested in larger quantities of material. Their margin per tonne is low and hence they need high volumes to generate sufficient money.

The following companies are the leading distributors in the chemical sector in Italy.

- Azelis is a market-focused chemical distribution Group, formed to meet the different local needs of customers and suppliers across Europe. The group was established in 2001 through the merger of Novorchem in Italy and Arnaud in France (http://www.azelis.com/).
- Eigenmann & Veronelli Spa is a distributor and producer of fine chemicals, specialties and performance chemicals (http://www.eigver.it).
- Warwick Massa, a member of the Warwick International Group, is a leading company in the distribution of specialities for the chemical industry, such as paints, varnishes, inks & adhesives, plastics & rubber, detergents, abrasives & refractories and quality control instruments (http://www.warwickmassa.com/).

Trends

E-business is increasingly used by large chemical corporations. The chemical industry is considered among the best suited for e-commerce because it is fragmented and covers a variety of widely used products; has global reach; and includes multiple companies that, as each others' customers and suppliers, will benefit from being connected. Today, there are more than 40 third-party sites for buying and selling chemicals, and many more offer related services, technology, or information.

Useful sources

Information about distributors in the (chemically) most important countries in Europe can be found at the website of the European Association of Chemical Distributors (http://www.fecc.org). The site links to the websites of the various national Associations of Distributors. Those sites have lists of their member companies, providing details and often links to their individual websites.

- Associazione Italiana Commercio Chimmico http://www.assicc.it/

E-business marketplaces can be found in the CBI market survey covering the EU market.

3. Trade: imports and exports

Imports

In 2006, Italy surpassed France and became the fourth largest EU importer of chemicals. The imports consist for 74% of organic chemicals, for 11% of oleo chemicals, for 11% of dyes and pigments and for 4% of inorganic chemicals. Italy plays a particularly important role in EU imports of dyes and pigments, for which it is the second largest importer. Total chemical imports increased by 7% annually, from € 4,555 million/ 1,868 thousand tonnes to € 6,024 million/ 2,487 thousand tonnes, in the period 2002-2006. This increase is even higher than the increase in industrial demand.

Since 2006, Italy's main supplier has been Belgium, accounting for 24% of the import share (€ 1,462 million). Between 2004 and 2006, imports from Belgium increased at a very high rate of 76% annually. The other leading supplier of Italy is Germany.

Developing countries account for 9% of imports to Italy, which is a relatively large share compared to the share in total EU imports of 7%. Moreover, total imports from developing countries increased at the high rate of 17% annually. The main developing country supplier is China (€ 203 million). Other important developing country suppliers are Saudi Arabia (€ 145 million) and India (€ 125 million). Supplies by these countries increased at the high rates of 12%, 44% and 11% annually respectively.

Intra-EU imports increased by 7% annually, and account for 76% of total imports. Interesting developments, next to the increased importance of Belgium, were the 8% annual increase of imports from France, the 10% annual increase in imports from The Netherlands and the 8% annual decrease of imports from Ireland.

Table 2.1 Imports by Italy and leading suppliers to Italy, 2002 - 2006, € million / share in % of value

Product	**2002** € mln	**2006** € mln	**Leading suppliers in 2006** (share in %)		**Share in Italian imports**
Total chemicals	3,434	4,567	Intra-EU:	Belgium (24), Germany (16), France (10).	76%
	1,121	1,457	Extra-EU excl DC:	Switzerland (7), USA (4), Japan (2)	15%
	285	535	DC*:	China (3), Saudi Arabia (2), India (2).	9%
Dyes and pigments	528	478	Intra-EU:	Germany (26), Spain (17), France (8), Belgium (8).	74%
	156	169	Extra-EU excl DC:	Switzerland (4), South Korea (1), Taiwan (1), USA (1).	8%
	84	114	DC*:	China (8), India (7), Argentina (1), Turkey (1).	18%
Inorganic chemicals	152	205	Intra-EU:	Germany (28), France (22), Spain (9).	83%
	25	42	Extra-EU excl DC:	Russia (3), USA (2).	6%
	13	28	DC*:	China (4), Morocco (2), India (2), Turkey (1).	11%
Oleo chemicals	540	617	Intra-EU:	Germany (34), France (21), The Netherlands (9).	94%
	31	37	Extra-EU excl DC:	USA (2), Switzerland (2).	5%
	1	4	DC*:	China (0.1).	0.6%
Organic chemicals	2,213	3,268	Intra-EU:	Belgium (30), Germany (11), Ireland (11)	73%
	910	1,209	Extra-EU excl DC:	Switzerland (9), USA (5), Japan (2)	18%
	188	390	DC*:	Saudi Arabia (3), China (3), India (2).	9%

Source: Eurostat (2007)
*Developing Countries

Between 2002 and 2006, imports of dyes and pigments decreased by -1% annually, amounting to € 647 million/ 228 thousand tonnes in 2006. Imports of dyes and pigments constitute a relatively large share in Italian chemical imports, compared to other EU countries. Moreover, of all product groups, developing countries play their most prominent role in this product group with a share of 18%. As imports from developing countries are increasing by 8% annually, while intra-EU imports are declining, the share of developing countries in total imports has increased rapidly. China is the main developing country supplier of this product group with an 8% import share, valued at € 54 million. Imports from China increased by 17% annually. Imports from Belgium also increased at a high rate (8% annually), while imports from Germany (-7%) and the UK (-11%) decreased at high rates.

Imports of inorganic chemicals are limited, but increased by 9% annually between 2002 and 2006, amounting to € 247 million/ 425 thousand tonnes. The top-three suppliers, all from the EU, show increasing imports to Italy. Between 2002 and 2006, imports from Germany increased by 6% annually, imports from France increased by 12% annually and imports from Spain increased by 7% annually. Nevertheless, the role of developing countries in this product group is substantial. Developing countries have an 11% share in imports of this product group. China is the main developing country supplier with an import share of 4%, worth € 10.3 million. Italy's imports sourced in developing countries increased by 21% annually. The largest increases of inorganic chemicals imports can be attributed to Morocco (+83% annually) and Turkey (+85% annually).

Imports of organic chemical imports increased by 9% annually between 2002 and 2006. Among the leading suppliers, imports from Belgium increased particularly fast (+38%). Consequently, Belgium surpassed Ireland, Germany, Switzerland and the USA and became the leading supplier to Italy. Although organic chemicals are mostly imported from the EU and other industrialised countries (91%), imports from developing countries are increasing at a higher rate than total imports. Imports from Saudi Arabia are increasing especially fast (+44%).

Imports of oleo chemicals amounted to € 654 million/ 491 thousand tonnes in 2006, signifying an increase of 3% annually since 2002. Supply is mostly restricted to EU sources. Of the top-five (all EU) suppliers, only imports from the UK decreased. Although the role of developing countries in the import of oleo chemicals is negligible, their imports increased considerably (+61% annually).

Exports

Italy is ranked seventh among EU exporters. Its exports increased by 2% annually during the four year period, amounting to € 3,269 million/ 2,434 thousand tonnes in 2006. Italy is a net importer of chemicals and the gap between its demand (imports) and supply (exports) is large.

Italy's exports of inorganic chemicals (+12% annually) increased the most. Imports of oleo chemicals (+4% annually) and dyes and pigments (+2% annually) showed a more limited increase between 2002 and 2006, while exports of organic chemicals remained stable.

Italy's exports are mostly focused on other EU countries. In 2006, 54% of exports went to other EU countries. Italy's main EU export destinations are Germany (€ 355 million), France and Spain. The USA is the most important export destination, accounting for € 361 million in exports. The share of exports going to developing countries increased from 18% in 2002 to 21% in 2006.

Opportunities and threats

It appears, based on these figures, that Italy is an interesting export market for developing countries. Italy is a strong net importer of chemicals and its imports increased more than its exports between 2002 and 2006.

Also of interest is that developing country suppliers have a slightly higher share in Italy's imports of chemicals (9%) compared to other EU countries. Moreover, this percentage was 6% in 2002 and thus increased by 3% in the four year period, indicating a good performance by developing country suppliers.

All chemical product groups seem to be interesting for developing countries exporters, since developing country suppliers performed very well in all of these product groups. Nevertheless, developing countries aiming to export to Italy will most likely face strong competition from China, as this country is the main developing country trading partner of Italy.

Outsourcing by Italian companies is currently a major trend in the Italian chemicals sector. Successful companies are increasingly targeting world regions with fast growing populations and economies and becoming more cost-efficient through the internationalisation of production. Focusing on R&D is the way to avoid price-based competition from low-cost countries, but also to preserve Italian manufacturing competitiveness (and to support chemical demand). This offers good opportunities for developing country suppliers of the chemicals covered by this survey.

Useful sources

- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int
  Go to: trade statistics.
- Eurostat, the official statistical office of the EU - http://epp.eurostat.cec.eu.int
  Go to: 'themes' on the left side of the home page - 'external trade' - 'data – full view' - 'external trade - detailed data'.

4. Prices and margins

Prices and margins

Prices for chemicals are highly influenced by external developments. Firstly, global political decisions, for example concerning environmental legislation and taxes, might cause changes in production costs and thus will influence the price levels. Secondly, significant price increases are expected for electricity, fuel (such as oil) and heating. These price increases proved disadvantageous to the prices for chemicals and, in addition, create risks for rising inflation. Thirdly, dynamism in foreign and domestic demand will have an impact on the price levels. Unfortunately, no price information was available for chemicals in Italy in particular. According to Federchimica, the margins on chemicals for Italian producers is small, due to fierce Chinese competition and the relatively high value of the Euro. Please refer to the CBI market survey covering the EU market for chemicals, for general information on prices for chemicals.

Useful sources

- The prices of most commodity chemicals can be found relatively easily. Useful sources are, for example, http://www.europeanchemicalnews.com and http://www.icispricing.com
- For information on EU producer prices, consult http://www.cefic.org
- The prices of fine and specialty chemicals are more difficult to obtain. They are not published and can vary widely from one application area to another. Obtaining reliable price information in these segments often requires asking a distributor, or asking a producer for a quotation.

5. Market access requirements

As a manufacturer in a developing country preparing to access Italy, you should be aware of the market access requirements of your trading partners and the Italian government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.

Legislative requirements
Adherence to national legislation in EU countries is compulsory for all products traded within the country concerned. Therefore, as an exporter in a developing country you have to comply with the legislative requirements which are applicable to your products. For information on legislation for chemicals, go to 'Search CBI database' at http://www.cbi.eu/marketinfo, select your market sector, and the EU country of your interest in the category search, click on the search button and click on legislative requirements for an overview of all documents on legislation in your country of interest.

Non-legislative requirements
Social, environmental and quality-related market requirements are of growing importance in international trade and are often requested by European buyers through labels, codes of conduct and management systems. For information on non-legislative requirements applicable to chemicals, go to 'Search CBI database' at http://www.cbi.eu/marketinfo, select your market sector and the EU country of your interest in the category search, click on the search button and click on your subject of interest under non-legislative requirements for an overview of all documents on the subject concerned in your country of interest.

Packaging, marking and labelling
For general information on packaging, refer to the CBI market survey covering the EU market. You can download information on requirements on packaging, marking and labelling in specific EU markets from http://www.cbi.eu/marketinfo.

Tariffs and quota
For information on import tariffs please refer to the CBI market survey covering the EU market. The general VAT rate in Italy is 20% as of May 2007 and this is also applicable to chemicals.

Useful sources
- CBI Database – **http://www.cbi.eu/marketinfo**
- Taric Homepage – http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm
- Directorate General XXI – http://europa.eu.int/comm/taxation_customs/common/publications/info_docs/taxation/index_en.htm

6. Business practices

Selecting a suitable trading partner
Finding a trade partner in Italy should not deviate from the general EU method as described in the CBI market survey covering the EU market. Searching for new suppliers is mainly done through visiting international trade fairs and through agents and distributors, for example these coming from China or India, who are located in Italy or other European countries.

- The major chemical trade fair in Europe for the market segments under review in this survey is ChemSpec (http://www.chemspeceurope.com). The ChemSpec exhibition is held in a different European city every year in June. It is organised by DMG World Media of the UK.

- Rich Mac is a trade fair that takes place every two years. The next one is set for October 2007 in Milano city: 2007 - http://www.richmac.it/?id=MTkzLXotei1JVEEg

- Samuplast (http://www.samuplast.it) is an exhibition of manufacturing technologies and technical components in plastics.

- CPhI Worldwide is the annual meeting place for pharmaceutical professionals. In 2007, it takes place October 2-4, 2007 in Milan - http://www.cphi.com

Reaching an agreement with your trade partner

There are no specific terms of trade for chemicals. The general information on marketing presented in the EU market survey (chapter 14), is also applicable to Italy and does not differ among the various EU countries.

Sales promotion

Common practices of trade promotion should not differ considerably from other European countries. Although most Italians are able to speak some English, it is of course preferable if export/sales personnel of your company is capable of speaking Italian. It is recommended that you hire an interpreter if the two parties do not have a shared language. In general, good care should be taken of existing contacts, by applying prompt, constant and reliable communication. Letters of inquiry should always be replied to. An essential tool used in sales is a detailed and up-to-date customer database.

Exporters should realise that the Internet is an important medium. A number of users/traders of chemicals stated that they use the Internet in order to find new suppliers.

Visiting or even participating in a trade fair can be an efficient tool for communicating with prospective customers. It can also be a valuable source of information on market developments, production techniques and interesting varieties.
A **Trade Fair**, which could be of interest is:

- Rich-Mac (http://www.fieremostre.it/): International Chemical Fair- Milan
- Cosmoprof (http://www.cosmoprof.com/): international exhibition for perfumery and cosmetics (1,800 exhibitors and 130,000 visitors).

Assistance with market entry can also be sought through local business support organisations, import promotion organisations such as CBI and branch organisations focusing on the sectors of chemicals.

A **trade association** which could be of interest is AssICC (Associazione Italiana Commercio Chimico) (http://www.assicc.it). Associations for the various sub-sectors can be found in the following publication by Fedichem
http://www.federchimica.it/content/files/chemicals_in_italy.pdf

Trade press

- Bollettino Chimico Farmaceutico - http://www.vladimirobarocco.it/art_ster.htm
- Leader for Chemist (Cesil) - http://www.cesil.com/leaderforchemist/chemist.htm

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