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Italy

ATO ACTIVITIES reports

La Dolce Vita

1999

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Report Highlights:

-- Italian taste for Ethnic foods and flavors are rapidly expanding providing attractive U.S. export opportunities.

-- Italian penalties for improper food labeling are nearly tripled! ATO Milan's food labeling and ingredient clearance program ensures U.S. food products comply with EU and Italian laws, rules and regulations.

Includes PSD changes: No
Includes Trade Matrix: No

Unscheduled Report
Milan ATO [IT1], IT

La Dolce Vita

Improper Food Labeling Penalties Nearly Tripled; ATO Milan's Label Review Program Ensures Your Labels Meet Italian and EU Specifications.

Italy has proposed tougher penalties for improperly labeled food products. Once signed and enacted, the penalties will increase from the current \$5,500 to a minimum of \$15,150 with a maximum of \$21,800. ATO Milan established a special program with a local agency to ensure U.S. agricultural and food product labels and ingredients comply with existing EU and Italian laws. This program costs only \$150 per product. Normally this type of label clearance costs between \$1500 to \$3,000 per product label.

Contact the ATO Milan office at fax: 011-3902-659-9641 or e-mail: ATOMilan@fas.usda.gov for more information on this program or to enroll your product in it.

Ethnic Food Spices up Italian Cuisine and Provides opportunities for U.S. exports.

The Italian food tastes are finally beginning to open to non-Italian food preparations. Italians have a long tradition of scorning non-traditional, non-Italian food products in Italy. This is beginning to rapidly erode with the maturing of the MTV population and with the rapid rise of the immigrant and tourist populations. A recent survey of Italian restaurants revealed that over 1300 ethnic, non-Italian food, restaurants exist in Italy. The majority of these ethnic restaurants are located in Northern Italy, particularly in the Milan, Venice and Florence areas. These areas coincide with the higher income levels and major tourist centers.

There are over 1900 Chinese restaurants in Italy, followed by 250 Tex-Mex restaurants, 120 Indian restaurants, 60 Spanish restaurants, 30 Greek and 30 Japanese restaurants. Each of these restaurants uses, or could use, U.S. products in the form of ingredients, sauces, condiments, etc.

Pizza is still Italy's favorite fast food.

There are roughly 20,000 pizzerias in Italy and only 200 McDonald's restaurants. The largest non-Italian fast food chain in Italy. Roughly \$7.3 million dollars are spent purchasing pizzas every day while only \$1.2 million are spent at non-pizza fast food chains.

Italy improved the business climate over the last five years state American Executives working in Italy. The Herald Tribune recently published the results of a survey of American businessmen in Italy that summarized the business climate being more difficult in Italy than in other EU countries. Over 80% of the respondents claimed that dealing with Italian bureaucracy and government is worse than in other European countries. Nearly the same amount claimed that the bureaucracy was the main reason doing business in Italy was not on par with other European countries. The difficult bureaucracy, an over regulated economy and high labor costs were cited as major limiting factors in conducting business in Italy. Around half of the businessmen surveyed have witnessed 'shady' business practices and a third witnessed cases of corruption. Nevertheless, nearly 60% would recommend that their own companies invest more in Italy. Small, family run companies are efficient and represent the strengths of the Italian economy.

The survey also pointed out a few major differences between Italian and American business practices. In Italy the cellular phone is endemic. In Italy, the ringing telephone is top priority in most people's lives. To let an answering machine respond to a call when it could be answered personally is considered a sin. Meetings, conferences and private conversations are constantly interrupted by ringing telephones, people answering them and then holding private conversations.

Italian meetings are considered complete chaos by American business practices. In the United States we are used to following organized meeting agendas, a maximum of one-hour meetings is a general rule unless previously stated, and having a person designated to preside over meetings so the meeting flows in a systematic manner to meet the goals of the meeting. In Italy, it is common to hold a meeting with no agenda, no time frame, no apparent meeting head, and with various relevant and non-relevant conversations held simultaneously, with many telephone conversations interrupting the other conversations. At some magic moment in this confusion and chaos a decision will be reached and the meeting will end.

In American business practices it is common to quickly get to a first name basis with clients you meet the same day. In Italy, like most of Latin America, titles are of prime importance. You call people by their title "doctor" or "professor". In America we discuss private interests, hobbies, families, etc. with our clients or business counterparts whereas in Italy business only is discussed. The family is protected from business relationships and is seldom discussed.

In summary, Italy is still a tough place to do business. Companies willing to stick out two or three years of promotion and contact with Italian importers and distributors will begin to see the results of their efforts. Companies new to the Italian market should review report **IT8704 "Ensure Payment for Your Exports"**. This report can be accessed through the internet at **www.fas.usda** or request a copy from our office via **fax at 011-3902-659-9641** or e-mail **ATOMilan@fas.usda.gov**