The Industry of Machinery, Accessories and Special Products for Glass Processing in 2009

Italian Glass-Processing Machinery and Accessories
Suppliers' Association

GIMAV: scope and representation

Established in 1980 by a small group of businessmen, GIMAV -- the Association of Italian manufacturers and suppliers of machinery, accessories and special products for glass processing – is recognized today as a guiding force for the entire glass processing industry in Italy and abroad. Its underlying goals include safeguarding the best interests of the industry, fostering the growth and expansion of its business culture, and carrying out activities that boost and support promotion of Italian processed glass products around the globe. As a member of Confindustria, Federvarie and Federmacchine, in 30 years of commercial activity, GIMAV has considerably strengthened its representative presence throughout the industry's entire supply chain. The sales volume of GIMAV member companies makes up 72% of the overall turnover of Italian manufacturers of machinery, accessories and special glass-processing products. The value and reliability of the Association's core initiatives are evidenced by the exceptionally high level of member loyalty and constant growth of the membership base over the years. Gimav's initial, founding members have been joined by some of the industry's giants, but the true 'face' of the industry is represented by the small and medium-sized businesses which have made a lasting impact. Recognizing the importance of each member nurtures mutual respect and gives everyone the opportunity to participate in and contribute to the Association's strategic and management decisions -- a philosophy that has forged a cohesive group capable of exercising strong international influence, known and respected worldwide.

THE INDUSTRY: statistical survey and research methodology

As always, GIMAV conducted its annual statistical survey of the industry with the aim of providing a complete picture of the sector and information about its structure, sales, production and export markets. A time-tested research methodology was employed for data collection, making it possible to capture a reliable snapshot of a sector that is homogeneous in terms of final product destination, but diversified in terms of the categories of the companies that work in it. In fact, sales in the "GLASS PROCESSING" category are generated by firms operating in the areas of machinery, chemistry, plastics, rubber and many more. The common denominator, upon which the entire chain hinges, is the end customer, the one who makes and processes glass. Given the complexity of the situation, the only official source – the Italian Institute of Statistics (ISTAT) – understandably provides incomplete data since it is limited to imports and exports identified by only five Customs codes -- two for flat glass and three for hollow glass:

for flat glass

1) Code 84642011 - Glass processing machinery for grinding or polishing (optical glass)
2) Code 84642019 - Glass processing machinery for grinding or polishing (optical glass excluded)

for hollow glass

1) Code 847529 - Machines for manufacturing or hot working glass or glassware
2) Code 847590 - Parts of machines for assembling lamps, electric or electronic tubes or valves or machines for manufacturing or hot working glass or glassware
3) Code 84805000 - Glass molds (except those made of graphite or other carbon material or ceramics)

Even greater difficulties arise in the collection of data regarding domestic sales, due to the lack of reliable institutional sources. To bridge this information gap, GIMAV distributes a detailed questionnaire to all of its members and to any major non-member firms. The return rate of completed questionnaires by members is high, of course, and quite respectable from the others.

ITALY'S MACHINE-BUILDING INDUSTRY

2009 was a year of severe economic crisis for the capital goods sector as a whole, after the stagnation posted in 2008.
The preliminary data indicates that sales on foreign markets, like those on the domestic market (including both sales to Italian manufacturers as well as imports), have plummeted by about 30%.

2007 – 2009 Performance of the industry (millions of Euros)

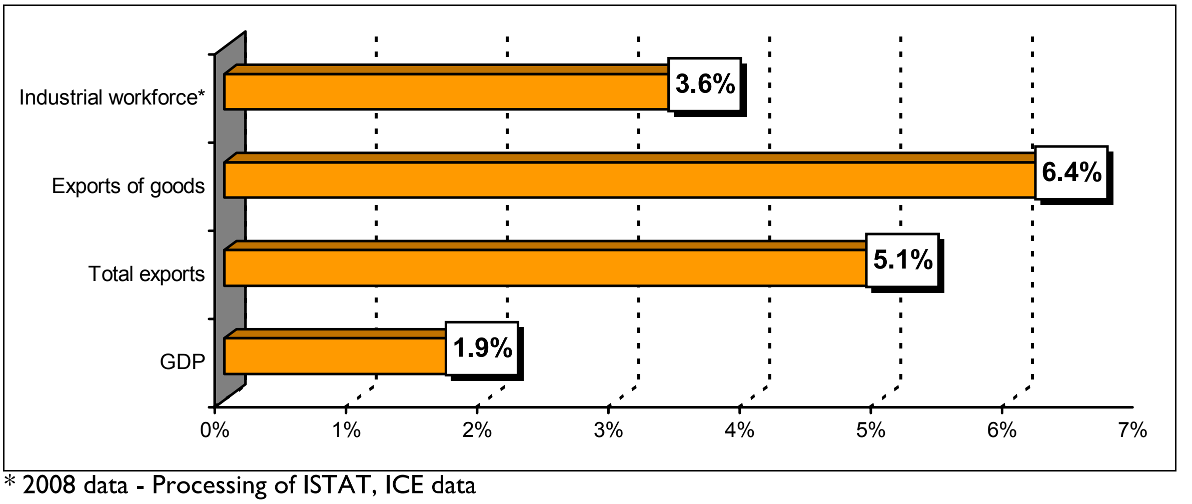
	2007	2008	2009*	*08/07*	*09/08*
Production	40,851	40,861	28,908	0.0%	-29.3%
Exports	26,692	26,853	18,551	+0.6%	-30.9%
Domestic sales	14,159	14,008	10,357	-1.1%	-26.1%
Imports	7,438	7,123	4,326	-4.2%	-39.3%
Apparent consumption	21,597	21,131	14,683	-2.2%	-30.5%

* Preliminary data

Production value has dropped by 29.3%, settling at 28.9 billion Euros. All the member associations of Federmacchine have suffered dwindling sales.
Exports have reached 18.6 billion Euros (-30.9% with respect to the previous year), the lowest value ever over the last decade. Domestic sales, which were already sluggish in 2008, fell 26.1% to a value of little more than 10 billion Euros. The Italian market crisis (-30.5%) has severely hurt imports (-39.3%, for a value of 4.3 billion Euros).

Machine-building's impact on the Italian economy

Production of the nearly 6,600 firms belonging to the 12 categories currently forming Federmacchine has fallen, as stated previously, to a value of 28.9 billion Euros in 2009, which corresponds to 1.9% of the Gross Domestic Product. The machine-building industry's largest contribution to the Italian economy is its exports. With 18.6 billion Euros, the sales of machinery abroad account for 5.1% of all Italian exports, and this share increases to 6.4% when considering exports of goods only.
In 2008, its employment accounted for 3.6% of the total workforce in Italian industry.

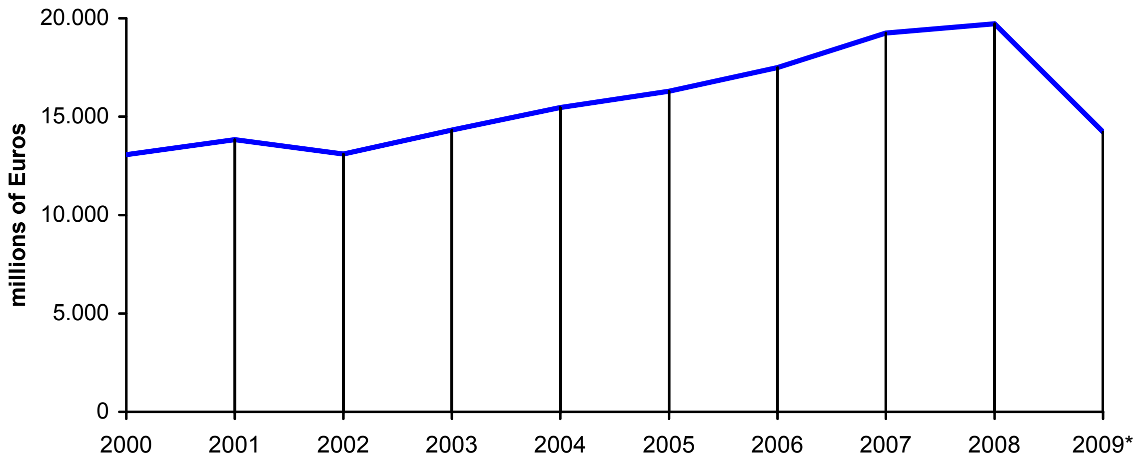


* 2008 data - Processing of ISTAT, ICE data

Propensity to export and the foreign balance

One of the distinguishing features of the Italian capital goods manufacturing industry is its high propensity to export which, based on preliminary 2009 data, has reached 64.2% of the sales. All sectors have an exports-to-sales ratio of more than 55%, with peaks bordering on 90%. In 2009, the overall trade balance of the Federmacchine sectors should amount to a surplus of 14.2 billion Euros (-27.9% over 2008).
This is the first negative year with a decline after five consecutive years of growth, returning the trade balance to the 2003 level.

The Italian trade balance in capital goods



In order to appreciate just how important this result is for the Italian economy, it should be noted that the overall trade balance for goods in 2009 was a deficit of 4.1 billion Euros.
The only two sectors with a surplus were Furnishing and Clothing (+15.9 billion Euros) and Machines and mechanical equipment (+36.1 billion Euros).

The foreign trade trend during 2009

During the first nine months of 2009, the **exports** of the machine-building sector fell drastically. Under closer examination, it can be seen that exports bottomed out in the second quarter (shrinking by over 30%), while signs of mild improvement could already be seen during the third quarter.
In terms of value, the **imports** data shows a sharper decline, dropping approximately 10 percentage points more than the exports. The quarterly profile indicates a trend similar to that of foreign sales, which is not surprising given the global nature of the economic crisis. Imports bottomed out during the second quarter of the year (with a -42.8% trend), and during the third quarter the magnitude of the contraction eased to 34.5%.

Italy's machinery industry and the leading European countries

On a worldwide level, the Italian machine-building industry consistently ranks on top, out-performing all other Italian industrial sectors; in fact, it can safely be considered one of the major strengths of Italy's economy.
The structure of the Italian machine-building industry is unique with respect to European competitors, which represent the typical benchmark, also because the European Union remains the leading area worldwide for production and consumption of machinery.
The data on which the statistics are based come from the Eurostat site and are for the year 2007, the last year for which the data was published. The sector considered is NACE DK "machinery and equipment", the sector closest to that of the machine-building industry, even though more extensive.

Let's try to analyze Italy's contribution within the European Union, starting with the most general data related to the Gross Domestic Product: Italy contributes 12.5% of the overall European income and ranks fourth, after Germany, the United Kingdom and France.

Italy's contribution in Europe

	Germany	United Kingdom	France	Italy	Spain	Other EU 27
GDP	19.6%	16.5%	15.3%	12.5%	8.5%	27.5%
Industry	25.8%	10.1%	13.5%	13.8%	7.8%	29.0%
Machinery	33.7%	8.3%	10.3%	18.0%	4.7%	24.9%

Processing of Eurostat data

Focusing our attention on the manufacturing industry, Germany confirms its top ranking with a share of 25.8%, followed by Italy, which moves up two positions, with 13.8%, ahead of France and the United Kingdom. If we narrow the focus to the machinery sector, Germany's share increases even further to 33.75% and Italy strengthens its second-place ranking with 18%, followed by a distance by France and the United Kingdom respectively with 10.1% and 8.3%. This is an additional confirmation of Italy's specialization and strength in the sector, even in a European context characterized by an even greater presence of the industry. Similar values are obtained when considering the workforce instead of sales. The machinery sector's workforce in Germany is 29.5% of the European total, while in Italy it's 15.3% and in the United Kingdom and France it's less than 10%.
The overall picture changes, however, if we look at the number of firms: Italy alone accounts for 23.5% of the European firms, while Germany is second with 11.9%. The other countries have an even lower number of firms. This means that the Italian firms are, on average, much smaller than their European competitors.

The "machinery and equipment" industry in Europe in 2007

	Number of firms	Average sales (millions of Euros)	Average number of employees	Sales/employee ('000 Euros)
Italy	41,497	3.0	13.9	215
Germany	21,043	11.0	52.6	209
France	16,228	4.4	19.4	225
Spain	14,650	2.2	13.0	171
United Kingdom	12,856	4.4	21.9	203
Other EU countries	70,610	2.4	18.3	133
EU 27	176,884	3.9	21.2	183

Processing of Eurostat data

With respect to the European average, German companies have triple the sales and more than twice as many employees. The English companies always rank near or above average, as do the French companies (in terms of sales). The Italian and Spanish firms, however, place significantly lower with 77% and 56%, respectively, of the average sales. Even though the companies are smaller than the major competitors, this doesn't stop the Italian companies from reaching top efficiency levels. The sales per employee, with the European average being 183,000 Euros/employee, is as high as 215,000 Euros/employee for the Italian firms, second only to the French firms (225,000) and ahead of the German firms (209,000).

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

In line with the entire machine-building industry, our industry has also been affected by the worldwide economic crisis. Except for some rare and short-lasting exceptions, all the markets have taken a downward turn during the year which has slowly intensified with each passing month. After the excellent results achieved in 2007 and a 2008 which, even though less dynamic than past years, had still ended on a positive note, the Italian industry of machinery, accessories and special products for glass processing, for the first time after a long period of growth, has ended the year 2009 with a negative result.
The slight but see-sawing recovery signs recorded during the early months of 2010 indicate that the repercussions of the economic crisis will still be felt for a long time coming, straining all the industry's components.

Imports

Overall, 2009 imports have suffered a nosedive of 39.36% over 2008, distributed as follows:
- Cold working machines and accessories (flat glass): - 19.01%
- Hot working machines and accessories (hollow glass): - 42.16%

Entire industry imports

Area of origin	2007 Euros	2008 Euros	2009 Euros	% Diff. 2009/2008	% Share of tot. 2009
Europe EU	66,776,197	59,906,981	34,774,106	- 41.95	67.54
Europe non-EU	7,467,888	12,122,364	6,786,600	-44.02	13.18
Africa	121,549	342,353	700,118	104.50	1.36
North America (Nafta)	5,600,341	5,912,967	5,987,681	1.26	11.63
Central and South America	283,866	633,324	145,395	-77.04	0.28
Asia	6,679,921	5,914,060	2,935,121	-50.37	5.70
Oceania	5,211	70,136	154,688	101.21	0.30
Total Flat + Hollow	**86,934,973**	**84,902,185**	**51,483,709**	**-39.36**	**100.00**

Gimav processing of Istat data

Imports: leading countries of origin for the entire industry

Origin		Entire industry			
Geographic area	**Country**	**2008 Euros**	**2009 Euros**	**% Diff. 2009/2008**	**% Share of tot. 2009**
Europe EU	Sweden	28,323,160	12,910,224	-54.42	25.08
	Germany	11,191,915	6,427,510	-42.57	12.48
	France	7,274,203	5,743,448	-21.04	11.16
	United Kingdom	5,598,398	2,748,496	-50.91	5.41
Europe non-EU	Croatia	7,138,659	4,638,597	-35.02	9.01
	Turkey	1,643,540	1,259,176	-23.39	2.45
America	USA	5,627,499	5,968,125	6.05	11.59
Asia	China+ Hong Kong	3,368,070	1,502,680	-55.38	2.92
	Japan	1,719,562	716,605	-58.33	1.39

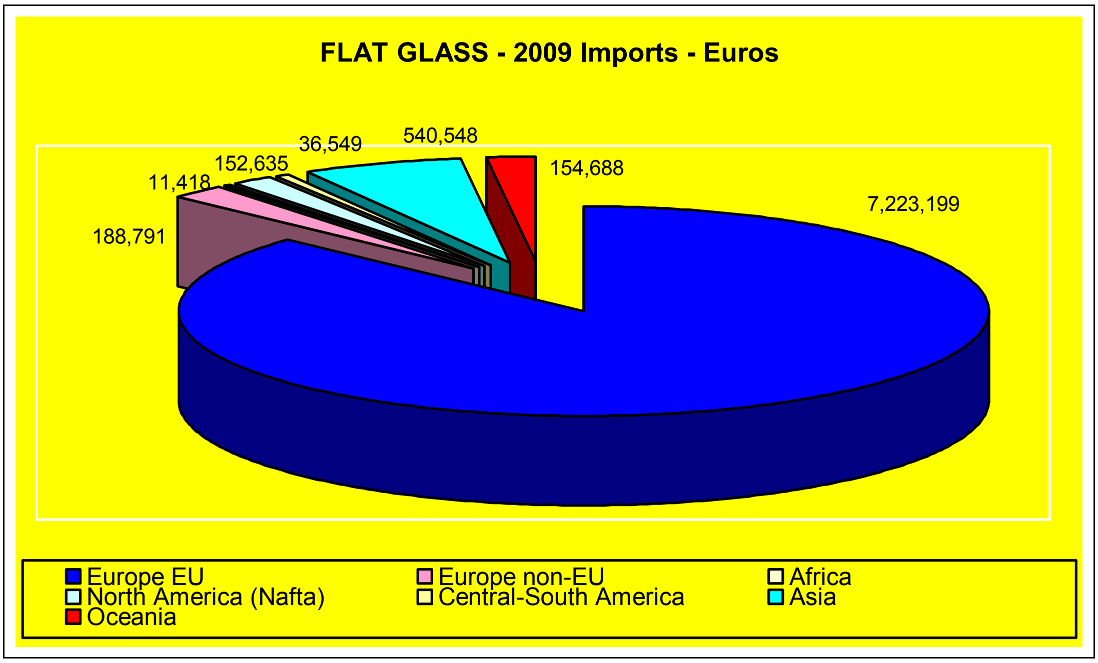
Gimav processing of Istat data

Imports for the flat glass sector

On total imports amounting to 51.48 million Euros, the machinery, accessories and special products for flat glass totaled 8.3 million Euros, corresponding to a 19.01% decline compared to 2008.
As usual, the primary area of origin has been the European Union with more than 7 million Euros, despite a slight drop (-2%) vs. the previous year. France remains the leading supplier with a 39.96% share. Although its absolute values remained practically unchanged, Germany increased its percentage share, from 24.21% in 2008 to the current 30.06%, as a result of the widespread decline in imports. Next come Austria with 12.09% and the United Kingdom with 3.69%.
Imports from China have continued to fall, dropping from 1,052,500 Euros in 2008 to 250,914 Euros, equivalent to a 3.02%, share in 2009. Spain has plunged from 6.07% to 0.08%.
The following tables provide a detailed picture of the imports of machinery, accessories and special products for the processing of flat glass, broken down into geographic areas and ranking the leading countries of origin.

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR FLAT GLASS PROCESSING				
Area of origin	2007 Euros	2008 Euros	2009 Euros	% Diff. 2009/2008
Europe EU	12,342,261	7,377,803	7,223,199	-2.10
Europe non-EU	149,782	273,976	188,791	-31.09
Africa	-	55,331	11,418	-79.36
North America (Nafta)	298,454	428,481	152,635	-64.38
Central and South America	98,054	-	36,549	100.00
Asia	1,611,640	2,062,640	540,548	-73.79
Oceania	-	60,201	154,688	156.95
Total Imports for Flat Glass	**14,500,191**	**10,258,432**	**8,307,828**	**-19.01**

Gimav processing of Istat data



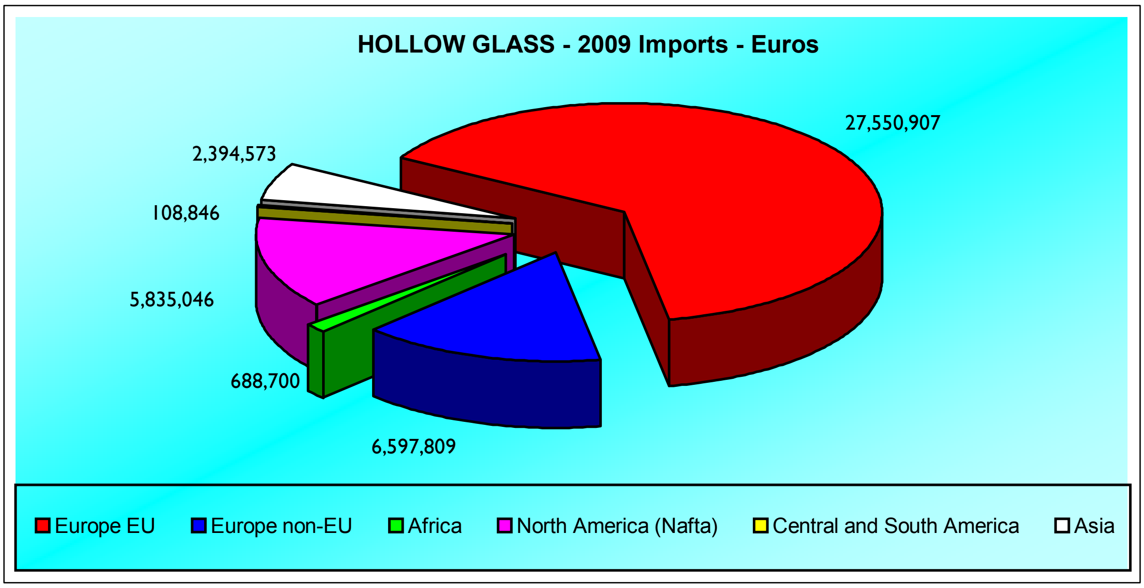
IMPORTS: leading countries of origin for the flat glass sector					
Geographic area	**Country**	**2008 Euros**	**2009 Euros**	**% Diff. 2009/2008**	**% Share of imp. flat glass**
Europe EU	France	2,701,537	3,319,556	22.88	39.96
	Germany	2,482,060	2,497,478	0.62	30.06
	Austria	1,111,182	1,004,341	-9.62	12.09
	United Kingdom	49,390	306,894	521.37	3.69
Europe non-EU	Switzerland	260,000	79,432	-69.45	0.96
America	USA	428,481	152,635	-64.38	1.84
Asia	China +Hong Kong	1,066,757	250,914	-76.48	3.02
	Japan	973,272	223,426	-77.04	2.69

Gimav processing of Istat data

Imports for the hollow glass sector

On total imports amounting to 51.48 million Euros, the machinery, accessories and special products for hollow glass totaled 43.17 million Euros, corresponding to a 42.16% plunge with respect to the year 2008.
Sweden remains the leading supplier with almost 13 million Euros, but plummeting more than 54%, and a 29.9% share of total imports for hollow glass (in comparison with last year's 38.6%), while Germany, even though holding on to its second-place standing, drops from 11.8 to 9.1%, corresponding to a value of 3.9 million Euros.
With regard to the countries outside the European Union, Croatia has registered a sharp decline, falling from over 7 million Euros to 4.6, even though it still remains the leading supplier in this area.
The statistics for the rest of the world indicate a growth in the goods coming from the United States (+11.86%), while imports from China and Japan have dropped.
The tables below illustrate the performance of imports over the last three years by geographic area of origin of the goods, while the ranking of leading countries of origin shows differences between the 2009 and 2008.

IMPORTS OF MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR HOLLOW GLASS PROCESSING				
Area of origin	2007 Euros	2008 Euros	2009 Euros	% Diff. 2009/2008
Europe EU	54,433,936	53,535,168	27,550,907	-48.54
Europe non-EU	7,318,106	10,958,278	6,597,809	-39.79
Africa	121,549	279,022	688,700	146.83
North America (Nafta)	5,301,887	5,284,486	5,835,046	10.42
Central and South America	185,812	733,324	108,846	-85.16
Asia	5,068,281	3,853,475	2,394,573	-37.86
Oceania	5,211	-	-	0.00
Total Imports for Hollow Glas	**72,434,782**	**74,643,753**	**43,175,881**	**-42.16**



IMPORTS: leading countries of origin for the hollow glass sector					
Geographic area	**Country**	**2008 Euros**	**2009 Euros**	**% Diff. 2009/2008**	**% Share of imp. hollow glass**
Europe EU	Sweden	28,323,160	12,910,224	-54.42	29.9
	Germany	8,709,855	3,930,032	-54.88	9.1
	United Kingdom	5,549,008	2,477,602	-55.35	5.74
	France	4,572,666	2,423,892	-46.99	5.61
Europe non-EU	Croatia	7,124,673	4,624,197	-35.10	10.71
	Turkey	1,643,540	1,249,842	-23.95	2.89
America	USA	5,199,018	5,815,490	11.86	13.47
Asia	China +Hong Kong	2,301,313	1,251,766	-45.61	2.89
	Japan	746,290	493,179	-33.92	1.14

Gimav processing of Istat data

The Italian market

Despite the strong tendency to export, Italian companies are by far the preferred suppliers of the domestic market for this industry, especially for the flat glass-processing sector.
The table below shows the domestic consumption values of the Italian market, which like the rest of world has shown dramatic signs of slowdown in investments (-30.31%) for purchasing machinery, equipment, accessories and special products for glass processing. The imports refer to the last three years, while the right-hand column provides the percentage difference between 2009 and 2008.

DOMESTIC CONSUMPTION				
Sector Product origin	2007 Euros	2008 Euros	2009 Euros	% Diff. 2009/2008
FLAT GLASS				
Imports	14,500,191	10,258,432	8,307,828	-19.01
Domestic production	272,578,381	275,025,538	196,277,979	-28.63
Total Flat Glass	**287,078,572**	**285.283.970**	**204,585,807**	**-28.29**
HOLLOW GLASS				
Imports	72,434,782	74,643,753	43,175,881	-42.16
Domestic production	91,020,640	92,586,119	67,610,461	-26.98
Total Hollow Glass	**163,455,422**	**167,229,872**	**110,786,342**	**-33.75**
Total Flat + Hollow	**450,533,994**	**452,513,842**	**315,372,149**	**-30.31**

Gimav processing of Istat data

Exports

Exports, which have always been the industry's feather in the cap, provide a perfect reflection of the global economic crisis: after years of steady growth, the year 2009 suffered a serious setback in exports, **-28.18%.**

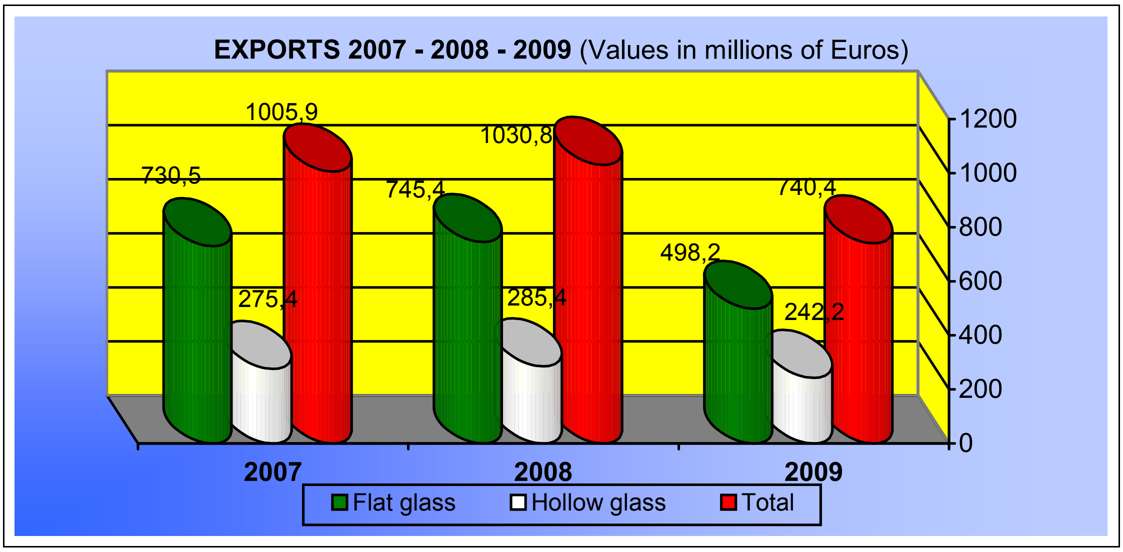
Both flat and hollow glass sectors closed the year with negative export trends:

- **machinery, accessories and special products for flat glass - 33.16%**
- **machinery, accessories and special products for hollow glass - 15.17%**

Entire industry exports

Sector	**2007 Euros**	**2008 Euros**	**2009 Euros**	**% Diff. 2009/2008**
Flat glass	730,537,004	745,391,768	498,199,622	-33.16
Hollow glass	275,380,514	285,406,507	242,117,418	-15.17
Total Flat + Hollow	**1,005,917,518**	**1,030,798,275**	**740,317,040**	**-28.18**

Gimav processing of Istat data



Looking at the flow of exports by geographic area, it's clear that in 2009 the European Union, with a 44.95% share (compared to 37.31% in 2008) of total exports, is still the major destination which, when added to the 15.11% (26.27% in 2008) for the rest of Europe, shows that the European continent is the outlet for more than 60% of Italy's production.

The considerable decline of the non-EU countries is mainly due to the drop in demand from Russia, Ukraine and Turkey.

Africa, on the other hand, has grown in both absolute value as well as share, as a result of the sizeable increase in exports to the Republic of South Africa.

Although the NAFTA area's share of the total exports remained practically unchanged, the absolute values indicate a sharp decline in the United States (falling from 3rd to 9th place in the ranking) and Canada, in comparison with an appreciable increase in hollow glass exports to Mexico.

Regarding Central and South America, Brazil has decidedly been the top buyer once again in 2009, with a 4.95%, share although the overall sales value has fallen slightly.

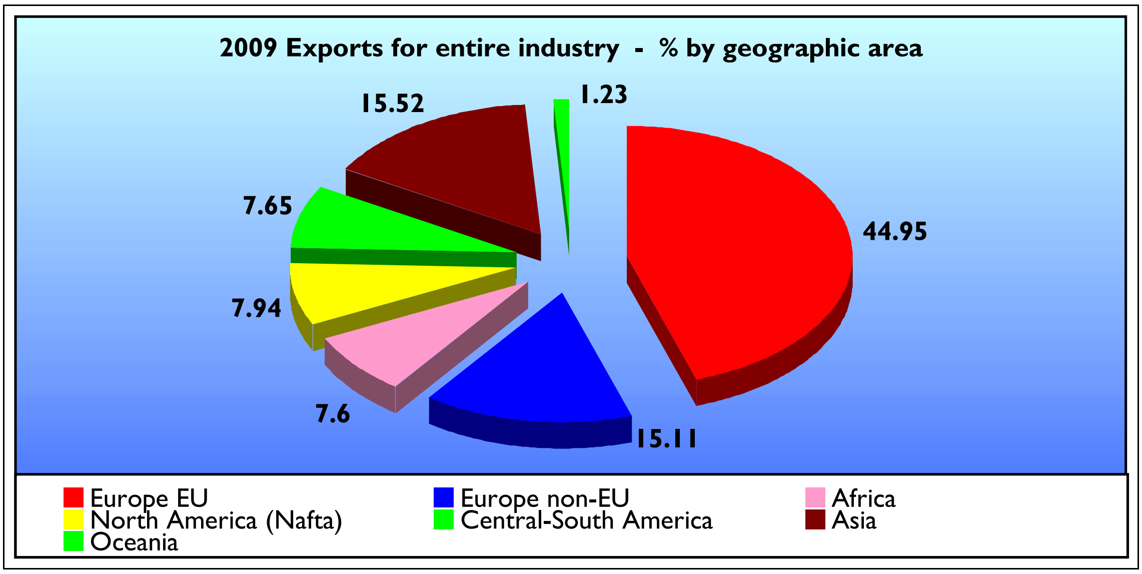
Asia's share has also remained unchanged with, however, a general reduction in the absolute values for both flat glass and hollow glass. The only country showing an opposite trend is China, which climbed from 7th to 3rd place in the ranking.

On the other hand Oceania slumped, reducing its purchases from Italy by over 60%.

EXPORTS FOR ENTIRE INDUSTRY
% SHARE BY GEOGRAPHIC AREA

Destination area	2007	2008	2009	% Diff. 2009/2008
Europe EU	36.59	37.31	44.95	20.48
Europe non-EU	22.61	26.27	15.11	-42.48
Africa	4.04	4.55	7.6	67.03
North America (Nafta countries)	8.2	7.34	7.94	8.17
Central and South America	5.66	6.76	7.65	13.17
Asia	21.2	15.44	15.52	0.52
Oceania and free ports	1.7	2.33	1.23	-47.21
Total Exports for Entire Industry	**100.00**	**100.00**	**100.00**	

Gimav processing of Istat data



The table below shows, in the first column, the ranking of the top 15 countries by % share of total exports and, in the second column, the 2008 ranking of the same countries, while the third column indicates the difference between the 2009 and 2008 sales made by Italian companies in these countries.
It's interesting to note that compared to 2008, Turkey (ranking 17th), Portugal (19th), Australia (23rd) and Ukraine (38th) have disappeared from the ranking of the top 15 countries for 2009.

ENTIRE INDUSTRY EXPORTS: ranking of leading destination countries					
2009 Exports			**2008 Exports**		**% Diff. in values**
Rank	**Country**	**% share**	**Rank**	**% share**	**2009/2008**
1	France	9.75	**2**	5.84	+ 11.19
2	Russia	8.76	**1**	12.86	- 54.67
3	China+Hong Kong	6.19	**7**	3.53	+ 16.79
4	Germany	5.49	**4**	4.74	- 22.86
5	Bulgaria	5.09	**23**	1.34	+ 153.59
6	Brazil	4.95	**8**	3.42	- 3.75
7	Spain	4.17	**5**	4.02	- 30.93
8	Poland	3.79	**11**	2.59	- 2.57
9	USA	3.76	**3**	5.15	- 51.45
10	Mexico	3.55	**18**	1.84	+ 28.50
11	Belgium	3.17	**12**	2.46	- 14.43
12	India	2.49	**14**	2.11	- 21.36
13	Egypt	2.16	**20**	1.68	- 14.21
14	United Kingdom	2.08	**15**	1.99	- 30.64
15	South Africa	2.03	**38**	0.6	+ 123.47

Exports for the flat glass sector

On total exports amounting to 740.3 million Euros, the machinery, accessories and special products for flat glass totaled 498.2 million Euros, corresponding to a slump of 33.16% over 2008.
In detail, the export flows of this sector show that the European Union accounted for 47.39%, while entire Europe more than 58% of exports. The decline in absolute value has been generalized due to the worldwide economic crisis, but real nosedives were seen in Turkey (- 72.93%), Spain (- 47.67%) and Russia (- 37.52%). Ukraine, with -95.26%, crashed from 14th place in 2008 to 60th in 2009, while Greece (-73.50%) fell from 15th to 28th.
The countries with significant upward trends have been Belgium (+ 43.96%), France(+ 13.49) and Poland (+ 12.54).

Africa, even though still recording relatively limited absolute values, exhibited a quite remarkable percentage growth vs. 2008. In particular, the flow of exports to Algeria registered an unparalleled upsurge (+450%), taking the country from 57th to 11th place in the special ranking of the leading destination countries of our goods.

The Americas have marked a share of almost 17%, with 6.22% recorded by the NAFTA countries and 10.59% by Central and South America. The most important change in North America occurred in the United States, with a 54.69% slump causing the country to fall from 1st place in 2008 to the current 9th-place ranking while, in South America, the remarkable resilience of demand from Brazil resulted in a 7.67% share, allowing the country to climb up to 2nd place.

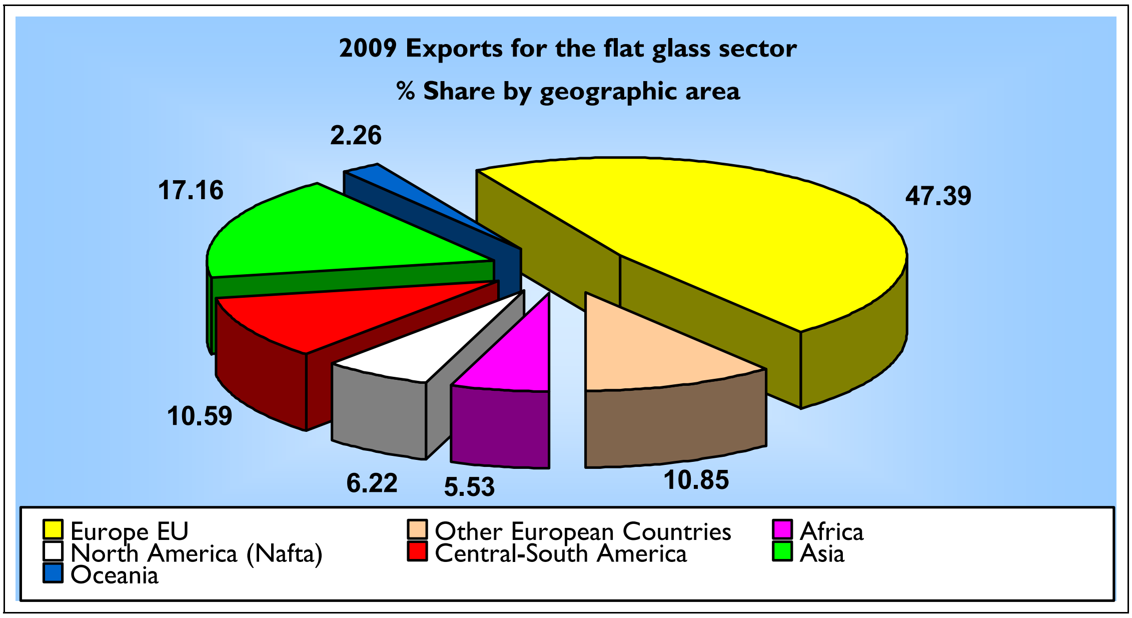
Asia, even though recording an overall decline, maintained a good percentage share mainly due to the flow of our exports to China, which alone accounts for over 50% of the export sales in Asia of machinery, accessories and special products for flat glass.

Oceania, after its exceptional performance in 2008, has significantly reduced its share, and Australia, even though it more than halved the value of its purchases from Italy, has managed to remain among the top 15 client countries of our products.

The following tables provide a detailed picture of the 2009 exports broken down into geographic areas and leading destination countries.

EXPORTS OF MACHINERY, ACCESSORIES AND PRODUCTS FOR FLAT GLASS % Share by geographic area			
Destination area	**2008**	**2009**	**% Difference 2009/2008**
Europe EU	42.6	47.39	11.24
Europe non-EU	16.95	10.85	-35.99
Africa	2.54	5.53	117.72
North America (Nafta countries)	8.8	6.22	-29.32
Central and South America	7.95	10.59	33.21
Asia	16.46	17.16	4.25
Oceania and free ports	4.7	2.26	-51.91
Total Exports for Flat Glass	**100.00**	**100.00**	

Gimav processing of Istat data



FLAT GLASS EXPORTS: ranking of leading destination countries					
2009 Exports			2008 Exports		% Diff. in values
Rank	Country	% share	Rank	% share	2009/2008
1	China + Hong Kong	9.34	2	6.36	- 0.00
2	Brazil	7.67	6	5.19	+ 0.43
3	Germany	7.45	5	5.74	- 11.72
4	Poland	7.08	9	4.28	+ 12.54
5	Belgium	5.93	12	2.8	+ 43.96
6	France	5.75	10	3.45	+ 13.49
7	Spain	4.59	3	5.97	- 47.67
8	Russia	4.29	7	4.67	- 37.52
9	USA	4.26	1	6.4	- 54.69
10	United Kingdom	2.9	11	2.8	- 29.67
11	Algeria	2.55	57	0.32	+ 449.73
12	Turkey	2.3	4	5.78	- 72.93
13	Austria	2.18	16	2.02	- 26.41
14	Portugal	2.17	13	2.5	- 40.94
15	Australia	2.04	8	4.63	- 70.10

Gimav processing of Istat data

Exports for the hollow glass sector

On total exports amounting to 740.3 million Euros, the machinery, accessories and special products for hollow glass totaled 242.1 million Euros, i.e. a 15.17% decrease compared to 2008.

Exports to the 26 countries of the European Union make up 42.54% of total exports for this sector which, when added to the 19.34% of the rest of Europe, brings the share of the European continent to 62%, in comparison with 67% in 2008. The leading country is France with a 13.72% share, but more importantly with a 10% growth in value terms. Russia, a crucial outlet for our goods up until 2008, has plunged by over 58%, confirming the country’s serious economic crisis.
Other countries that suffered an appreciable drop are Germany (-39% in value) and Switzerland (-65%), even though remaining among the top 15 destination countries, while plummeting down below 20th place are countries like Ukraine (-79.18%), Portugal (-82.91%), Belgium (-87.14%) and Belarus (-97.90%), which in 2008 had quadrupled its Italian purchases over the previous year.
Bulgaria, on the other hand, exhibited an upward trend, rising from a 1.97% share in 2008 to 9.91% in 2009 with a growth in value of over 228%, skyrocketing from 14th to 3rd place in the ranking; similarly Romania climbed from 30th to 12th place.

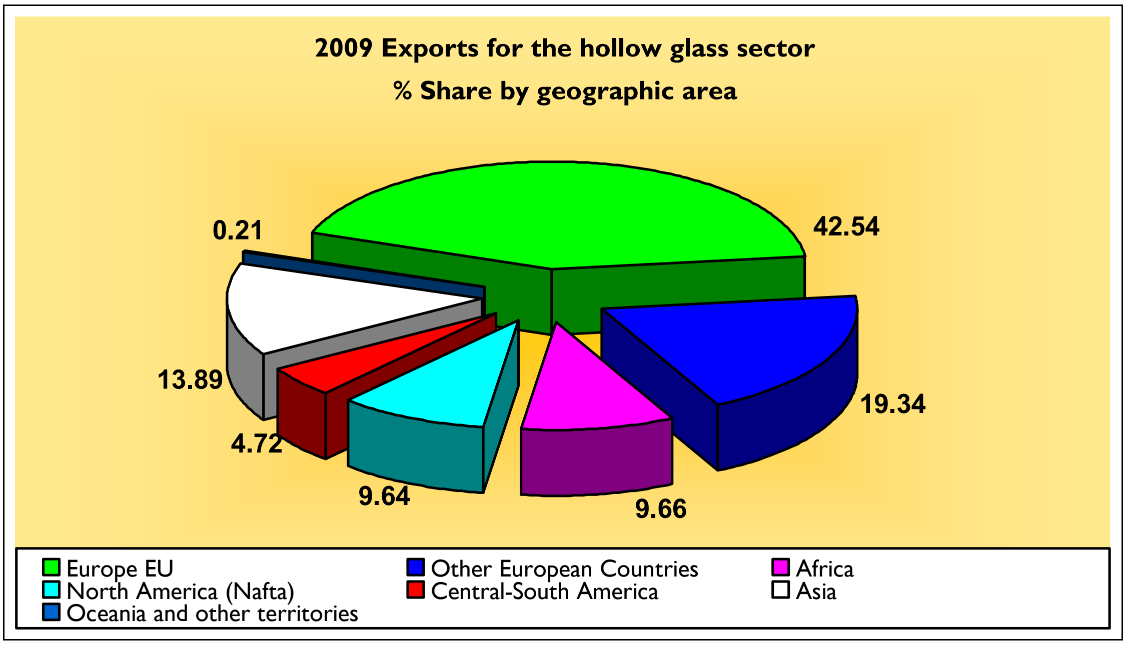
Africa registered only a slight decline, due mainly to the growth of purchases by the Republic of South Africa, moving from a total export share for this sector of 0.57% in 2008 to 3.83% in 2009, corresponding to a value increase of more than 330%.

The American continent exhibited contrasting trends. The northern NAFTA area, despite the downswing of the United States (-46.47% in value), held its share of total exports and grew in value as a result of Mexico's climb from 15th to 4th place in the ranking with a growth of +94% in value. The share of the central-southern area, with an overall decline in purchases, fell from 5.63% in 2008 to 4.72% in 2009.

Overall, Asia experienced a negative result compared to 2008, despite the increase in exports to India (+24.09%) and China which, although with a relatively moderate value, reached 11th place with a 137% increase. Iran has curbed the upswing posted over the last few years, falling from a share of 2.14% in 2008 to 0.84% in 2009.

EXPORTS OF MACHINERY, ACCESSORIES AND PRODUCTS FOR HOLLOW GLASS % Share by geographic area			
Destination area	**2008**	**2009**	**% Diff. 2009/2008**
Europe EU	32.27	42.54	31.83
Europe non-EU	35.15	19.34	-44.98
Africa	6.47	9.66	49.30
North America (Nafta countries)	5.94	9.64	62.29
Central and South America	5.63	4.72	-16.16
Asia	14.46	13.89	-3.94
Oceania and free ports	0.08	0.21	162.50
Total Exports for Hollow Glass	**100.00**	**100.00**	

Gimav processing of Istat data



HOLLOW GLASS EXPORTS: ranking of leading destination countries					
2009 Exports			2008 Exports		% Diff. in values
Rank	Country	% share	Rank	% share	2009/2008
1	France	13.72	2	8.12	+10.26
2	Russia	13.19	1	20.66	- 58.36
3	Bulgaria	9.91	14	1.97	+228.82
4	Mexico	5.77	15	1.93	+94.53
5	India	4.5	10	2.36	+24.09
6	South Africa	3.83	38	0.57	+337.36
7	Spain	3.76	11	2.17	+12.80
8	Germany	3.54	4	3.78	- 38.93
9	USA	3.26	3	3.97	- 46.47
10	Egypt	3.21	8	3.00	- 30.22
11	China + Hong Kong	3.06	32	0.84	+137.86
12	Romania	2.73	30	0.86	+106.36
13	Brazil	2.25	18	1.74	- 15.63
14	Austria	1.81	19	1.72	- 31.66
15	Switzerland	1.53	9	2.88	- 65.27

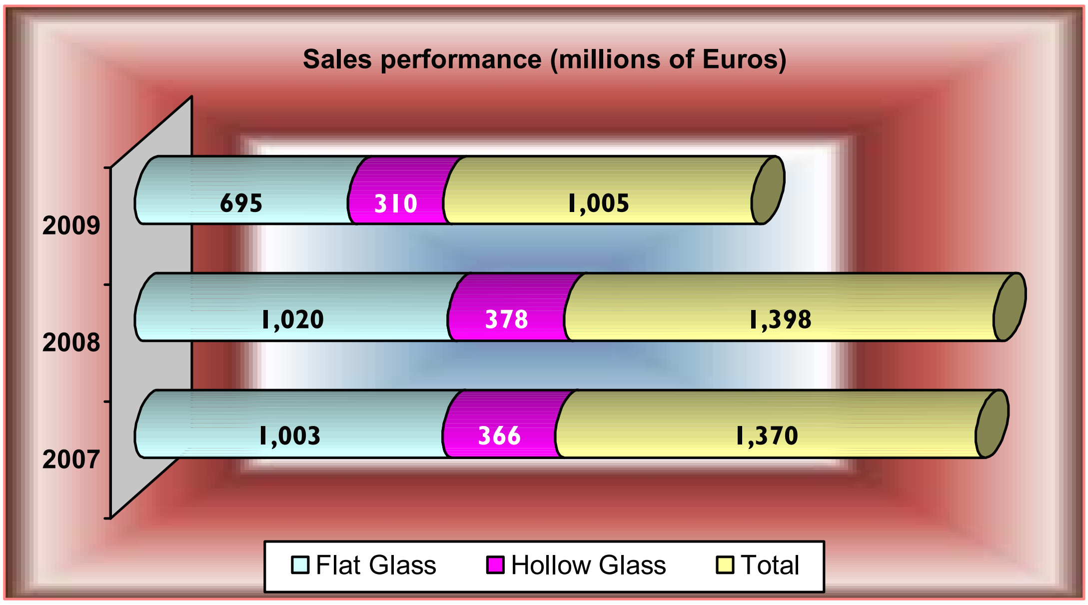
Gimav processing of Istat data

Industry sales

After the excellent results achieved in 2007 and a 2008 which, even though less dynamic than past years, had still ended on a positive note, the Italian industry of machinery, accessories and special products for glass processing, for the first time after a long period of growth, closed 2009 with a negative result.

ITALIAN INDUSTRY SALES MACHINERY, ACCESSORIES AND SPECIAL PRODUCTS FOR GLASS				
Sectors	2007 Euros	2008 Euros	2009 Euros	% Diff. 2009/2008
FLAT GLASS SECTOR				
Domestic sales	272,578,381	275,025,538	196,277,979	-28.63
Exports	730,537,004	745,391,768	498,199,622	-33.16
Tot. Flat Glass sales	**1,003,115,385**	**1,020,417,306**	**694,477,601**	**-31.94**
HOLLOW GLASS SECTOR				
Domestic sales	91,020,640	92,586,119	67,610,461	-26.98
Exports	275,380,514	285,406,507	242,117,418	-15.17
Tot. Hollow Glass sales	**366,401,154**	**377,992,626**	**309,727,879**	**-18.06**
Total Flat + Hollow	**1,369,516,539**	**1,398,409,932**	**1,004,205,480**	**-28.19**
% SHARE OF 2009 SALES BY DESTINATION				
Destination area	**Flat Glass**	**Hollow Glass**	**SECTOR TOTALS**	
Domestic sales	28.26	21.83	**26.28**	
Exports	71.74	78.17	**73.72**	
TOTAL	100.00	100.00	**100.00**	

Gimav processing of Istat data



Summary Machinery, accessories and special products for the glass processing industry Years 2007 – 2008 - 2009				
Variables	**Unit of measure**	**2007**	**2008**	**2009**
Industry sales	Euro	1,369,516,539	1,398,409,932	1,004,205,480
Exports	Euro	1,005,917,518	1,030,798,275	740,317,040
Imports	Euro	86,934,973	83,583,150	51,483,709
Trade surplus	Euro	918,982,545	947,215,125	688,833,331
Domestic orders	Euro	363,599,021	367,611,657	263,888,440
	% Difference	5.56	1.10	-28.22
Foreign orders	Euro	1,005,917,518	1,030,798,275	740,317,040
	% Difference	12.60	2.47	-28.18
Workforce	No. Employed	4,500	4,500	4,000

Gimav processing of Istat data

Even though the industry is mainly made up of small and medium-sized firms, its distinguishing feature remains its high propensity to export, actually more than 73% of its production. An extensive and well-organized sales network, the ability to engender customer loyalty, operational flexibility to meet the demand and prompt technical service are the key elements that have made our industry a constant leader in this sector. Despite all this, the value of the year's sales has dropped significantly, in confirmation of the intense and widespread impact of first the financial crisis and then the economic crisis felt worldwide during the year 2009.

The faint signs of an upswing seen in some markets during the early part of 2010 seem to indicate a new rise in demand. The see-saw nature of the recovery, however, makes it impossible to outline reliable short-term forecasts.
Our companies are now called upon to expend all of their efforts to tackle the worst crisis since the 1930's, leveraging precisely those strengths which previously led to their great success.

ITALY'S GLASS INDUSTRY

Flat glass

The year 2009 saw a significant and widespread drop in flat glass production, exports and imports.

FLAT GLASS (in tons)				
Items	**2007**	**2008**	**2009**	**% Diff. 2009/2008**
Production	1,125,097	1,067,817	873,211	-18.22
Exports	176,079	202,423	159,123	-21.39
Imports	514,448	448,474	339,511	-24.30

Source: Istat-Assovetro

Hollow glass

Similar to the flat glass sector, although to a lesser extent, the hollow glass sector ended the year with a reduction in production, exports and imports.

HOLLOW GLASS (in tons)				
Items	**2007**	**2008**	**2009**	**% Diff. 2009/2008**
Production	3,789,249	3,835,239	3,468,997	-9.55
Exports	570,037	558,079	448,022	-19.72
Imports	475,418	530,928	479,926	-9.61

Source: Istat- Assovetro

Bottles

Statistical data for this sector indicates, for the first time after many years, a negative trade balance for our country.

BOTTLES (in tons)				
Items	**2007**	**2008**	**2009**	**% Diff. 2009/2008**
Production	3,227,252	3,266,982	2,965,113	-9.24
Exports	320,075	311,900	227,966	-26.91
Imports	230,530	293,510	261,368	-10.95

Source: Istat- Assovetro

Vases

The appreciable drop in production and sharp increase in exports, against a smaller increase in imports, indicate a fall in domestic demand for vases.

VASES (in tons)				
Items	**2007**	**2008**	**2009**	**% Diff. 2009/2008**
Production	240,680	258,788	230,945	-10.76
Exports	20,215	24,909	28,582	14.75
Imports	85,217	80,065	83,219	3.94

Source: Istat- Assovetro

Small bottles and vials

After the considerable production growth in 2007, the downswing started in 2008 continued in 2009. Exports, after a basically stable year, fell in terms of value, while imports confirmed the downward trend begun in 2008.

SMALL BOTTLES AND VIALS (in tons)				
Items	**2007**	**2008**	**2009**	**% Diff. 2009/2008**
Production	152,590	148,577	138,256	-6.95
Exports	101,448	101,550	92,956	-8.46
Imports	62,551	58,345	52,747	-9.59

Source: Istat- Assovetro

Housewares

This sector suffered a general slump, with double-digit drops in all three of the items taken into consideration.

HOUSEWARES (in tons)				
Items	**2007**	**2008**	**2009**	**% Diff. 2009/2008**
Production	168,727	160,892	134,683	-16.29
Exports	128,299	119,720	98,518	-17.71
Imports	97,120	99,008	82,592	-16.58

Source: Istat- Assovetro

CRYSTALWARE - in tons (Assovetro estimates)			
Items	**2007**	**2008**	**% Diff. 2008/2007**
Production	103,000	106,000	2.91
Exports	60,558	56,558	-6.61
Imports	12,975	12,228	-5.76

2009 Data unavailable

OTHER GLASSWARE (Assovetro estimates)			
Items	**2007**	**2008**	**% Diff. 2008/2007**
Production	315,000	325,000	3.17
Exports	372,005	378,505	1.75
Imports	382,617	360,596	-5.76

2009 Data unavailable

2009 FOREIGN TRADE (in tons)				
Rank	**Products**	**Exports**	**Imports**	**Balance**
1	Flat glass	159,123	339,511	-180,388
2	Hollow glass	448,022	479,926	-31,904
3	Bottles	227,966	261,368	-33,402
4	Vases	28,582	83,219	-54,637
5	Small bottles and vials	92,956	52,747	40,209
6	Housewares	98,518	82,592	15,926

PERFORMANCE OF THE GLASS INDUSTRY IN THE EUROPEAN UNION

2008 Data

Total glass production – Growth since 1995

	Year	Thousands of tons	Percentage
EUR 15	1995	27.213	100,0
	1996	27.666	101,7
	1997	28.187	103,6
	1998	28.785	105,8
	1999	28.991	106,5
	2000	29.513	108,5
	2001	29.608	108,8
	2002	30.386	111,7
	2003	30.268	111,2
	2004	30.926	113,6
	2005	31.205	114,7
EUR 27	2005	35.76	100,0
	2006	36.43	101,8
	2007	37.42	104,6
	2008	36.41	101,8

Source: CPIV

Breakdown according to main categories (in thousands of tons)

Year	Cast Glass Sheet Glass & Float	Container	Tableware & Crystal	Insulating Fibres (1)	Reinforcement Fibres (2)	Other Glass (incl. special)
EUR 15						
1995	6.458	16.938	998	800	488	1.531
1996	6.390	17.366	1.041	900	487	1.526
1997	6.893	17.316	1.046	900	475	1.557
1998	7.035	17.676	1.025	900	506	1.643
1999	7.464	17.464	1.104	950	529	1.530
2000	7.640	17.690	1.177	1.372	550	1.284
2001	7.554	17.917	1.068	1.386	546	1.336
2002	7.929	18.333	1.107	1.277	648	1.292
2003	7.710	18.414	1.185	1.436	649	1.174
2004	7.871	18.415	1.291	1.627	693	1.027
2005	8.021	18.441	1.267	1.880	727	867
EUR 27 (1)						
2005	9.692	20.724	1.498	2.000	727	1.121
2006	9.981	20.967	1.526	2.000	727	1.162
2007	10.119	21.621	1.547	2.100	821	1.214
2008	9.826	21.390	1.440	2.100	823	831

(1) estimates
(2) since 2002, EU-27 production
Source: CPIV

Foreign trade – General situation 2008/2007 (in tons)

Source: EUROSTAT – COMEXT Chapter 70
Extra-EUR 27

Products	Exports			Imports		
	2007	2008	Diff. %	2007	2008	Diff. %
Flat glass basic	1,074,240	1,114,959	3.8	1,113,543	820,627	-26.3
Flat glass processed	309,338	352,695	14.0	627,685	673,983	7.4
Container glass	997,210	863,272	-13.4	400,463	517,566	29.2
Tableware/Crystal	389,635	346,602	-11.0	474,076	484,324	2.2
Fibres	253,471	219,292	-13.5	508,037	561,674	10.6
Special glass	57,743	44,104	-23.6	31,559	31,769	0.7
Others	414,110	393,582	-5.0	44,6112	493,564	10.6
TOTAL	**3,495,747**	**3,334,506**	**-4.6**	**3,601,475**	**3,583,507**	**-0.5**

Source : CPIV