



IMD World Competitiveness Yearbook 2022

COUNTRY  
PROFILE

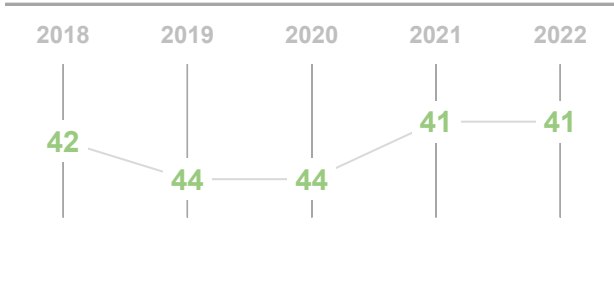
ITALY



# Italy

## Competitiveness Trends – Overall

### OVERALL PERFORMANCE (63 countries)

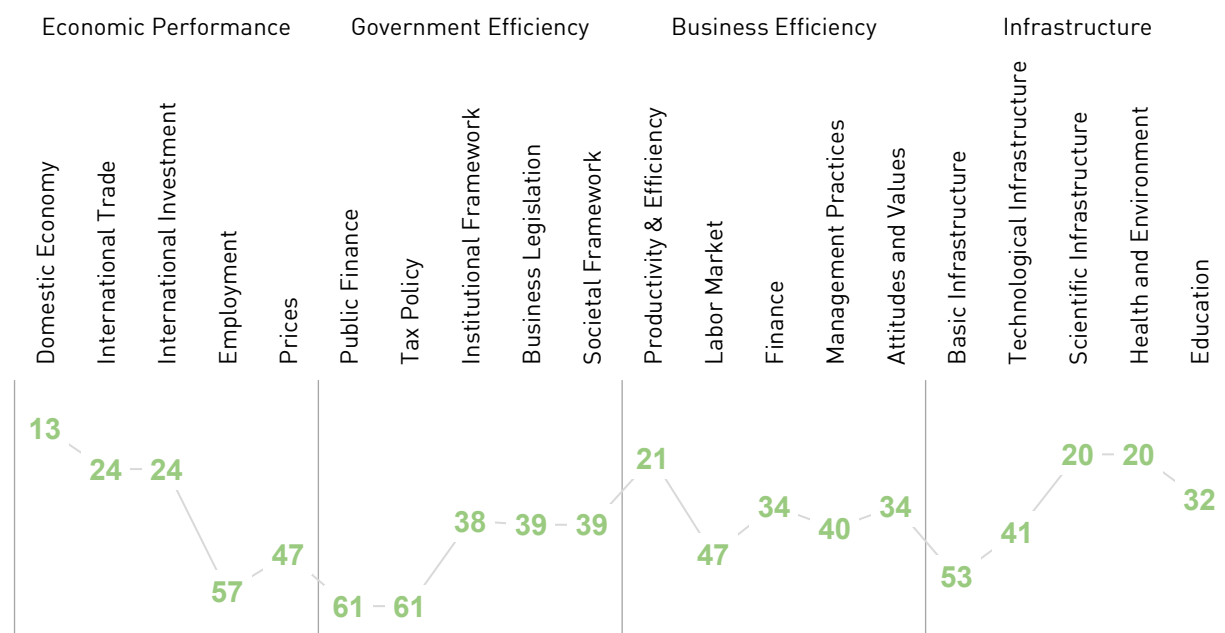


### BASIC FACTS

Rank

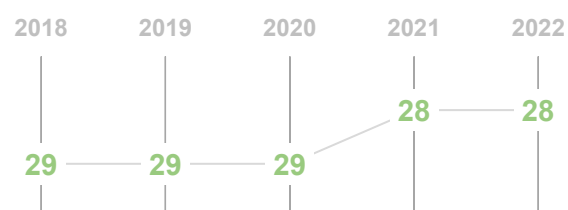
Capital	Rome	
Land area (square km '000)	302	<sup>2021</sup>
Exchange Rate (per \$)	0.845	<sup>2021</sup>
Population - market size (millions)	59.24	<sup>2021</sup> 15
Gross Domestic Product (GDP) (US\$ billions)	2,099.9	<sup>2021</sup> 08
GDP (PPP) per capita (US\$)	46,162	<sup>2021</sup> 27
Real GDP growth (%)	6.6	<sup>2021</sup> 20
Consumer price inflation (%)	1.94	<sup>2021</sup> 15
Unemployment rate (%)	9.56	<sup>2021</sup> 54
Labor force (millions)	24.92	<sup>2021</sup> 15
Current account balance (% of GDP)	2.51	<sup>2021</sup> 23
Direct investment stocks inward (\$bn)	485.8	<sup>2020</sup> 18
Direct investment flows inward (% of GDP)	-1.17	<sup>2020</sup> 56

### COMPETITIVENESS LANDSCAPE

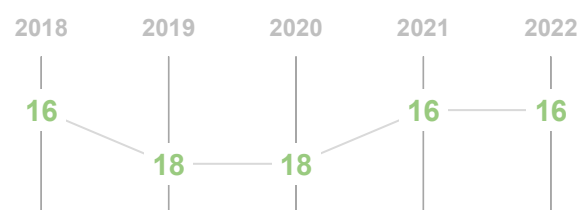


### PEER GROUPS RANKINGS

#### EUROPE - MIDDLE EAST - AFRICA (40 countries)



#### POPULATIONS > 20 MILLION (27 countries)



# Italy

## Competitiveness Evolution & Attractiveness Indicators

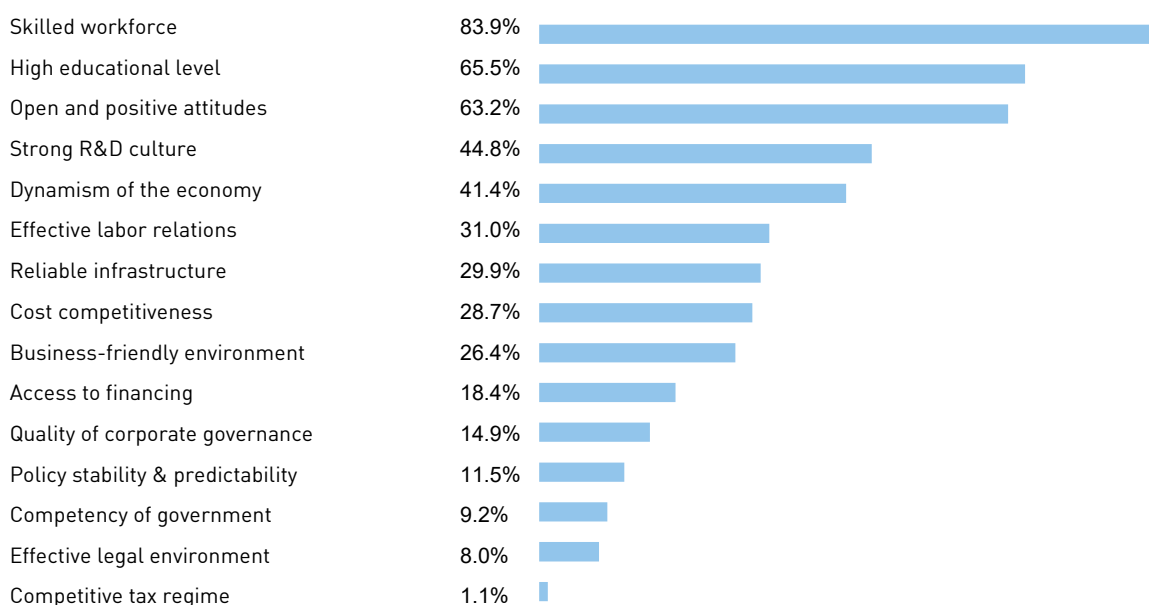
### COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one yearbook to the next.

	WCY 2021	WCY 2022		WCY 2021	WCY 2022
<b>IMPROVEMENTS</b>			<b>DECLINES</b>		
1.1.18 Gross fixed capital formation - real growth	-9.09	19.01	1.5.01 Consumer price inflation	-0.15	1.94
1.1.15 Real GDP growth per capita	-8.70	7.37	4.1.07 Population - growth	-0.19	-0.68
1.1.14 Real GDP growth	-8.9	6.6	1.4.04 Employment - long-term growth	1.38	0.43
3.4.14 Total early-stage Entrepreneurial Activity	2.79	4.83	3.4.13 Entrepreneurial fear of failure	27.64	45.28
2.3.10 Adaptability of government policy	2.68	4.14	1.2.25 Tourism receipts	2.47	1.05
2.3.12 Bureaucracy	1.20	1.77	2.3.08 Exchange rate stability	0.017	0.024
2.1.07 Public finances	2.70	3.84	1.2.18 Export concentration by product	34.9	48.6
2.3.11 Transparency	3.52	4.97	1.2.02 Current account balance	3.62	2.51
2.3.09 Legal and regulatory framework	2.67	3.60	3.2.14 Labor force - long-term growth	-1.49	-1.92
2.5.05 Social cohesion	4.70	5.95	4.1.15 Energy infrastructure	7.96	6.55
2.1.02 Government budget surplus/deficit (%)	-9.50	-7.23	3.2.01 Compensation levels	15.08	16.44
1.2.08 Exports of goods (\$bn)	496.11	610.29	1.5.02 Cost-of-living index	81.90	87.60
2.4.13 Creation of firms	3.80	4.60	1.2.23 Trade to GDP ratio	62.58	58.35
2.4.16 Labor regulations	3.47	4.18	2.4.03 Public sector contracts	5.96	5.56
3.3.10 Stock market capitalization (%)	36.64	43.31	4.1.14 Distribution infrastructure	7.18	6.71

### KEY ATTRACTIVENESS INDICATORS

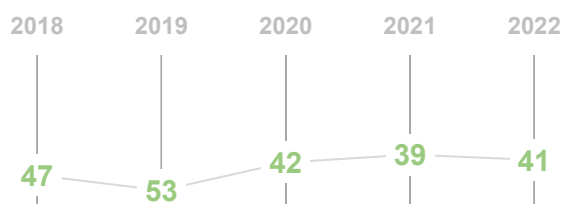
From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



# Italy

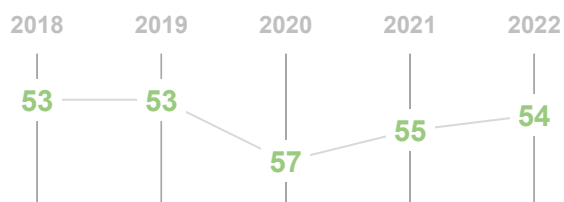
## Competitiveness Trends – Factor Breakdown

### ECONOMIC PERFORMANCE



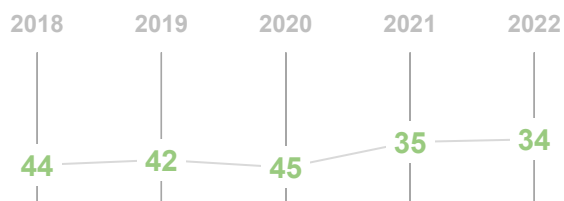
SUB-FACTOR RANKINGS :	2021	2022
Domestic Economy	39	13
International Trade	22	24
International Investment	15	24
Employment	53	57
Prices	52	47

### GOVERNMENT EFFICIENCY



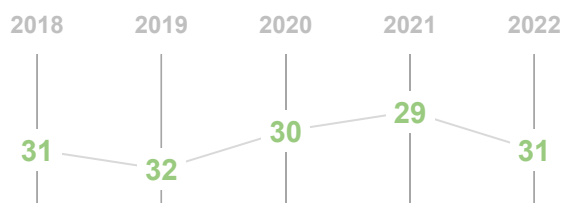
SUB-FACTOR RANKINGS :	2021	2022
Public Finance	62	61
Tax Policy	62	61
Institutional Framework	41	38
Business Legislation	38	39
Societal Framework	41	39

### BUSINESS EFFICIENCY



SUB-FACTOR RANKINGS :	2021	2022
Productivity & Efficiency	24	21
Labor Market	49	47
Finance	34	34
Management Practices	37	40
Attitudes and Values	36	34

### INFRASTRUCTURE



SUB-FACTOR RANKINGS :	2021	2022
Basic Infrastructure	50	53
Technological Infrastructure	35	41
Scientific Infrastructure	21	20
Health and Environment	22	20
Education	33	32

# Italy

## Balance Sheet – Factor Breakdown

### ECONOMIC PERFORMANCE

STRENGTHS		Rank	WEAKNESSES		Rank
1.1.18	Gross fixed capital formation - real growth	05	1.3.05	Direct investment flows inward (\$bn)	61
1.2.08	Exports of goods (\$bn)	08	1.4.09	Youth unemployment	57
1.2.17	Export concentration by partner	11	1.4.02	Employment (%)	57
1.2.24	Terms of trade index	12	1.3.06	Direct investment flows inward (% of GDP)	56
1.5.01	Consumer price inflation	15	1.3.08	Direct investment stocks inward (% of GDP)	55
1.3.03	Direct investment stocks abroad (\$bn)	17	1.4.07	Unemployment rate	54
1.2.12	Exports of commercial services (\$bn)	17	1.4.08	Long-term unemployment	53
1.1.13	Economic complexity index	17	1.3.01	Direct investment flows abroad (\$bn)	50
1.1.15	Real GDP growth per capita	17	1.5.04	Office rent	49
1.3.07	Direct investment stocks inward (\$bn)	18	1.5.06	Gasoline prices	47

### GOVERNMENT EFFICIENCY

STRENGTHS		Rank	WEAKNESSES		Rank
2.4.19	Redundancy costs	01	2.1.08	Tax evasion	63
2.5.02	Homicide	07	2.1.04	Total general government debt (%)	60
2.4.18	Immigration laws	08	2.2.01	Collected total tax revenues	60
2.3.08	Exchange rate stability	09	2.3.12	Bureaucracy	59
2.4.01	Tariff barriers	11	2.2.09	Employer social security tax rate	56
2.3.03	Interest rate spread	13	2.5.15	Disposable Income	56
2.3.07	Foreign currency reserves per capita	21	2.4.13	Creation of firms	55
2.4.02	Protectionism	23	2.3.09	Legal and regulatory framework	55
2.3.02	Cost of capital	24	2.2.02	Collected personal income tax	54
2.3.15	Sustainable Development Goals	25	2.1.02	Government budget surplus/deficit (%)	54

### BUSINESS EFFICIENCY

STRENGTHS		Rank	WEAKNESSES		Rank
3.1.09	Small and medium-size enterprises	14	3.2.12	Labor force (%)	56
3.1.03	Labor productivity (PPP)	17	3.5.06	Digital transformation in companies	55
3.5.04	Flexibility and adaptability	18	3.2.04	Remuneration of management	52
3.1.01	Overall productivity (PPP)	19	3.1.10	Use of digital tools and technologies	52
3.3.01	Banking sector assets	19	3.2.23	International experience	50
3.3.04	Access to financial services	24	3.3.06	Banking and financial services	49
3.5.03	National culture	26	3.4.14	Total early-stage Entrepreneurial Activity	48
3.5.05	Need for economic and social reforms	27	3.2.10	Employee training	48
3.2.18	Skilled labor	28	3.4.11	Women in management	47
3.2.24	Competent senior managers	28	3.4.07	Use of big data and analytics	47

### INFRASTRUCTURE

STRENGTHS		Rank	WEAKNESSES		Rank
4.5.17	University education index	05	4.1.20	Electricity costs for industrial clients	56
4.4.19	Forest area growth	07	4.1.07	Population - growth	55
4.5.04	Pupil-teacher ratio (primary education)	09	4.5.07	Higher education achievement	52
4.4.23	Environment-related technologies	10	4.5.08	Women with degrees	50
4.4.06	Life expectancy at birth	11	4.2.09	Digital/Technological skills	49
4.4.12	Energy intensity	13	4.2.11	Public-private partnerships	49
4.2.01	Investment in Telecommunications	13	4.2.02	Mobile Broadband subscribers	48
4.4.13	Safely treated waste water	15	4.1.09	Dependency ratio	48
4.3.18	Number of patents in force	18	4.2.15	High-tech exports (%)	47
4.5.05	Pupil-teacher ratio (secondary education)	18	4.5.19	Language skills	46

# ITALY

## Extended Country Profile

### 1 - Economic Performance

#### 1.1 - Domestic Economy

	Value	Average	Rank	Year
1.1.00 - Exchange Rate National currency per US\$ (average)	0.845	21,532.090		2021
1.1.01 - Gross Domestic Product (GDP) US\$ billions	2,099.9	1,394.4	8	2021
1.1.02 - GDP (PPP) Estimates ; US\$ billions at purchasing power parity	2,734.4	1,981.9	11	2021
1.1.03 - World GDP contribution Percentage share of world GDP in market prices	2.18	1.44	8	2021
1.1.04 - Household consumption expenditure (\$bn) US\$ billions	1,213.3	735.2	8	2021
1.1.05 - Household consumption expenditure (%) Percentage of GDP	57.8	53.4	22	2021
1.1.06 - Government consumption expenditure (\$bn) US\$ billions	415.7	232.9	7	2021
1.1.07 - Government consumption expenditure (%) Percentage of GDP	19.8	18.3	28	2021
1.1.08 - Gross fixed capital formation (\$bn) US\$ billions	418.1	351.9	10	2021
1.1.09 - Gross fixed capital formation (%) Percentage of GDP	19.9	22.7	45	2021
1.1.10 - Gross domestic savings (\$bn) US\$ billions	470.9	379.1	10	2021
1.1.11 - Gross domestic savings (%) Percentage of GDP	22.4	28.3	44	2021
1.1.12 - Economic sectors Breakdown of the economic sectors, percentage of GDP				2020
Economic sectors / Agriculture	2.2	3.7		2020
Economic sectors / Industry	23.8	29.1		2020
Economic sectors / Services	74.0	67.0		2020
1.1.13 - Economic complexity index Measures knowledge intensity, by considering exports	1.36	0.86	17	2019
1.1.14 - Real GDP growth Percentage change, based on national currency in constant prices	6.6	5.6	20	2021
1.1.15 - Real GDP growth per capita Percentage change, based on national currency in constant prices	7.37	5.35	17	2021
1.1.16 - Household consumption expenditure - real growth Percentage change, based on constant prices	6.47	4.78	22	2021
1.1.17 - Government consumption expenditure - real growth Percentage change, based on constant prices	1.69	4.01	51	2021
1.1.18 - Gross fixed capital formation - real growth Percentage change, based on constant prices	19.01	6.32	5	2021
1.1.19 - Resilience of the economy Resilience of the economy to economic cycles is strong	5.31	5.88	46	2022
1.1.20 - GDP per capita US\$ per capita	35,449	34,279	25	2021
1.1.21 - GDP (PPP) per capita Estimates; US\$ per capita at purchasing power parity	46,162	44,580	27	2021
1.1.22 - Forecast: Real GDP growth Percentage change, based on national currency in constant prices	2.3	3.7	50	2022
1.1.23 - Forecast: Inflation Percentage change	5.3	38.4	33	2022
1.1.24 - Forecast: Unemployment Percentage of total labor force	9.3	6.3	51	2022
1.1.25 - Forecast: Current account balance Percentage of GDP	1.8	1.7	22	2022

## 1.2 · International Trade

Value Average Rank Year

1.2.01 · Current account balance (\$bn) US\$ billions (minus sign = deficit)	52.8	10.4	14	2021
1.2.02 · Current account balance Percentage of GDP	2.51	1.64	23	2021
1.2.03 · Balance of trade (\$bn) US\$ billions (minus sign = deficit)	59.9	-2.5	11	2021
1.2.04 · Balance of trade (%) Percentage of GDP	2.85	0.27	22	2021
1.2.05 · Balance of commercial services (\$bn) US\$ billions (minus sign = deficit)	-11.54	8.39	55	2021
1.2.06 · Balance of commercial services (%) Percentage of GDP	-0.55	1.84	41	2021
1.2.07 · World exports contribution Percentage share of world exports (goods and commercial services)	2.52	1.45	10	2021
1.2.08 · Exports of goods (\$bn) US\$ billions	610.29	321.20	8	2021
1.2.09 · Exports of goods (%) Percentage of GDP	29.06	41.98	38	2021
1.2.10 · Exports of goods per capita US\$ per capita	10,303	15,049	29	2021
1.2.11 · Exports of goods - growth Percentage change, based on US\$ values	22.11	27.30	40	2021
1.2.12 · Exports of commercial services (\$bn) US\$ billions	100.18	88.34	17	2021
1.2.13 · Exports of commercial services (%) Percentage of GDP	4.77	15.10	45	2021
1.2.14 · Exports of commercial services - growth Percentage change, based on US\$ values	17.77	17.14	26	2021
1.2.15 · Exports of goods & commercial services US\$ billions	710.47	408.43	10	2021
1.2.16 · Exports breakdown by economic sector Percentage of total exports				2020
Exports breakdown by economic sector / Agriculture	9.3	11.3		2020
Exports breakdown by economic sector / Industry	76.2	64.4		2020
Exports breakdown by economic sector / Services	14.5	24.3		2020
1.2.17 · Export concentration by partner Exports to top 5 countries, percentage of total exports	44.5	55.0	11	2020
1.2.18 · Export concentration by product Top 5 products, percentage of total exports	48.6	57.6	22	2020
1.2.19 · Imports of goods & commercial services (\$bn) US\$ billions	662.1	402.5	53	2021
1.2.20 · Imports of goods & commercial services (%) Percentage of GDP	31.5	54.7	20	2021
1.2.21 · Imports of goods & commerc. services growth Percentage change, based on US\$ values	27.45	24.33	39	2021
1.2.22 · Imports breakdown by economic sector Percentage of total imports				2020
Imports breakdown by economic sector / Agriculture	10.4	9.0		2020
Imports breakdown by economic sector / Industry	71.7	67.7		2020
Imports breakdown by economic sector / Services	17.8	23.3		2020
1.2.23 · Trade to GDP ratio (Exports + Imports) / GDP	58.35	102.61	45	2020
1.2.24 · Terms of trade index Unit value of exports over unit value of imports	104.8	99.4	12	2020
1.2.25 · Tourism receipts International tourism receipts as a percentage of GDP	1.05	1.54	29	2020

### 1.3 · International Investment

Value Average Rank Year

1.3.01 · Direct investment flows abroad (\$bn) US\$ billions	-0.08	14.96	50	2020
1.3.02 · Direct investment flows abroad (% of GDP) Percentage of GDP	0.00	4.62	49	2020
1.3.03 · Direct investment stocks abroad (\$bn) US\$ billions	596.2	612.1	17	2020
1.3.04 · Direct investment stocks abroad (% of GDP) Percentage of GDP	31.50	109.57	31	2020
1.3.05 · Direct investment flows inward (\$bn) US\$ billions	-22.09	16.61	61	2020
1.3.06 · Direct investment flows inward (% of GDP) Percentage of GDP	-1.17	4.86	56	2020
1.3.07 · Direct investment stocks inward (\$bn) US\$ billions	485.8	613.9	18	2020
1.3.08 · Direct investment stocks inward (% of GDP) Percentage of GDP	25.67	122.21	55	2020
1.3.09 · Balance of direct investment flows (\$bn) US\$ billions (flows abroad minus flows inward)	22.01	-1.64	10	2020
1.3.10 · Balance of direct investment flows (%) Percentage of GDP (flows abroad minus flows inward)	1.16	-0.24	16	2020
1.3.11 · Net position in direct investment stocks (\$bn) US\$ billions (stocks abroad minus stocks inward)	110.3	-1.8	11	2020
1.3.12 · Net position in direct investment stocks (%) Percentage of GDP (stocks abroad minus stocks inward)	5.83	-12.64	21	2020
1.3.13 · Relocation threats of business Relocation of business is not a threat to the future of your economy	4.92	5.36	45	2022
1.3.14 · Portfolio investment assets US\$ billions	104.46	38.51	8	2020
1.3.15 · Portfolio investment liabilities US\$ billions	-16.89	34.92	61	2020

### 1.4 · Employment

Value Average Rank Year

1.4.01 · Employment Total employment in millions	22.55	38.16	15	2021
1.4.02 · Employment (%) Percentage of population	38.07	47.14	57	2021
1.4.03 · Employment - growth Estimates: percentage change	-1.52	1.54	57	2021
1.4.04 · Employment - long-term growth Estimates: five year percentage change	0.43	-0.41	33	2021
1.4.05 · Employment by sector Percentage of total employment				2020
Employment by sector / Agriculture	4.0	7.7		2020
Employment by sector / Industry	26.4	23.5		2020
Employment by sector / Services	69.7	68.8		2020
1.4.06 · Employment in the public sector Percentage of total employment	13.92	17.83	20	2018
1.4.07 · Unemployment rate Percentage of labor force	9.56	8.00	54	2021
1.4.08 · Long-term unemployment Percentage of labor force	5.01	2.81	53	2020
1.4.09 · Youth unemployment Percentage of youth labor force (under the age of 25)	30.92	17.13	57	2021
1.4.10 · Youth exclusion Share of youth population (15-24) not in education, employment or training	18.9	14.6	45	2020



## 1.5 · Prices

Value Average Rank Year

<b>1.5.01 · Consumer price inflation</b>	1.94	29.25	15	2021
Average annual rate				
<b>1.5.02 · Cost-of-living index</b>	87.60	78.37	47	2021
Index of a basket of goods & services in the main city, including housing (New York City = 100)				
<b>1.5.03 · Apartment rent</b>	1,804	1,530	42	2018
3-room apartment monthly rent in major cities, US\$				
<b>1.5.04 · Office rent</b>	792	656	49	2021
Total occupation cost in the main city (US\$/Sq.M. per year)				
<b>1.5.05 · Food costs</b>	15.39	17.58	26	2021
Percentage of household final consumption expenditures				
<b>1.5.06 · Gasoline prices</b>	1.62	1.26	47	2020
Premium unleaded gasoline (95 Ron) US\$ per litre				

# ITALY

## Extended Country Profile

### 2 · Government Efficiency

#### 2.1 · Public Finance

	Value	Average	Rank	Year
2.1.01 · Government budget surplus/deficit (\$bn) US\$ billions	-151.78	-91.93	56	2021
2.1.02 · Government budget surplus/deficit (%) Percentage of GDP	-7.23	-4.00	54	2021
2.1.03 · Total general government debt (\$bn) US\$ billions	3,167.85	1,436.31	58	2021
2.1.04 · Total general government debt (%) Percentage of GDP	150.86	71.59	60	2021
2.1.05 · Total general government debt-real growth Percentage change, based on national currency in constant prices	2.10	8.58	15	2021
2.1.06 · Interest payment (%) Percentage of current revenue	7.33	5.98	45	2021
2.1.07 · Public finances Public finances are being efficiently managed	3.84	4.92	46	2022
2.1.08 · Tax evasion Tax evasion is not a threat to your economy	2.14	5.05	63	2022
2.1.09 · Pension funding Pension funding is adequately addressed for the future	4.37	4.77	37	2022
2.1.10 · General government expenditure Percentage of GDP	55.5	38.2	59	2021

#### 2.2 · Tax Policy

	Value	Average	Rank	Year
2.2.01 · Collected total tax revenues Percentage of GDP	42.77	27.09	60	2020
2.2.02 · Collected personal income tax On profits, income and capital gains, as a percentage of GDP	11.51	6.00	54	2020
2.2.03 · Collected corporate taxes On profits, income and capital gains, as a percentage of GDP	2.09	2.70	16	2020
2.2.04 · Collected indirect tax revenues Taxes on goods and services as a percentage of GDP	11.49	9.41	41	2020
2.2.05 · Collected capital and property taxes Percentage of GDP	2.45	1.47	48	2020
2.2.06 · Collected social security contribution Compulsory contribution of employees and employers as a percentage of GDP	13.49	7.28	49	2020
2.2.07 · Corporate tax rate on profit Maximum tax rate, calculated on profit before tax	24.00	22.34	36	2021
2.2.08 · Consumption tax rate Standard rate of VAT/GST	22.00	16.37	51	2021
2.2.09 · Employer social security tax rate %	30.0	16.0	56	2021
2.2.10 · Employee social security tax rate %	9.5	10.4	30	2021
2.2.11 · Real personal taxes Real personal taxes do not discourage people from working or seeking advancement	3.77	5.12	52	2022

## 2.3 · Institutional Framework

Value Average Rank Year

2.3.01 · Real short-term interest rate Real discount / bank rate	-2.38	-3.07	31	2021
2.3.02 · Cost of capital Cost of capital encourages business development	6.14	5.63	24	2022
2.3.03 · Interest rate spread Lending rate minus deposit rate	1.79	3.49	13	2021
2.3.04 · Country credit rating Index (0-60) of three country credit ratings: Fitch, Moody's and S&P	35.0	43.0	48	2021
2.3.05 · Central bank policy Central bank policy has a positive impact on the economy	6.81	6.31	26	2022
2.3.06 · Foreign currency reserves US\$ billions	227.70	216.77	15	2021
2.3.07 · Foreign currency reserves per capita US\$ per capita	3,844	9,199	21	2021
2.3.08 · Exchange rate stability Parity change from national currency to SDR, 2021 / 2019	0.024	0.072	9	2021
2.3.09 · Legal and regulatory framework The legal and regulatory framework encourages the competitiveness of enterprises	3.60	5.37	55	2022
2.3.10 · Adaptability of government policy Adaptability of government policy to changes in the economy is high	4.14	4.83	44	2022
2.3.11 · Transparency Transparency of government policy is satisfactory	4.97	4.87	29	2022
2.3.12 · Bureaucracy Bureaucracy does not hinder business activity	1.77	3.72	59	2022
2.3.13 · Bribery and corruption Bribery and corruption do not exist	3.17	4.77	45	2022
2.3.14 · Rule of law Rule of Law Index	60.58	72.47	45	2020
2.3.15 · Sustainable Development Goals Country performance on the 17 SDGs	78.8	75.1	25	2021
2.3.16 · Democracy Index EIU Overall Democracy Index, © The Economist Intelligence Unit Limited 2021	7.68	6.97	28	2021

## 2.4 · Business Legislation

Value Average Rank Year

<b>2.4.01 · Tariff barriers</b>	1.48	2.32	11	2020
Tariffs on imports: Applied weighted mean tariff rate for all products				
<b>2.4.02 · Protectionism</b>	6.57	5.74	23	2022
Protectionism of your government does not impair the conduct of your business				
<b>2.4.03 · Public sector contracts</b>	5.56	5.96	40	2022
Public sector contracts are sufficiently open to foreign bidders				
<b>2.4.04 · Foreign investors</b>	7.26	6.82	26	2022
Foreign investors are free to acquire control in domestic companies				
<b>2.4.05 · Capital markets</b>	6.71	6.57	34	2022
Capital markets (foreign and domestic) are easily accessible				
<b>2.4.06 · Investment incentives</b>	5.56	5.93	44	2022
Investment incentives are attractive to foreign investors				
<b>2.4.07 · Government subsidies</b>	2.01	2.02	34	2021
To private and public companies as a percentage of GDP				
<b>2.4.08 · Subsidies</b>	5.31	5.52	40	2022
Subsidies do not distort fair competition and economic development				
<b>2.4.09 · State ownership of enterprises</b>	6.28	6.04	31	2022
State ownership of enterprises is not a threat to business activities				
<b>2.4.10 · Competition legislation</b>	5.98	5.84	33	2022
Competition legislation is efficient in preventing unfair competition				
<b>2.4.11 · Parallel economy</b>	3.63	5.14	48	2022
Parallel (black-market, unrecorded) economy does not impair economic development				
<b>2.4.12 · New business density</b>	3.0	5.8	37	2018
Registered new businesses per 1'000 people aged 15-64				
<b>2.4.13 · Creation of firms</b>	4.60	6.63	55	2022
Creation of firms is supported by legislation				
<b>2.4.14 · Start-up days</b>	11.0	15.1	37	2019
Number of days to start a business				
<b>2.4.15 · Start-up procedures</b>	7.0	6.0	39	2019
Number of procedures to start a business				
<b>2.4.16 · Labor regulations</b>	4.18	5.50	53	2022
Labor regulations (hiring/firing practices, minimum wages, etc.) do not hinder business activities				
<b>2.4.17 · Unemployment legislation</b>	3.72	4.99	52	2022
Unemployment legislation provides an incentive to look for work				
<b>2.4.18 · Immigration laws</b>	6.92	5.83	8	2022
Immigration laws do not prevent your company from employing foreign labor				
<b>2.4.19 · Redundancy costs</b>	0.0	9.4	1	2019
Number of weeks of salary				

## 2.5 · Societal Framework

Value Average Rank Year

<b>2.5.01 · Justice</b> Justice is fairly administered	4.09	5.72	49	2022
<b>2.5.02 · Homicide</b> Intentional homicide, rate per 100'000 population	0.47	4.28	7	2020
<b>2.5.03 · Ageing of population</b> Population over 65, percentage of total population	23.5	14.8	62	2021
<b>2.5.04 · Risk of political instability</b> The risk of political instability is very low	4.12	5.80	46	2022
<b>2.5.05 · Social cohesion</b> Social cohesion is high	5.95	5.68	29	2022
<b>2.5.06 · Gini coefficient</b> Equal distribution of income scale: 0 (absolute equality) to 100 (absolute inequality)	35.20	35.03	40	2018
<b>2.5.07 · Income distribution - lowest 10%</b> Percentage of household incomes going to lowest 10% of households	1.90	2.75		2017
<b>2.5.08 · Income distribution - highest 10%</b> Percentage of household incomes going to highest 10% of households	26.70	26.98		2017
<b>2.5.09 · Income distribution - lowest 40%</b> Percentile going to the lowest 40% of households	18.00	18.99	36	2017
<b>2.5.10 · Income distribution - lowest 40% growth</b> Percentile going to the lowest 40% of households - growth	-1.10	0.34	32	2017
<b>2.5.11 · Equal opportunity</b> Equal opportunity legislation in your economy encourages economic development	5.89	6.17	42	2022
<b>2.5.12 · Females in parliament</b> Percentage of total seats in Parliament	35.71	29.11	20	2021
<b>2.5.13 · Unemployment rate - gender ratio</b> Ratio of the female and male unemployment rates	1.23	1.25	48	2021
<b>2.5.14 · Gender inequality</b> Gender Inequality Index (UNDP)	0.069	0.183	16	2019
<b>2.5.15 · Disposable Income</b> Female / male ratio	54.9	72.2	56	2021
<b>2.5.16 · Freedom of the Press</b> Reporters Without Borders: World Press Freedom Score	22.63	27.85	26	2021

# ITALY

## Extended Country Profile

### 3 · Business Efficiency

#### 3.1 · Productivity & Efficiency

	Value	Average	Rank	Year
<b>3.1.01 · Overall productivity (PPP)</b> Estimates: GDP (PPP) per person employed, US\$	104,400	84,576	19	2021
<b>3.1.02 · Overall productivity (PPP) - real growth</b> Estimates: Percentage change of GDP (PPP) per person employed	5.95	2.84	9	2021
<b>3.1.03 · Labor productivity (PPP)</b> Estimates: GDP (PPP) per person employed per hour, US\$	62.83	48.28	17	2021
<b>3.1.04 · Agricultural productivity (PPP)</b> Estimates: Related GDP (PPP) per person employed in agriculture, US\$	59,523	55,834	24	2020
<b>3.1.05 · Productivity in industry (PPP)</b> Estimates: Related GDP (PPP) per person employed in industry, US\$	97,150	107,180	35	2020
<b>3.1.06 · Productivity in services (PPP)</b> Estimates: Related GDP (PPP) per person employed in services, US\$	114,093	86,235	13	2020
<b>3.1.07 · Workforce productivity</b> Workforce productivity is competitive by international standards	6.02	6.15	35	2022
<b>3.1.08 · Large corporations</b> Large corporations are efficient by international standards	6.51	6.67	40	2022
<b>3.1.09 · Small and medium-size enterprises</b> Small and medium-size enterprises are efficient by international standards	7.26	6.12	14	2022
<b>3.1.10 · Use of digital tools and technologies</b> Companies are very good at using digital tools and technologies to improve performance	5.38	6.29	52	2022

## 3.2 · Labor Market

Value Average Rank Year

3.2.01 · Compensation levels	16.44	15.09	39	2021
Total hourly compensation in manufacturing (wages + supplementary benefits), US\$				
3.2.02 · Unit labor costs for total economy	1.30	1.59	29	2021
Percentage change				
3.2.03 · Remuneration in services professions	32,932	28,619	37	2018
Gross annual income including supplements such as bonuses, US\$				
Remuneration in services professions / Call center agent	18,982	19,099		2018
Remuneration in services professions / Nurse	37,252	30,277		2018
Remuneration in services professions / Primary school	30,069	30,970		2018
Remuneration in services professions / Product Manager	55,511	49,302		2018
Remuneration in services professions / Sales Assistant	27,698	19,165		2018
Remuneration in services professions / Secretary / Personal	28,078	22,903		2018
3.2.04 · Remuneration of management	256,104	169,169	52	2019
Total base salary plus bonuses and long-term incentives, US\$				
Remuneration of management / CEO	488,769	306,535		2019
Remuneration of management / Director manufacturing	216,946	149,356		2019
Remuneration of management / Engineer	115,428	80,327		2019
Remuneration of management / Human resources director	203,274	140,455		2019
3.2.05 · Remuneration spread	18.29	17.99	35	2018
Ratio of CEO to personal assistant remuneration				
3.2.06 · Working hours	1,662	1,843	41	2021
Average number of working hours per year				
3.2.07 · Worker motivation	5.82	5.87	33	2022
Worker motivation in companies is high				
3.2.08 · Industrial disputes	-	12.21		
Working days lost per 1,000 inhabitants per year (average 2018-2020)				
3.2.09 · Apprenticeships	4.99	5.20	37	2022
Apprenticeships are sufficiently implemented				
3.2.10 · Employee training	5.29	6.03	48	2022
Employee training is a high priority in companies				
3.2.11 · Labor force	24.92	40.47	15	2021
Employed and registered unemployed (millions)				
3.2.12 · Labor force (%)	42.07	50.09	56	2021
Percentage of population				
3.2.13 · Labor force growth	-1.16	1.18	54	2021
Percentage change				
3.2.14 · Labor force - long-term growth	-1.92	-0.67	45	2021
Estimates: five year percentage change				
3.2.15 · Part-time employment	17.92	15.19	18	2020
Percentage of total employment				
3.2.16 · Female labor force	42.70	42.68	45	2021
Percentage of total labor force				
3.2.17 · Foreign labor force - migrant stock	15.13	17.76	30	2020
Migrant stock, age 20-64, % of population				
3.2.18 · Skilled labor	5.77	5.21	28	2022
Skilled labor is readily available				
3.2.19 · Finance skills	6.25	6.07	31	2022
Finance skills are readily available				
3.2.20 · Attracting and retaining talents	6.44	6.82	43	2022
Attracting and retaining talents is a priority in companies				
3.2.21 · Brain drain	4.14	4.93	42	2022
Brain drain (well-educated and skilled people) does not hinder competitiveness in your economy				
3.2.22 · Foreign highly-skilled personnel	4.60	5.39	46	2022
Foreign highly-skilled personnel are attracted to your country's business environment				
3.2.23 · International experience	4.83	5.62	50	2022
International experience of senior managers is generally significant				
3.2.24 · Competent senior managers	5.93	5.45	28	2022
Competent senior managers are readily available				

### 3.3 · Finance

Value Average Rank Year

3.3.01 · Banking sector assets Percentage of GDP	170.88	157.54	19	2021
3.3.02 · Financial cards in circulation Number of cards per capita	2.18	3.45	34	2021
3.3.03 · Financial card transactions US\$ per capita	8,935	11,334	31	2021
3.3.04 · Access to financial services Proportion of adults with a bank account or mobile-money-service provider	93.79	82.66	24	2017
3.3.05 · Access to financial services - gender ratio Ratio of the female and male access to a bank account or mobile-money-service provider	0.95	0.96	40	2017
3.3.06 · Banking and financial services Banking and financial services do support business activities efficiently	5.54	6.24	49	2022
3.3.07 · Regulatory compliance (banking laws) Regulatory compliance is sufficiently developed	6.34	6.92	47	2022
3.3.08 · Stock markets Stock markets provide adequate financing to companies	5.84	5.83	33	2022
3.3.09 · Stock market capitalization (\$bn) US\$ billions	909.4	1,470.4	18	2021
3.3.10 · Stock market capitalization (%) Percentage of GDP	43.31	105.47	38	2021
3.3.11 · Value traded on stock markets US\$ per capita	23,027	23,478	14	2020
3.3.12 · Listed domestic companies Number of listed domestic companies	414	718	21	2020
3.3.13 · Stock market index Percentage change on index in national currency	25.00	26.39	30	2021
3.3.14 · Shareholders' rights Shareholders' rights are sufficiently implemented	6.80	6.91	37	2022
3.3.15 · Initial Public Offerings By acquiror nation (average 2019-2021) US\$ millions	1,838.8	4,258.5	21	2021
3.3.16 · Credit Credit is easily available for business	5.89	6.05	41	2022
3.3.17 · Venture capital Venture capital is easily available for business	4.74	5.34	43	2022
3.3.18 · M&A Activity Deals per listed company (average 2018-2020)	2.250	1.193	9	2020
3.3.19 · Corporate debt Corporate debt does not restrain the ability of enterprises to compete	5.56	5.83	35	2022



3.4 · Management Practices	Value	Average	Rank	Year
3.4.01 · Agility of companies Companies are agile	5.79	6.08	38	2022
3.4.02 · Changing market conditions Companies are generally extremely aware of changing market conditions	6.69	6.69	35	2022
3.4.03 · Opportunities and threats Companies are very good at responding quickly to opportunities and threats	6.39	6.29	30	2022
3.4.04 · Credibility of managers Credibility of managers in society is strong	6.16	6.15	33	2022
3.4.05 · Corporate boards Corporate boards do supervise the management of companies effectively	5.68	6.17	44	2022
3.4.06 · Auditing and accounting practices Auditing and accounting practices are adequately implemented in business	6.99	7.25	39	2022
3.4.07 · Use of big data and analytics Companies are very good at using big data and analytics to support decision-making	4.64	5.33	47	2022
3.4.08 · Customer satisfaction Customer satisfaction is emphasized in companies	6.78	6.95	40	2022
3.4.09 · Entrepreneurship Entrepreneurship of managers is widespread in business	6.05	6.07	36	2022
3.4.10 · Social responsibility Social responsibility of business leaders is high	5.82	6.16	40	2022
3.4.11 · Women in management Female share of senior and middle management (% of management)	23.27	31.46	47	2019
3.4.12 · Women on boards Boardmembers of all companies analyzed by MSCI	38.80	24.22	6	2021
3.4.13 · Entrepreneurial fear of failure % indicating that fear of failure would prevent them from setting up a business	45.28	42.81	28	2021
3.4.14 · Total early-stage Entrepreneurial Activity % who are either a nascent entrepreneur or owner-manager of a new business	4.83	12.11	48	2021

3.5 · Attitudes and Values	Value	Average	Rank	Year
3.5.01 · Attitudes toward globalization Attitudes toward globalization are generally positive in your society	6.39	6.47	36	2022
3.5.02 · Image abroad or branding The image abroad of your country encourages business development	6.69	6.44	34	2022
3.5.03 · National culture The national culture is open to foreign ideas	7.13	6.82	26	2022
3.5.04 · Flexibility and adaptability Flexibility and adaptability of people are high when faced with new challenges	7.19	6.63	18	2022
3.5.05 · Need for economic and social reforms The need for economic and social reforms is generally well understood	6.23	5.88	27	2022
3.5.06 · Digital transformation in companies Digital transformation in companies is generally well implemented	4.92	5.95	55	2022
3.5.07 · Value system The value system in your society supports competitiveness	5.79	6.23	41	2022

# ITALY

## Extended Country Profile

### 4 · Infrastructure

#### 4.1 · Basic Infrastructure

Value Average Rank Year

	Value	Average	Rank	Year
4.1.01 · Land area Square kilometers ('000)	302	1,207	30	2021
4.1.02 · Arable area Square meters per capita	1,560	2,704	35	2019
4.1.03 · Water resources Total internal renewable per capita in cubic meters	3,010	18,375	34	2018
4.1.04 · Access to water Access to water is adequately ensured and managed	8.55	7.90	31	2022
4.1.05 · Management of cities Management of cities supports business development	6.25	6.61	39	2022
4.1.06 · Population - market size Estimates in millions	59.24	81.51	15	2021
4.1.07 · Population - growth Percentage change	-0.68	0.30	55	2021
4.1.08 · Dependent Population Percentage of total population	36.3	33.6		2021
Population over 65 years	23.5	14.8		2021
Population under 15 years	12.8	18.7		2021
4.1.09 · Dependency ratio Population under 15 and over 64 years old, divided by active population (15 to 64 years)	56.9	51.2	48	2021
4.1.10 · Roads Density of the network, km roads/square km land area	0.45	1.39	35	2017
4.1.11 · Railroads Density of the network, km per square km	0.057	0.049	16	2020
4.1.12 · Air transportation Number of passengers carried by main companies, thousands	7,801	27,297	36	2020
4.1.13 · Quality of air transportation Quality of air transportation encourages business development	6.67	7.07	43	2022
4.1.14 · Distribution infrastructure The distribution infrastructure of goods and services is generally efficient	6.71	7.12	44	2022
4.1.15 · Energy infrastructure Energy infrastructure is adequate and efficient	6.55	6.81	39	2022
4.1.16 · Total indigenous energy production Millions MTOE	34.41	169.14	28	2019
4.1.17 · Total indigenous energy production (%) Percentage of total requirements in tons of oil equivalent	23.1	106.4	55	2019
4.1.18 · Total final energy consumption Millions MTOE	117.72	122.04	51	2019
4.1.19 · Total final energy consumption per capita MTOE per capita	1.97	2.46	29	2019
4.1.20 · Electricity costs for industrial clients US\$ per kwh	0.185	0.107	56	2019

## 4.2 · Technological Infrastructure

Value Average Rank Year

4.2.01 · Investment in Telecommunications Percentage of GDP	0.55	0.42	13	2021
4.2.02 · Mobile Broadband subscribers 4G & 5G market, % of mobile market	57.2	71.5	48	2020
4.2.03 · Mobile Telephone costs Monthly Blended Average Revenue per User	13.3	15.7	32	2020
4.2.04 · Communications technology Communications technology (voice and data) meets business requirements	7.40	7.67	43	2022
4.2.05 · Secure internet servers publicly-trusted TLS/SSL certificates, Netcraft Secure Server Survey.	20,637	36,109	34	2020
4.2.06 · Internet users Number of internet users per 1000 people	815	839	43	2021
4.2.07 · Broadband subscribers Number of subscriptions per 1000 inhabitants	307	381	43	2020
4.2.08 · Internet bandwidth speed Average speed	63.4	93.5	43	2021
4.2.09 · Digital/Technological skills Digital/Technological skills are readily available	6.02	6.79	49	2022
4.2.10 · Qualified engineers Qualified engineers are available in your labor market	6.97	6.35	21	2022
4.2.11 · Public-private partnerships Public and private sector ventures are supporting technological development	5.52	6.08	49	2022
4.2.12 · Development & application of tech. Development and application of technology are supported by the legal environment	5.98	6.46	44	2022
4.2.13 · Funding for technological development Funding for technological development is readily available	5.95	5.98	39	2022
4.2.14 · High-tech exports (\$) US\$ millions	34,664	47,160	17	2020
4.2.15 · High-tech exports (%) Percentage of manufactured exports	8.89	18.12	47	2020
4.2.16 · ICT service exports Percentage of service exports	7.6	9.7	27	2018
4.2.17 · Cyber security Cyber security is being adequately addressed by corporations	5.66	5.89	40	2022

### 4.3 · Scientific Infrastructure

Value Average Rank Year

4.3.01 · Total expenditure on R&D (\$) US\$ millions	28,971	31,953	8	2020
4.3.02 · Total expenditure on R&D (%) Percentage of GDP	1.53	1.63	27	2020
4.3.03 · Total expenditure on R&D per capita (\$) US\$ per capita	485.8	647.1	26	2020
4.3.04 · Business expenditure on R&D (\$) US\$ millions	17,642	24,238	10	2020
4.3.05 · Business expenditure on R&D (%) Percentage of GDP	0.93	1.11	24	2020
4.3.06 · Total R&D personnel Full-time work equivalent (FTE thousands)	349.8	233.3	8	2020
4.3.07 · Total R&D personnel per capita Full-time work equivalent (FTE) per 1000 people	5.87	5.37	25	2020
4.3.08 · Total R&D personnel in business enterprise Full-time work equivalent (FTE thousands)	220.5	183.3	8	2020
4.3.09 · Total R&D personnel in business per capita Full-time work equivalent (FTE) per 1000 people	3.70	3.31	24	2020
4.3.10 · Researchers in R&D per capita Full-time work equivalent (FTE) per 1000 people	2.7	3.6	33	2020
4.3.11 · Graduates in Sciences % of graduates in ICT, Engineering, Math & Natural Sciences	24.48	24.75	31	2019
4.3.12 · Scientific articles Scientific articles published by origin of author	76,302	39,473	7	2019
4.3.13 · Nobel prizes Awarded in physics, chemistry, physiology or medicine and economics since 1950	6	9	13	2021
4.3.14 · Nobel prizes per capita Awarded in physics, chemistry, physiology or medicine and economics since 1950 per million people	0.10	0.19	20	2021
4.3.15 · Patent applications Number of applications filed by applicant's origin	32,551	52,962	12	2020
4.3.16 · Patent applications per capita Number of applications filed by applicant's origin, per 100,000 inhabitants	54.58	80.01	23	2020
4.3.17 · Patent grants Number of patents granted by applicant's origin (average 2018-2020)	24,330	25,007	10	2020
4.3.18 · Number of patents in force by applicant's origin, per 100,000 inhabitants	663.5	491.7	18	2020
4.3.19 · Medium- and high-tech value added Proportion of total manufacturing value added, expressed as a percentage	43.19	38.63	25	2019
4.3.20 · Scientific research legislation Laws relating to scientific research do encourage innovation	5.53	5.97	41	2022
4.3.21 · Intellectual property rights Intellectual property rights are adequately enforced	7.16	6.59	24	2022
4.3.22 · Knowledge transfer Knowledge transfer is highly developed between companies and universities	5.19	5.52	36	2022

## 4.4 · Health and Environment

Value Average Rank Year

4.4.01 · Total health expenditure Percentage of GDP	8.7	7.5	23	2019
4.4.02 · Total health expenditure per capita US\$ per capita	2,915	2,614	22	2019
4.4.03 · Public expenditure on health (%) Percentage of total health expenditure	73.92	65.44	21	2019
4.4.04 · Health infrastructure Health infrastructure meets the needs of society	7.22	5.97	22	2022
4.4.05 · Universal health coverage index Coverage index for essential health services (0-100)	83	78	21	2019
4.4.06 · Life expectancy at birth Average estimate	82.3	78.4	11	2020
4.4.07 · Healthy life expectancy Average estimate	71.5	68.3	12	2021
4.4.08 · Infant mortality Under five mortality rate per 1000 live births	2.9	7.9	12	2020
4.4.09 · Medical assistance Number of inhabitants per physician and per nurse			19	2021
Medical assistance / Per nurse	172.50	302.83		2021
Medical assistance / Per physician	242.49	533.91		2021
4.4.10 · Urban population Percentage of total population	71	77		2021
4.4.11 · Human development index Combines economic - social - educational indicators/ Source: Human Development Report	0.892	0.862	28	2019
4.4.12 · Energy intensity Total energy consumed for each 1000 US\$ of GDP in MTOE	57	102	13	2018
4.4.13 · Safely treated waste water Percentage of waste water	94.7	76.7	15	2020
4.4.14 · Water use efficiency US\$ per cubic meter	49.61	97.67	31	2019
4.4.15 · CO2 emissions Metric tons of carbon dioxide from fuel combustion	280.4	420.2	48	2020
4.4.16 · CO2 emissions intensity CO2 emissions from fuel combustion in metric tons per one million US\$ of GDP	148.1	354.2	16	2020
4.4.17 · Exposure to particle pollution Mean population exposure to PM2.5, Micrograms per cubic metre	15.85	20.45	30	2019
4.4.18 · Renewable energies (%) Share of renewables in total energy requirements, %	18.1	16.8	24	2019
4.4.19 · Forest area growth Five year percentage change of hectares	2.9	0.4	7	2020
4.4.20 · Total biocapacity Global hectares per capita of biologically productive space	0.82	3.26	47	2018
4.4.21 · Ecological footprint Global hectares per person	4.3	5.0	25	2018
4.4.22 · Ecological balance (reserve/deficit) Total biocapacity minus total footprint in global hectares per capita	-3.49	-1.73	47	2018
4.4.23 · Environment-related technologies Development of environment-related technologies, % inventions worldwide	1.53	1.60	10	2019
4.4.24 · Environmental agreements Multilateral agreements on hazardous waste, proportion fulfilled	87.50	83.34	29	2015
4.4.25 · Sustainable development Sustainable development is a priority in companies	6.19	6.21	32	2022
4.4.26 · Pollution problems Pollution problems do not seriously affect your economy	5.29	5.71	41	2022
4.4.27 · Environmental laws Environmental laws and compliance do not hinder the competitiveness of businesses	5.93	6.17	39	2022
4.4.28 · Quality of life Quality of life is high	7.89	6.76	24	2022

## 4.5 · Education

Value Average Rank Year

4.5.01 · Total public expenditure on education Percentage of GDP	4.3	5.0	46	2020
4.5.02 · Total public expenditure on education per capita US\$ per capita	1,352	1,562	29	2020
4.5.03 · Total public exp. on education per student Spending per enrolled pupil/student, all levels	7,222	6,944	25	2019
4.5.04 · Pupil-teacher ratio (primary education) Ratio of students to teaching staff	11.44	15.95	9	2019
4.5.05 · Pupil-teacher ratio (secondary education) Ratio of students to teaching staff	10.53	13.74	18	2019
4.5.06 · Secondary school enrollment Percentage of relevant age group receiving full-time education	95.9	92.7	28	2019
4.5.07 · Higher education achievement Percentage of population that has attained at least tertiary education for persons 25-34	28.9	44.2	52	2020
4.5.08 · Women with degrees Share of women who have a degree in the population 25-65	23.0	39.7	50	2020
4.5.09 · Student mobility inbound Foreign tertiary-level students per 1000 inhabitants	1.78	4.01	42	2018
4.5.10 · Student mobility outbound National tertiary-level students studying abroad per 1000 inhabitants	1.30	2.62	38	2019
4.5.11 · Educational assessment - PISA PISA survey of 15-year olds	477	471	33	2018
Educational assessment - PISA / Mathematics	487	472		2018
Educational assessment - PISA / Reading	476	468		2018
Educational assessment - PISA / Sciences	468	472		2018
4.5.12 · Students who are not low achievers - PISA % of students who are not low achievers in maths, sciences and reading	64.4	58.5	32	2018
4.5.13 · English proficiency - TOEFL TOEFL scores	93	92	27	2020
4.5.14 · Primary and secondary education Primary and secondary education meets the needs of a competitive economy	6.97	6.10	20	2022
4.5.15 · University education University education meets the needs of a competitive economy	7.03	6.40	26	2022
4.5.16 · Management education Management education meets the needs of the business community	6.57	6.34	31	2022
4.5.17 · University education index Country score calculated from Times Higher Education university ranking	38.10	14.07	5	2021
4.5.18 · Illiteracy Adult (over 15 years) illiteracy rate as a percentage of population	1.0	2.4	1	2020
4.5.19 · Language skills Language skills are meeting the needs of enterprises	5.40	6.41	46	2022

## About the International Institute for Management Development (IMD)

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