

## **Italian Pavilion Hosts Forum for Exchange between Guangdong and Venice** Key experts from Italy and China gather to share best practices on balanced and sustainable regional development

SHANGHAI, September 19, 2010 – As one of the highlights of the Italian Pavilion's 'Green Week', leading experts from Italy and China gathered this week at the Shanghai Expo to discuss the challenges associated with achieving harmonious and sustainable development in rapidly growing regions. Jointly organised by the Italian Ministry of Economic Development, the Venice Expo Committee, with the collaboration of the Italian Ministry of Foreign Affairs' Italy-China Regional Partnership Programme, the seminar – “Development Trends in China and Italy: Case studies from Guangdong Province and the metropolitan area of Venice analysed by the Organization for Economic Cooperation and Development (OECD)” – examined the tests faced by both regions.

With increased globalisation, regions are emerging as key players in the world economy and therefore ensuring their continued competitiveness has become a significant policy objective. The seminar used research studies conducted by the OECD (Territorial Reviews) as the basis to discuss the challenges posed by economic development in Guangdong and Venice, as well as provide a forum for the exchange of experiences on territorial and urban trends and policies. Representatives from the OECD – a major figure in the debate on development policies and governance at the international level – including the Italian Ambassador to the OECD, Mr Antonio Armellini, were present at the seminar .

“Italy and China face many common challenges in our desire to create urban environments that are both economically and socially viable. In particular, Guangdong and Venice are confronted by the need to foster innovation-driven economies that are also environmentally responsible,” expressed Ms Maria Assunta Accilli, Secretary General of the Italian Committee for the Shanghai World Expo 2010 . “Solutions to these issues cannot be achieved alone, and we greatly welcome this opportunity to share best practices and learn from each other's experiences.”

Major shortcomings for China's development in terms of level of GDP per capita, human capital and innovation capacity were also pointed out by Mr. Zhou Hanmin, Deputy Director of the Shanghai World Expo Coordination Bureau.

Guangdong and Venice are both regions in transition. The former has gone from a heavily agricultural economy to one with the world's largest concentration of low- and medium-value added manufacturing, even though high regional disparities in the level of economic development are still a major obstacle to a



balanced growth of this province. The latter, known for its model of small firms and industrial clusters, is in the midst of deep economic transformation brought on by shifting demographics and rising infrastructure pressures. During the seminar, experts from both Guangdong and Venice engaged in dialogue on how to better make use of the recommendations suggested by the OECD to address these issues.

As stated by Mr Mario Pezzini, Director of the OECD Centre for Development, who chaired the debate during the seminar, development policies should take into consideration the territorial dimension, as regions are different from each other, and should promote autonomous development by maximizing regional comparative advantages. In this direction moves the Italian experience for a balanced and sustainable territorial development, which was illustrated at the seminar by Mr Aldo Mancurti, Head of the Department for Development and Economic Cohesion in the Italian Ministry of Economic Development. In his speech, he pointed out how Italy is promoting an endogenous regional growth through policies tailored to address the weaknesses and potentials of each territory and to improve here the quality of public goods and services.

The concepts of endogenous and balanced growth were then invoked as increasingly important in development policies in China by Mr Zou Yong, Vice Director General of the National Development and Reform Commission and by Mr Yu Yun Zhou, Deputy Director General of Guangdong Development and Reform Commission, who also quoted the Italian experience as case study to learn from. Mr Yu then referred to the excellent work done by the OECD and the relevant contribution that the research study on Guangdong will offer to address the pressing needs for industrial upgrade and skilled talents, as well as to limit the environmental threats resulting from unprecedented urban and industrial growth. He finally expressed the need for further collaboration with the OECD and Italy.

Giuliano Segre, President of the Venice International Foundation and Sandro Simionato, from the Municipality of Venice, expressed themselves their appreciation for the OECD report on Venice and referred to the challenges the Venice city-region is facing to increase innovative capacity, enhance labour market inclusion, tackle climate change and flooding risks and stimulate connectivity to create synergies in a poly-centric system. As mentioned by the representative from the OECD, Ms Lamia Kamal Choui, a major issue to be tackled remains the improvement of the city-region's governance within a metropolitan vision.



Fundamentally, the objective of these conversations was to promote the dialogue on territorial development and exchange of experiences in this field with the OECD and among the two countries with the aim of strengthening cooperation and promoting new partnerships on territorial development. Indeed, throughout Green Week, which lasts until September 18, the Italian Pavilion is hosting panel discussions and conferences to foster an exchange of best practices between Italy and China on climate change adaptation, green design and architecture and eco-efficient materials and construction.

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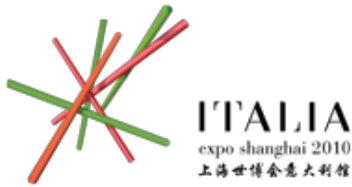
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**Background Information**

An introduction to Guangdong and Venice

Guangdong, located in the South of China, is the most populous Chinese Province and has been the principle driver of the national economy over the last thirty years, thanks in part to its strategic geographical location in close proximity to Hong Kong and Macao. It was the first province to implement a wide range of economic reforms after the introduction of the Open Door Policy in 1978 and has made remarkable progress in transforming from a largely agricultural economy to a more modern economy. The Pearl River Delta, in particular, has acquired the moniker of "the World's Factory", since it has the world's largest concentration of low and medium-value added manufacturing. Given this situation, Guangdong's success has been mainly built on an externally oriented model, characterized by a high ratio of trade to GDP and high foreign direct investment inflows.



Venice city-region in Italy, with a population of 2.6 million of inhabitants, includes the Provinces of Venice, Padua, and Treviso, which are integrated areas from an economic point of view. It is one of the largest economies in Italy and among the most dynamic and productive areas in Europe, with GDP per capita close to the average of OECD metropolitan regions and low official unemployment rate.

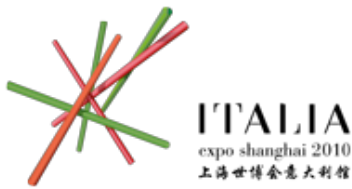
Known for being one of the world's most visited areas, Venice, like Guangdong, also features an economy based heavily on export-oriented manufacturing. Venice represents a major tourist destination but it is also an important junction for the transportation system, with an airport that ranks third in Italy and one of the most important harbours in the Adriatic Sea. Thanks to its specialised industrial districts and the involvement of small and medium enterprises, the area has become an example of economic development – often referred to as “Miracle of Veneto” or model of “Third Italy”. For example, the Province of Padua is specialized in knowledge-intensive activities and the Province of Treviso in manufactory activities.

#### Overview of the Territorial Review of Guangdong

The OECD Territorial Review of Guangdong provides a comprehensive analysis of trends and challenges in the region, at the national and international levels. After a general overview on Guangdong's strengths in terms of geographic location, population trends, industrial and commercial policies, the study investigates the most pressing issues for the province, above all industrial upgrade, increasing productivity levels, reducing regional disparities and limiting the environmental threats stemming from extraordinary urban and industrial growth. The Review then assesses the current provincial government strategy in response to those development challenges and provides useful recommendations to better exploit existing competitive advantages and address untapped potential. In particular, it explores the opportunities for strengthening human capital, promoting regional innovation, fostering growth in lagging regions and developing a green growth strategy. In addition, the Review discusses strategies to improve Guangdong's governance, paying particular attention to coordination issues within the Pearl River Delta.

#### Overview of the Territorial Review of Venice

The OECD Territorial Review of Venice notes that although it has thrived on a model of small firms and industrial clusters, the city-region is currently undergoing deep economic transformation. Venice ranks among the most dynamic and productive city-regions in the OECD, with high employment levels and growth rates; however, it also confronts growing environmental challenges



as a result of rising traffic congestion and costly infrastructure pressures, exacerbated by sprawl. Demographics are also changing, due to ageing inhabitants, immigrant settlement and the rapid depopulation of the historic city of Venice. Moreover, the region performs low scores on innovation indicators. Therefore, key policy challenges for the region should concern how to increase innovative capacity, enhance labour market inclusion for immigrants, women, and older workers, tackle climate change and flooding risks and stimulate connectivity to create synergies in a poly-centric system.

The OECD Territorial Review of Venice offers a comprehensive assessment of the city-region's economy and the extent to which its land use, labour market and environmental policies embrace a metropolitan vision. As recommendations, it explores opportunities for boosting innovation by developing links between universities and firms, business development for SMEs and improving business environment. In addition, the Review discusses strategies to improve Venice's governance by extending horizontal co-operation, through pilot-projects in tourism, inter-city flagship projects, metropolitan climate change strategies and the creation of a metropolitan transit authority.