UNIVERSITÀ CATTOLICA del Sacro Cuore

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Centro di ricerche in Analisi economica
e sviluppo economico internazionale

Working Paper 03/26

Italy, Growth and Public Finance
A Double Paradigm Shift

Marco Fortis

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Abstract

This paper argues that Italy has undergone a significant double paradigm shift in recent years. Contrary to the widespread perception of a stagnant economy and fragile public finances, the country has demonstrated a remarkable degree of economic resilience, achieving strong results in terms of growth, employment and exports while strengthening its fiscal position.

The analysis highlights the role played by the competitiveness and diversification of Italy's productive system, the contribution of medium-sized enterprises, and the strength of manufacturing, tourism and agriculture. Based on a broad set of economic indicators and international comparisons, the paper shows that Italy's recent performance reflects a combination of structural strengths and greater fiscal discipline. Taken together, these developments point to the emergence of a more resilient and balanced model of economic development.

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1. Introduction

This Working Paper analyses important paradigm shifts that have taken place in Italy's economy. Indeed, considering the difficult period of 2011-2012, when the spread on Italian ten-year government bonds (BTPs) reached as much as 575 basis points over the equivalent German *Bunds*, it seems surprising that today various international newspapers, as well as banks, research centres, analysts, and even the President of the European Central Bank, Christine Lagarde (in an interview with the French radio station *Radio Classique*), point to Italy as a genuine economic reference "model", and not solely for its rigorous management of public finances.

Among the largest advanced economies, Italy's debt-to-GDP ratio is among those that grew the least between 2020 and 2025 relative to pre-pandemic 2019 levels (by only 3.2 percentage points of GDP). Italy (already in 2024) remains the only G7 country to have returned to a primary surplus (*i.e.* the difference between total government revenue and expenditure excluding interest payments on debt). Meanwhile, the public debts and deficits of large economies such as France, the United States and the United Kingdom appear to be literally spiralling out of control.

Concurrently, the strength of Italy's real economy is being increasingly recognised. Italy boasts not only Europe's second-largest manufacturing sector by value added, after Germany, but also its largest agricultural sector, ahead of Spain and France. It is also the European Union's second-largest country by foreign tourist overnight stays, after Spain, and the largest by overnight stays from non-European tourists. Regarding finance, Italian banks are today among the soundest in the eurozone in terms of capital strength.

But there is more. Italy is no longer an economic "laggard", despite having experienced a temporary slowdown in 2025, caused by global turbulence, the weakness of important markets such as Germany and

France, and US tariffs, all of which weighed on net foreign demand. Indeed, Italian GDP posted the strongest real growth in the G7 between 2020 and 2026, together with the United States and Canada, notwithstanding the impact of Covid (which hit Italy especially hard) and despite the wars in Ukraine and the Middle East and the resulting surges in inflation. Meanwhile, the iconic image of Germany as "Europe's locomotive" has become a faded memory with an economy stagnant for seven years and a worrying political backdrop marked by the sharp rise of the far-right AfD party. If Brexit was a disaster for the United Kingdom, Japan today finds itself grappling with a new environment of high interest rates to which it is unaccustomed. France, for its part, is going through a particularly difficult period both in terms of economic growth and public finances.

Against this general setting, when taking GDP per capita as a benchmark, Italy ranks second only to the United States in terms of real growth from 2019 to today. What's more, despite the threat of Donald Trump's tariffs, Italian exports, for the first time in history, overtook Japan's over the rolling 1-year period (12 months) from April 2025 to March 2026, in a gripping neck-and-neck race with Tokyo and Seoul for fourth place among global exporters, behind the giants China, United States and Germany. Thanks to its repeated trade and tourism surpluses, Italy has also become a net creditor to the rest of the world, with a net international investment position exceeding 350 billion euros in the first quarter of 2026, equal to 15.5% of GDP. In addition, Italy's employment levels and employment rate are at historic highs, while unemployment sits at a record low. Indeed, Italy has never had as many permanent employees as in recent months. These are genuinely record-breaking figures for the Italian labour market.

Recent years have also seen another negative paradigm overturned. One long associated with Italy having a Mezzogiorno (South and the Islands) perpetually lagging the North and Centre in economic growth.

Since the pandemic, that is no longer the case. Between 2020 and 2025, GDP in Southern Italy grew faster than that in the North-West, the North-East and the Centre. The same is true for employment and exports.

Thus, markets and rating agencies are not only rewarding Italy for keeping its public finances under careful control. Italy is reaping rewards based on the strength of a much broader range of factors, including numerous positive aspects pertaining to its real economy, as well as the current political stability and governmental continuity, which reassure investors and European and international institutions of Italy's capacity to stay the virtuous course already charted during the pandemic.

It is therefore not an exaggeration to state that we are witnessing the emergence of an "Italian model", in a historical moment when the other reference models of advanced economies — such as Germany's industrial strength and absolute fiscal rigour, the United States' economic liberalism, or France's economic *dirigisme* and welfare state — have all fallen into crisis and are now searching for rather unorthodox responses, from arms races to protectionism to taxing the "super-rich" — options that, until quite recently, would have horrified the mainstream economics profession.

2. Italy, Already Rewarded by the Markets, Also Deserves a Better Rating

Despite the recent rise in bond rates, the spread between Italian and German ten-year government bonds, which stood at 213.9 basis points at the end of 2022 — shortly after the Meloni government took office — had, by early October 2026, narrowed to around 118.0 points, while the spread between Italian and French ten-year government bonds,

which stood at 160.1 points at the end of 2022, has now effectively gone into reverse.

According to World Government Bonds, on 7 October 2026 the ten-year spread between Italy and France stood at -21.9 basis points, where one basis point equals 0.01%. This means that the yield on a ten-year Italian BTP, on that date, was 0.219% lower than that of an equivalent ten-year French OAT. Specifically, the Italian ten-year bond yielded 4.690%, while the French one yielded 4.909%. Today, compared to three and half years ago, the United States and Great Britain also pay rates on ten-years government bonds higher than those of Italy (Chart 1).

Over the past two years, the major credit rating agencies have progressively upgraded their ratings or outlooks on Italy's sovereign debt, reflecting growing confidence in the sustainability of Italy's public finances, its financial stability, and the resilience of the real economy.

In October 2024, Fitch affirmed Italy's BBB rating and revised the outlook from stable to positive, while DBRS Morningstar affirmed the BBB (high) rating and upgraded the trend from stable to positive.

In April 2025, Standard & Poor's took what was undoubtedly the year's most important rating decision, raising Italy's sovereign rating from BBB to BBB+, with a stable outlook, in a move that reflected the changing perception of Italy among international investors and institutions. In May 2025, Scope confirmed the BBB+ rating with a stable outlook, while Moody's confirmed the Baa3 rating and improved its outlook from stable to positive. In September 2025, Fitch followed suit, raising Italy's rating from BBB to BBB+, also with a stable outlook.

In October 2025, DBRS Morningstar became the first agency to return Italy to the ranks of A-rated nations, assigning it an A (low) rating with a stable trend. In November 2025, Moody's upgraded Italian sovereign debt from Baa3 to Baa2, with a stable outlook, rounding off an exceptionally favourable year for the country's credit reputation.

This favourable trend has continued into 2026. At the beginning of the year, Standard & Poor's kept its BBB+ rating unchanged but improved Italy's outlook from stable to positive. In March, Fitch confirmed the BBB+ rating with a stable outlook, and Moody's confirmed the Baa2 rating, also with a stable outlook. In April, DBRS Morningstar confirmed the A (low) rating with a stable outlook. In May, Standard & Poor's once again confirmed its BBB+ assessment, maintaining the positive outlook.

These are all unmistakable signs of Italy recovering its credibility on international markets and in the eyes of rating agencies, to an extent not seen in a long time. Hopefully, other rating agencies, following DBRS Morningstar's lead, will raise Italy's sovereign rating to at least the A- level, which would more objectively reflect Italy's progress and the judgement already clearly expressed by the financial markets.

3. Italy's Fiscal Discipline and the Financial Challenges Facing Other Nations

Over the past decade, Italy has maintained a consistently rigorous approach to its public finances, a record clearly demonstrated by the fact that in 2025 its debt-to-GDP ratio was 137.1%, according to the IMF's April 2026 «Fiscal Monitor», just 2.3 percentage points higher than a decade ago. Moreover, the IMF projects that Italy's debt-to-

GDP ratio in 2031 will stand at 136.1%, only 1.3 points above its 2015 level and one percentage point lower than in 2025 (Chart 2).

Before the pandemic, Italy had been able to keep its debt-to-GDP ratio essentially flat. That ratio inevitably spiked in 2020, during Covid-19, due to the collapse in GDP and measures taken to address the health and economic crisis, but it quickly returned to pre-crisis levels — unlike in other G7 countries. Furthermore, as early as 2024 Italy was the only G7 country to return to a primary surplus (Chart 3). It is now on track to bring the total deficit below the 3% threshold established by the EU rules (Chart 4).

The housing *Superbonus* incentives contributed significantly to supporting Italy's post-pandemic recovery. While the scheme could certainly have been designed better, with spending caps and tighter constraints that could have prevented some excesses and instances of fraud, the overall fiscal cost was incorporated relatively quickly into the public accounts, aided by the boost to GDP generated by the construction sector itself, by direct and indirect employment growth, and by higher tax revenues.

In many respects, 2025-2026 can be seen as a pivotal two-year period for Italian public finance, at a time when the finances of France — currently in the eye of the storm — and those of the United States, are veering alarmingly off course. As a result, Italy, long singled out as the "black sheep" of public debt, can today position itself as the G7's benchmark country for responsible, rigorous management of public finance, while even the traditionally austere Germany will have to increase its own public debt if it wants to find its way back to recovery after seven consecutive years of stagnation. In short, Italy, one of the largest economies, which until quite recently was regarded as the clay pot among iron pots in matters of public finance, can genuinely become, both now and over the next decade, a vessel that, if not made

of iron, is at least fashioned from solid wood and capable of holding its own among increasingly fragile clay pots.

One need only look at the data in the above-mentioned IMF April 2026 «Fiscal Monitor» to understand how public finances are expected to evolve in the major advanced economies and in China between now and 2031, under the current, unchanged policies. Between 2019 and 2031, Paris's debt-to-GDP ratio (Chart 5) is expected to rise by 22.6 percentage points — though in my view, the IMF is being optimistic: without timely reforms and politically difficult spending cuts, difficult to achieve in the current political climate, French debt could increase by even more. The United States' debt-to-GDP ratio should rise by 33.3 points and overtake Italy's in 2030 (Chart 6). Comparing Italy's long-term debt trajectory (essentially flat) with those of France and the United States (rising sharply) highlights the worrying, concurrent public debt crises of Paris and Washington (Chart 7).

The United Kingdom is expected to see its debt-to-GDP ratio rise by 17.6 percentage points, while Germany — once the champion of fiscal discipline — could post a jump of 15 points. China, for its part, is expected to see its debt-to-GDP ratio rise by 66.9 points from pre-pandemic levels by 2031.

And Italy? After fully absorbing the residual costs of the housing *Superbonus* scheme, Italy's debt-to-GDP ratio is expected to rise by a mere 2.2 percentage points between 2019, the year before the pandemic, and 2031, fifteen times less than the United States, ten times less than France, and eight times less than the United Kingdom. According to the IMF, the rise in Italy's debt-to-GDP ratio between 2025 and 2027 will be marginal (+1.7%), with a decline already expected from 2028 onward. This means that by 2031 Italy's debt will, as noted, be one percentage point of GDP lower than in 2025. France's debt, by contrast, is expected to rise by a further 4.7 percentage points

of GDP between 2025 and 2031, on top of the 17.8 points already accumulated between 2019 and 2025. The United States could do even worse: between 2025 and 2031, the US debt-to-GDP ratio could register an unstoppable rise of 18.2 points, following the 15.1-point increase already accumulated between 2019 and 2025. China's debt-to-GDP ratio is also expected to rise significantly (Chart 8).

From a European perspective, an Italy-France comparison leaves no doubt of the dangerous downward spiral of France's public finance when set against Italy's rigorous course. It should first be noted that France's public debt in absolute terms had already overtaken Italy's back in 2020. Since then, according to Eurostat, it had reached 3,595 billion euros at the end of the second quarter of 2026, making it now roughly 388 billion euros greater than Italy's.

France ran an overall state deficit generated by both its primary deficit (88 billion euros over the twelve months from April 2025 to March 2026) and by its interest expenditure (currently around 65 billion euros but expected to rise significantly over the next few years). Paris is caught between a rock and a hard place because of these two "twin" deficits (which brought the overall shortfall to around 153 billion euros by the end of March 2026). Italy, by contrast, ran an overall deficit generated solely by interest expenditure (91 billion euros over the twelve months from July 2025 to June 2026), while maintaining a primary surplus. Italy's primary surplus over the July 2025-June 2026 twelve-month period was almost 23 billion euros, while over that same rolling 12 months, Italy's deficit-to-GDP ratio had already fallen below 3%, more precisely 2.98%. Economy and Finance Minister Giancarlo Giorgetti, therefore, has good reason to expect that by the end of 2026, Italy's annual deficit will be below 3%, allowing the country to exit the EU's excessive deficit procedure ahead of schedule.

Continuing the comparison, when excluding interest expenditure, France's debt rose by 777 billion euros from 2020 to 2025 (relative to 2019), while Italy's debt rose by just 228 billion euros over the same six-year period. In other words, France's debt net of interest grew almost three and a half times faster than Italy's. Italy's debt net of interest also grew less than that of Germany and Spain (Chart 9). Unfortunately, Italy today pays more interest than any other major eurozone economy, owing to bonds that were issued at comparatively higher rates in previous years, when Italy had not yet earned back the credibility it enjoys today. France, by contrast, continues to pay lower interest than Italy despite having a much larger debt stock, since it still benefits from the low interest rates on bonds issued in years when it was regarded as a 'safe' borrower almost on a par with Germany.

Moreover, it is also worth considering that France's debt held by foreigners, the central bank and domestic financial institutions — which I call "Debt 1" (Chart 10) — stood at roughly 114.3% of GDP in 2025 and could soon overtake Italy's equivalent figure of 117.3%. This "overtaking" could occur as early as 2026, or 2027 at the latest. "Debt 1" is the portion of debt most sensitive to shifts in investor sentiment, particularly among foreign investors, and is regarded as the most vulnerable and critical component of public debt. At the end of 2025, France's public debt held by non-resident investors was 1,880 billion euros — the highest in Europe (Chart 11) — equal to 54.3% of its total debt. At the same date, Italy's public debt in the hands of foreign investors was 1,063 billion euros, just 34% of its total debt. France, it can be said, has reached a share of foreign-held debt that is increasingly difficult to further increase, and only at the cost of rising interest rates. Italy's public debt, on the other hand, is currently highly sought after by foreign investors, with room to grow.

In addition, around €450 billion of Italy's public debt, equivalent to almost 20 percentage points of GDP out of the 2025 total debt ratio of 137.1%, is effectively "neutralised" by domestic resources because it is held directly by Italian households and businesses. I have termed this "Debt 2" (Chart 12), namely the share of public debt that is effectively "self-financed" by the domestic non-financial sectors. It is more stable and secure than "Debt 1." Italy can draw on this strength partly because Italian households hold substantial net financial wealth, the highest in the euro area relative to GDP and not far behind Switzerland's (Chart 13). A significant share of that household wealth is invested in domestic government bonds, a situation that is virtually unique in Europe. France, by contrast, has no significant "Debt 2": its total public debt consists almost entirely of "Debt 1."

4. Italy's Post-pandemic Economic Growth Has Been Among the Strongest, Thanks in Part to the South

Numerous international media outlets, including *The New York Times*, the *Financial Times* and *The Economist*, covered the Meloni government's longevity record during the summer of 2026. While the publications acknowledged Italy's achievements in stabilising its public finances, their assessment of its economic performance displayed a degree of superficiality and imprecision, with growth broadly characterised as weak. Unfortunately, clichés such as the notion that Italy's economy grows too slowly, a narrative often fuelled by the Italian press itself, are hard to dispel.

The data, however, paint a different picture. Italy's GDP growth since the pandemic remains among the strongest in the G7. According to

seasonally adjusted quarterly data from Istat, Eurostat and the OECD, Italy's cumulative GDP growth between the fourth quarter of 2019 and the second quarter of 2026 reached 8.7%, the third highest in the G7. Only the United States (16.3%) and Canada (11.9%) performed better, both nations having been less affected by the 2020 lockdowns than the European G7 economies. It was higher than France's (6.3%), the United Kingdom's (6.2%), Japan's (5.6%), Germany's (1.9%), and that of the entire euro area (7.6%) (Chart 14). Italy's solid performance took place despite weak growth in value added of Industry (excluding construction), a sector in which Italy continues to excel, as export data confirm, owing to the deep industrial crisis in Germany, to which Italian industry is closely linked, and, more broadly, as a knock-on effect of the collapse in the European automotive sector. According to Eurostat, Italian industrial value added grew by only 2.8% from 2019 to 2025, before France (+2.3%) and outperforming Spain (+2.2%) — while Germany posted a sharp decline (-5.9%). In the post-pandemic years, Italy offset the industrial slowdown with strong growth in the construction sector (both private housing and public works) and services, particularly tourism.

From a European perspective, annual data comparing the period before the pandemic with the current day (Chart 15), show that Italy's GDP grew by 7.4%, while France's by 5.7%, United Kingdom by 5.4% and Germany's by a mere 0.8%. Of the euro area's largest economies, only Spain outperformed Italy, recording 10.0% growth, helped in large part by a sharp rise in its immigrant population and associated private consumption.

Considering GDP per capita, Spain's growth, often held up as a model, seems far less impressive, with growth of only +5%, between 2020 and 2025 relative to 2019. France's shrinks substantially to +3.2%, United Kingdom to 1.0% and Germany's turns clearly negative at -

0.7%. Only Italy stands out with a notable increase (+8.8%). The same has happened for per capita household consumption, with Italy being ahead of other major European economies (Chart 16).

A substantial contribution to Italy's post-pandemic recovery came from the Mezzogiorno, whose GDP grew by 8.3% between 2019 and 2025 (Chart 17). This too represents a paradigm shift: although the North-South gap remains significant, the progress shows that the appropriate policies and decisions adopted in recent years (the Industry 4.0 Plan, the single Special Economic Zone, the National Recovery and Resilience Plan) can provide Southern Italy with a greater role as a driver of the economy. Between 2020 and 2025, relative to 2019, Southern Italy's GDP grew faster than that of the North-West (+7.5%), the North-East (+5.0%) and the Centre (+4.2%). The 2025 data are, for the time being, preliminary.

Finally, it should be stressed that, alongside Italy's economic growth, employment has also risen sharply in recent years (Chart 18). The employment rate, total number of people in work and of permanent employees have all reached record highs. Conversely, the unemployment rate has fallen to its lowest level since the current Istat data series began (Chart 19). As with GDP, the rise in employment has been greater in the South and the Islands than in the other macro-regions, further confirming the Mezzogiorno's newfound dynamism (Chart 20).

On the poverty front, the numbers also point to significant improvements in Italy. The share of the population at risk of poverty or social exclusion (under the Europe 2030 criteria) in 2025 stood at 22.6%, two percentage points below Italy's pre-Covid-2019 level (24.6%) and 5.3 points lower than in 2015 (28.4%). The improvement recorded over the past decade has been driven primarily by a sharp decline in severe material deprivation since 2015, that is, the share of

people unable to meet seven or more of the thirteen basic personal and household needs identified by the EU. The number of severely deprived persons in Italy fell from 7.4 million in 2015 (12.1% of the population) to 3 million (5.2%) in 2025, well below those recorded in Spain (3.9 million, 8.1% of the population), and below France (4.6 million, 7% of the population) and Germany (4.6 million, 5.6% of the population) (Chart 21).

5. Italy and Japan, Neck and Neck in Exports

Despite the uncertainty generated by the new US tariff policies championed by President Donald Trump, and despite the ongoing crises in two of Italy's key markets, Germany and France, Italian exports continue to prove resilient and competitive. This is thanks to their exceptional diversification, both across products and destination markets, to the growing quality and innovation that characterise Made in Italy goods, and to the advances made in modernising, automating and digitising Italian production facilities, helped by the Industry 4.0 Plan launched under the Renzi government and continued in different forms by later administrations.

The numbers speak for themselves. Already in several months and quarters of 2024 and 2025, Italy had overtaken Japan to rank fourth among the world's leading exporters, behind the giants China, the United States and Germany (excluding the Netherlands and Hong Kong, whose figures are distorted by transit trade). According to the World Trade Organization data, for the first time over a rolling twelve consecutive months (May 2025 to April 2026), Italy has now overtaken Japan. Italy further consolidated its 'lead' over the Land of the Rising Sun during the following two months, bringing its exports in the rolling year from July 2025 to June 2026 to 767 billion dollars

— 5.4 billion more than Japan's exports (761.6 billion): a genuinely historic moment (Chart 22). This means that Italy now exports more than Japan, a country that for years has stood as the benchmark of competitiveness, just-in-time production and total quality management, and whose population is roughly double that of Italy's.

In conclusion, between 2015 and 2025, Italy rose from seventh among the world's exporters to contesting fourth place with Japan and South Korea (whose exports are surging on the back of strong sales of integrated electronic circuits linked to the artificial intelligence boom).

6. The «Pillars» of Made in Italy's Success

Italy's export success, despite the current turbulence in international trade, rests on several «pillars» for its Made in Italy products.

The first «pillar» is the **high degree of diversification of exported products**. Italy exports almost everything, with the notable exceptions of fossil energy sources, mobile phones and personal computers. The range of Made in Italy products spans fashion, food and wine, furniture, ceramic tiles, equipment and machinery, boating, aerospace, cosmetics, pharmaceuticals and sports cars. In this respect, Italy differs from countries that primarily export raw materials or energy (such as Brazil, Argentina, Saudi Arabia or Australia) and from advanced economies that export mainly a handful of manufactured goods such as South Korea and Japan (cars and electronics), Taiwan (electronics), and Germany (cars). Italy's high diversification of exported goods is not only a competitiveness factor but also reduces risks tied to any potential crisis or decline in a single 'dominant' sector.

According to UNCTAD, which compiles a specific index each year, Italy is among those countries globally with the lowest merchandise export concentration — meaning, it enjoys a particularly high degree of diversification in its exported goods. This distinctive feature stands out clearly when comparing the UNCTAD index for the G7 countries, China and South Korea in 2025 (Chart 23).

The strong diversification of Italian exports becomes even clearer if international trade is broken down into four broad categories: energy (HS heading 27 in the two-digit HS classification, accounting for around 10.6% of world exports in 2025), electronics and telephones (HS heading 85, 16% of world exports), vehicles (HS heading 87, 7.4% of world exports), and all remaining products (which together account for 66% of world exports). In 2025, Italy ranked only thirty-second among world energy exporters, eighteenth in electronics and telephones, twelfth in vehicles — but fourth globally in the remaining products category. In other words, Italy is the fourth largest exporter worldwide across roughly two-thirds of the remaining world trade (that is, excluding energy, vehicles, electronics and telephones), well ahead of France, Switzerland, Japan and the United Kingdom (Chart 24).

An alternative measure of the low product concentration of Italian exports — or, viewed from another angle, of Italy's lower dependence, relative to other countries, on a single 'dominant' export product — is given by total exports excluding the top exported product (according to the four-digit HS classification). In 2025, Italy ranked fifth among the G20 countries and Taiwan (as well as globally). Excluding its top exported product (packaged pharmaceuticals), however, Italy would rank fourth, while Japan, excluding vehicles, would drop two places, as would South Korea and Taiwan, if each excluded integrated electronic circuits (Table 1).

Further evidence of the lower dependence of Italian exports on any specific 'dominant' product comes from ranking the G20 countries and Taiwan by separately considering each nation's top ten exported products against the category of all remaining products (using the more detailed six-digit HS classification). In 2025, considering the export value of each country's top ten products, Italy would rank only fifteenth, Taiwan third (ahead even of Germany) and South Korea fifth. But Italy would rank fourth in all remaining products — that is, excluding the top ten — while Taiwan, without its top ten products, would plunge to thirteenth place, and South Korea would fall to eighth. Saudi Arabia, Australia and Brazil would also drop several places in the global ranking if their top ten exported goods were excluded (Table 2).

Italy does not merely export myriad products — it is a genuine global player, holding top international positions across a vast array of exported goods. This further characterises Made in Italy and its specialisations. Consider that, according to the latest available 2024 statistics, Italy can claim around 1,500 products for which its trade balance ranks among the top five worldwide by surplus value in that specific good. Moreover, in terms of trade surplus, Italy ranks first in 240 products, second in 388 products, and third in 359 products (Chart 25).

The second «pillar» is the **high degree of diversification of geographic markets**. One piece of evidence for this is the fact that Italy in 2025, the fifth-largest exporter in the G20 countries and Taiwan, ranked only ninth by export value to its top two markets (Germany and the United States, which together account for 22% of total Italian exports). The top two geographic markets by way of contrast are extremely important for countries such as Mexico, Canada and Taiwan. Mexico and Canada ranked as high as third and fourth,

respectively, by export value to their top two markets (in both cases the United States is their dominant market), while Taiwan ranked sixth.

Conversely, excluding the top two destination countries, Italy would climb to fourth place by export value to its remaining markets, while Canada and Mexico would plummet to fifteenth and sixteenth place respectively. Taiwan, without its top two markets, would remain ninth, as it does for total exports, but would fall behind Italy by more than 200 billion dollars. In short, nations such as Italy, France and Germany depend less on their top two geographic export markets than all the other G20 countries and Taiwan (Table 3).

The third «pillar» is the **high degree of diversification among exporting firms**, with no specific 'dominant' company. Looking at 2023 OECD data on industrial exports, the top 50 exporting firms accounted for relatively little of Italy's total industrial exports — just 100 billion dollars. By the export value of its top 50 industrial exporting firms, Italy ranked only eleventh in the OECD! But Italy climbed to third place, behind Germany and the United States, by export value among firms ranked 51st to 1,000th, and to second place, behind Germany alone, by export value among all remaining firms (Table 4).

The structure of industrial exports across all the OECD countries analysed follows a clear pyramid shape: at the base sits the substantial export contribution of the top fifty exporting firms; the second, smaller share comes from firms ranked 51st to 1,000th; and at the very top of the pyramid sits the smallest share of all, from the remaining exporting firms. Italy is the sole exception, with a business ecosystem unique globally, that draws its strength precisely from the diversification of exported products and the large number of exporting firms. The structure of Italy's industrial exports is that of an inverted pyramid: at

the base sits the smaller — though still substantial — export contribution of the top hundred firms; above that comes the larger share from firms ranked 51st to 1,000th; and higher still is the truly enormous export contribution of all remaining firms (Charts 26 to 30).

It would be a mistake, however, to think that the structure of Italian exports by firm size reflects a dominant role for small businesses. While Italy is often associated with small firms, which are undoubtedly numerous, their contribution to industrial exports is not as significant as many believe. The bulk of Italian industrial exports is, instead, generated by a substantial group of roughly ten thousand, medium and medium-large firms, with 50 to 1,999 persons employed.

The fourth «pillar» is the **crucial role of medium and medium-large firms**. Italy's roughly ten thousand medium and medium-large manufacturing exporting firms in fact constitute one of the key strengths of Italy's international competitiveness. The size of these firms is well suited to competing successfully across Made in Italy's many specialisations. They are flexible, fast-moving businesses in their markets, marked by a strong propensity to innovate and by high-quality, high-technology production. They are often capable of exporting to dozens of countries, and the exports share of their revenue is typically quite high, in many cases exceeding 70-80%.

It is now finally possible to fully shed light on the role of medium and medium-large firms in Italian exports, thanks to newly disaggregated statistics on manufacturing exports by firm size, kindly provided by Istat and presented for the first time in this Working Paper. The data refer to 2024 exports, the year in which Italy's manufacturing sector exported 431 billion euros — almost 90 billion more than France's (343 billion) and over 200 billion more than Spain's (230 billion).

To begin with, in 2024 Italy had 60,060 industrial exporting firms (Table 5). Of these 23,952 had fewer than 10 persons employed, and a further 13,533 had between 10 and 19 persons. Both groups are microenterprises whose exports in 2024 were relatively modest: just 7 billion euros for firms with fewer than 10 persons, and 14 billion for those with 10-19 persons. In total, these microenterprises exported just 20 billion euros, a mere 4.8% of total Italian industrial exports. This disproves an old cliché — that Italian exports are held back by an excessive number of very small firms. It is a mistaken assessment, contradicted not only by the facts, given the growing success of Italian exports themselves (culminating in Italy's overtaking of Japan), but also by the limited contribution that microenterprises make to Made in Italy's foreign sales.

At the opposite end of the spectrum, Italy has only 12 industrial exporting firms with more than 5,000 persons employed, which in 2024 exported 28 billion euros worth of goods, and just 38 more firms with 2,000-4,999 persons, which exported 35 billion. These 50 large firms (with 2,000 persons employed or more) exported in total 63 billion— relatively little, compared with other advanced economies that have a greater number of large or even very large industrial groups, some employing tens of thousands of people.

Between these two extremes — microenterprises on the one side, large firms on the other — lie the remaining businesses that make the greatest contribution to Italian industrial exports. These are small firms, with 20-49 persons employed, which exported 40 billion euros in 2024, and above all medium and medium-large firms, with 50-1,999 persons, which account for the largest share of exports: 307 billion (around 71% of total exports), of which 215 billion came from medium firms with 50-499 persons and 92 billion from medium-large firms with 500-1,999 persons (Chart 31).

Looking more closely at the exports of Italian medium and medium-large industrial firms (Chart 32), we find that in 2024 the largest exporters were the 3,248 firms with 100-249 persons employed (91 billion euros), followed by the 931 firms with 250-499 persons (70 billion). Next come the 5,356 firms with 50-99 persons (54 billion), the 337 firms with 500-999 persons (51 billion) and the 121 firms with 1,000-1,999 persons employed (41 billion).

Cross-referencing these data with Eurostat figures shows that, even excluding micro and small firms, Italian industry exported 370 billion euros in 2024 (of which 307 billion came from medium and medium-large firms, and 63 billion from large firms) — around 27 billion more than France's entire industrial sector, and 140 billion more than Spain's. In other words, the figures for Italian exporting firms with 50 or more persons employed — that is, excluding micro and small firms — show that Italian industry is not remotely "dwarfish," as it is often wrongly portrayed, and that micro and small firms are not a constraint on its performance but rather an additional source of strength relative to other countries. Consider that the exports of Italian industrial firms with fewer than 50 persons employed alone (micro and small firms), at 61 billion euros in 2024, exceed the entire industrial exports of countries such as Finland (55 billion), Portugal (53 billion), Romania (45 billion), Slovenia (45 billion), Greece (32 billion) or Bulgaria (27 billion), to name just a few examples.

The fifth and last «pillar» is the **high productivity of Italy's medium and medium-large firms**. One of the most common mistakes made by analysts studying Italy's economy is to assess the productivity of its manufacturing industry by using only aggregate figures for all firms combined. This approach, using 2024 Eurostat data, shows Italy's average value added per person employed at 80,510 euros — higher than Spain's (74,210) but lower than France's (90,530) and

Germany's (96,400). Consequently, many observers have often argued that Italian manufacturing suffers from disappointingly low productivity, which limits its competitiveness.

Italy's average manufacturing productivity figure is, unfortunately, distorted by the very large number of microenterprises, far greater than that of any other major European economy. According to the same 2024 data, there are approximately 280,000 Italian firms with fewer than 10 persons employed (employing 735,000 people), and around 37,000 with 10-19 persons (employing 497,000 people). These firms operate mainly within the Made in Italy industrial districts and supply chains, serving larger firms. In total, Italy has as many as 317,000 microenterprises which, given their typically modest productivity, drag down its apparent average productivity.

Italy, however, as the export data show, competes on international markets not through its micro and small firms but chiefly through the medium and medium-large ones. Therefore, the productivity of the latter represents the most relevant figure to assess against competing countries. Indeed, a completely different picture emerges thanks to recent extensions to Eurostat's data (from the Structural Business Statistics (SBS) chapter), which now include the new firm-size class of 250-749 persons employed. Value added per person employed in Italian firms is higher than that of Germany, France and Spain across every firm-size category above 20 persons employed — that is 20-49, 50-249, 250-749, and 750-or-more. Moreover, Italy shows markedly higher labour productivity than these other countries in the firms with 50-249 and 250-749 persons employed — reflecting the dynamism and flexibility of firms specialized in Made in Italy (Chart 33). In 2024, according to Eurostat, there were 10,861 Italian manufacturing firms with 50-749 persons employed, a figure which, although based on a different data set than foreign trade statistics, corresponds

relatively closely to the number of medium and medium-large exporting firms discussed earlier. According to Eurostat SBS data, in 2024 there were 9,575 Italian manufacturing firms with 50-249 persons employed, while 1,286 had 250-749 persons employed.

Furthermore, according to this Eurostat data, Italy surprisingly shows higher labour productivity than Germany even in the category of firms with 750 or more persons employed, despite Germany's substantial number of very large industrial groups, which Italy does not possess.

7. Two of Italy's Strengths: Agriculture and Tourism

Italy's economy does not consist of manufacturing alone. Its resilience and competitiveness also rest on two other important sectors: agriculture and tourism. This is again confirmed by Eurostat data, according to which Italy is the European Union's largest country by agricultural value added, and the second largest by foreign tourist overnight stays.

In 2025, Italian agricultural value added stood at 42.5 billion euros, ahead of Spain (41.5 billion) and France (34.4 billion) (Chart 34). In recent years, the Italian agricultural sector has undergone a radical transformation, increasingly focusing on high-value-added fruit and vegetable crops and climbing to the top ranks of European production. The Mediterranean diet staples — vegetables, fruits and cereals — play a key role in Italy's agricultural output. A 2026 analysis by the Fondazione Edison, based on Eurostat data, found that Italy ranks among the EU's top three producers in as many as 43 agricultural crop products, with 18 first places, 18 second places and 7 third places.

Italy is Europe's leading producer of numerous typically Mediterranean vegetables, including tomatoes, fennel, artichokes, aubergines, turnip tops, endive and spinach. It also excels in fruit production thanks to table grapes, kiwis, apricots, melons, hazelnuts, bergamots, and apples and pears destined for fresh consumption. Moreover, it is the EU's leading producer of durum wheat, rice and wine grapes. Underpinning these production records are, above all, regions such as Puglia, Sicily, Sardinia, Campania, Lazio, Tuscany, Emilia-Romagna, Veneto and Calabria.

Italy is Europe's second-largest producer of vegetables (courgettes, lettuce, cauliflower, broccoli, fresh chicory, celery, asparagus and fresh beans) and of fruits (oranges, clementines, lemons, peaches, nectarines, plums, figs, watermelons), as well as chestnuts and olives for producing oil. It ranks third in the production of fresh peas, radishes, garlic, cherries, almonds, table olives and greenhouse-grown strawberries.

As regards tourism, Italy is the European Union's second-largest destination country for foreign tourist overnight stays, with 254 million overnight stays in 2024, behind Spain (322 million overnight stays). It is worth noting, however, that the gap between Spain and Italy has narrowed considerably in recent years. Indeed, already in the years following the pandemic, between 2019 and 2024, the surge in foreign overnight stays in Italy (+15%) was much stronger than in Spain (+7.7%).

Unfortunately, a comparative assessment for 2025 is difficult, since Italy's historical tourism data series show a major break. Istat, for the first time, included short-term rentals and holiday homes in its tourism overnight-stay survey. Consequently, partly for this reason, foreign overnight stays in Italy increased significantly, reaching 301.6 million nights — a level not far below Spain's (328 million nights, provisional

2025 estimate). Moreover, based on comparable monthly data for 2025 and 2026, Italy recorded the strongest growth in foreign tourist overnight stays among the major European countries in the first half of 2026 (Table 6), up 4.4% compared with the first half of 2025, equivalent to an increase of 5.5 million nights, while Spain recorded more moderate growth (+1.4%).

While Spain remains the European Union's leader in total foreign tourist overnight stays, Italy has overtaken it in overnight stays of foreign tourists from outside Europe (Table 7). Indeed, Italy in 2024 was the most-visited EU country for tourists from North America (27.8 million nights, again in 2024), Central and South America (10.2 million), Asia (17.2 million), and Oceania (4.5 million).

As for European tourists, Italy was the most-visited country for Germans (65.3 million nights in 2024), Swiss (12.1 million), Austrians (10.5 million), Poles (9.4 million), Czechs (4.5 million), Turks (1.8 million), Russians (1.6 million) and Greeks (1.3 million). It was the second-most-visited country for French (14.8 million), Spanish (6.9 million) and Romanian (4.1 million) tourists, and the fourth-most-visited for British (14 million) and Dutch (11.2 million) tourists.

8. Italy's GDP Growth: the Contribution of Domestic and Foreign Demand

Over the 2021-2025 five-year period, which marked Italy's strong post-pandemic recovery, net foreign demand played a minimal role, and in some years even a negative one. While exports grew despite a general slowdown in exports across the more advanced economies, this was often not enough to offset the stronger growth of imports. Over that five-year period, net foreign demand's contribution to Italy's

GDP growth was as follows: -0.1 percentage points in 2021, -0.6 points in 2022, +0.5 points in 2023, zero points in 2024, and -0.7 points in 2025.

In 2025, Italian GDP in real terms grew by a mere 0.6% year on year, leading some observers to claim that this demonstrated the limited effectiveness, or even the complete absence, of pro-growth economic policies. In reality, the weak 0.6% growth in GDP in 2025 mainly reflected the negative contribution from the net foreign demand mentioned above (-0.7 percentage points), together with a simultaneous decrease in inventories (-0.3 points), while domestic demand, the component most directly influenced by economic and social policies, grew at a more than satisfactory pace.

Domestic demand's contribution to Italy's GDP, net of inventories, in 2025 was one of the strongest among the euro area's largest economies (+1.6%) — a result exceeded only by Spain's boom increase (+3.3%), driven by public works and to an unusual extent by immigration — and ahead of Belgium (+1.3%), the Netherlands (+1.2%), Germany (+1%), Austria (+1%) and France (just +0.5%). Moreover, aside from 2024, when the change in inventories caused an exceptionally large negative contribution (-2.5%) to Italy's GDP (a consequence of the end of the building boom generated by the *Superbonus*), Italy, from 2021 to 2025, was consistently, along with Spain, one of the eurozone's largest economies with the strongest contribution to growth coming from domestic demand.

Net foreign demand, by contrast, as noted above, contributed relatively little to Italy's post-Covid economic recovery, and in some years (2021, 2022 and 2025) even subtracted from growth. This led some observers to argue, rather hastily and somewhat recklessly, that exported goods and services had ceased to play an important role in the Italian economy. This is an oversimplified argument, one that also

betrays a limited understanding of how economies function. Foreign trade, even when it does not contribute to GDP growth, can still make a country wealthier through a balance-of-payments surplus, which in turn improves a nation's net international investment position, as will be illustrated for the case of Italy below.

9. Italy's Net International Investment Position: 15% of GDP

Thanks to repeated surpluses in its balance of payments with the rest of the world, in both goods and tourism, Italy has seen significant growth in its Net International Investment Position (NIIP) in recent years, which is positive, roughly 15% of GDP. The NIIP is the difference between total foreign financial assets held by the country's residents and total foreign liabilities (what residents owe to the rest of the world). Italy is the only large EU Mediterranean country with a positive NIIP; France, Spain, Portugal and Greece all have negative NIIPs (Chart 35).

In 2025, Italy's goods balance with the rest of the world showed a surplus of 51.5 billion euros — the euro area's third largest surplus, after those of Germany and the Netherlands. Italy's travel balance posted a surplus of 22.7 billion euros, the eurozone's second largest surplus, after Spain's. Italy's combined balance-of-payments surplus in goods and travel is substantial: 74.2 billion euros in 2025 (compared with 107.2 billion for Germany, 21.4 billion for Spain, and a deficit of 38 billion for France). Among the eurozone's four largest economies, Italy was the only country to record a surplus in both categories (Table 8). Thanks to these 'twin' surpluses in goods and tourism, Italy has been able to offset other negative items in its balance of payments (such as transport, telecommunications and IT services), while

recording a solid overall current account surplus of 25 billion euros in 2025, as well as maintain, since 2021, a positive and steadily growing NIIP (which reached 351.2 billion euros by the end of the first quarter of 2026, equal to 15.5% of GDP). This constitutes another source of strength for Italy's economy, one that has been underscored by several rating agencies in their most recent reports.

10. Italy's Transformation: Five «Overtakings»

Ultimately, the data described above point to significant changes and progress that have characterised Italy's economy over the past twelve to thirteen years. The changes and progress can be summed up in five emblematic «overtakings».

The first concerns the trajectory of GDP per capita. Since Italy emerged from the Greek debt crisis and the period of austerity that followed — both of which significantly slowed the country's economic growth — Italy's GDP per capita has now resumed growing significantly. Indeed, over the past decade, from the first quarter of 2016 (taken as the base) to the first quarter of 2026, Italy has progressively overtaken every G7 country except the United States in GDP per capita growth (Chart 36). In the pre-pandemic years, taking the fourth quarter of 2018 as an intermediate benchmark, Italy had already overtaken France, Japan and Canada. In the post-Covid-19 period, Italy also overtook Germany and the United Kingdom.

The second regards Italy's exports overtaking Japan's (Chart 37). This is indicative of Made in Italy's growing competitiveness, which, compared with 10-15 years ago, is no longer a global leader only in fashion, furniture and machinery, but is increasingly a global leader

also in food products, wine, pharmaceuticals, cosmetics, yachts, cruise ships, sports cars and aerospace equipment.

The third «overtaking» is a social indicator, the unemployment rate (Chart 38), which reflects the considerable progress made in Italy's labour market. In 2025, for the first time, Italy's unemployment rate fell below the euro area's average.

The fourth is Italy's spread on ten-year government bonds, which in recent months fell below France's (Chart 39). This marks another historic turning point, and a clear signal from financial markets which, thanks to Italy's efforts to stabilise its public finances, now consider Rome's debt safer than Paris's.

The fifth is, for now, a forecast — albeit a highly authoritative and significant one. According to the International Monetary Fund, in 2031 the United States' public debt as a share of GDP will overtake Italy's (Chart 40). Should this occur, it would represent, symbolically as well as substantively, a historic paradigm shift. For more than a decade now, Italy has embarked on a path of serious repair to its public finances, and, if it can maintain its current rigour, it will finally and completely leave behind its stereotyped image of the 'black sheep' of global debt, passing this uncomfortable burden on to other countries. State budgets and the public debts of G7 economies, such as the United States, France, Japan and the United Kingdom are deteriorating rapidly and becoming increasingly concerning with each passing day. They will be difficult to correct without deep spending cuts and radical reforms.

In conclusion, while Italy may not yet be a fully realised, universally recognised model of balance between growth and fiscal discipline for other advanced economies to follow, it is well on its way to becoming one.

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STATISTICAL APPENDIX

Updated as of early October 2026

PUBLIC FINANCE

Chart 1 - 10-years bond yields

(%)

Source: compiled by Fondazione Edison on data from World Government Bonds

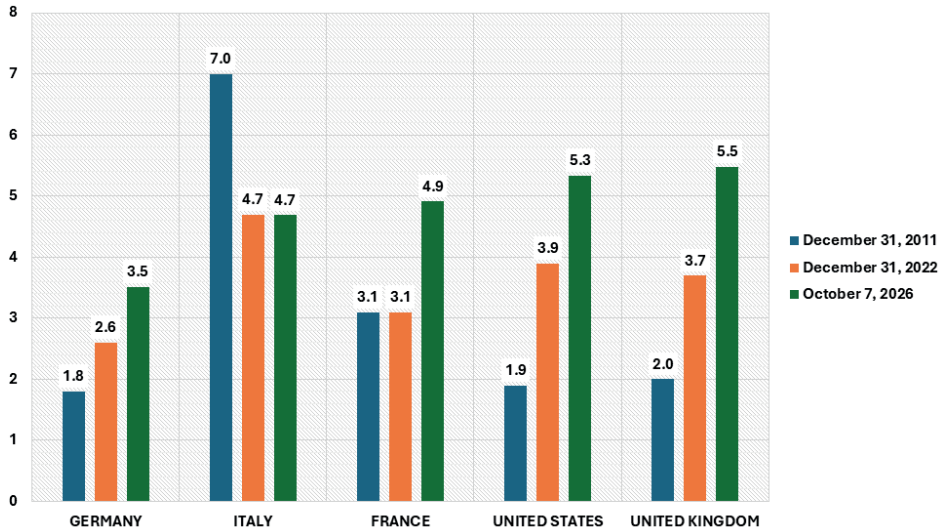


Chart 2 - General government gross debt position: Italy
(% of GDP)
Source: compiled by Fondazione Edison on data from the IMF "Fiscal Monitor", April 2026

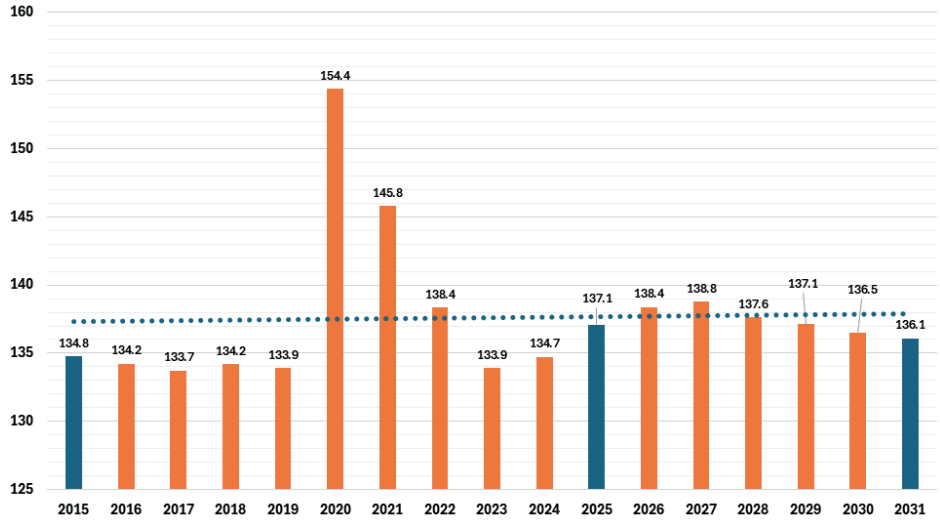


Chart 3 - General government primary balance: 2026

(% of GDP)

Source: compiled by Fondazione Edison on data from the IMF "Fiscal Monitor", April 2026

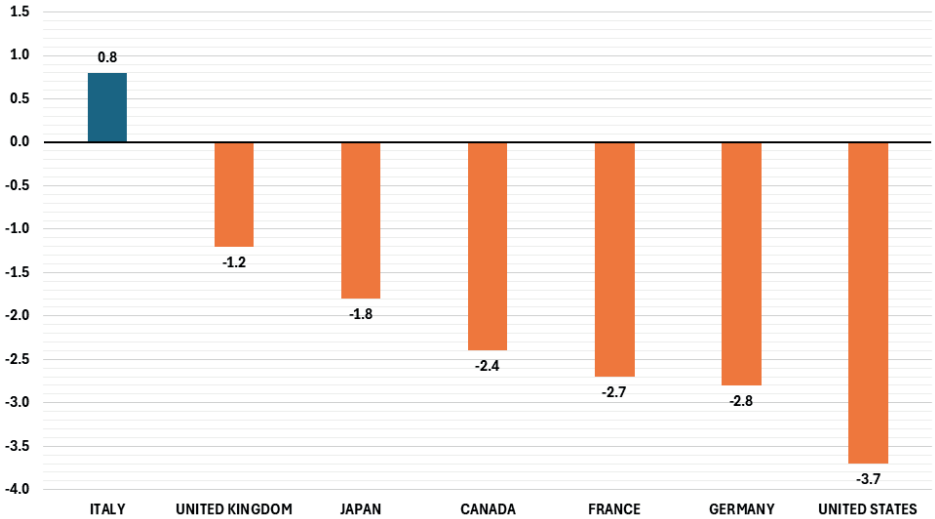


Chart 4 - General government overall balance: 2026

(% of GDP)

Source: compiled by Fondazione Edison on data from the IMF "Fiscal Monitor", April 2026

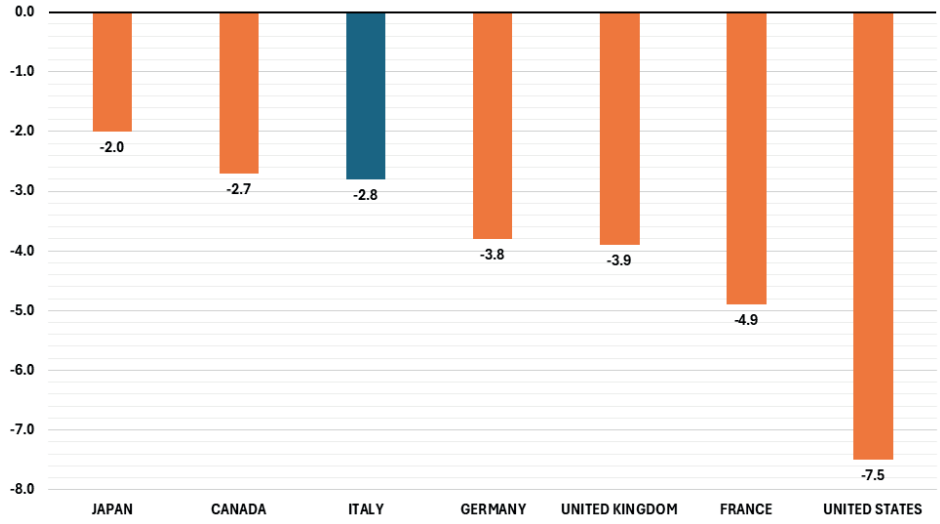


Chart 5 - General government gross debt position: France
(% of GDP)

Source: compiled by Fondazione Edison on data from the IMF "Fiscal Monitor", April 2026

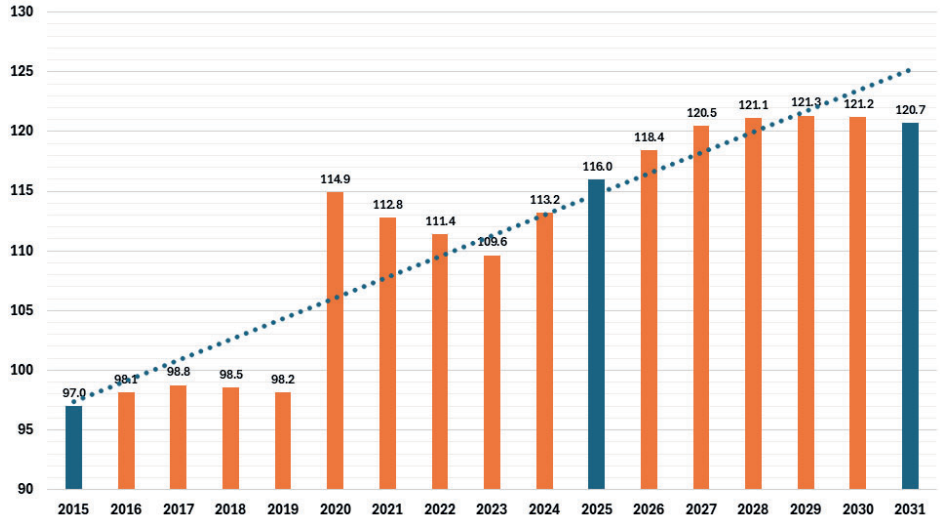


Chart 6 - General government gross debt position: United States
(% of GDP)

Source: compiled by Fondazione Edison on data from the IMF "Fiscal Monitor", April 2026

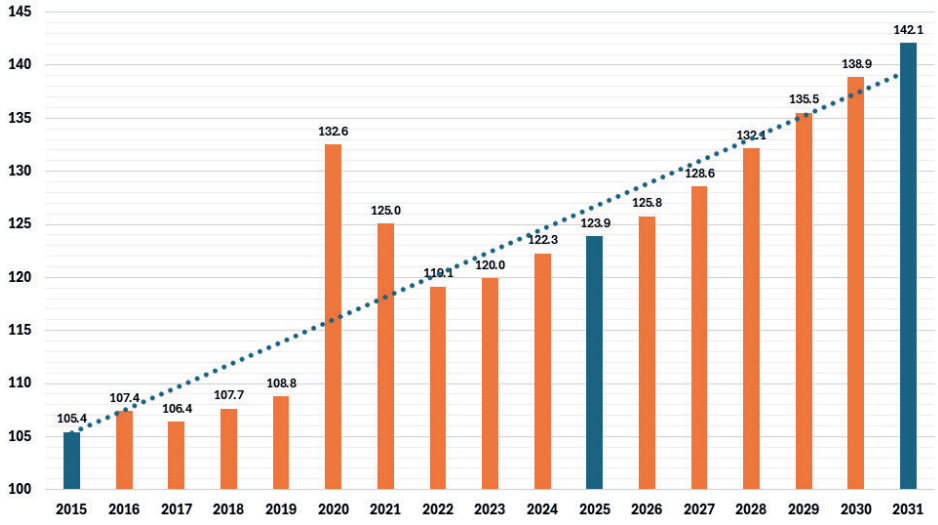


Chart 7 - General government gross debt position: a comparison
(% of GDP)

Source: compiled by Fondazione Edison on data from the IMF "Fiscal Monitor", April 2026

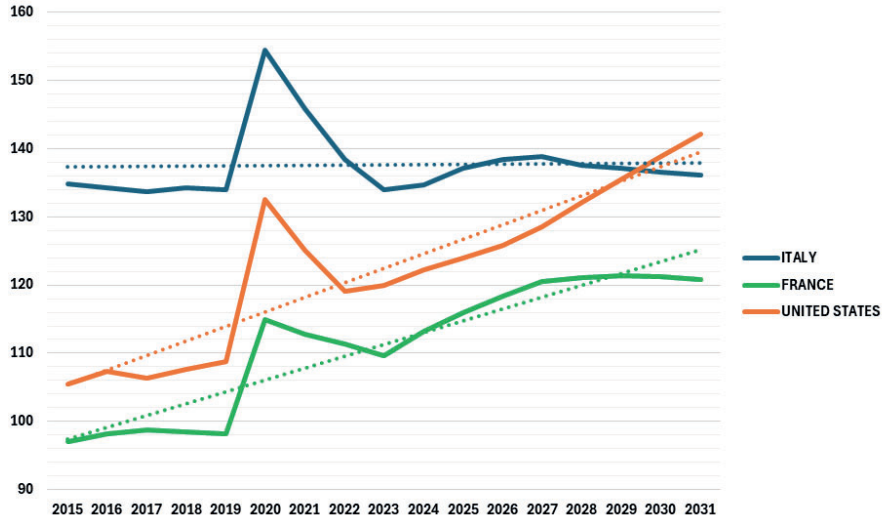


Chart 8 - General government gross debt: G7 countries and China
(% of GDP)
Source: compiled by Fondazione Edison on data from the IMF "Fiscal Monitor", April 2026

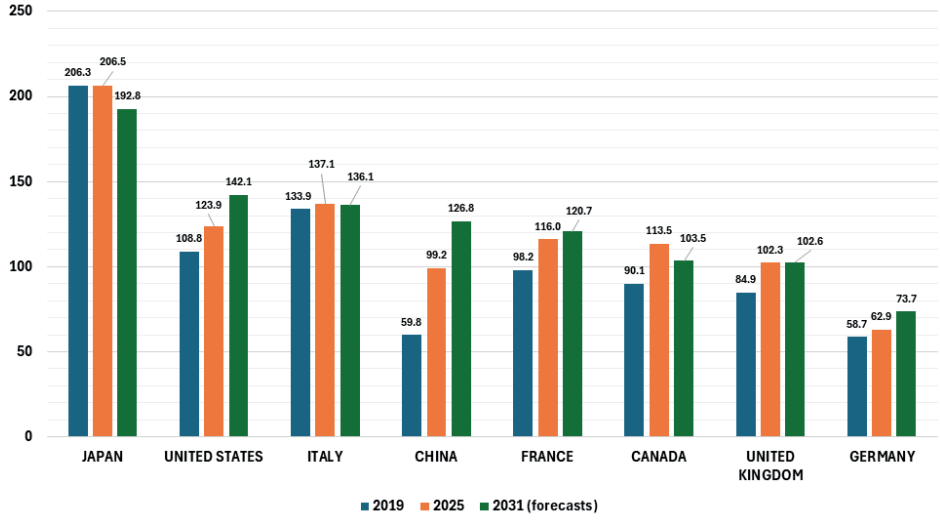


Chart 9 - Change in general government debt: 2020-2025
(compared with 2019, EUR billion)
Source: compiled by Fondazione Edison on data from Eurostat

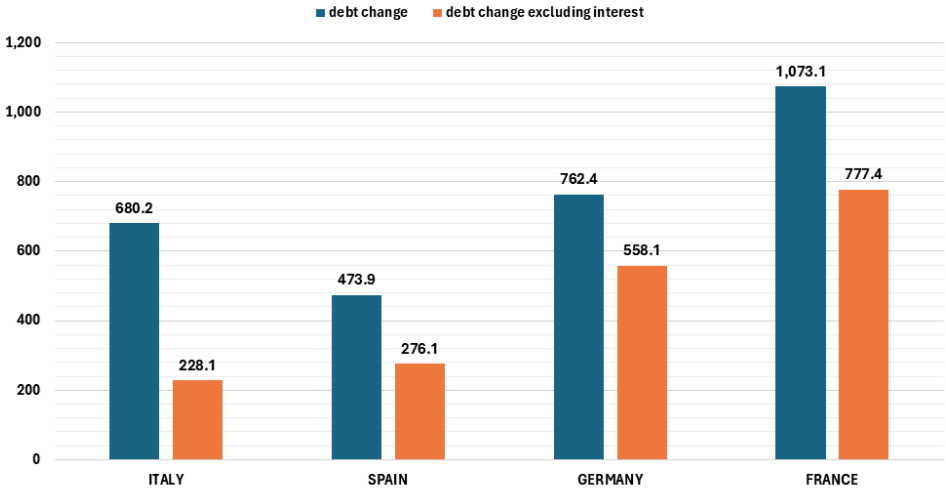


Chart 10 - "Debt 1": general government debt financed by non-residents, central bank, domestic financial institutions
(% of GDP)
Source: compiled by Fondazione Edison on data from ECB

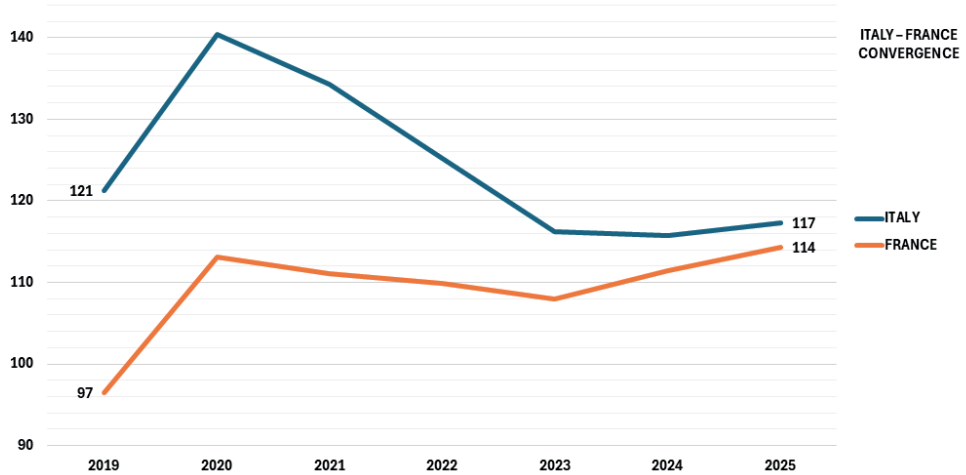


Chart 11 - Government debt held by non-residents
(EUR billion)
Source: compiled by Fondazione Edison on data from ECB

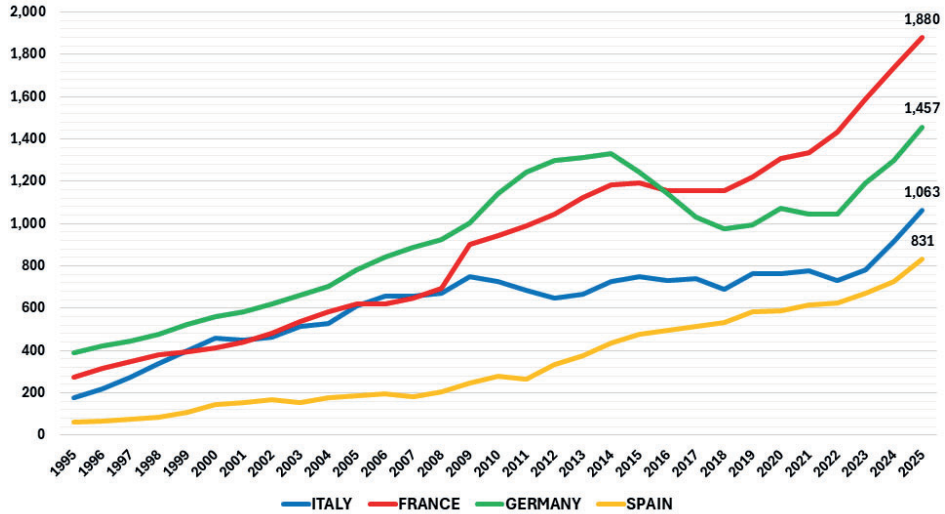


Chart 12 - "Debt 2": general government debt financed by domestic non financial sectors (in Italy mainly households)

(% of GDP)

Source: compiled by Fondazione Edison on data from ECB

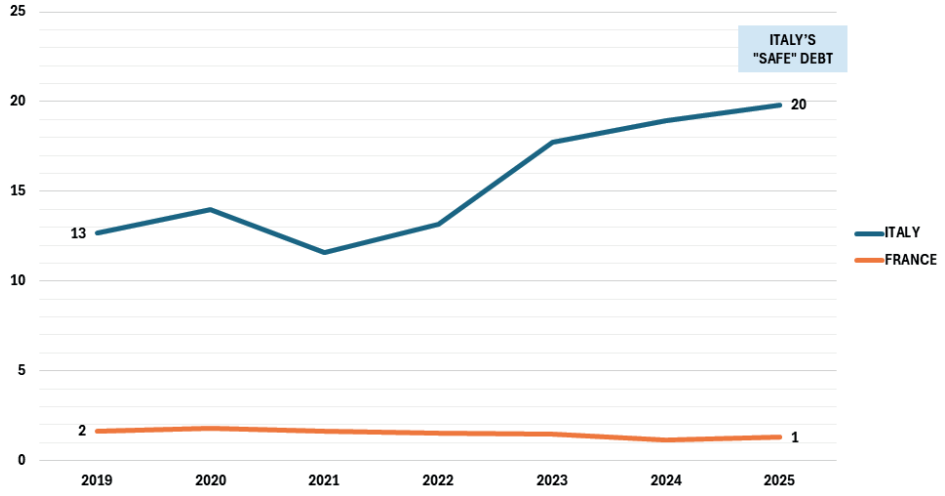
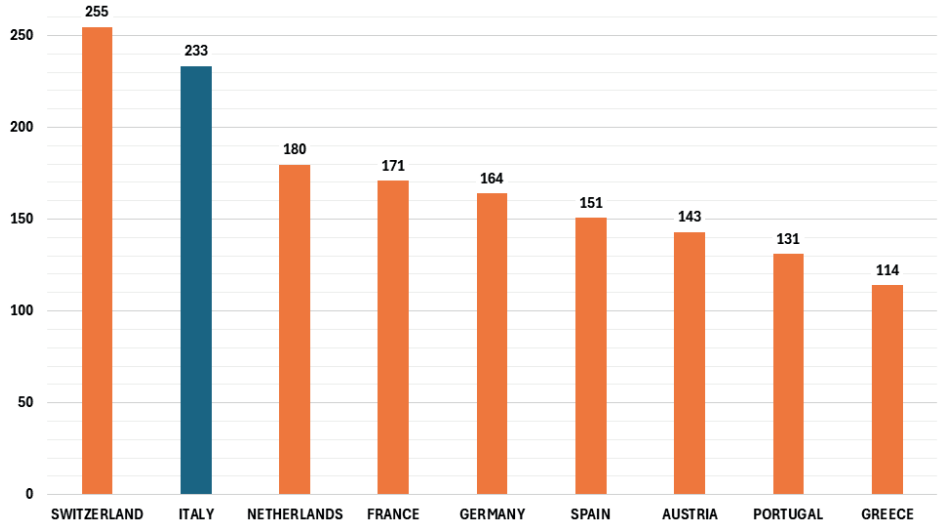


Chart 13 – Household net financial wealth: 2025
(% of GDP)
Source: compiled by Fondazione Edison on data from Eurostat



ECONOMIC GROWTH

Chart 14 - G7 real GDP % change compared to pre-pandemic level

(Q2 2026 compared with Q4 2019)

Source: compiled by Fondazione Edison on data from OECD

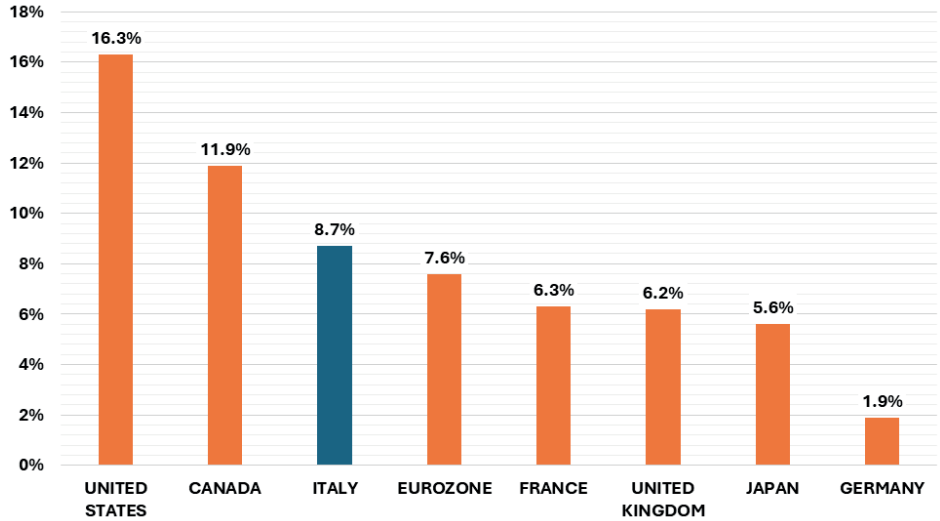


Chart 15 - Real GDP % change compared to pre-pandemic level: selected European countries

(year 2025 compared with year 2019)

Source: compiled by Fondazione Edison on data from Eurostat and OECD

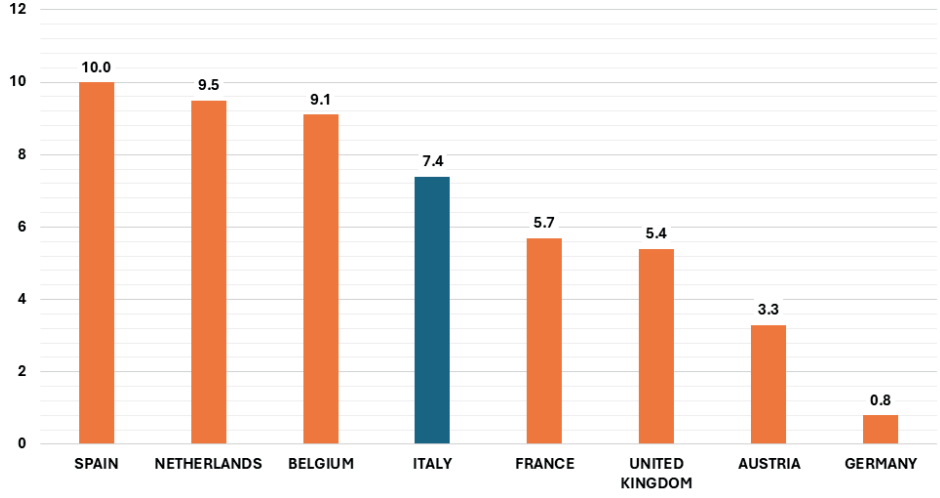


Chart 16 - Per capita GDP and consumption expenditure of household
% change compared to pre-pandemic level: selected European countries
(year 2025 compared with year 2019)

Source: compiled by Fondazione Edison on data from Eurostat and OECD

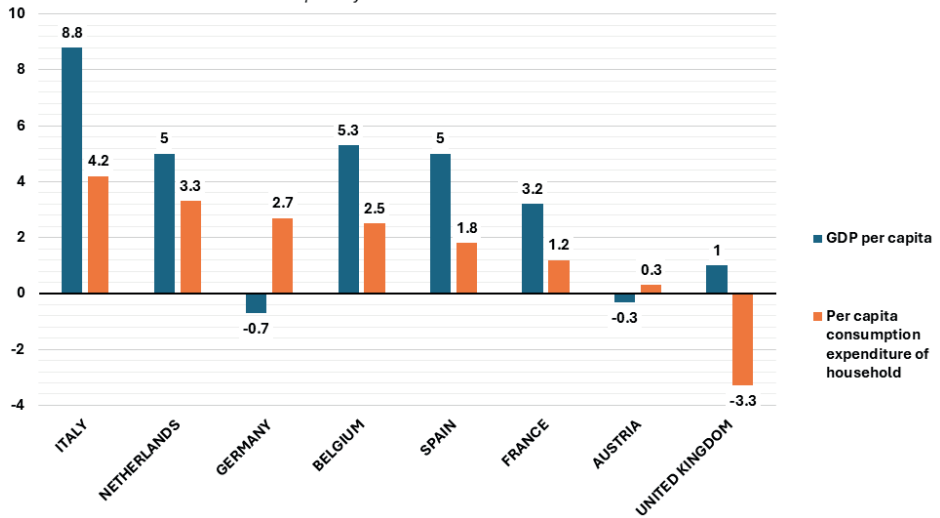


Chart 17 - GDP growth in Italy by macro-region: 2020-2025
(year 2025 compared with year 2019)
Source: compiled by Fondazione Edison on data from Istat

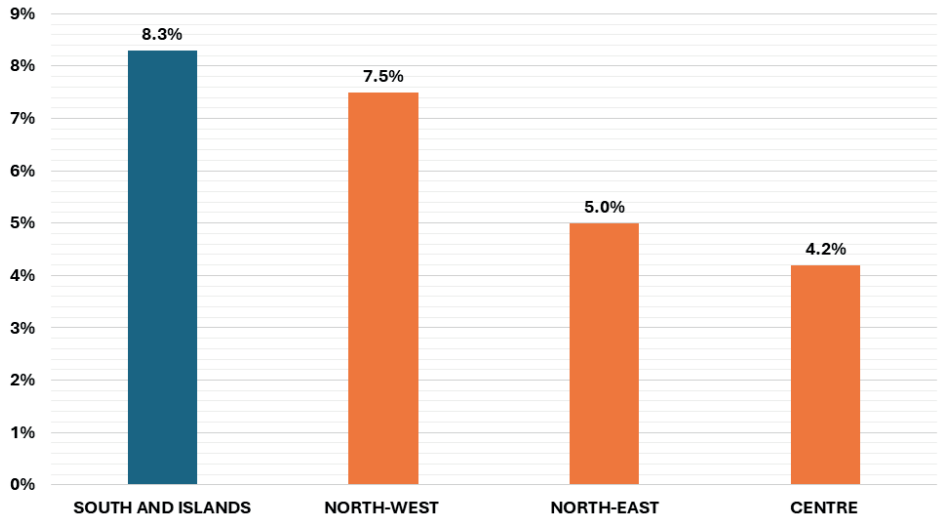


Chart 18 - Total employment in Italy
(seasonally adjusted quarterly data, million persons)
Source: compiled by Fondazione Edison on data from Istat

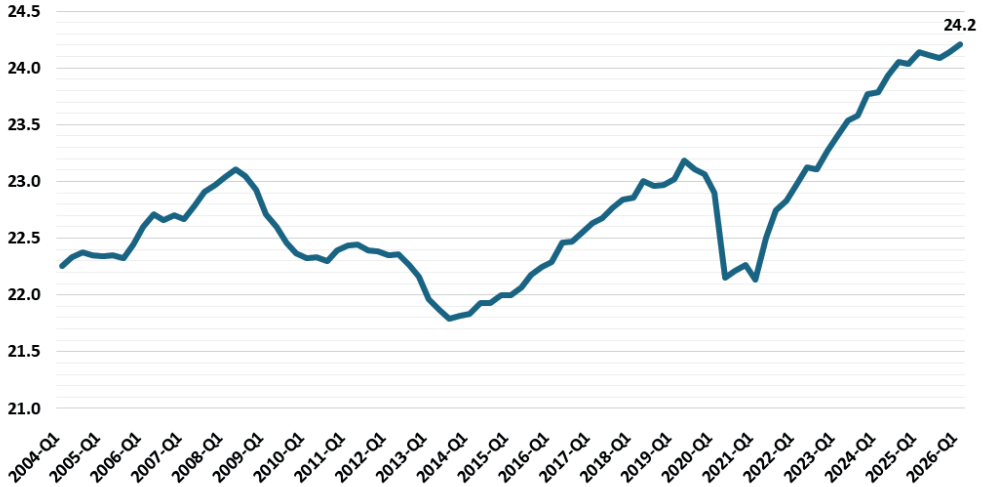


Chart 19 - Unemployment rate in Italy
(seasonally adjusted quarterly data, in %)
Source: compiled by Fondazione Edison on data from Istat

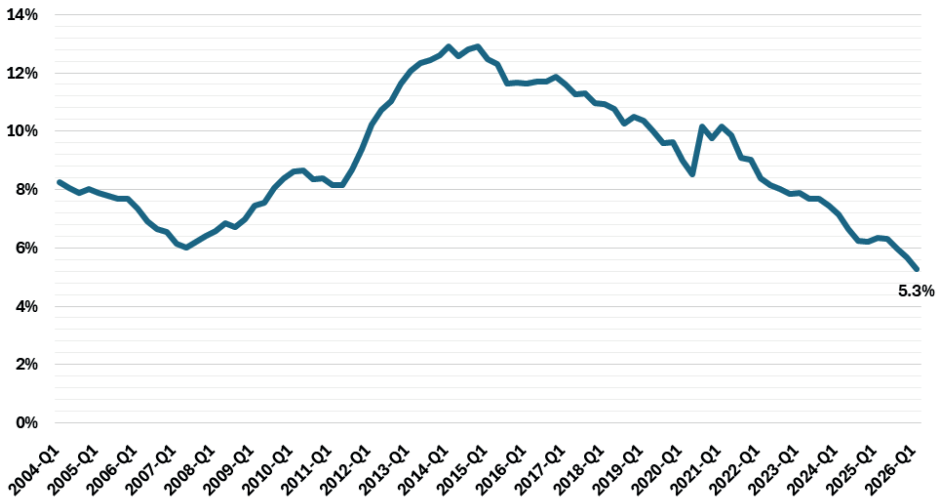


Chart 20 - Employment growth rate in Italy by macro-area: Q4 2019 - Q1 2026
(seasonally adjusted quarterly data)
Source: compiled by Fondazione Edison on data from Istat

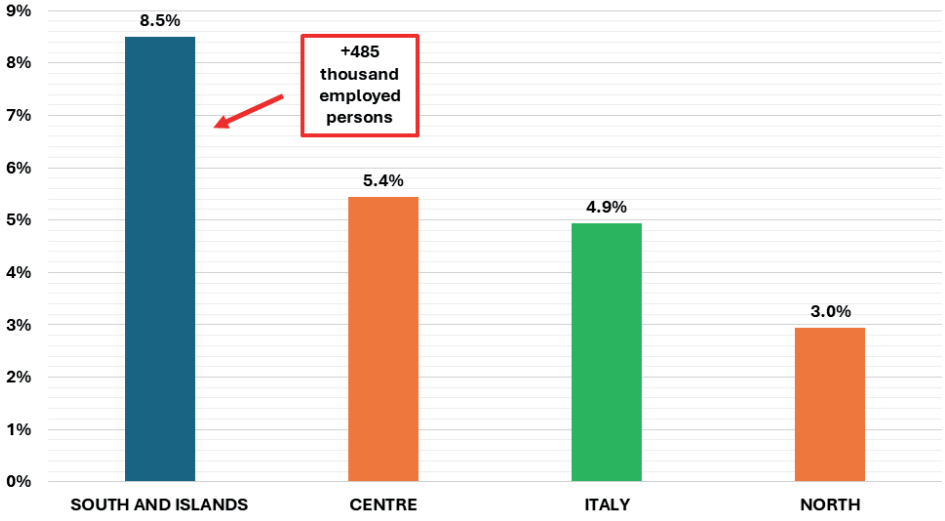
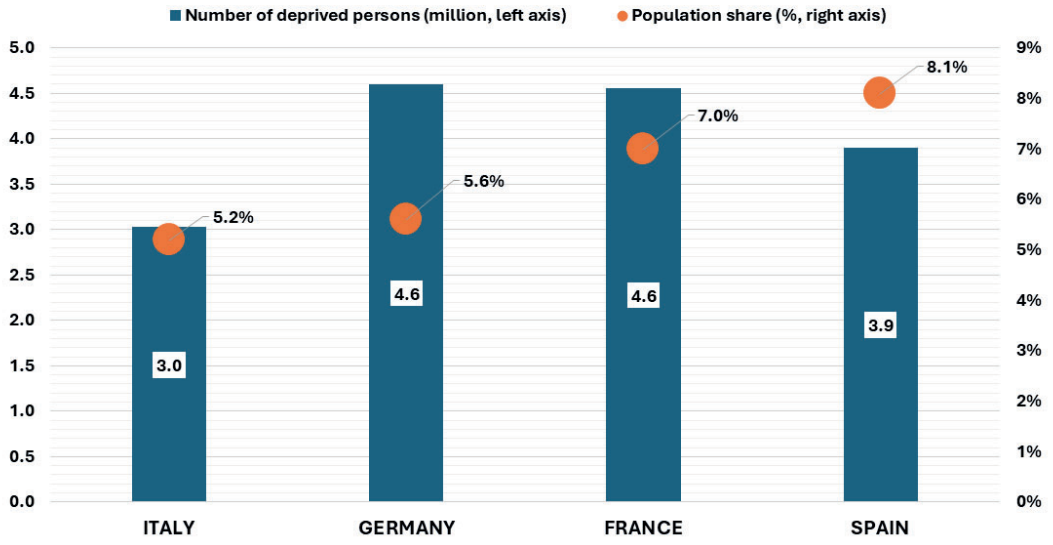


Chart 21 - Severe material and social deprivation: 2025

Source: compiled by Fondazione Edison on data from Istat



EXPORTS, TRADE BALANCE AND NIIP

Chart 22 - Merchandise exports: Italy and Japan
(rolling 1-year totals based on monthly data, USD billion)
Source: compiled by Fondazione Edison on data from WTO, Istat and ITC

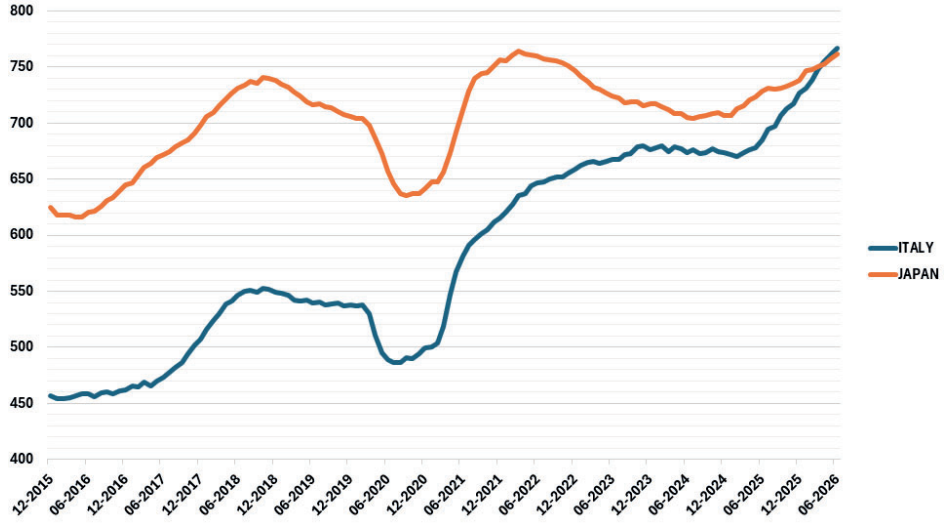


Chart 23 - UNCTAD merchandise export concentration index: 2025

Source: compiled by Fondazione Edison on data from UNCTAD

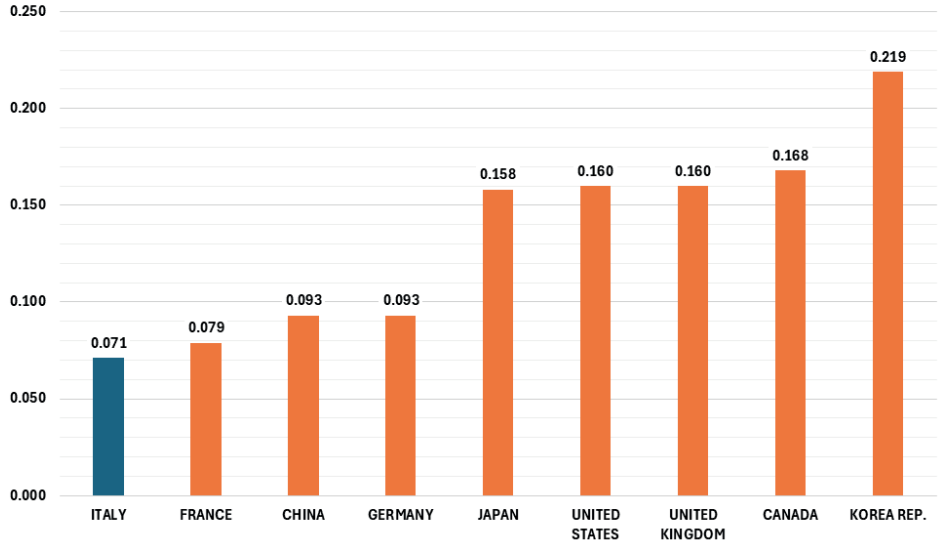
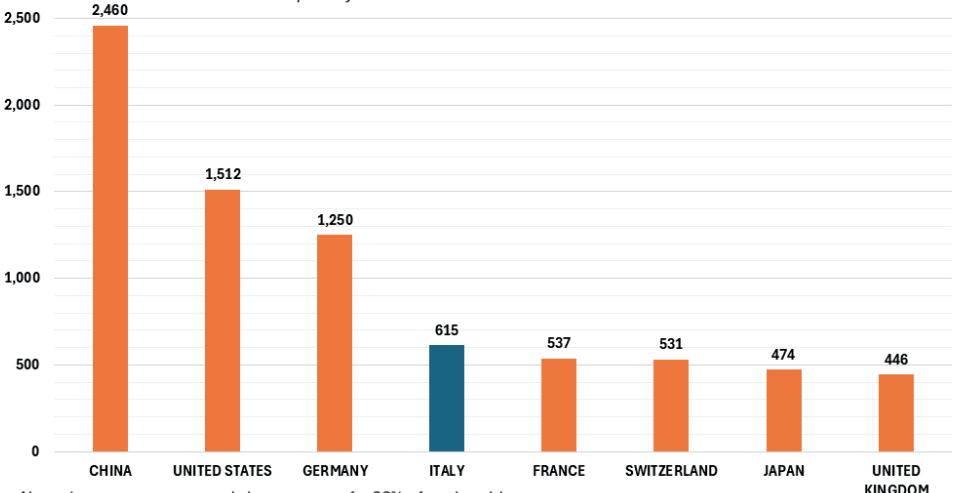


Chart 24 - Exports excluding energy, vehicles, electronic equipment and telephones: 2025
(USD billion)

Source: compiled by Fondazione Edison on data from UN Comtrade and ICT



Note: the sectors represented above account for 66% of total world exports.

Table 1 - Exports of G20 countries and Taiwan in 2025: top export product and rankings
(USD billion)
Source: compiled by Fondazione Edison on data from UN Comtrade and ITC

Rank		Total exports	Rank		Exports excluding top product	Rank change	Top product (HS4)	Top product exports
1	CHINA	3,776	1	CHINA	3,560	None	Telephone sets, incl. smartphones	216
2	UNITED STATES	2,178	2	UNITED STATES	1,953	None	Petroleum oils and oils obtained from bituminous minerals (excl. crude)	225
3	GERMANY	1,766	3	GERMANY	1,589	None	Motorcars designed for the transport of <10 persons	177
4	JAPAN	739	**4**	**ITALY**	**672**	**+1**	**Medicaments put up in measured doses or in forms or packings for retail sale**	**55**
5	**ITALY**	**727**	5	FRANCE	637	+2	Aeroplanes and elicopters	34
6	SOUTH KOREA	709	6	JAPAN	634	-2	Motorcars designed for the transport of <10 persons	105
7	FRANCE	671	7	MEXICO	581	+1	Automatic data-processing machines	85
8	MEXICO	666	8	SOUTH KOREA	566	-2	Electronic integrated circuits	143
9	TAIWAN	639	9	UNITED KINGDOM	476	+2	Gold	81
10	CANADA	557	10	CANADA	456	None	Petroleum oils and oils obtained from bituminous minerals, crude	101
11	UNITED KINGDOM	557	11	TAIWAN	430	-2	Electronic integrated circuits	209
12	INDIA	447	12	INDIA	391	None	Petroleum oils and oils obtained from bituminous minerals (excl. crude)	56
13	RUSSIA	369	13	BRAZIL	304	+1	Petroleum oils and oils obtained from bituminous minerals, crude	45
14	BRAZIL	349	14	RUSSIA	271	-1	Petroleum oils and oils obtained from bituminous minerals, crude	98
15	AUSTRALIA	344	15	AUSTRALIA	266	None	Iron ores and concentrates	78
16	INDONESIA	283	16	TÜRKIYE	260	+1	Motorcars designed for the transport of <10 persons	13
17	TÜRKIYE	273	17	INDONESIA	259	-1	Coal	24
18	SOUTH AFRICA	117	18	SOUTH AFRICA	105	None	Platinum, incl. palladium, rhodium, iridium, osmium and ruthenium	12
19	ARGENTINA	87	19	ARGENTINA	79	None	Oilcake resulting from the extraction of soya-bean oil	8

Table 2 - Exports of G20 Countries and Taiwan in 2025: top 10 products and all other products
(USD billion)
Source: compiled by Fondazione Edison on data from UN Comtrade and ITC

Rank	Country	Total exports	Rank	Country	Top 10 products	Rank	Country	All other products
1	CHINA	3,776	1	CHINA	653	1	CHINA	3,123
2	UNITED STATES	2,178	2	UNITED STATES	480	2	UNITED STATES	1,698
3	GERMANY	1,766	3	TAIWAN	450	3	GERMANY	1,467
4	JAPAN	739	4	GERMANY	299	4	ITALY	607
5	ITALY	727	5	SOUTH KOREA	273	5	JAPAN	561
6	SOUTH KOREA	709	6	SAUDI ARABIA	254	6	FRANCE	541
7	FRANCE	671	7	AUSTRALIA	230	7	MEXICO	463
8	MEXICO	666	8	UNITED KINGDOM	206	8	SOUTH KOREA	436
9	TAIWAN	639	9	MEXICO	203	9	CANADA	357
10	CANADA	557	10	CANADA	201	10	UNITED KINGDOM	351
11	UNITED KINGDOM	557	11	BRAZIL	191	11	INDIA	289
12	INDIA	447	12	JAPAN	178	12	TURKIYE	225
13	BRAZIL	349	13	INDIA	158	13	TAIWAN	189
14	AUSTRALIA	344	14	FRANCE	129	14	INDONESIA	187
15	SAUDI ARABIA	311	15	ITALY	119	15	BRAZIL	158
16	INDONESIA	283	16	INDONESIA	96	16	AUSTRALIA	114
17	TURKIYE	273	17	TURKIYE	48	17	SOUTH AFRICA	74
18	SOUTH AFRICA	117	18	ARGENTINA	46	18	SAUDI ARABIA	57
19	ARGENTINA	87	19	SOUTH AFRICA	43	19	ARGENTINA	41

Chart 25 – Italy's top global rankings by product trade surplus: 2024

Italy's Competitive Excellence Index in the global export market; Fortis-Corradini Index ©
(Case study on a total sample of 5,613 products traded internationally – HS2022 classification)



Source: compiled by Fondazione Edison on data from UN Comtrade

Table 3 - Total exports of OECD countries and Taiwan in 2025: top 2 markets and remaining markets (USD billion)

Source: compiled by Fondazione Edison on data from UN Comtrade and ITC data

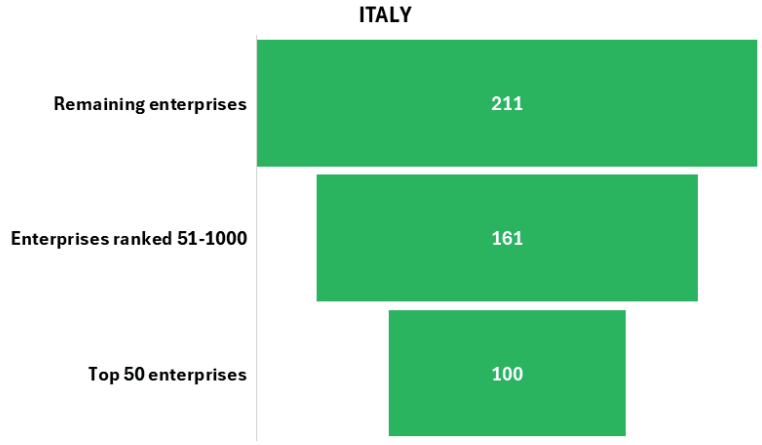
Rank	Country	Total exports	Rank	Country	Exports to top 2 markets	Top 2 markets	Top 2 markets' share	Rank	Country	Exports to remaing markets
1	CHINA	3,776	1	CHINA	758	USA, Hong Kong	20.1%	1	CHINA	3,018
2	UNITED STATES	2,178	2	UNITED STATES	668	Mexico, Canada	30.7%	2	UNITED STATES	1,511
3	GERMANY	1,766	3	MEXICO	567	USA, Canada	85.2%	3	GERMANY	1,468
4	JAPAN	739	4	CANADA	438	USA, UK	78.5%	**4**	**ITALY**	**566**
5	**ITALY**	**727**	5	GERMANY	298	USA, France	16.9%	5	FRANCE	526
6	SOUTH KOREA	709	6	TAIWAN	297	USA, China	46.5%	6	JAPAN	476
7	FRANCE	671	7	JAPAN	263	USA, China	35.6%	7	SOUTH KOREA	455
8	MEXICO	666	8	SOUTH KOREA	254	China, USA	35.8%	8	UNITED KINGDOM	426
9	TAIWAN	639	**9**	**ITALY**	**160**	**Germany, USA**	**22.1%**	9	TAIWAN	342
10	CANADA	557	10	FRANCE	145	Germany, Italy	21.6%	10	INDIA	315
11	UNITED KINGDOM	557	11	BRAZIL	138	China, USA	39.6%	11	TURKIYE	234
12	INDIA	447	12	INDIA	131	USA, UAE	29.4%	12	AUSTRALIA	215
13	BRAZIL	349	13	UNITED KINGDOM	131	USA, Germany	23.5%	13	BRAZIL	211
14	AUSTRALIA	344	14	AUSTRALIA	129	China, Japan	37.5%	14	INDONESIA	185
15	INDONESIA	283	15	INDONESIA	98	China, USA	34.6%	15	CANADA	119
16	TURKIYE	273	16	TURKIYE	39	Germany, UK	14.3%	16	MEXICO	99
17	SOUTH AFRICA	117	17	ARGENTINA	23	Brazil, China	25.8%	17	SOUTH AFRICA	95
18	ARGENTINA	87	18	SOUTH AFRICA	22	China, Germany	18.9%	18	ARGENTINA	65

Table 4 - Industrial exports of selected OECD countries by class of exporting enterprises ranked by export value: 2023
(USD billion)
Source: compiled by Fondazione Edison on data from OECD

Rank	Country	Total industry	Rank	Country	Top 50 enterprises	Rank	Country	Enterprises ranked 51-1000	Rank	Country	Remaining enterprises
1	GERMANY	1,201	1	GERMANY	488	1	GERMANY	429	1	GERMANY	283
2	UNITED STATES	1,036	2	UNITED STATES	478	2	UNITED STATES	402	**2**	**ITALY**	**211**
3	SOUTH KOREA	527	3	SOUTH KOREA	339	**3**	**ITALY**	**161**	3	UNITED STATES	157
4	**ITALY**	**472**	4	SWITZERLAND	264	4	FRANCE	153	4	SOUTH KOREA	54
5	FRANCE	401	5	FRANCE	206	5	SOUTH KOREA	134	5	POLAND	52
6	CANADA	353	6	CANADA	193	6	CANADA	119	6	SPAIN	52
7	SWITZERLAND	350	7	IRELAND	148	7	NETHERLANDS	102	7	CANADA	41
8	NETHERLANDS	262	8	NORWAY	135	8	POLAND	100	8	FRANCE	41
9	SPAIN	252	9	NETHERLANDS	135	9	SPAIN	95	9	TÜRKIYE	39
10	POLAND	222	10	BELGIUM	113	10	AUSTRIA	80	10	NETHERLANDS	25
11	BELGIUM	195	11	SPAIN	106	11	SWITZERLAND	73	11	CZECHIA	23
12	IRELAND	174	**12**	**ITALY**	**100**	12	BELGIUM	71	12	SWITZERLAND	13

Chart 26 - Italy's industrial exports by class of exporting enterprises ranked by export value: 2023
(USD billion)
Source: compiled by Fondazione Edison on data from OECD

MEDIUM-SIZED, MEDIUM-LARGE AND SMALL ENTERPRISES OUTWEIGH THE TOP 50 EXPORTING ENTERPRISES: A UNIQUE CASE AMONG OECD COUNTRIES



ITALY'S INDUSTRIAL EXPORT STRUCTURE: AN INVERTED PYRAMID

Chart 27 - Industrial exports by class of exporting enterprises: 2023
(USD billion)
Source: compiled by Fondazione Edison on data from OECD

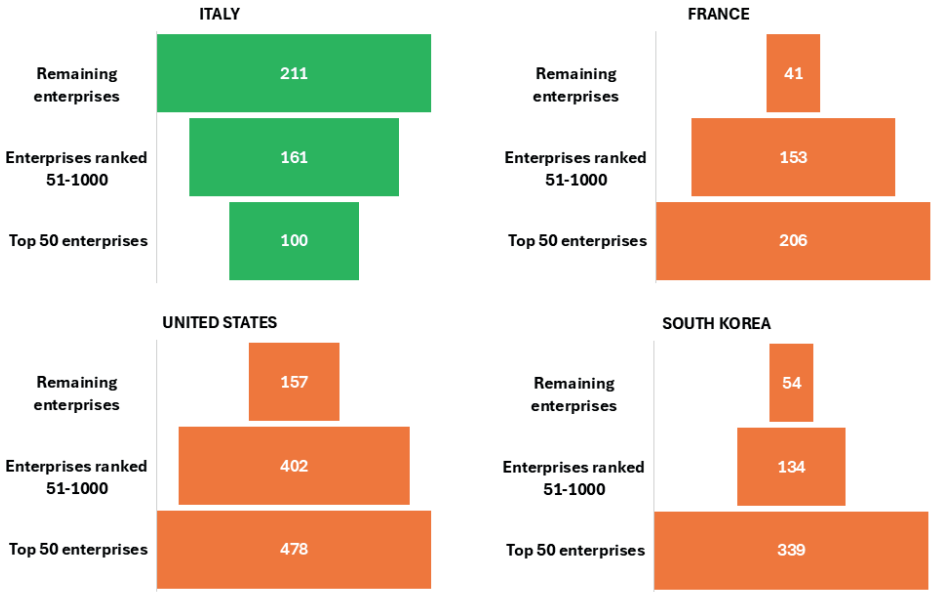


Chart 28 - Industrial exports by class of exporting enterprises: 2023
(USD billion)
Source: compiled by Fondazione Edison on data from OECD

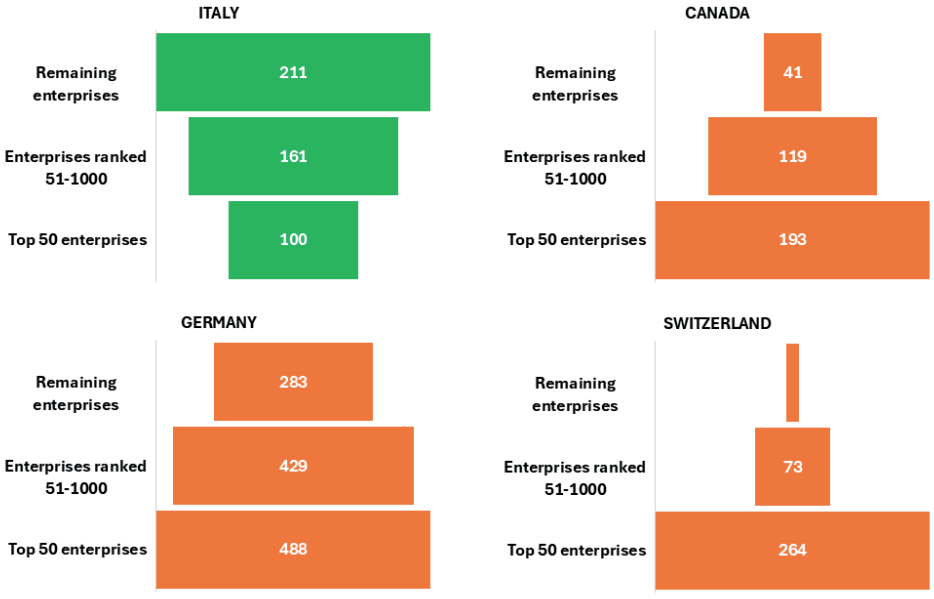


Chart 29 - Industrial exports by class of exporting enterprises: 2023
(USD billion)
Source: compiled by Fondazione Edison on data from OECD

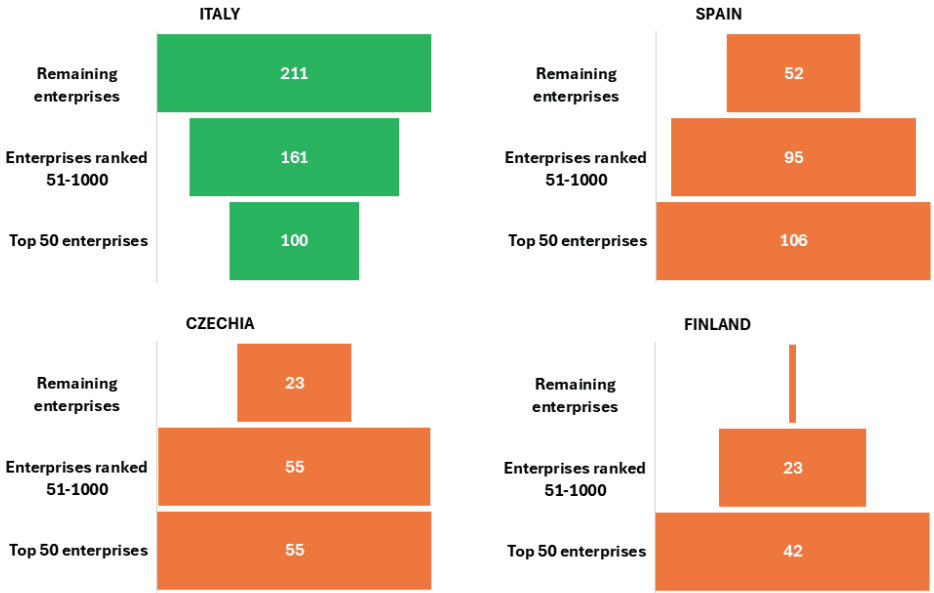


Chart 30 - Industrial exports by class of exporting enterprises: 2023
(USD billion)
Source: compiled by Fondazione Edison on data from OECD

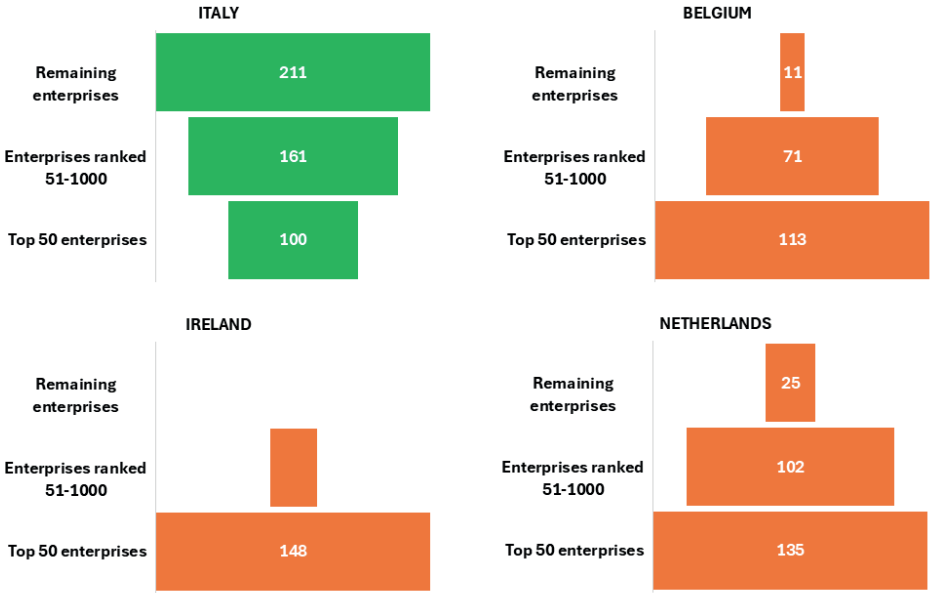


Table 5 - Number of industrial exporting enterprises in Italy by detailed employment size classes: 2024

Source: compiled by Fondazione Edison on data from Istat

Size classes	Number of exporting enterprises
0-9 persons employed	23,952
10-19 persons employed	13,533
20-49 persons employed	12,562
50-99 persons employed	5,356
100-249 persons employed	3,248
250-499 persons employed	931
500-999 persons employed	337
1,000-1,999 persons employed	121
2,000-4,999 persons employed	38
5,000 persons employed or more	12
TOTAL	**60,090**

Chart 31 – Italy's industrial exports by main size classes of enterprises: 2024
(EUR billion)
Source: compiled by Fondazione Edison on data from Istat

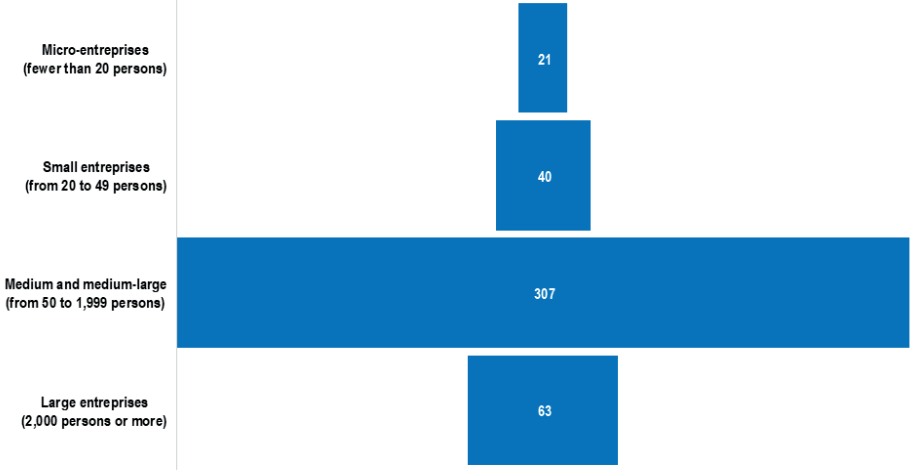


Chart 32 - Italy's industrial exports by detailed size classes of enterprises: 2024

(EUR billion)

Source: compiled by Fondazione Edison on data from Istat

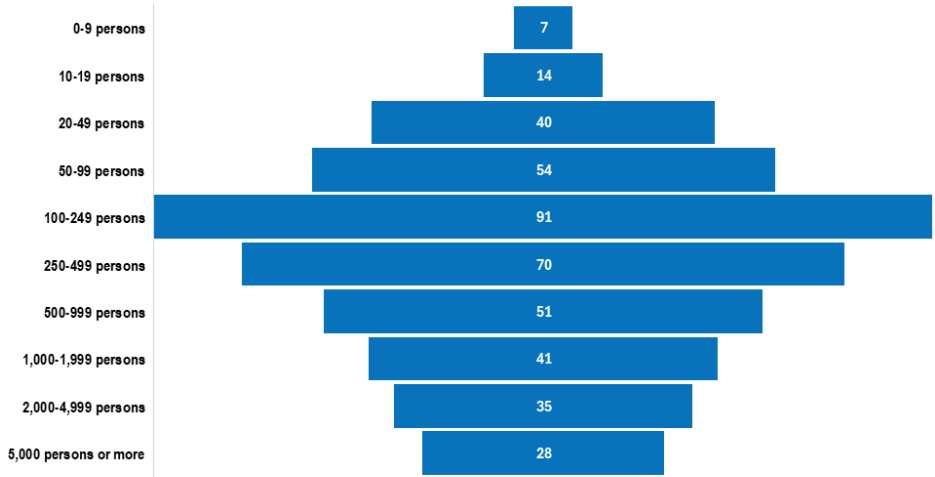


Chart 33 - Manufacturing industry, value added per person employed (labour productivity) by size classes: 2024
(EUR thousand)
Source: compiled by Fondazione Edison on data from Eurostat

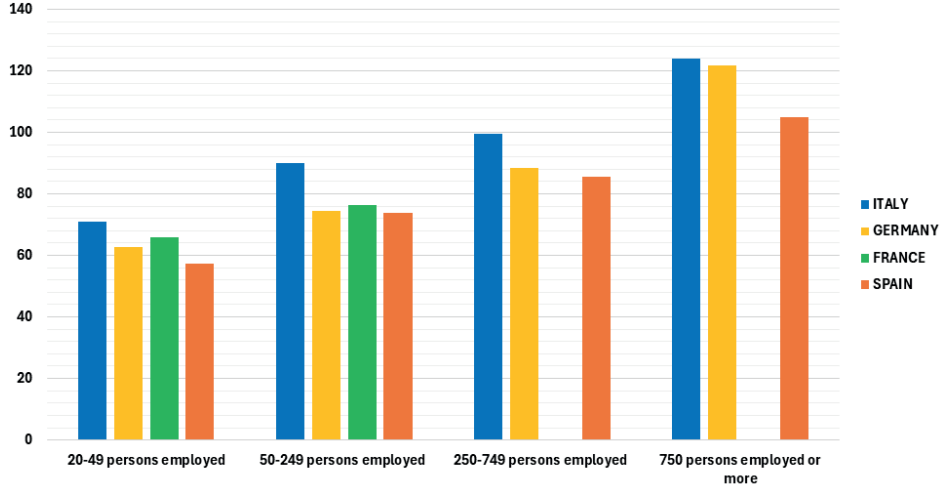


Chart 34 - Agriculture, gross value added at basic prices: 2025
(EUR billion)
Source: compiled by Fondazione Edison on data from Eurostat

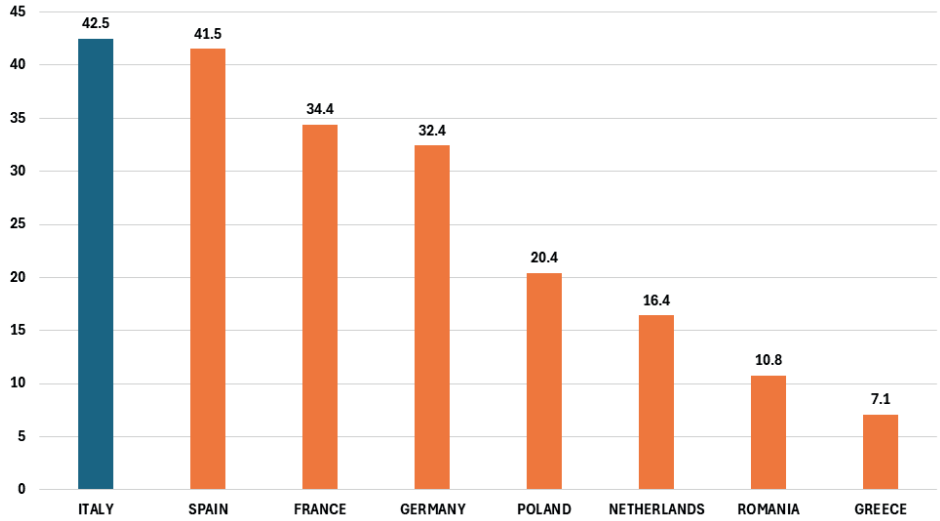


Table 6 - Nights spent at accommodation establishments by foreign tourists
(million)
Source: compiled by Fondazione Edison on data from Eurostat

Country	January-June 2025	January-June 2026	% change
ITALY	124.8	130.3	4.4%
FRANCE	60.0	61.5	2.5%
AUSTRIA	46.9	48.0	2.3%
GREECE	42.7	43.4	1.7%
SPAIN	143.7	145.8	1.4%
GERMANY	36.0	36.2	0.7%
PORTUGAL	27.1	27.1	0.2%
CROATIA	22.6	22.5	-0.6%

Table 7 - Nights spent at accommodation establishments by non-European tourists in 2024: most visited EU countries

Source: compiled by Fondazione Edison on data from Eurostat

Tourists from North America	Nights spent (million)	**Tourists from Central and South America**	Nights spent (million)	**Tourists from Asia**	Nights spent (million)
ITALY	**27.8**	**ITALY**	**10.2**	**ITALY**	**17.2**
SPAIN	17.1	SPAIN	8.6	SPAIN	9.2
FRANCE	12.9	FRANCE	3.5	FRANCE	8.8

Tourists from Oceania	Nights spent (million)	**Tourists from Africa**	Nights spent (million)
ITALY	**4.5**	SPAIN	3.1
GREECE	1.6	**ITALY**	**2.7**
SPAIN	1.4	FRANCE	1.9

Chart 35 - Net international investment position (NIIP)
(EUR billion)
Source: compiled by Fondazione Edison on data from Eurostat

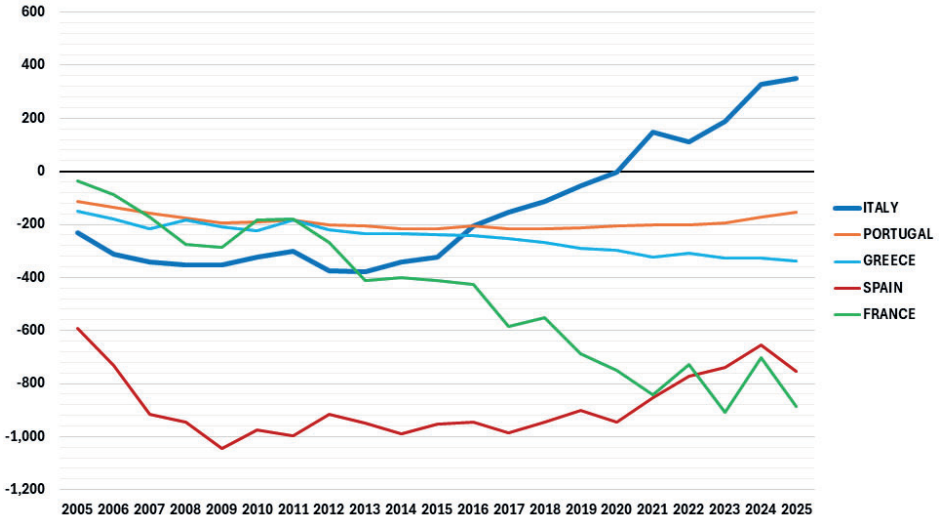


Table 8 - Balance of payments for goods and travel: 2025
(EUR billion)
Source: compiled by Fondazione Edison on data from Eurostat

Country	Goods	Travel	Total
GERMANY	185.2	-78.0	107.2
ITALY	**51.5**	**22.7**	**74.2**
SPAIN	-49.0	70.4	21.4
FRANCE	-58.0	20.0	-38.0

CONCLUSION:
FIVE EMBLEMATIC OVERTAKINGS

Chart 36 - G7 countries GDP per capita growth in the last ten years
(index Q1 2016=100, seasonally adjusted data)
Source: compiled by Fondazione Edison on data from OECD

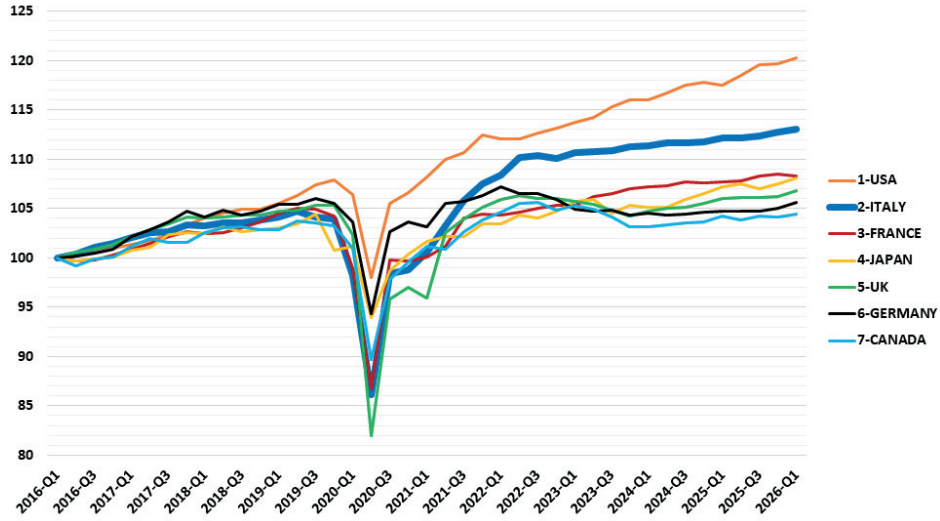


Chart 37 - Merchandise exports: Italy and Japan
(rolling 1-year totals based on monthly data, USD billion)
Source: compiled by Fondazione Edison on data from WTO, Istat and ITC

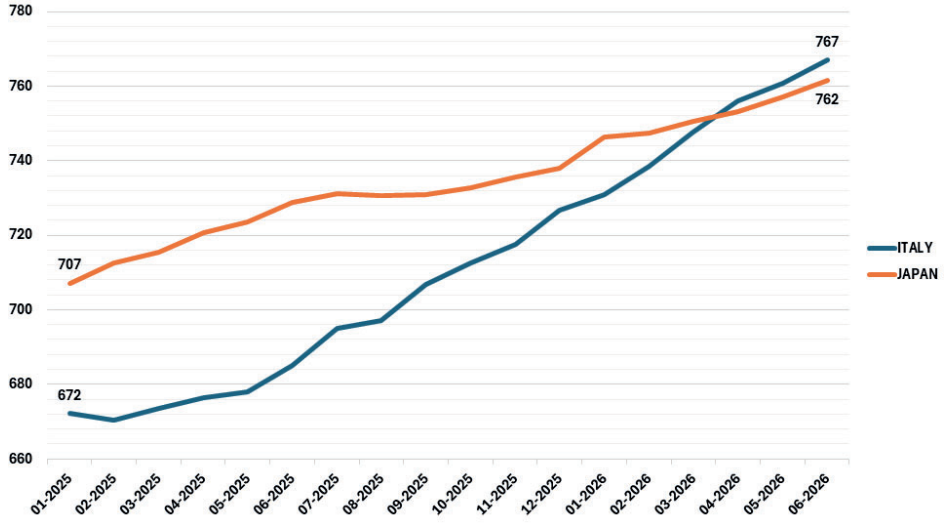


Chart 38 - Unemployment rate: Italy and the euro area
(from 15 to 74 years; % of labour force)
Source: compiled by Fondazione Edison on data from Eurostat

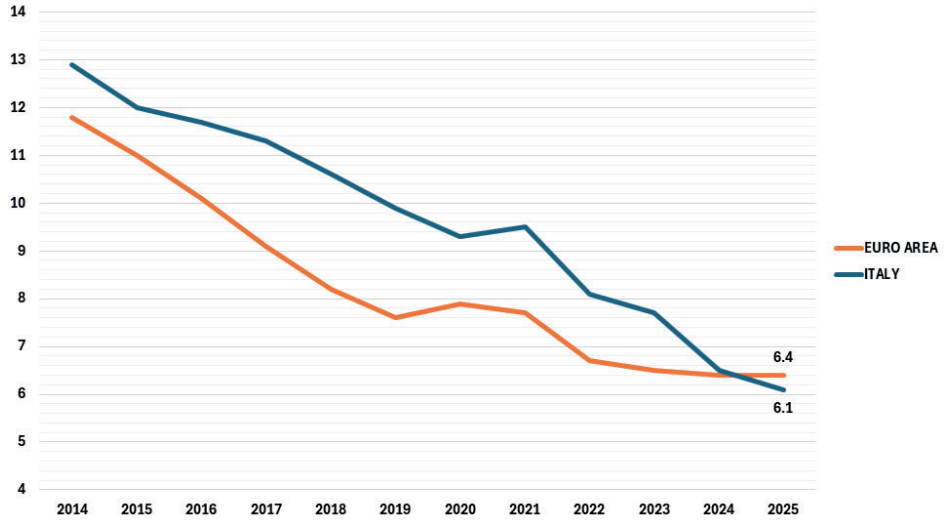


Chart 39 - Italy vs France government bond (10 years) spread
(basis points)
Source: compiled by Fondazione Edison on data from World Government Bonds

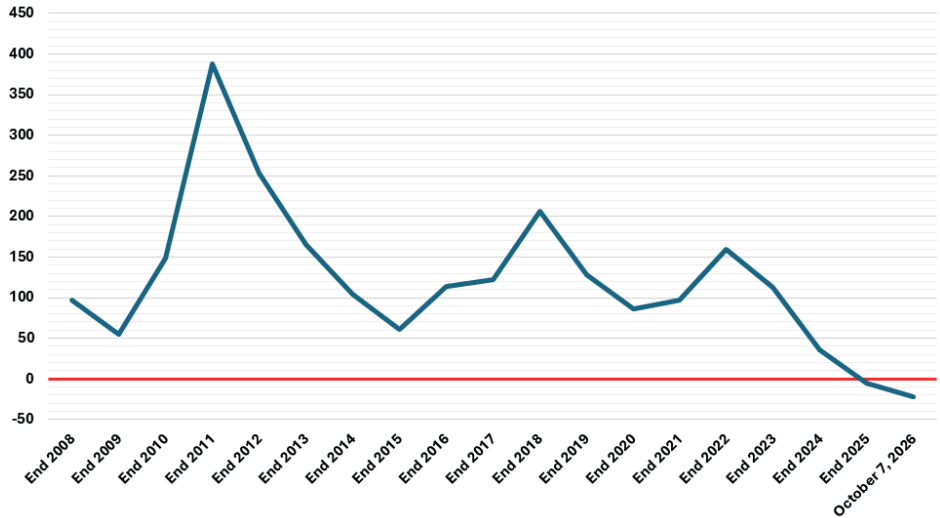
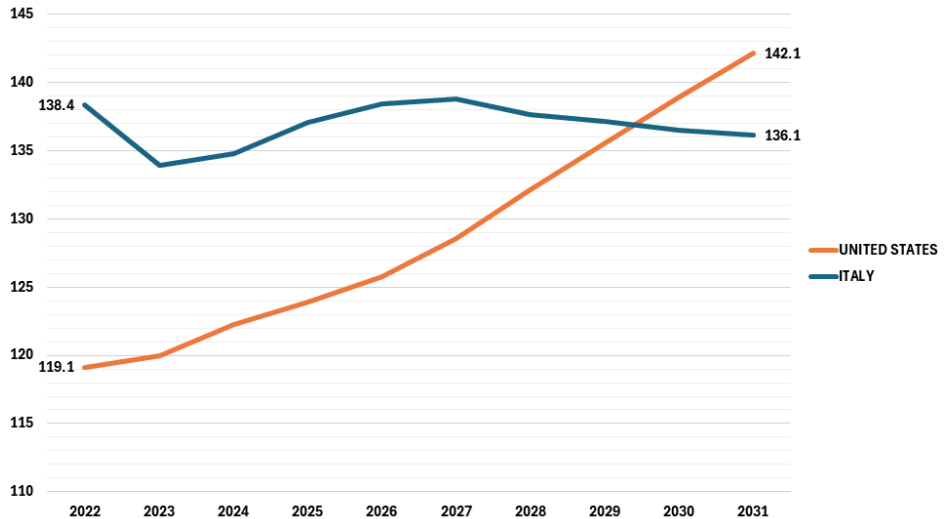


Chart 40 - General government gross debt: Italy and United States
(% of GDP)

Source: compiled by Fondazione Edison on data from IMF, "Fiscal Monitor", April 2026



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