Italy

Introduction

Italy is a country located in Southern Europe comprising the boot-shaped Italian peninsula and a number of islands including Sicily and Sardinia. Neighboring countries include Austria, France, Holy See, San Marino, Slovenia, and Switzerland. Italy has a strategic location dominating central Mediterranean as well as proximity to Western Europe across the Adriatic Sea. The government system is a republic; the chief of state is the president, and the head of government is the prime minister. Italy has a diversified industrial economy, which is divided into a developed industrial north, dominated by private companies, and a less developed, welfare-dependent, agricultural south. Italy is a member of the European Union (EU).

Key Economic Facts

<table>
<thead>
<tr>
<th>Income Level (by per capita GNI):</th>
<th>High Income</th>
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<tbody>
<tr>
<td>Level of Development:</td>
<td>Developed</td>
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<tr>
<td>GDP, PPP (current international $):</td>
<td>$2,527.87 billion (2018)</td>
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<td>GDP growth (annual %):</td>
<td>0.77% (2018)</td>
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<td>GDP per capita, PPP (current international $):</td>
<td>$41,830.43 (2018)</td>
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<td>Manufacturing, value added (% of GDP):</td>
<td>15.05% (2018)</td>
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<td>Current account balance (BoP, current US$):</td>
<td>$53.84 billion (2018)</td>
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<td>Inflation, consumer prices (annual %):</td>
<td>1.14% (2018)</td>
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<td>Unemployment, total (% of total labor force) (modeled ILO estimate):</td>
<td>9.22% (2018)</td>
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<td>Exports of goods and services (current US$):</td>
<td>$655.45 billion (2018)</td>
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Location: Southern Europe
Capital City: Rome (+1 GMT)
Chief of State: President Sergio Mattarella
Head of Govt.: Prime Minister Giuseppe Conte
Currency: Euro (EUR)
Major Languages: Italian (official), German (parts of Trentino-Alto Adige region are predominantly German speaking), French (small French-speaking minority in Valle d'Aosta region), Slovene (Slovene-speaking minority in the Trieste-Gorizia area)
Primary Religions: Christian 83.3% (overwhelmingly Roman Catholic with very small groups of Jehovah's Witnesses and Protestants), Muslim 3.7%, unaffiliated 12.4%, other 0.6% (2010 est.)
Calling Code: 39
Voltage: 230

Key Websites

- Main Government Page: governo.it
- Commerce Ministry: mise.gov.it
- Export Promotion Agency: ice.it
- Investment Promotion Agency: invitalia.it

Risk Assessment (Provided by Coface)

Country rating: A4 - A somewhat shaky political and economic outlook and a relatively volatile business environment can affect corporate payment behavior. Corporate default probability is still acceptable on average.

Business Climate rating: A2 - The business environment is good. When available, corporate financial information is reliable. Debt collection is reasonably efficient. Institutions generally perform efficiently. Intercompany transactions usually run smoothly in the relatively stable environment rated A2.

Strengths

- Reform efforts (labour market, banking sector, insolvency, etc.)
- Manufacturing industry still important
- Renewed competitiveness and stronger export sector
- Improvement in the financial position of companies
- High-quality infrastructure
- Major tourism potential

Weaknesses

- Public debt still high; very negative net external position
- Labour market duality; high unemployment rate
- Large proportion of small, unproductive companies
- Fragmented political landscape; national unity weakened by regions’ push for autonomy
- Regional disparities
- Low administrative efficiency

U.S. Embassy

U.S. Embassy Rome
via Vittorio Veneto 121
00187 Roma
Tel: (+39) 06.46741
https://it.usembassy.gov/