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Italy's agri-food trade

1.1 The macroeconomic and international scene

1.1.1. The international macroeconomic scene and the Italian economy in 2004[1]

The year 2004 witnessed an even greater world challenge than that of the previous year: the rate of growth of the GDP reached world levels of 5.1%, as compared to 4% for the year before, the highest since 1976.

The highest rates of growth were recorded in some emerging markets, like China, India and the former Soviet Union, and in the United States (4.4% as compared with 3% the year before); the growth in the US was driven mainly by the increase in profits and family wealth, rather than by expansive economic policies adopted by the government, as had been the case in 2003.

In the area of the euro, there was a rebound, though modest, with a 2.1% rate of growth of GDP, and this kept the difference in growth stable between Italy and the US, compared to the previous year. Following the increase of the first half resulting from a rebound in consumption – up 1.2% over the course of the year – production slowed in the latter part of the year, mainly because of negative performance on foreign markets.

The economies of the ten countries that joined the EU in May of 2004 grew at higher rates than those of the EU 15: GDP in Poland and Hungary grew by 5.3% and 4%, respectively, over the previous year.

Asia continued the phase of expansion that began in 2002, sustained in part by significant growth in exports: in Japan, the rate of growth of GDP hovered around slightly higher figures than the year before (+2.7%), whereas growth in China continued at quite a well-sustained pace (+9.5%), attaining higher rates than in 1996. Growth in other emerging Asian countries was also significant, 8% on average.

World import-export of goods grew at much higher rates than last year (9.9% as opposed to 5.2% in 2003), almost double compared to growth in production. Exports from countries in Asia and East-Central Europe grew in 2004 at rates of over 15%, whereas exports from countries in the euro zone, practically stagnant in 2003, increased by 6.3%.

During 2004, the euro continued to gain strength on international markets, with an appreciation of 7.3% in the nominal rate compared to the dollar, reaching a maximum value of 1.36 dollars to the euro by the end of December. There was a similar appreciation against the yen, while the euro remained basically stable against the British pound compared to the year before.

The growth of the Italian economy in 2004 was 1.2%, far lower than the average in the euro zone, caused mainly by lower demand. In any case, it was a sign of economic recovery, following GDP growth in 2003 of only 0.3% (see table 1.1). On the demand side, the rate of growth in families' consumption dropped from 1.4% to 1% compared to 2003. But there were positive trends in the other two components of aggregate demand: in 2004, gross fixed investments returned to growth mode (+2.1%) – after shrinking in 2003 – especially in the building sector, and these were helped in part by favourable financial conditions and the low money rate. At the same time, Italian exports of goods and services also returned to growth mode (+3.2%) following two consecutive years of decline, though at a lower rate than the growth in world import-export. Italy's market share of world trade was thus reduced further, below the 3% threshold.

On the supply side, value added at constant prices increased by 1.3%, due to growth in the sector of services and agriculture, in the face of negligible contributions from the industrial sector. In industry in the narrow sense, following the previous year's decline there was an increase of 0.3% in value added, due mainly to the strong dynamics of the energy sector (+4.1%), whereas value added in the manufacturing sector remained practically stable from the previous year. For the fourth year in a row, the textile and clothing sector showed a considerable decline in value added (-5%). But there were positive results in building (+2.7%) and especially in agriculture, which showed an increase of 10.8% in value added, after the decline (-5.2%) the year before. The increase in imports, which was stalled in part by scarce internal demand, was modest overall (+2.5%), compared with growth rates for exports.

(1) Information contained in this paragraph is taken from the Governor's Report of the Bank of Italy for 2004 and the Ministry of Economics and Finance's General Report on the country's economic situation for 2004.

TABLE 1.1. **ITALY'S MACROECONOMIC INDICATORS**
(Percentage variations in real terms compared to the previous year)

	1998	1999	2000	2001	2002	2003	2004
GDP	1.3	1.6	2.9	1.8	0.4	0.3	1.2
Imports(2)	6.1	5.1	9.4	0.2	-0.2	1.3	2.5
National demand	2.9	3.0	2.1	1.6	1.3	1.2	1.0
Family consumption	3.1	2.3	2.7	1.1	0.5	1.4	1.0
Gross fixed investments	3.5	4.6	6.5	2.4	1.2	-1.8	2.1
Exports(2)	1.2	-	11.7	0.8	-3.4	-1.9	3.2
Industrial production(1)	-0.5	1.9	5.5	3.6	1.5	2.1	4.0
Agriculture, forestry and fishing(1)	-2.5	3.1	-1.7	3.4	0.3	1.3	2.3
Total employed	0.7	1.0	1.5	1.6	1.1	0.4	0.8
for agriculture. forestry and fishing	-1.9	-5.5	-2.4	0.8	-2.3	-3.7	0.4
Consumer prices	2.0	1.7	2.5	2.7	2.5	2.7	2.2
for agricultural goods	1.2	0.9	1.6	4.0	3.6	3.2	2.2
Euro/dollar exchange rate(3)	1.123	1.066	0.924	0.896	0.946	1.131	1.244

(1) Value added of cost factors for current values
(2) For both goods and services
(3) Exchange rated reported in ecu through December 1998 and in euro from January 1999.

Employment in 2004 underwent a modest increase (+0.8%), in any case higher than the previous year (+0.4%), concentrated mainly in independent labour and permanent employment, and, geographically speaking, in the Centre-North, while the South showed a drop in employment. In the agriculture sector, there was a slight increase in employment (+0.4%), as opposed to the 3.7% decline in workers in 2003.

Consumer prices dropped slightly compared to the previous year (from 2.7% in 2003 to 2.2% in 2004). Growth in consumer prices for foodstuffs slowed: the rate of growth dropped from 4% in 2003 to 2.3% for fresh produce, while it remained stable at 2.3% for processed food products. This confirmed the trend toward progressive realignment with general economic growth. On the contrary, consumer prices for tobacco rose significantly (+9.8%).

1.1.2. International agricultural markets

According to FAO valuations and forecasts, the trend in international agricultural markets in 2004 suffered from the production performance of some of the major producer countries, and the dynamics of demand on the part of major importers[2] .

Cereal production grew worldwide to an exceptional degree[3], by 9.2% compared to 2003, reaching record levels; the increase in supply was much greater in the developed countries (+17%) – especially in the USA and the EU – and less evident in developing countries in which cereal production grew by only 4%. Cereal consumption also rose worldwide, but at a much lower rate than that for production (+3%), creating an increase in stocks of +9%. Compared to 2003, demand for imports from Asian countries was significantly stronger, mainly

(2) Information contained in this paragraph is based on valuations and forecasts published in various editions of the FAO periodical "Food Outlook".

(3) The following valuations and forecasts refer to 2004/2005.

TABLE 1.2. **INTERNATIONAL PRICE INDEX**

ANNI	GRAIN*	MAIZE*	RICE^	MEAT+	OIL SEEDS+
2000	93	92	84	85	83
2001	97	87	74	84	82
2002	99	91	72	82	90
2003	121	108	82	90	104
2004	119	116	104	102	121

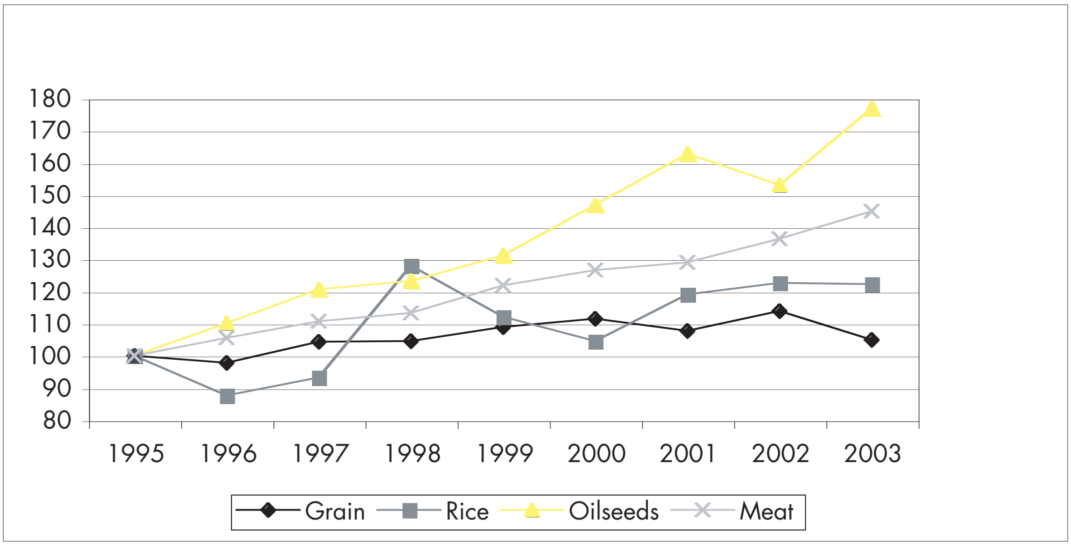
*Note: *: 1997-99=100; ^: 1998-2000=100; +: 1990-92=100.*

Source: FAO. Food Outlook, different years

from China, whereas in the European Union there was a reduction in grain imports. Overall, it is expected that the volume of trade in cereals in 2004 will be lower than for the previous year, confirming an already observed slowing trend in world trade: as shown in graph 1.1, in fact, trade volume for grain, which grew steadily in the second half of the 1990s, slowed sharply first in 2001 and again in 2003.

The increase in production and the decrease in demand for imports in some areas resulted in a reduction in the price of cereals, particularly grain and maize (table 1.2). Price indexes calculated by FAO indicate a slight drop in the international price of grain and a much more marked reduction in the price of maize.

GRAPH 1.1. **EVOLUTION OF WORLD TRADE VOLUME (1995 = 100)**



There was a lesser increase in world production of rice, estimated at 3.8% compared to 2003, due to droughts that affected Asian paddy rice production in the second half of 2004. Still, there were substantial levels of production, far higher than the average levels for the last ten years. World exports of rice dropped slightly, mainly because of lower foreign sales by China, which were limited by reduced production in 2004. Conditions of relative "scarcity" on world markets brought pressure to bear on prices, which reached the highest levels since 1988: in particular, according to international price indexes calculated by FAO, the increase in the price of rice in 2004 was approximately 22 percentage points compared to the previous year (table 1.2).

Prices for oil-seeds also rose considerably, with predicted increases of over 16 percentage points compared to 2004. This therefore confirms the expansive trend in recent years of world trade in oil-seeds, where significant increases have been observed both in prices and in volume traded on international markets.

The international market for meat was again influenced in 2004 by food safety emergencies. The spread of animal diseases in Asia – avian flu – and North America, which was threatened by both avian flu and BSE (mad cow disease), forced some countries to limit their exports. At the same time, importing countries reinforced trade restriction measures and set much stricter health controls. Increased restrictions on trade subsequent to the spread of animal diseases made it such that, despite a 2% increase in world production, trade flows were reduced by approximately 1% compared to the previous year.

The health emergency also changed the geographical structure of world trade by favouring Latin American products, which, according to FAO valuations, reached a world export quota of 37% for beef and 35% for poultrymeat, at the expense of Asia and North America. The health crisis also changed the marketing structure of world trade in meat, by strengthening trade in prepared meat-based products over fresh products, which were subject to more restrictions and controls by importing countries.

Because of the numerous limitations placed on world trade, international meat prices rose considerably – 22 points higher compared to 2003, according to indexes calculated by FAO – reaching levels not seen since the early 1990s. In particular, the price of poultrymeat rose by 22% and that of beef rose by 14%, compared to 2003.

1.2 Italy's foreign overall and agri-food trade

1.2.1. An overview of import-export

In 2004, Italy further reduced its trade balance, moving from a surplus of 1.6 billion euro in 2003 to a deficit of 1.5 billion euro (table 1.3). For the first time since the beginning of the decade, Italy's trade balance was once again negative. The downturn of 2004 fits within a negative trend that has characterised Italy's balance of trade since 1996, and has its roots in some structural weaknesses in the Italian economy, which manifest themselves in a progressive loss of competitiveness of the country's products on international markets.

The negative dynamic of 2004 was due to an increase in exports (+6.1%) that was less than the increase in imports (+7.3%) (table 1.3). Although, overall, the increase in exports is a positive sign, after two years in which sales of Italian products had dropped in foreign markets, it should nonetheless be noted that this increase is decidedly less than the average growth of world exports (+9.9%), and also lower than the growth of exports of other countries within the euro zone, which have also suffered from the strong appreciation in the European currency.

During the year, the trend in exports was somewhat irregular: the strong recovery in the second and third quarters was followed by a heavy decline in the last part of the year (table 1.4). The increase in the value of exports was due both to an increase in prices (+4.3%) – more marked in the EU than in non-EU countries – and an increase in volume (+3.1%), which was particularly dynamic in extra-European markets, whereas volume of exports in the EU remained practically stationary over figures for previous years[4].

(4) Cf. Bank of Italy, op.cit. p. 127 and following pages.

TABLE 1.3. AGRI-FOOD TRADE (AT) AND TOTALS FOR ITALY
(million current euro)

YEAR	IMPORTS			EXPORTS			BALANCE			NORMALIZED BALANCE (%)		
	TOTAL	AT	% AT/TOT	TOTAL	AT	% AT/TOT	TOTAL	AT	NON AT*	TOTAL	AT	NON AT*
1997	184,678	23,135	12.5	211,297	14,421	6.8	26,619	-8,714	35,333	6.7	-23.2	9.9
1998	195,625	23,517	12.0	220,105	15,126	6.9	24,480	-8,391	32,871	5.9	-21.7	8.7
1999	206,977	23,028	11.1	220,916	15,717	7.1	13,939	-7,311	21,250	3.3	-18.9	5.5
2000	258,479	25,134	9.7	260,282	16,778	6.4	1,804	-8,356	10,159	0.3	-19.9	2.1
2001	263,740	26,008	9.9	272,920	18,122	6.6	9,180	-7,886	17,066	1.7	-17.9	3.5
2002	261,195	26,157	10.0	268,994	19,083	7.1	7,799	-7,074	14,873	1.5	-15.6	3.1
2003	262,998	26,754	10.2	264,616	18,943	7.2	1,618	-7,811	9,428	0.3	-17.1	2.0
2004	282,205	28,008	9.9	280,692	19,681	7.0	-1,513	-8,327	6,814	-0.3	-17.5	1.3

* *"non AT" is non-Agri-food, or Total net of Agri-food.*

Compared to 2003, therefore, Italy's foreign trade seems to have taken a decidedly different track, with a significant rebound in foreign sales, in value and volume, especially on extra-European markets and despite the strong appreciation of the euro. The recovery in Italian exports was definitely favoured by the positive international economic climate, which showed particularly strong dynamism in 2004, not seen since the 1970s. Nevertheless, precisely because the growth in Italian exports was lower than the growth of world trade, Italian products underwent a further loss in competitiveness on international markets; this was also confirmed by the reduction in Italian quotas in world exports, which dropped from 3.1% in 2003 to 2.9% in 2004.

Among the various sectors, "metals and metal products" registered the highest rates of growth for exports, whereas traditional Made in Italy sectors, especially textiles and clothing, leather and shoes, and furniture, continued to have reduced sales on foreign markets.

On the import side, the increase in purchases is the result of an increase in both import volume (+3.5%) and prices of imports (+4.8%), despite the depreciation of the dollar against the euro and the yen. Nonetheless, it should be remembered that prices of imports suffered from the fairly sustained growth in prices of raw materials over the year. At the sector level, the most significant increases occurred for machines and electrical appliances, metals and metal products, and transport vehicles. The quota of imports from the EU dropped because of a considerable increase in imports from Asia, especially China (with a 22% growth of volume in one year) and other dynamic economies in Asia (+11%).

1.2.2. Agri-food trade

Last year also negative for the agri-food sector from a trade standpoint (table 1.3): normalized balance dropped for the second year in a row (-0.4 percentage points), though to a lesser degree than the previous year (-1.1), and in any case the situation was not as bad as for the economy as a whole (-0.6 percentage points). In other words, agri-food trade performance was negative in absolute terms, but relatively better than it had been in 2003 and better than performance for other sectors in 2004.

During the year, agri-food trade showed trends similar to those of trade overall (table 1.4): the first quarter, with moderate trade flows, was followed by two middle quarters in which imports and exports increa-

TABLE 1.4. **TOTAL AND AGRI-FOOD TRADE IN ITALY: QUARTERLY FIGURES**
(current values in million euro and % variation over the previous year)

	FIRST QUARTER		SECOND QUARTER		THIRD QUARTER		FOURTH QUARTER		YEAR TOTAL	
	Value	Var. %	Value	Var. %	Value	Var. %	Value	Var. %	Value	Var. %
EXPORT TOTALS										
2002	61,484	-7,0	67,565	-3.2	65.186	3.5	74,759	1.0	268,994	-1.4
2003	61,613	0.2	63,826	-5.5	63,042	-3.3	76,134	1.8	264,616	-1.6
2004	63,377	2.9	71,240	11.6	70,520	11.9	75,555	-0.8	280,692	6.1
AGRI-FOOD EXPORTS										
2002	4,157	6.1	4,700	4.9	4,774	8.2	5,453	2.7	19,083	5.3
2003	4,318	3.9	4,624	-1.6	4,730	-0.9	5,271	-3.3	18,943	-0.7
2004	4,382	1.5	4,865	5.2	4,937	4.4	5,497	4.3	19,681	3.9
IMPORT TOTALS										
2002	61,590	-7.3	65,278	-4.7	60,558	1.4	73,770	6.8	261,195	-1.0
2003	64,440	4.6	65,318	0.1	59,332	-2.0	73,908	0.2	262,998	0.7
2004	66,088	2.6	72,435	10.9	67,321	13.5	76,361	3.3	282,205	7.3
IMPORTAZIONI AGROALIMENTARI										
2002	6,013	4.1	6,319	-5.0	6,257	-0.5	7,568	3.8	26,157	0.6
2003	5,982	-0.5	6,611	4.6	6,620	5.8	7,540	-0.4	26,754	2.3
2004	6,523	9.0	7,320	10.7	6,789	2.6	7,377	-2.2	28,008	4.7

sed to a considerable degree, and a slowing-down during the autumn. Note that while there was a decline of 0.8% in overall foreign sales in the final months of 2004, agri-food exports continued to grow at rates similar to those of preceding months. This might suggest that the agri-food sector is slow to manifest the crisis of competitiveness in Italian products on foreign markets that began in late 2004 and grew in the early months of 2005. But it might also signal solidity in the sector, in the midst of the general crisis of competitiveness of the Italian economy.

The worsening situation in 2004 is for the most part due to a considerable increase in imports (+4.7%), which was greater than the increase – however significant – in exports (+3.9%) (table 1.6). Likewise, in this context, it should be noted that the negative result for 2004 is partly different in nature compared to that of the previous year. During 2003, as pointed out in the previous edition of this Report, there was actually a decline in the value of foreign sales for the first time in many years, essentially due to a reduction in the volume of exports; in 2004, rather, there was a net rebound in agri-food exports, caused only marginally by an increase in prices (+0.8%), but mainly by an increase in volume of exports (+3.1%).

On the import side, much like the year before, the increase in purchases was caused for the most part by the considerable growth in volume (+11.7%), whereas prices dropped (-6.3%), in a counter-trend with the increase in import prices recorded for the economy as a whole, but also with the dynamic of international prices for major commodities.

1.3. Italy's foreign agri-food trade: geographical areas and main partners

1.3.1. Trade by geographical area

The slight downturn in the Italian trade balance in 2004 is the result of very different trends in Italian trade with different geographical areas. Differently from 2003, when negative trade performance was due in large part to a net worsening in balance of trade with the EU-15, in 2004 it was mainly transactions with areas outside the EU-15 that determined the reduction

TABLE 1.5. **AGRI-FOOD TRADE (AT) AND TOTALS FOR ITALY BY GEOGRAPHICAL AREA AND PARTNER'S INCOME LEVEL**

(million current euro)

	IMPORTS			EXPORTS			BALANCE			NORMALIZED BALANCE (%)		
2004	Total	AT	AT/Tot. (%)	Total	AT	AT/Tot. (%)	Total	AT	non AT*	Total	AT	non AT*
WORLD	282,205	28,008	9.9	280,692	19,681	7.0	-1,513	-8,327	6,814	-0.3	-17.5	1.3
EU-25	169,153	19,752	11.7	166,367	13,682	8.2	-2,787	-6,070	3,283	-0.8	-18.2	1.1
of which EU-15	158,425	19,033	12.0	150,735	12,970	8.6	-7,690	-6,062	-1,628	-2.5	-18.9	-0.6
of which New Member States	10,728	719	6.7	15,632	712	4.6	4,904	-7	4,911	18.6	-0.5	19.7
Other European Countries (non Med,)	32,229	1,121	3.5	29,915	1,707	5.7	-2,313	586	-2,899	-3.7	20.7	-4.9
Non-EU Mediterranean Countries	20,508	1,112	5.4	15,812	381	2.4	-4,696	-732	-3,964	-12.9	-49.0	-11.4
North America	11,364	886	7.8	24,870	2,274	9.1	13,506	1,388	12,119	37.3	43.9	36.6
Central and South America	7,132	2,531	35.5	8,152	206	2.5	1,020	-2,324	3,345	6.7	-84.9	26.7
Asia (excl, Mediterranean)	35,864	1,370	3.8	28,121	846	3.0	-7,743	-524	-7,219	-12.1	-23.6	-11.7
Africa (excl, Mediterranean)	4,303	754	17.5	3,284	331	10.1	-1,019	-423	-596	-13.4	-39.0	-9.2
Oceania	1,402	482	34.4	2,940	215	7.3	1,538	-267	1,805	35.4	-38.3	49.5
Other totals	251	0	0.0	1,230	40	3.2	979	40	940	66.1	99.9	65.2
Developed Countries	222,439	22,390	10.1	230,033	18,419	8.0	7,594	-3,971	11,565	1.7	-9.7	2.8
of which industrialised	31,624	20,848	65.9	30,994	17,108	55.2	-630	-3,740	3,110	-1.0	-9.9	12.6
Developing Countries	59,515	5,618	9.4	49,428	1,223	2.5	-10,087	-4,395	-5,692	-9.3	-64.2	-5.6
of which low-income	1,119	275	24.5	1,273	190	14.9	154	-85	239	6.4	-18.3	12.4
Other	251	0	0.0	1,230	40	3.2	979	40	940	66.1	99.9	65.2

** "non AT" is non-Agri-food, or Total net of Agri-food.*

in balance (table 1.5 and 1.6). Certainly the most significant piece of data is the net reduction in trade balance with the New Member States of the EU, which dropped in 2004 from 6.3 billion euro to 4.9 billion euro. The entry of the ten new partners, and the subsequent completion of the elimination of trade barriers with EU-15 countries, determined a significant increase in Italian imports from these countries (+16.3%) in the face of a minimal increase in sales of Italian products on these markets (+0.2%). This was thus a reverse trend with regard to the years immediately prior to entry, when progressive trade integration had allowed Italian exports to grow in these markets, at higher rates than those for imports.

The already negative normalized balance with Asian countries also worsened considerably (-4.5 percentage points) against the backdrop of a general increase in exchange between Italy and this area in recent years, when imports grew at much higher rates than did imports. In 2004, imports in particular rose by 17.5% in value, while exports grew by only 7.2%. Mention should be made of the positive rebound in Italian exports to this area compared to the previous year, when foreign sales actually declined. There was also a slight downturn in the balance with non-EU Mediterranean countries, caused by notable growth in imports (+14.4%), higher than the significant increase in exports (+13.2%). The balance with Central and South America was also reduced, for the same reasons.

On the contrary, Italy's trade position in 2004 improved with areas of greater development, like North America and the other European countries:

TABLE 1.6. AGRI-FOOD TRADE (AT) AND TOTALS FOR ITALY BY GEOGRAPHICAL AREA AND PARTNER'S INCOME LEVEL: PERCENTAGE VARIATIONS

	TOTAL TRADE			AGRI-FOOD TRADE							
	CURRENT VALUES			CURRENT VALUES			COMP. "VOLUME"		COMP. "PRICE"		TERMS OF TRADE
	Import	Export	Nb (1)	Import	Export	Nb (1)	Import	Export	Import	Export	
2004/2003											
WORLD	7.3	6.1	-0.6	4.7	3.9	-0.4	11.7	3.1	-6.3	0.8	7.6
EU-25	4.7	3.8	-0.4	3.9	4.5	0.3	-0.8	0.9	4.7	3.5	-1.1
Of which EU-15	4.0	4.2	0.1	2.9	4.3	0.6	-2.0	0.3	5.0	4.0	-0.9
of which New Member States	16.3	0.2	-7.1	36.4	7.1	-12.0	42.5	12.1	-4.3	-4.5	-0.2
Other European Countries (non-Medi.)	8.7	16.7	3.5	-3.0	2.4	2.6	158.3	3.9	-62.4	-1.4	162.6
Non-European Mediterranean Countries	14.4	13.2	-0.5	30.4	-12.4	-16.5	17.7	-27.4	10.8	20.6	8.9
North America	-1.4	2.0	1.4	-9.4	5.2	6.2	8.6	14.0	-16.5	-7.7	10.5
Central and South America	15.2	14.1	-0.5	14.7	3.6	-1.5	13.9	18.2	0.7	-12.4	-13.1
Asia (non-Mediterranean)	17.5	7.2	-4.5	14.4	6.5	-3.4	39.0	24.2	-17.7	-14.2	4.2
Africa (non-Mediterranean)	10.4	5.4	-2.3	-7.8	-10.6	-1.3	-0.9	-10.6	-7.0	0.0	7.5
Oceania	-2.7	7.7	4.5	-2.8	15.2	7.0	4.2	12.3	-6.6	2.6	9.9
Other totals	-11.5	6.1	5.4	-100.0	21.3	100.3	-99.9	34.4	-36.6	-9.8	42.3
Developed Countries	5.1	5.1	0.0	2.8	4.4	0.8	9.0	3.0	-5.7	1.4	7.5
of which industrialised	15.0	8.4	-2.9	2.3	4.4	1.0	-0.7	2.4	3.0	2.0	-1.0
Developing Countries	16.6	10.8	-2.5	13.7	-3.8	-5.2	21.0	3.5	-6.0	-7.1	-1.1
of which low-income	-11.6	3.8	8.1	-15.9	-9.8	3.4	-8.8	-9.6	-7.9	-0.2	8.3
Other	-11.6	6.1	5.4	-100.0	21.3	100.3	-99.9	34.4	-36.6	-9.8	42.3

(1) Variation in Normalized Balance is calculated as simple difference.

imports from North America dropped, in the face of substantial solidity of Italian products on those markets, whereas there was a significant increase in exports to other European markets (+16.7%).

As the data in the last rows of tables 1.5 and 1.6 show, in 2004 overall there was a partial re-orientation in Italian trade towards developing countries, with trade flows growing at decidedly higher rates compared to transactions with developed countries, and with Italy reinforcing its position as a net importer.

The agri-food sector in 2004 seems to have followed the more general trends of Italian foreign trade, with a significant downturn in normalized balance with the Member States that entered the EU in 2004, non-EU Mediterranean countries, and Asian countries, where Italy seems to have assumed a stable position as a net importer, including the agri-food sector. On the contrary, normalized balance improved considerably with North America and the other European countries, important trading partners with which Italy is strengthening its position as a net exporter, whereas its position with regard to the EU-15 appears stable.

Geographically, it appears that agri-food exports to all areas have grown in value (table 1.6) – particularly to new Member States, as predicted (+7.1%) – with the exception of non-EU Mediterranean countries, where sales dropped by approximately 12%. Moreover, the trend of differentiating price behaviours in various foreign markets noted in the previous edition of this Report, goes on whereas average unit values of exports in EU-15 markets increased by 4%, they dropped in all other markets, including New

Member States and North America (-7.7%), Central and South America (-12.4%) and Asia (-14.2%). Drops in the price of the euro allowed for substantial solidity in market quotas in non-EU countries, with a growth in export volumes that appears quite significant in important markets like North America and Asia. Similar to what occurred in 2003, then, in 2004 operators also consolidated and increased market quotas in countries outside the EU-15, lowering prices in euro and exporting inferior quality products in these markets, so that a decision was made to compete by way of price; on the contrary, in EU-15 markets, operators raised prices (and/or the quality of goods sold), thus ensuring stable volumes of exports.

On the agri-food imports side, there were fairly differentiated trends with various geographical areas. Certainly the most significant figure was the increase in imports from New Member States – a predictable increase, but far higher for agri-food than for other products – which was decidedly higher than the increase in exports (+36.4% as against +7.1% for exports). This caused, for the first time in many years, a net worsening in Italy's balance with these countries (normalized balance dropped by over 12 percentage points), which returned to negative. This was due to an exceptional increase in import volume (+42%) as against a modest decrease in prices of imports (-4.3%). The most significant increases came from Poland, with growth in imports of 57%, and Hungary (+13%)[5]. But imports from Non-EU Mediterranean countries also showed a rebound (+30.4%), due in this case to a substantial increase in both import volume (+17.7%) and prices (+10.8%), with a net worsening of normalized balance (-16 percentage points). Imports also increased from Central and South America (+14.7%) – one of the major areas from which Italy bought products – for a similar increase in import volume, and from Asia (+14.4%), due to an exceptional increase in quantity (+39%). Gains in imports from the EU-15 were modest – though in any case this area remained the dominant source of agri-food imports – due to a decrease in import volume. During 2004, also in the agri-food sector, there was a partial reorientation in the supply of imported agricultural raw materials, primarily from producer countries including New Member States, countries of the Mediterranean basin and some Asian countries.

Partial geographical reorientation of Italy's specialisation in the agri-food area appears evident, if one looks at trade flows by level of partner countries' income. As noted, a large part of Italy's agri-food trade comes from industrialised developed countries, which account respectively for 74.4% of imports and 86.9% of Italy's exports (table 1.7). Compared to industrialised countries, Italy showed a contained agri-food deficit (with normalized balance figures near -10%), which remained stable at 2003 figures. On the contrary, in trade with developing countries, Italy showed a negative deficit, with an absolute value in 2004 higher than that for the developed countries (table 1.5). Normalized balance with developing countries in 2004 reached -64.2%, and has grown steadily in recent years. Nonetheless, it should be remembered that, within the group of developing countries, those with less income have shown completely different trends: the negative balance is steadily improving due to a reduction in imports from this area. Therefore, though less important in terms of overall trade volume, developing countries are strengthening their competitive advantage with Italy, even though affects only relatively less poor countries.

The results of the past year contributed to modifying only marginally the quotas held by various areas in overall agri-food trade (table 1.7). The EU-15 is confirmed as the area that receives over 66% of Italian agri-food exports, and the source of 68% of imports. The concentration of agri-food trade with EU-15 countries is traditionally higher than in other sectors, where flows of exports and imports with Europe make up less than 60% of Italy's total trade volume. As seen in previous editions of this Report, this is the direct consequence of common agricultural policy and the significant contribution it has had in creating a truly single market for agricultural products among members of the EU, much sooner than in other sectors.

The quota of exports to New Member States increased only marginally, confirming that the expansion of

(5) For figures on Italy's trade flow with individual countries, see the INEA databank attached to this Report.

TABLE 1.7. DISTRIBUTION OF AGRI-FOOD TRADE (AT) AND TOTALS FOR ITALY BY GEOGRAPHICAL AREA AND PARTNERS' INCOME LEVEL

(percentage quotas)

	TOTAL TRADE		AGRI-FOOD TRADE	
	Import	Export	Import	Export
2004				
EU-25	59.9	59.3	70.5	69.5
Of which EU-15	56.1	53.7	68.0	65.9
Of which New Member States	3.8	5.6	2.6	3.6
Other European Countries (non-Mediter.)	11.4	10.7	4.0	8.7
Non-European Mediterranean Countries	7.3	5.6	4.0	1.9
North America	4.0	8.9	3.2	11.6
Central and South America	2.5	2.9	9.0	1.0
Asia (non-Mediterranean)	12.7	10.0	4.9	4.3
Africa (non-Mediterranean)	1.5	1.2	2.7	1.7
Oceania	0.5	1.0	1.7	1.1
Other totals	0.1	0.4	0.0	0.2
Developed Countries	78.8	82.0	79.9	93.6
Of which industrialised	11.2	11.0	74.4	86.9
Developing Countries	21.1	17.6	20.1	6.2
Of which low-income	0.4	0.5	1.0	1.0
Other	0.1	0.4	0.0	0.2

2004 had marginal effects overall on Italian agri-food exports to this area. And this is a clear counter-trend to what occurred in the immediately preceding years, when progressive commercial integration between the two areas led to notable development in the sale of Italian products on these markets. In keeping with the trends of recent years, the quota of exports to North America rose slightly (from 11.4% in 2003 to 11.6% in 2004).

On the agri-food import side, there was a drop in the share from the EU-15 (from 69.3% in 2003 to 68% in 2004), and generally from developed countries (North America reduced its quota by 0.5% compared to 2003, and the other European countries reduced theirs by 0.3%). Quotas from less advanced areas of the world increased, however, including non-EU Mediterranean countries (from 3.2% in 2003 to 4% in 2004), Central and South America (from 8.2% to 9%) and the Asian continent (from 4.5% to 4.9%). This confirmed the trend observed in previous years of a geographical reorientation of agri-food imports to less advanced countries.

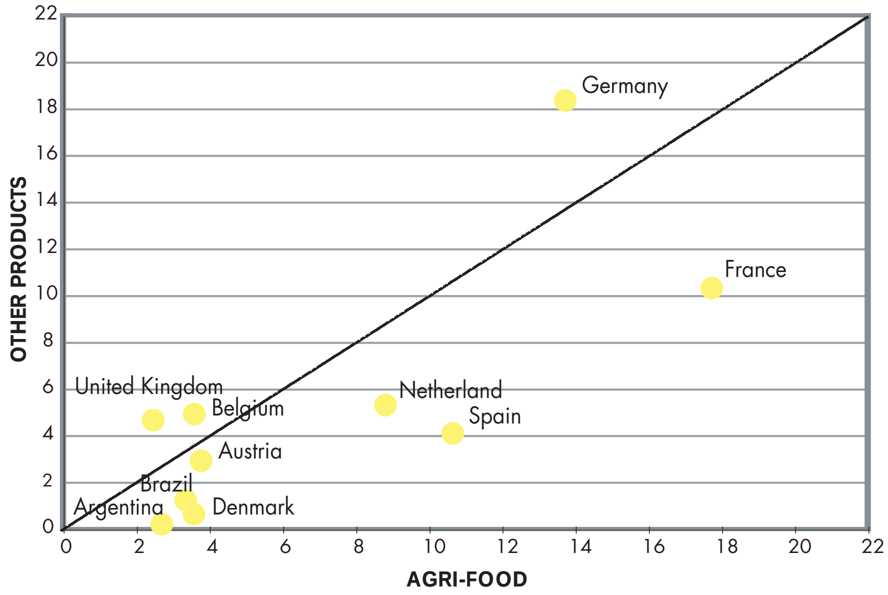
1.3.2 The main countries of source and destination of agri-food trade

Graphs 1.2 and 1.3 show the share of each of Italy's top ten suppliers and customers in agri-food trade, compared to their share of total trade: countries listed above (below) the bisecting line have a lesser (greater) role as Italy's suppliers or customers in the agri-food area, compared to their share of total trade.

As already pointed out in previous editions of this Report, Germany and France are Italy's major suppliers, for both agri-food and other products. France has a relatively greater share in imports of agri-food products, while Germany has a greater share in imports of other products. Spain and the Netherlands are important suppliers to Italy, especially for agri-food products, with 10% and 9% respectively of agri-food imports, far greater than their shares in purchasing of other products. Only two non-EU countries, Argentina and Brazil, are among Italy's top ten suppliers.

Looking in detail at the trend in agri-food imports

Graph 1.2. PERCENTAGE SHARE OF ITALY'S TOP TEN SUPPLIER COUNTRIES IN 2004



Graph 1.3. PERCENTAGE SHARE OF ITALY'S TOP TEN BUYER COUNTRIES IN 2004

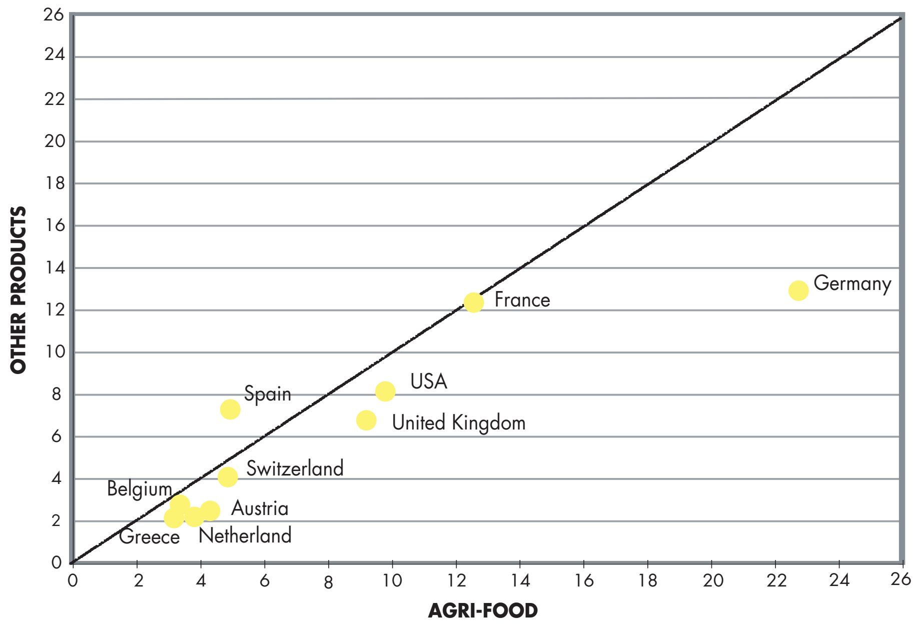


TABLE 1.8. **STRUCTURE OF ITALY'S AGRI-FOOD IMPORTS: TOP 20 COUNTRIES OF ORIGIN**

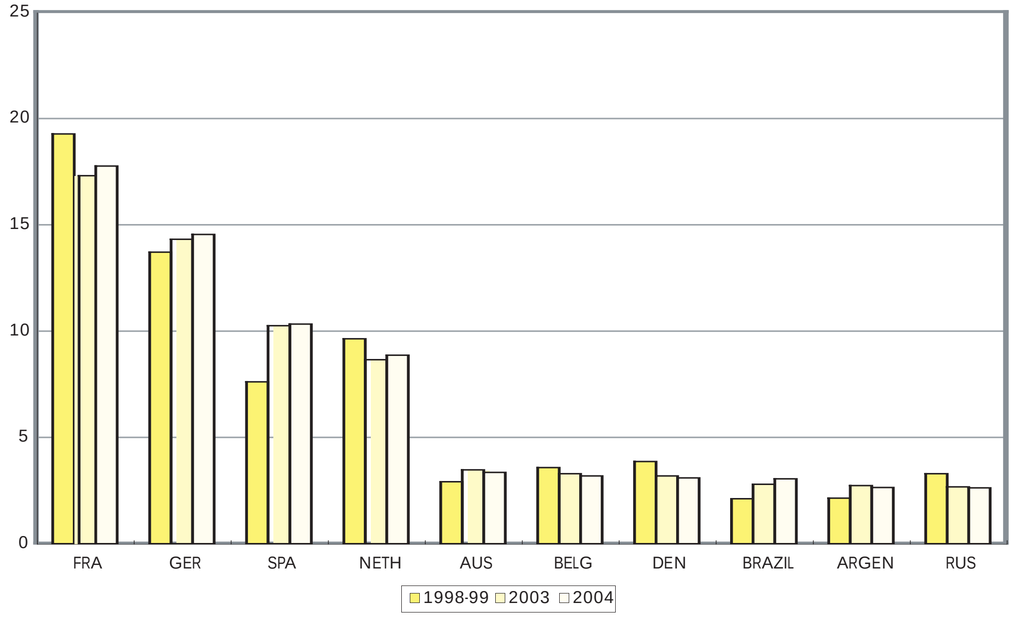
	ABSOLUTE VALUES (million euro)		QUOTA	QUOTA '04	VARIATION % 2004/2003		
	2004	2003	2004 (%)	CUMULATIVE (%)	VALUES	VOLUME	PRICES
France	4,977.8	4,704.3	17.77	17.77	5.8	-1.2	7.1
Germany	4,075.8	3,845.4	14.55	32.33	6.0	2.1	3.8
Spain	2,892.5	2,759.6	10.33	42.65	4.8	0.7	4.1
Netherlands	2,484.5	2,369.0	8.87	51.52	4.9	-2.2	7.2
Austria	937.5	938.5	3.35	54.87	-0.1	-3.3	3.3
Belgium	892.5	881.2	3.19	58.06	1.3	-3.4	4.8
Denmark	864.9	867.0	3.09	61.15	-0.3	-0.7	0.5
Brazil	854.9	590.0	3.05	64.20	44.9	31.7	10.1
Argentina	743.0	711.8	2.65	66.85	4.4	-3.0	7.6
United Kingdom	735.3	737.7	2.63	69.48	-0.3	-5.1	5.0
USA	648.5	727.7	2.32	71.79	-10.9	11.2	-19.9
Greece	454.5	703.3	1.62	73.41	-35.4	-41.3	10.2
Tunisia	386.3	127.3	1.38	74.79	203.5	156.3	18.4
China	367.5	325.7	1.31	76.10	12.9	17.1	-3.6
Turkey	343.0	353.4	1.22	77.33	-2.9	-14.5	13.6
Ireland	332.8	322.5	1.19	78.52	3.2	7.8	-4.3
Australia	326.4	322.3	1.17	79.68	1.3	11.9	-9.5
Hungary	256.4	227.8	0.92	80.60	12.6	15.3	-2.4
Poland	243.6	154.6	0.87	81.47	57.6	53.6	2.6
Thailand	238.9	194.2	0.85	82.32	23.0	10.1	11.8
WORLD	28,007.9	26,753.6	100.00	100.00	4.7	11.7	-6.3

in 2004 by main partner countries (table 1.8), we can see that – with the sole exception of Greece – Italian purchases from EU countries underwent only slight changes compared to the year before, showing rates of growth in value close to 4.7% on average. For the second straight year, France and Germany recorded above-average increases in imports, thus increasing their share in Italy's agri-food product supply.

On the contrary, there were notable changes for some non-EU countries. Imports from the United States dropped for the second straight year (-11%), due to a net drop in average unit values (-20%), but purchases from Brazil increased by 45%, following the severe drop of the previous year, due to an increase in both prices and import volume. As stated, acquisitions from Poland increased considerably (+57.6% in value), as a consequence of an effective increase in quantities purchased, bringing Poland into the group of Italy's top twenty suppliers of agri-food goods, with a quota of 2.6%. There was also a surprising increase in imports from Tunisia (+203% in value) due to an increase in import volume (+156%), putting Tunisia in 13th place among Italy's supplier countries. There were lesser increases in imports from China (+13%), especially when compared to what occurred with non-agri-food products, due to a significant increase in volume (+17%) and a slight drop in prices (-3.6%).

Despite changes over the course of the year, and the trend of progressive reorientation toward the area of developing countries emphasised in the previous paragraph, it should be remarked that agri-food imports still appear notably concentrated within the EU: France and Germany ensure approximately 32%

GRAPH 1.4. STRUCTURE OF ITALY'S AGRI-FOOD IMPORTS BY COUNTRY: PERCENTAGE SHARE OF TOP TEN SUPPLIER COUNTRIES



of total purchases from abroad, and the top four countries, all members of the EU, account for over 51% of agri-food imports. In the last five years, Germany and Spain's shares have grown and those of France and the Netherlands have dropped (graph 1.4)

The geographical orientation of exports (graph 1.3) is different in part. Germany and France are again Italy's major partners, but Germany in this case constitutes a much more important outlet market for agri-food products than for other goods, which indicates that Italy has comparative advantages over Germany in the agri-food sector. Two non-EU developed countries, the USA and Switzerland, have significant shares as outlet markets, for both agri-food products and other goods.

Looking at individual EU partners (table 1.9), the performance of Italy's agri-food exports is varied: less positive for Germany, to which Italy's agri-food exports grew at a decidedly lower-than-average rate (1.4%), and better for France and the U.K. (4.7% and 6.6%, respectively). There was a significant increase in sales to markets in Spain (14.5%) – mainly due to an increase in quantities exported – Denmark (11.4%) and Portugal (10%). In Portugal and Denmark, the increase in sales was caused by a growth in average unit values, which, in the absence of monetary effects, probably indicates a change in the commodity breakdown of exported products that favours goods of superior quality. Among New Member States, sales increased to Poland (+16.6%), due to a notable growth in import volume (+27%) and a drop in prices (-8.5%).

Among non-EU countries, growth in exports to the United States was higher than average (4.8%), thanks to a notable increase in export volume (15.7%) in the face of a significant drop in prices (-9.4%). This trend was unexpected, considering that after the appreciation of the euro to the dollar, one would have expected to see stability in euro prices, but a substantial drop in exported volume. It should also be emphasised that this trend was not observed for overall exports from Italy to the U.S., since average unit values of overall exports are reported to have drop-

TABLE 1.9. STRUCTURE OF ITALY'S AGRI-FOOD EXPORTS: TOP 20 COUNTRIES OF DESTINATION

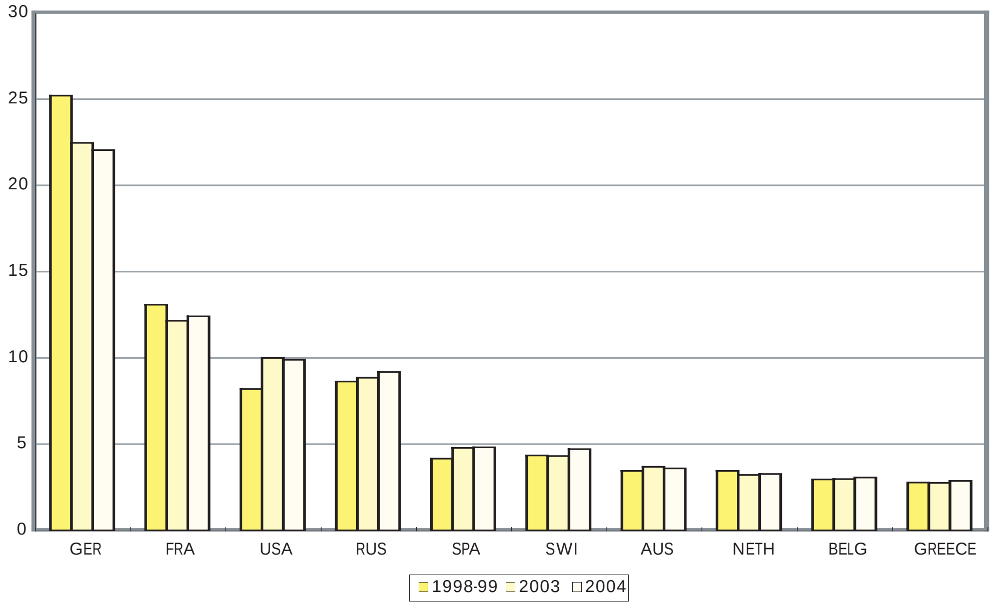
	ABSOLUTE VALUES (million euro)		QUOTA	QUOTA '04	VARIATION % 2003/2003		
	2004	2003	2004 (%)	CUMULATIVE (%)	VALUES	VOLUME	PRICES
Germany	4,339.9	4,278.4	22.05	22.05	1.4	-3.7	5.4
France	2,439.6	2,329.5	12.40	34.45	4.7	0.9	3.8
USA	1,947.4	1,857.6	9.89	44.34	4.8	15.7	-9.4
United Kingdom	1,805.7	1,693.2	9.17	53.52	6.6	4.5	2.0
Spain	949.0	829.1	4.82	58.34	14.5	10.6	3.5
Switzerland	924.5	890.9	4.70	63.04	3.8	4.2	-0.4
Austria	709.1	711.7	3.60	66.64	-0.4	-1.3	1.0
Netherlands	640.8	618.5	3.26	69.89	3.6	3.5	0.1
Belgium	601.3	564.6	3.06	72.95	6.5	9.2	-2.4
Greece	563.9	532.3	2.87	75.81	6.0	-3.4	9.6
Japan	463.2	450.9	2.35	78.17	2.7	3.2	-0.5
Canada	326.6	304.2	1.66	79.83	7.4	3.7	3.5
Denmark	287.5	258.2	1.46	81.29	11.4	2.5	8.7
Sweden	283.8	287.9	1.44	82.73	-1.4	-7.6	6.7
Russia	223.0	221.8	1.13	83.86	0.5	5.8	-5.0
Australia	188.0	160.6	0.96	84.82	17.1	13.5	3.2
Poland	177.5	152.3	0.90	85.72	16.6	27.4	-8.5
Portugal	165.0	150.2	0.84	86.56	9.9	1.9	7.8
Croatia	158.5	145.8	0.81	87.36	8.7	5.5	3.1
Slovenia	133.7	126.8	0.68	88.04	5.4	11.6	-5.5
WORLD	19,681.4	18,943.0	100.00	100.00	3.9	3.1	0.8

ped by only 0.7%, in the face of an increase of 2.9% in volume. Therefore, the trend in agri-food exports to the USA, Italy's third-largest outlet market, was very peculiar and may derive from two factors: it is possible, in fact, that exporters preferred to reduce their profit margins, lowering prices in euro, in order to prevent appreciation of the euro from causing a sharp drop in quotas on the U.S. market; but it is also possible that the drop in average unit values reflects a change in commodity breakdown of products sold on the U.S. market, toward a mix of lower quality that would, however, be rewarded in terms of sales volume.

Exports to Switzerland, on the contrary, grew at close to average rates, and showed no anomalous variations in prices. Among other developed countries, there was a clear recovery in exports to Australia, following a significant decrease the previous year, with an increase of 17% in one year, and good results were seen with Canada (+7%) and Croatia (+8.7%), determined mainly by a growth in export volume.

The structure of agri-food exports remains significantly concentrated geographically: in 2004, approximately 34% of Italy's exports went to Germany and France, and the top five countries accounted for over 58% of foreign sales. As stated, two non-EU countries were particularly important, the U.S. (10%) and Switzerland (4.7%). In the last five years (graph 1.5) Germany became less important as an outlet for Italy's agri-food exports, whereas there was a growth in U.S. and Swiss markets. Nonetheless, in relative terms, the trend to partial reorientation of national exports to the USA experienced a sharp slowdown in the past year, with a slight decrease in the USA's share as an outlet market for Italian exports.

GRAPH 1.5. **STRUCTURE OF ITALY'S AGRI-FOOD EXPORTS BY COUNTRY: PERCENTAGE SHARE OF TOP TEN BUYER COUNTRIES**



1.4 Structure and trend of agri-food trade

The trend of agri-food trade from a commodity standpoint may be examined using three different scatter criteria. A first criterion is based on a "traditional" type of classification, and divides the agri-food trade balance into 28 categories identified using a criterion of type of product, 16 in the primary sector and the other 12 in the agri-food industry. Paragraph 1.4.1 examines the structure by category of agri-food trade and its development in the past five years. Paragraph 1.4.2 analyses the geographical orientation of trade for various categories, while paragraph 1.4.3 examines performance of the various categories in the last year, scattering nominal variations in the effects of price and volume.

A second criterion, defined "by product", uses a commodity scattering that is driven more by agri-food trade balance, dividing it into 180 products. Paragraph 1.4.4 examines the year's results by main products of import and export.

Finally, a third criterion is used in the last paragraphs of the chapter, where the agri-food trade balance has been divided according to two different approaches. In the first case (the so-called balance by origin and destination), products are grouped according to their origin and destination. In the second case (balance by trade specialisation), products are grouped based on their trade characteristics.

1.4.1 The structure by section of agri-food trade

Italy's agri-food trade has for some time demonstrated a net prevalence of processed products over agricultural products, following the general trend in developed countries to reduce trade in commodities, which until ten years ago actually made up the greater part of international agri-food trade, and to increase trade in processed products. In Italy, this trend is particularly significant, as Italy has strengthened its position as a processing country for raw agricultural materials, specialising less and less in production of fresh agricultural goods and commodities.

TABLE 1.10. STRUCTURE OF ITALY'S AGRI-FOOD TRADE BY CATEGORY
(percentage share)

	1998-1999		2003		2004	
	Import	Export	Import	Export	Import	Export
Cereals	5.6	0.4	5.5	0.3	5.5	0.4
Fresh legumes and vegetables	1.9	4.6	2.6	4.2	2.3	3.5
Dried legumes and vegetables	0.3	0.1	0.3	0.1	0.3	0.1
Citrus	0.7	0.6	0.9	0.5	0.8	0.5
Fresh fruit	3.1	10.5	3.7	9.7	3.3	7.8
Dried fruit and nuts	1.2	0.8	1.4	0.8	1.4	1.0
Fibrous raw plant products	2.1	0.1	1.2	0.1	1.0	0.1
Seeds and oil fruits	1.3	0.1	1.7	0.1	1.9	0.1
Cocoa, coffee, tea, condiments and spices	3.8	0.2	2.3	0.2	2.0	0.2
Flowers and ornamentals	1.5	2.6	1.4	2.4	1.3	2.4
Raw tobacco	0.7	1.2	0.6	1.4	0.3	1.0
Live animals	6.6	0.4	5.4	0.2	4.8	0.2
Other livestock by-products	2.1	0.1	1.7	0.2	1.6	0.1
Forestry products	3.3	0.6	2.8	0.6	2.9	0.5
Products from hunting and fishing	3.1	1.1	3.1	0.8	3.0	0.9
Other products	0.6	0.6	0.5	0.6	0.5	0.6
Total primary sector	38.0	23.9	35.1	22.2	33.1	19.5
Cereal derivatives	1.7	14.7	2.2	13.8	2.3	13.8
Sugar and sweet products	2.8	3.7	3.9	3.6	4.3	3.4
Fresh and frozen meat	13.1	3.3	12.3	3.0	12.1	3.5
Prepared meats	0.6	3.4	0.6	3.7	0.7	3.9
Processed and preserved fish	8.2	1.2	9.0	1.4	8.3	1.3
Processed vegetables	2.3	6.6	2.5	6.6	2.5	6.0
Processed fruit	1.5	4.3	1.7	3.8	1.5	3.5
Milk and dairy products	11.2	6.3	10.3	7.4	10.2	7.2
Of which cheese	4.6	4.8	4.4	5.8	4.3	5.8
Oils and fats	5.8	5.3	6.6	5.8	7.1	6.2
Oilcakes, oil seed flour	3.3	1.2	3.6	0.9	3.6	0.8
Drinks	3.5	19.1	4.4	19.9	4.2	20.0
Of which wine	0.8	14.7	0.9	14.1	0.9	14.3
Other products from the food industry	7.9	7.0	7.7	8.0	6.8	8.4
Total Food Industry	62.0	76.1	64.9	77.8	63.7	77.9
Agri-food goods below 1-24 chapter					3.2	2.6
TOTAL AGRI-FOOD	100.0	100.0	100.0	100.0	100.0	100.0

Table 1.10 gives the percentage share of each category in the past five years. It can be seen that the primary sector today makes up a minor share of Italian agri-food trade, and its importance has shrunk further in the last five years, in both imports and exports. In any case, the primary sector has a much greater share of imports (approximately 33% of total agri-food imports) compared to Italian exports (19.5% of agri-food exports), and just in the last year have both dropped by over two percentage points. In the last five years, the overall role of processed food products has grown to approximately 78% of exports and 63.7% of imports.

So, while Italy's agri-food system continues the trend of reinforcing its trade specialisation in processed products, it should nevertheless be noted that this also involves a significant influx from abroad of both raw agricultural materials and intermediate goods, which is partly responsible for the agri-food deficit.

The lower share of the primary sector in overall exports in 2004 is entirely due to the decline in the sector of fresh fruits and vegetables. Fresh fruit, which in 2003 made up around 9.7% of agri-food exports, dropped to 7.8% in 2004, while legumes and fresh vegetables dropped by 0.7%. Though this trend fits into a decline in Italian foreign sales, it should nonetheless be noted that in the last year this process accelerated at a pace unparalleled in past years. The export share also dropped for processed fruit and vegetables, as against substantial stability in imports for this sector. Overall, then, in 2004 serious erosion continued in Italy's traditional trade specialisation in fruit and vegetables, both fresh and processed.

For the rest, the trade structure by section does not appear significantly different than the year before. Cereal derivatives, wine, cheeses and oils and fats remained strong categories of Italy's agri-food exports, with strengthening in oils and fats and wine in 2004, in the face of substantial stability in the other two sections. On the import side, the decline continued in purchases of livestock products, both processed (including "fresh and frozen meats" and "milk and dairy products") and live animals.

But, contrary to the past, the share for processed and preserved fish dropped from 9% in 2003 to 8.3% in 2004. There was also a significant increase in 2004 in imports of "sugar and confectionery" and oils and fats, in both cases confirming trends already observed in recent years.

1.4.2. Geographical distribution of agri-food trade by category[6]

The geographical distribution of trade by category shows a clear differentiation between the structure of transactions with the EU-15 and with other geographical areas. The EU-15 appears relatively more important as an outlet market for Italy's agricultural exports (approximately 75% of exports are directed towards EU-15 markets) and relatively less important for primary imports (50%). As for processed products, however, EU-15 markets provide 76% of imports and receive 62% of exports. This suggests a rather significant specialisation within the EU for agricultural production, for which Italy still holds some competitive advantages. Partly similar is the overall situation of trade with New Member States, to which Italy exports approximately 6% of its agricultural production, and from which it buys only 3.3% of imports of primary goods. For processed products, the quota destined for New Member States is decidedly lower (only 3.6%), indicating that in this case as well, Italy's position is similar to that of the EU-15. Vice versa, compared to all other geographical areas, Italy on the whole is a country that specialises in processing of agricultural products.

Going into detail of individual categories, it can be noted that for some, the EU claims a large majority in trade quotas, in some cases practically exclusive. These are categories in which the degree of European Community preference has been traditionally high, or in which costs of intercontinental transport justify developing trade prevalently within the area. For milk and dairy products, for example, nearly 94% of imports come from the EU-15, and 3.6% from New Member States, totalling approximately 98% of imports within the expanded Union. In this case, the perishability of milk on the one hand, and the persistent preference for European milk and dairy products on the other, explain the strong regional integration to the disadvantage of exchange with non-EU countries. In other livestock sections as well, traditionally important among Italian agri-food imports, there is a similar concentration of imports within the EU: 83% of imports of live animals and 88% of foreign purchases of fresh and frozen meat come from the EU-15. If we also consider the New Member States, these quotas rise to 95% for live animals and 92% for fresh and frozen meats. In the most relevant livestock categories

(6) Data referred to in this paragraph do not appear in the tables contained in the text, but are based on the INEA data bank, which may be consulted on the Cd Rom attached to the present volume.

imported, then, Italian trade occurs almost exclusively within the expanded Union.

Vice versa, in other categories of net imports, including cereals, seeds and oil fruits, the group of products "cocoa, coffee, tea, condiments and spices" and forestry products, the majority of purchases are from non-EU countries and the EU-25, with the exception of cereals, which often represent less than 20% of overall imports.

On the export side, the EU's role is less predominant if one looks at major categories of net export, with extra-EU outlets assuming greater importance: to cite just a few of the most important products, 67% of cheeses, 68% of cereal derivatives, 62% of processed vegetables, 54% of wines and only 43% of oils and fats are destined for countries in the expanded Union.

Other developed countries, like North America and other European countries, absorb large quotas of Italian exports: 18% of foreign sales of cheese, 36% of oils and fats, 31% of wine and 12% of edible pasta are destined for countries in North America, which remain an important outlet market for Italian food production. With respect to North America, Italy is a strong net processor of agricultural products, particularly cereals (over 24% of cereals imported to Italy come from North America) and oilseeds. Switzerland also absorbs significant quotas of exports of processed products: 9% of cheeses, 5% of pasta and 9% of wines are destined for the Swiss market. Asia too is an important market for some processed products, especially pasta (8%), oils and fats (8.3%) and processed vegetables (7%), and at the same time is an important supplier of some tropical products, like "cocoa, coffee, tea, condiments and spices" (21%).

Central and South America are important areas of supply for some primary commodities (approximately 14% of goods imported from Italy) and its role is becoming stronger: this mostly involves oilseeds (69%), the group "cocoa, coffee, tea, condiments and spices" (43%), fresh fruit (44%) and citrus (19%), with appreciable growth in the share of total Italian imports in recent years. On the contrary, Central and South America play a much less important role as an outlet market for Italian processed products.

Non-EU Mediterranean countries are important suppliers of some products, partly favoured by trade preference agreements stipulated with the EU in recent years, but also because of their geographical vicinity to Italy: approximately 31% of dried fruit and nuts comes from this area, an important supplier of all products in the Mediterranean area, including fresh vegetables (9%), processed fruit (8.6%) and oils and fats (21%). Non-EU Mediterranean countries are also important suppliers of non-processed fish (8.2%) and processed and preserved fish (5%). They contribute a moderate outlet market only for some processed products, like sugar and confectionery (6%) and cereal derivatives (4.3%).

If we observe the geographical distribution of various categories, grouping partner countries by income, some structural features of Italian agri-food trade emerge, in part mentioned earlier. Particularly, emphasis may be made of the notable concentration of transactions with the wealthiest countries, greater for exports (93%) than for imports (79%). Contrarily, developing countries are much more important as suppliers for Italy (20%) than as outlet markets for our exports, absorbing only 6% of total foreign sales. Italy's trade specialisation is also different for the two areas. Italy is a net exporter to developed countries of processed products with high value added, since it imports much less from these countries (around 83% of total imports) than it exports (around 93% of total food product exports). Italy is also in a similar position for agricultural products with developed countries, to which it exports some 96% of its own products, while it acquires only 75% of imports. Vice versa, with developing countries, Italy is a net importer, for both agricultural products and processed goods. This confirms the trend, already observed in the previous edition of this report, of favouring markets of wealthy countries for their exports, whether agricultural or processed, and of buying raw agricultural materials from less wealthy areas of the world.

1.4.3. The dynamics of agri-food trade by category in 2004

The recovery in Italian agri-food exports in 2004 was entirely driven by the good results in the food industry (+41%), while there was a sharp reduction in exports of agricultural products (-9%) (table 1.11). The negative performance of agricultural products on foreign

TABLE 1.11. ITALY'S AGRI-FOOD TRADE BY CATEGORY

	2004 (MILLION EURO)			VARIATION % 2004/03 CURRENT VALUES		COMP. "VOLUME"		COMP. "PRICES"	
	Import	Export	Nb	Import	Export	Import	Export	Import	Export
Cereals	1,543.2	80.0	-90.1	5.3	25.2	5.5	21.4	-0.2	3.1
Fresh legumes and vegetables	646.8	682.4	2.7	-7.8	-14.2	268.8	-1.5	-75.0	-12.8
Dried legumes and vegetables	91.8	27.1	-54.4	1.3	5.0	0.4	4.6	0.9	0.4
Citrus	235.6	96.3	-42.0	-4.7	10.8	-2.8	15.0	-1.9	-3.6
Fresh fruit	933.7	1,540.7	24.5	-6.0	-15.9	2.3	-7.2	-8.1	-9.3
Dried fruit and nuts	395.8	194.9	-34.0	3.2	24.0	-10.2	-1.6	14.9	26.0
Fibrous raw plant products	291.0	11.6	-92.3	-9.0	-8.1	-18.4	10.9	11.4	-17.1
Seeds and oil fruits	533.8	18.1	-93.4	19.5	5.1	14.1	6.5	4.8	-1.3
Cocoa, coffee, tea, condiments and spices	561.5	37.7	-87.4	-6.9	12.5	-0.9	-3.2	-6.0	16.1
Flowers and ornamentals	364.5	465.7	12.2	-4.4	1.3	1.1	3.1	-5.5	-1.7
Raw tobacco	83.6	205.9	42.2	-43.2	-21.0	-32.6	-2.3	-15.7	-19.1
Live animals	1,346.0	41.5	-94.0	-7.5	-4.6	-5.9	-31.6	-1.7	39.5
Livestock by-products	452.2	27.1	-88.7	-0.9	-32.1	-2.0	-33.2	1.0	1.6
Forestry products	800.4	107.2	-76.4	7.9	-1.2	7.2	10.5	0.6	-10.6
Products from hunting and fishing	842.2	171.2	-66.2	1.7	7.8	24.3	50.9	-18.2	-28.6
Other products	144.6	123.9	-7.7	5.9	8.8	-3.6	14.8	9.9	-5.2
Total primary sector	9,266.8	3,831.2	-41.5	-1.4	-9.0	21.0	1.3	-18.5	-10.1
Cereal derivatives	640.5	2,706.6	61.7	10.0	3.6	11.1	3.6	-1.0	0.0
Sugar and sweet products	1,199.2	677.9	-27.8	13.8	0.6	20.3	0.6	-5.4	0.0
Fresh and frozen meat	3,397.7	681.6	-66.6	3.4	18.9	-0.4	15.6	3.9	2.9
Prepared meat	201.0	762.3	58.3	20.1	10.2	13.5	7.6	5.9	2.4
Processed and preserved fish	2,325.5	260.5	-79.9	-3.1	-0.5	3.8	4.2	-6.7	-4.5
Processed vegetables	689.9	1,177.2	26.1	1.4	-5.8	1.1	-3.4	0.3	-2.4
Processed fruit	425.4	696.9	24.2	-4.1	-2.3	-8.1	-5.8	4.3	3.7
Milk and dairy products	2,868.4	1,418.1	-33.8	3.7	1.2	7.5	5.2	-3.6	-3.8
Of which cheese	1,204.6	1,140.7	-2.7	1.6	3.3	4.4	6.5	-2.7	-3.0
Oils and fats	1,999.0	1,211.2	-24.5	13.2	10.3	5.5	0.8	7.4	9.5
Oilcakes, oilseed flour	1,006.2	153.3	-73.6	3.6	-5.4	-3.7	1.5	7.6	-6.8
Drinks	1,178.8	3,941.8	54.0	-0.1	4.3	22.5	-4.2	-18.5	8.9
Of which wine	247.9	2,822.2	83.9	4.6	5.4	33.0	3.9	-21.4	1.4
Other products from the food industry	1,906.7	1,652.1	-7.2	-7.4	8.8	5.6	25.9	-12.3	-13.6
Total Food Industry	17,838.2	15,339.6	-7.5	2.8	4.1	6.7	3.6	-3.6	0.5
Agri-food goods below 1-24 chapter	902.9	510.6	-27.7						
TOTAL AGRI-FOOD	28,007.9	19,681.4	-17.5	4.7	3.9	11.7	3.1	-6.3	0.8

markets, taken as a whole, stems from a notable drop in export prices (-10%), whereas volume remained at slightly higher levels than the year before. Vice versa, the price of exports for food products remained stable, with a slight increase in export volumes. The trend of Italy's foreign sales does not seem to have been affected primarily by the appreciation of the euro, but rather by other factors. Indeed, for food products, despite price stability in euro prices, and the consequent increase in the price of foreign currencies, there was no decrease in volume sold, but rather an increase; thus, the food industry, though penalised in

Table 1.12. STRUCTURE OF ITALY'S AGRI-FOOD EXPORTS: TOP 20 PRODUCTS

	ABSOLUTE VALUES 2004 (million euro)	ABSOLUTE VALUES 2003 (million euro)	QUOTA 2004 (%)	QUOTA '04 CUMULATIVE (%)	VARIATION % 2004/2003 VALUES	VOLUME	PRICES
PSR red and rosé wines	987.7	929.5	5.02	5.02	6.3	5.4	0.8
Canned and peeled tomatoes	864.9	932.5	4.39	9.41	-7.3	-2.7	-4.7
Non-egg. non-filled pasta	860.6	844.4	4.37	13.79	1.9	2.1	-0.2
Virgin and extra-virgin olive oil	655.1	580.4	3.33	17.11	12.9	4.9	7.5
Bread and pastry	620.1	579.4	3.15	20.26	7.0	4.8	2.2
Hard cheese	517.6	487.8	2.63	22.89	6.1	8.4	-2.1
Non-PSR red and rosé wines	510.0	490.2	2.59	25.49	4.1	4.2	-0.2
Non-PSR white wines	498.1	455.2	2.53	28.02	9.4	9.1	0.3
Cocoa-based sweet products	473.2	442.1	2.40	30.42	7.0	8.6	-1.5
Aquavit and liqueurs	460.4	436.7	2.34	32.76	5.4	-15.9	25.4
Other prepared pigmeat	418.1	379.6	2.12	34.88	10.2	6.4	3.5
Roasted coffee	402.4	359.4	2.04	36.93	12.0	11.1	0.8
Other food products	392.6	385.4	1.99	38.92	1.9	64.2	-38.0
Dessert grapes	387.8	475.5	1.97	40.89	-18.5	-10.7	-8.7
Bread products	364.9	361.4	1.85	42.75	1.0	0.7	0.3
PSR white wines	364.5	366.2	1.85	44.60	-0.5	-1.7	1.2
Apples	348.1	415.4	1.77	46.37	-16.2	-24.0	10.2
Other olive oil	336.5	288.0	1.71	48.08	16.9	0.9	15.9
Prepared and preserved fruit	334.4	334.6	1.70	49.78	0.0	-10.0	11.0
Fruit juices	322.0	331.4	1.64	51.41	-2.8	-1.3	-1.5
TOTAL AGRI-FOOD	19,681.4	18,943.0	100.00	100.00	3.9	3.1	0.8

terms of price on foreign markets, did not lose competitiveness. On the other hand, for agricultural products prices in euro went down at rates actually greater than the depreciation of the euro – and this was caused by factors that cannot be ascribed to monetary trends – with the result that on foreign markets the price of Italian agricultural goods went down slightly, allowing for substantial maintenance of sold volume.

On the import side, those of agricultural products slackened (-1.4%), with a considerable decrease in import prices (-18.5%) and an equally marked increase in volume. Vice versa, imports of food products increased by 2.8%, with a drop in import prices (-3.6%) and an increase in volume (+6.7%). It can thus be noted that during 2004, important phenomena occurred in the reduction of import prices, which also in this case, however, cannot be entirely ascribed to monetary phenomena, for two reasons: in the first place, because the rate of depreciation of the euro stabilised in nominal terms at 7%, as stated in the first paragraph, whereas variations in euro prices of foreign goods imported to Italy reached higher levels for agricultural products; in the second place, because a large part of transactions in categories that showed significant price drops frequently occurred with the EU-15 countries that have adopted the euro.

Looking in detail at the trend of individual categories, it should be emphasised that the fresh fruit and vegetable sector in 2004 recorded extremely negative performance in trade: exports of legumes and fresh vegetables and of fresh fruit dropped by 14.2% and 9.2%, respectively, due to a drop in both prices and export volume. Imports also dropped in value, because of a significant decrease in import prices, whereas volume purchased from abroad increased. For the sector, then, it was a very bad year for trade, with a considerable reduction in normalized balance, from 7.4% to 2.7% for legumes and fresh vegetables, and from 29.7% to 24.5% for fresh fruit.

For the first time in many years, however, Italy's trade position for transactions in citrus improved, with an increase in exports (+10.8%) and a decrease in imports (-4.7%). The normalized balance, though still largely negative, shrank in absolute terms by around 4 percentage points. The positive dynamics of foreign citrus sales seems entirely due to an increase in market quotas for Italian products: volume increased by 15% compared to 2003, whereas prices dropped slightly (-3.6%).

Among primary sector categories of net export, transactions in raw tobacco dropped significantly, with a decrease in both imports (-43.2%) and exports (-21%), in a distinct counter-trend to previous years. In 2004, there was a notable decrease in both volume of trade, particularly imports (-32.6%), and prices (-15.7% for imports and -19.1% for exports). Overall, as a direct consequence of the significant drop in import value, the normalized balance for the sector increased considerably, from 27.6% in 2003 to 42.2% in 2004. Among the other agricultural categories of net export, note the good performance of flowers and ornamentals, for which the drop in imports (-4.4%) allowed for a slight improvement in normalized balance (+0.7%).

The traditional agricultural categories of net import showed differing trends in 2004: the normalized balance for cereals improved by approximately 2 percentage points as a result of a considerable increase in exports (+25%); the normalized balance also improved for "coffee, tea, condiments and spices" due to a drop in import prices caused mostly by the appreciation of the euro. Transactions in live animals dropped, both imports and exports, leaving Italy's trade position unchanged. Finally, the normalized balance for forestry products worsened, because of an increase in import volume (+7.2%), despite substantial stability in import prices.

Looking at results of main net export categories in the food industry, we see differentiated trends: positive for cereal derivatives (with an increase in exports of 3.6%), wine (+5.4%), oils and fats (+10%) and cheeses (+3.3%), clearly reversing the slump of the previous year, with a recovery in export volumes to foreign markets. On the contrary, the situation continued to worsen for processed vegetables, with a reduction in exports (-5.8%), and for processed fruit (-2.3%), mainly caused by a decrease in volume sold.

As regards the most important categories of net import, we also see differentiated trends. In the first place, note the growth in imports of sugar and confectionery (+13.8%), connected to a decided increase in import volume (+20%), in the face of a much lower reduction in prices (-5.4%). It should be emphasised that these are significant variations that originate from sector, not monetary, phenomena, as imports of these goods come in large part from EU countries in the euro zone. There were lesser increases in imports of fresh and frozen meats (+3.4%) and milk and dairy products (+3.7%), whereas imports of processed and preserved fish dropped (-3.1%). But there were significant increases in imports of oils and fats (+13.2%), mainly determined by higher import prices.

1.4.4. Main imported and exported agri-food products

Tables 1.12 and 1.13 show the structure and trend of exports and imports of the top 20 products in Italy's agri-food balance. This involved a more marked scattering from the standpoint of commodities than that previously used for product categories, dividing overall agri-food trade into 180 products[7]. The wider scattering used shows even more clearly the noticeable concentration of Italy's agri-food trade: as for exports (table 1.12), the top ten products are responsible for over a third of total foreign sales in the sector, and the top twenty products account for 50%. On the import side (table 1.13), the concentration appears similar: the top

(7) See chapter 3 for a detailed analysis of trends for individual categories and products.

TABLE 1.13. **STRUCTURE OF ITALY'S AGRI-FOOD IMPORTS: TOP 20 PRODUCTS**

	ABSOLUTE VALUES (million euro)		QUOTA	QUOTA '04	VARIATION % 2004/2003		
	2004	2003	2004 (%)	CUMULATIVE (%)	VALUES	VOLUME	PRICES
Semi-proc., fresh or refrig. pigmeat	1,092.1	1,015.6	3.90	3.90	7.5	0.6	6.9
Oilcakes	1,006.2	970.8	3.59	7.49	3.6	-3.7	7.6
Semi-processed, fresh or refrig, beef	1,000.4	945.6	3.57	11.06	5.8	5.3	0.5
Virgin and Extra-virgin olive oil	944.2	824.7	3.37	14.43	14.5	3.4	10.7
Herd cattle	856.3	906.9	3.06	17.49	-5.6	-3.1	-2.6
Frozen shellfish and mollusks	854.3	925.1	3.05	20.54	-7.7	1.6	-9.1
Soft wheat and spelt	747.9	743.2	2.67	23.21	0.6	-3.5	4.3
Non-food livestock by-products	731.2	946.3	2.61	25.82	-22.7	-11.9	-12.3
Liquid mild	707.5	657.2	2.53	28.35	7.7	10.8	-2.8
Medium-hard cheese	691.4	735.1	2.47	30.82	-5.9	-1.9	-4.1
Sugar and other sweet products	690.4	535.7	2.46	33.28	28.9	29.4	-0.4
Prepared fish, mollusks and shellfish	670.8	664.5	2.40	35.68	0.9	9.9	-8.2
Fresh or frozen fish	515.5	498.8	1.84	37.52	3.4	0.0	3.3
Wood, cork and bamboo	499.7	489.7	1.78	39.30	2.0	5.8	-3.6
Seed oils and vegetable fats	438.6	463.5	1.57	40.87	-5.4	-2.9	-2.6
Raw wax, wool and hides	410.5	410.5	1.47	42.33	0.0	1.1	-1.1
Cocoa-based sweet products	390.5	408.3	1.39	43.73	-4.4	7.7	-11.2
Soy seeds	383.5	327.5	1.37	45.10	17.1	1.5	15.4
Raw coffee	382.1	374.7	1.36	46.46	2.0	0.7	1.3
Other food products	380.3	339.4	1.36	47.82	12.1	50.4	-25.5
TOTAL AGRI-FOOD	28,007.9	26,753.6	100.00	100.00	4.7	11.7	-6.3

ten products are responsible for over 30% of imports and the top twenty for 48%.

Among the top export products are the traditional Made in Italy food industry products, like red and rosé wines (both PSR and non-PSR), canned tomatoes, pasta, virgin and extra-virgin olive oil, biscuits and pastries, and hard cheeses; this confirms the importance of these goods as Italian exports, recognised by foreign consumers as typical products of the Italian and Mediterranean diets. Top export products also include fresh products, including dessert grapes (in 14th place) and apples (17th).

On the import side, the top ten products include livestock-related products (pigmeat and beef, fresh or refrigerated, oilcakes, non-defatted flour and feedingstuffs, breeder cattle, liquid milk and medium-hard cheeses), fish products (frozen shellfish and mollusks, fish, prepared shellfish and mollusks, fresh and refrigerated fish) and some commodities (wheat and soy seeds). Top products also include goods for which Italy qualifies as an important exporter, like virgin and extra-virgin olive oil, cocoa-based confectionery and sugar and other sweet products.

In 2004 Made in Italy food products all showed increases in sales on foreign markets, with the sole exception of canned and peeled tomatoes, which dropped significantly (-7.3%) – for the second year running – due to a decrease both in volume and, especially, in prices (-4.7%). On the contrary, there was a modest recovery in exports of PSR red and rosé wines (+6.3%), after a worrying drop in 2003, with a recovery in volumes sold on foreign markets as well. Moderate results

TABLE 1.14. **BALANCE BY ORIGIN AND DESTINATION: STRUCTURE BY PRODUCT GROUP**
(percentage share)

	2004			2003			1998/99		
	Import	Export	Nb	Import	Export	Nb	Import	Export	Nb
P.S. products for direct food consumption	10.6	13.8	-4.4	11.5	16.3	0.0	9.8	17.6	8.8
Raw materials for the F.I.	10.4	0.7	-91.5	10.6	0.5	-93.0	12.4	0.6	-93.9
P.S. products for transactions within the sector	5.2	2.4	-51.0	5.7	2.4	-54.2	6.5	2.5	-58.8
Other P.S. products	6.8	2.6	-58.2	7.3	3.0	-55.3	9.4	3.2	-63.0
TOTAL PRIMARY SECTOR PRODUCTS	33.1	19.5	-41.5	35.1	22.2	-38.1	38.0	23.9	-41.1
F.I. products for direct food consumption	31.9	68.9	20.6	31.8	69.1	21.2	27.8	66.6	22.7
F.I. products transacted within the F.I.	23.2	5.9	-69.8	23.5	5.6	-71.2	24.6	6.4	-70.6
F.I. products for the P.S.	3.6	0.8	-73.6	3.6	0.9	-71.4	3.3	1.2	-61.9
Other F.I. products	5.0	2.4	-49.6	5.9	2.2	-57.5	6.2	1.9	-66.6
TOTAL FOOD INDUSTRY PRODUCTS	63.7	77.9	-7.5	64.9	77.8	-8.2	62.0	76.1	-10.3
Agri-food goods below 1-24 chapter	3.2	2.6	-27.7						
TOTAL AGRI-FOOD	100.0	100.0	-17.5	100.0	100.0	-17.1	100.0	100.0	-20.3
Of which FOOD BALANCE	84.7	91.2	-13.8	86.5	93.6	-13.3	83.9	93.9	-14.9

N.B. P.S. = Primary Sector
F.I. = Food Industry

were also observed for hard cheeses (+6.1%), cocoa-based sweets (+7%) and especially virgin and extra-virgin olive oil (+12.9%), roasted coffee (+12%) and non-PSR white wines (+9.4%), all products that confirm the growth trend on foreign markets already observed in previous years. The recovery of exports was much weaker for some products, including edible pasta (+1.9%) and bread products (+1%).

Results were somewhat negative, however, for fresh products, confirming what was mentioned in the previous paragraph, and contrary to the positive performance of the year before: exports dropped considerably for dessert grapes (-18.5%) and apples (-16.2%), because of a sharp drop in exported volume.

As regards imports (table 1.13), note the increase, for the second straight year, in imports of fresh and refrigerated beef (+5.8%), sales of which had slowed considerably in recent years due to the mad cow crisis, and the recovery for pigmeat (+7.5%), after two years of decline, mainly caused by an increase in import prices. There was a clear increase in imports of animal feed, especially soy seeds (+17.1%) and oilcakes, non-defatted flour and feedingstuffs (+3.6%), due to an increase in import prices that reflects the noticeable trend in international prices cited in the previous paragraph.

There was an exceptional increase in exports of sugar and confectionery (+28.9% in just one year), in keeping with the trend already observed in previous years, due to an extraordinary growth in import volume (+29.4%) that denotes a significant structural change in supply of these goods. Mention should also be made of the notable increase in imports of virgin and extra-virgin olive oil (+14.5%), in this case mainly due to a rise in average unit values.

1.4.5 The agri-food balance "by origin and destination" and by "trade specialisation"

Italy's agri-food trade is analysed in this paragraph by adopting a re-aggregation of the agri-food balance according to two criteria. In the first case, individual products are grouped based on their provenance –

TABLE 1.15. **BALANCE BY ORIGIN AND DESTINATION: FROM 2004 AND VARIATION % COMPARED TO 2003**

	2004		VARIATION % 2004/03					
	MILLION EURO		CURRENT VALUES		COMP. "VOLUME"		COMP. "PRICES"	
	Import	Export	Import	Export	Import	Export	Import	Export
P.S. products for direct food consumption	2,978.0	2,724.4	-3.6	-11.9	-1.5	-4.7	-2.1	-7.5
Raw materials for F.I.	2,922.5	129.1	3.1	25.8	2.7	26.3	0.4	-0.4
P.S. products for transactions within the sector	1,457.4	473.0	-4.6	4.1	119.4	2.5	-56.5	1.5
Other P.S. products	1,908.9	504.7	-1.9	-10.0	5.4	19.4	-6.9	-24.6
TOTAL PRIMARY SECTOR PRODUCTS	9,266.8	3,831.2	-1.4	-9.0	21.0	1.3	-18.5	-10.1
F.I products for direct food consumption	8,933.9	13,558.0	4.9	3.6	7.4	3.3	-2.3	0.2
F.I. products for transactions within the sector	6,502.0	1,157.7	3.2	9.3	9.2	-0.6	-5.5	10.0
F.I. products for the P.S.	1,006.2	153.3	3.6	-5.4	-3.7	1.5	7.6	-6.8
Other F.I. products	1,396.1	470.5	-11.2	11.0	-2.4	19.4	-9.0	-7.0
TOTAL FOOD INDUSTRY PRODUCTS	17,838.2	15,339.6	2.8	4.1	6.7	3.6	-3.6	0.5
Agri-food goods below 1-24 chapter	902.9	510.6						
TOTAL AGRI-FOOD	28,007.9	19,681.4	4.7	3.9	11.7	3.1	-6.3	0.8
Of which FOOD BALANCE	23,721.8	17,957.0	2.5	1.3	13.2	1.9	-9.5	-0.7

N.B. P.S.= Primary Sector
F.I. = Food Industry

from the primary sector (PS) or from the food industry (FI) – and whether they are destined for direct consumption or use as production factors (for agriculture or the food industry). In this way an aggregate of eight product groups is obtained (tables 1.14 and 1.15), here labelled as a balance "by origin and destination".

In the second case, the balance is aggregated according to the trade balance of products (positive or negative) (tables 1.16 and 1.17). Net export products are then further subdivided into fresh and processed products, isolating fruit and vegetables among the former and Made in Italy products among the latter, defined as goods from Italy's food industry. These are differentiated and have high value added, and are recognised by foreign consumers as typical Italian products. Net import products are divided into six groups of commodities traditionally imported by Italy: arable crops, livestock and derivatives, fish products, forestry and other products. This re-aggregation is called balance "by trade specialisation".

The balance by origin and destination reveals some peculiar aspects of Italian agri-food trade, already highlighted in previous editions of the report (tables 1.14 and 1.15): approximately 69% of Italian exports are made up of food products destined for final consumption, showing that Italy is basically a processing country, specialised in food products with high value added. On the other hand, PS products for final consumption also make up a significant quota of total exports (13.8%). Nonetheless, during 2004 products destined for final consumption had a reduced share, less marked for food products (-0.2%) than for agricultural products (-2.5%), confirming a trend already observed in recent years. In the case of agricultural products destined for final consumption, the decrease in exports was significant (-11%), caused by a drop in both volume and prices.

The balance by origin and destination also reveals that a dominant quota of imports comes from purchases of inputs used in the food industry, whether agricultural (10.4%) or industrial (23.2%). Therefore, approximately 34% of Italy's agri-food imports derives from the need for supplies of inputs in the processing

TABLE 1.16. AGRI-FOOD BALANCE BY TRADE SPECIALISATION
(percentage share)

	2004			2003			1998/99		
	Import	Export	Nb	Import	Export	Nb	Import	Export	Nb
Arable crops (COP)	13.7	2.4	-78.5	13.7	2.6	-76.6	13.1	3.0	-73.3
Livestock and derivatives	25.9	3.7	-81.8	27.0	3.5	-83.3	30.3	3.7	-84.8
Fish products	11.0	2.1	-76.4	11.7	2.1	-77.2	10.9	2.0	-78.0
Tropical products	3.9	0.8	-74.5	4.2	0.8	-75.9	5.8	1.3	-74.3
Forestry	2.9	0.5	-76.4	2.8	0.6	-74.5	3.3	0.6	-78.5
Other products of net import	20.2	8.6	-54.0	20.5	8.3	-55.2	21.0	8.0	-59.5
NET IMPORT CATEGORY	77.7	18.1	-71.9	79.9	17.9	-72.6	84.3	18.7	-74.3
Fresh fruit and vegetables	3.0	10.3	41.6	3.4	12.8	45.6	2.2	13.4	59.8
Other fresh products	0.6	2.9	53.8	0.8	3.2	46.0	1.0	2.8	32.5
"*Made in Italy*" processed products	7.8	50.8	64.0	8.1	50.9	63.5	6.2	50.6	68.6
Other processed products	1.1	6.9	63.5	1.1	6.8	61.9	1.1	6.8	61.5
NET EXPORT CATEGORY	12.5	70.9	59.8	13.4	73.7	59.1	10.5	73.6	64.6
Variable balance products	6.6	8.4	-5.4	6.7	8.4	-6.0	5.2	7.6	-1.2
Agri-food goods below 1-24 chapter	3.2	2.6	-27.7						
TOTAL AGRI-FOOD	100.0	100.0	-17.5	100.0	100.0	-17.1	100.0	100.0	-20.3

industries. In any case, goods destined for final consumption are still an important share of imports, with around 11% in the PS group and the remaining 32% FI products.

In 2004 imports increased for food goods for final consumption (+4.9%), led by growth in demand resulting partly from a decrease in average unit values. But PS imports dropped (-3.6%). Despite the drop in prices, there was also a decrease in import volume. Imports of inputs increased, both for PS and FI categories, but there was an increase in volume only for processed products, associated with a significant decline in import prices. Similarly to the previous year, the Italian food industry seems to benefit from the international economic and monetary situation, since this has provided the possibility of buying raw materials abroad at reduced prices.

The balance by trade specialisation shows equally interesting aspects, though of a different nature (tables 1.16 and 1.17). The scatter method used shows the peculiarities of trends in net import categories compared to those of net export. Among net import categories, livestock continues to be a major share in Italian imports (26%), though it has gradually declined in the last few years; import quotas were stable for arable crops (13.7%) and the fish sector (11%). Overall, these three categories make up approximately half of national agri-food imports. In 2004, for the second year running, there was a decline in imports of fish products, whereas those of arable crops and forestry products increased. As noted in the previous paragraph, in the case of forestry products there was a significant increase in import volume (+7.2%) in the face of substantial stability in prices.

Among net export categories, the Made in Italy group of products made up nearly 51% of Italy's agri-food exports. Fresh fruit followed (10.3%), clearly down in recent years, with a drop in share of overall exports, but especially with a net downturn in normalized balance, from approximately 60% in 1998-99 to 41.6% in 2004.

In 2004, among net export categories, positive results were recorded only for Made in Italy products (3.6%). It is interesting to note that the good perfor-

Table 1.17. **AGRI-FOOD BALANCE BY TRADE SPECIALISATION**

	2004		VARIATION % 2004/03					
	MILLION EURO		CURRENT VALUES		COMP. "VOLUME"		COMP. "PRICES"	
	Import	Export	Import	Export	Import	Export	Import	Export
- Arable crops (COP)	3,845.3	462.6	4.9	-4.5	53.5	1.3	-31.7	-5.8
- Livestock and derivatives	7,267.0	725.6	0.6	10.6	1.2	7.4	-0.6	3.0
- Fish products	3,085.1	413.4	-1.7	2.1	9.4	0.9	-10.2	1.2
- Tropical products	1,085.4	158.9	-3.7	2.6	1.9	0.9	-5.5	1.7
- Forestry	800.4	107.2	7.9	-1.2	7.2	10.5	0.6	-10.6
- Other products of net import	5,668.9	1,695.2	3.5	7.2	1.3	12.3	2.1	-4.6
NET IMPORT CATEGORY	21,752.2	3,562.9	1.8	5.1	12.0	7.9	-9.1	-2.6
- Fresh fruit and vegetables	836.9	2,031.0	-7.3	-16.0	-1.0	-6.8	-6.4	-9.8
- Other fresh products	173.2	576.2	-23.6	-6.0	-20.1	3.1	-4.4	-8.8
- "*Made in Italy*" processed products	2,193.6	9,991.6	1.8	3.6	4.7	1.4	-2.7	2.2
- Other processed products	302.5	1,353.2	-0.4	4.7	6.5	0.7	-6.5	4.0
NET EXPORT CATEGORY	3,506.2	13,951.9	-2.3	-0.1	1.7	0.2	-3.9	-0.3
- Variable balance products	1,846.6	1,655.9	3.1	4.2	23.4	15.7	-16.5	-9.9
- Agri-food goods below 1-24 chapter	902.9	510.6						
TOTAL AGRI-FOOD	28,007.9	19,681.4	4.7	3.9	11.7	3.1	-6.3	0.8

mance of these products is also due to a substantial solidity in export prices, which actually increased in euro by 2.2%. Nonetheless, export volume suffered no negative repercussions. Thus, agri-food seems clearly distinguished from other traditional Made in Italy sectors, which suffered heavily from the growing competition from emerging exporter countries on international markets, and the appreciation of the euro. In the case of agri-food, Made in Italy appears to be in a phase of progressive growth on international markets, driven by a rather dynamic demand in both traditional and emerging markets, and a probable requalification of supply toward higher quality products. This seems indicated by the now stable trend toward higher prices, even within the context of appreciation of the European currency.

STATISTICS APPENDIX 1

Italy's agri-food trade and totals
by individual country

GENERAL NOTES:

1. ***(1)** Absolute values are rounded, so percentage variations in some cases may not correspond precisely with real values.*
2. ***(2)** Empty cells in columns showing current values indicate transactions of less than 260.00 €.*
3. ***(3)** Empty cells in columns showing percentage variations are due to an initial or final value equal to or near zero.*
4. ***(4)** Percentage variations of more than five figures are replaced with the symbol #.*

TABLE A.1.1. **AGRI-FOOD TRADE AND TOTALS WITH FRANCE** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	28,159	29,156	33,178	33,687	33,065	33,033	34,624	1,930	2,107	2,143	2,212	2,316	2,330	2,440
Position in order	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Quota in Italy's total	12.89	13.20	12.75	12.34	12.29	12.48	12.34	12.76	13.41	12.77	12.20	12.14	12.30	12.40
Imports	25,315	26,473	29,671	29,643	29,888	29,951	30,753	4,448	4,523	4,635	4,335	4,455	4,704	4,978
Position in order	2	2	2	2	2	2	2	1	1	1	1	1	1	1
Quota in Italy's total	13.27	12.79	11.48	11.24	11.44	11.39	10.90	18.92	19.64	18.44	16.67	17.03	17.58	17.77
Balance	2,844	2,683	3,507	4,044	3,177	3,082	3,870	-2,519	-2,416	-2,493	-2,123	-2,139	-2,375	-2,538
Normalized balance %	5.3	4.8	5.6	6.4	5.0	4.9	5.9	-39.5	-36.4	-36.8	-32.4	-31.6	-33.8	-34.2
Terms of trade								0.54	0.50	0.50	0.42	0.62	0.50	0.75

TABLE A.1.2. **MAIN PRODUCTS TRADED WITH FRANCE** (values in '000 euro)

EXPORTS 2004	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Biscuits and pastries	120,167	4.9	19.4	4.0	4.8	-0.8
Non-egg, non-filled pasta	101,849	4.2	11.8	-1.6	0.2	-1.8
Other prepared pigmeat	100,151	4.1	24.0	8.0	-1.3	9.4
Cocoa-based sweet products	98,333	4.0	20.8	-0.2	1.5	-1.6
Other agri-food products	92,267	3.8	18.1			
Roasted coffee	81,247	3.3	20.2	14.0	6.0	7.6
Canned and peeled tomatoes	81,005	3.3	9.4	5.4	8.1	-2.5
Refined rice	79,792	3.3	25.9	1.2	12.5	-10.0
Prepared or preserved fruit	78,945	3.2	23.6	-9.2	-13.3	4.8
Fresh cheeses	74,787	3.1	26.5	16.1	29.5	-10.3
AGRI-FOOD TOTAL	2,439,649	100.0	12.4	4.7	0.9	3.8

IMPORTS 2004	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Breeder cattle	684,892	13.8	80.0	-7.1	-3.1	-4.1
Soft wheat and spelt	327,289	6.6	43.8	9.3	-0.7	10.1
Agri-food goods below 1-24 chapter	294,723	5.9	32.6			
Sugar and other sweet products	229,659	4.6	33.3	69.6	66.9	1.6
Semi-proc. fresh or refr, pigmeat	144,402	2.9	13.2	3.8	-4.3	8.5
Semi-proc. fresh or refr, beef	143,701	2.9	14.4	1.0	-0.9	1.9
Non-food livestock by-products	138,972	2.8	19.0	-29.4	-21.2	-10.5
Rye, barley and oats	121,231	2.4	65.7	53.5	36.3	12.7
Champagne	120,157	2.4	98.0	3.5	-17.5	25.5
Liquid milk	111,354	2.2	15.7	6.9	4.3	2.5
AGRI-FOOD TOTAL	4,977,770	100.0	17.8	5.8	-1.2	7.1

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.3. **AGRI-FOOD TRADE AND TOTALS WITH BELGIUM** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	5,947	5,950	7,201	8,297	8,290	7,190	6,987	461	449	472	498	556	565	601
Position in order	8	8	7	7	7	7	7	9	10	10	10	10	9	9
Quota in Italy's total	2.72	2.69	2.77	3.04	3.08	2.72	2.49	3.05	2.86	2.81	2.75	2.91	2.98	3.06
Imports	9,454	8,755	10,465	11,542	11,450	11,294	12,540	896	772	822	876	900	881	892
Position in order	6	7	7	6	7	6	5	6	7	8	6	5	6	6
Quota in Italy's total	4.96	4.23	4.05	4.38	4.38	4.29	4.44	3.81	3.35	3.27	3.37	3.44	3.29	3.19
Balance	-3,507	-2,806	-3,263	-3,245	-3,160	-4,104	-5,553	-435	-323	-350	-377	-344	-317	-291
Normalized balance %	-22.8	-19.1	-18.5	-16.4	-16.0	-22.2	-28.4	-32.1	-26.5	-27.1	-27.5	-23.6	-21.9	-19.5
Terms of trade								1.00	0.92	0.88	0.87	0.87	0.98	0.94

TABLE A.1.4. **MAIN PRODUCTS TRADED WITH BELGIUM** (values in '000 euro)

	EXPORTS 2004							IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price		Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Cocoa-based sweet products	38,337	6.4	8.1	27.0	28.7	-1.3	Semi-proc. fresh or refr. pigmeat	71,762	8.0	6.6	9.1	-0.1	9.2
Other prepared pigmeat	35,591	5.9	8.5	25.7	102.5	-37.9	Soft cheeses	71,350	8.0	58.7	15.0	9.6	5.0
Raw tobacco	34,732	5.8	16.9	-6.9	-0.1	-6.8	Cocoa-based sweet products	66,755	7.5	17.1	-11.9	-5.1	-7.2
Canned and peeled tomatoes	28,363	4.7	3.3	-16.9	-10.6	-7.1	Frozen vegetables and legumes	49,099	5.5	18.6	20.8	15.7	4.4
Agri-food goods below 1-24 chapter	22,858	3.8	4.5				Agri-food goods below 1-24 chapter	46,902	5.3	5.2			
Refined rice	22,748	3.8	7.4	35.6	88.9	-28.2	Carcasses of fresh or refrig, beef	44,060	4.9	11.9	0.4	-1.5	1.9
Dessert grapes	22,265	3.7	5.7	-26.3	-20.4	-7.3	Biscuits and pastries	35,135	3.9	12.9	9.3	8.7	0.6
Fresh cheeses	19,998	3.3	7.1	35.1	31.1	3.1	Butter and milkfat	25,941	2.9	16.5	13.0	8.2	4.5
PSR red and rosé wines	17,405	2.9	1.8	-0.7	1.0	-1.7	Bananas	24,476	2.7	7.2	19.4	20.7	-1.1
Hard cheeses	16,731	2.8	3.2	-7.2	-5.7	-1.6	Other food products	23,030	2.6	6.1	10.8	4.4	6.2
AGRI-FOOD TOTAL	601,294	100.0	3.1	6.5	9.2	-2.4	AGRI-FOOD TOTAL	892,490	100.0	3.2	1.3	-3.4	4.8

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.5. AGRI-FOOD TRADE AND TOTALS WITH THE NETHERLANDS (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	6,339	6,404	6,955	7,274	6,955	6,387	6,593	530	532	545	580	628	619	641
Position in order	7	7	8	8	8	8	9	7	8	8	8	8	8	8
Quota in Italy's total	2.90	2.90	2.67	2.67	2.59	2.41	2.35	3.50	3.38	3.25	3.20	3.29	3.27	3.26
Imports	11,857	13,005	15,396	16,587	15,428	15,362	16,739	2,223	2,262	2,357	2,409	2,315	2,369	2,484
Position in order	4	3	3	3	3	3	3	3	3	3	3	4	4	4
Quota in Italy's total	6.21	6.28	5.96	6.29	5.91	5.84	5.93	9.45	9.82	9.38	9.26	8.85	8.85	8.87
Balance	-5,518	-6,601	-8,442	-9,313	-8,474	-8,975	-10,146	-1,693	-1,730	-1,812	-1,829	-1,687	-1,750	-1,844
Normalized balance %	-30.3	-34.0	-37.8	-39.0	-37.9	-41.3	-43.5	-61.5	-61.9	-62.4	-61.2	-57.3	-58.6	-59.0
Terms of trade								0.61	0.58	0.51	0.60	0.66	0.74	0.69

TABLE A.1.6. MAIN PRODUCTS TRADED WITH THE NETHERLANDS (values in '000 euro)

	EXPORTS 2004							IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price		Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Other food products	26,686	4.2	6.8	24.9	32.4	-5.7	Semi-proc. fresh or refr. pigmeat	268,540	10.8	24.6	12.4	8.6	3.4
Non-egg, non-filled pasta	23,908	3.7	2.8	1.7	-0.3	2.0	Agri-food goods below 1-24 chapter	198,537	8.0	22.0			
Agri-food goods below 1-24 chapter	23,659	3.7	4.6				Semi-proc. fresh or refr. beef	193,203	7.8	19.3	7.3	8.0	-0.7
Fruit juices	22,755	3.6	7.1	-10.7	-1.3	-9.6	Carcasses of fresh or refrig. beef	156,074	6.3	42.2	10.5	8.1	2.2
Canned and peeled tomatoes	21,116	3.3	2.4	-14.3	-14.3	0.0	Fresh cut flowers	124,927	5.0	82.4	-4.3	-4.8	0.4
Outdoor plants	19,514	3.0	8.4	0.6	9.4	-8.1	Processed. fresh or frozen fish	107,766	4.3	32.6	-4.6	2.7	-7.1
Bread products	18,444	2.9	5.1	-1.2	-0.2	-1.0	Potted indoor or terrace plants	88,288	3.6	79.1	2.3	15.1	-11.1
Refined rice	17,322	2.7	5.6	-2.9	17.5	-17.4	Medium-hard cheeses	81,386	3.3	11.8	-13.1	-14.4	1.5
Fresh cut foliage	16,923	2.6	23.3	-9.4	2.3	-11.5	Cocoa-based sweet products	68,950	2.8	17.7	-27.1	-14.7	-14.5
Meat extracts. soups and sauces	15,940	2.5	5.5	-6.0	6.6	-11.9	Oilcakes	67,239	2.7	6.7	-30.3	-33.4	4.7
AGRI-FOOD TOTAL	640,758	100.0	3.3	3.6	3.5	0.1	AGRI-FOOD TOTAL	2,484,492	100.0	8.9	4.9	-2.2	7.2

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

Table A.1.7. AGRI-FOOD TRADE AND TOTALS WITH GERMANY (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	36,409	36,931	39,521	40,068	37,222	37,233	38,186	3,858	3,914	3,979	4,292	4,324	4,278	4,340
Position in order	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Quota in Italy's total	16.67	16.72	15.18	14.68	13.84	14.07	13.60	25.51	24.91	23.71	23.68	22.66	22.59	22.05
Imports	37,132	39,668	45,458	47,067	46,826	47,521	50,695	3,178	3,209	3,442	3,762	3,682	3,845	4,076
Position in order	1	1	1	1	1	1	1	2	2	2	2	2	2	2
Quota in Italy's total	19.46	19.17	17.59	17.85	17.93	18.07	17.96	13.51	13.93	13.69	14.46	14.08	14.37	14.55
Balance	-723	-2,737	-5,938	-7,000	-9,604	-10,288	-12,509	680	706	537	531	642	433	264
Normalized balance %	-1.0	-3.6	-7.0	-8.0	-11.4	-12.1	-14.1	9.7	9.9	7.2	6.6	8.0	5.3	3.1
Terms of trade								1.35	1.28	1.24	1.26	1.20	1.25	1.35

Table A.1.8. MAIN PRODUCTS TRADED WITH GERMANY (values in '000 euro)

	EXPORTS 2004							IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price		Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
PSR red and rosé wines	216,410	5.0	21.9	-3.4	-4.7	1.3	Liquid milk	465,302	11.4	65.8	3.7	4.7	-0.9
Apples	186,251	4.3	53.5	-12.8	-22.8	13.0	Medium-hard cheeses	368,612	9.0	53.3	-7.1	-6.0	-1.2
Agri-food goods below 1-24 chapter	176,787	4.1	34.6				Semi-proc. fresh or refr. pigmeat	291,960	7.2	26.7	7.5	-1.5	9.2
Non-egg. non-filled pasta	170,887	3.9	19.9	5.3	5.7	-0.4	Semi-proc. fresh or refr. beef	255,406	6.3	25.5	-1.4	-2.8	1.3
Canned and peeled tomatoes	163,586	3.8	18.9	-7.4	-2.5	-5.0	Fresh cheeses	190,019	4.7	70.8	29.4	26.8	2.1
Virgin and extra-virgin olive oil	138,155	3.2	21.1	16.8	7.4	8.7	Malt beer	186,189	4.6	49.4	5.8	1.0	4.7
Aquavit and liqueurs	134,351	3.1	29.2	-3.7	-38.4	56.3	Sugar and other sweet products	134,243	3.3	19.4	16.2	13.6	2.3
Non-PSR red and rosé wines	123,001	2.8	24.1	5.4	10.0	-4.2	Agri-food goods below 1-24 chapter	129,014	3.2	14.3			
Dessert grapes	113,972	2.6	29.4	-23.7	-14.8	-10.4	Powdered skim milk	122,134	3.0	47.2	-14.7	-15.3	0.7
PSR white wines	113,521	2.6	31.1	-3.6	-3.9	0.3	Cocoa-based sweet products	115,104	2.8	29.5	13.3	9.2	3.8
AGRI-FOOD TOTAL	4,339,911	100.0	22.1	1.4	-3.7	5.4	AGRI-FOOD TOTAL	4,075,849	100.0	14.6	6.0	2.1	3.8

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.9. **AGRI-FOOD TRADE AND TOTALS WITH THE UNITED KINGDOM** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	51,342	57,784	70,097	67,077	65,976	68,829	68,524	5,293	5,960	6,959	6,976	7,025	7,238	7,287
Position in order	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Quota in Italy's	19.37	18.92	18.60	17.33	16.26	16.38	16.50	27.54	27.38	26.58	26.09	25.54	25.27	24.59
Imports	44,638	51,831	63,351	58,959	63,663	70,328	74,839	5,046	5,576	5,900	5,404	5,665	5,996	6,006
Position in order	1	1	1	1	1	1	1	2	2	2	2	2	2	2
Quota in Italy's	19.22	19.19	19.06	18.46	17.96	18.79	19.47	14.61	14.30	13.34	12.77	12.85	13.44	13.91
Balance	6,704	5,953	6,746	8,117	2,312	-1,499	-6,315	248	384	1,060	1,571	1,359	1,242	1,281
Normalized balance (%)	7.0	5.4	5.1	6.4	1.8	-1.1	-4.4	2.4	3.3	8.2	12.7	10.7	9.4	9.6
Terms of trade								1.09	1.14	1.28	1.35	1.39	1.35	1.28

TABLE A.1.10. **MAIN PRODUCTS TRADED WITH THE UNITED KINGDOM** (values in '000 euro)

	EXPORTS 2004							IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price		Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Canned and peeled tomatoes	125,219	6.9	14.5	-22.8	-14.7	-9.5	Aquavit and liqueurs	116,064	15.8	35.9	-13.8	-17.0	3.8
Non-egg, non-filled pasta	94,962	5.3	11.0	4.3	2.2	2.1	Sugar and other sweet products	70,358	9.6	10.2	70.1	78.4	-4.6
Non-PSR white wines	93,799	5.2	18.8	23.0	20.9	1.8	Non-food livestock by-products	39,870	5.4	5.5	-21.5	-11.4	-11.4
PSR red and rosé wines	69,856	3.9	7.1	1.5	2.7	-1.2	Frozen shellfish and mollusks	37,448	5.1	4.4	-14.9	-13.9	-1.2
Pres. or prep. legumes and veget.	67,321	3.7	24.4	-4.2	-9.0	5.3	Other ground products	27,304	3.7	18.0	41.4	39.4	1.4
Agri-food goods below 1-24 chapter	63,639	3.5	12.5				Other food products	24,600	3.3	6.5	48.8	66.2	-10.5
PSR white wines	61,710	3.4	16.9	-1.1	-5.0	4.1	Fresh or refrigerated fish	20,404	2.8	4.0	15.6	18.1	-2.0
Non-PSR red and rosé wines	58,740	3.3	11.5	20.3	17.9	2.0	Agri-food goods below 1-24 chapter	17,936	2.4	2.0			
Cocoa-based sweet products	51,861	2.9	11.0	47.4	33.6	10.3	Butter and milkfat	17,839	2.4	11.3	1.4	-3.6	5.1
Bread products	47,134	2.6	12.9	15.0	21.6	-5.4	Fresh shellfish and mollusks	17,539	2.4	8.0	6.8	10.6	-3.4
AGRI-FOOD TOTAL	1,805,663	100.0	9.2	6.6	4.5	2.0	AGRI-FOOD TOTAL	735,257	100.0	2.6	-0.3	-5.1	5.0

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.11. AGRI-FOOD TRADE AND TOTALS WITH DENMARK (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	1,847	1,892	2,044	2,163	2,087	1,972	2,121	179	197	211	241	259	258	288
Position in order	19	19	24	24	26	28	28	15	14	14	13	14	14	13
Quota in Italy's total	0.85	0.86	0.79	0.79	0.78	0.75	0.76	1.18	1.26	1.25	1.33	1.36	1.36	1.46
Imports	1,723	1,710	1,769	1,907	1,821	1,925	2,040	922	881	891	964	889	867	865
Position in order	18	22	29	26	27	24	25	5	5	5	5	7	7	7
Quota in Italy's total	0.90	0.83	0.68	0.72	0.70	0.73	0.72	3.92	3.83	3.55	3.71	3.40	3.24	3.09
Balance	125	181	276	256	266	46	81	-743	-684	-681	-723	-630	-609	-577
Normalized balance %	3.5	5.0	7.2	6.3	6.8	1.2	1.9	-67.5	-63.4	-61.8	-60.0	-54.9	-54.1	-50.1
Terms of trade								0.77	0.48	0.43	0.40	0.45	0.67	0.60

TABLE A.1.12. MAIN PRODUCTS TRADED WITH DENMARK (values in '000 euro)

	EXPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
PSR red and rosé wines	35,617	12.4	3.6	39.2	14.4	21.7
Non-PSR red and rosé wines	22,600	7.9	4.4	-2.9	-2.5	-0.4
Semi-processed frozen beef	15,487	5.4	9.6	29.7	26.5	2.5
Non-egg, non-filled pasta	12,566	4.4	1.5	0.0	2.1	-2.0
Agri-food goods below 1-24 chapter	12,110	4.2	2.4			
Canned and peeled tomatoes	9,022	3.1	1.0	-25.6	-17.0	-10.3
Dessert grapes	8,391	2.9	2.2	-4.6	2.4	-6.8
Hard cheeses	7,890	2.7	1.5	20.0	13.2	6.0
Apples	7,530	2.6	2.2	-6.6	-16.6	12.0
Peaches	7,231	2.5	2.9	3.4	48.4	-30.3
AGRI-FOOD TOTAL	287,548	100.0	1.5	11.4	2.5	8.7

	IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Semi-proc. fresh or refr. pigmeat	182,094	21.1	16.7	-2.4	-8.8	7.0
Smoked fish. mollusks and shellfish	116,441	13.5	44.3	0.7	14.1	-11.7
Malt beer	71,655	8.3	19.0	-1.7	-0.2	-1.6
Semi-proc. fresh or refr. beef	62,019	7.2	6.2	-7.8	-9.0	1.3
Fresh or refrigerated fish	42,706	4.9	8.3	-9.7	-14.8	5.9
Frozen shellfish and mollusks	42,453	4.9	5.0	0.8	13.0	-10.8
Prep. fish, mollusks and shellfish	39,655	4.6	5.9	10.4	26.8	-13.0
Processed, fresh or frozen fish	36,012	4.2	10.9	7.1	9.1	-1.8
Oilcakes	24,564	2.8	2.4	-4.0	0.8	-4.8
Agri-food goods below 1-24 chapter	21,056	2.4	2.3			
AGRI-FOOD TOTAL	864,889	100.0	3.1	-0.2	-0.7	0.5

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.13. AGRI-FOOD TRADE AND TOTALS WITH GREECE (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	4,372	4,628	5,403	5,388	5,715	5,832	6,241	383	471	512	514	566	532	564
Position in order	10	10	10	10	10	10	10	11	9	9	9	9	10	10
Quota in Italy's total	2.00	2.09	2.08	1.97	2.12	2.20	2.22	2.53	3.00	3.05	2.84	2.97	2.81	2.87
Imports	1,109	1,443	1,329	1,363	1,269	1,463	1,431	604	828	599	624	563	703	454
Position in order	31	26	36	36	38	35	36	10	6	11	12	12	11	12
Quota in Italy's total	0.58	0.70	0.51	0.52	0.49	0.56	0.51	2.57	3.60	2.38	2.40	2.15	2.63	1.62
Balance	3,262	3,185	4,074	4,025	4,446	4,370	4,810	-221	-357	-87	-109	3	-171	109
Normalized balance %	59.5	52.5	60.5	59.6	63.7	59.9	62.7	-22.3	-27.5	-7.9	-9.6	0.3	-13.8	10.7
Terms of trade								0.98	0.91	0.75	0.85	0.96	1.19	1.20

TABLE A.1.14. MAIN PRODUCTS TRADED WITH GREECE (values in '000 euro)

EXPORTS 2004	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Cocoa-based sweet products	31,502	5.6	6.7	19.7	18.9	0.7
Biscuits and pastries	31,444	5.6	5.1	12.3	13.9	-1.4
Bananas	27,509	4.9	33.3	-3.7	-5.4	1.8
Semi-processed poultrymeat	25,013	4.4	14.9	-10.1	-11.0	1.0
Prep. fish, mollusks and shellfish	17,540	3.1	14.9	-13.8	-14.0	0.2
Roasted coffee	16,979	3.0	4.2	7.8	0.6	7.1
Semi-processed frozen beef	16,782	3.0	10.4	-4.5	-6.9	2.6
Fizzy drinks	16,535	2.9	10.7	10.6	1.7	8.7
Other food products	16,098	2.9	4.1	2.9	4.0	-1.1
Apples	15,685	2.8	4.5	-28.0	-33.4	8.2
AGRI-FOOD TOTAL	563,909	100.0	2.9	5.9	-3.4	9.6

IMPORTS 2004	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Fresh or refrigerated fish	109,212	24.0	21.2	7.2	-9.1	17.9
Virgin and extra-virgin olive oil	71,669	15.8	7.6	-72.1	-76.5	18.9
Pres. or prep. legumes and veget.	31,715	7.0	10.9	-20.3	-23.1	3.6
Raw fibrous plant products	25,670	5.6	8.8	5.6	2.0	3.5
Other oilseeds	17,174	3.8	11.9	-21.8	-21.5	-0.4
Agri-food goods below 1-24 chapter	16,902	3.7	1.9			
Soft cheeses	14,927	3.3	52.4	17.9	15.6	2.0
Clear olive oil	11,969	2.6	5.0	-76.8	-79.9	15.5
Fresh shellfish and mollusks	11,447	2.5	5.2	7.6	3.6	3.8
Other dried fruit	10,431	2.3	2.9	73.4	50.2	15.5
AGRI-FOOD TOTAL	454,463	100.0	1.6	-35.4	-41.3	10.2

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.15. **AGRI-FOOD TRADE AND TOTALS WITH SPAIN** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	12,776	14,276	16,478	17,065	17,378	18,929	20,252	587	695	684	707	785	829	949
Position in order	5	5	5	5	5	4	4	6	5	6	6	6	6	5
Quota in Italy's total	5.85	6.46	6.33	6.25	6.46	7.15	7.21	3.88	4.42	4.07	3.90	4.11	4.38	4.82
Imports	8,967	9,025	10,763	11,184	12,099	12,731	12,906	1,839	1,708	2,035	2,247	2,649	2,760	2,893
Position in order	7	6	6	7	6	4	4	4	4	4	4	3	3	3
Quota in Italy's total	4.70	4.36	4.16	4.24	4.63	4.84	4.57	7.82	7.42	8.10	8.64	10.13	10.32	10.33
Balance	3,809	5,251	5,714	5,881	5,279	6,198	7,346	-1,252	-1,014	-1,352	-1,541	-1,864	-1,931	-1,943
Normalized balance %	17.5	22.5	21.0	20.8	17.9	19.6	22.2	-51.6	-42.2	-49.7	-52.2	-54.3	-53.8	-50.6
Terms of trade								0.78	0.71	0.95	1.19	1.05	1.19	0.97

TABLE A.1.16. **MAIN PRODUCTS TRADED WITH SPAIN** (values in '000 euro)

	EXPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Biscuits and pastries	43,703	4.6	7.0	-3.9	10.5	-13.0
Frozen shellfish and mollusks	41,985	4.4	70.1	3.4	3.9	-0.5
Fresh or refrigerated fish	38,563	4.1	35.6	11.7	12.2	-0.4
Agri-food goods below 1-24 chapter	37,760	4.0	7.4			
Other food products	36,658	3.9	9.3	2.2	2.2	0.0
Aquavit and liqueurs	35,703	3.8	7.8	41.0	-22.1	81.1
Kiwi	34,518	3.6	15.2	-23.4	-20.6	-3.6
Bread products	31,343	3.3	8.6	5.5	0.7	4.7
Fresh shellfish and mollusks	30,292	3.2	74.2	-1.1	1.2	-2.2
Cocoa-based sweet products	27,797	2.9	5.9	15.7	24.0	-6.7
AGRI-FOOD TOTAL	949,026	100.0	4.8	14.5	10.6	3.5

	IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Virgin and extra-virgin olive oil	659,468	22.8	69.8	30.3	21.7	7.0
Frozen shellfish and mollusks	167,181	5.8	19.6	-16.4	-16.9	0.6
Prep. fish, mollusks and shellfish	165,359	5.7	24.7	0.2	3.1	-2.8
Agri-food goods below 1-24 chapter	89,620	3.1	9.9			
Fresh or refrigerated fish	84,313	2.9	16.4	-5.3	12.5	-15.8
Clear olive oil	81,098	2.8	33.5	37.7	21.7	13.1
Other olive oil	70,403	2.4	47.4	48.9	3.3	44.1
Mandarins and clementines	68,624	2.4	87.6	-10.8	-11.9	1.3
Pres. or prep. legumes and veget.	67,672	2.3	23.3	5.8	2.4	3.3
Frozen fish	65,571	2.3	31.6	5.6	-3.7	9.7
AGRI-FOOD TOTAL	2,892,505	100.0	10.3	4.8	0.7	4.1

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.17. AGRI-FOOD TRADE AND TOTALS WITH AUSTRIA (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	5,022	5,216	5,794	5,918	5,997	6,199	6,763	508	554	589	673	708	712	709
Position in order	9	9	9	9	9	9	8	8	7	7	7	7	7	7
Quota in Italy's total	2.30	2.36	2.23	2.17	2.23	2.34	2.41	3.36	3.53	3.51	3.71	3.71	3.76	3.60
Imports	4,798	5,167	6,060	6,484	7,224	7,545	7,269	646	714	852	868	898	939	938
Position in order	9	9	13	11	11	11	11	9	9	6	7	6	5	5
Quota in Italy's total	2.52	2.50	2.34	2.46	2.77	2.87	2.58	2.75	3.10	3.39	3.34	3.43	3.51	3.35
Balance	224	49	-266	-566	-1,227	-1,347	-506	-139	-160	-264	-195	-190	-227	-228
Normalized balance %	2.3	0.5	-2.2	-4.6	-9.3	-9.8	-3.6	-12.0	-12.6	-18.3	-12.6	-11.8	-13.7	-13.9
Terms of trade								3.12	2.64	2.27	2.13	2.33	2.04	2.28

TABLE A.1.18. MAIN PRODUCTS TRADED WITH AUSTRIA (values in '000 euro)

EXPORTS 2004	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Other prepared pigmeat	28,188	4.0	6.7	2.4	-6.8	9.9
Oilcakes	28,118	4.0	18.3	-33.6	-39.4	9.6
Agri-food goods below 1-24 chapter	27,364	3.9	5.4			
Non-food livestock by-products	26,962	3.8	20.7	2.4	23.2	-16.9
PSR red and rosé wines	25,726	3.6	2.6	-7.4	2.4	-9.6
Prepared or preserved fruit	24,580	3.5	7.4	19.7	-4.8	25.8
Fruit juices	19,369	2.7	6.0	4.9	-2.9	8.0
Semi-processed poultrymeat	18,968	2.7	11.3	-7.8	6.5	-13.4
Sparkling wines	18,469	2.6	9.7	4.3	1.7	2.6
Tomatoes	15,270	2.2	11.5	-17.0	-15.2	-2.1
AGRI-FOOD TOTAL	709,150	100.0	3.6	-0.4	-1.3	1.0

IMPORTS 2004	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Liquid milk	96,051	10.2	13.6	-1.5	-2.2	0.7
Fizzy drinks	86,114	9.2	53.3	-3.9	-9.4	6.0
Semi-proc. fresh or refr. beef	86,111	9.2	8.6	-1.6	-4.3	2.8
Semi-proc. fresh or refr. pigmeat	65,008	6.9	6.0	-1.9	-8.0	6.6
Wood, cork and bamboo	61,673	6.6	12.3	3.4	7.7	-3.9
Soft wheat and spelt	37,531	4.0	5.0	-23.2	-13.1	-11.6
Medium-hard cheeses	32,307	3.4	4.7	-15.7	-16.9	1.4
Fruit juices	29,364	3.1	14.9	5.6	1.4	4.1
Biscuits and pastries	24,473	2.6	9.0	7.7	0.8	6.9
Sugar and other sweet products	23,045	2.5	3.3	22.8	24.2	-1.2
AGRI-FOOD TOTAL	937,547	100.0	3.3	-0.1	-3.3	3.3

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.19. **AGRI-FOOD TRADE AND TOTALS WITH SWEDEN** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	2,358	2,405	2,627	2,538	2,597	2,680	2,827	198	213	221	238	266	288	284
Position in order	18	17	17	22	20	20	19	13	13	13	14	13	13	14
Quota in Italy's total	1.08	1.09	1.01	0.93	0.97	1.01	1.01	1.31	1.36	1.31	1.31	1.39	1.52	1.44
Imports	3,011	3,216	3,820	3,523	3,530	3,542	3,805	104	123	113	147	155	173	161
Position in order	12	13	15	16	17	17	18	35	26	34	28	25	24	25
Quota in Italy's total	1.58	1.55	1.48	1.34	1.35	1.35	1.35	0.44	0.53	0.45	0.56	0.59	0.65	0.57
Balance	-653	-811	-1,193	-984	-933	-862	-978	95	90	108	91	110	115	123
Normalized balance %	-12.2	-14.4	-18.5	-16.2	-15.2	-13.9	-14.7	31.3	26.7	32.3	23.7	26.2	24.8	27.6
Terms of trade								1.35	1.20	0.43	0.70	0.54	1.28	0.80

TABLE A.1.20. **MAIN PRODUCTS TRADED WITH SWEDEN** (values in '000 euro)

	EXPORTS 2004							IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price		Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Non-PSR red and rosé wines	24,783	8.7	4.9	-17.5	-28.6	15.4	Smoked fish, mollusks and shellfish	53,895	33.5	20.5	-5.2	-7.9	3.0
Non-egg, non-filled pasta	20,065	7.1	2.3	-1.3	-0.4	-0.9	Fresh or refrigerated fish	21,717	13.5	4.2	21.7	21.3	0.4
PSR red and rosé wines	15,483	5.5	1.6	-2.2	-11.4	10.3	Frozen vegetables and legumes	15,060	9.4	5.7	8.0	6.9	1.0
Canned and peeled tomatoes	14,403	5.1	1.7	-19.4	-19.9	0.6	Non-food livestock by-products	14,679	9.1	2.0	-24.4	-12.9	-13.3
Agri-food goods below 1-24 chapter	10,966	3.9	2.1				Soft wheat and spelt	10,477	6.5	1.4	-51.9	-59.6	19.2
Ethyl alcohol	10,924	3.8	31.5	-4.4	-9.1	5.2	Frozen fruit	6,338	3.9	11.0	-5.7	-6.3	0.6
Apples	9,910	3.5	2.8	-0.2	-6.8	7.1	Agri-food goods below 1-24 chapter	4,991	3.1	0.6			
Non-PSR white wines	9,815	3.5	2.0	-1.4	-11.3	11.1	Semi-proc. fresh or refr. pigmeat	4,776	3.0	0.4	-11.3	-17.1	7.0
Peaches	9,253	3.3	3.7	-14.6	37.7	-38.0	Bread products	3,716	2.3	2.7	-9.5	-0.5	-9.1
Meat extracts. soups and sauces	8,233	2.9	2.8	0.0	-18.0	21.9	Aquavit and liqueurs	3,680	2.3	1.1	6.0	16.1	-8.7
AGRI-FOOD TOTAL	283,769	100.0	1.4	-1.4	-7.6	6.7	AGRI-FOOD TOTAL	160,991	100.0	0.6	-7.2	-9.2	2.3

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.21. AGRI-FOOD TRADE AND TOTALS WITH SWITZERLAND (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	7,527	7,658	8,627	9,840	9,362	9,989	11,772	651	691	740	860	867	891	925
Position in order	6	6	6	6	6	6	6	5	6	5	5	5	5	6
Quota in Italy's total	3.45	3.47	3.31	3.61	3.48	3.77	4.19	4.31	4.40	4.41	4.74	4.54	4.70	4.70
Imports	6,993	7,792	8,447	9,604	9,730	9,055	9,333	223	239	250	259	248	238	236
Position in order	8	8	8	8	8	9	10	18	18	17	18	19	20	23
Quota in Italy's total	3.67	3.76	3.27	3.64	3.73	3.44	3.31	0.95	1.04	1.00	1.00	0.95	0.89	0.84
Balance	534	-134	180	236	-368	933	2,439	428	451	490	600	619	652	688
Normalized balance %	3.7	-0.9	1.1	1.2	-1.9	4.9	11.6	48.9	48.5	49.4	53.7	55.5	57.8	59.3
Terms of trade								3.78	3.52	4.73	4.50	3.88	4.06	4.39

TABLE A.1.22. MAIN PRODUCTS TRADED WITH SWITZERLAND (values in '000 euro)

	EXPORTS 2004							IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price		Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
PSR red and rosé wines	107,515	11.6	10.9	11.9	15.2	-2.9	Wood, cork and bamboo	56,791	24.0	11.4	-2.7	6.0	-8.2
Hard cheeses	42,104	4.6	8.1	-3.3	-4.4	1.2	Medium-hard cheeses	56,558	23.9	8.2	-8.5	4.8	-12.8
Non-PSR red and rosé wines	31,060	3.4	6.1	8.4	10.0	-1.5	Other food products	24,000	10.2	6.3	-9.1	-5.7	-3.6
Sausage and salami	30,182	3.3	15.5	2.3	6.1	-3.6	Bread products	20,356	8.6	15.0	23.8	27.9	-3.1
Virgin and extra-virgin olive oil	27,143	2.9	4.1	23.9	21.1	2.3	Non-food livestock by-products	18,217	7.7	2.5	1.6	11.4	-8.8
Mineral water	26,639	2.9	13.4	-7.1	-5.2	-2.1	Cocoa-based sweet products	13,710	5.8	3.5	21.9	24.7	-2.2
Canned and peeled tomatoes	25,513	2.8	2.9	29.0	28.8	0.1	Soft cheeses	11,660	4.9	9.6	-4.6	6.4	-10.4
Fresh cheeses	24,299	2.6	8.6	59.1	86.2	-14.5	Sweets and chewing gum	4,973	2.1	4.2	3.0	8.3	-4.9
Biscuits and pastries	22,740	2.5	3.7	-0.9	-1.2	0.3	Cream	3,872	1.6	3.6	23.3	26.3	-2.3
Meat extracts, soups and sauces	20,841	2.3	7.2	88.4	24.9	50.9	Roasted coffee	3,051	1.3	4.1	-1.5	-19.7	22.7
AGRI-FOOD TOTAL	924,519	100.0	4.7	3.8	4.2	-0.4	AGRI-FOOD TOTAL	236,233	100.0	0.8	-0.9	3.4	-4.2

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.23. AGRI-FOOD TRADE AND TOTALS WITH RUSSIA (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	2,789	1,724	2,521	3,539	3,801	3,847	4,964	196	92	97	147	184	222	223
Position in order	16	23	18	15	15	16	12	14	22	23	17	15	15	15
Quota in Italy's total	1.28	0.78	0.97	1.30	1.41	1.45	1.77	1.29	0.58	0.58	0.81	0.96	1.17	1.13
Imports	2,043	4,211	8,336	8,536	7,914	8,230	9,691	150	90	166	197	320	155	118
Position in order	16	12	9	9	10	10	9	27	37	24	22	15	25	38
Quota in Italy's total	1.07	2.03	3.22	3.24	3.03	3.13	3.43	0.64	0.39	0.66	0.76	1.22	0.58	0.42
Balance	746	-2,487	-5,815	-4,997	-4,113	-4,383	-4,727	46	2	-69	-50	-137	67	105
Normalized balance %	15.4	-41.9	-53.6	-41.4	-35.1	-36.3	-32.3	13.2	1.2	-26.0	-14.4	-27.2	17.8	30.7
Terms of trade								1.44	1.07	0.83	3.17	8.67	9.01	7.86

TABLE A.1.24. MAIN PRODUCTS TRADED WITH RUSSIA (values in '000 euro)

EXPORTS 2004	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Aromatic wines	43,568	19.5	23.4	4.0	3.2	0.7
Semi-processed frozen beef	27,818	12.5	17.2	38.0	4.0	32.7
Dessert grapes	10,110	4.5	2.6	18.6	34.3	-11.7
Roasted coffee	9,659	4.3	2.4	30.9	41.6	-7.6
Non-egg, non-filled pasta	8,160	3.7	0.9	15.3	14.3	0.9
Other food products	7,921	3.6	2.0	3.7	-1.8	5.6
PSR red and rosé wines	6,878	3.1	0.7	24.6	29.5	-3.8
Raw tobacco	6,730	3.0	3.3	-81.7	-42.2	-68.3
Biscuits and pastries	6,425	2.9	1.0	-5.9	-4.6	-1.4
Cocoa-based sweet products	5,998	2.7	1.3	-24.7	-25.0	0.4
AGRI-FOOD TOTAL	222,955	100.0	1.1	0.5	5.8	-5.0

IMPORTS 2004	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Soft wheat and spelt	33,616	28.5	4.5	-50.6	-50.6	0.0
Other oilseeds	16,060	13.6	11.1	41.3	38.9	1.7
Oilcakes	14,552	12.3	1.4	23.8	1.2	22.3
Rye, barley and oats	13,731	11.6	7.4	16.4	-10.5	30.1
Non-food hunting products	8,427	7.1	12.2	37.6	112.3	-35.2
Seed oils and vegetable fats	6,283	5.3	1.4	16.3	14.8	1.3
Dried legumes and vegetables	5,922	5.0	6.4	63.9	70.9	-4.1
Non-food livestock by-products	5,823	4.9	0.8	-77.5	-80.4	14.4
Oils and fats for industrial use	3,254	2.8	1.9			
Frozen vegetables and legumes	2,105	1.8	0.8	143.0	109.6	15.9
AGRI-FOOD TOTAL	118,092	100.0	0.4	-23.7	1,046.2	-93.3

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.25. **AGRI-FOOD TRADE AND TOTALS WITH TURKEY** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	3,602	2,846	4,646	3,923	4,078	4,721	5,696	66	53	65	39	59	62	70
Position in order	12	14	11	13	13	11	11	28	30	26	39	33	32	28
Quota in Italy's total	1.65	1.29	1.79	1.44	1.52	1.78	2.03	0.44	0.34	0.39	0.21	0.31	0.33	0.36
Imports	1,518	1,801	2,210	3,030	2,940	3,335	3,967	260	285	227	312	291	353	343
Position in order	21	20	23	18	18	18	17	15	17	19	16	17	13	15
Quota in Italy's total	0.80	0.87	0.85	1.15	1.13	1.27	1.41	1.11	1.24	0.90	1.20	1.11	1.32	1.22
Balance	2,083	1,045	2,437	893	1,138	1,386	1,728	-194	-232	-162	-273	-232	-291	-273
Normalized balance %	40.7	22.5	35.5	12.8	16.2	17.2	17.9	-59.4	-68.7	-55.6	-77.8	-66.4	-70.2	-65.9
Terms of trade								0.83	0.78	1.25	1.31	0.77	0.60	0.48

TABLE A.1.26. **MAIN PRODUCTS TRADED WITH TURKEY** (values in '000 euro)

	EXPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Non-food livestock by-products	12,808	18.2	9.8	-1.3	45.3	-32.1
Cocoa-based sweet products	9,386	13.3	2.0	22.8	31.3	-6.5
Oilcakes	8,709	12.4	5.7	2.3	7.4	-4.7
Refined rice	7,879	11.2	2.6	-12.8	10.5	-21.1
Outdoor plants	5,844	8.3	2.5	72.1	45.5	18.3
Seed oils and vegetable fats	3,710	5.3	3.5			
Other food products	2,392	3.4	0.6	-30.2	-37.2	11.2
Biscuits and pastries	1,859	2.6	0.3	-4.1	2.2	-6.2
Fruit and vegetable plants	1,325	1.9	2.2	35.5	64.7	-17.7
Fizzy drinks	1,076	1.5	0.7	7.2	-32.4	58.6
AGRI-FOOD TOTAL	70,415	100.0	0.4	13.7	13.2	0.4

	IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Other dried fruit	106,054	30.9	29.8	-7.0	-31.7	36.0
Other olive oil	35,343	10.3	23.8	-37.9	-45.3	13.5
Fresh or refrigerated fish	30,238	8.8	5.9	44.2	33.9	7.7
Prepared or preserved fruit	20,155	5.9	12.8	62.0	11.5	45.3
Raw fibrous plant products	19,462	5.7	6.7	-14.2	-29.8	22.2
Sultanas	16,528	4.8	77.5	-7.1	1.3	-8.3
Red and black cherries	14,986	4.4	46.2	139.1	96.8	21.5
Pres. or prep. legumes and veget.	9,656	2.8	3.3	14.2	13.4	0.6
Other food products	9,090	2.7	2.4	39.1	14.8	21.2
Seed corn	8,459	2.5	13.0	80.8	75.0	3.3
AGRI-FOOD TOTAL	342,970	100.0	1.2	-2.9	-14.5	13.6

* Product quota: percentage share of individual product to total Italian agri-food export or import by country.

** Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.

TABLE A.1.27. **AGRI-FOOD TRADE AND TOTALS WITH USA** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	18,949	20,577	26,694	26,243	25,802	21,970	22,449	1,208	1,319	1,642	1,758	1,915	1,858	1,947
Position in order	3	3	3	3	3	3	3	4	4	3	3	3	3	3
Quota in Italy's total	8.67	9.31	10.26	9.62	9.59	8.30	8.00	7.99	8.39	9.78	9.70	10.03	9.81	9.89
Imports	9,737	10,024	13,517	12,892	12,548	10,272	10,021	844	644	827	795	759	728	648
Position in order	5	5	5	5	5	7	8	7	10	7	8	9	9	11
Quota in Italy's total	5.10	4.84	5.23	4.89	4.80	3.91	3.55	3.59	2.80	3.29	3.06	2.90	2.72	2.32
Balance	9,212	10,553	13,176	13,351	13,255	11,698	12,427	364	675	815	963	1,155	1,130	1,299
Normalized balance %	32.1	34.5	32.8	34.1	34.6	36.3	38.3	17.8	34.4	33.0	37.7	43.2	43.7	50.0
Terms of trade								3.68	4.02	4.47	4.78	4.68	5.55	5.20

TABLE A.1.28. **MAIN PRODUCTS TRADED WITH USA** (values in '000 euro)

	EXPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
PSR red and rosé wines	300,715	15.4	30.4	13.4	10.8	2.4
Virgin and extra-virgin olive oil	200,061	10.3	30.5	17.5	9.4	7.3
Non-PSR white wines	197,843	10.2	39.7	-1.6	-2.5	1.0
Other olive oil	181,533	9.3	53.9	17.4	-0.2	17.7
Hard cheeses	151,722	7.8	29.3	-4.4	0.2	-4.5
Non-egg, non-filled pasta	102,228	5.2	11.9	-2.7	-5.9	3.3
PSR white wines	79,419	4.1	21.8	0.3	5.5	-4.9
Non-PSR red and rosé wines	78,497	4.0	15.4	-4.9	-6.1	1.3
Aquavit and liqueurs	54,545	2.8	11.8	1.5	-3.8	5.5
Mineral water	47,201	2.4	23.7	20.7	24.7	-3.2
AGRI-FOOD TOTAL	1,947,408	100.0	9.9	4.8	15.7	-9.4

	IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Other dried fruit	123,041	19.0	34.6	28.8	11.7	15.2
Soft wheat and spelt	117,453	18.1	15.7	31.2	32.1	-0.7
Other cereals	49,212	7.6	74.5	241.8	184.8	20.0
Durum wheat	44,051	6.8	17.0	-28.5	-35.9	11.6
Non-food livestock by-products	41,351	6.4	5.7	-40.1	-42.8	4.6
Fresh shellfish and mollusks	34,243	5.3	15.7	0.5	6.3	-5.5
Aquavit and liqueurs	26,959	4.2	8.3	26.6	25.5	0.9
Raw tobacco	24,231	3.7	29.0	23.8	33.3	-7.1
Raw fibrous plant products	24,016	3.7	8.3	-15.2	-16.0	1.0
Wood, cork and bamboo	23,826	3.7	4.8	0.5	5.2	-4.5
AGRI-FOOD TOTAL	648,489	100.0	2.3	-10.9	11.2	-19.9

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.29. **AGRI-FOOD TRADE AND TOTALS WITH CANADA** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	1,758	1,881	2,343	2,578	2,463	2,414	2,421	209	232	290	311	316	304	327
Position in order	23	20	22	21	21	22	23	12	12	12	12	12	12	12
Quota in Italy's total	0.80	0.85	0.90	0.94	0.92	0.91	0.86	1.38	1.47	1.73	1.72	1.66	1.61	1.66
Imports	1,463	1,408	1,922	1,555	1,241	1,249	1,343	196	132	168	181	160	250	238
Position in order	23	29	27	31	39	37	38	19	24	23	23	24	18	22
Quota in Italy's total	0.77	0.68	0.74	0.59	0.48	0.47	0.48	0.83	0.57	0.67	0.70	0.61	0.94	0.85
Balance	294	473	421	1,023	1,222	1,165	1,079	13	99	122	130	156	54	89
Normalized balance %	9.1	14.4	9.9	24.7	33.0	31.8	28.7	3.3	27.4	26.6	26.4	32.8	9.7	15.7
Terms of trade								5.47	5.19	6.11	5.80	5.12	8.74	8.92

TABLE A.1.30. **MAIN PRODUCTS TRADED WITH CANADA** (values in '000 euro)

	EXPORTS 2004							IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price		Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
PSR red and rosé wines	56,694	17.4	5.7	7.8	14.1	-5.5	Durum wheat	97,039	40.8	37.4	-26.3	-23.0	-4.2
Non-PSR red and rosé wines	31,780	9.7	6.2	11.6	13.9	-2.0	Soft wheat and spelt	65,157	27.4	8.7	43.4	45.1	-1.2
PSR white wines	30,144	9.2	8.3	9.5	2.1	7.2	Dried legumes and vegetables	15,825	6.6	17.2	8.2	18.8	-8.9
Virgin and extra-virgin olive oil	28,082	8.6	4.3	20.1	10.2	8.9	Legume and vegetable seeds	9,414	4.0	7.1	6.7	3.8	2.8
Hard cheeses	19,392	5.9	3.7	-13.1	-13.1	-0.1	Fodder seeds	7,663	3.2	9.2	253.9	182.3	25.3
Non-PSR white wines	15,559	4.8	3.1	15.0	-6.2	22.6	Fresh shellfish and mollusks	7,189	3.0	3.3	-0.4	7.8	-7.6
Non-egg, non-filled pasta	14,925	4.6	1.7	-18.6	-12.7	-6.8	Non-food livestock by-products	7,023	3.0	1.0	-13.0	-7.1	-6.3
Other olive oil	14,192	4.3	4.2	10.8	-0.9	11.8	Non-food hunting products	4,806	2.0	6.9	-9.1	-32.5	34.6
Aquavit and liqueurs	11,452	3.5	2.5	-0.3	-2.4	2.2	Frozen shellfish and mollusks	3,061	1.3	0.4	-6.7	2.7	-9.1
Biscuits and pastries	10,940	3.3	1.8	7.6	12.2	-4.1	Smoked fish, mollusks and shellfish	2,211	0.9	0.8	-44.0	-46.1	4.0
AGRI-FOOD TOTAL	326,649	100.0	1.7	7.4	3.7	3.5	AGRI-FOOD TOTAL	237,996	100.0	0.8	-4.9	0.0	-5.0

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.31. **AGRI-FOOD TRADE AND TOTALS WITH BRAZIL** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	2,948	2,409	2,462	2,613	1,997	1,615	1,804	79	60	74	60	49	40	47
Position in order	15	16	19	20	29	32	32	25	27	24	29	40	42	37
Quota in Italy's total	1.35	1.09	0.95	0.96	0.74	0.61	0.64	0.53	0.38	0.44	0.33	0.26	0.21	0.24
Imports	1,917	1,839	2,575	2,325	2,158	2,157	2,667	531	452	527	672	578	590	855
Position in order	17	19	17	21	21	22	22	11	12	12	11	11	12	8
Quota in Italy's total	1.01	0.89	1.00	0.88	0.83	0.82	0.95	2.26	1.96	2.10	2.58	2.21	2.21	3.05
Balance	1,031	570	-113	288	-161	-542	-863	-452	-392	-454	-612	-529	-550	-808
Normalized balance %	21.2	13.4	-2.2	5.8	-3.9	-14.4	-19.3	-74.0	-76.5	-75.5	-83.7	-84.4	-87.4	-89.6
Terms of trade								2.74	3.32	2.69	3.85	3.83	4.13	4.06

TABLE A.1.32. **MAIN PRODUCTS TRADED WITH BRAZIL** (values in '000 euro)

	EXPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Non-egg, non-filled pasta	6,622	14.2	0.8	38.2	36.8	1.1
PSR red and rosé wines	4,693	10.0	0.5	-1.2	6.8	-7.5
Spumante (Italian champagne)	4,297	9.2	2.0	41.6	50.0	-5.7
Sparkling wines	3,141	6.7	1.7	12.2	9.7	2.3
Virgin and extra-virgin olive oil	2,829	6.1	0.4	53.8	46.5	5.0
Non-PSR red and rosé wines	2,539	5.4	0.5	15.7	18.6	-2.5
Other food products	1,989	4.3	0.5	120.8	43.0	54.4
Canned and peeled tomatoes	1,709	3.7	0.2	-3.0	6.7	-9.1
Kiwi	1,567	3.4	0.7	-12.4	17.4	-25.4
Cocoa-based sweet products	1,498	3.2	0.3	43.8	18.4	21.4
AGRI-FOOD TOTAL	46,742	100.0	0.2	18.1	-4.5	23.7

	IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Soybean seeds	246,402	28.8	64.3	139.4	99.2	20.2
Raw coffee	152,114	17.8	39.8	7.4	-4.0	11.9
Oilcakes	124,412	14.6	12.4	-6.7	-19.8	16.3
Semi-processed frozen beef	81,616	9.5	55.6	53.8	28.2	20.0
Maize	60,389	7.1	29.2	767.3	662.9	13.7
Semi-proc. fresh or refr. beef	21,961	2.6	2.2	77.1	64.6	7.6
Prepared beef	16,118	1.9	40.2	46.5	29.3	13.3
Raw fibrous plant products	14,776	1.7	5.1	135.1	105.8	14.2
Fresh or frozen entrails	14,305	1.7	10.7	-6.4	-1.1	-5.3
Raw tobacco	11,552	1.4	13.8	-37.5	-33.2	-6.5
AGRI-FOOD TOTAL	854,857	100.0	3.1	44.9	31.7	10.1

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.33. **AGRI-FOOD TRADE AND TOTALS WITH ARGENTINA** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	1,488	1,277	1,092	911	308	427	567	40	34	36	33	8	11	15
Position in order	28	32	41	51	73	66	63	39	40	42	49	75	70	69
Quota in Italy's total	0.68	0.58	0.42	0.33	0.11	0.16	0.20	0.26	0.21	0.22	0.18	0.04	0.06	0.07
Imports	716	761	960	1,010	1,073	981	974	498	502	650	747	808	712	743
Position in order	39	43	42	43	43	48	49	12	11	10	9	8	10	9
Quota in Italy's total	0.38	0.37	0.37	0.38	0.41	0.37	0.35	2.12	2.18	2.58	2.87	3.09	2.66	2.65
Balance	772	516	132	-99	-765	-555	-406	-458	-469	-613	-714	-800	-700	-728
Normalized balance %	35.0	25.3	6.4	-5.1	-55.4	-39.4	-26.4	-85.3	-87.5	-89.4	-91.6	-98.0	-96.9	-96.2
Terms of trade								8.24	7.29	6.28	5.66	7.49	7.69	9.53

TABLE A.1.34. **MAIN PRODUCTS TRADED WITH ARGENTINA** (values in '000 euro)

	EXPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Rubber and forestry goods (no-food)	5,912	40.7	24.8	62.4	38.4	17.4
Cocoa-based sweet products	1,990	13.7	0.4	25.7	31.3	-4.2
Fodder seeds	785	5.4	2.5	24.5	4.8	18.9
Condiments and spices	751	5.2	3.7	7.1	-11.2	20.6
Non-egg. non-filled pasta	744	5.1	0.1	99.5	100.6	-0.5
Kiwi	559	3.9	0.2	-35.4	-7.2	-30.4
Other food products	463	3.2	0.1	22.7	20.1	2.1
Prepared or preserved fruit	359	2.5	0.1	77.5	85.8	-4.5
Biscuits and pastries	340	2.3	0.1	45.0	46.5	-1.0
Fruit and vegetable plants	285	2.0	0.5			
AGRI-FOOD TOTAL	14,516	100.0	0.1	28.1	5.5	21.4

	IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Oilcakes	447,542	60.2	44.5	14.1	-3.3	18.0
Frozen shellfish and mollusks	60,269	8.1	7.1	-37.5	-26.0	-15.6
Pears	38,207	5.1	44.4	-3.1	-5.5	2.6
Semi-proc. fresh or refr. beef	36,150	4.9	3.6	88.5	96.9	-4.3
Lemons	24,717	3.3	45.7	-11.8	-9.4	-2.6
Processed. fresh or frozen fish	23,844	3.2	7.2	36.9	33.1	2.8
Prepared beef	12,878	1.7	32.1	0.7	-10.2	12.1
Honey	12,474	1.7	37.3	-6.2	19.8	-21.6
Dried legumes and vegetables	9,004	1.2	9.8	-29.0	-32.8	5.7
Fresh or frozen entrails	6,682	0.9	5.0	11.0	13.4	-2.1
AGRI-FOOD TOTAL	742,956	100.0	2.7	4.4	-3.0	7.6

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.35

AGRI-FOOD TRADE AND TOTALS WITH CHINA (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	1,802	1,834	2,380	3,275	4,017	3,850	4,445	12	11	13	16	13	21	26
Position in order	20	22	21	18	14	15	14	62	69	69	64	68	60	54
Quota in Italy's total	0.82	0.83	0.91	1.20	1.49	1.46	1.58	0.08	0.07	0.08	0.09	0.07	0.11	0.13
Imports	4,342	5,001	7,028	7,484	8,307	9,553	11,827	233	295	413	427	339	326	367
Position in order	10	11	10	10	9	8	7	17	16	14	14	14	14	14
Quota in Italy's total	2.28	2.42	2.72	2.84	3.18	3.63	4.19	0.99	1.28	1.64	1.64	1.30	1.22	1.31
Balance	-2,540	-3,167	-4,647	-4,209	-4,290	-5,702	-7,382	-221	-284	-400	-411	-326	-305	-341
Normalized balance %	-41.3	-46.3	-49.4	-39.1	-34.8	-42.5	-45.4	-90.2	-92.9	-93.8	-92.9	-92.4	-88.0	-86.6
Terms of trade								0.52	0.44	0.50	0.77	1.23	1.49	1.19

TABLE A.1.36.

MAIN PRODUCTS TRADED WITH CHINA (values in '000 euro)

	EXPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Non-food livestock by-products	5,630	21.3	4.3	159.1	213.2	-17.3
Biscuits and pastries	4,742	17.9	0.8	-44.3	-44.4	0.3
Non-food hunting products	2,126	8.0	33.8	295.2	177.1	42.6
PSR red and rosé wines	1,182	4.5	0.1	160.8	109.3	24.7
Non-PSR red and rosé wines	992	3.8	0.2	85.6	101.8	-8.0
Raw fibrous plant products	990	3.7	8.6	778.0	401.2	75.2
Other olive oil	981	3.7	0.3	95.3	83.4	6.5
Virgin and extra-virgin olive oil	931	3.5	0.1	174.8	148.1	10.8
Non-egg, non-filled pasta	912	3.5	0.1	93.0	97.0	-2.0
Forestry products (food use)	745	2.8	1.0	25.5	64.8	-23.9
AGRI-FOOD TOTAL	26,420	100.0	0.1	26.8	149.4	-49.2

	IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Raw wax, wool and hides	138,578	37.7	33.8	35.2	37.7	-1.8
Canned and peeled tomatoes	70,892	19.3	78.6	12.8	30.9	-13.9
Dried legumes and vegetables	20,748	5.6	22.6	22.8	25.9	-2.4
Semi-processed vegetables	15,371	4.2	34.5	-3.6	5.3	-8.5
Frozen vegetables and legumes	12,844	3.5	4.9	79.3	48.4	20.9
Pres. or prep. legumes and veget.	12,196	3.3	4.2	-8.7	4.9	-13.0
Frozen shellfish and mollusks	10,909	3.0	1.3	-1.3	28.0	-22.9
Forestry products (food use)	10,489	2.9	13.2	98.7	67.0	19.0
Condiments and spices	8,394	2.3	11.3	11.5	16.9	-4.6
Non-food livestock by-products	7,080	1.9	1.0	-8.2	-1.1	-7.2
AGRI-FOOD TOTAL	367,485	100.0	1.3	12.8	17.1	-3.6

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.37. **AGRI-FOOD TRADE AND TOTALS WITH JAPAN** (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	3,602	3,509	4,338	4,705	4,495	4,333	4,334	395	368	418	436	476	451	463
Position in order	11	11	12	11	11	13	15	10	11	11	11	11	11	11
Quota in Italy's total	1.65	1.59	1.67	1.72	1.67	1.64	1.54	2.61	2.34	2.49	2.41	2.49	2.38	2.35
Imports	4,246	5,158	6,421	6,278	5,321	5,281	5,520	6	7	10	12	8	8	8
Position in order	11	10	11	12	12	12	13	82	80	81	80	84	82	81
Quota in Italy's total	2.23	2.49	2.48	2.38	2.04	2.01	1.96	0.03	0.03	0.04	0.04	0.03	0.03	0.03
Balance	-645	-1,649	-2,083	-1,573	-826	-947	-1,186	389	361	409	425	468	443	455
Normalized balance %	-8.2	-19.0	-19.4	-14.3	-8.4	-9.9	-12.0	97.0	96.1	95.5	94.9	96.6	96.7	96.4
Terms of trade								0.42	0.35	0.46	0.47	0.37	0.62	0.45

TABLE A.1.38. **MAIN PRODUCTS TRADED WITH JAPAN** (values in '000 euro)

	EXPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Non-egg, non-filled pasta	65,126	14.1	7.6	2.9	2.6	0.3
Canned and peeled tomatoes	49,067	10.6	5.7	23.0	19.3	3.1
PSR red and rosé wines	40,110	8.7	4.1	-7.0	-0.6	-6.4
Virgin and extra-virgin olive oil	34,298	7.4	5.2	2.0	-4.1	6.3
Other olive oil	27,196	5.9	8.1	13.1	9.5	3.2
Non-PSR red and rosé wines	22,678	4.9	4.4	-4.9	-8.3	3.7
Hard cheeses	17,467	3.8	3.4	20.6	19.4	1.0
Spumante (sweet Italian champagne)	16,679	3.6	7.6	23.4	23.5	-0.1
Fruit juices	15,608	3.4	4.8	12.7	13.4	-0.7
Raw tobacco	14,558	3.1	7.1	31.7	33.5	-1.3
AGRI-FOOD TOTAL	463,173	100.0	2.4	2.7	3.2	-0.5

	IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Outdoor plants	1,846	21.8	4.4	19.4	22.1	-2.2
Other food products	1,040	12.3	0.3	100.9	51.3	32.7
Non-food fishery products	816	9.6	3.2	39.1	-64.0	286.3
Meat extracts, soups and sauces	716	8.4	0.8	-4.1	7.4	-10.7
Aquavit and liqueurs	286	3.4	0.1	-48.5	-12.9	-40.9
Oils and fats for industrial use	265	3.1	0.2	152.2	199.4	-15.8
Rubber and forestry goods (no-food)	240	2.8	0.1	70.7	349.0	-62.0
Non-egg, non-filled pasta	239	2.8	1.2	-22.6	-47.4	47.0
Potted indoor or terrace plants	236	2.8	0.2	58.4	58.6	-0.1
Frozen fish	227	2.7	0.1	152.2	70.0	48.4
AGRI-FOOD TOTAL	8,482	100.0	0.0	12.5	-11.9	27.8

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*

TABLE A.1.39. AGRI-FOOD TRADE AND TOTALS WITH AUSTRALIA (values in million euro)

	TOTAL TRADE							AGRI-FOOD TRADE						
	1998	1999	2000	2001	2002	2003	2004	1998	1999	2000	2001	2002	2003	2004
Exports	1,579	1,702	1,944	1,972	2,231	2,294	2,532	118	129	137	137	156	161	188
Position in order	26	24	25	28	22	24	22	17	15	16	18	17	16	16
Quota in Italy's total	0.72	0.77	0.75	0.72	0.83	0.87	0.90	0.78	0.82	0.82	0.76	0.82	0.85	0.96
Imports	1,268	949	1,364	1,523	1,309	1,094	1,088	407	296	496	513	426	322	326
Position in order	27	35	35	33	37	40	47	13	15	13	13	13	16	17
Quota in Italy's total	0.67	0.46	0.53	0.58	0.50	0.42	0.39	1.73	1.29	1.97	1.97	1.63	1.20	1.17
Balance	311	754	580	449	922	1,199	1,444	-289	-167	-359	-375	-270	-162	-138
Normalized balance %	10.9	28.4	17.5	12.9	26.0	35.4	39.9	-55.1	-39.2	-56.8	-57.7	-46.4	-33.5	-26.9
Terms of trade								1.33	1.38	1.42	1.15	1.77	0.97	2.42

TABLE A.1.40. MAIN PRODUCTS TRADED WITH AUSTRALIA (values in '000 euro)

	EXPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Canned and peeled tomatoes	21,442	11.4	2.5	6.6	8.8	-2.1
Other olive oil	18,616	9.9	5.5	24.2	7.3	15.8
Biscuits and pastries	16,869	9.0	2.7	65.6	57.2	5.4
Virgin and extra-virgin olive oil	12,921	6.9	2.0	37.0	27.3	7.7
Non-egg, non-filled pasta	12,749	6.8	1.5	3.4	-4.1	7.8
Roasted coffee	12,186	6.5	3.0	-21.6	-19.4	-2.7
Hard cheeses	9,665	5.1	1.9	41.0	39.1	1.3
Pres. or prep. legumes and veget.	9,616	5.1	3.5	28.8	45.6	-11.5
Mineral water	5,987	3.2	3.0	33.0	22.4	8.7
Raw coffee	5,698	3.0	34.7	1,028.3	789.6	26.8
AGRI-FOOD TOTAL	188,036	100.0	1.0	17.1	13.4	3.2

	IMPORTS 2004					
	Values	Quota Product*	Quota Country**	Variation % 2004/2003 Value	Volume	Price
Raw wax, wool and hides	182,388	55.9	44.4	-15.5	2.5	-17.5
Durum wheat	63,722	19.5	24.6	258.5	261.1	-0.7
Non-food livestock by-products	34,615	10.6	4.7	-36.5	-36.6	0.0
Soft wheat and spelt	17,109	5.2	2.3	201.2	232.3	-9.4
Raw fibrous plant products	11,256	3.4	3.9	-22.3	-20.2	-2.5
Fodder seeds	2,863	0.9	3.4	0.9	-25.5	35.4
Onions and garlic	2,039	0.6	3.2	59.9	46.5	9.2
Non-PSR red and rosé wines	1,360	0.4	3.0	124.9	212.4	-28.0
Other dried fruit	1,287	0.4	0.4	1,632.7	678.9	122.4
Legume and vegetable seeds	974	0.3	0.7	247.3	584.8	-49.3
AGRI-FOOD TOTAL	326,376	100.0	1.2	1.3	11.9	-9.5

* *Product quota: percentage share of individual product to total Italian agri-food export or import by country.*

** *Country quota: percentage share of country in question to total Italian agri-food export or import by individual product.*