

## PRESS RELEASE

### The cost of the necessary lockdown

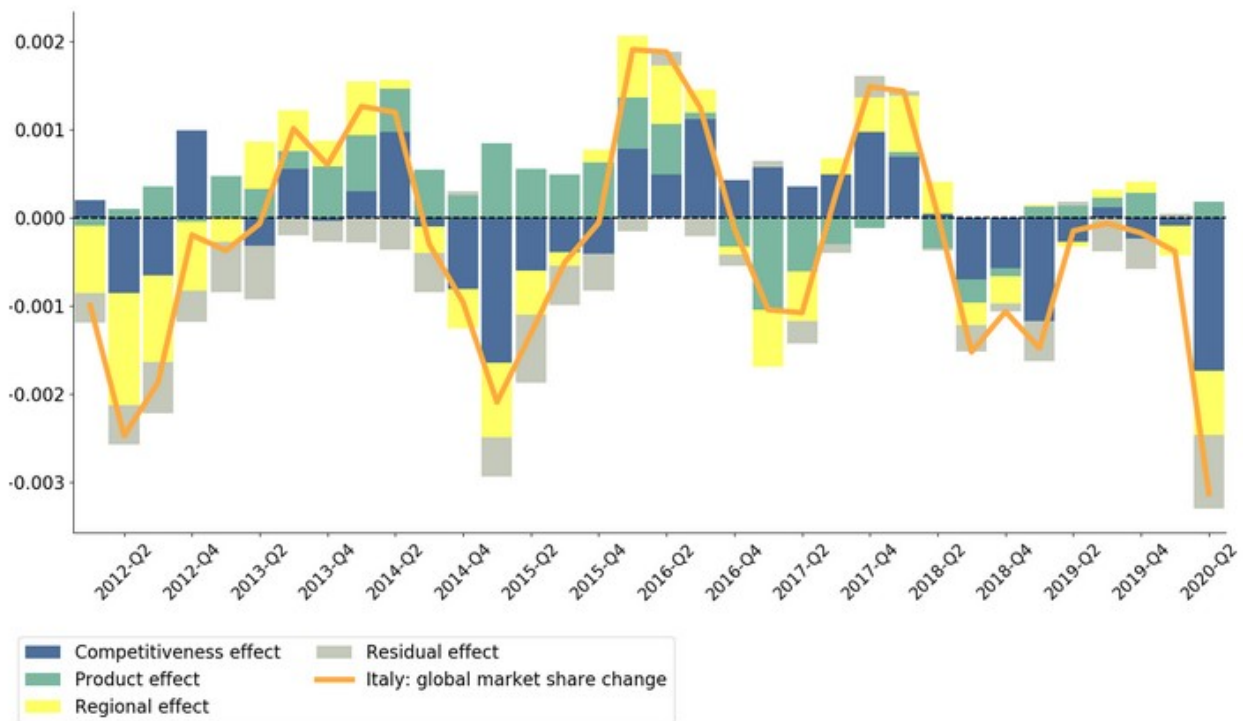
#### The fall in Italy's share of world demand

The health crisis is changing the balance of power in international markets. In the second quarter of 2020, the blockage of production activities drastically reduced the market shares held by Italian companies in the international arena. While world trade in euros fell by 21.6%, Italian exports contracted by 28.8%, showing a **more negative trend** in world demand.

#### The key factors

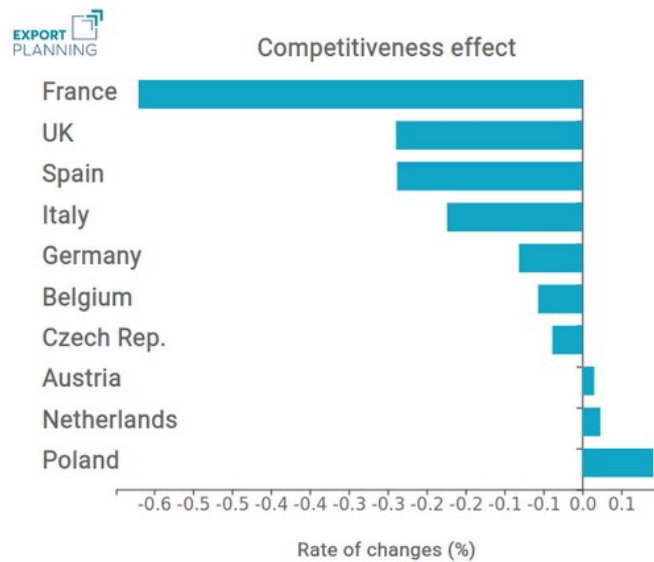
The contraction in the share of world demand is mainly driven by a **competitiveness effect**, reflecting the closure of non-core activities, and by a negative effect linked to the **geographical structure of the market portfolio** of Italian companies. In fact, Italian exports in the second quarter were mainly directed towards markets that significantly reduced their demand, primarily Germany, the United States and France. On the other hand, thanks to exports of **pharmaceuticals** and **agri-foodstuffs**, the product effect proves to be positive.

**Italy: Constant Market Share Analysis (2012-2020, quarterly data)**

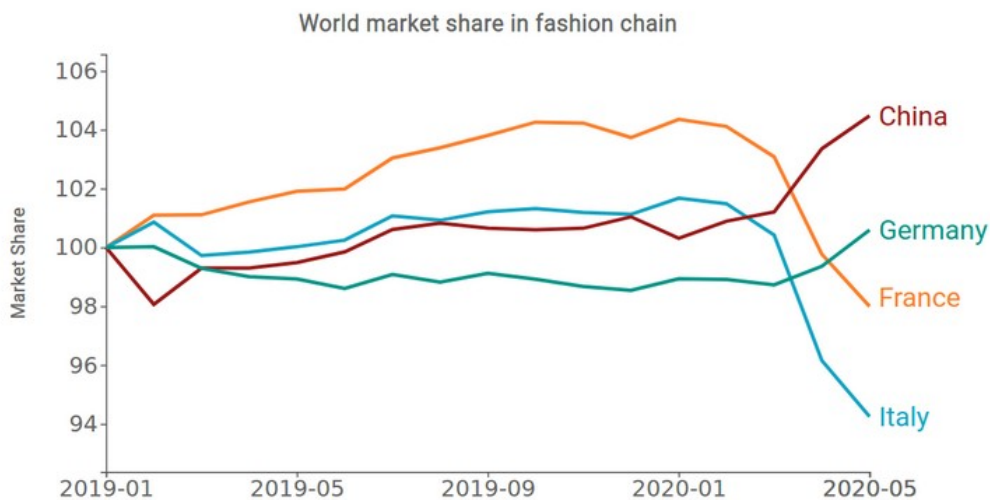


## The competitive repositioning for the Fashion Industry

On the European scene, Italy has in fact suffered the most significant drop in competitiveness, together with **France**, **Great Britain** and **Spain**, economies that have adopted equally severe restrictions on the closure of non-core production activities during the lockdown phase.



One of the sectors most affected by international competitive repositioning is the **Fashion Industry**. In the period April-May, the share of world trade in Italian exports marked a clear deterioration, as the French competitor. On the other hand, Germany and, above all, China, which already returned to activity levels close to pre-Covid19 period, gained a share of global market share.



For more information, see the following ExportPlanning articles:

- <https://www.exportplanning.com/en/magazine/article/2020/08/05/lockdown-and-foreign-trade-a-focus-on-competitiveness/>

- <https://www.exportplanning.com/en/magazine/article/2020/08/06/international-flows-of-fashion-system-have-halved/>

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