

MarketLine City Profile

Venice

Reference Code: ER0100CP

Publication Date: April 2017

WWW.MARKETLINE.COM

MARKETLINE. THIS PROFILE IS A LICENSED PRODUCT AND IS NOT TO BE PHOTOCOPIED

MarketLine

CITY SNAPSHOT

- Venice metropolitan region or Venice metropolitan city is a wider part of the Veneto region. The metropolitan city covers a total area of 2,178km², which is 0.8% of Italy's total area. The city includes Venice city (capital city of Veneto region) and other 44 municipalities
- In Venice metropolitan city, 861,140 people resided in 2016. Since the past decade (2007-2016) the city's population grew at an average annual rate of 0.4% and is expected to reach 869,480 by 2025, recording an average annual growth rate of 0.1%. The population density of the city stood at 350 inhabitants per square kilometer, above the national level of 200 inhabitants per square kilometer in 2016
- The city's nominal GDP stood at €25.2 billion (US\$27.9 billion) in 2016 compared to €25 billion (US\$27.8 billion) in 2015. It is expected to reach €26.6 billion (US\$29.9 billion) by 2025. It accounted for 1.4% of national GDP in 2016. The GDP per capita of the city totaled to €29,284 (US\$32,375) in 2016
- The service sector contributed the most to the city's GVA, with a share of 77% followed by the secondary sector (21.3%) and the primary sector (1.7%) in 2016. The share of the service sector increased from 74.5% in 2007 to 77% in 2016. Within the services sector, wholesale and retail trade; hotels and restaurants, transport and information constitute 29.1% share, followed by the financial intermediation, and real estate constitute (27.2%) and administrative and support services (20.7%) in 2016. On the other hand, the share of the secondary sector declined from 23.9% in 2007 to 21.3% in 2016
- The Venice Marco Polo Airport or Aeroporto di Venezia Marco Polo is the international airport situated at Tessera (an administrative division located north of Venice city). It is the fifth busiest airport in Italy (in terms of passenger traffic) after Rome Leonardo da Vinci-Fiumicino (Rome), Milan Malpensa (Milan), Milan Linate (Milan), and Bergamo Airport (Milan/Bergamo). In 2016, the airport handled a total of 9.6 million passengers, an increase of 10% compared to 8.7 million passengers in 2015. The total number of commercial aircraft movements during 2016 was 84,355, up by 12.2% over the previous year

Table 1: Venice metropolitan city – key facts (estimates), 2016

Key Facts	
Population (million)	0.8
Land Area (km ²)	2,178
Population density (people/km ²)	350
Real GDP growth (%)	0.3
Nominal GDP per capita (US\$)	32,375
Nominal GDP (US\$ billion)	27.9

Source: MarketLine

MARKETLINE

TABLE OF CONTENTS

City Snapshot.....	2
PEST Analysis	6
Political	6
Economic.....	7
Social.....	16
Technology and Infrastructure	21
Communications	21
Internal Transport Networks.....	21
Connectivity	22
Airports.....	23
Business Environment Analysis	24
Travel and Tourism	25
Tourism Flows	25
Hotels	26
Attractions.....	27
Events.....	28
Construction and Real Estate.....	29
Investment.....	29
Real Estate Market	29
Retail.....	30
Retail Market	30
Consumption, Income and Prices.....	30
Appendix	31
Sources	31
Further Reading.....	31
Ask the analyst	31
About MarketLine	31
Disclaimer.....	31

LIST OF TABLES

Table 1: Venice metropolitan city – key facts (estimates), 2016.....	2
Table 2: Venice metropolitan city – real GDP and real GDP growth, 2000-25	9
Table 3: Venice metropolitan city – economic growth (Index 2010=100), 2000-25	11
Table 4: Venice metropolitan city – GDP per capita comparison, 2000-25 (US\$).....	13
Table 5: Venice metropolitan city – employment structure, 2000-25 (% of total).....	15
Table 6: Venice metropolitan city – main universities, 2016.....	16
Table 7: Venice metropolitan city – population comparison, 2000-25 (million).....	18
Table 8: Venice metropolitan city – population by age, 2000-25 (% of total).....	20
Table 9: Venice metropolitan city – mass transit network indicators, 2015	21
Table 10: Venice city – key airport indicators	23
Table 11: Venice city – Tourism arrivals.....	25
Table 12: Venice city – overnight stays	25
Table 13: Venice metropolitan city – international arrivals by country of residence	26
Table 14: Venice metropolitan city – Tourist arrivals in Venice province by type of accommodation (2015).....	27
Table 15: Venice metropolitan city – Overnight stays in Venice province by type of accommodation (2015)	27
Table 16: Venice– UNESCO World Heritage Sites	27
Table 17: Venice city – MICE and other events, 2017	28

LIST OF FIGURES

Figure 1: Venice metropolitan city – real GDP and real GDP growth, 2000-25 8

Figure 2: Venice metropolitan city – economic growth (Index 2010=100), 2000-25 10

Figure 3: Venice metropolitan city – GDP per capita comparison, 2000-25 12

Figure 4: Venice metropolitan city – employment structure, 2000-25 (% of total) 14

Figure 5: Venice metropolitan city – population comparison, 2000-25 17

Figure 6: Venice metropolitan city – population by age, 2000-25 (% of total)..... 19

PEST ANALYSIS

Political

- The City Council is the legislative body of Venice Municipality and composed of the mayor and 36 municipal councilors elected every five years. The municipality is subdivided into six administrative wards – San Marco, Castello, San Polo, Cannaregio, Santa Croce and Dorsoduro. The wards are governed by the council and the President
- The council is the policy-making body and holds the political, administrative powers of the city. It looks after divisions such as education, sports, environment, and immigration, protection of health, housing and tourism
- Mr Luigi Brugnaro is the present mayor of the municipality. He was elected in June 2015 and belongs to the center-right independent party. The mayor, along with council members, handles activities related to various departments such as environment, construction and public health
- The proposed budget for 2017 by the City Council is €1.4 billion (US\$1.6 billion), lower than €1.5 billion, (US\$1.7 billion) for 2016. Of the total proposed budget, 3.9% or €53.8 million (US\$60 million) is allocated for capital expenditure and the remaining 96.1% or €1.3 billion (US\$1.5 billion) is for operational expenditure
- Linee Programmatiche Guidelines for the period 2015-2020 were released in October 2015 by the city mayor to focus on priorities of city administration. Some of the major agendas of the plan include security, economic development, improving social and quality of life, infrastructure, environment, landscape and animals, tourism, promotion of excellence and sports

Economic

- The economy of the Venice metropolitan city has been supported by the tourism sector and export industries. After a major decline of 4.8% in 2008 during world economic recession, the post-recession effect is slowly gathering normalcy to attain stability. The economy was steady post 2015 at 0.3%, and over the period (2017-25), the economic growth is likely to remain stable supported by improvement in the professional and business services, manufacturing and construction sectors, which are also the key drivers for the city's economy. The projected real GDP growth of the city stood at 0.2% during 2017-25, lower than Turin (0.4%) and Rome (0.7%)
- The city's nominal GDP stood at €25.2 billion (US\$27.8 billion) in 2016 compared to €25 billion (US\$27.6 billion) in 2015. It is expected to reach €26.6 billion (US\$29.4 billion) by 2025. In the past decade (2007-2016), the city's real GDP crumbled at an average annual rate of 1.1%, due to the economic crisis. However, the economic growth trend is gradually picking pace (0.3%) due to increasing domestic demand, higher household consumption expenditure and surge in investments by enterprises
- The city's GDP per capita reached €29,284 (US\$32,375.8) in 2016, comparatively lower than other cities of Italy such as Rome (€35,195/US\$38,910) and almost equivalent to Turin (€29,500/US\$32,615), but higher than Naples (€17,918/ US\$19,800). The city's GDP per capita is expected to reach €30,620 (US\$34,450) by 2025
- The services sector contributed the most to the city's GVA, with a share of 77% followed by the secondary sector (21.3%) and the primary sector (1.7%) in 2016. The share of the services sector increased from 74.5% in 2007 to 77% in 2016. On the other hand, the share of the secondary sector declined from 23.9% in 2007 to 21.3% in 2016
- Within the services sector, wholesale and retail trade, hotels and restaurants and transportation generated €6.6 billion (US\$3.4 billion), accounting for 29.1% of the total service sector's contribution to the city's GVA in 2016. The financial intermediation and real estate contributed €6.1 billion (US\$6.8 billion or 27.2%) and administrative and support services added €4.7 billion (US\$5.2 billion or 20.7%) to the services sector in 2016
- During (2007-2016), total employment declined at an average annual rate of 0.5%. Gradually, the trend is changing as the working age population is being retained, as many new jobs are emerging due to surge in enterprises/companies set up. The total employed persons in the city reached 254,452 in 2016, recording an annual growth of 0.5%. During 2017-25, the total employment is expected to soar at the average annual rate of 0.2% to reach 259,000
- The unemployment rate in the city rose significantly from 4.3% in 2007 to 9.4% in 2014, majorly due to the global economic crisis of 2008. However, the unemployment rate declined moderately to 6.9% in 2016. By 2025, the unemployment rate is expected to fall further to 6.4%
- Of the total employed persons in the city in 2016, 74.6% were employed in the services sector, 23.5% in the industry sector and 1.9% in the primary sector

Figure 1: Venice metropolitan city – real GDP and real GDP growth, 2000-25

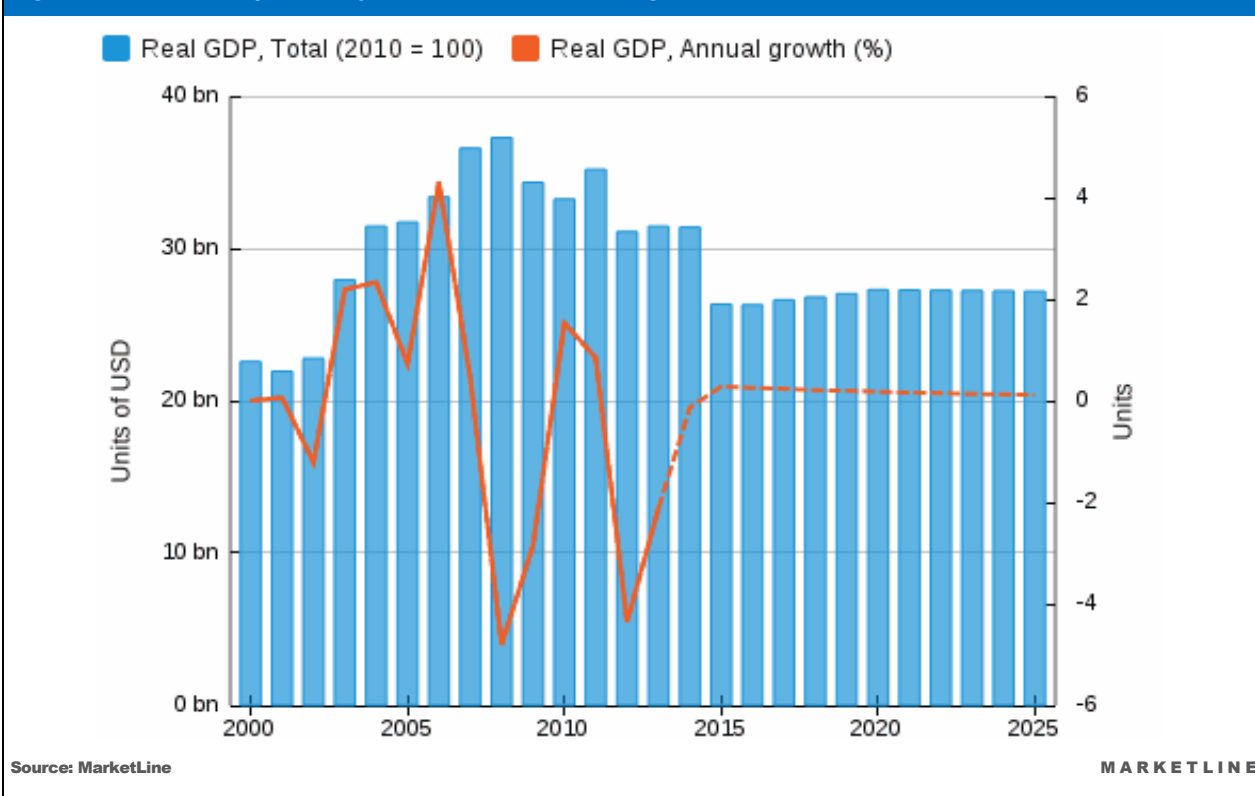


Table 2: Venice metropolitan city – real GDP and real GDP growth, 2000-25

Year	Total (US\$ billion, 2010)	Annual Change
2000	22.57	
2001	21.94	0.06%
2002	22.79	-1.22%
2003	27.93	2.19%
2004	31.44	2.33%
2005	31.72	0.73%
2006	33.37	4.30%
2007	36.57	0.45%
2008	37.27	-4.80%
2009	34.33	-2.85%
2010	33.23	1.53%
2011	35.18	0.84%
2012	31.10	-4.36%
2013	31.45	-2.12%
2014	31.39	-0.13%
2015	26.34	0.28%
2016	26.29	0.25%
2017	26.62	0.24%
2018	26.80	0.21%
2019	27.02	0.20%
2020	27.28	0.18%
2021	27.27	0.16%
2022	27.25	0.15%
2023	27.23	0.13%
2024	27.21	0.12%
2025	27.18	0.12%

Source: MarketLine

MARKETLINE

Figure 2: Venice metropolitan city – economic growth (Index 2010=100), 2000-25

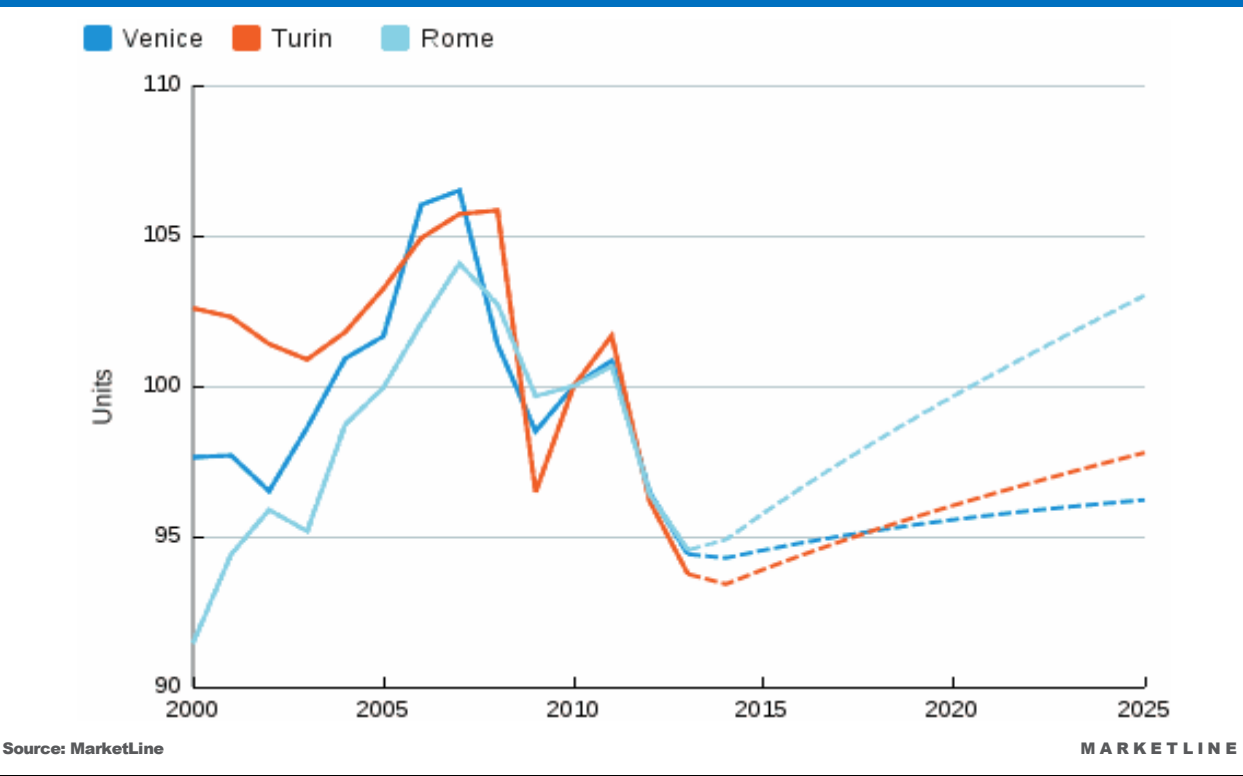


Table 3: Venice metropolitan city – economic growth (Index 2010=100), 2000-25

Year	Venice	Turin	Rome
2000	97.6	102.6	91.4
2001	97.7	102.3	94.4
2002	96.5	101.4	95.9
2003	98.6	100.9	95.2
2004	100.9	101.8	98.7
2005	101.6	103.2	99.9
2006	106.0	104.9	102.1
2007	106.5	105.7	104.1
2008	101.4	105.8	102.7
2009	98.5	96.5	99.7
2010	100.0	100.0	100.0
2011	100.8	101.7	100.7
2012	96.5	96.2	96.4
2013	94.4	93.8	94.5
2014	94.3	93.4	94.9
2015	94.5	93.9	95.8
2016	94.8	94.4	96.6
2017	95.0	94.8	97.4
2018	95.2	95.3	98.2
2019	95.4	95.7	99.0
2020	95.6	96.0	99.7
2021	95.7	96.4	100.4
2022	95.9	96.8	101.1
2023	96.0	97.1	101.7
2024	96.1	97.5	102.4
2025	96.2	97.8	103.0

Source: MarketLine

MARKETLINE

Figure 3: Venice metropolitan city – GDP per capita comparison, 2000-25

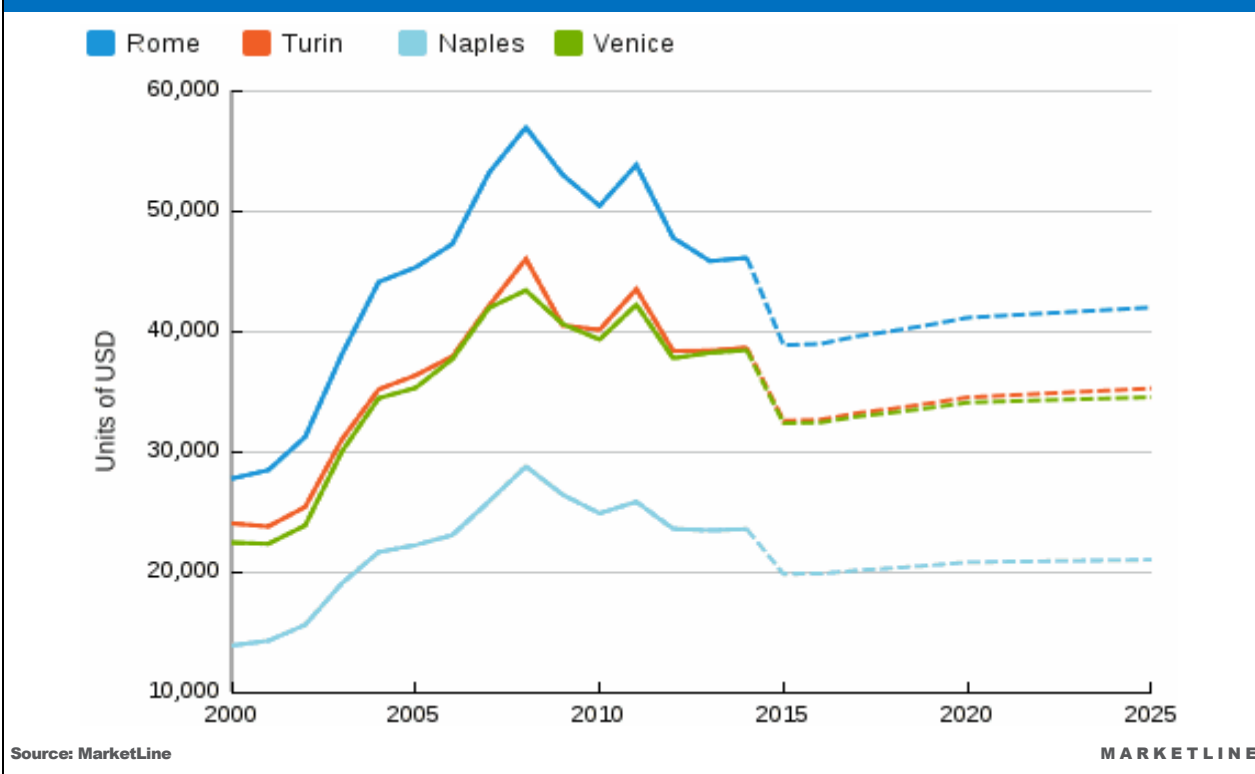


Table 4: Venice metropolitan city – GDP per capita comparison, 2000-25 (US\$)

Year	Venice	Turin	Naples	Rome
2000	22402.7	24003.5	13849.2	27714.7
2001	22304.4	23742.5	14251.6	28427.7
2002	23823.4	25368.5	15561.7	31177.1
2003	29969.1	30977.2	19022.2	38043.0
2004	34402.8	35133.4	21615.3	44060.5
2005	35260.6	36301.5	22194.7	45270.1
2006	37658.1	37863.2	23020.7	47217.2
2007	41911.5	42092.0	25833.3	53144.1
2008	43367.5	45974.4	28739.0	56912.2
2009	40558.6	40451.0	26380.2	52955.0
2010	39273.2	40085.9	24834.5	50384.3
2011	42176.7	43467.9	25798.5	53792.2
2012	37722.4	38330.7	23553.1	47739.9
2013	38178.9	38353.9	23422.6	45792.0
2014	38392.2	38599.2	23530.7	46072.5
2015	32321.5	32527.1	19792.7	38814.4
2016	32375.2	32615.7	19809.2	38910.7
2017	32879.4	33162.0	20101.8	39553.1
2018	33220.6	33549.8	20295.7	40006.5
2019	33606.3	33984.2	20516.0	40516.0
2020	34041.6	34474.1	20768.1	41092.1
2021	34138.4	34625.9	20814.3	41264.8
2022	34230.8	34775.1	20858.2	41435.8
2023	34318.6	34923.2	20899.9	41604.9
2024	34401.5	35069.3	20939.5	41772.6
2025	34480.8	35214.3	20977.2	41938.8

Source: MarketLine

MARKETLINE

Figure 4: Venice metropolitan city – employment structure, 2000-25 (% of total)

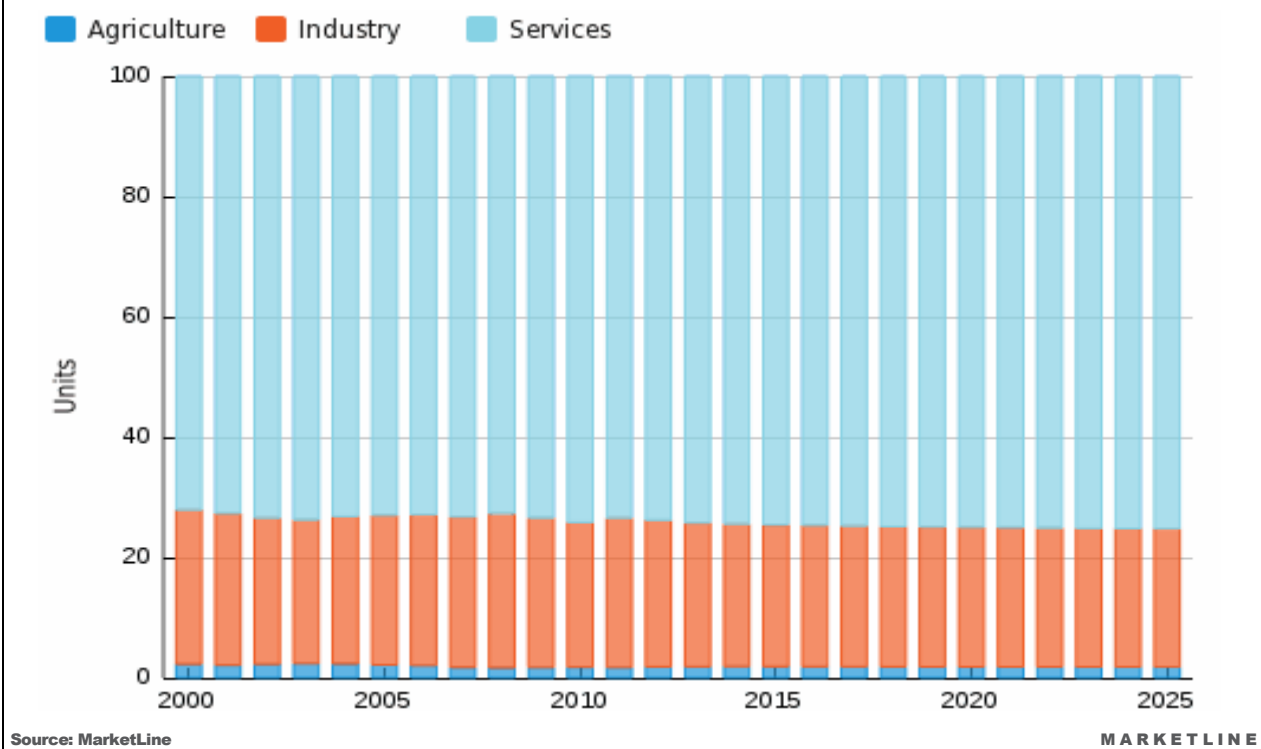


Table 5: Venice metropolitan city – employment structure, 2000-25 (% of total)

Year	Agriculture	Industry	Services
2000	2.3	25.6	72.1
2001	2.1	25.2	72.7
2002	2.3	24.3	73.4
2003	2.4	23.9	73.7
2004	2.3	24.5	73.1
2005	2.2	24.8	73.0
2006	2.0	25.1	72.9
2007	1.8	25.0	73.2
2008	1.7	25.6	72.7
2009	1.7	24.9	73.4
2010	1.8	24.1	74.2
2011	1.7	24.8	73.4
2012	1.8	24.4	73.8
2013	1.9	23.9	74.2
2014	1.9	23.7	74.4
2015	1.9	23.6	74.5
2016	1.9	23.5	74.6
2017	1.9	23.4	74.7
2018	1.8	23.3	74.8
2019	1.8	23.3	74.9
2020	1.8	23.2	75.0
2021	1.8	23.1	75.0
2022	1.8	23.1	75.1
2023	1.8	23.1	75.1
2024	1.8	23.0	75.2
2025	1.8	23.0	75.2

Source: MarketLine

MARKETLINE

Social

- The city's total population reached 861,140 in 2016. Over the last ten years (2007-2016), the city's population grew at an average annual rate of 0.4%. The population is expected to reach around 869,480 by 2025, recording an average annual growth rate of 0.1%. Rome and Turin are expected to have 4.6 million and 2.3 million population by 2025 with an annual growth rate of 0.5% and 0.2% respectively
- The working-age population (15-64 years) in the city accounted for 63.5% (546,396) of the total population in 2016. Meanwhile, the percentage of young-age population (0-14) stood at 12.8% and old-age population (65+ years) at 23.8% in 2016
- The total dependency ratio in the city increased from 56.2% to 57.6% during 2012–2016, mainly due to higher increase in old-age population, over the working-age population. The old-age population in the city grew at an average annual rate of 1.6% during 2012-2016, compared to the working age population which grew at 0.07% during the same period. The total dependency ratio in the city is projected to increase to 58.8% by 2025. The young-age dependency ratio and old-age dependency ratio in the city observed 20.1% and 37.5% respectively in 2016
- The Italian National Institute of Statistics in 2015 states that the foreign population in the Veneto region stood at 497,921; the highest share of foreign residents is 57% from overall Europe, followed by Africa (21%), Asia (19%) and America (3%)
- The city is home to three major universities, namely Ca' Foscari University of Venice, IUAY University of Venice and Venice International University, an international research centre. According to the QS World University Rankings, Ca' Foscari University of Venice ranked 701st among other universities across the globe in 2016. In the academic year 2015-16, Ca' Foscari University of Venice had 19,852 registered students, of which 1,020 students were international with 506 teachers

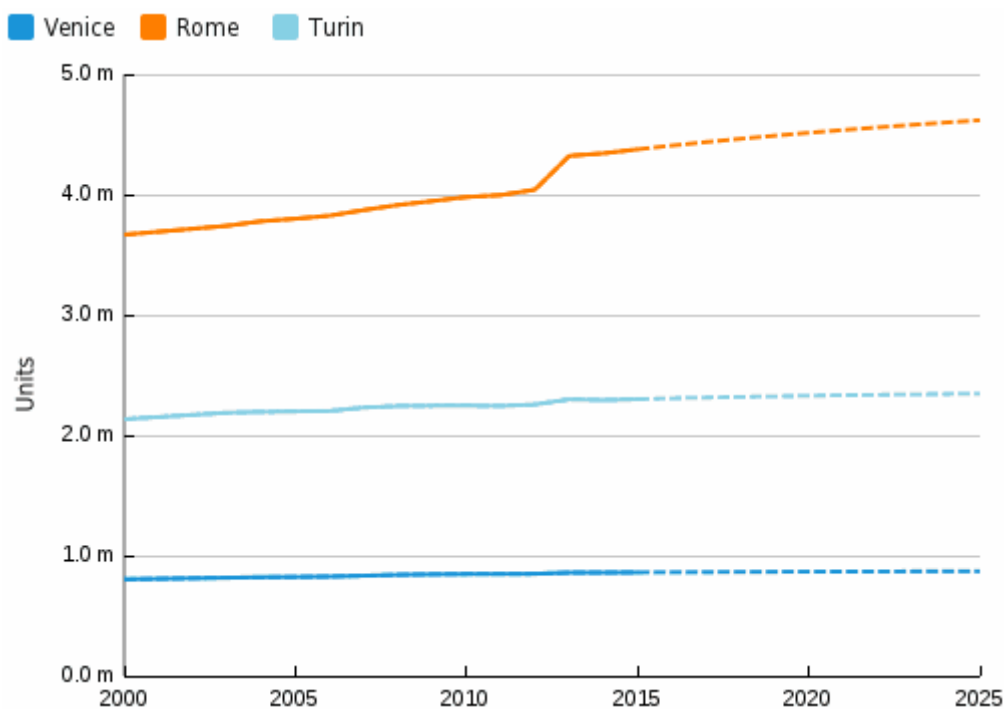
Table 6: Venice metropolitan city – main universities, 2016

Name	Global Rank
Ca' Foscari University of Venice	701

SOURCE: MarketLine

MARKETLINE

Figure 5: Venice metropolitan city – population comparison, 2000-25



Source: MarketLine

MARKETLINE

Table 7: Venice metropolitan city – population comparison, 2000-25 (million)

Year	Venice	Rome	Turin
2000	802,643	3,666,072	2,133,038
2001	806,895	3,690,637	2,150,929
2002	811,147	3,715,202	2,168,820
2003	815,399	3,739,767	2,186,711
2004	819,835	3,777,674	2,194,328
2005	822,185	3,798,630	2,197,817
2006	825,382	3,823,955	2,201,391
2007	832,534	3,870,783	2,229,823
2008	840,103	3,912,714	2,241,730
2009	843,785	3,945,294	2,245,625
2010	846,187	3,979,136	2,246,564
2011	846,275	3,995,250	2,243,382
2012	847,983	4,039,813	2,254,720
2013	857,841	4,321,244	2,297,917
2014	858,198	4,342,046	2,291,719
2015	859,738	4,375,444	2,299,455
2016	861,140	4,406,569	2,306,417
2017	862,419	4,435,667	2,312,683
2018	863,587	4,462,956	2,318,323
2019	864,656	4,488,630	2,323,398
2020	865,635	4,512,861	2,327,966
2021	866,534	4,535,799	2,332,077
2022	867,361	4,557,583	2,335,777
2023	868,124	4,578,332	2,339,107
2024	868,828	4,598,156	2,342,104
2025	869,479	4,617,151	2,344,802

Source: MarketLine

MARKETLINE

Figure 6: Venice metropolitan city – population by age, 2000-25 (% of total)

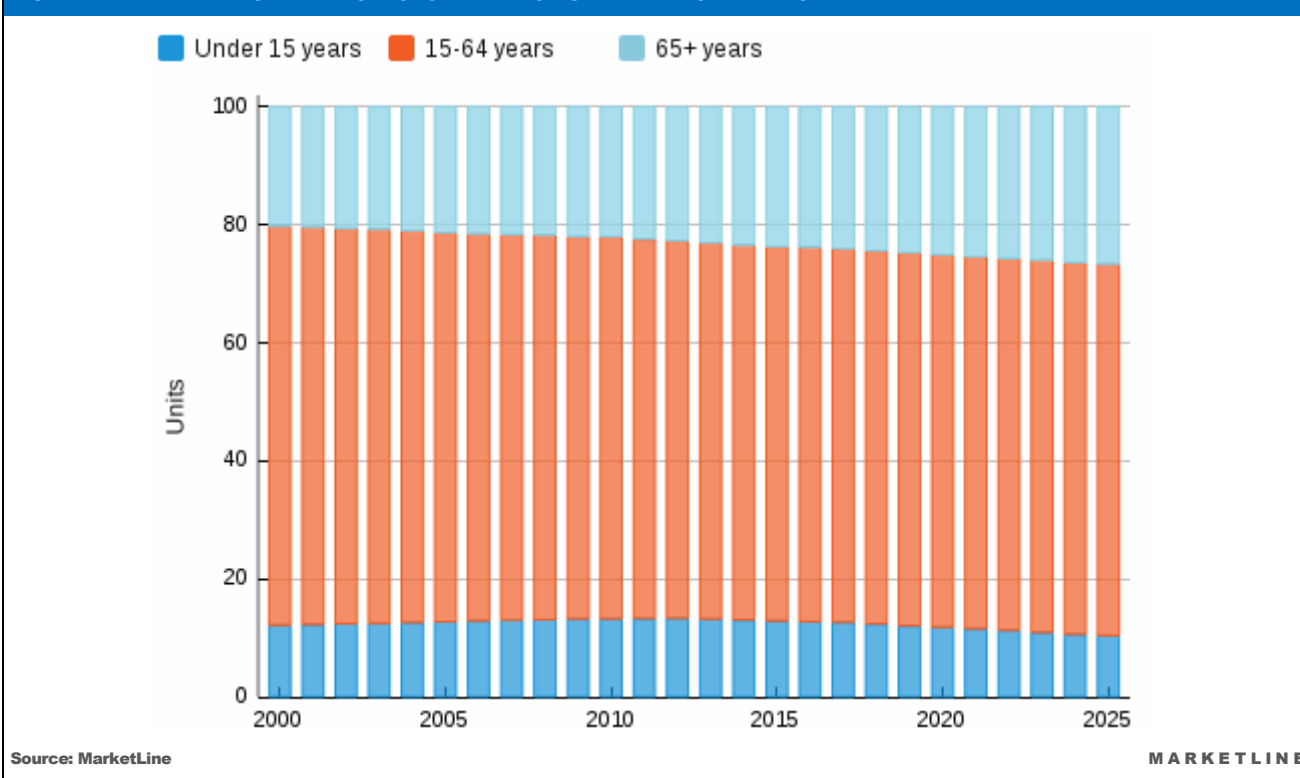


Table 8: Venice metropolitan city – population by age, 2000-25 (% of total)

Year	Under 15	15-64	Over 65
2000	12.1	67.7	20.2
2001	12.2	67.4	20.4
2002	12.4	67.0	20.6
2003	12.5	66.8	20.7
2004	12.6	66.4	21.0
2005	12.7	66.0	21.3
2006	12.9	65.6	21.5
2007	13.0	65.4	21.6
2008	13.1	65.2	21.7
2009	13.2	64.9	21.9
2010	13.2	64.8	22.0
2011	13.3	64.4	22.4
2012	13.3	64.0	22.7
2013	13.2	63.8	23.0
2014	13.1	63.5	23.4
2015	12.9	63.4	23.7
2016	12.8	63.5	23.8
2017	12.6	63.4	24.0
2018	12.4	63.3	24.3
2019	12.0	63.3	24.7
2020	11.8	63.1	25.1
2021	11.5	63.1	25.4
2022	11.3	63.1	25.7
2023	10.9	63.1	26.0
2024	10.6	63.0	26.4
2025	10.4	63.0	26.6

Source: MarketLine

MARKETLINE

Technology and Infrastructure

Communications

- The information and communication sector in the Veneto region added €3.6 billion (US\$4 billion) to overall region's GVA, in 2015 accounting for 2.6% share. The latest statistic published by Eurostat states that the total percentage of households with internet connection in the region increased from 79% in 2015 to 82% in 2016
- Cittadinanza Digitale Wi-Fi network is available at major squares and pedestrian streets like Zattere and Via Garibaldi, and the Grand Canal
- ABB, a wireless broadband network company, provides wireless broadband services to 40,000 users with 200 wireless mesh routers. Verizon DSL, muni networks, Century Link, AllConnect, Mediacom, Vitrociset, Venis Spa and Vodafone Italy are some of the major mobile and internet service providers (ISPs) in the city
- The Venice Wi-Fi project is part of the "Free Italia WiFi" initiative which was started in 2010 by Rome, the city of Sardinia, and Venice with the objective to create free wireless broadband networks. At present, there are 41 networks, 2,130 Wi-Fi hotspots and 427,000 members

Internal Transport Networks

- Various modes of public transport facilities in Venice city include waterbuses (vaporetti), buses and monorails. As a city of small islands, waterbuses and buses are the major modes of public transport system. The Azienda del Consorzio Trasporti Veneziano or the Actv S.p.A. (ACTV) is the operating authority of the public transport network in the city
- Waterbuses are the most frequently used means of public transport, connecting 120 floating stations across 30 routes across the city. On an annual basis waterbuses handle around 95 million passengers. The Mestre Tramway is a public transport system in Mestre (a borough in the city) that operates on one line covering a total length of 6.3km
- The Venice People Mover tram (People Mover di Venezia) is a public transit system in the city that was opened in 2010. This mode of transport is operated by the AVM S.p.A (Azienda Servizi Mobilità), which operates on one line running across three stations, namely Tronchetto, Marittima and P.le Roma

Table 9: Venice metropolitan city – mass transit network indicators, 2015

Network	Length (Km)	Stations
WaterBuses	-	120
MestreTramway	6.3	36
Venice people mover	0.8	3

SOURCE: Marketline

MARKETLINE

Connectivity

- The Venezia Santa Lucia and Venezia Mestre railway stations are in Venice city and operated by Grandi Stazioni. Both stations cater to an estimated 82,000 to 85,000 passengers per day, making them the busiest in the city
- The Venezia Santa Lucia railway station provides high-speed train, regional train, and night train services connecting both domestic and other European cities. The Venezia Mestre railway station provides train services and connects to various cities in Italy such as Milan, Rome and Florence, and other cities in Europe such as Zurich, Munich and Paris
- The motorways A4, A27 and A57 (ring road) are the main road links from Venice city to other Italian cities. The Autostrada A27 (also known as Autostrada d'Alemagna) connects the city with Belluno, covering a total length of 82.5km
- Waterbuses or Vaporetto run across the Venice via 19 lines and also travels to the nearby islands. It provides 24 hours service. The service is operated by Azienda del Consorzio Trasporti Veneziano (Actv) which is a public transport service provider in Veneto region

Airports

- The Venice Marco Polo Airport is the fourth busiest international airport in terms of passenger traffic and is managed by SAVE SpA group. The city, being one of the touristic destinations has flight connectivity to several European cities and across the globe
- During 2016, the airport handled a total of 9.6 million passengers, an increase by 10% compared to 8.7 million passengers in 2015. Of the total passengers handled in 2016, 1.3 million were domestic and 8.3 million international. The freight handled by the airport increased by 14.4% from 50,961 tons in 2015 to 57,973 in 2016
- The total aircraft movements in 2016 stood at 90,084, an annual increase of 9.9%. Of the total aircraft movements, international aircraft movements totaled 72,042 in 2016 up by 13.8% in 2015, domestic aircraft movements reached 12,313 up by 3.7%, and general aviation totaled to 5,729, a plunge of 15.3% compared to 2015
- Some of the major airlines operating at the airport include Air Berlin, Jet Airways, Etihad Airways, British Airways and Lufthansa. Common destinations served by the airport are Paris, Amsterdam, Rome, Abu Dhabi, Moscow and London
- SAVE S.p.A (SAVE) is undertaking the expansion of an airport in Veneto. The project worth US\$543 million will involve the construction of freight terminal, maintenance hangar, control tower, runway, baggage carousels, escalators and elevators, and parking space. The airport is presently the fifth largest in terms of passenger handling and on completion, the airport will be able to serve large passenger aircrafts such as Boeing 747 and Airbus A380. Though the project was announced in Q1 2008, the construction will start in Q1 2017 and is likely to be completed by Q4 2020. Presently pre-construction work is underway

Table 10: Venice city – key airport indicators

Year	Passengers (millions)	Flights	Air freight (tons)
2014	8.50	77,732	44,426
2015	8.75	81,946	50,961
2016	9.60	90,084	57,973

Source: MarketLine

MARKETLINE

BUSINESS ENVIRONMENT ANALYSIS

- Business environment in Veneto region is primarily sustained by exports and tourism sector. Foreign trade in the region registered a growth of 5.3% in 2015. Growth of export transactions in the region was majorly observed in products including eyewear (12.7% growth), machineries under manufacturing, which constitute one-fourth of total exports (6% growth) and food products (13.7% growth). Germany, United States and United Kingdom are the main importing countries from Veneto
- San Marco is major district in the city with various shopping streets that attracts a huge number of tourists. The district also houses residences and offices of the Procurators of St. Mark
- As of December 2015, 132,802 units were registered for business in the Venice province. Slightly up by 0.3% from the previous year. Out of the total registered enterprises, active units totaled 89,065, including 67,748 business locations and 21,317 local units (establishments or branches). During the year, positive signs in terms of registrations of new units were shown by accommodation and catering services with addition of 269 units (2.7% growth), food and beverage industries with addition of 28 units and the machines and equipment industry with 16 units
- The Italian corporate tax rate till December 2016 was 27.5% for IRES (corporate income tax) and 3.9% for IRAP (regional production tax). Therefore, the basic corporate tax rate was 31.4% (IRES at 27.5% plus IRAP ordinary at 3.9%). From FY2017, IRES rate was reduced to 24%

TRAVEL AND TOURISM

Tourism Flows

- Venice city with its seaside resorts is a popular tourist destination in Italy. Venice city welcomed 8.65 million tourist arrivals in 2015. Of the total, 25% were domestic tourists and 75% foreign guests. The total number of tourist arrivals in Venice city increased at an average annual rate of 1.2% to reach 8.6 million in 2015 from 8.25 million in 2011. The number of tourist arrivals soared at an annual rate of 3.95% in 2015, highest since the past five years
- Domestic tourists to the city surged by 4.9% from two million in 2014 to 2.1 million in 2015. Meanwhile, international tourists to the city recorded higher growth of 3.6% from 6.3 million in 2014 to 6.5 million in 2015
- In 2015, total overnight stays were 34.2 million, an increase of 0.4% compared to the previous year. Of the total overnight stays, international tourists spent 24.8 million nights, while domestic tourists spent 9.4 million nights
- The total number of overnight stays marginally declined at an average annual rate of 0.5% from 34.9 million in 2011 to 34.2 million in 2015, in line with rise in day visitors. Overnight stays increased at an annual rate of 0.4% to 34.2 million in 2015
- The number of nights spent by international tourists to the city grew by 0.5% in 2015, over the previous year, while nights spent by domestic tourists grew by 0.1% during the same period

Table 11: Venice city – Tourism arrivals

Year	Italian	Foreigners	Total
2011	2,177,982	6,076,984	8,254,966
2012	2,064,024	6,143,347	8,207,371
2013	1,977,664	6,262,932	8,240,596
2014	2,022,128	6,300,931	8,323,059
2015	2,121,357	6,530,838	8,652,195

SOURCE: Marketline

© MARKETLINE

Table 12: Venice city – overnight stays

Year	Italian	Foreigners	Total
2011	11,227,149	23,750,857	34,978,006
2012	9,985,201	24,052,062	34,037,263
2013	9,489,268	24,449,356	33,938,624
2014	9,394,589	24,656,845	34,051,434
2015	9,405,090	24,781,454	34,186,544

SOURCE: Marketline

© MARKETLINE

Table 13: Venice metropolitan city – international arrivals by country of residence

Country	2014	2015	Change %
Germany	1,106,961	1,104,492	-0.2
The US	616,793	678,155	4.1
Austria	512,289	533,084	9.9
France	421,543	404,929	4.3
The UK	354,661	405,542	-3.9
Switzerland	184,394	199,093	8.0
The Netherlands	132,363	128,700	-2.8
Czech Republic	113,118	118,768	5.0
Poland	123,671	122,861	-4.6
Denmark	82,562	78,724	-0.7
Total (including others)	6,300,931	6,530,838	3.6

SOURCE: Marketline

MARKETLINE

Hotels

- The hospitality sector in the metropolitan city is getting good gains due to continual increase in tourist arrivals. The Veneto region had total of 63.2 million overnight stays in 2015. This placed Veneto amongst the top five European regions with maximum overnight stays
- In 2015, there were 28,592 total hotel establishments with 366,341 bed places and 49,875 rooms in total. Of the total establishments, 1,196 were hotels and similar establishments, and 27,396 were other accommodation establishments such as holiday dwellings, tourist camp sites, farmhouses or bed-breakfast facilities
- Of the total hotel accommodations in 2015, 22 were five-star/deluxe hotels, 235 were four-star and 625 were three-star hotels. Two-star and one-star constituted 314 units
- Of the total 8.6 million tourists arrival in 2015, 2.96 million arrived at four/five-star hotels, constituting 34.3% of total occupancy in accommodation, three-star hotels had 2.2 million tourists (26.4%) arrival and one/two-star hotels had 5.2% of total arrivals
- Hotel accommodation constituted 65.9% of total tourist arrivals in 2015. Other accommodation establishments include campsites and holiday villages, private accommodation, and other places constituted 34.1% arrivals. Compared to 2014, there has been a surge of 5.8% tourist arrivals in five-star hotels, 3.4% in three-star rating hotels, while there is a decline of 1.3% in one/two-star rating hotels
- Domestic visitors spent a significantly higher number of days in the city than their international counterparts. On an average, foreign tourists stayed for 3.8 nights while local tourists stayed for 4.4 nights in 2015
- The hotel occupancy rate in the city declined from 63% in 2014 to 60% in 2015. The average daily rate (ADR) for hotel rooms in the city stood at US\$239 in 2015. The revenue per available room (RevPAR) declined from US\$177 in 2014 to US\$144 in 2015, attributing to 0.1% decline in the supply of hotel establishments during the same period

Table 14: Venice metropolitan city – Tourist arrivals in Venice province by type of accomodation (2015)

	Italian	Foreigners	Total
4/5 star	402,209	2,566,917	2,969,126
3 star	730,341	1,553,236	2,283,577
1/2 star	142,993	304,519	447,512
Total	1,275,543	4,424,672	5,700,215
Campsites and holiday villages	436,983	1,004,125	1,441,108
Accommodation agro-tourism	13,935	15,950	29,885
private accommodation	274,313	875,511	1,149,824
Other exercises	120,583	210,580	331,163
Total additional	845,814	2,106,166	2,951,980
Total	2,121,357	6,530,838	8,652,195

SOURCE: Marketline

MARKETLINE

Table 15: Venice metropolitan city – Overnight stays in Venice province by type of accomodation (2015)

	Italian	Foreigners	Total
4/5 star	1,010,078	6,015,722	7,025,800
3 star	2,221,176	4,500,574	6,721,750
1/2 star	437,166	803,864	1,241,030
Total	3,668,420	11,320,160	14,988,580
Campsites and holiday villages	2,667,082	7,958,528	10,625,610
Accommodation agro-tourism	42,380	54,982	97,362
private accommodation	2,345,285	4,889,956	7,235,241
Other exercises	681,923	557,828	1,239,751
Total additional	5,736,670	13,461,294	19,197,964
Total	9,405,090	24,781,454	34,186,544

SOURCE: Marketline

MARKETLINE

Attractions

- The city is home to several monuments and historical sites. Some of the major tourist attractions in Venice city include Accademia Bridge, Bell Tower, Old Customs House, Doges' Palace (Palazzo Ducale di Venezia), and Grand Canal (Canal Grande). The city of Venice and its lagoon situated in the Veneto region is considered as the UNESCO World Heritage property

Table 16: Venice– UNESCO World Heritage Sites

The city of Venice and its lagoon

SOURCE: Marketline

MARKETLINE

Events

- As one of the most visited touristic destination in Italy, Venice city is an ideal destination for conferences, with the city hosting many events, conventions and trade fairs each year
- According to the latest report by the International Congress and Convention Association (ICCA) published in 2015, Venice city ranks 138th (among 433 cities) in the world hosting 19 MICE (meetings, incentives, conferences and exhibitions) events, preceded by Los Angeles (139th), Johannesburg (150th) and Cologne (165th) rank. The city also ranked 79th amongst the European cities compared to Berne (122nd) and Cologne (93rd) for hosting 19 meetings
- The city offers a variety of conference and convention centers suitable for a wide range of events. Some of the popular convention centers in Venice city include Arsenale di Venezia, Teatro La Fenice, Giardini di Castello, and Giorgio Cini Foundation

Table 17: Venice city – MICE and other events, 2017

Event	Date	Description
European Conference on Intellectual Capital	April 2017	The European Conference on Intellectual Capital aims to cover subjects such as Web 2.0 technologies for intellectual capital; intellectual capital as a resource based business strategy; disclosing intangibles; the effect of communities of practice on intellectual capital; social and cultural capital; linking intellectual capital management and corporate social responsibility; and many other related issues. The conference will be organized by the Academic Conferences and Publishing International Limited and take place on April 6, 2017 at the Ca Foscari University of Venice in the city
The Electronic Home Shopping Conference	June 2017	The Electronic Home Shopping Conference is being organized by the Electronic Retailing Association to grow the industry in Europe by bringing positive economic impact. The event will take place from June 20-22, 2017 at the Hilton Molino Stucky in Venice

SOURCE: Marketline

MARKETLINE

CONSTRUCTION AND REAL ESTATE

Investment

- The construction sector in Venice metropolitan city accounted for 5.9% of the city's total GVA in 2016. The sector's contribution to the overall GVA declined by 0.1% due to weak activities in the non-residential construction market, and therefore reached €1.3 billion (US\$1.4 billion) in 2016. The construction sector is expected to record an average annual growth of 0.4% during 2017-2025 underpinned by various upcoming construction projects related to hotels, airport and residential buildings
- The Venice Tide Barrier project also known as Modulo Sperimentale Elettromeccanico (MOSE) project is aimed to protect Venice from floods. The project is undertaken by Italy's state-owned water utility, Venice Water Authority (VWA) along with its concessionary Consorzio Venezia Nuova. Construction will involve rows of 78 mobile gates which will isolate the Venetian lagoon from the Adriatic Sea. The project worth US\$7.4 million was announced in 2000. Construction began in 2003 and is estimated to be completed by Q4 2018. Presently, construction work is ongoing

Real Estate Market

- In Italy, house prices have fallen by almost 16% and 23% after inflation since 2008 as per European Central Bank (ECB). In Rome, the average house price fell by 7.5% in 2015 while Venice observed price decline at lower rates (1.6%) compared to Genoa (11.6%), Bari (8%), Padua (7.6%), Palermo (7%), Catania (4.1%) and Florence (2.2%). House prices in Milan and Naples were stable, with small increase of 0.7% and 0.1% respectively
- Average sales price for residential properties was €2,756 (US\$3,076.8) per square meter in January 2017, compared to €2,806 (US\$3,102.1) during the same period in 2016, following contraction of 1.8%. Comparing the last 24 months, the peak asking price reached €2,865 per square meter in February 2015, at while the lowest price was recorded at 2,743 per square meter in November 2016
- Average annual asking rent in January 2017 for residential properties was US\$147.6 per square meter, an increase by 1.7% compared to US\$142.8 per square meter in January 2016

RETAIL

Retail Market

- Both domestic and international visitor inflow made the city as one of the key shopping destinations in Italy along with Rome, Bologna, Florence, Naples and Milan. The ongoing increase in tourist flows to the city has revived the demand for retail rental spaces
- According to the international retail market report for Q4 2016 published by Cushman and Wakefield for Italian cities, Venice is the fourth most expensive retail rental location in Italy after Milan, Rome and equivalent to Florence
- Calle Larga XXII Marzo, next to St Mark's Square is popular for luxury shopping and is home to the most important boutiques in Venice city. Louis Vuitton, Hermès, Chanel, Bulgari, Tod's, Salvatore Ferragamo, Loro Piana, Miu Miu, Valentino, Prada, Versace, Valentino and Burberry are some of the luxury brands situated in this street
- Le Mercerie, the street between Rialto and San Marco is a famous shopping street with numerous luxury branded stores, including Gucci, Pollini, La Perla, Dolce & Gabbana, Max Mara, Cartier, Timberland, Foot Locker, Camper, Accessorize, Disney, Oysho and Pandora
- An annual prime rental rate for retail space in the city stood at US\$461 per square foot during Q4 2016. For comparison, the retail rent in the city is lower than Milan (US\$1,225), Rome (US\$1,078) and Florence (US\$490) during Q4 2016. Prime retail rents of Venice has grown by 17.5% over the same period of previous year, as per the report published by Cushman and Wakefield

Consumption, Income and Prices

- The inflation based on consumer price index (CPI) in the Venice metropolitan city stiffened by 2.1% in 2016, compared to the post deflation of 0.2% in the previous year. This is mainly due to the rise in prices of non-regulated energy products, unprocessed food and regulated energy products in 2015. Inflation at 2.1% in the city is higher compared to other cities in Italy, such as Rome with 1.8% and Naples with 1.6% in 2016. The inflation based on consumer price index in the city is expected to moderate by 1% by 2018
- The annual mean household income in the city stood at €20,181 (US\$22,310) in 2016, lower than other key cities in Italy such as Rome €24,169 (US\$26,720) and Milan €30,861 (US\$34,118), but higher than Naples €12,345 (US\$13,647). The mean household income in the city is expected to grow at an average annual rate of 1.4% to reach €22,920 (US\$25,800) by 2025
- The total household consumption expenditure in the city stood at €46.8 billion (US\$16.7 billion) in 2016, compared to Rome €90.5 billion (US\$100 billion), Milan €105.9 billion (US\$117.1 billion). The total consumption expenditure is expected to increase to €50.1 billion (US\$18.0 billion) by 2025

APPENDIX

Sources

Further Reading

Ask the analyst

We hope that the data and analysis in this brief will help you make informed and imaginative business decisions. If you have any questions or further requirements, MarketLine's research team may be able to help you. The MarketLine Research team can be contacted at ReachUs@MarketLine.com.

About MarketLine

At MarketLine, we deliver accurate, up-to-date insights on over 30,000 companies, 300 industries, and 215 countries, as well as the latest news and financial deal information from within your market and across the globe.

Established in 1997 when the Internet was in its infancy, we recognized the need for a convenient and reliable data service to help our clients understand local and global markets and the companies operating within them.

In today's information-rich world, sifting fact from fiction to pick out what's relevant and what's up to date has become the new 'holy grail' in business information provision.

Our 170 dedicated research professionals aggregate, analyze, and cross-check facts in line with our strict research methodology, ensuring a constant stream of new and accurate information is added to MarketLine every day.

Disclaimer

All Rights Reserved.

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the publisher, MarketLine.

The facts of this report are believed to be correct at the time of publication but cannot be guaranteed. Please note that the findings, conclusions and recommendations that MarketLine delivers will be based on information gathered in good faith from both primary and secondary sources, whose accuracy we are not always in a position to guarantee. As such MarketLine can accept no liability whatever for actions taken based on any information that may subsequently prove to be incorrect.

MarketLine | John Carpenter House, John Carpenter Street |
London, United Kingdom, EC4Y 0AN
T: +44(0)203 377 3042, F: +44 (0) 870 134 4371
E: REACHUS@MARKETLINE.COM
WWW.MARKETLINE.COM

MarketLine