

**PRESS RELEASE**

**Enhancing the Italian fashion textile industry**

**The fashion industry's proposals to Italian policymakers**

- **Intesa Sanpaolo and Sistema Moda Italia: together to help textile and fashion manufacturers grow in international markets**
- **In 2012 exports of textiles & clothing stabilised at 2011 levels**
- **Exports: excellent results, particularly in Russia (+10.9%), Japan (+16.8%), the US (+17.3%) and China (+18.7%)**
- **Internationalisation, growth and innovation: strategic leverages to economic recovery**

Milan, 4<sup>th</sup> April 2013 – Today Sistema Moda Italia (the Italian Fashion Industry Organisation) held in Milan, in cooperation with Intesa Sanpaolo, a conference to discuss ways of helping small and medium-sized companies in the fashion textile sector overcome the challenges of globalisation and increasing international competition. The topic has been discussed in a round table by **Michele Tronconi**, Chairman of Sistema Moda Italia, **Giuseppe Castagna**, General Manager and Head of Intesa Sanpaolo's Banca dei Territori, **Paolo Zegna**, Chairman of the Technical Internationalisation Committee set up by Confindustria (the Association of Italian Entrepreneurs), **Carlalberto Corneliani**, President and CEO of Corneliani, and **Marino Vago**, Managing Director of Vago.

Following positive results in 2011, exports of Italian textiles and clothing stabilised in 2012 (0.7%), with an increase in clothing sales (+3.2%) and a drop in textiles (-3.6%). Since domestic demand is expected to remain weak throughout 2013, companies in the fashion industry will need to place even greater emphasis on exports, prioritise the quality of their products and seek out new sources of growth in foreign markets, where demand is picking up and Italian-made goods are particularly popular.

Sistema Moda Italia and the Intesa Sanpaolo Group signed a special agreement in May 2012 to help companies establish themselves and expand in growing markets, grasping the opportunities offered by globalisation. The agreement, entitled “**Imprese di Moda nel Mondo**” (Fashion Companies in the World), enables Italy's largest fashion textile trade association – the largest in the whole sector – to access the know-how of a banking group with a strategic and selective international presence in over 40 countries.

During the round table moderated by **Paola Bottelli** (Managing Editor of Il Sole 24 Ore newspaper and Editor of its Moda24 insert), **Giuseppe Castagna**, General Manager and Head of Intesa Sanpaolo's Banca dei Territori, focused on the support which his banking Group provides to companies during the internationalisation process.

*“Italian businesses, the majority of which are small and medium-sized companies, need to step up their competitiveness in global markets,”* explained Mr Castagna. *“Intesa Sanpaolo assists both companies operating exclusively in the domestic market (those most affected by the current recession) and, with the help of our specialists, companies looking for new commercial and manufacturing outlets abroad. The message is clear: economic recovery is possible if small and medium-sized enterprises invest in innovation, increase their critical mass by joining together to form, for example, business networks and take up the challenges and opportunities of globalisation. For some time now our Group has been providing specialised services to companies looking to grow in international markets. We work alongside them, supporting them in their ordinary operations and strategic decisions.”*

*“In particular, the agreement which Intesa Sanpaolo signed with Sistema Moda Italia provides companies in the sector with concrete resources such as consultancy, products and services. The partnership,”* Mr Castagna went on, *“is part of the bank's strategy of promoting Italian-made excellence worldwide and helping companies in the fashion textile industry to implement internationalisation policies. Most of these companies are small in size, which means they are less equipped to penetrate global markets. Just 50% of small and very small textile and fashion businesses (those with turnovers of between 750,000 and 2 million Euros) have operations in international markets. A targeted and systematic action is needed to boost their ability to exploit the opportunities which will continue to be found at a global level.”*

The round table opened with a presentation by **Gregorio De Felice**, Intesa Sanpaolo's Chief Economist, outlining “The fashion industry in the current macro-economic climate.”

*“The Italian fashion industry has been seriously affected by the recession in Italy,”* Mr De Felice explained. *“Sales of clothing and shoes saw an unprecedented slump in 2012 (-10.2% at constant prices), which impacted on upstream suppliers. Last year, turnover was sustained solely by exports to non-EU countries (+6.4%), with excellent results mainly in Russia (+10.9%), Japan (+16.8%), the US (+17.3%) and China (+18.7%). An analysis of Chinese and US imports shows that Italian manufacturers can beat the global competition in these two key markets and increase their market shares.”*

*“Italy is making an increasing name for itself as a manufacturer of luxury goods for consumers worldwide,”* Mr De Felice concluded. *“As a result, it is becoming ever more urgent to safeguard the entire supply chain. Companies upstream are being worst affected: textile exports fell by 3.6% in 2012 and our main textile manufacturing areas are at risk, with export figures well below the pre-crisis levels. However, there are also some fine examples of textile manufacturers who have improved their results by prioritising quality and globalisation.”*

To help Italian companies penetrate foreign markets, Intesa Sanpaolo has set up within its

Banca dei Territori Division a **Business Internationalisation Service**, a reference point for small and medium-sized businesses. Its specialists operate in Italy in synergy with over **500 foreign markets specialists** at the Group's business branches.

**For further information:**

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