

THE PUMP INDUSTRY IN ITALY

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ASSOPOMPE



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Foreword

The mechanical industry includes a number of sectors that are at the forefront of their industry due to the technical and qualitative characteristics of the products they manufacture: this is precisely the case of the pump industry, which stands at the fore of the Italian manufacturing sector thanks to the specialisation and professionalism of its companies. These companies maintain their production base in Italy, considering this to be a strategic goal, and although greatly tested by the crisis, in 2015 they marked a production value of approximately 2 billion € with exports accounting for 72%.

This document intends to raise awareness about the strength and potential of this sector within the mechanical industry, highlighting its "strategic" role in the eye of users, institutions, public bodies and authorities.

The study provides a broad overview of the Italian system and describes the position this country holds as compared with its international competitors.

In order to familiarise the reader with a mostly unknown industry, we devoted the first chapter to presenting the main products this sector focuses on.

The second chapter features the import/export data analysis for the 2010-2014 5-year period. International trade data detailing trade relations between countries provides valuable information for comparing the Italian manufacturing system with those in competitor countries. The study singled out Germany, the United States, China and Japan as the main competitors. The impressive thing to note here is that the Italian pump industry managed to retain a major position even during the worldwide economic crisis which has occurred over the past few years.

The third chapter features an economic analysis of the industrial pump manufacturing industry, with specific focus on the role and relevance of that industry within the wider industrial system industry. The Italian system industry has always been a lever for worldwide penetration and growth for many sectors (petrochemical, chemical, energy, water and transport). In this wider industry, turbine, industrial valve, gas regulator manufacturers operate and, more generally, all engineering service providers, device and machine suppliers focusing on industrial system, infrastructure and production system manufacturing, which are instrumental in guaranteeing the proper operation of the very systems. In 2015, the Italian system industry marked a production value of approximately 12.7 billion € (production/export share of 65%, with almost 69.000 employees), to which the pump industry accounts for approximately 15%.

The fourth chapter describes this sector by making reference to the specific strategic choices; to do so, it features some thorough interviews, supported by an analysis of the official documents (financial statements and management reports). After analysing the value chain, the major current and expected trends were identified, among which the international

focus, strong specialisation and a marked differentiation are the main elements, which in turn generate some remarkable competitive advantage.

Lastly, a financial analysis, aimed at re-examining the main financial statement indicators, was carried out by focusing on a pool which includes almost all the companies in the sector, in order to assess economic performance and the soundness of the financial structure for the 2009 to 2014 period.

This data was used to look into issues such as profitability, management efficiency, investment criteria and industry soundness in order to provide an important indication as to the state of the sector and the types of investments it is pursuing.