

REGIONAL SWOT ANALYSIS - VENETO

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Version 1





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1. Executive summary

@ PP 7 Venetian Heritage Cluster and PP 8 Comune di Castello di Godego

The Veneto Region is a territory with a significant background in terms of cultural heritage (environment, traditions, agro-food sector, architecture, etc.) and also in terms of entrepreneurial know how and development. These aspects emerge clearly from the SWOT analysis conducted and stress the high potential of this area concerning the opportunity of combining the two fields in order to generate cultural growth and economic development.

A series of important factors emerge from the strengths, in fact in the Veneto Region there is the presence of considerable centres of knowledge at university level with an excellent level of innovation and research. Moreover the entrepreneurial sector has a high propensity to innovation especially green oriented, and the aim of promoting the internationalisation of their own activities and products. Accompanying this good entrepreneurial situation there is the favourable role of the public sector, which supports the development of enterprises, their innovation and internationalisation with dedicated policies and funds. Last, but not least, the area has a strong tourist vocation.

All these positive elements could be more effective if the ICT technologies would be more used in micro business and if SMEs' investments in research would be more developed. A more strong connection among research centres would better support the progresses in this field and probably reach more effectively the companies.

Main threats to face remain the economic crisis and the international market exposure, but the opportunities offered by the Veneto Region territory are absolutely concrete and well oriented in order to promote the overcoming of the situation. The presence of clusters linked to the cultural sector connecting research, knowledge, production, cultural heritage conservation are a strategic tool to connect and support the exchange of knowledge opening new perspective and markets to the entrepreneurial sector. Besides the participation to national and international projects, combined with an unexpressed potential in terms of research and development will have a positive effect to the internationalisation of markets.



2. Introduction / Purpose of this document

The purpose of this document is to introduce the economic, demographic background and creative industry of the Veneto Region, where the Italian partners of the REFREsh project are located in and operate.

The Italian participants of the project are the Venetian Heritage Cluster S.R.L, in the province of Vicenza, and the Municipality of Castello di Godego, in the province of Treviso. Both partners are located in the central area of Veneto Region, situated in the North - East part of Italy. It borders to the north with Trentino-Alto Adige and Austria, to the south with Emilia-Romagna, to the west with Lombardy, to the east with Friuli-Venezia Giulia and to the southeast with the Adriatic Sea. Together with Trentino-Alto Adige and Friuli-Venezia Giulia regions, Veneto is part of the macro-area of “Triveneto”.

The Veneto Region is a country rich of history, cultural traditions, art, and landscape beauties. In this Region we can find the “Dolomiti”, the Lake of Garda, “Euganei hills” and the beaches of Adriatic Sea; a country with many facets. In this natural setting there is a rich Cultural Heritage that makes Veneto a unique region, from the cities of art to the magnificent “Palladian villas” and to the small villages that collect the most characteristic aspects of this region.

Typical of the Veneto coast is the lagoon landscape where stands a unique city in the world: Venice, historical and administrative capital. Other provinces are Verona, Padua, Belluno, Rovigo, Treviso and Vicenza, cities symbol of the Veneto history and cultural heritage.

From the following analysis, we can state that the region is in a favourable position to cooperate with other countries but at the same time it presents many beauties that is difficult to preserve.

3. Regional Analysis of Partner regions

3.1. Overview



Figure 1: The map of the Veneto Region.

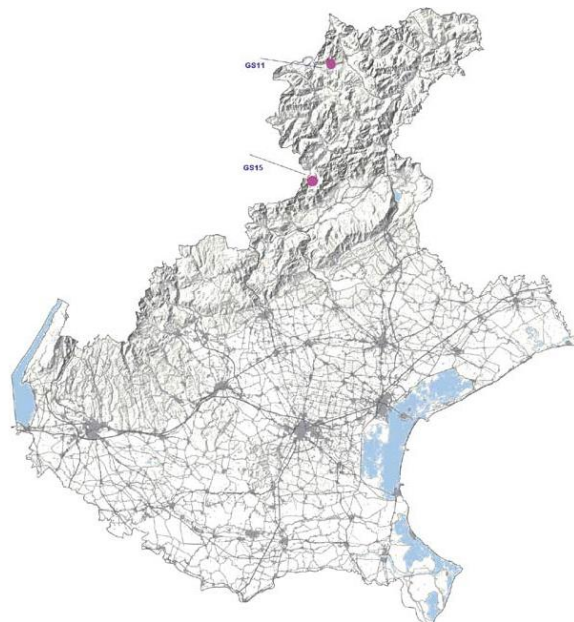


Figure 2: Geological map.

Geological and demographical data about the Veneto Region

The Veneto Region is located in the eastern part of northern Italy. Veneto is a region that encompasses many forms of the natural landscape: from the coastal strip overlooking the Adriatic to the uniform and monotonous Veneto-Friuli plain, which then rises in the twelve hills of the Euganei Hills and the Berici Hills. With an area of 18,390 km², Veneto is the eighth Italian region by surface. The Veneto territory is morphologically very varied, with a prevalence of plains (56.4%), but also extensive mountainous areas (29.1%) and hilly areas (14.5%). The unity of the Veneto territory can be identified in the plains and in the mountains that border it to the north, feeding it with numerous rivers that descend into the Adriatic between the mouth of the Tagliamento and the Delta of the Po. Terrestrial borders are identified by natural elements of type hydrographic (Po, Tagliamento, Livenza), but also of the orographic type (such as to the north of the Asiago plateau, or Mount Baldo). Another geographical element characterizing the Veneto region is the water catchment area of the Piave, which is enclosed within the borders of the region. The highest peak in the region is the Marmolada (3343 m) located in the Province of Belluno on the border with Trentino-Alto Adige.

It is the fifth region in terms of population, after Lombardy, Lazio, Campania and Sicily. According to the 2015 ISTAT data, it counts around 4.925 million inhabitants. The Veneto population is not homogeneously distributed. The plain has the highest densities (especially along the belt from Verona to Venice through Vicenza, Padua and Treviso), the least populated area is the lower Veronese. Even less inhabited are the Prealps and the mountains (the province of Belluno shows the minor densities), except the high Vicentino (with Schio, Thiene, Bassano del Grappa) and Valbelluna. A large urban development is present in the area that extends in particular between Padua, Mestre and Treviso.

From the ISTAT data it is possible to see that the demographic trend of the resident population in Veneto in the years from 2001 to 2016 has increased. In fact, there were 4,528,467 residents in 2001 to reach a



number of 4,906,210 in 2016 (Figure 3). In general, instead, it is possible to observe how the Veneto population has increased and decreased in way directly proportional to the overall Italian population. The variation is evident in both graphs relating to the Census carried out in 2011, the decline is present both in Italy and in Veneto. In the region, specifically, the population was composed of 4,857,210 individuals, while the municipal registry offices were registered 4.952.195. Therefore, a negative difference between the census population and the registry population was 94.985 (-1.92%).



Figure 3: Trends of the Veneto population according to updated ISTAT data.



Figure 4: Percentage variation between the Veneto and Italian population.

The natural growth of a population determined by the difference between births and deaths, the two lines of the graph below show the values in the years from 2002 to 2016. The trend of the natural balance visualized by the area between the two lines.

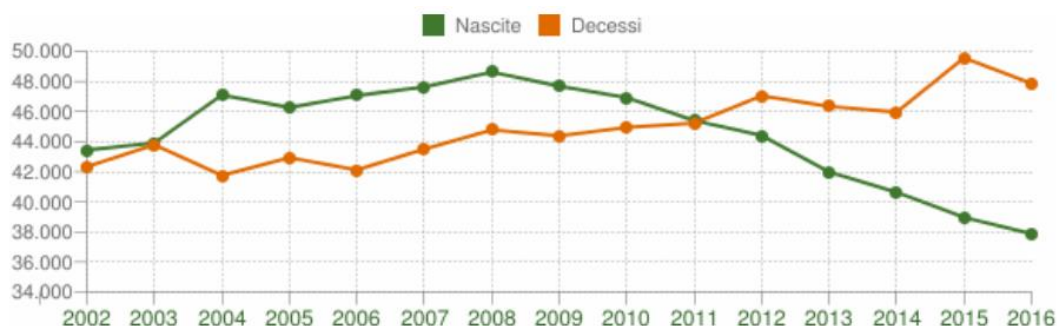


Figure 5: Natural movement of the population according to the ISTAT data.



The graph (Figure 5) shows a decrease in births that go from 43.420 to 37.851. The fertility rate drops to 1.39 children per woman, before it was 1.49 in 2008. Veneto is the regions with the highest birth rate. On the other hand, the visible decrease in 2011 is significant (see table below).

<i>Anno</i>	<i>Bilancio demografico</i>	<i>Nascite</i>	<i>Decessi</i>
2011	1 gennaio-8 ottobre	35.168	34.451
2011	9 ottobre-31 dicembre	10.213	10.770
2011	1 gennaio-31 dicembre	45.381	45.221

We can observe that in 2011 several censuses have made and in that period the births and deaths seem to coincide. The difference between the sum of births in the two censuses and the sum of the two values relating to death, leads to a difference of only 160 more births. In general, Veneto region shows an aging population.

Essential data relating to the economic sectors

The speed with which economic phenomena change in today's society requires continuous monitoring of the main variable that characterizes them to provide the most up-to-date information possible. For this purpose the Veneto socio-economic report allows us to have the most representative data of the regional situation and, in some cases, national. **For this reason we want to carry out an analysis of the main data available, from official sources, on a monthly or quarterly level in order to then provide an overview of the situation as up-to-date as possible.**

The most updated forecasts for 2017 (Figure 6) indicate Veneto GDP growth of + 1.4%. The trend of growth forecast for 2017 in Veneto will be a summary of a good consolidation of investments (+ 2.5%), a recovery of the expenditure for final household consumption (+ 1.6%), and will continue to be supported by a decisive acceleration of exports.

	2017		2018	
	Previsioni		Previsioni	
	Veneto	Italia	Veneto	Italia
Prodotto interno lordo	1,4	1,4	1,6	1,2
Spesa per consumi finali delle famiglie	1,6	1,5	1,4	1,3
Investimenti fissi lordi	2,5	2,0	3,4	2,9

Figure 6: Per cent change in GDP according to the Veneto socio-economic report.

About the companies of the territory, after the few positive signs recorded in the first months of 2017, we can see a slight slowdown of the growth: in Veneto, as in the national context, the active companies recorded a percentage change near to zero. At sector level, the services sector is increasing (0.3% at regional level and 0.2 at national level). Business failures are reducing by 20% instead. About 861 innovative start-ups are born in Veneto, that is the 8.6% of the Italian market.

The trade interchange has an improvement: + 5.1% for the first nine months of 2017. In fact, the foreign turnover of Veneto companies is just over 45 billion euros. To drive the exports Veneto are the sectors of metalworking, machinery, electrical equipment, chemical production and food production. Among the



destination markets, there was a significant increase in sales to the USA, France and Poland. The export to the Russian market is recovering: + 14.4%.

If we look at the **tourism sector** (Figure 7), Veneto achieved record results in 2016. Citizens, Italians and foreigners, who spend the night in Veneto accommodations for a holiday, for business, for wellness and care, for to participate in cultural or sporting events, etc., continue to grow: in 2016 have reached the 17.9 million of arrivals. The presences, which represent the number of overnight stays, have returned to growth so much that in 2016 they reached the historical record (65.4 million). This thanks to the increase both of foreigners and compatriots. Also the first estimates on the current year give positive prospects. The main presences occur mainly by Veneto citizens and then by the following markets: Germany, Austria, the Netherlands, United Kingdom.

	Arrivi	Presenze	Variazioni % 2016/15	
			Arrivi	Presenze
Italiani	6.330.651	21.430.704	4,7	1,8
Stranieri	11.525.916	43.961.624	2,8	4,1
Totale	17.856.567	65.392.328	3,5	3,4
% sul totale Italia	15,3	16,2		

Figure 7: Data on tourism in Veneto in 2016 from the Veneto Region socio-economic bulletin.

Other economic factors to consider are job and education.

Job - In 2016 in Veneto the occupation to increase significantly and the unemployment continues to fall. Also the 2017 starts positively: if you compare to a year ago, the number of employees are increased by 1.8% and the unemployed are decreased by 8.3%. In particular, the unemployment rate is the lowest among those recorded since 2012 in Veneto, while the employment rate is the highest since the beginning of the crisis.

Education - The growth of human capital is essential to support economic growth and strengthen social cohesion. In the last years, the share of schoolchildren leaving school is gradually decreasing and in 2016 it stops at 6.9%, reaching the European target think for 2020. The per cent of graduates between 30-34 years old it grows and with 29.6% it exceeds the target set by Italy (26%). The unemployed are always less in Veneto. Veneto is in a position of advantage compared to other Italian regions: in 2016 it is the second Italian region for the lowest levels of unemployment (first the Trentino Alto Adige).

3.2. Sectoral structure of creative Industry

The Region has recognized the creative industry among the various areas of specialization. It is one of the productive realities of Veneto able to generate wellbeing and to express unique and particular excellences.

This area is characterized by a continuous need for restructuring and modernization generated by multiple factors such as the close relationship with the changing expectations and preferences of consumers, the rapid technological progress, the innovation on materials, the commercial competition and the change in production costs resulting from global competitiveness.

As you can see in the table below creativity and innovation are constantly necessary and often fundamental processes in the fashion industry, one of excellence sector of the Veneto region. The creative fashion industry also includes the associated accessories and services (such as glasses), the quality craftsmanship, the high-end industries, the glass and other artistic artefacts typical of the area,



the fabrics and objects for the furniture, the sport system. Product design, materials preparation, production processes, supply chain management, communication and branding are the phases of the value chain in which research, innovation and creativity go hand in hand to generate new, competitive products. Research actions are needed to develop new materials for fabrics, such as special fibres and composites, functionalized materials, "biological based materials". Biotechnologies and nanotechnologies are linked, they are cross sectors that can be used according to new types of production. The use of new materials will also imply an innovation of production processes that will have to be able to respond more and more to criteria of environmental sustainability guaranteeing the birth of new "green labels" of excellence.

The creative industry is characterized by important different conception and design processes. It exploits the creativity and imagination of designers, graphic, artists, architects. Encouraging and facilitating these processes of conception and collaboration between different knowledge is a necessary step to reach or increase the affirmation on the market of creative businesses in Veneto. In this direction, new technologies can be particularly interesting in increasing, improving and encouraging creative processes and in to encourage and facilitate collaborative design processes, even among professionals with different backgrounds.

Supporting the creative and innovative efforts of companies through projects oriented to the development and up-take of new technologies is to help the originality of the final products, their pleasure and the final satisfaction of the user, improving competitiveness and potential growth of important sectors of the regional economy. For example, new setting for product display, 3D visualization and virtual environments, new tools for online marketing, shared digital spaces and multimodal and creative interaction became important.

In the Veneto region there seems to be a preference for the Creative Industries sector, due to the heterogeneous possibilities of application that the traditional sectors, the drivers of the innovation and the development trajectories promise (Figure 8 - survey among enterprises on the representativeness of smart specializations for their activity).



Figure 8: Performance of Creative Industries in Veneto (from “Smart specialisation strategy della Regione del Veneto - RIS3 Veneto”, August 2015, page 119).



3.3. SWOT-Analysis

Regional SWOT results	
<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Excellent positioning of the Veneto universities respect to the teaching of scientific subjects • Presence of centres of excellence in research and laboratories on nano- and biotechnologies, biomedical engineering, construction technology • High propensity of companies to invest in green • Growth in number of innovative start-ups • Companies with a propensity for innovation • Increase the presence of innovative and technological companies • Regional laws for the support to develop of enterprises, innovation and internationalization • High density manufacturing region • High export propensity • Widespread entrepreneurship • Strong tourists vocation • Presence of excellence and leading companies • Wide cultural and environmental heritage • High rate of informal relationships that allow to the use of external knowledge for produce innovation 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Research centres are not connected to each other • Low use of ICT technology in micro businesses • Difficult attraction of research services for companies • SMEs with low investments in research • Difficulties of companies to intercept financing and innovation opportunities
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Participation in national research projects (national technological clusters) and international projects • Complementarity of knowledge and specializations between different clusters, even beyond regional boundaries • Open Innovation • Unexpressed potential in terms of research and development • Innovation of production processes • Economy always more careful to environmental sustainability • Understanding knowledge and skills available 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Enduring economic crisis • International market exposure



<p>from university research</p> <ul style="list-style-type: none">• Expansion of global markets• Favourable to export• New legal instruments for business aggregations and networks	
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