Promoting "Made in Italy" on a Global Level

Marina Melchionda (October 02, 2009)



On September 28 the Italian Minister of Economic Development Claudio Scajola held a press conference in New York to discuss the current situation of Italian exports in the US, and the measures the Italian government is enacting to promote "Made in Italy" on a global level. Among the issues discussed, the measures being adopted to attract FDI in the country and to fight the phenomenon of falsifying national products abroad

The outstanding quality of "Made in Italy" makes it a "brand" that can easily sell itself. The most talented fashion stylists, the most popular foods, the fastest race cars, and a huge number of other excellent goods are produced and exported from Italy throughout the world.

But the government still feels that more can be done to internationally promote Italy's exports and,



more important, to fight the expansion of counterfeit products that financially damage Italian exports in the order of millions of euro.

On September 28 the Italian Minister of Economic Development Claudio Scajola gave a press conference at the Hearst Tower in New York City right a cocktail reception organized by the Italian Trade Commission and Hearst Magazines to announce their joint upcoming promotional campaign dedicated to Italian fashion.

Sitting with dozens of Italian reporters and journalists, he talked about the current status of Italian exports and foreign commerce, and announced the principal measures taken or to be adopted by the government to promote "Made in Italy" abroad, and in particular, in the United States. The General Director of the Italian Trade Commission Umberto Vattani, the Director of its North American Branch, Aniello Musella, and the Consul General Francesco Maria Talò, accompanied the Minister.

A good promotion of "Made in Italy" abroad, according to Minister Scajola, depends on an efficient advertising campaign that must be planned on a national level. "I have heard of promotional campaigns organized by regional or local governments that have often done nothing but damage our image abroad. In fact, sometimes when delegations are sent abroad on a smaller level than the national one, it can happen that no one fluently speaks the host's language or they don't have the capacity of providing accurate and correct information on what they are promoting.

Foreign entrepreneurs are often disoriented by such disorganization and do not know who they are dealing with...and why should they? The government I represent is taking measures to act against local initiatives of this kind. Personally I am going to ask our Embassies and Consulates throughout the world to somehow obstruct the organization of commercial events in their areas that are not backed by a government agency or channeled into a broader and wider national initiative".

From words to facts: the Italian government is supporting a huge advertising campaign throughout the world, focused on "traditional" sectors, such as the food and fashion ones, but also on "new" (less popular) fields of excellence, such as technology and chemistry." "In the current global economic crisis situation, the amount of Italian goods being exported has not significantly changed, at least when compared to the other countries' export levels. Given their exceptional quality, in fact, our products are generally more expensive, thus targeting wealthier consumers that have not been excessively influenced by the current negative financial trend.(...) Nonetheless, Italian exports in the US have dropped about 15% in the last semester. That's why we have decided to spend more than 10 million euro for a huge advertising campaign in the United States, being that Americans are still our principal customers."

Minister Scajola suggested that the government is also committed on another front which in a more indirect way can help enhance of our production, both in terms of quality and quantity - by attracting a greater amount of Foreign Direct Investments in the country. "Many do not even know that in Italy we have a government agency created specifically to fulfill this mission. The efforts made by <u>Sviluppo Italia</u> [2], indeed, are sometimes nullified by our slow and lengthy bureaucratic procedures that discourage most foreign entrepreneurs interested in the Italian market being used as they are in their home countries to a slim and fast public administration".

In order to help and encourage foreign investors, the government is redesigning the structure of the Italian Trade Commission, transforming it into an organization that not only is committed to the promotion of Italian products abroad, but which can also become a channel of communication between foreign and Italian entrepreneurs and private and public institutions operating in the economic field.

On the Foreign Direct Investments front, much must also be done to induce Italian companies to produce abroad and to start joint ventures with foreign partners. "The Fiat-Chrysler deal can become a good example for our entrepreneurs. Not only has this transaction allowed us to export some Fiat models in the US, the Cinquecento first of all, but it has also opened our borders to Chrysler production facilities. The former, in fact, is going to open three new manufacturing plants in our



country, giving work to thousands of our citizens."

Before leaving the press conference, Minister Scajola finally made his point on an issue that has been engaging the Italian governments for decades: the fight against the expansion of counterfeit products, a phenomenon that more than anything else is damaging Italy's international commerce and interests. "My government is pushing the European Union to promote a law that enforces the protection of property rights and certificates of origin throughout the countries within the economic region. Since many of our fellow members in the Union are obstructing the enhancement of this legislation, we decided to start introducing the measure within our borders. The policy of "labeling" our products protects both the consumer and the producer: it is important to provide the consumer with the most possible correct and complete information on the product chosen, and it is equally fundamental to protect the producers from fake imitations".

Given the current phenomenon of "delocalization of production", Minister Scajola, finally stated that "Made In Italy" will be transformed into "Made By Italy" in many different fields. This will make it even easier to promote our exports and protect our national Excellencies from "savage" imitations. This, he suggested, can not prevent imitations from being made but it encourages us to defend our original products better.

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