



1506
UNIVERSITÀ
DEGLI STUDI
DI URBINO
CARLO BO

THE PRODUCTION OF FIREARMS AND AMMUNITION FOR CIVIL USE IN ITALY
***MANUFACTURING COMPANIES, CONSUMPTION FOR HUNTING AND SPORT
SHOOTING, ECONOMIC AND EMPLOYMENT IMPACT***

Research conducted by the University of Urbino "Carlo Bo"

on behalf of ANPAM (Associazione Nazionale Produttori Armi e Munizioni Sportive e Civili)

SUMMARY REPORT FOR PRESS USE

1.0 PREMISE: OBJECTIVES, FIELD OF INVESTIGATION AND METHODOLOGY

a) OBJECTIVES AND FIELD OF INVESTIGATION

The study concerns the 2019 update of the analysis carried out in 2016 on the firearms and ammunition industry for civil use in Italy, relating to the production for sporting activities (various shooting specialties), hunting and for personal defense.

The research objectives are four:

1. Analyze the sector from the point of view of the production and distribution system
2. Measure the economic and employment weight in terms of turnover, added value and employees involved.
3. Estimate the value of related sectors (sports/hunting activities).
4. Calculate the ripple effect of the sector on the whole system, in economic/employment terms

This means that in addition to all the economic and employment values related to the firearms industry, the analysis focused on the **supply chain** (specialized and generic suppliers) and the **sectors related to the civil use of firearms**, i.e. sport shooting and hunting, for which the use of arms and ammunition is an essential element.

Furthermore, the **ripple effects**, i.e. **the impact of the sector on the whole economy**, has been measured, following the principle according to which the value generated by a sector spreads also in other sectors, creating a multiplier effect.

2.0 SIZE OF THE SECTOR: NUMBER OF COMPANIES

For the estimate of the companies operating in the sector, **all those operators who collectively contribute to forming and managing the complete production process of the sector under investigation have been taken into account.**

Four categories of companies have been identified:

A) MANUFACTURERS OF FIREARMS AND AMMUNITION

In 2019, there were **107 civilian firearms manufacturing companies in Italy**, most of which have their production facilities in Val Trompia (BS) while **there are 125 ammunition manufacturers, including component manufacturers**. Total companies producing firearms, ammunition and components: **232**.

B) SPECIALIZED SUPPLIERS

Manufacturers of **components for firearms** (grips, loaders, recoil pads, springs, chokes, barrels, optical systems, etc.) and **third party operators** (particularly engravers): there are **152** in all and, again, mostly located in Val Trompia (BS).

C) SUPPLIERS OF NON-SECTOR SPECIFIC MATERIALS AND COMPONENTS, AND OTHER PRODUCTS AND SERVICES

Other **suppliers of generic components and other products and services** (carving, filing, stock sanding, cleaning, heat treatment, technical services, accounting, administrative and legal services). As providers of generic components/services, they work also for other sectors. These suppliers have

been conservatively estimated in **422 companies**.

D) COMPANIES OPERATING IN AUXILIARY SECTORS, INCLUDING MACHINERY MANUFACTURERS, THE NATIONAL PROOF HOUSE (BNP) AND THE TRADE INTERMEDIAIRES

In total, the number of companies belonging to this group has been estimated at **1,051**.

In summary, there are:

- **232** final producers of firearms ammunition and ammunition components
- **152** specialized suppliers of components and specialized services (working only for the firearms sector)
- **422** suppliers of non-sector-specific components and services (working not only for the sector)
- **1,051** companies in auxiliary sectors (e.g. the BNP and retailers)

FOR A TOTAL OF 1,857 ENTERPRISES (-20.4% compared to 2016)

3.0 THE EMPLOYMENT GENERATED IN THE SECTOR

- **3,328** employees in the production of firearms and ammunition
- **1,552** employees in companies producing specific components and third-party manufacturers
- **1,353** employees in non-sector-specific suppliers of components and services
- **3,848** employees in companies in the auxiliary sectors

FOR A TOTAL OF 10,081 EMPLOYEES (-11.8% compared to 2016)

4.0 PRODUCTION: QUANTITIES, VALUES, EXPORT OF THE PRODUCTION

4.1 PRODUCTION: QUANTITIES

- **604,565 firearms** produced per year (largest manufacturer in Europe) *of which 374,417 long barrel firearms, 182,283 short barrel firearms and 47,865 replicas.*
- **819,642,867 ammunition** produced per year *of which 669,536,118 shotshell ammunition and 150,106,749 metallic ammunition*

4.2 PRODUCTION: INDUSTRIAL VALUE (TOTAL PRODUCTION TURNOVER)

- **Firearms: € 363,650,333** (+ 5.3% compared to 2016) *(of which € 295,344,029 for long barrel firearms, € 58,977,447 for short barrel firearms and € 9,328,857 replicas.*
- **Ammunition: € 234,114,709** (-0.7 compared to 2016) *(of which € 111,162,786 of shotshell ammunition € 88,697,893 of components for shotshell ammunition and, € 34,254,030 of metallic ammunition and their components).*

**TOTAL VALUE OF FIREARMS AND AMMUNITION PRODUCTION:
€ 597,765,042 TOTAL ANNUAL TURNOVER (+ 2.9% compared to 2016)**

4.3 PRODUCTION: DETAILS ON THE EXPORT SHARE OF FIREARMS PRODUCTION

- The industrial value of the production of firearms is, as aforementioned, € 363,650,333, of which 86.8% destined to foreign markets.

- Other details of the production and export of firearms for civilian and sporting uses:

Long barrel firearms for a total value of € 255,834,350

Short barrel firearms for a total value of € 51,405,033

Replicas for a total value of € 8,455,470

4.4 PRODUCTION: DETAILS ON THE EXPORT SHARE OF AMMUNITION PRODUCTION

- The industrial value of ammunition production amounts to € to € 234,114,709.

- Total exports amount to € 162,453,500 (+ 0.004% compared to 2016)

- The import-export balance is very positive, with a surplus of € 79.943.303 (+ 13.6% compared to 2016)

5.0 THE OVERALL VALUE OF THE SECTOR

For the evaluation of the total value of the sector, it is necessary to count all the activities whose development originates from the firearms and ammunition industry, included the export value of specific machinery for the sector and the work carried out in Italy for foreign producers (as for the engravers).

As a result, the overall value of the sector is as follows:

Firearms production: € 363,650,333

Ammunition + components: € 234,114,709

Export of firearms components: € 92,483,395

Engraving: € 615,000

Production of sector-specific machinery: € 7,200,000

Production of other machinery: € 86,078,166

Importers' profit: € 17,958,000

Retailers' profit: € 59,834,173

Repair and maintenance: € 4,000,000

VAT: € 66,697,590

Total: € 932,631,366

6.0 THE VALUE OF THE SECTORS LINKED TO SPORT SHOOTING AND HUNTING

The value of the sectors linked to the use of firearms has been calculated. These sectors are related to the activities that are carried out with the use of firearms, namely sport shooting and hunting. Indeed,

during sport shooting and hunting a wide variety of products and services are used, providing business opportunities for a series of companies.

HUNTERS' EXPENDITURE

The total expenditure incurred each year by hunters amounts to € 2,815,971,170 (+1,2% compared to 2016), including the cost of firearms and ammunition. However, considering that the value of both firearms and ammunition has already been calculated, the total expenditure excluding firearms and ammunition should be considered for the purpose of calculating the value of the sectors linked to the final demand.

The value therefore becomes € **2,631,391,087** (+1,1% compared to 2016).

Specifically, the following items of expenditure were considered: firearms (annual depreciation charge), ammunition, clothing, dogs (purchase, maintenance, vets, etc.), accessories (e.g.: decoys, accoutrements, knives, GPS), firearm cleaning kit, taxes and concessions, transfers in Italy, overnight stays and trips abroad, small consumption (lunches, coffee, etc.).

SHOOTERS' EXPENDITURE

In total the cost sustained by shooters (excluding the cost of the firearm) is € 780,887,865 (+10,9% compared to 2016). Summing up the total expenditure incurred by hunters (€ 2,631,391,087) and shooters (€ 780,887,865) the total amount of expenses is € 3,412,278,952 (+3,1% compared to 2016).

7.0 TOTAL EMPLOYMENT OF THE SECTORS LINKED TO SPORT SHOOTING AND HUNTING

In total, the employees involved in the sectors linked to sport shooting and hunting are 5,666 for products and 31,160 for services.

Considering this, the total employment activated by hunting and sport shooting, both for products and services, is **36,826**.

8.0 THE RIPPLE EFFECT ON ECONOMIC VALUE AND EMPLOYMENT

In calculating the value of the sectors analyzed, the impact of the economic ripple effect has been taken into account in terms of value of the demand for consumer goods arising from employees engaged in the sectors considered. This demand generates a corresponding production in other sectors of the economy. The incremental value has been calculated according to the tables of sectoral interdependence (input – output matrices). This approach considers that the value generated in one sector spreads through other sectors creating a multiplier effect in both value and employment in all sectors that make up the national economy.

8.1 ECONOMIC RIPPLE EFFECT

As seen before, the economic value of the sector (production of firearms and ammunition, including the supply and distribution system) amounts to € **932,631,366**. **The economic ripple effect related to the sector according to the tables of sectoral interdependence has been estimated at € 778,747,191.**

As regards the value of the sectors linked to the final demand for products and services by hunters and sport shooters, it amounts to € 3,412,278,952. The ripple effect related to the sectors linked to the final demand has been estimated at € 2,2388,595,266.

Adding up the values above, the total value of the sector reaches € 7,512,252,775 (+3,0% compared to 2016).

By comparing the overall value of the sector to the national GDP, it can be seen that the total value of the sector contributes 0.42% to the overall national GDP.

8.2 RIPPLE EFFECT ON EMPLOYMENT

Following the same method used for calculating the economic value of the sector, **total employment** was calculated.

The number of employees in the sector (production of firearms and ammunition, including the supply system and trade intermediaries) amounts to 10,081. The ripple effect on employment is estimated at 8,872 employees, which added to the previous value leads to a total of 18.953 employees.

The employment stimulated by the sectors linked to the final demand (hunters and sport shooters) is 36,826 employees. The ripple effect on employment generated by the related sectors is 25,778 employees.

Adding up the values above, we reach a total of 81,557 employees, corresponding to 0.47% of the total employment in Italy and 0.60% of the employment in the manufacturing and tertiary industries.