



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 3/14/2005

GAIN Report Number: IT5007

Italy

FAIRS Product Specific

Bar Code Labeling

2005

Approved by:

Geoffrey Wiggin
U.S. Embassy

Prepared by:

Alberto Menghini

Report Highlights: This report discusses barcodes for U.S. products that may be stocked on supermarket shelves in Italy. Italian law does not require the exporter or importer to have bar codes on products imported into Italy, but the retail trade does require a code on items a consumer would find individually available. Therefore, by using them, the exporter can facilitate handling by Italian importers, wholesalers and retailers. The compatibility of U.S. and European standards has been greatly enhanced by a recent agreement enforced starting January 1, 2005.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Rome [IT1]
[IT]

Summary

- 1. 1. Universal Product Code and European Article Numbering standards..... 3**
 - 1.1 Versions of UPC and EAN codes..... 3
 - 1.2 Compatibility 4
 - 1.3 2005 Sunrise 4
- 2. Italian requirements 4**
 - 1.4 Product specific requirements 5

1. Universal Product Code and European Article Numbering standards

Two types of standards are discussed in this report - the EAN standard and the UPC standard.

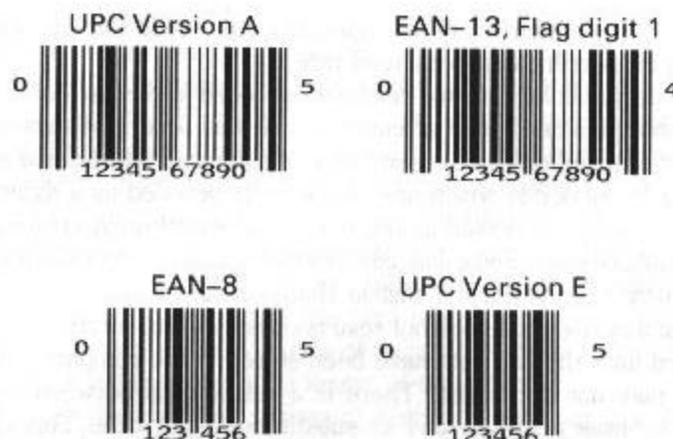
The **Universal Product Code** was the first bar code system widely adopted. Its birth is usually set at 1973, when the grocery industry formally established UPC as the standard bar code symbology for product marking. The UPC code is currently the standard-used by companies in Canada and the United States.

The European Article Numbering (EAN) standard started one year later, in 1974, when manufacturers and distributors of 12 European countries formed an ad-hoc council. Its brief was to examine the possibility of developing an uniform and standard numbering system for Europe, similar to the UPC system already in operation in the USA. As a result , a UPC compatible system called "European Article Numbering" was created.

1.1 Versions of UPC and EAN codes

There are now five versions of UPC and two versions of EAN.

- **UPC version A** is the basic version of UPC and is the version usually seen on grocery store items. The symbology is used to encode the 10 digit Universal Product Code. An eleventh digit indicates the type of product, and a twelfth digit is a modulo check digit.
- **UPC version E** is the next most common version of UPC. It is a zero suppression version of UPC. It is intended to be used on packaging which would be otherwise too small to use one of the other versions. The code is smaller because it drops out zeros which would otherwise occur.
- **Standard EAN** (sometimes called EAN-13 or DUN-13) has 10 numeric characters, 2 or 3 "flag" characters which are usually a code for the country of the EAN International organization issuing the number, and a check digit. In all other respects, it is identical to UPC version A.
- **EAN-8** is the EAN equivalent of UPC-E in the sense that it provides a "short" barcode for small packages. EAN-8 has a left-hand guard pattern, four odd parity digits, a center guard pattern, four even parity digits, and a right-hand guard pattern. An EAN-8 bar code has two flag digits, five data digits, and one check digit.



1.2 Compatibility

UPC is in fact a subset of the more general EAN code. Scanners equipped to read EAN symbols can read UPC symbols as well. However, UPC scanners will not necessarily read EAN symbols. European and Asian companies who wish to sell products in the U.S. and Canada have to secure American UPCs to do so.

Most American companies are already using the UPC standard. In this case they do not need to change their barcodes as they should be fully compatible with EAN thanks to an international agreement between EAN and UPC.

1.3 2005 Sunrise

As of January 1, 2005, ALL Point of Sale applications (scanners and software) must be able to scan and process the EAN-8, EAN-13, UPC-E (eight digit), and UPC-A (twelve digit) codes.

Furthermore, as of January 1, 2005, ALL EAN-8, EAN-13, UPC-E, and UPC-A data structures will conform to the new Global Trade Item Number GTIN fourteen-digit standard. In other words, all eight, twelve, and thirteen digit codes become fourteen digits.

The introduction of the above will not affect companies that already manufacture and label products, as they will continue to use the current barcodes.

1. Italian requirements

Italian law does not mandate that the EAN code be placed on every unit of product BUT 100% of the products that you see on the shelves in Italian supermarkets do display the EAN code. The reason for this is very simple: anything that is displayed on a shelf in retail chains, if purchased, will have to be scanned at the cash register. If the product unit does not display the EAN code, the cashier won't be able to scan it and subsequently sell it. Therefore placing an EAN code on a product unit can be considered a "standard commercial practice", as per agreement between the producers of consumer goods and the distributors of those goods.

Indicod, the Italian association of manufacturers and distributors of consumer goods, is the Italian reference for EAN related matters. Their contact details are:

INDICOD - ECR , Istituto per le imprese di beni di consumo
Via Serbelloni 5
20122 Milano
PHONE: 39 02 777 2121
FAX: 39 02 784 373
E-MAIL: indicod-ecr@indicod-ecr.it
Web Site: www.indicod-ecr.it
Chief Executive Officer: Mr. Alvaro Fusetti

They issue EAN and UPC (now no longer applicable) bar codes to Italian companies.

Indicod has recently made public announcement that not all the U.S. trade partners are yet fully compliant with the EAN-UPC compatibility rule although it has been in effect since January 1, 2005. Indicod will therefore continue to issue UPC barcodes for all the Italian companies exporting to the United States and Canada that will require it until December 31, 2005.

1.4 Product specific requirements

Codes on case boxes:

Indicod does not mandate that a bar code be placed on case boxes. However, many Italian distributors will still ask that the bar code also be placed on case boxes. That is because many distributors are also using scan data to track inventory in their warehouses. Indicod estimates that in Italy about 55% of the case boxes do in fact display the EAN code. The remaining 45% display alpha-numerical codes other than the EAN code or no codes at all.

Barcodes on bottles and packaging:

Both in EAN and UPC there are 12 digits barcodes and 8 digits barcodes. The latter (8 digits) are used for small items with curved surfaces, like bottles, to avoid optical distortion that would generate an error with laser readers. Usually companies use 8 digits codes on the bottles and 12 digits codes on the case. Barcodes on other packaging other than these are for logistic purposes.

Barcodes must be applied to the "minimal selling unit". That means that if a consumer can buy a single bottle from the supermarket shelf, there has to be a barcode on each and every bottle