

# INTERVIEW WITH AMEDEO

Scarpa



Amedeo Scarpa

## ICE Beijing Director Coordinator of ICE network in P.R.C.

**D**r. Scarpa, how are Italian cuisine and pizza perceived in China and what trends have been emerging in recent years?

Italian cuisine and pizza are perceived positively and even favourably here in the distant “Terra di Mezzo”, but the level of receptivity also depends very much upon the ways in which we are promoting them and, more generally, which we relate to this country and its immense market. China has ancient traditions, including in gastronomy - with which we must start - recognize them and respect them. It is therefore a matter of finding a new balance between

culture, tradition, Chinese habits and the new flavours and products that come along, but towards which today’s Chinese consumer nurtures a “growing experiential curiosity”. Imagine, staying with the example of pizza, that 10 years ago the proportion of the Chinese population that had ever tasted pizza might be estimated at 0.5-1%, while today, according to reports from Italian operators in the field (for everyone, I’m quoting the Italian Chefs’ Federation, with 86 members active in China), the percentage had risen to 12-13%. This is certainly due to the fact that the younger generations, and espe-

cially the millennials, are getting their information either online, or through travel, coming to Europe and to Italy itself to see the country of fashion or of Leonardo and Michelangelo but also to learn about the culture and everything related to it, including the culinary traditions and products that represent the fortune of Italy at table, pretty well all over the world.

This increase in consumption of Made in Italy products and dishes has certainly contributed to the investments made by private operators who, often in collaboration with a Chinese partner or investor, have seen Italian restaurants proliferating

across China in recent years. There are now almost 4,500 restaurants and pizzerias across mainland China. This action has been favoured by the increase in public investment with which the Italian government is accompanying the promotion of Made in Italy in this market. Just the Promotional Programme of the MISE - the Ministry of Economic Development, carried out by the ICE Agency through its network of Offices (in mainland China there are three Offices: in Beijing, Shanghai and Canton) has gone from an average of just over 4 million Euros reserved for promotion in China to over

20 million euros in the current three-year period. Of these, over 5 million Euros have been earmarked for the promotion of the agri-food sector and Italian wines. Furthermore, China has been confirmed as a priority focus market (a so-called “focus country”) via the actions implemented by other Ministries including Agriculture, Education & Science and the Ministry of Health as well as the Ministry of Foreign Affairs, through its consular diplomatic network (the Embassy in Beijing and the General Consulates in Shanghai, Canton and Chongqing) which supports, amplifies and further enhances and coordina-

tes these promotional activities. In China, being accompanied and supported by public bodies in your country makes a much greater difference than elsewhere, because this is the country with the most B2G (business to government) activity in the world.

*And what about wine? How much of its wine does Italy export to China and how is Italy placed in the Chinese market in relation to other competitors? What are the strategies being adopted to make it better known?*

We have finally reversed the trend of a few years ago. As I said before the agri-food and

wine sectors are the object of renewed attention and promotional investments. And this is because although Italy is the world’s leading wine producer, it still has a market share abundantly below its potential. We come after the French (who win hands-down with a 42% share of all the wine that is imported here), but also behind the Australians and Chileans (although these two are favoured by bilateral free trade agreements with lower customs duties on entry) and the Spaniards.

Just over a year ago we launched a broad-based “training” and “communication/information” campaign on Italian

wine. In just over a year, with the courses “Italian wine & spirit course” (10 editions in 5 cities, Beijing, Shanghai, Canton, Chengdu and Shenzhen) about 250 “Chinese promoters and publicists” of Italian wine were trained here. Alongside the courses, with the events “I love Italian Wines”, also publicised on the Chinese web, we have reached over 40 million of web contact points in China (visualizations, interactions, etc.) - virtually two-thirds of the Italian population. And we aim to reach 500 promoters and over 60 million web contact points with the continuation of these two campaigns in 2018 in se-



Promotion in BHG supermarket chain

cond and third tier Chinese cities as well. These results have been made possible as a result of all the (unprecedented!) attention and care we have dedicated to online communication on Chinese digital platforms, involving key opinion leaders. These are people with millions of followers on Chinese social media and can influence their decisions with their posts. This is the real big news compared to the past. We have changed the promotional strategy by not focusing exclusively on offline physical events (fairs, tastings, etc.), but have been paying special attention to digital communication and amplification of our events and messages in support of Italian wine. In a market with 1.4 billion people, in which half the population uses a mobile phone and of these a high percentage makes purchases via Smartphone. The use of online/digital communication and promotion has also made a difference as it has a very convenient cost/benefit ratio. And this is being borne out by the results. The export value of Italian wines to the “Terra di Mezzo”, which, two years ago, did not reach \$90 million USD, will be around US \$ 140 million this year, an increase of 22% over the previous year. And our market share is also growing (rising from 4.4% to 6%). At the same time, we are constructing formulas of collaboration with the Chinese e-commerce platforms (from Alibaba’s Tmall, to JD, but also with other smaller sellers specializing in certain products) to assist the

arrival of other Italian companies in these important e-markets ( the total value of online sales in China is close to 700 billion dollars, the value of the corresponding sales in the USA and Europe combined).

In mid-2018 therefore we should go on air on Chinese social media and web platforms with a special communication campaign that will help the Chinese consumer to associate Italian wine with Italian lifestyle. To create an awareness that “Italy = a country of wine” which is still almost entirely absent in China if it is as our surveys show, that over 75% of the Chinese population that consumes imported wine today does not know that Italy is the largest producer in the world or has never tasted an Italian wine.

Our Italian partners in this promotion and communication effort range from Federvi-

## COMPOSITION OF IMPORTS FROM ITALY IN CHINA (MAIN PRODUCT CATEGORIES)

Billion dollars  
PERIODICAL SERIES (January-October 2017)

HS	Type of Product	2015	2016	2017	% Share			% Change - 17/16 -
					2015	2016	2017	
	Italy	13.7477	13.4693	16.3987	1.05	1.1	1.14	21.75
84	Machinery	3.8608	3.5357	4.0905	28.08	26.25	24.94	15.69
87	Vehicles, Not Railway	0.5855	0.7895	1.8810	4.26	5.86	11.47	138.25
30	Pharmaceutical Products	1.1946	1.3437	1.4842	8.69	9.98	9.05	10.46
85	Electrical Machinery	0.9315	0.7811	0.8583	6.78	5.8	5.23	9.88
42	Leathr Art;Saddlry;Bags	0.6702	0.6126	0.8118	4.88	4.55	4.95	32.51
90	Optic,Nt 8544;Med Instr	0.6987	0.7184	0.7189	5.08	5.33	4.38	0.07
39	Plastic	0.4750	0.4406	0.5010	3.46	3.27	3.06	13.7
62	Woven Apparel	0.4630	0.4416	0.4740	3.37	3.28	2.89	7.34
64	Footwear	0.4612	0.4234	0.4645	3.36	3.14	2.83	9.7
94	Furniture And Bedding	0.2672	0.3306	0.4498	1.94	2.45	2.74	36.07
41	Hides And Skins	0.4943	0.4078	0.4356	3.6	3.03	2.66	6.81
73	Iron/Steel Products	0.3182	0.2916	0.3247	2.32	2.17	1.98	11.36
38	Misc. Chemical Products	0.2346	0.2367	0.2629	1.71	1.76	1.6	11.08
61	Knit Apparel	0.2257	0.2109	0.2450	1.64	1.57	1.49	16.16
29	Organic Chemicals	0.1578	0.1899	0.2186	1.15	1.41	1.33	15.12
51	Animal Hair+Yarn,Fabrc	0.2089	0.2031	0.2143	1.52	1.51	1.31	5.49
22	Beverages	0.0591	0.0662	0.1484	0.83	0.94	0.91	17.49
	2204 Wine Of Fresh Grapes	0.0837	0.1077	0.1290	0.61	0.80	0.79	19.76
19	Baking Related	0.0331	0.0456	0.0411	0.24	0.34	0.25	-9.76
15	Fats And Oils	0.0207	0.0245	0.0282	0.15	0.18	0.17	14.89

**WORLD TRADE ATLAS CHINA - IMPORTS -TOTAL-  
2204 WINE OF FRESH GRAPES  
MILLIONS OF US DOLLARS  
January - October 2017**

Rank	Country	2015	2016	2017	% Share			% Change
					2015	2016	2017	17/16
0	World	1629,824	1922,843	2217,049	100	100	100	15,3
1	France	714,343	831,736	883,429	43,83	43,26	39,85	6,21
2	Australia	364,734	463,673	571,460	22,38	24,11	25,78	23,25
3	Chile	185,012	211,357	254,731	11,35	10,99	11,49	20,52
4	Spain	103,106	129,612	160,532	6,33	6,74	7,24	23,86
5	Italy	83,710	107,678	128,952	5,14	5,6	5,82	19,76

Source of Data: China Customs

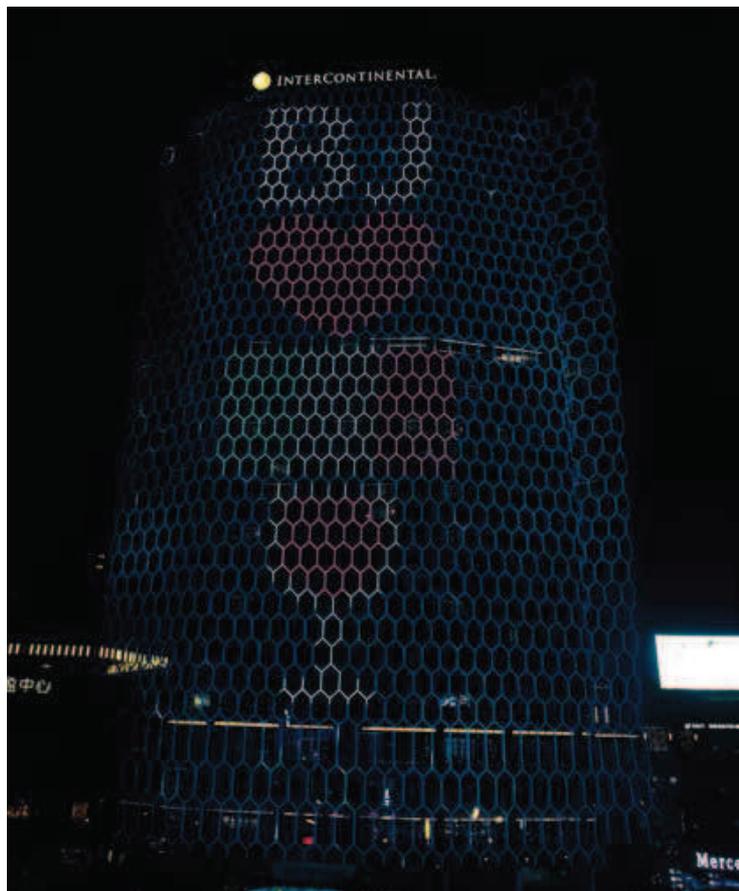
ni to UIV-Unione Italiana Vini and Vinitaly. Thus we stand alongside and support the activities carried out here by Gambero Rosso (the Tre Bicchieri tour of China), or Slow Food/ Slow Wine and other operators in the sector.

*What are the most sought-after Italian agri-food products and equipment in China?*

As for pasta and the like we have had an advantage as they can be placed alongside analogous Chinese foodstuffs more easily than other products. Think of noodles for spaghetti; but also the “jiaozi” and “baozi”, similar in many ways to our ravioli. A

product the demand for which is growing rapidly is extra virgin olive oil (the “yellow gold”). The Chinese consumer of today is much more careful, both with regard to the quality of what he or she brings to the table as well as to its effects on health, and is increasingly oriented towards recognized healthy foods the consumption of which is also encouraged in a society that is aiming to achieve an ever more widespread level of well-being and, to put it in the official terminology used here, which wants to be “moderately prosperous”.

As far as technology and machinery is concerned, without



Intercontinental Hotel

claiming to be exhaustive, we have seen a growth in demand for equipment for ice cream parlours, pizza ovens, plant and machinery for pasta production, equipment for olive-presses, bottling lines and for packaging in general.

*Lately, growth in the Chinese economy has slowed. What are the prospects for Italian products?*

It is true that China is no longer growing as fast it was in the past when it was in double digits and for this year it is estimated that growth will be of the order of 6.5%, in line with the Government’s expectations, but this is a qualitatively different growth. Today’s Chinese consumers demand higher quality products with higher added value. And the beautiful and well-crafted “Made in Italy” lies within the possible aspirations of 200-230 million Chinese. With this particular

China, paradoxically, we have more cards to play today than in the past, when quantity and low cost were decisive in determining the demand. Italy’s quality, innovation, process and product certifications, the Mediterranean UNESCO heritage diet, geographical indication products (IGP and DOP) mean it can be a “best and reliable player” for the current China. The same China that, in a recent agreement with the E.U., is committed to recognizing and protecting 100 typical E.U products, 26 of which are Italian! Our fundamental mission here, therefore, is to communicate the goodness, the wholesomeness and the safety of our products. It is no coincidence that with the Ambassador we close all the Italian food and beverage promotion initiatives in China with the phrase that has now become our slogan: “Italian food is good, is safe, is cool!”.



I love Italian Wines event - Intercontinental Hotel