



THE ITALIAN INDUSTRY OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS PROCESSING

While figures remained very positive during 2004, the Italian industry of machinery, accessories and special products for glass processing also posted a fall in orders from domestic and overseas customers, although to a lesser extent than in 2003 versus 2002.

The slightly upward trend in the second quarter of the year became consolidated, resulting in satisfactory annual sales by the industry.

IMPORTS

Imports increased significantly overall (**+23.73%**) versus 2003. However, if the two sectors in the industry are examined in detail, the figures are completely different:

- Machinery and accessories for cold processing (flat glass): **- 8.57%**
- Machinery and accessories for hot processing (hollow glass): **+35.24%**

With **imports** at slightly less than €52 million, flat glass machinery amounted to just over €10 million, while Italian producers of hollow glass imported €41.8 million worth of products from overseas.

Table I shows the trend over the past three years: 2002, 2003 and 2004, with percentage changes between 2004 and 2003.

Table I – Imports 2004

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL FOR GLASS PROCESSING				
Sectors Areas of origin	2002 Euros	2003 Euros	2004 Euros	% change 2004/2003
FLAT GLASS				
EU (25 countries)	8,080,450	9,150,091	7,818,919	- 14.55
Non-EU Europe	1,106,933	1,246,365	505,118	- 59.47
Africa	-	33,134	100,683	203.87
America	281,923	243,704	850,912	249.16
Asia	781,501	359,511	812,209	125.92
Oceania	114,013	-	-	100.00
Total Imports Flat Glass	10,364,820	11,032,805	10,087,841	- 8.57
HOLLOW GLASS				
EU (25 countries)	43,650,965	22,597,345	35,336,360	56.37
Non-EU Europe	4,434,719	4,898,361	4,431,025	- 9.54
Africa	549,467	28,398	186,194	555.66
America	3,132,898	2,887,312	1,109,357	- 61.58
Asia	533,598	544,37	778,036	42.92
Oceania	-	-	25,134	
Total Imports Hollow Glas	52,301,647	30,955,786	41,866,106	35.24
Total Flat + Hollow	62,666,467	41,988,591	51,953,947	23.73

Source: Gimav based on Istat figures

EXPORTS

Total exports rose by 8.07 %, amounting to more than € 828.7 million. The trend here was the same for both sectors; in fact, exports increased in both:

- **machinery, accessories and special products for flat glass + 8.50%**
- **machinery, accessories and special products for hollow glass + 7.04%**

The European Union, accounting for 37.7% of total exports, remains the main market for Italian machinery exports, which rose slightly over 2003, also because of the number of EU-member states increasing from 15 to 25.

As a result, the figure for the other European countries fell significantly from 25.44% in 2003 to 19.87% in 2004.

Exports to America increased by 9% over 2003, following the weak recovery in the U.S. and Canadian markets, but primarily because of the strong rise in exports to Mexico which proved to be the healthiest market in the area during 2004. At 2.26% of total exports, Mexico was the second largest customer after the United States, for our industry.

Table 2 shows the export figures for the past three years, and compares the percentage changes between 2003 and 2004.

Table 2 – Exports 2004

EXPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS PROCESSING				
Sectors	2002 Euros	2003 Euros	2004 Euros	% Change 2004/2003
Flat glass	534,960,573	542,343,029	588,442,186	8.50
Hollow glass	220,032,194	224,432,838	240,232,910	7.04
Total Flat + Hollow	754,992,767	766,775,867	828,675,096	8.07

Source: Gimav based on Istat figures

Table 3 shows the trend over the past three years with the percentage shares of exports to various geographical areas by the glass industry (flat glass + hollow glass).

Table 3 – Export shares for the glass industry

% SHARES BROKEN DOWN INTO GEO-ECONOMIC AREAS EXPORTS BY THE ENTIRE GLASS INDUSTRY			
Areas of destination	2002	2003	2004
EU Europe (25 countries)	34.88	32.54	37.70
Non-EU Europe	19.37	25.44	19.87
Africa	5.73	3.64	4.05
America	14.33	14.13	13.01
Asia	23.85	21.46	23.38
Oceania and free ports	1.84	2.79	1.99
Total Exports by the glass industry	100.00	100.00	100.00

Source: Gimav based on Istat figures

Table 4 lists the main export markets for our goods broken down into each of the macro areas listed above.

Table 4 – Main countries of destination

EXPORTS BY THE GLASS INDUSTRY IN 2004		
MAIN COUNTRIES FOR EACH GEOGRAPHICAL AREA		
Areas of destination	Countries	% share of total exports
EU Europe (25 countries)	France	9.37
	Spain	7.82
	United Kingdom	4.48
Non-EU Europe	Russia	9.64
	Turkey	1.96
	Bulgaria	1.64
Africa	Morocco	0.93
	South Africa	0.92
	Algeria	0.75
America	United States	6.79
	Mexico	2.26
	Brazil	1.35
Asia	China	9.43
	Iran	2.32
	Thailand	1.93
Oceania and other territories	Australia	1.75
	Other territories	1.93

SALES BY THE GLASS INDUSTRY

The Italian industry of machinery, accessories and special products for glass processing managed to close 2004 with another trade surplus, with increased sales for flat and hollow glass and stable export figures (+72% of total production).

However, domestic businesses are carefully monitoring some areas where market shares are more vulnerable due to tough competition from other countries.

Table 5 – Sales broken down into sectors and percentage changes 2004/2003

SALES BY THE ITALIAN INDUSTRY OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS PROCESSING				
Sectors	2002 Euros	2003 Euros	2004 Euros	% change 2003/2002
FLAT GLASS SECTOR				
Italian market	216,454,635	226,671,294	242,538,285	7.00
Overseas markets	534,960,573	542,343,029	588,442,186	8.50
Total flat glass sales	751,415,208	769,014,323	830,980,471	8.06
HOLLOW GLASS SECTOR				
Italian market	70,033,809	71,042,296	76,304,834	7.41
Overseas markets	220,032,194	224,432,838	240,232,910	7.04
Total hollow glass sales	290,066,003	295,475,134	316,537,744	7.13
Total Flat + Hollow	1,041,481,211	1,064,489,457	1,147,518,215	7.80
% SHARES OF 2004 SALES BROKEN DOWN INTO DESTINATION AREAS				
Area of destination	Flat Glass	Hollow glass	TOTAL SECTORS	
Italian market	29.19	24.11	27.29	
Overseas markets	70.81	75.89	72.21	
TOTALS	100.00	100.00	100.00	

Source: Gimav based on Istat figures

Synoptic Chart				
Industry of machinery, accessories, and special products for glass processing				
Years 2002 – 2003 - 2004				
Variables	Units of measure	2002	2003	2004
Industry sales	Euros	1,041,481,211	1,064,489,457	1,147,518,215
Exports	Euros	754,992,767	766,775,867	828,675,096
Imports	Euros	62,666,467	41,988,591	51,953,947
Trade balance	Euros	692,326,300	724,787,276	776,721,149
Domestic orders	Euros	286,488,444	297,713,590	318,843,119
	% changes	+ 11.11	+ 3.92	+ 7.09
Overseas orders	Euros	754,992,767	766,775,867	828,675,096
	% changes	+ 6.48	+1.56	+8.07
No. of employees	Units	4,500	4,500	4,500

Source: Gimav based on Istat figures

Trade with other countries			
Main countries of origin			
2003		2004	
Countries	% share	Countries	% share
Germany	19.04	Sweden	26.43
Sweden	16.43	Germany	20.5
France	13.96	France	12.19
United Kingdom	10.39	United Kingdom	9.68
United States	7.11	Finland	5.29
EU countries	75.61	EU countries (25 countries)	83.06
Main countries of destination			
2003		2004	
Countries	% share	Countries	% share
France	9.76	Russia	9.64
Russia	8.97	China	9.43
United States	6.51	France	9.37
Spain	5.39	Spain	7.82
China (incl.Hong Kong, Macau)	4.97	United States	6.79
Germany	4.60	United Kingdom	4.48
EU countries	32.54	EU countries (25 countries)	37.70

Milan, 3 June 2005
RGR