Italy: Audiovisual Industry

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Overview

The Italian market for professional AV equipment and services represents approximately 8 percent of the total European market and is estimated at $1.4 billion, with an annual growth rate between 5 to 8 percent over the next three years. The market for AV home entertainment products is estimated at over $4 billion and is an increasingly important market as it is considered one of the fastest growing in Europe. Excellent opportunities exist for U.S. companies offering innovative, high quality solutions.

Digital technology convergence and integration of applications are the key driving factors for this industry. As in the rest of Europe, the ongoing convergence of information and audiovisual technologies is stimulating demand for the latest innovations in both the consumer and professional end-user segments.

Current Market trends

Market data for the Italian audiovisual (AV) industries is captured within the consumer electronics industries sector that saw an aggregate increase of 4.2 percent in 2006, reflecting a relatively stable market. Demand in the consumer electronics sector is generally driven by high-end products. Products with the most potential for growth include those based on innovative, digital technology.

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The largest product markets include the more mature market segment of professional audio, video and lighting equipment for stage events (indoor or outdoor) that holds the lion's share valued at $385 million, wireless connectors and software ($333 million), streaming media and webcasting ($165 million), control systems ($120 million), and displays ($112 million). The segments offering the best opportunities are digital signage, growing at an estimated annual rate of 50 percent, followed by the videoconferencing segment, increasing at an annual rate of 15-20%. Services account for approximately $310 million.

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Main Competitors

There are some Italian manufacturers of professional audio equipment for stage events including RCF, Audiolink, Fbt, and Reference Lab; and of lighting equipment such as Lupo. Video equipment producers are virtually absent. Rental services of equipment for stage events are carried out by approximately 1,500 local companies. The market relies heavily on foreign companies and all the big players are present in Italy, including Sony, Panasonic, Matsushita, JVC, Philips, and Barco. U.S. technological expertise is highly regarded especially for control systems. The most important companies in the market include Crestron, Amx, and Extron.

Buyer profile

Residential: Italian users are relatively less mature in the use of digital technologies compared to the European average, but they are rapidly catching up. Broadband access is developing very rapidly, with at least 6 million users connected at the end of 2005, mainly due to the increasing offer of interactive digital content. Mid- to upper-class families with children are the most receptive to new, sophisticated home entertainment AV equipment.

Business: the corporate segment represents approximately 70 percent of the professional AV market. Major buyers are large companies, banks, and equipment rental companies. The "institutional" segment (public administration, law enforcement agencies, schools and universities) represents about 30 percent of the market.

Current Demand

Residential: Digital Terrestrial Television is forecast to become one of the main vehicles for the diffusion of digital content to Italian families. Figures from Italian consultancy e-Media Institute for the end of September indicate that 17 percent of Italian TV households receive DTT, and it is predicted that DTT penetration will reach 50 percent by 2010.

In terms of product categories, LCD and plasma TVs show the strongest growth potential, followed by home theater systems, MP3 players and loudspeakers. As a result of market development, the digital entertainment segment is expected to grow at a rate of 20 to 25 percent in the next three years.

Business: large display systems in public spaces (such as train stations, airports, malls and pubs) are becoming increasingly popular. Companies are investing in larger LCD and plasma displays, and video-projectors. Good opportunities exist for digital signage products and special software for stage events.

Barriers

There are no trade barriers limiting the presence of foreign companies in Italy. In fact, many multinational companies have established an office in Italy. The Italian climate for distribution agreements and investment from U.S. companies is favorable.

Italy is a member of the European Union (EU). Technical specifications are essentially those established by the EU, which have been incorporated into Italian regulations. These include CE marking and the newly enacted WEEE directive (Waste from Electrical and Electronic Equipment) and RoHS directive (Restriction of Hazardous Substances). Please see http://www.buyusa.gov/europeanunion/weee_italy.html for specific information regarding the implementation of these directives in Italy.

Trade Promotion Opportunities

Trade show:
SIB 2008 – 21st International Exhibition of Show Business, Installation and Broadcast Technology. SIB features audio, lighting and video technology. Rimini, Italy, April 5-8, 2008. www.sibinternational.com/en

Trade Associations:
ANIE - Italian Association of Companies in the ICT and Consumer Electronics industries. See www.ict-ce.it.

ANDEC – Italian Association of Manufacturers and Importers of Consumer Electronics. See www.andec.it.

For More Information

The U.S. Commercial Service in Rome, Italy, can be contacted via e-mail at: Rome.Office.Box@mail.doc.gov; Phone: +39 06 4674 2382/2202; Fax: +39 06 4674 2113; or visit our website: www.buyusa.gov/italy/en.

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