ITALY IN THE WORLD ECONOMY

EXECUTIVE SUMMARY OF THE 2025-2026 REPORT

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ITALY IN THE WORLD ECONOMY

EXECUTIVE SUMMARY OF THE 2025-2026 REPORT

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1. THE GLOBAL ECONOMIC SCENARIO

1.1 Production, global trade and foreign investments

In 2025 and the first half of 2026, trade and geopolitical tensions — fueled by the new direction of the US administration — accelerated beyond all expectations. Together with ongoing conflicts in the Middle East, Ukraine, and the rest of the world, these developments contributed to a climate of major uncertainty. Overall, the global economy demonstrated greater resilience in 2025 than anticipated, with world output expanding by 3.4 per cent according to International Monetary Fund (IMF) estimates[1]. Several factors accounted for this performance: on the one hand, an acceleration of investment in the high-technology sector alongside falling energy prices; on the other, the resilience of global trade flows, facilitated by the temporary frontloading effect of US importers' purchases and by the fact that tariffs actually applied to US imports averaged lower levels than those announced in April 2025.

Since February 2026, the scenario has shifted profoundly, with the conflict in the Middle East becoming the primary risk factor for the global economy. It should be noted that the IMF estimates reported here assume a conflict of limited duration, with a consequent normalization of production and trade by the second half of 2026. Taking this into account, global Gross Domestic Product (GDP) growth in 2026 (forecast at 3.1 per cent) would remain below the annual average for the pre-pandemic period 2000–2019 (3.7 per cent). Conversely, under a scenario characterized by a prolonged energy crisis — with crude oil prices doubling — the growth rate could stall at 2 per cent in 2026 and 2.2 per cent in 2027.

Advanced economies as a group are expected to record below-average and slightly declining growth (from 1.9 per cent in 2025 to 1.8 per cent in 2026). Growth in the euro area is projected to slow from 1.4 per cent in 2025 to 1.1 per cent in 2026, whereas the United States is expected to benefit from its position as a net energy exporter.

Emerging markets and developing economies, the traditional driver of global growth, should continue to achieve higher growth rates than advanced areas in 2026, albeit experiencing a sharp slowdown compared with the previous year. IMF estimates point to a rate of 3.9 per cent for 2026 (down from 4.4 per cent in 2025), with divergent dynamics across geographic areas and particular vulnerability among net energy-importing low-income economies.

In 2026, the conflict in the Middle East and the resulting supply disruptions through the Strait of Hormuz — a strategic transit point for international flows of crude oil, refined petroleum products, and liquefied natural gas[2] — drove up energy prices. According to IMF projections, crude oil prices are expected to rise by 21.4 per cent, and overall energy commodity prices by 19 per cent.

Geopolitical tensions were also reflected in metal prices, which increased by 36.6 per cent in March 2026 compared with August 2025, while critical raw materials exhibited high volatility and divergent trends[3]. Over the same period, gold prices registered a 44.4 per cent surge.

The energy shock — which will pass through in particular to the production costs of energy-intensive sectors — has inter-

[1] See: IMF. (2026, April). *World Economic Outlook. Global Economy in the Shadow of War*.

[2] See, in the Italy in the world economy Report 2025-2026: *The 2026 Hormuz Strait crisis: impacts on energy markets and shipping routes*.

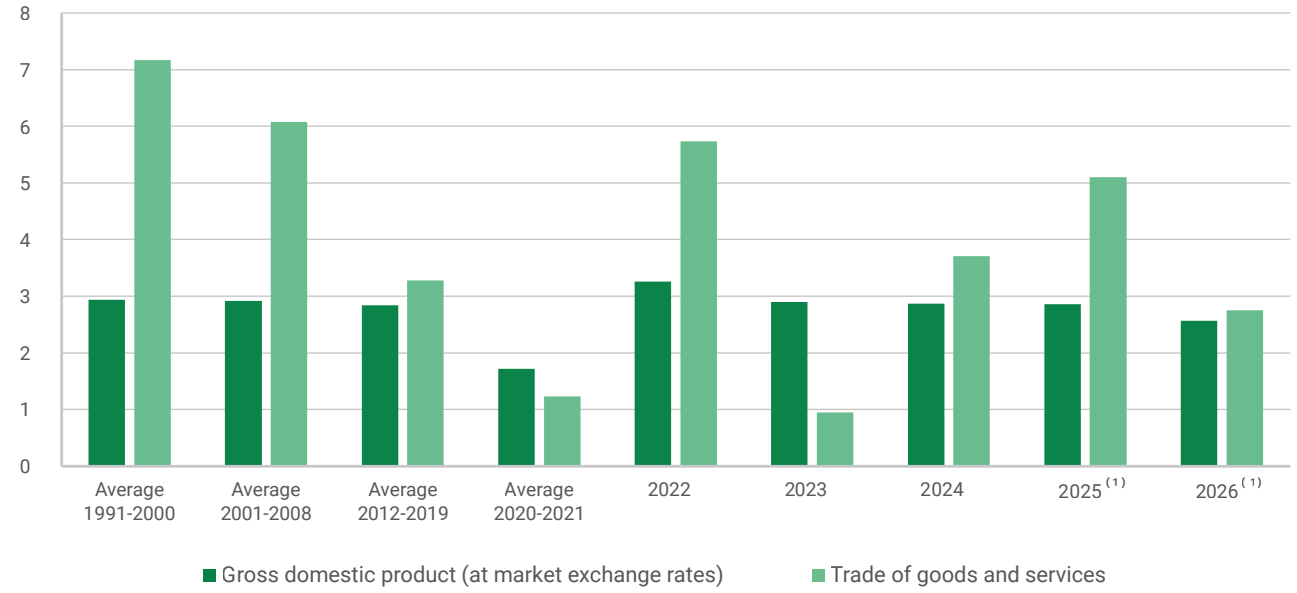
[3] See, in the Italy in the world economy Report 2025-2026: *Supply and international trade of critical and strategic raw materials*.

rupted the disinflationary path observed over the past three years, prompting the IMF to revise its forecasts upward. Following a slowdown to 4.1 per cent in 2025 (compared with 5.8 per cent in 2024), global inflation is expected to reach 4.4 per cent in 2026, with diverging dynamics between advanced and emerging economies[4].

Regarding international trade in goods and services, 2025 closed with volume growth of 5.1 per cent, outperforming world output growth (3.4 per cent) and marking a sharp improvement over the forecasts formulated by the IMF in April 2025, immediately following the US administration's announcement regarding the imposition of "reciprocal tariffs" on all trading partners.

Figure 1.1 - World production and trade of goods and services

Percentage changes in volume



(1) Estimates and forecasts

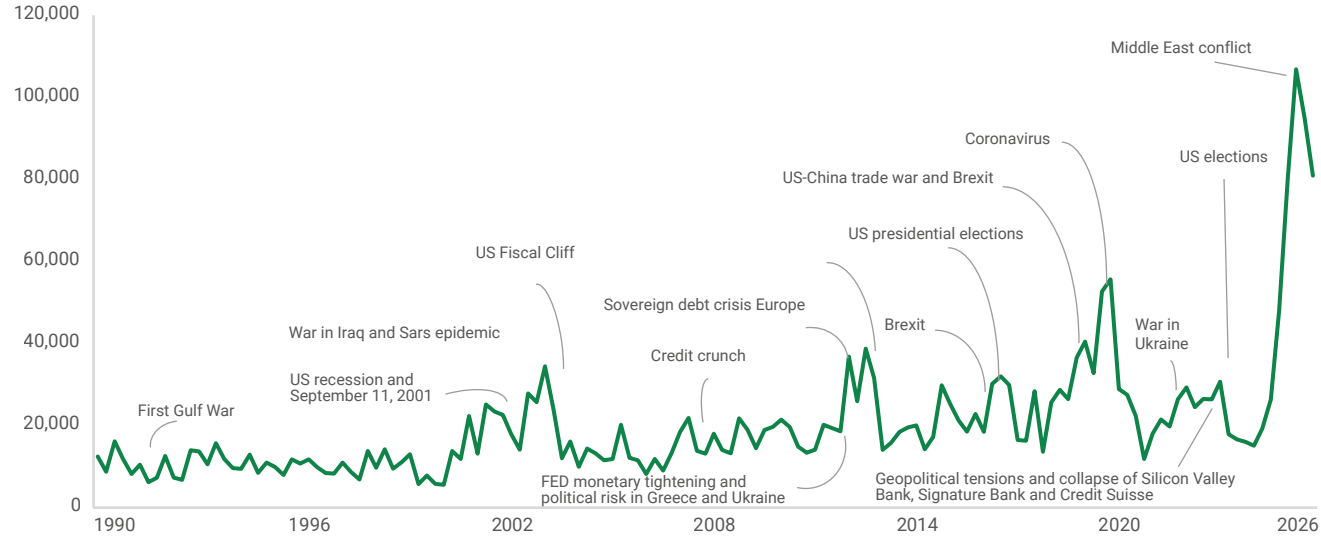
Source: Italian Trade Agency elaborations on IMF data

For 2026 and 2027, economic forecasts remain heavily conditioned by the general climate of uncertainty and the evolution of the Middle Eastern conflict. The IMF projects an increase in the volume of trade in goods and services of 2.8 per cent in 2026 and 3.8 per cent in 2027. With reference to merchandise trade, the World Trade Organization (WTO) forecasts a sharp slowdown in volume growth for 2026 — from 4.6 per cent to 1.9 per cent — before picking up to 2.6 per cent in 2027 (again assuming the conflict in the Middle East remains contained). More recent estimates from Prometeia indicate merchandise trade volume growth of around 1.6 per cent for 2026, with significant divergence across geographic areas and sectors[5].

[4] IMF alternative scenarios report more pessimistic estimates, with inflation potentially exceeding 6 percent in 2027.

[5] See the Italy in the world economy Report 2025-2026: *Forecasting scenarios for international trade*. The forecasts refer to the ITA-Prometeia model on the evolution of international trade, by area and sector, carried out in May 2026.

Figure 1.2 - Global Uncertainty Index (1990-2026)



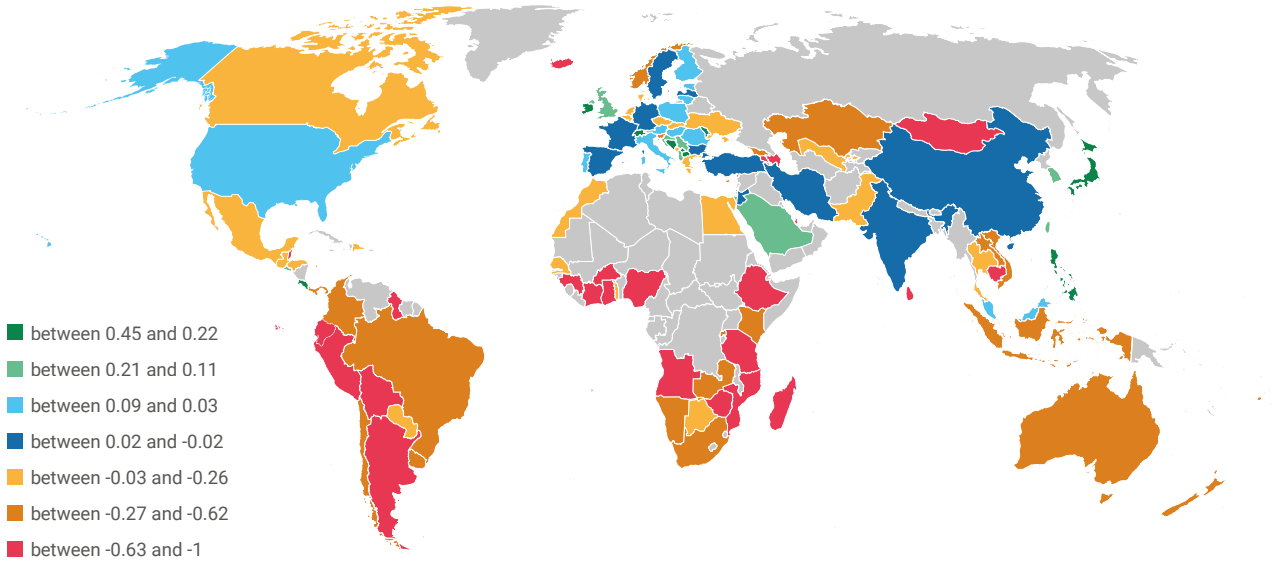
Source: Adapted from Ahir, H., Bloom. N., D Furceri, D. (2022), "World Uncertainty Index", NBER Working Paper. Historical data up to 2022 are based on the original source; data for 2023–2026 have been updated by ITA from the World Uncertainty Index website. Available at www.worlduncertaintyindex.com

Geopolitical and trade tensions have heightened logistical pressures and supply-disruption risks within international production networks (IPNs, or global value chains, GVCs). Following the normalization observed during the 2024–2025 period, the Global Supply Chain Pressure Index — which fell to -0.15 in November 2025 — rose back to 0.55 in February and to 1.82 in April 2026, marking its highest level since the 2022 energy crisis.

The index signals renewed and growing operational friction within international production networks. A substantial share of world trade takes place within these networks, involving to a large extent trade in productive inputs (goods and services). Moreover, some economies specialize predominantly in upstream stages (exports of intermediate goods and components), whereas most are oriented toward downstream stages (imports of intermediates and components for assembly)[6]. It should also be recalled that, prior to final assembly, parts and components required for manufacturing goods may undergo successive processing steps, crossing national borders multiple times.

[6] See in the Italy in the world economy Report 2025-2026: *Countries in international production networks: trade of specific intermediate goods*.

Figure 1.3 - Relative position indices in international production networks, by country



Source: Italian Trade Agency elaborations on Eurostat and national statistical institutes data

Against this backdrop, a geographic reconfiguration of trade flows is underway, including the triangular routing of input supplies. For example, in 2025 US imports from China declined by 31.9 per cent, while those from Vietnam and Taiwan increased by 35 and 65 per cent, respectively.

This reflects a growing tension between the economic logic of global integration and the logic of geopolitical competition: international trade is no longer driven solely by relative prices and transport costs, as countries' positioning within specific economic-political alignment areas is assuming increasing weight. Evidence shows that geopolitical fragmentation processes can significantly impact world trade, although areas connected by preferential integration agreements — including the EU, the United States-Mexico-Canada Agreement (USMCA), and the Association of Southeast Asian Nations (ASEAN) — demonstrate strong resilience[7].

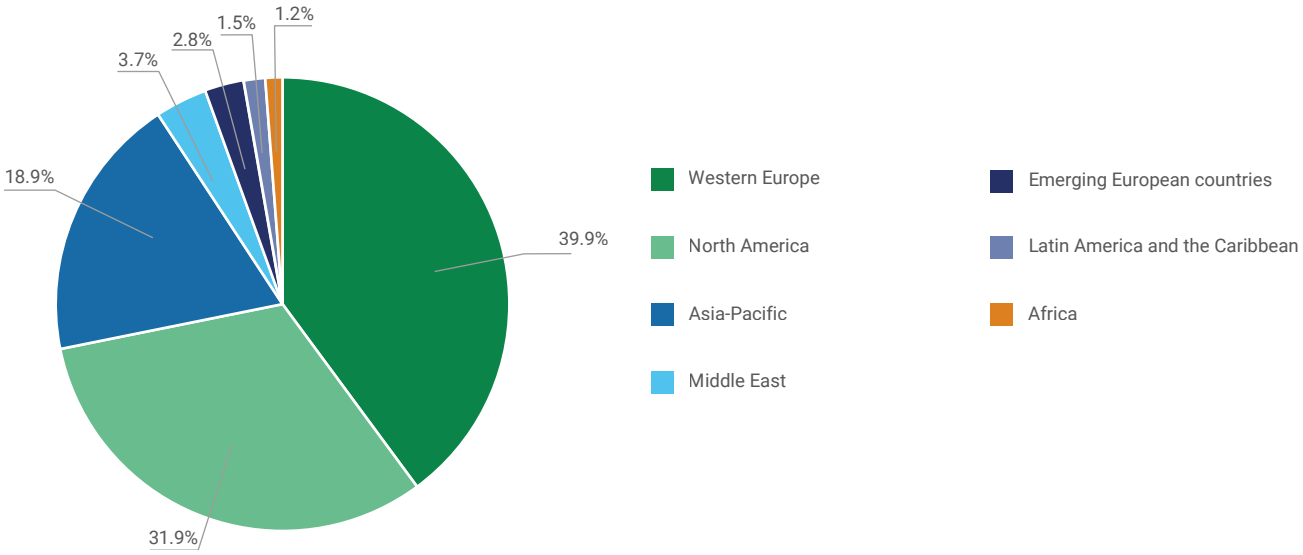
In the course of 2025, global foreign direct investment (FDI) flows recorded a recovery in nominal terms, reaching $1,606 billion, a 14 per cent increase over the previous year[8]. In real terms, however, dynamics were more muted when adjusted for capital flows passing through conduit economies[9].

[7] See, in the Italy in the world economy Report 2025-2026: *The fragmentation of international trade: between geopolitical integration and economic agreements*.

[8] See: UNCTAD (2026, January). *Global FDI up 14%* per cent *in 2025 - growth limited to developed economies*. Global Investment Trends Monitor n. 50.

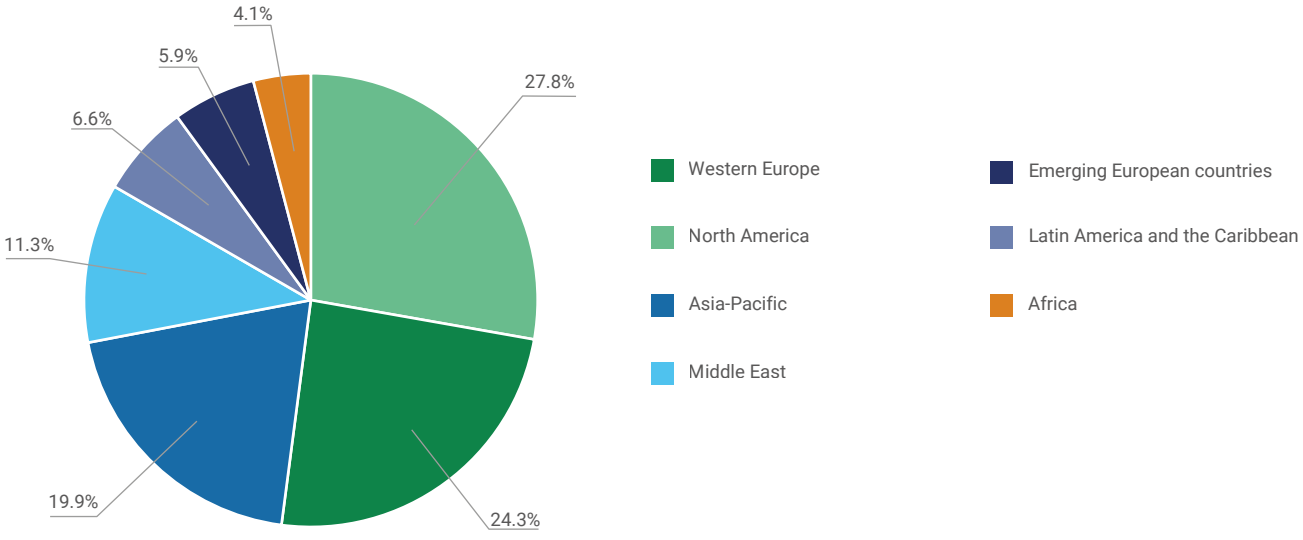
[9] Conduit flows (or transit investments) are capital flows related to international fiscal and financial planning; they pass through so-called Special Purpose Entities or "vehicle companies" and do not impact the economy of the transit country.

Figure 1.4 - Origin areas of *greenfield* FDI projects. Year 2025
Percentage distribution



Source: Italian Trade Agency elaborations on fDi Markets data

Figure 1.5 - Destination areas of greenfield FDI projects. Year 2025
Percentage distribution



Source: Italian Trade Agency elaborations on fDi Markets data

The distribution of investment confirms a widening divide across regions. In advanced economies, inflows rose by 43 per cent (56 per cent in the EU) to $728 billion, driven largely by increased conduit flows toward major financial centers and by merger and acquisition (M&A) transactions. Conversely, FDI flows to developing economies declined following the growth observed in 2024. Over 2025, the contraction stood at around 2 per cent, dropping to a value of $877 billion. Data for China are particularly noteworthy, registering an 8 per cent drop (falling to $107.5 billion). This contraction can be interpreted as a signal of a reconfiguration of the networks in which multinational enterprises operate, aiming to diversify investments and mitigate supply chain risks arising from trade tensions.

Turning to investment projects, their overall number fell by 9.7 per cent in 2025. The contraction was more pronounced in the manufacturing sector (-12.2 per cent), which had grown the most in 2024, whereas services recorded a smaller decline (-7.4 per cent).

With respect to greenfield investment projects alone, approximately 40 per cent of new projects originated from Western European countries and nearly 32 per cent from North America, followed by Asia-Pacific (18.9 per cent). As for destination areas, the geographic distribution appears less concentrated: North America remains the primary destination area (accounting for 27.8 per cent of projects), followed by Western Europe (24.3 per cent), Asia-Pacific (19.9 per cent), and the Middle East (11.3 per cent).

Available projections for 2026-2027 point to moderate growth, weighed down by several geopolitical and macroeconomic risk factors: on the one hand, supplier diversification strategies — even at the expense of globally more efficient locations — and, on the other hand, persistent high debt-servicing costs and restrictive financial conditions that will continue to slow the execution of major infrastructure projects.

1.2 Policies for the integration of international markets

The trade and geopolitical tensions that characterized 2025 and the first half of 2026 highlight how profoundly the operating environment for businesses has changed. Several large economies now exercise unilateral power, including through instruments of economic and political pressure; in this scenario, international trade law and the system of multilateral agreements administered for over thirty years by the WTO appear less effective in containing conflicts among member states.

Despite the formal commitment of numerous countries and several proposals, no significant progress toward reforming the Organization was achieved at the 14th WTO Ministerial Conference (Yaoundé, March 26–30, 2026). Nevertheless, the Conference saw the conclusion of the plurilateral Agreement on Electronic Commerce (ECA), aimed at facilitating cross-border digital transactions among 66 member states representing approximately 70 per cent of world trade, including the EU.

The conclusion of plurilateral agreements constitutes an effective tool to agree on specific issues among a smaller group of member states, with the prospect of subsequently extending them to new participants. Furthermore, preferential integration agreements — in particular those characterized by a high degree of regulatory depth (deep integration) — enable the predictability of trade relations to be enhanced and shared rules to be promoted, in compliance with international law and multilateral agreements[10]. The formation of preferential trading blocs can induce additional countries to seek access to these areas or to conclude similar agreements, thereby contributing to the spread of trade-liberalization measures.[11]

[10] See, in the Italy in the world economy Report 2025-2026: *The different degree of regulatory depth in preferential trade agreements*.

[11] On the domino effect theory, see: Baldwin, R. (2026). *World war trade: Conflict, containment, and the emergent world trading order*. Rapid Response Economics, 7. CEPR Press.

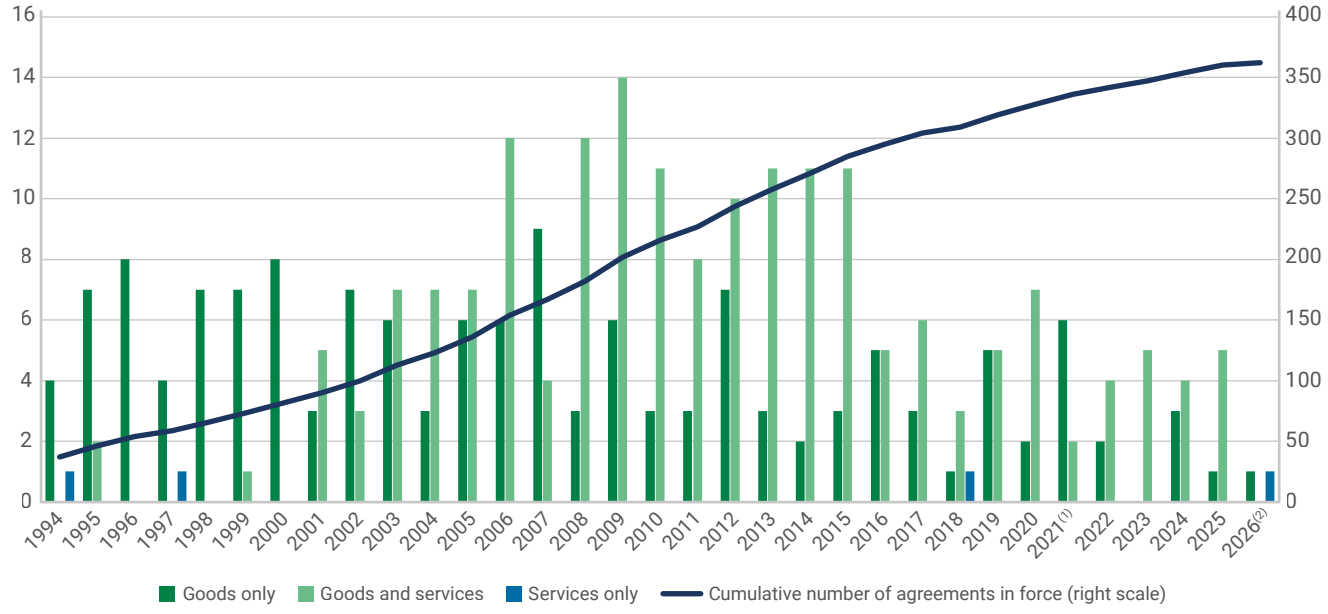
Consequently, major regional preferential agreements open to new accessions and characterized by more ambitious rules than those in WTO multilateral agreements assume particular importance.

Among the most relevant examples, the EU represents the most advanced case of economic integration, complemented by a vast network of bilateral agreements. In the Asian region, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) — considered highly advanced in terms of integration —, the Regional Comprehensive Economic Partnership (RCEP, featuring the largest number of participating countries), and ASEAN constitute the main regional integration frameworks. ASEAN remains a relatively less integrated area but has recently undertaken major initiatives to increase the regulatory depth of its agreements. In Africa, the African Continental Free Trade Area (AfCFTA) aims to foster, for the time being, mainly intra-regional trade and the integration of continental economies.

At the bilateral level, many agreements gravitate around integrated regional areas, a factor that may facilitate their future expansion. According to notifications submitted by member states to the WTO, eight new preferential agreements entered into force in 2025, including the revised EU-Chile agreement, EFTA-India, and agreements concluded by Australia and New Zealand with the United Arab Emirates. In the early months of 2026, the China-Belarus and China-Republic of the Congo treaties were added.

Figure 1.6 - Preferential trade agreements on trade in goods and services

Number of agreements notified to the WTO, by year of entry into force and cumulative; extensions of coverage are excluded



(1) 36 post-Brexit UK agreements, concluded to replace EU ones with third countries, are not included

(2) Data updated to May 2026

Source: Italian Trade Agency elaborations on WTO data

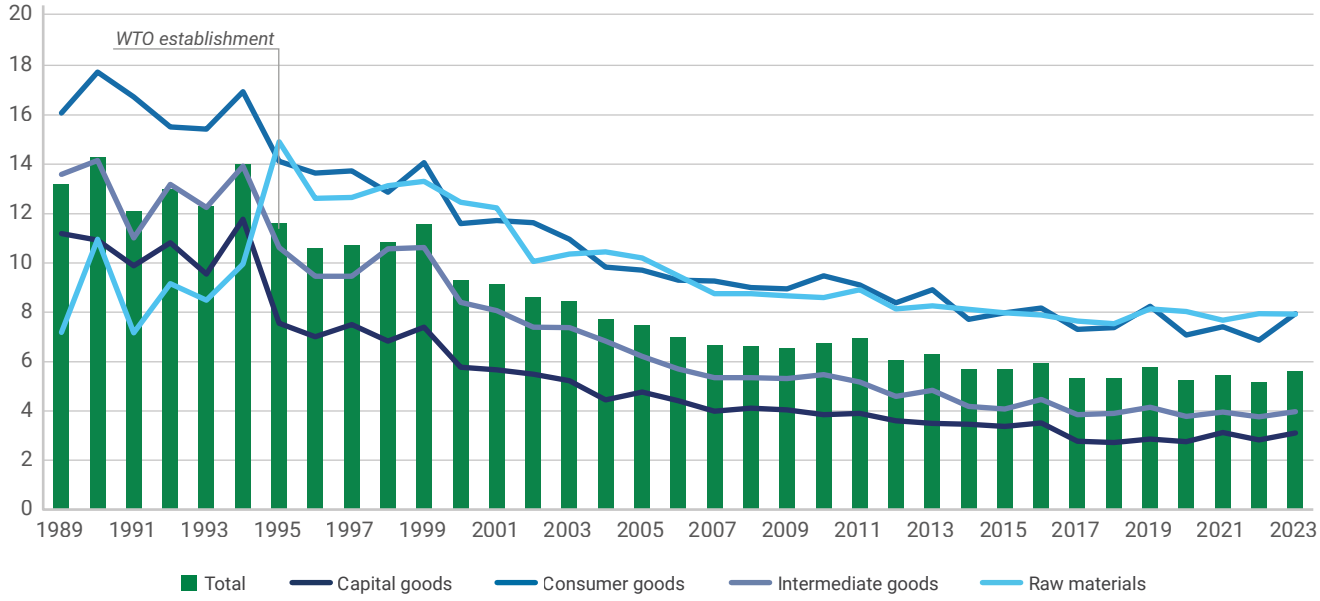
In response to US tariff policy, several countries are intensifying external integration initiatives aimed at concluding new bilateral preferential agreements and other forms of economic and trade cooperation. Progress has accelerated on stalled negotiations, existing agreements are being revised to confer greater regulatory depth, and new talks are being launched to

strengthen ties with commercial partners. Various agreements concluded between late 2024 and the early months of 2026 are awaiting ratification and could enter into force in the coming months.

Starting in the mid-1990s, tariff barriers declined significantly thanks to the conclusion of numerous multilateral, regional, and bilateral agreements. In particular, tariffs applied to capital goods and intermediate goods were kept relatively low so as not to compromise the competitiveness of importing firms, given that tariffs on intermediate inputs increase production costs and ultimately burden consumers. Since 2017, however, the downward trend has halted, signaling the emergence of protectionist tensions in certain countries.

Figure 1.7 - Effectively applied tariffs, by products and their economic category

Percentage rates



Source: Italian Trade Agency elaborations on World Bank (WITS) data

Furthermore, non-tariff measures (NTMs) have gained prominence in recent decades, entailing costs for businesses and consumers that are often higher than tariff barriers and whose evaluation is more complex due to a lack of transparency. These measures include trade defense instruments, import quotas, quantitative export restrictions, export subsidies, and other measures linked to procedural compliance that amplify the overall costs of international trade. Regulatory restrictions, which fall under NTMs, also affect trade in services and foreign direct investment. Because services such as marketing, transport, and logistics serve as inputs in production processes, market access barriers can reduce firm competitiveness. For foreign direct investment, the OECD highlights a relatively low average level of restriction, though room for simplification remains, particularly in the primary and tertiary sectors.

In 2025 and the first half of 2026, international tensions intensified. Commercial policy instruments (primarily tariffs) were used outside multilateral agreements to pursue national strategies. In a very short timeframe, the new US administration introduced a host of unilateral tariff measures — far more stringent than in the past — which had a major impact on economic

relations and the legal certainty of international trade law. In particular, widespread concerns were raised by so-called "reciprocal tariffs" imposed on all trading partners, in conflict with WTO rules and prior preferential agreements. Consequently, various governments initiated bilateral talks aimed at scaling back tariff rates and reducing high uncertainty on the tariff front. Regarding the European Union, trade relations with the United States proceeded along the track of a Framework Agreement signed in July 2025, under which an all-inclusive tariff of 15 per cent was agreed upon for most products,[12] in exchange for greater market opening for industrial products and the assumption of other significant commitments.

This scenario was redefined once again following a ruling issued by the US Supreme Court in February 2026, which held that the use of the International Emergency Economic Powers Act (IEEPA) to impose customs tariffs was unlawful, and consequently brought the "reciprocal tariffs" regime to an end. The ruling also affected framework agreements based on IEEPA tariffs, which were replaced in February 2026 with a new customs regime (based on Section 122 of the Trade Act of 1974) providing for the application of a universal 10 per cent tariff — in addition to existing most-favored-nation (MFN) duties — set to remain in effect until July 24, 2026.

Although the nominal level of 2025 US tariffs prompted historical comparisons with the 1930s, the level of tariffs actually applied to goods imported by the United States turned out to be lower than announced. This was due in part to various product exemption lists from the new customs duties and to a set of bilateral agreements concluded to limit the "reciprocal tariffs".

During the last two quarters of 2025, tariffs actually applied to US imports averaged around 10 per cent; in the first quarter of 2026, the average level fell to 8.2 per cent following the repeal of IEEPA-based tariffs.[13] Compared with the customs regime previously in force — characterized by an average MFN duty of 2.3 per cent — tariff pressure on US imports nevertheless increased significantly over the course of 2025.

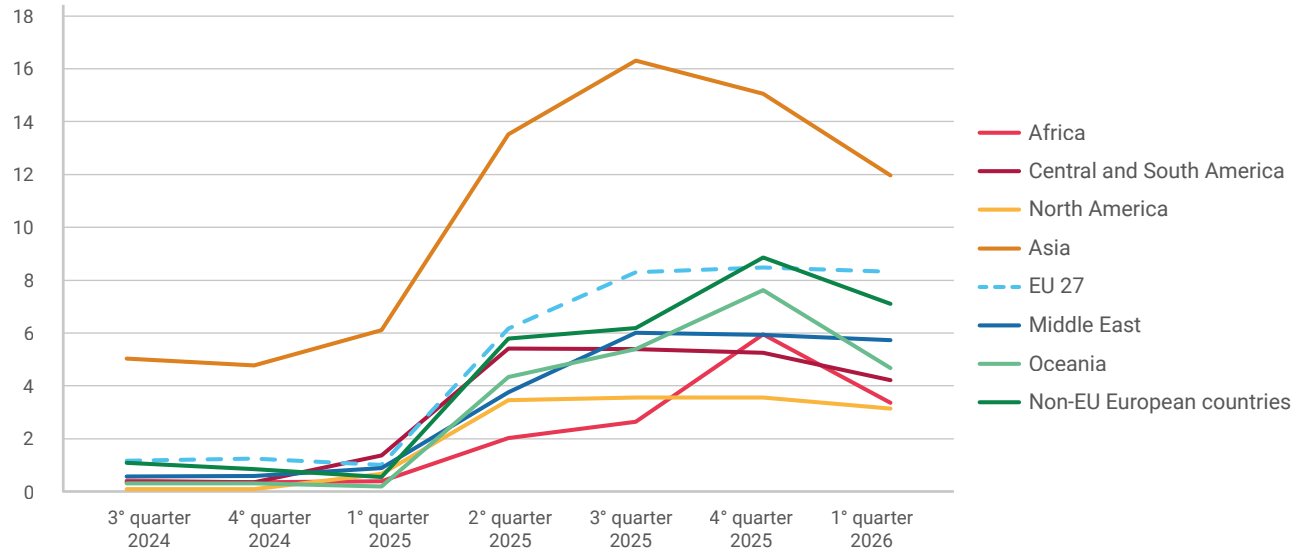
By the end of 2025, the Asian region showed the largest increase in tariff pressure, rising on average from 5 per cent to 15 per cent. European countries followed, with duties in the final quarter of 2025 standing between 8.9 per cent (for non-EU European countries) and 8.5 per cent (for the EU-27). Among EU members, varying levels of tariff imposition were observed as a result of the differing sectoral composition of their exports to the United States: for instance, Italy saw its average duty increase from 2.3 per cent at year-end 2024 to 11 per cent at year-end 2025, whereas Germany and Spain faced higher tariff pressure. The area least affected by US tariffs was North America, owing to the USMCA free trade agreement.

Regarding the effects of tariffs, empirical studies indicate that the pass-through of tariff costs onto US import prices averaged around 96 per cent, signaling nearly complete pass-through: US firms and consumers thus bore virtually the entire burden of tariff costs (albeit with wide variations across sectors), while exporters compressed their margins by an average of 4 per cent.

[12] See, in the Italy in the world economy Report: *Reciprocal tariffs and new bilateral agreements*.

[13] Regarding Italy, see, in the Italy in the world economy Report 2025-2026: *US tariffs on Italian products: estimates and effectively applied rates*.

Figure 1.8 - Effectively applied tariffs on United States imports, by geographical area
Percentage rates



Source: Italian Trade Agency elaborations on US Census Bureau data

1.3 European Union trade and agreements

Considered as a single economic entity (i.e. excluding intra-EU trade), the European Union confirmed its central position in world trade in 2025.

With $4,748 billion in goods and services sold outside the single market, the EU ranked first among global exporters in 2025, followed by China ($4,281 billion) and the United States ($3,394 billion). At the same time, the EU was the world's primary market, with imports of goods and services accounting for 15.2 per cent of the global total.

In 2025, the EU's share of world exports stood at 16.2 per cent. Analyzing dynamics over the 2021–2025 period, the EU's overall share exhibited a moderately downward trend, declining by half a percentage point from the 16.7 per cent reached in 2021. Over the same timeframe, China also saw its export share shrink, from 15.9 per cent in 2021 to 14.6 per cent in 2025. Thus, over the medium term, the United States appears to have captured market share from its main competitors.

For the services sector alone, the EU's export weight in 2025 remained by far predominant, accounting for 22.7 per cent of the global total — a level markedly higher than that of the United States (15.6 per cent) and China (6.6 per cent).

The EU recorded a surplus in both merchandise and services trade with the rest of the world. In 2025, the overall surplus, slightly contracting, stood at €540 billion, comprising €387 billion for merchandise (up from 2024) and €154 billion for services (down from 2024). Compared with 2024, exports of goods and services grew by 2.4 per cent, reaching €4,253 billion. Services represented more than 37 per cent of total EU exports for the second consecutive year, confirming the growing weight of the tertiary sector in European trade.[14]

[14] See, in the Italy in the world economy Report 2025-2026: paragraph 1.3.1 *The trade of the European Union*, Tables 1.8 and 1.9.

In the face of rising trade and geopolitical tensions, strengthening the economic and political role of the EU requires removing remaining obstacles to the full exercise of the four fundamental freedoms enshrined in the 1957 Treaty of Rome: the free movement of goods, services, people, and capital. Despite legislative acts adopted to ensure uniform national treatment and free movement of goods among member states, EU businesses and citizens continue to encounter numerous impediments, with the single market for services remaining even more fragmented than that for goods. According to IMF estimates, intra-EU trade barriers are comparable to an average ad valorem tariff of 44 per cent for manufactured goods and 110 per cent for services. Reducing these barriers could increase European productivity by 6.7 per cent.

A 2024 report prepared for the European Council[15] stressed the need to overcome internal fragmentation, proposing in particular the development of a single market for savings and investment, energy, innovation, and connectivity — while respecting the social dimension of cohesion — and suggesting the introduction of a fifth fundamental freedom: the freedom of knowledge, data, and research to foster a robust European technological infrastructure.

In April 2026, during an informal meeting of the European Council with the Parliament and Commission, the *One Europe, One Market Roadmap* agenda was signed, containing a list of priority measures and legislative initiatives. The roadmap is grounded in an interinstitutional agreement designed to jointly bind the Commission, Council, and Parliament to the indicated priorities and timelines; furthermore, it prioritizes regulations over directives when choosing legal instruments to achieve its goals.

The Roadmap consists of five sections featuring priority policy actions and legislative acts to realize a savings and investment union, an energy union, and an innovation and connectivity union, alongside other industrial policy actions and the strengthening of international trade. Regulatory simplification via "omnibus" packages and measures regarding the social dimension represent cross-cutting objectives aimed at advancing the completion of the single market.

Several proposals aim to realize a genuinely integrated European capital market, facilitating business access to financing required for development and the mobilization of resources for the EU's global challenges. On the energy union front, the Roadmap intends to lower prices and promote decarbonization; within innovation and connectivity, it aims to strengthen the technological competitiveness of European firms across various sectors by promoting R&D, artificial intelligence, quantum computing, skills development, and knowledge transfer[16] —in line with the proposal for a fifth freedom.

The priorities identified by the Roadmap include several measures concerning internationalization and trade. To strengthen commercial links with third countries — necessary to diversify destination and sourcing markets — the Commission, Parliament, and Council have committed to proceeding with ongoing negotiations and the ratification process for those already concluded.

The Union's trade relations are unfolding in a profoundly transformed international environment, in which the need to address trade tensions and mitigate economic instability has accelerated efforts to diversify markets and sources of supply, while preserving the objective of operating within a rules-based international trading system underpinned by the WTO multilateral agreements and high standards of sustainable development.

[15] See: Letta, E. (2024). *Much more than a market - Speed, Security, Solidarity. Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens*. Report to the European Council, 2024.

[16] See, in the Italy in the world economy Report 2025-2026: *Digital sovereignty: definition, objectives and European industrial transition and EU Space Act and the reflections on cooperation and international trade*.

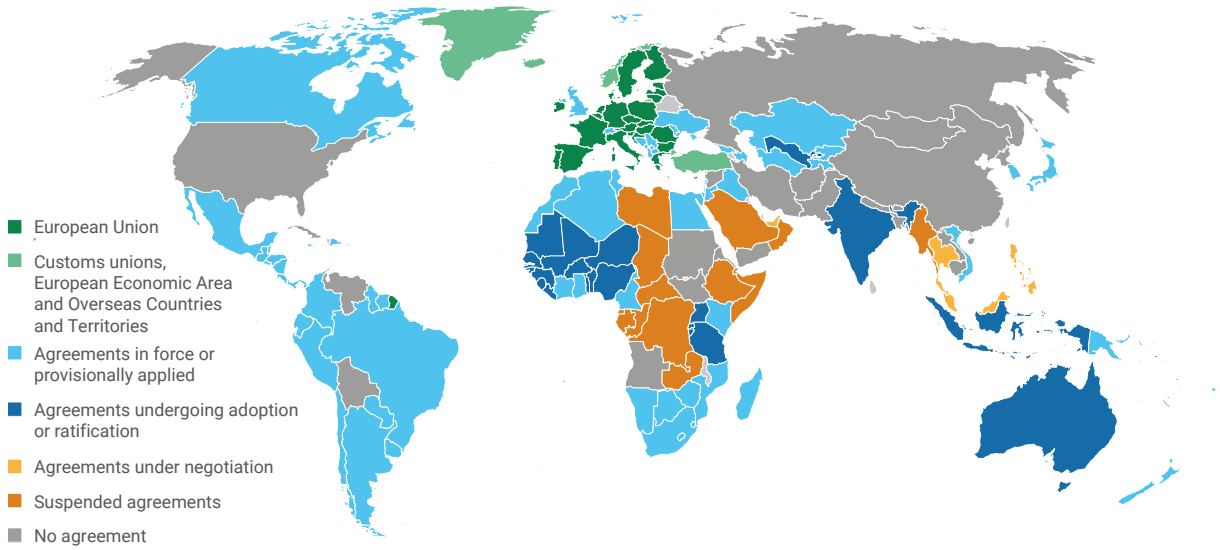
The EU has registered significant progress in consolidating preferential integration agreements and economic partnerships, and the new geopolitical context is accelerating negotiating processes.

Major developments occurred in Latin America, notably the entry into force on a provisional basis, as of May 1, 2026, of the *Interim Trade Agreement* with Mercosur, with immediate application of the commercial component toward Argentina, Brazil, Paraguay and Uruguay, following more than 25 years of negotiations. In early 2025, the free trade agreement with Chile was modernized, while in May 2026 a revision of the agreement with Mexico was signed, pending ratification.

Regarding the Indo-Pacific, January 2026 saw the conclusion of negotiations launched in 2007 for the free trade agreement with India, aimed at facilitating commercial trade — including digital transactions — by removing most tariff and non-tariff barriers and promoting sustainable development[17]. The agreement also provides for reciprocal tariff reductions and commitments to liberalize trade in services. The European negotiating agenda also recorded major updates in Asia: in September 2025, negotiations for the Comprehensive Economic Partnership Agreement (CEPA) with Indonesia were concluded; the text is now awaiting signature and formal ratification. In parallel, dialogues continued with Malaysia, Thailand, and the Philippines. In the Middle East, negotiations are also underway with the United Arab Emirates for a free trade area.

In West Africa, the regional Economic Partnership Agreement with ECOWAS (Economic Community of West African States) was signed; within the EAC (East African Community), the EU-Kenya agreement entered into force, designed also as a potential foundation for broader future regional commercial integration.

Figure 1.9 - EU preferential integration agreements and partnerships



Source: European Commission, June 2026

[17] See, in the Italy in the world economy Report 2025-2026: *The agreements between the European Union and India*.

2. ITALY IN THE INTERNATIONAL ECONOMY

2.1 The performance of the Italian economy in 2025

In 2025, despite geopolitical tensions and trade restrictions, international trade grew beyond expectations, and world output maintained an expansion rate similar to that of the previous year.

Italy's Gross Domestic Product (GDP), calculated at 2020 constant prices, increased by 0.5 per cent, slowing down compared to the previous two-year period and remaining below the euro area average (1.4 per cent). Growth was driven by domestic demand, with household consumption increasing by 1 per cent and gross fixed capital formation by 3.5 per cent, whereas net external demand made a negative contribution, as import growth exceeded that of exports. On the supply side, services and construction supported economic activity and employment, against a slight contraction in manufacturing value added (-0.3 per cent) and in job units (-1.3 per cent). The current account surplus remained stable at €25 billion (1.1 per cent of GDP), and the net international investment position confirmed a net creditor balance exceeding 15 per cent of GDP.

Figure 2.1 – Competitiveness and market shares of Italy's exports of goods

Values in percentage and indices



(1) Reciprocal of the overall price competitiveness indicator based on producer prices of manufactures, 1999=100, right-hand scale

Source: Italian Trade Agency elaborations on Bank of Italy and WTO data

Italy's exports of goods in value terms grew by 3.3 per cent in 2025. Growth was primarily driven by consumer goods (6.4

per cent), with a decisive contribution from the pharmaceutical sector (28 per cent), and, to a lesser extent, by intermediate products and capital goods. Geographically, the most robust dynamic was recorded towards European Union markets (4.2 per cent), while among non-EU destinations, sales to the United States stood out, rising by 7.2 per cent. Exports of services also increased (5.6 per cent), supported by tourism and business services. The export propensity reached 32.2 per cent of GDP, while Italy's share of global exports remained stable at 2.8 per cent, although constant market share decomposition exercises highlight a slight erosion in the medium term, mainly attributable to an unfavorable product structure effect, partially offset by a positive competitiveness contribution[188].

Imports of goods grew by 3.2 per cent in value terms, buoyed by consumer goods and, in particular, pharmaceuticals. The import penetration rate reached 29.2 per cent of domestic demand, confirming the Italian economy's growing integration into international production networks, while remaining lower than that of its main European partners.

Perspectives for the 2026–2027 two-year period fit into a framework of heightened uncertainty. The most recent projections indicate GDP growth for Italy of around 0.7 per cent, conditioned by the fading impact of the National Recovery and Resilience Plan (NRRP), a deterioration in confidence linked to tensions in the Middle East, and initial producer price increases observed in the first quarter of 2026.

2.2 Sectors

In 2025, the growth of Italian exports of goods (3.3 per cent) was mainly driven by the pharmaceutical industry, whose foreign sales surged by 28.5 per cent, contributing 2.47 percentage points to overall export growth.

After pharmaceuticals, the main contribution to growth came from the metallurgical sector (1 percentage point), supported by an increase in precious metal exports (97.2 per cent). Food, beverages, and tobacco (4.3 per cent) and transport equipment (4.1 per cent) also contributed positively, with the latter boosted by other transport equipment—particularly ships and aircraft—which offset the decline in motor vehicles (-4.3 per cent)[19]. Among traditionally prominent sectors, the fashion industry recorded widespread drops, and chemicals saw a slight export decline alongside a widening trade deficit. Machinery, the top sector by exported value, remained essentially stable amidst heightened trade uncertainty[20].

Imports also increased (3.2 per cent), driven primarily by pharmaceuticals, whereas purchases of energy products contracted (-12.6 per cent).

Overall, manufacturing exports, which account for over 95 per cent of merchandise exports, grew by 3.2 per cent, allowing Italy to maintain fifth position among global exporters of manufactured goods, with a 3.26 per cent share. The slight erosion of the global share reflects an unfavorable sectoral composition effect: world demand grew faster in sectors where Italy holds a comparative disadvantage, such as electronics and artificial intelligence-related manufacturing, while the weight of sectors of relative specialization, such as fashion and furniture, diminished. Within the euro area, however, Italy consolidated its position, with its share rising to 11.87 per cent.

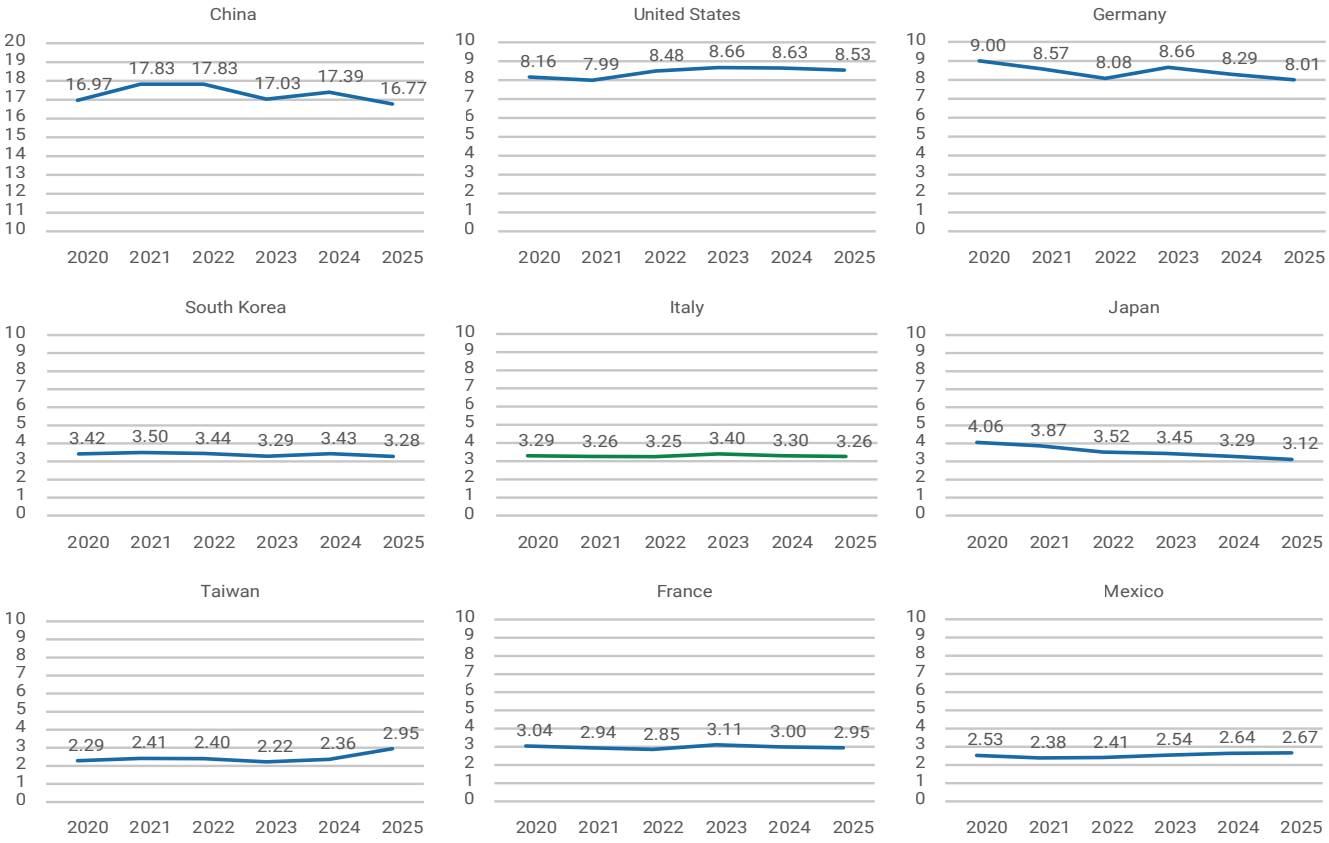
[18] For an updated analysis of the decomposition of the variation of Italy's and the main European countries' market shares, see in the Italy in the world economy Report 2025-2026: *Constant-market-shares analysis of the world market shares of the main European countries*.

[19] For an overview of the Italian aerospace supply chain and its international projection, see The space economy and the role of Italy.

[20] For an analysis of the tariff rates applied to Italian products and the duties effectively collected by the United States, see in the Italy in the world economy Report 2025-2026: *US tariffs on Italian products: estimates and effectively applied rates*.

Figure 2.2 – Main exporters of manufactured goods. Years 2020–2025

Percentage shares of global exports



Source: Italian Trade Agency elaborations on national statistical institute data

2.3 Markets

In 2025, Italian exports of goods exceeded €643 billion, marking a 3.3 per cent increase compared to the previous year. Growth was recorded in both European Union markets (4.2 per cent) and non-EU markets (2.4 per cent). Imports grew by 3.1 per cent to €592 billion, with largely homogeneous dynamics between the two areas. The trade balance improved, reaching €50.7 billion, supported by a large surplus with non-EU countries (€56.2 billion), which more than offset the slight deficit with European partners (-€5.5 billion). The positive trend continued into the early months of 2026, with Italian exports growing by 3.2 per cent in the January – April period, compared to an EU average of 0.2 per cent.

Geographically, export growth in 2025 was highly concentrated. Almost the entire total increase was attributable to just three geographical areas: the European Union, North America, and the Middle East[21]. The EU, which accounts for more than

[21] For an analysis of the geographical concentration of Italian exports, the degree of alignment with world demand, and positioning in the main destination markets, see in the Italy in the world economy Report 2025-2026: *Specialization, concentration and competitiveness: a multidimensional analysis of Italian positioning in international markets.*

half of Italian exports, provided the most significant contribution (around 65 per cent of the total increase), despite a slightly negative trade balance. North America contributed nearly a quarter of the total increase, driven mainly by export growth to the United States (7.2 per cent), with a trade surplus of €37.9 billion. The Middle East recorded a 7.2 per cent growth in Italian exports. Its trade balance shifted from a deficit of €19.8 billion in 2022 to a surplus of €8.6 billion in 2025, due to the combined effect of export growth — particularly to the United Arab Emirates and Saudi Arabia — and a sharp reduction in energy imports. Conversely, East Asia exerted a negative impact, with a progressively widening trade deficit (-€38.5 billion in 2025), reflecting import growth that consistently outpaced export growth over the four-year period considered.

At the level of individual markets, Switzerland and the United States provided the most significant contributions to Italian export growth, followed by Spain and France. Exports to Switzerland (16.3 per cent) was sustained mainly by higher precious metal exports, amid rising international gold prices and a reconfiguration of sectoral flows. Growth towards Spain (10.6 per cent) presented a more diversified profile, led by pharmaceuticals but with positive contributions also from machinery, agri-food, and transport equipment. Towards the United States, export growth (7.2 per cent) was heavily concentrated in pharmaceuticals and other transport equipment — specifically shipbuilding and aerospace — whereas traditional sectors such as machinery and agri-food experienced declines amid increased trade uncertainty caused by the tightening of US tariff measures[22]. On the import side from the US, growth was particularly intense (35.9 per cent), with the pharmaceutical sector acting as the main driver within a context of intensified intra-sectoral trade in life sciences.

Among markets experiencing less favorable trends, China recorded a 6.6 per cent decline in Italian exports, primarily driven by weakness in traditional sectors — textiles-apparel, leather goods, and machinery — only partially offset by pharmaceutical growth. This contraction is associated with weakness in traditional Italian export sectors, the strengthening of domestic Chinese manufacturing capacity, and shifting local consumer preferences. Even more pronounced was the drop towards Turkey (-23.1 per cent), largely attributable to a negative base effect in jewelry following the exceptional peak recorded in 2024.

Italy's trade in services showed greater dynamism than trade in goods in 2025, confirming the trend observed over the preceding two-year period.

Exports grew by 4.4 per cent, accelerating compared to 2024, driven by technical and professional business services and by international tourism, which received a boost from the Jubilee. Imports increased at a faster pace (5.4 per cent), leading to a widening overall deficit, mainly due to purchases of business services and computer and telecommunication services.

The geographical orientation of service trade does not deviate substantially from that of goods, though it exhibits greater concentration in imports. The European Union remains the primary trading partner, absorbing over 56 per cent of exports and nearly 62 per cent of imports. Non-EU European countries — with the United Kingdom and Switzerland as main trading partners — represent the second partner area, with a weight in service trade significantly higher than that recorded for goods. Overall, roughly three-quarters of sales and just under 77 per cent of service purchases are concentrated within the European continent.

Trade with the EU sustained overall service trade growth, contributing over three-quarters of the increase in exports and almost the entirety of the increase in imports. Tourism remains the main export item to the area, although its relative weight has slightly decreased over the last five years, whereas technical and professional business services have gained ground, providing the largest contribution to export growth towards European partners in the past year. The deficit with the EU worsened

[22] For an analysis of the tariff rates applied to Italian products and the duties effectively collected by the United States, see in the Italy in the world economy Report 2025-2026: *US tariffs on Italian products: estimates and effectively applied rates*.

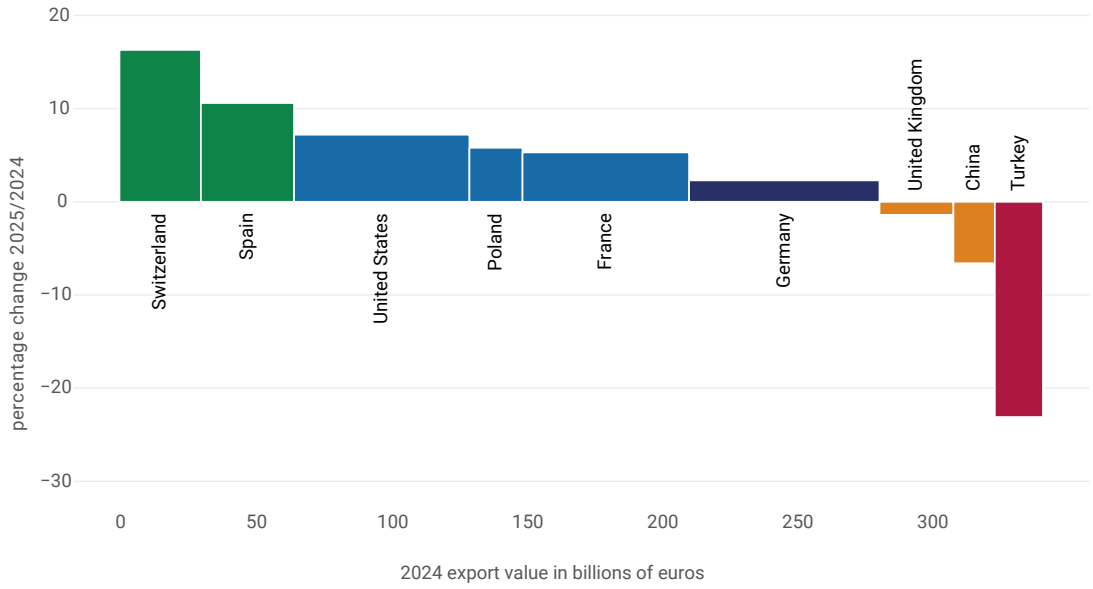
further, approaching €13 billion, owing to a structural deficit in international transport and a widening deficit in IT and business services, only partially offset by a substantial tourism surplus.

Among major destination markets, Germany remains the most relevant partner, with sales of technical and professional business services as the main growth driver. Exports to the United States showed a robust growth, also supported by business services and IT, while tourism represents the primary positive component of the bilateral balance. Among non-EU markets, the most significant contribution to export growth came from China, thanks to a strong surge in tourist spending in Italy — more than tripling compared to 2024 — consolidating the country's role as the main Asian destination market for Italian service exports. Conversely, the deficit with Ireland widened further, exceeding €7 billion, driven by rising purchases of computer, telecommunication, technical, and professional business services.

From the competitiveness perspective, Italy's share of euro area service exports stood at 5.5 per cent in 2025, expanding slightly compared to the previous four-year period, but still significantly below its main European partners. Ireland established itself as the leading exporter of services in the euro area, accounting for 18.5 per cent share due to its dominant position in IT service provision. In key strategic markets — Germany, France, the United States, and the United Kingdom — Italy's positioning remains more modest than its European competitors, with tourism serving as the main competitive advantage and a still limited presence in high value-added services such as IT services, transport, and intellectual property royalties.

Figure 2.3 – Structural mosaic of exports: market size and export dynamics in 2025

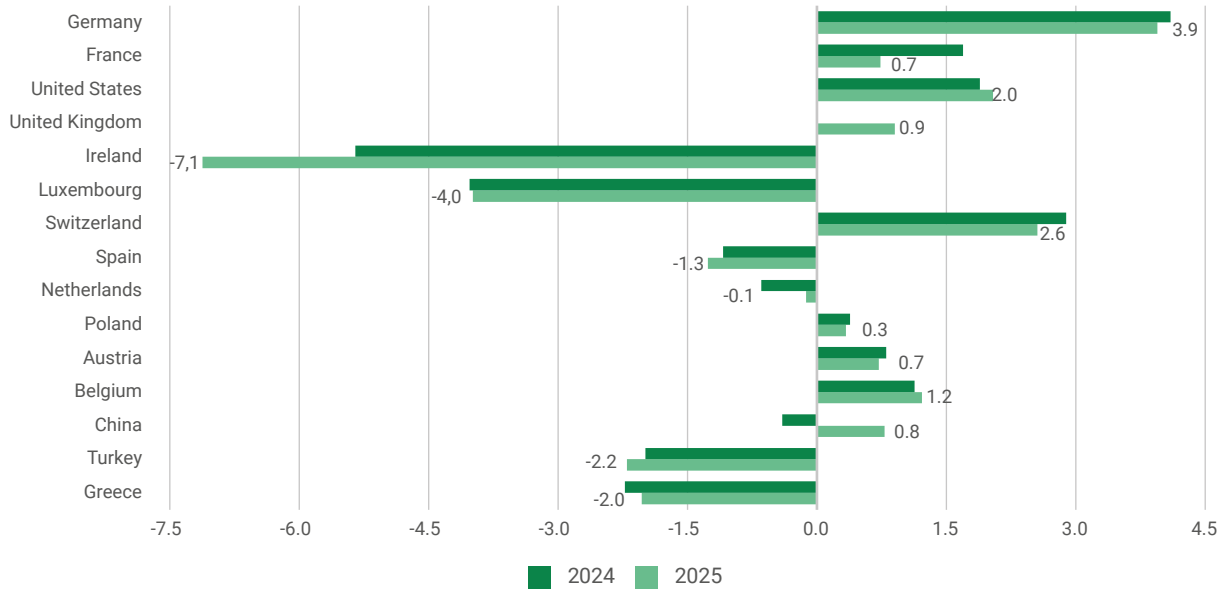
Percentage change and cumulative export



Source: Italian Trade Agency elaborations on IMF data

Figure 2.4 – Italy's trade in services: balances with major partner countries

Values in billions of euros



(1) Top 15 countries based on total trade volume in services

Source: Italian Trade Agency elaborations on Bank of Italy data

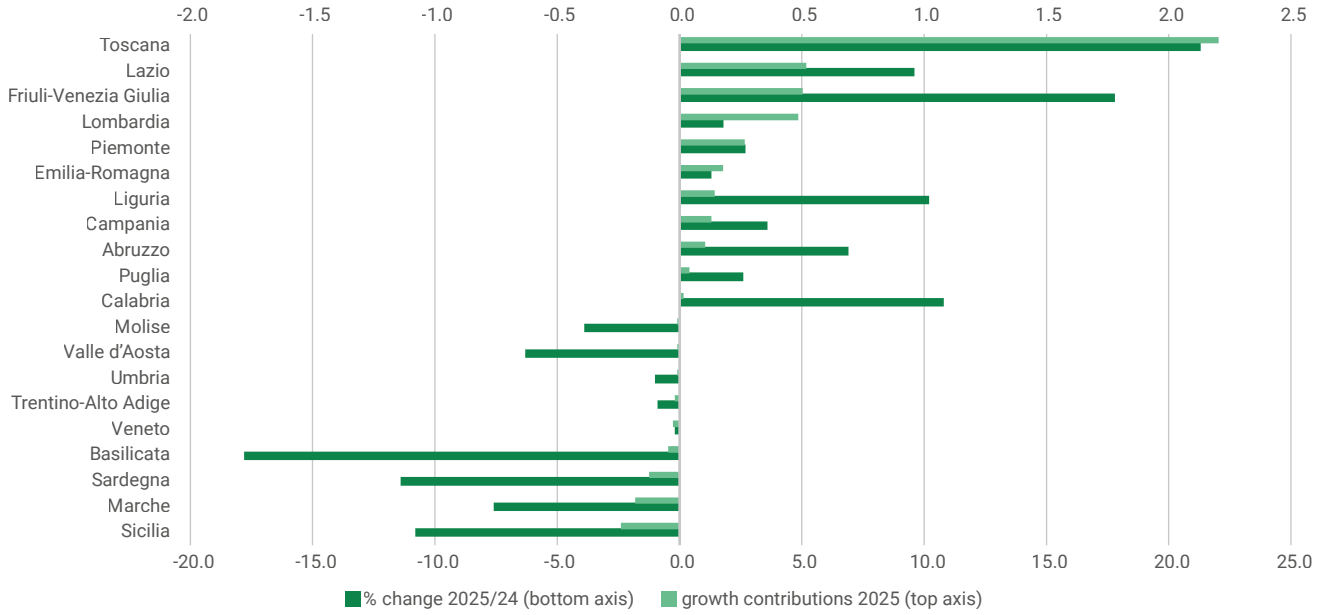
2.4 The territorial base

In 2025, Italian export growth exhibited sharp territorial divergence: the Center area recorded the strongest increase (13.2 per cent), while the North-West (2.3 per cent) and the North-East (2 per cent) showed below-average dynamics, and the South and Islands (*Mezzogiorno*) registered a contraction (-1.2 per cent).

The North-West retained the largest share of national exports (37.8 per cent), with growth sustained by pharmaceuticals, food products, aerospace, and jewelry, offsetting weakness in machinery and motor vehicles. In the North-East, the increase was modest and uneven across regions: strong expansion in Friuli-Venezia Giulia, driven by shipbuilding, and growth in Emilia-Romagna contrasted with substantial stability in Veneto and a slight drop in Trentino-Alto Adige. The Center provided the main contribution to total export growth, accounting for 2.52 percentage points, mainly thanks to Tuscany and, to a lesser degree, Lazio; pharmaceuticals played a decisive role in both regions, with metallurgy further contributing in Tuscany. The *Mezzogiorno*, accounting for 10.1 per cent of the total, was the only macro-region to contract, primarily due to the decrease in refined petroleum exports from Sicilia and Sardegna and despite positive results in Abruzzo, Campania, Puglia, and Calabria.

The regional picture also reflects marked variability at the provincial level, which was particularly pronounced in sectors characterized by concentrated production hubs, such as pharmaceuticals, metallurgy, jewelry and aerospace, where large variations in foreign sales from single provinces impacted regional performance.

Figure 2.5 – Changes in exports 2025/2024 and regional contributions to growth in 2025



Source: Italian Trade Agency elaborations on Istat data

2.5 Exporting operators: overall overview

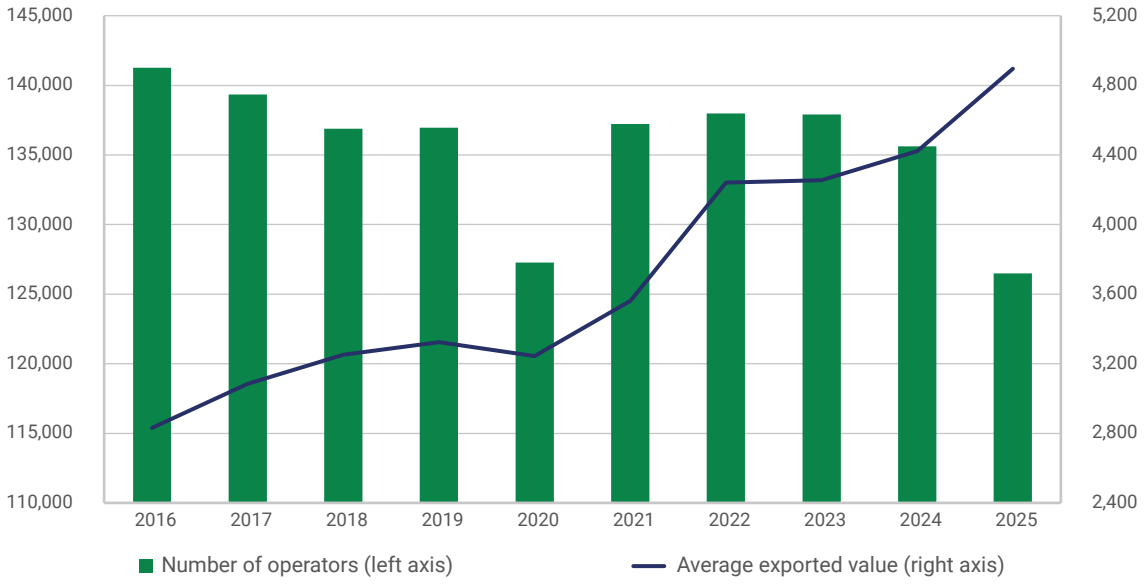
Operators engaged in goods exports are individuals, sole proprietorships, companies, and other entities that conducted at least one export transaction during the year. The bulk of this group consists of exporting companies , which in 2024 accounted for approximately 90 per cent of all operators[23]. In 2024, exporting companies accounted for 90.7 per cent of the total value of merchandise exports.

In 2025, the number of operators decreased by 6.7 per cent to 126,491 units, but total sales value grew by 3 per cent. The reduction in the number of operators mostly affected micro-exporters with export value under €75 thousand — who are often only occasionally active in foreign markets — whereas operators belonging to export-value classes above €15 million, and particularly above €50 million, continued to grow in value terms. The export structure remains highly concentrated: operators with export sales exceeding €50 million (1.1 per cent of the total) generate 60.2 per cent of total sales, while classes up to €750 thousand account for over 70 per cent of operators and roughly 2 per cent of total export value.

[23] For the methodology of identifying exporting companies, see, in the Italy in the world economy Report 2025-2026: *The system of Italian exporting companies: an introduction*.

Figure 2.6 – Extensive and intensive margins of Italian exports

Average exported value in thousands of euros



(1) Provisional data

Source: Italian Trade Agency elaborations on Istat data

Medium- to long-term analysis (2016–2025) reveals divergent trends between the extensive and intensive margins of export activity. The number of export operators — the extensive margin — remained broadly stable until 2024, fluctuating between 136 thousand and 141 thousand units, with the sole exception of 2020, when the pandemic's impact led to a drop of roughly 10 thousand units (-7.1 per cent). In 2025, however, a new and sharper contraction was recorded (-6.7 per cent), bringing the total to around 126 thousand units — a figure lower not only than the 2019 level, but also the lowest point of the entire decade under review. Conversely, the average exported value per operator — the intensive margin — shows almost uninterrupted growth throughout the period, rising from roughly €3 million in 2016 to nearly €5 million in 2025, representing an overall increase of 73 per cent.

2.6 Exporting companies

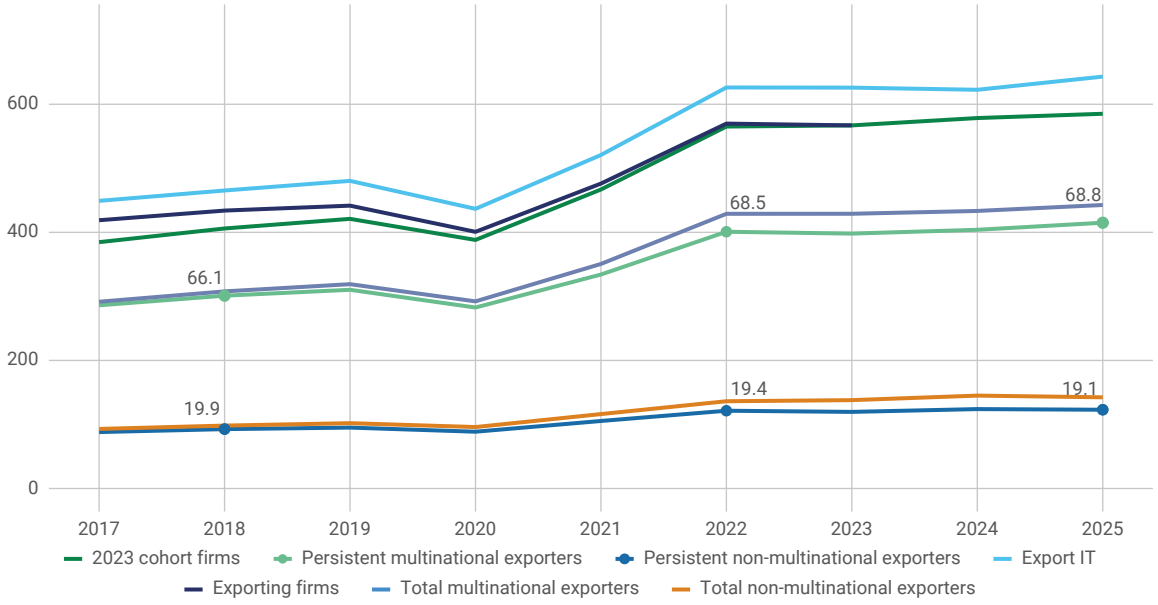
Analyzing Italian exports through the lens of exporting companies complements the assessment of aggregate trade flows.

The analysis highlights first and foremost the structural stability of the core exporting group. Persistent exporting companies — defined over both a short-term horizon (2023–2025 three-year period) and a medium-to-long-term horizon (2017–2025) — account for the vast majority of exports, despite varying numerical shares depending on the timeframe considered. Over the most recent three-year period, persistent exporters constituted the majority of the exporter population (around 82 thousand units out of 120 thousand, or 68 per cent) and explained 99 per cent of total company exports in 2023. Extending the

observation window to 2017–2025, the core group of companies maintaining an uninterrupted presence in foreign markets contracts to roughly 51 thousand units (42.6 per cent of the 2023 cohort); though a numerical minority, this group continues to represent the more stable and structurally established component of the Italian export system. Evidence thus suggests that the export capacity of the Italian productive framework is sustained by a core of stably established firms in international markets, whereas the more discontinuous exporter segment contributes only marginally to aggregate values.

Figure 2.7 – Italian exports, exporting firms, multinational and non-multinational (2017–2025)

Values in billions of euros



Source: Italian Trade Agency elaborations on Istat data

An analysis of persistent exporting companies during the 2023–2025 three-year period underscores that the Italian export base relies on a stable core of roughly 82 thousand firms responsible for virtually all national exports.

Overall, the 2023–2025 analysis confirms a model of export growth that is more concentrated and selective than in previous years. Specifically, export growth was concentrated among larger firms and multinationals, particularly foreign-controlled multinationals, whose exports grew by 2.8 per cent, compared to 1.7 per cent registered by Italian multinationals.

The analysis shows that firms simultaneously participating in import and export flows of intermediate goods (two-way traders) represent about one-third of exporting companies, but account for over 85 per cent of overall exports and exhibit a significantly higher export propensity than firms not integrated into international production networks. The three-year analysis further indicates that firms that strengthened their positioning within international production networks achieved the best export performance, whereas those that exited them or reduced their level of integration experienced a contraction in foreign sales. These findings demonstrate an association between a higher degree of integration in international production networks and more favorable export dynamics.

Over the three years, a slight decrease in the European Union's share of exports was observed, accompanied by an increased weight for North America, the Middle East, and Central Asia. Sectoral export composition also showed changes: non-durable consumer goods gained weight, while capital goods, energy, and durable consumer goods declined; intermediate goods maintained a substantially stable share. In 2025, manufacturing's share of exports among persistent firms fell, while wholesale trade increased (11.1 per cent, contributing 2.02 percentage points to overall export growth). This rise is mainly attributable to the intermediation of pharmaceutical products carried out by foreign-controlled firms; excluding this component, exports by foreign-controlled firms would have decreased by 2.5 per cent instead of increasing by 2.8 per cent.

Microeconomic flow analysis indicates that overall export growth in 2025 was the net difference between flows generated by firms with growing exports and those lost by firms with declining exports. Although the net balance remained positive, the number of firms expanding exports fell noticeably compared to 2024, with many small firms dropping out of the growth group. Export "creation/destruction" flow analysis shows a reduction in 2025 in the number of firms expanding exports relative to 2024. Forty-two per cent of firms recorded less favorable export dynamics in 2025 than in the previous year.

A mirror analysis to the one above examines non-persistent exporting companies over the 2023–2025 three-year period, representing a business segment characterized by occasional foreign market presence, lower average productivity, reduced export intensity, and lower diversification. Of the more than 120 thousand exporting companies observed in 2023, approximately 38 thousand exported discontinuously, halting activity in the subsequent two years or alternating between presence and absence in international markets. Despite accounting for nearly one-third of exporting companies, they account for a very small share of aggregate exports and show a progressive drop in exported value across the three-year period as successive firm cohorts exited markets. In 2023, non-persistent firms exported a total of €4.6 billion, which fell to €2.2 billion in 2024 and to €366 million in 2025 — declines that reflect the progressive exit of firm cohorts rather than a drop in performance by individual continuing firms.

The defining trait of this group is the heavy predominance of micro-enterprises, which constitute over three-quarters of the total. These are mostly smaller firms with a lower export propensity than persistent exporters. Compared to persistent firms, non-persistent exporters exhibit smaller average sizes, lower productivity, weaker export propensity, and less diversification. Micro-enterprises represent 75 per cent of non-persistent exporters, compared to 46 per cent among persistent ones, and their average export propensity is 10.6 per cent. The productivity gap is observable across all size classes and sectors, reaching up to €20 thousand per worker among large firms. Furthermore, their exports are more heavily concentrated in the European Union (46 per cent, versus 52 per cent for persistent firms) and, among micro-enterprises, cover an average of 2.1 products and 1.5 destination countries, compared to values at least double that for persistent exporters. Controlling for size and sector, persistent exporters yield higher value added per employee than non-persistent ones. Export propensity is also higher among firms with a continuous presence in foreign markets. Overall, the evidence portrays an enterprise segment with internationalization potential that remains largely untapped[24].

Sectorally, non-persistent firms are concentrated in wholesale/retail trade and traditional manufacturing sub-sectors such as fashion, furniture, and food processing. Product composition reflects this specialization, with a predominance of intermediate

[24] For an estimate of the untapped export potential of non-multinational SMEs, see in the Italy in the world economy Report 2025-2026: *The untapped potential of non-multinational SMEs.*

goods and non-durable consumer goods, whereas capital goods — typical of more structured exporting firms — play a limited role.

The geographical profile also reveals low complexity in international operations. Exports are mostly concentrated in European markets, particularly EU and non-EU European countries, while presence in geographically distant regions remains limited.

Long-term analysis traces the 2023 cohort of exporting firms across the 2017–2025 timeframe. Selecting a long horizon follows a clear rationale: export persistence is not a point-in-time datum but a structural firm characteristic that sharply differentiates regular exporters from occasional or discontinuous ones. The analysis demonstrates that 2023 exporting firms consistently accounted for over 85 per cent of Italian exports over 2017–2025, confirming the core role of firms continuously present in foreign markets. Specifically, 58.3 per cent of firms active in 2023 were already exporting in 2017, and 51,174 firms (42.6 per cent of the cohort) remained persistent across all nine years (2017–2025). Conversely, among the 16,178 firms that entered foreign markets in 2023, only 25 per cent continued exporting in both 2024 and 2025.

Among firms persistent across the entire 2017–2025 period, multinationals represent 20.4 per cent of the cohort but account for 64.5 per cent of exports. Persistent non-multinational firms, while accounting for about one-fifth of national exports, retain a prominent role in manufacturing: among persistent manufacturing firms from 2017 to 2025, 77.8 per cent do not belong to multinational groups, and small enterprises represent 50.3 per cent of persistent manufacturing exporters.

An analysis of non-multinational SMEs — which form the structurally dominant component of the domestic exporting base — classifies firms as persistent (active abroad in all nine years), partially persistent (active six to eight years), or non-persistent (active five years at most)[25].

Manufacturing shows higher persistence levels: continuously active firms account for 56.9 per cent of manufacturing exporters, and the two-year survival rate for new manufacturing exporters reaches approximately 35 per cent.

A systematic relationship between persistence and performance emerges: in manufacturing, persistent firms employ an average of 27 workers (compared to 12.9 and 9.4 for partially and non-persistent firms), achieve four times the turnover of non-persistent ones, hold an export intensity of 33 per cent (versus 18 per cent and 13 per cent), and record labor productivity of €78 thousand per employee (versus €51 thousand). Long-term dynamics confirm the role of persistent firms in sustaining non-multinational SME exports. In manufacturing, their exports grew from €63.3 billion to €86.2 billion between 2017 and 2022 (36 per cent), before stabilizing around €86 billion over 2023–2025. In trade, persistent firms recorded almost continuous growth, reaching €27.6 billion in 2025. Partially persistent and non-persistent firms posted livelier dynamics in select sub-sectors, but from significantly lower export volumes. Market survival probability increases with export experience: survival rates rise from 39.6 per cent for firms with two years of export activity to 70.8 per cent for those with six years.

In manufacturing, persistent firms combine high export-to-turnover intensity with a substantial contribution to sectoral exports. Despite flat export growth between 2023 and 2025, these firms continue to generate the majority of foreign sales in the sector.

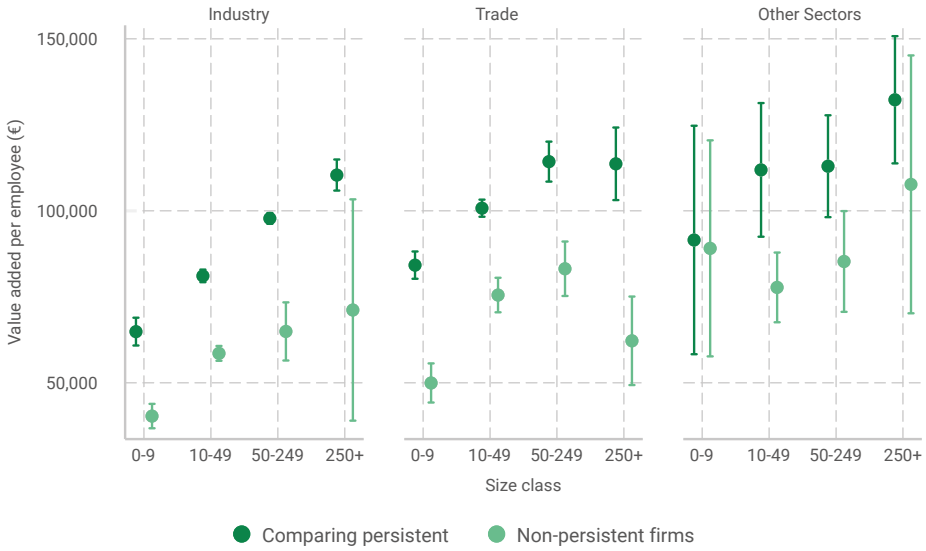
Non-multinational SMEs concentrate about half of their exports within the European Union, which absorbed over €65 billion in sales in 2025; this is followed by other European countries (over €20 billion) and North America (over €10 billion).

Participation in global value chains displays distinct features: backward integration — focused on importing intermediate goods for production processes — prevails in manufacturing, whereas forward integration via exporting intermediate goods is relatively more widespread in trade and other sectors, reflecting differing modes of international supply chain involvement.

[25] See in the Italy in the world economy Report 2025-2026: *The untapped potential of non-multinational SMEs*.

Figure 2.8 – Productivity by size class and macro-sector. Year 2023

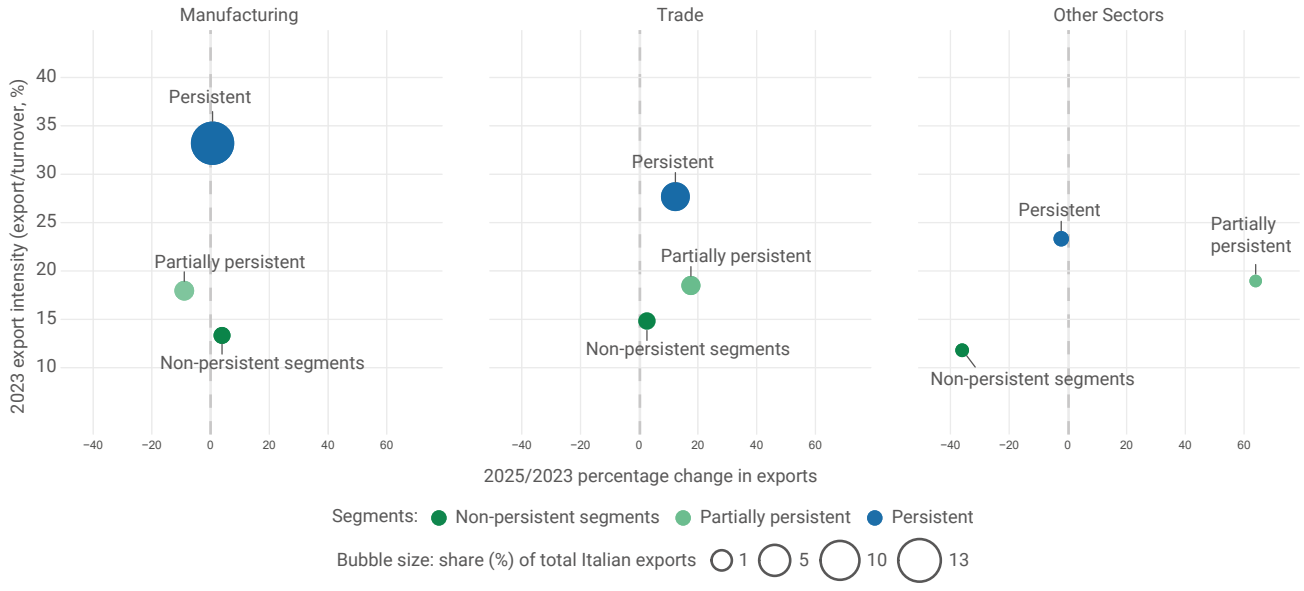
Value added per employee in euros



Source: Italian Trade Agency elaborations on Istat data

Figure 2.9 – Relationship between export persistence, export intensity, and export dynamics (2023–2025) in non-multinational SMEs

Export dynamics and intensity by segment



Source: Italian Trade Agency elaborations on Istat data

3. THE ACTIONS OF THE ITALIAN TRADE AGENCY

3.1 The role of the Italian Trade Agency (ITA)

For 100 years, ITA, in its various forms, has supported Italian companies in gaining access to and positioning themselves in international markets[26], operating in synergy with public and private stakeholders within the framework of the strategic guidelines of the Committee for Made in Italy in the World and the Steering Committee for Internationalisation. In 2025, against a backdrop of persistent geopolitical uncertainties, slowing growth, and protectionist measures, ITA's action was directed toward supporting the internationalisation of the Italian production system, with the objective of consolidating the presence of businesses in foreign markets and capturing their growth opportunities.

In line with the Action Plan for the Acceleration of Italian Exports, ITA's intervention supported diversification toward non-EU emerging markets and the strengthening of presence in large mature markets, through trade fair promotion initiatives, digitalization of SMEs, bilateral economic partnerships, training, assistance, and foreign investment attraction.

3.2 Promotional activity

In 2025, the promotional activity of the Italian Trade Agency was funded through the Ordinary Plan, integrated by company participation fees and resources from partner administrations and entities. Total expenditure reached €207.9 million, enabling the implementation of over 900 initiatives in more than 100 markets. Among these, 234 collective participations in international trade fairs involved over 6,000 companies; furthermore, 128 Italian trade fair events were supported, and incoming activities were organized, bringing more than 11,000 foreign buyers and operators to Italy.

The composition of expenditure highlights two main lines of intervention. On the one hand, resources allocated to product sectors, concentrated primarily in agri-food and wine, fashion-person-sport, and technology and environment, which together account for more than half of promotional expenditure. On the other hand, cross-cutting lines of intervention, including the attraction of foreign direct investment, digital services for SMEs, training for internationalisation, and initiatives promoting Made in Italy within the scope of sports diplomacy.

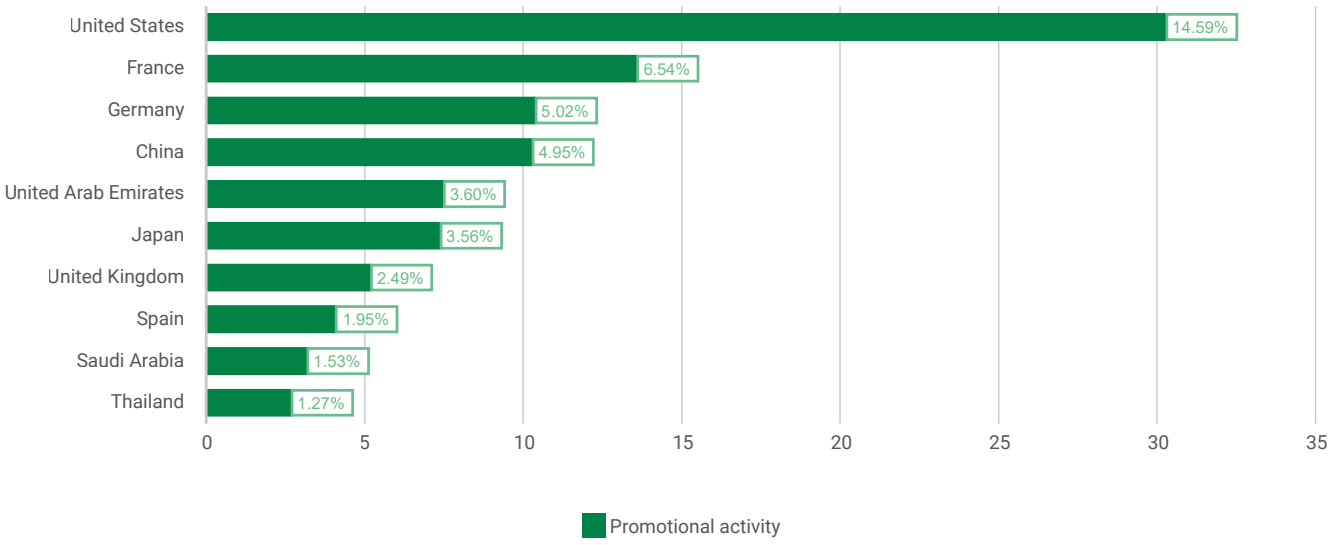
With reference to the implemented instruments, a growing contribution was also provided by initiatives developed with large-scale retail trade and major e-commerce platforms, aimed at expanding the presence of Italian products in foreign markets and counteracting Italian-sounding phenomena.

[26] For a historical reconstruction of the evolution of the Made in Italy promotion system, see, in the Italy in the world economy Report 2025-2026: One hundred years of public support for internationalization: from INE to the Italian Trade Agency.

Geographically, promotional resources were directed predominantly toward Europe, Asia, and North America. The United States confirmed its position as the main target market for ITA's promotional activities, followed by France, Germany, and China.

Figure 3.1 – Promotional activity 2025 for the top 10 countries

Values in millions of euros and percentage shares



Source: Italian Trade Agency

In parallel, the Italian Trade Agency further strengthened its bilateral economic partnership tools. Business forums, trade missions, and country presentations involved nearly 2,000 Italian entities and over 3,600 foreign counterparts, generating approximately 4,000 B2B meetings.

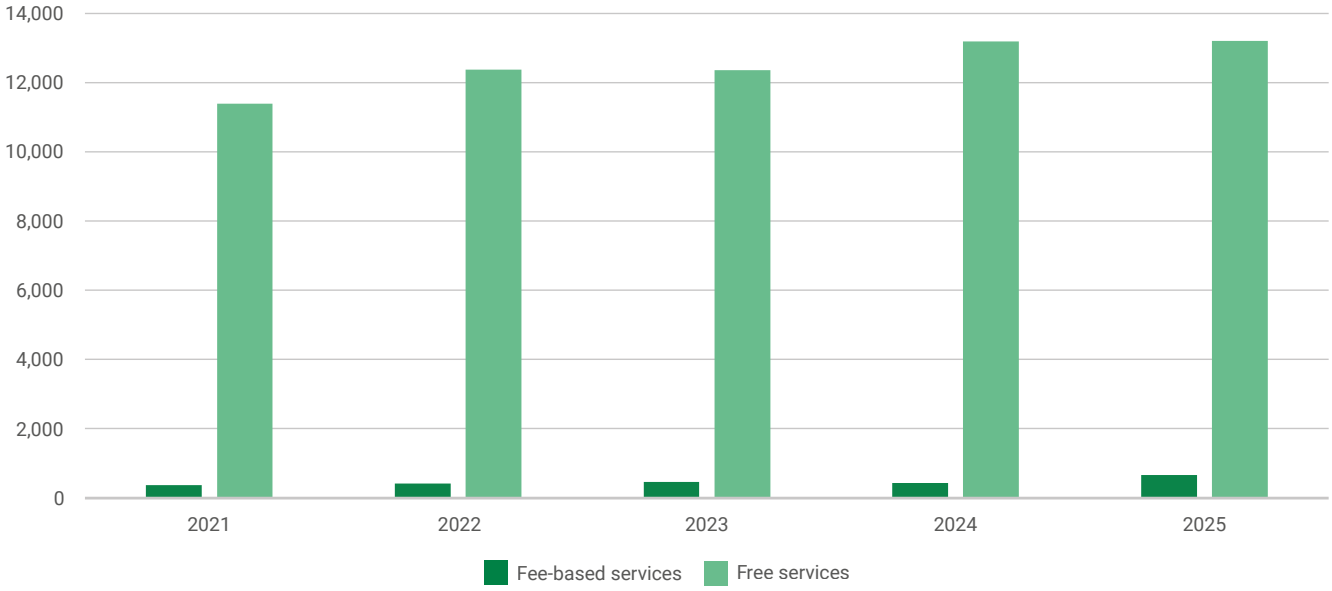
3.3 Users of ITA services

Expanding the base of exporting companies and strengthening the international presence of businesses which are already active in foreign markets remain central goals of the Italian Trade Agency's action. In 2025, the free provision of nearly all assistance services was reconfirmed, while the systematic monitoring of users and the enhancement of digital channels for initial orientation toward internationalisation continued.

Digital services played an increasing role, representing more than half of the services provided. In particular, requests mainly concerned commercial opportunities, market information briefs, and foreign trade statistics. The adoption of an integrated service delivery model contributed significantly to expanding the user base: beneficiaries reached by the Agency rose from approximately 18,000 in 2020 to over 26,000 in 2025; among these, users of assistance and information services exceeded 13,000 units.

Figure 3.2 – Assistance and information services [1]

Number of users by service type



[1] Data net of users who exclusively utilized online services.

Source: Italian Trade Agency

3.4 Information and assistance services

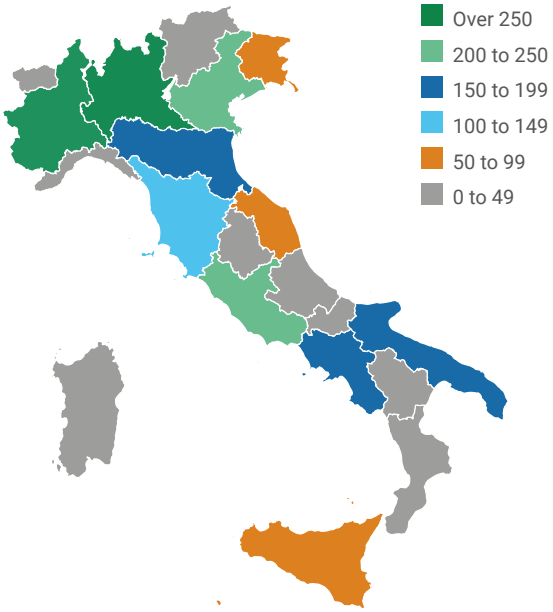
Information and assistance activities constitute one of the primary instruments through which the Italian Trade Agency accompanies businesses along their internationalisation pathways. In 2025, the information assets produced by the foreign network offices and central structures exceeded 23,000 content pieces, including market news, information on international tenders, business opportunities, and economic analysis publications.

During the year, nearly 70,000 assistance services were delivered, targeting approximately 13,900 users. A particularly prominent role was played by first-level assistance and guidance services, which include the activities of the Public Relations Office and informational advisory services for companies participating in promotional initiatives and training courses.

The territorial presence of the Agency was ensured by the network of Export Front Desks active in all Italian regions and autonomous provinces. Through these initiatives, over 2,100 meetings with Italian companies were conducted in 2025. In parallel, the activity of the Helpdesks on Intellectual Property and Barriers to Trade continued, operating across ten foreign locations.

Figure 3.3 – Companies involved in the Export Front Desk Project, by region (2025)

Number of companies per region



Source: Italian Trade Agency

3.5 Services for digitalization

Digitalization continues to represent one of the main drivers transforming business internationalisation processes. In 2025, the share of Italian companies operating online in foreign markets grew, as did the importance of marketplaces as a channel for accessing international consumers. Digital exports are concentrated primarily in European markets, with Germany, France, and Spain among the leading destinations, while the United States represents the top non-European market. Advanced digital technologies also assume particular relevance. Available data show significant growth in the adoption of artificial intelligence by Italian companies, although the phenomenon remains heavily concentrated among larger enterprises.[27]

The Italian Trade Agency supported the digitalization process of Italian companies through training activities, agreements with major international e-commerce platforms, and digital promotional initiatives dedicated to Made in Italy. In the course of 2025, 27 digital pavillions were activated on marketplaces operating in Europe, North America, and Asia, with strong participation from agri-food, fashion, design, and cosmetics companies.

This framework encompasses initiatives such as the TrackIT Blockchain project, aimed at strengthening supply chain traceability and protecting the authenticity of Made in Italy, and the portal piano-export.gov.it, developed with MAECI, SACE, and SIMEST as an integrated single access point to public services for internationalisation. Furthermore, 2025 saw the launch of the Opportunitaly program, designed to facilitate matchmaking services between Italian enterprises and foreign operators through a digital platform and networking activities across twenty priority markets.

[27] On the adoption of artificial intelligence by Italian companies, see, in the Italy in the world economy Report 2025-2026: *Internationalization of Italian companies and digitalization: the role of AI.*

3.6 Training services

The training activities of the Italian Trade Agency aim to strengthen the competencies required to operate in international markets and to foster the spread of internationalisation culture among businesses, young graduates, and export managers.

In 2025, 68 training courses were conducted, involving over 7,700 participants and generating more than 31,000 hours of training. Activities addressed topics such as export management, digital trade, sustainability, intellectual property protection, participation in international tenders, and opportunities offered by African markets.

Prominent programs included the Digital Export Academy, Tender Lab, the CORCE Master for export manager training, the Invest Your Talent in Italy program, and the Train2Markets e-learning platform, which continues to expand its catalog of specialized content for businesses.

3.7 Services for the attraction of foreign investment to Italy

Attracting foreign direct investment represents an increasingly important component of internationalisation policies. In 2025, Italy ranked among the top European countries by number and value of announced greenfield projects, confirming a favorable dynamic despite an international context marked by high uncertainty.[28]

The action of the Italian Trade Agency forms part of an articulated governance framework involving, among others, the Steering Committee for Internationalisation, InvestinItaly, MIMIT, Invitalia, and the Single Special Economic Zone (ZES) for Southern Italy. Through its network of FDI Desks and FDI Analysts operating in major international markets, the Agency carries out promotional, lead generation, and foreign investor assistance activities.

Over the 2019-2025 period, approximately 2,600 investment projects were managed; more than 200 initiatives translated into completed investments, totaling over €49 billion in value and generating an estimated 9,600 jobs.

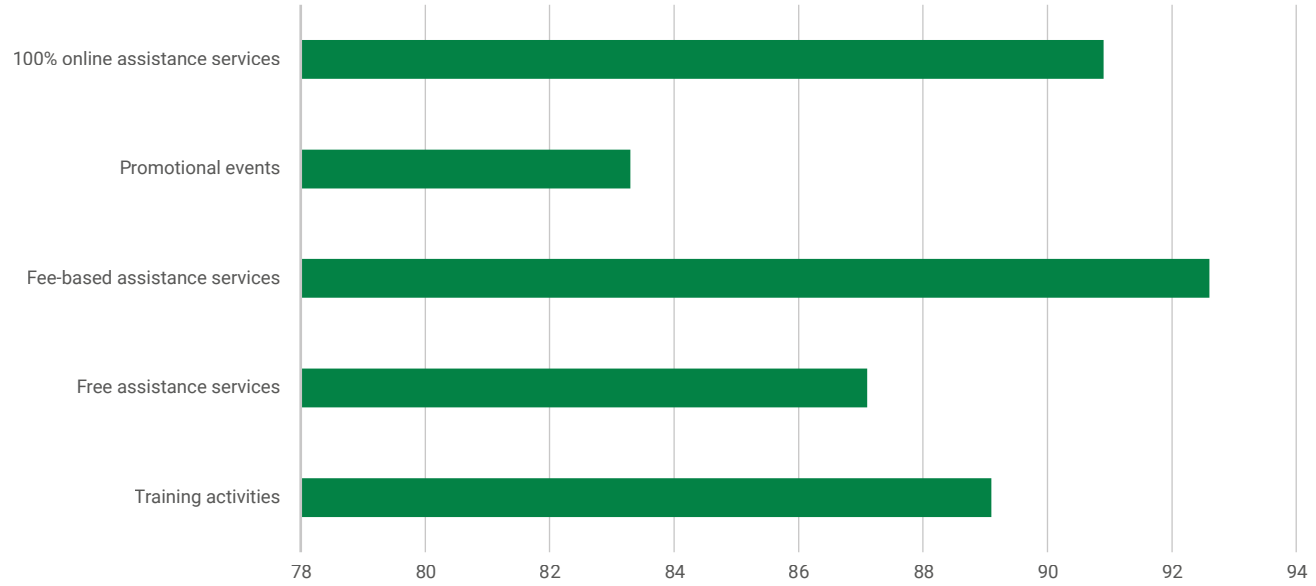
3.8 Customer satisfaction surveys and evaluation of the impact of ITA services

Customer satisfaction surveys serve as an essential tool to assess the quality and effectiveness of services delivered by the Italian Trade Agency. The 2025 survey involved over 4,000 companies and covered more than 7,000 service provisions across assistance, training, and promotional activities.

The results confirm high satisfaction levels. The overall index stood at 4.2 out of 5, a value that has remained stable in recent years. Over 85 per cent of companies expressed a positive opinion on the overall offering and the economic utility of the services received. Customer retention indicators were also exceptionally high: nine out of ten companies declared their intention to continue using ITA services, and over 90 per cent expressed willingness to recommend them to other operators.

[28] For an analysis of global foreign direct investment flows, with particular reference to greenfield projects, see, in the Italy in the world economy Report 2025-2026: paragraph 1.1.3 Global foreign direct investment.

Figure 3.4 – Expressed propensity of ITA clients to request additional promotion and assistance services
External survey, percentage of respondents



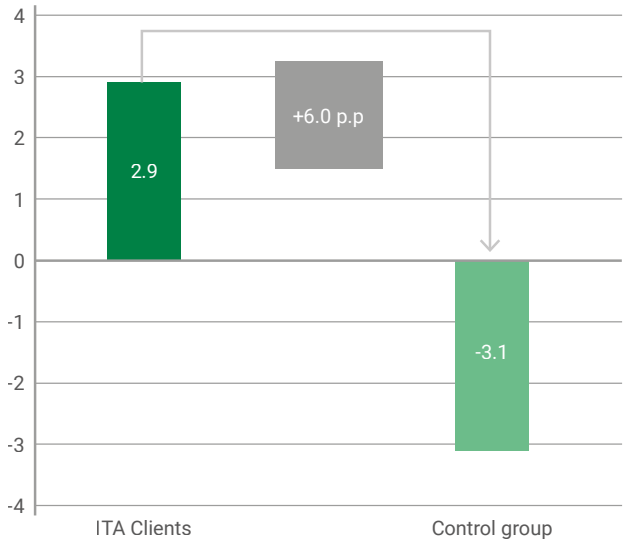
Source: Italian Trade Agency elaborations on Istituto Piepoli data, 2025 survey

Complementing customer satisfaction measurements, an ex-post impact assessment is carried out annually in collaboration with Istat using econometric methodologies based on counterfactual analysis.[29] For fee-based promotional and customized assistance services delivered in 2023, the exports of beneficiary firms grew by 2.9 per cent over the 2024-2025 two-year period, compared with a 3.1 per cent decrease recorded for the control group (comprising non-client companies with similar characteristics). The differential stands at 6 percentage points and rises to 7.3 percentage points for independent firms.

[29] For the methodological details of the impact assessment of Italian Trade Agency services, see, in the Italy in the world economy Report 2025-2026: focus: Impact analysis of the Italian Trade Agency's services on business exports.

Figure 3.5 – Impact evaluation of services delivered by ITA: Export performance over the 2024–2025 two-year period – Promotional and customized assistance services (Fee-based)

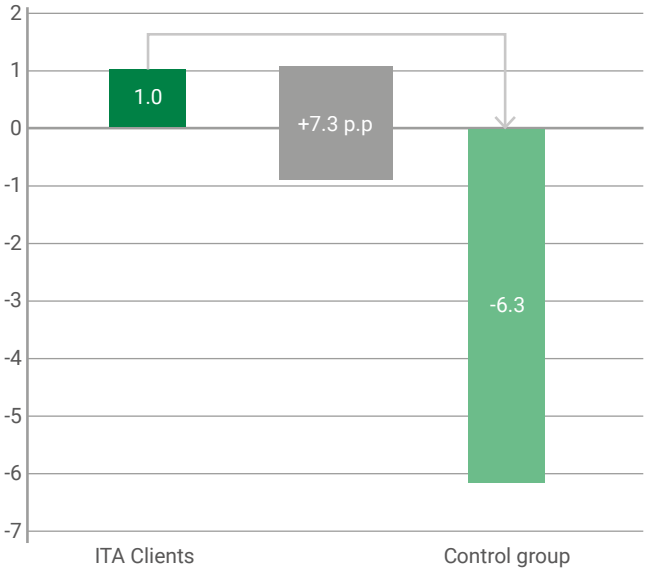
Comparison between ITA client companies registered in 2023 and a group of similar non-client companies; percentage changes



Source: Italian Trade Agency elaborations on Istat data

Figure 3.6 – Impact evaluation of services delivered by ITA: Export performance over the 2024–2025 Two-year period – Promotional and customized assistance services (Fee-Based), independent companies (Not belonging to groups)

Comparison between ITA client companies registered in 2023 and a group of similar non-client companies; percentage changes



Source: Italian Trade Agency elaborations on Istat data

3.9 Prospects for 2026

The work of the Italian Trade Agency in 2025 lays the foundation for a progressive further consolidation of promotional activities throughout 2026. Future actions remain closely linked to the Action Plan for Exports, which targets reaching €700 billion in exports by 2027. Data for 2025 testify to the solid performance of Italy's production system, with foreign sales reaching €643 billion (+3.3 per cent in value) and a trade surplus exceeding €50 billion. This positive dynamic continued into the first four months of 2026 (+3.2 per cent), driven primarily by growth in average unit values, pushing the surplus beyond €15 billion. However, ongoing international geopolitical tensions warrant caution for the remainder of the year.

At the sector level, a rather heterogeneous picture emerges: performance is highly positive for pharmaceuticals, motor vehicles, and metallurgy, whereas signals of deceleration are felt in traditional sectors such as food and beverages. To counter global trade fragmentation[30] and the rise of non-tariff barriers, the promotional strategy will focus on a strengthened presence in high-potential areas such as Asia, Africa, Latin America, and the Arabian Peninsula.

In this perspective, starting in 2026, the introduction of calendar-year programming, developed in synergy with trade associations and the diplomatic-consular network, aims to direct interventions in an even more targeted manner. Planning for the current year foresees approximately 1,200 initiatives across 115 markets, spanning trade fairs, missions, and digital services. The ultimate objective remains strong support for small and medium-sized enterprises and the commitment to uphold Made in Italy around the world through fundamental pillars such as quality, sustainability, and technological innovation.

[30] On this topic, see, in the Italy in the world economy Report 2025-2026:*The fragmentation of international trade: between geopolitical integration and economic agreements.*

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