

# the business | year



**8** —————

**ECONOMY**

Veneto enjoys a rich local culture of specialized craftsmanship

**14** —————

**INDUSTRY**

Forerunners of digital transformation are showcasing their Industry 4.0 capabilities

**24** —————

**VITICULTURE**

Veneto's Prosecco hills were recently added to UNESCO's list of World Heritage sites

**33** —————

**SPORTS EQUIPMENT**

Milan and Cortina d'Ampezzo are preparing to jointly host the 2026 Winter Olympics







# THE BUSINESS YEAR: VENETO - ITALY SPECIAL REPORT

Long one of Europe's most-storied economic engines, Veneto continues to lead Italy in a wide variety of sectors. From its centuries-old textiles, machinery, and sophisticated manufacturers to its world-famous wine and agribusiness firms, Veneto's nearly half-million small- and medium-sized companies help the region account for 10% of Italian GDP, still the world's eighth-largest economy, making its EUR162-billion economy the envy of the country.

With merely 6.5% unemployment, the lowest in Italy, Veneto has long served as an example of dynamism to the rest of the nation. Not, of course, that it doesn't have its problems, with large-scale emigration, mounting political extremism, and persistent disagreements over the scope and pace of immigration ever present. Still, the region's five million people continue to thrive in the dual face of adversity and opportunity, showing that export-led growth and organizational flexibility do lift most boats.

Crucial to Veneto's ongoing global relevance has been its ability to combine centuries-old expertise with new innovative technologies. On the one hand, it continues to excel in traditional staples such as mechanics, printing, and agro-food in Verona; eyewear in Cadore, Belluno, and Agordo; electrical appliances in Conegliano; shoes and textiles in Treviso and Vicenza; and furniture in Bassano del Grappa.

On the other, its industrial players, such as

motorcycle manufacturer Aprilia in Noale; Orangel Holding, Europe's leading manufacturer of electric motors, foundry, and turning parts; and Favini, one of Italy's leading producers of eco-leather and synthetic materials, continue to forge new paths for modern consumers of every emulsion. And that's without mentioning the region's sports equipment manufacturers, which includes Diadora, Lotto, and Tecnica, who continue to push the boundary of what's possible with cutting edge technologies such as SynPulse and Blueshield.

In addition to growing a huge chunk of Italy's best maize, wheat, rapeseed, soybeans, and sorghum, Veneto not only produces the world's entire stock of Prosecco, but also 4% of all its wine. Indeed, there are even worries it has too much of a good thing: with between 25-30 million visitors storming Venice alone each year, in 2020 it is taking more stringent measures to limit the number of daytime tourists that debark on its shores.

However, so long as its world-class educational institutions such as the Università Ca' Foscari di Venezia, the Università degli Studi di Verona, and the Università Iuav di Venezia continue devoting their energies to everything from combatting the effects of ageing to rebuilding Syria, a superficial approach to life shall not be one of Veneto's problems. Join us in this special report as we explore what some of the region's most interesting players are up to. ✖

**Director**  
Laila Bastati  
**Country Manager**  
Judith Soltész  
**Project Coordinator**  
Serena Bonetto

**Chief Executive Officer**  
Ayşe Hazır Valentin

**Editor-in-Chief**  
Peter Howson

**Senior Editor**  
Terry Whitlam

**Writer/Editor**  
Evan Pfeiffer

**Associate Editor**  
Liz Colavita

**Chief Sub-Editor**  
Shireen Nisha

**Sub-Editors**  
Kabir Ahmad, Alia Kiran

**Editorial Coordinator**  
Belemir Ece Çolak

**Web Editor**  
Aidan McMahon

**Web Assistant & Social Media Coordinator**  
Ahsen Durukan

**Web Developer**  
Volkan Görmüş

**Assistant Web Developer**  
Zişan Yalçınkaya

**Analytics Assistant**  
Sena Özcanlı

**Art Director**  
Emily Zier-Ünlü

**Junior Art Director**  
Emre Boduç

**Senior Motion Graphic Designer**  
Serkan Yıldırım

**Motion Graphic Designer**  
Yiğit Yeşillik

**Senior Graphic Designers**  
Bilge Saka, Şule Kocakavak

**Contributors**  
Babak Babali, Diego Cupolo

**Transcribers**  
Emily Damgalı, Gillian Docherty, Kevin Mataraci, Jason Shaw, Susan Barrett, Cain Day, Rewordist

**HR Manager**  
Merve Yıldırım

**PR Manager**  
Şölen Cenberoğlu

**Operations Manager**  
Öznur Yıldız

**Operations Assistant**  
Can Ünsan

**Office Coordinator**  
Gamze Zorlu

**Finance Director**  
Serpil Yaltalier

**Accounting Manager**  
Quenie Ann Gonzales

**Office & Finance Assistant**  
Lovely Mae Jesalva

ISBN-13: 978-1-912498-41-3



ISBN 978-1-912498-41-3

www.thebusinessyear.com

# Where families unite.

PrimaDonna Elite from De'Longhi lets you make many different coffees, delivered perfectly in cup. With just the touch of a button, so that everyone in the family can enjoy their own drink together, exactly as they like it.



More on De'Longhi espresso makers at [delonghi.com](https://www.delonghi.com)

**De'Longhi**  
Better Everyday

# thebusinessyear



## Published 1Q20

**1** From the editor's desk

## 4 ECONOMY

**5** Little but large • Chapter summary

**6** Luca Zaia, President, Regione Veneto • Interview

**7** Alessandro Benetton, Chairman & Founding Managing Partner, 21 Invest • Interview

**8** Auto way to go • Focus: Industrial clusters



## 10 INDUSTRY

**11** Center of much • Chapter summary

**12** Paul Accornero, Chief Commercial Officer, De'Longhi Group • Interview

**13** Mariano Moritsch, Managing Director, Moritsch Cranes • Interview

**14** Smart approach • Focus: Industry 4.0 in Veneto

**16** Bruno Vianello, President, Texa • Interview

**17** Armando Donazzan, President, Orange1 Holding • Interview

**18** Andrea Menuzzo, President, CAME • Interview

**19** Life design • B2B

## 20 VITICULTURE

**21** Cellars of potential • Chapter summary

**22** Ettore Nicoletto, CEO, Santa Margherita Gruppo Vinicolo • Interview

**23** Alessandro Botter, President, Botter • Interview

**24** A fine tittle • Focus: Prosecco Hills of Conegliano and Valdobbiadene

**25** Carlos Manuel Veloso dos Santos, Director General, Amorim Cork Italia • Interview

**27** Wines • Forum

## 28 SPORTS EQUIPMENT

**29** Sports, casual • Chapter summary

**30** Alberto Zanatta, Chairman, Tecnica Group • Interview

**31** Sports apparel • B2B

**32** Cycling • B2B

**33** Winter gold • Focus: Milan-Cortina 2026 Winter Olympics



## 34 TRANSPORT

**35** Futures unfathomed • Chapter summary

**36** Enrico Marchi, Chairman, SAVE Group • Interview

**37** Pino Musolino, President, North Adriatic Sea Port Authority • Interview

**39** Route master • Focus: Piano Regionale Trasporti (PRT) Veneto 2030

## 40 HEALTH & EDUCATION

**41** Healthy mind, healthy body • Chapter summary

**42** Massimo Slaviero, CEO, UNIFARCO • Interview

**43** Riccardo Donadon, Founder & CEO, H-FARM • Interview

**44** Alberto Domenicali, Director General, Iuav University of Venice • Interview

Read more at [thebusinessyear.com/italy-veneto](https://thebusinessyear.com/italy-veneto)

The Business Year is published by The Business Year International, Trident Chambers, P.O. Box 146, Road Town, Tortola, British Virgin Islands. Printed by Uniprint Basım San. Tic. A.Ş., Ömerli Mah. Hadımköy - İstanbul Cad. No:159 Hadımköy Arnavutköy 34555 İstanbul/Türkiye. The Business Year is a registered trademark of The Business Year International. Copyright The Business Year International Inc. 2020. All rights reserved. No part of this publication may be reproduced, stored in a retrievable system, or transmitted in any form or by any means, electronic, mechanical, photocopied, recorded, or otherwise without prior permission of The Business Year International Inc. The Business Year International Inc. has made every effort to ensure that the content of this publication is accurate at the time of printing. The Business Year International Inc. makes no warranty, representation, or undertaking, whether expressed or implied, nor does it assume any legal liability, direct or indirect, or responsibility for the accuracy, completeness, or usefulness of any information contained in this publication. The paper used in the production of this publication comes from well-managed sources.







## 01

## Economy

## LITTLE BUT LARGE

One of Italy's largest economic powerhouses, Veneto's world-beating manufacturing, textiles, machinery, wine, and agribusiness companies are the reason this region of 5 million people accounts for nearly 10% of Italian GDP. With the country's lowest unemployment rate, its economic model is also a social one—especially for a country suffering from enormous brain drain (nearly 10% of Italians now live abroad).

Nor does that detract from the fact that many migrant workers have enriched Veneto's labor force and continue to flock to the region. Though this may be one of the reasons 32% of its constituents voted for the far-right League in Italy's latest elections—and the League's leader Matteo Salvini remains enormously popular here—it is also a measure of how eager Veneto is of robust political-economic policymaking that cuts through both the onerous red tape and antiquated fiscal structure of Italy's political economy. For, despite its economic success, Veneto and Lombardy led the country in emigration in 2018.

Still, as the president of the Verona Chamber of Commerce, Giuseppe Riello, likes to remind people, the region continues to benefit from its developed, diversified economy and range of

economic sectors. With an army of small- and medium-sized companies—by one count there are more than 480,000 registered in this region alone—that excel in exporting, Veneto's economy is also very interlinked with those of neighboring Germany and Austria. Though this causes the region to buckle its belt when Germany's manufacturing base slows down (as it did to 0.1% in 3Q2019), it also hones it for every time the Teuton—and broader EU economy—awaken.

Nor are sophisticated manufacturing, textiles, or wine the only things driving Veneto's economic engine. In 2018, it also received 20 million visitors—an increase of 7.4% YoY would make it one of the 20 most visited countries on earth, were it a stand-alone region. As it stands, Veneto alone received more visitors than anywhere in South America, the Middle East, or Africa.

Topping even Italy's overwhelming margin of 90% of companies being SMEs, Veneto's firms will only remain as strong as they are both flexible and sustainable, 21 Invest's Chairman Alessandro Benetton told TBY. At the end of the day, however, it is the region's combination of traditional products and technologically advanced activities with export-led growth and organizational flexibility that make it the envy of the nation. ✖

## INTERVIEW



Luca Zaia  
PRESIDENT,  
REGIONE VENETO

## OUR MARKET IS *the world*

Of the 70 million tourists that visit Veneto each year, scarcely any leave without experiencing the region's hi-tech and gastronomic specialties.

### BIO

Representing the region both legally and politically, Luca Zaia was elected president of Veneto in 2010 with over 60% of votes cast. A graduate in agricultural sciences from the G.B. Cerletti Oenological Institute in Conegliano and animal production sciences at the University of Udine, he was first elected municipal councilor of Godega di Sant'Urbano in 1993 and president of the province of Treviso in 1998. After being made vice president of the Veneto Region responsible for agriculture and tourism in 2005, he became minister of agriculture and forestry of Italy in 2008-10.

**In 2018, Veneto's GDP grew by 1.1%, much higher than national GDP. What drove this?**

First of all, Veneto has a development model that is not Fordist. We have a spread-out model that is extremely flexible and responds much quicker to the market's needs, as 80% of our companies have less than 15 employees, and we have around 600,000 VAT numbers. A crucial factor behind our success is that our SMEs are highly specialized. Every company conducts applied research. Our entrepreneurs have always been amazing because they have always internationalized their businesses, which results in the internationalization of the whole territory. Veneto has a GDP of EUR160 billion. Some of our provinces, such as Vicenza, have a GDP that is bigger than Greece's. Our rating is higher than Bavaria's, though our country drags us down. Veneto's actual problem is the 'country effect.'

**What does Veneto offer to investors in terms of tax benefits, logistics, and competitiveness?**

We are in a terribly centralized country, and as such we cannot think or act as if we were in Germany, Switzerland, or the US. Despite this, Veneto was able to gain some room to maneuver. For example, we are the only tax-free region in Italy—we have no regional taxes, saving taxpayers EUR1.179 billion and leaving more resources in the economy flow. Moreover, we invest in innovation, R&D, relations with universities, and infrastructure. The whole region will soon have broadband everywhere, smart roads, and high-speed trains. Veneto has a much more international vision than Italy, and this is something that everyone can acknowledge. That is why we are extremely attractive for foreign capital.

**You recently presented the regional transportation plan for 2030. What are the opportunities for foreign investors?**

This plan is worth EUR20.18 billion. We already have EUR12.8 billion from investments. Of the remainder, EUR6 billion is for the high-speed railway, which will likely come from the central administration. The rest is allocated for other minor infrastructure projects. In brief, Veneto will have new trains as of spring 2020. We are

**"There is no place in the world where a person from Veneto cannot find room for business."**

also investing in infrastructure, such as the Pedemontana Veneta, the most important project in Italy, worth EUR2.258 billion. It is a 98.5-km long highway that will pass through 36 municipalities along with 14 toll booths and 68km of connection roads of which Veneto will get the tolls. For 39 years, we will pay rent to a concessionaire, then the highway will be ours. We are also a benchmark region at the national level for health services and structures with 68 hospitals. Every year, we supply 80 million health services and provide 2 million emergency services. We have a budget of around EUR10 billion for the health sector. Our performance in this sector is among the best worldwide; for example, we have a 95% healing rate for breast cancer and a mortality rate below 5%. Every year, we purchase EUR70 million worth of equipment and tools to treat patients.

**Veneto exported EUR63.3 billion in 2018, a 2.8% increase YoY. How does the region support exports, and which markets have the highest potential?**

We do not have all the tools to be at the top because of the centralist structure of our country, though we support exports through the New Foreign Center of the Chamber of Commerce of Veneto. We take part in fairs, educational events, and meetings at the international level. Our position in the tourism sector also helps us grow internationally. We make around EUR18 billion a year thanks to tourism. We are leaders at the national level and receive around 70 million tourists. This also helps us promote the territory, not only from a tourist point of view, but also a productive one. There is no advertisement about Veneto that doesn't feature a hi-tech or local gastronomic product. Our market is the world; we are against taxes or sanctions. We want a global market. There is no place in the world where a person from Veneto cannot find room for business. ✖





## AN EYE FOR *things unseen*

Investing heavily in the workforce and stressing quality over quantity has helped triple profits at many of the firms 21 Invest has a stake in.

Alessandro Benetton  
CHAIRMAN & FOUNDING  
MANAGING PARTNER,  
21 INVEST

**“We have found that in order to create value, you need a vision, and the vision can be substantiated by an opportunity during a change in the system.”**

You have garnered more than 100 investments with an aggregate return of 20%. What have been the key drivers to achieving this?

My vision since day one was to find correlations between different variables in different sectors, which was before big data was available. Since Italy is 90% SMEs, especially so in the Venetian area, instead of getting involved with something large, I decided to invest in companies where I could understand 100% of what was going on regarding marketing, production, and communication. During the first phase, it was difficult to demonstrate that my theory was right, because we were doing minority cases. By the end of the 1990s, I realized my approach was right in many cases. Over the years, we have found that in order to create value, you need a vision, and the vision can be substantiated by an opportunity during a change in the system. We need to sell companies that are better than the companies we acquired.

What are the defining criteria for selecting the companies you invest in? What success stories are you most proud of?

The movie theater sector with Space Cinema is a great example of discontinuity. We entered a sector with no margins; everyone expected technology to kill the sector, as people shifted to watching movies on their phones, tablets, and computers. We looked at it from another way. In the US, the sector still represented aggregation from a social point of view. Starting from this observation, we envisioned a different market. Everyone was losing money in the sector due to extremely high fragmentation and conflicts of interest, while

most of the players were also in the production business. They had to make money selling movies and were negotiating with tough distributors. We started by investing in side businesses such as food and books that are sold on site to solidify our revenue streams. We did not see a reason for theaters to be empty on Saturday mornings, for example, and began streaming football games or documentaries for schools, or live opera using satellite technology. We boosted sales that way and consolidated about 30% of the market share in Italy. Then, it was time to move to the majors, and we told them we did not want to pay the huge prices they were demanding. After negotiations, it became a sector where everyone makes money. We were truly a game changer, and even though it is not well known, we made a difference. Then, there was Pittarosso; the success there was about applying the same industrial approach of continuously changing the collection, applying a fast fashion vision to the shoe business for the first time. For Forno D'Asolo, it was more of a straightforward situation, as we believed that frozen food technology could improve enormously. It is the only company with its own frozen food distribution chain. We invested heavily in technology, and the quality of the product increased. We also made many investments in terms of the workforce. That was the first case in which we fully applied the shared value approach with local communities and schools.

What sectors hold the biggest potential in the coming years?

I look for situations where we can add a different perspective. I am skeptical of anything where we are expected to work in continuity. We do not say we have to be revolutionary, though we are looking for something new. Today, with technological advancement, all sectors are heavily influenced. People live and work differently than they did before. People eat and move differently. So distribution and food are at the top of my list. ✖

### BIO

Alessandro Benetton is one of the pioneers of private equity in Italy. After graduating with honors from Boston University and completing his MBA at Harvard, he worked in the global finance department of Goldman Sachs International in London. After returning to Italy, he decided to create his own business. In 1992, at 28 years old, he founded 21 Invest, a European investment group with offices in Treviso, Milan, Paris, and Warsaw. Benetton also serves as president of the Cortina Foundation 2021, the entity responsible for organizing the FIS Alpine World Ski Championship 2021 in Cortina d'Ampezzo.

## FOCUS

## Industrial clusters



Image: Bottega SpA

## AUTO WAY TO GO

Artisanal and industrial manufacturers across Veneto have huddled together for centuries, creating synergies and rich local cultures of specialized craftsmanship, and the practice is still going strong.

**ALTHOUGH THE VENETO REGION**, in northeastern Italy, is more famous for its wine, art, and the romantic lure of its regional capital, Venice, the region happens to be one of the industrial powerhouses of Italy, as well.

Indeed, with a GDP of EUR160 billion in 2018, the region owes its robust economy to the reconciliation of tourism and industry sectors since the 1970s. Raising the level of export-oriented industrial activities without marring the Veneto region's idyllic image has secured two parallel channels of revenue for the region—each of which forms over 20% of the Venetian economy.

This framework of multidimensional development is sometimes referred to as the “Veneto development model” or “the case of Veneto.”

With around 20 million arrivals per year, there is little doubt that the Veneto development model has succeeded in promoting the region's tourism sector, but few may know that the model has been equally successful in ramping up industrial activities. Veneto's industry sector is formed of local clusters—locally known as *distretti*—which

attract workshops and factories specializing in the same product—preferably a product with significant connections to the hosting geographical region.

Mainly composed of SMEs, these clusters of businesses focus on all manner of commodities associated with Veneto, including apparel, leather, food, high-end furniture, and designer jewelry and fashion accessories, as well as heavier industries such as chemicals, electronics, and steel.

The province of Verona in the west of Veneto, for example, has become a haven for agro-food industries—and predictably wine. Wine labels such as Amarone, Bardolino, and Soave come from this part of Veneto, and their export fetched some EUR881 million in 2015 for the region.

The Venetian provinces of Treviso and Vicenza, meanwhile, have made a name as world-class textile manufacturers. This is apt as there is an old tradition of fabric manufacturing in both provinces: SERICA 1870, to name but one, is a manufacturer of silk fabrics in Treviso that has



been in business since 1870.

The tradition of weaving is even older in Vicenza. Looms dating back to the 13th century and even as early as the fourth century BC have been discovered in the province. As such, it is hardly surprising that the Vicenza is, to this day, home to a sizeable cluster of textile and apparel manufacturers.

Since antiquity, societies have been aware of the benefits in the clustering of businesses. In ancient Rome, the Eastern Mediterranean world, and the Middle East, workshops engaging in a similar craft tended to huddle together in an area conducive to that particular craft. The old city state of Venice itself remained Europe's most prominent center of glassmaking for centuries.

Toward the end of the 20th century, however, the concept was further popularized by economists and business theorists such as Harvard

Business School's Michael Porter and the winner of the Nobel Memorial Prize in Economic Sciences, Paul Krugman. *The Competitive Advantage of Nations* (1990) by Porter and *Geography and Trade* (1991) by Krugman set out to show how the grouping of interrelated SMEs in one locale stimulates innovation and drives productivity. The leap is achieved, according to economists, through establishing a robust supply chain in the region that can benefit everyone, while shaping a specialized culture of craftsmanship that permeates the region.

Veneto, just like the rest of Italy, still struggles with economic woes such as an employment rate that is "below the European level," according to the European Commission, but the economic clusters across Veneto are the region's best hope for repeating another "Italian economic miracle" in the 2020s. ✖

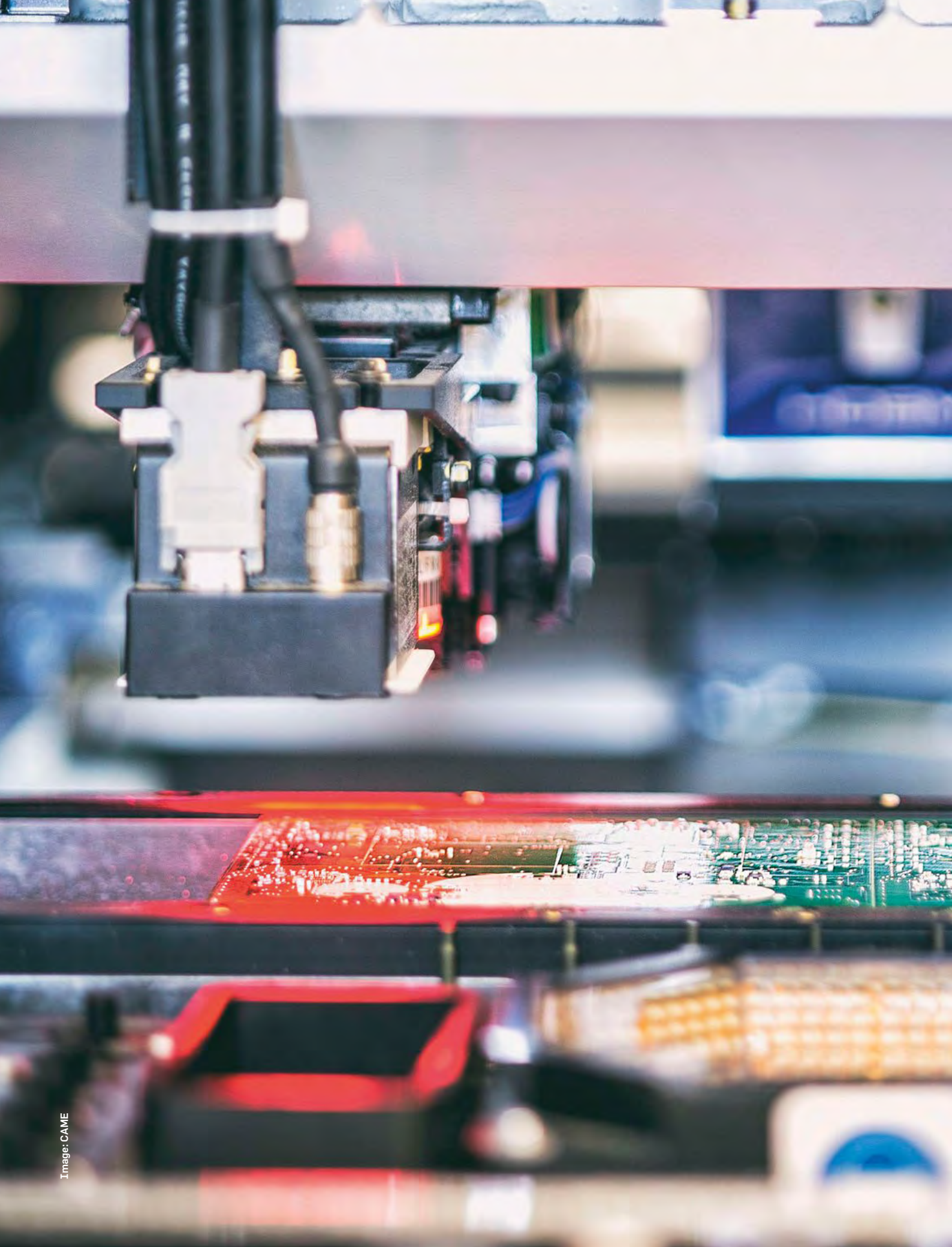
A history with a future  
becomes a heritage.

[www.moritsch.it](http://www.moritsch.it)



**MORITSCH**

CRANES SINCE 1962





## 02

## Industry

## CENTER OF MUCH

**R**epresenting 4.9 million people, or 8% of Italy's population, but nearly 10% of its GDP, at EUR162 billion, the region of Veneto boasted a GDP per capita based on purchasing power parity of EUR33,500 in 2017, 115% that of Italy's and just above the EU average. A region at the heart of Italy's post-war economic miracle, Veneto's prosperity rests upon its robust industrial base. With nearly 486,000 registered companies competing with one another—12% of which are in industry, 14% in construction, and 56% in services—the core of the region's prowess has long been its highly specialized manufacturing base.

This includes, but is not limited to, mechanics, printing, and agro-food in Verona; glass production in Cadore and Belluno; electrical appliances in Conegliano; textiles in Treviso and Vicenza; and furniture in Bassano del Grappa. With some of the country's largest industrial players right at home—the motorcycle manufacturer Aprilia in Noale; the kitchen and household appliance manufacturers DeLonghi and Electrolux and shoe manufacturer Geox in Treviso; and Europe's biggest eyewear manufacturer, Luxottica, in Agordo—it is no surprise that Veneto also has one of Italy's lowest unemployment rates (6.5%).

For centuries a center of print, textiles, and gold and silver work, this does not mean the region's firms are not innovating. Favini, for example, a leader in printing long based in Rossano Veneto, has had to reinvent itself over the past 20 years.

As CEO Eugenio Eger told TBY, several years ago it acquired a paper mill in Piedmont that specialized in paper made for graphics and synthetic leather. Now producing high-quality products for car interiors, the fashion industry, upholstery, flooring, IT applications, and more, it has grown to be one of Italy's leading players in eco-leather and synthetic materials.

When it comes to other leading industrial players such as Orange1 Holding, Europe's leading manufacturer of electric motors, foundry, and turning parts, regional and often international consolidation has been the key. As CEO Armando Donazzan told TBY, it was by internationally expanding into the die-cast business by building or acquiring plants in Italy and Romania that Orange1 enabled itself to become a one-stop shop for its customers in the electronic motors business, be it FCA, Renault, BMW, or Daimler. The key to the firm's expansion—mostly in Italy and Germany but increasingly also in the US—has been remaining agile in the face of continued acquisitions and consolidation. Though Orange1 has acquired 17 companies in the past 20 years alone, it prefers to work with small- and medium-sized firms—as suits the case of a region of 5 million people that has half a million companies—yet another sign that industrial players in Veneto keep their edge by remaining as focused on excellent service and delivery as they do on keeping up with the latest technologies. ✕



# You've reached the end of the free preview.

---

To continue reading, purchase the  
full version via this app or go to  
**[thebusinessyear.com/shop](https://thebusinessyear.com/shop)**  
to order a printed copy.

Or contact us at:  
**[info@thebusinessyear.com](mailto:info@thebusinessyear.com)**

**thebusiness** | year