

## Report Overview

This is an overview of the economy of Italy as of November 2020. This report will summarize the economic state of Italy and changes resulting from the COVID-19 pandemic.

## Fast Facts/Statistics<sup>1</sup>

- Population: 60,244,639
- GDP (PPP): \$2.7 trillion
- GDP per capita: \$44,161 (2019)
- GDP growth rate: -10.6%
- Projected GDP growth rate: 5.2% (2021)
- Inflation (CPI): 0.1%



## Italy Overview and Economic Summary

Italy is a parliamentary republic and a member of the European Union. Its national language is Italian and national currency is the euro. Italy has a strong international presence, and has the 3rd largest economy in the European Union after Germany and France. Italy's economy comprises a developed industrial north, dominated by private companies, and a less-developed, highly subsidized, agricultural south, with a legacy of unemployment and underdevelopment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium-sized enterprises, many of them family-owned.<sup>2</sup> Italy is one of the world's leaders in trades and exports, and has the world's 8th highest quality of life. The largest companies are Eni, Enel, Assicurazioni Generali, Intesa Sanpaolo, Poste italiane, and UniCredit.<sup>3</sup>

## COVID-19 Impact

The Italian economy has taken a substantial hit from COVID-19, with a sharp decline in GDP and rise in unemployment. In the second quarter of 2020, GDP contracted by about 17% and industrial production almost halved. However, the economy is expected to grow slowly again, with restaurants and stores having reopened. Since June 3, Italy has also welcomed tourists from the EU, Schengen and the UK. The parts of the labor market hit hardest were self-employed people and people on a temporary contract, the latter of which fell by 19% compared to May of 2019. However, there is low risk of a banking crisis. As of June 2020, Italian citizens seem to have been dissatisfied with the government's handling of the pandemic, with more negative survey responses compared to the rest of the EU.<sup>4</sup>

Ordinances governing travel, schools, and public gatherings can be found [here](#). Travelling rules vary depending on the country of origin or destination and the reasons for travelling, but travel between regions of Italy is permitted.

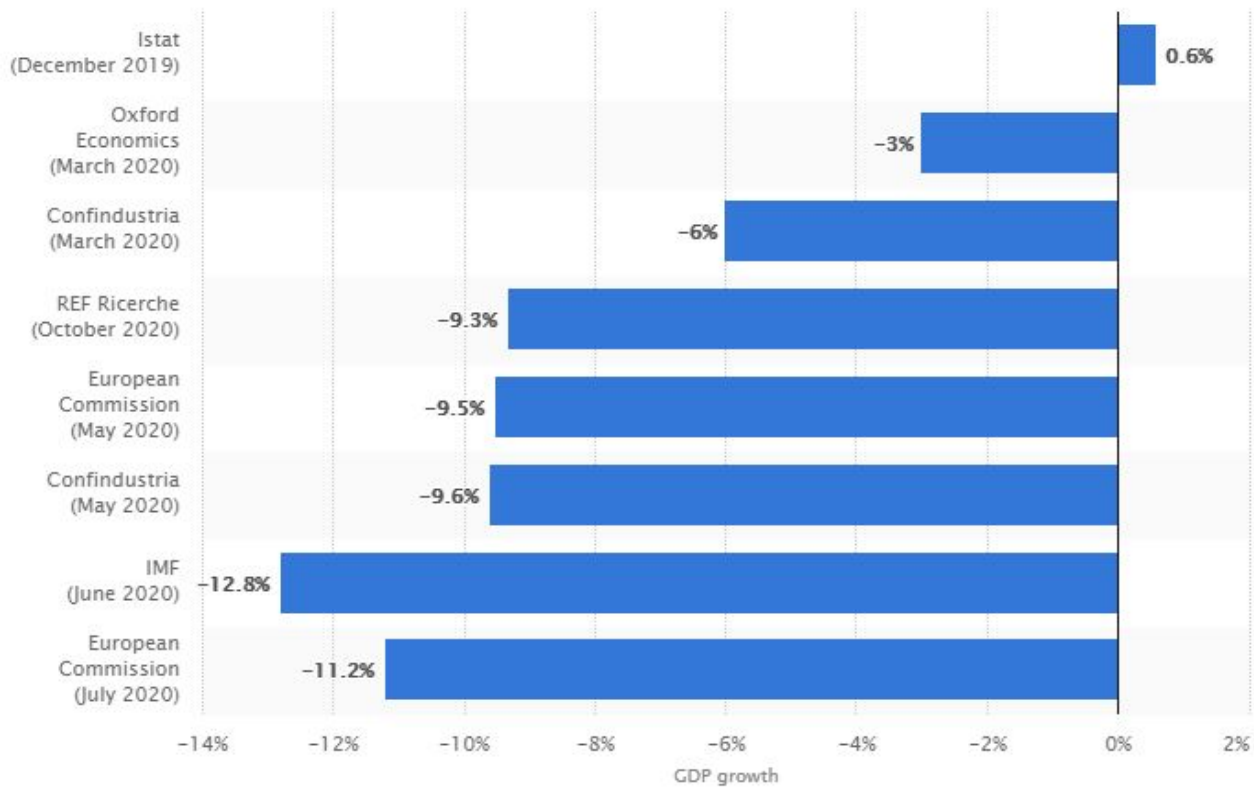
<sup>1</sup> <https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tps00001&plugin=1>  
[https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/weorept.aspx?pr.x=46&pr.y=16&sy=2017&ey=2021&scsm=1&ssd=1&sort=country&ds=.&br=1&c=132&s=NGDP\\_RPCH%2CPPPGDP%2CPCPIPCH&grp=0&a=](https://www.imf.org/external/pubs/ft/weo/2020/01/weodata/weorept.aspx?pr.x=46&pr.y=16&sy=2017&ey=2021&scsm=1&ssd=1&sort=country&ds=.&br=1&c=132&s=NGDP_RPCH%2CPPPGDP%2CPCPIPCH&grp=0&a=)

<sup>2</sup> <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/it.html>

<sup>3</sup> [https://en.wikipedia.org/wiki/Economy\\_of\\_Italy](https://en.wikipedia.org/wiki/Economy_of_Italy)

<sup>4</sup> <https://economics.rabobank.com/publications/2020/july/covid-19-devastating-impact-on-italy-economy/>

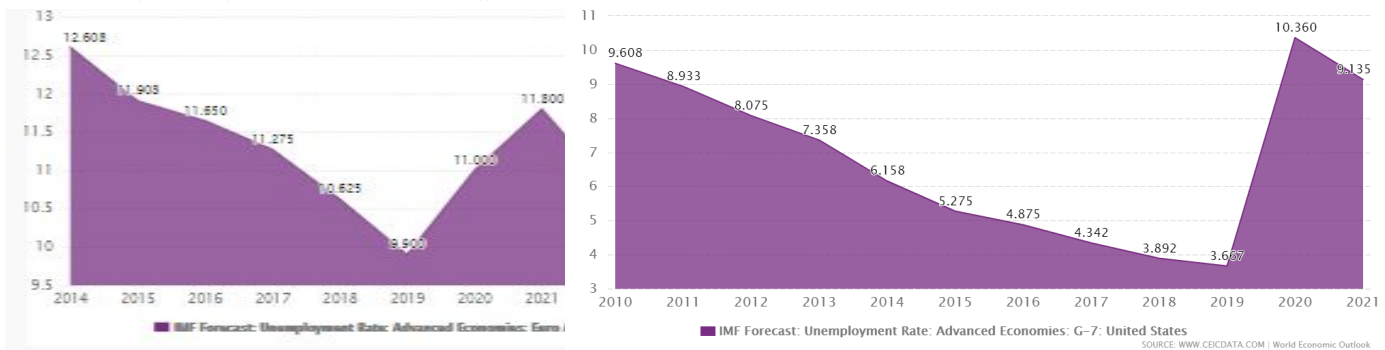
**COVID-19 Impact and 2020 Economic Data**



Details: Italy; Statista; Various sources; 2019 and 2020

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*GDP growth forecast for 2020 according to different sources in Italy<sup>5</sup>*



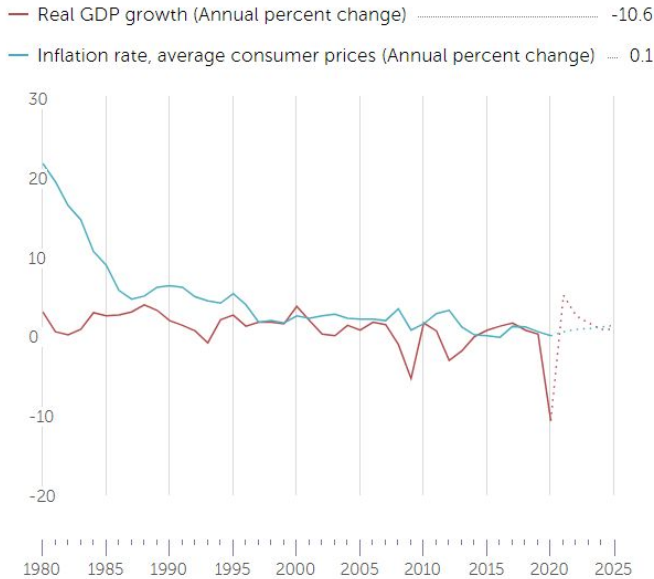
*Side-by-side comparison of Italy's (left) unemployment rate with the USA (right), including projections to 2021.<sup>6</sup>*

<sup>5</sup> <https://www.statista.com/statistics/1110978/gdp-growth-forecast-according-to-different-sources-in-italy/>

<sup>6</sup> <https://www.ceicdata.com/en/indicator/italy/forecast-unemployment-rate>

SELECT AN INDICATOR

IMF DataMapper, October 2020



Annex Table 1. General Government Fiscal Balance and Gross Debt, 2018-21: Overall Balance and Gross Debt (Percent of GDP)

	Overall Fiscal Balance					Gross Debt						
	Current		Difference from April WEO			Current		Difference from April WEO				
	2018	2019	2020	2021	2020	2021	2018	2019	2020	2021		
<b>World</b>	-3.1	-3.9	-13.9	-8.2	-4.0	-2.0	81.2	82.8	101.5	103.2	5.1	6.6
<b>Group of Twenty (G20)</b>	-3.7	-4.5	-15.4	-9.1	-4.6	-2.2	88.6	90.4	111.2	113.3	5.7	7.5
<b>Advanced Economies</b>	-2.7	-3.3	-16.6	-8.3	-4.0	-2.8	104.0	105.2	131.2	132.3	8.8	10.4
<b>Advanced G20</b>	-3.3	-4.0	-18.0	-8.1	-4.5	-3.0	111.6	113.2	141.4	142.9	8.6	11.5
United States <sup>1</sup>	-5.8	-6.3	-23.8	-12.4	-8.4	-3.7	106.9	108.7	141.4	146.1	10.4	14.2
Euro Area	-0.5	-0.6	-11.7	-5.3	-4.2	-1.7	85.8	84.1	105.1	103.0	7.7	7.4
Germany	1.9	1.5	-10.7	-3.1	-5.2	-1.9	61.9	59.8	77.2	75.0	8.6	9.3
France	-2.3	-3.0	-13.6	-7.1	-4.5	-0.8	98.1	96.1	125.7	123.8	10.2	7.4
Italy	-2.2	-1.6	-12.7	-7.0	-4.4	-3.5	134.8	134.8	166.1	161.9	10.6	11.4
Spain <sup>2</sup>	-2.5	-2.8	-13.9	-8.3	-4.4	-1.6	97.6	95.5	123.8	124.1	10.4	9.5
Japan	-2.5	-3.3	-14.7	-6.1	-7.6	-4.1	236.6	238.0	268.0	265.4	16.0	17.8
United Kingdom	-2.2	-2.1	-12.7	-6.7	-4.4	-1.3	85.7	85.4	101.6	100.5	5.9	4.7
Canada <sup>3</sup>	-0.4	-0.3	-12.6	-6.8	-0.8	-1.9	89.7	89.6	105.3	105.8	-0.3	0.3
Australia	-1.2	-3.9	-8.6	-8.4	1.1	-1.0	41.5	45.0	56.8	64.3	-2.5	0.3
Korea	2.6	0.4	-3.6	-2.4	-1.7	-0.8	40.0	41.9	49.5	53.4	3.2	4.3
<b>Emerging Market Economies</b>	-3.8	-4.9	-19.6	-8.5	-1.5	-1.9	48.9	52.4	63.1	66.7	1.1	2.1
Excluding MENAP Oil Producers	-4.0	-5.0	-19.6	-8.5	-1.6	-1.1	50.4	53.9	64.4	68.1	0.9	2.0
<b>Emerging G20</b>	-4.3	-5.4	-11.3	-9.1	-1.6	-1.0	49.4	53.0	64.1	68.3	0.8	1.8
Asia	-4.5	-6.0	-11.4	-9.8	-1.5	-1.3	49.3	53.5	64.9	70.3	0.8	2.3
China	-4.7	-6.3	-12.1	-10.7	-0.9	-1.1	47.0	52.0	64.1	70.7	-0.8	0.6
India	-6.3	-7.9	-12.1	-9.4	-4.6	-2.1	69.6	72.2	84.0	85.7	9.6	11.9
Indonesia	-1.8	-2.2	-6.3	-5.0	-1.3	-1.0	30.1	30.5	37.7	40.3	0.8	2.8
Europe	0.4	-0.6	-6.9	-4.8	-0.7	-0.6	29.3	29.0	36.4	37.1	0.0	0.8
Russia	2.9	1.9	-5.5	-3.9	-0.6	-0.9	13.5	13.9	18.5	18.8	0.6	1.7
Turkey	-3.7	-5.3	-8.4	-7.5	-0.9	-0.8	30.4	33.0	40.4	42.2	1.1	1.5
Latin America	-5.2	-4.0	-10.3	-4.8	-3.6	-0.9	66.6	70.6	81.5	79.7	3.6	3.6
Brazil <sup>4</sup>	-7.2	-4.0	-16.0	-5.9	-6.6	-0.2	87.1	89.5	102.3	100.6	4.1	2.4
Mexico	-2.2	-2.3	-6.0	-4.0	-1.8	-1.8	53.6	53.7	65.9	66.3	4.6	7.3
MENAP	-2.9	-3.9	-9.8	-7.8	0.0	-0.1	40.1	44.7	55.2	56.4	4.0	3.6
Saudi Arabia	-5.9	-4.5	-11.4	-6.6	1.2	3.4	19.0	22.8	35.2	36.8	1.1	-1.9
South Africa	-4.1	-6.3	-14.8	-11.0	-1.5	-1.6	56.7	62.2	79.9	84.6	2.5	-1.0
<b>Low-Income Developing Countries</b>	-3.8	-4.1	-6.1	-5.1	-0.4	-0.2	42.9	43.1	48.2	49.0	0.8	1.3
Nigeria	-4.3	-5.0	-7.3	-5.7	-0.9	0.2	27.7	29.1	36.5	36.8	1.2	-0.1
<b>Oil Producers</b>	-0.6	-1.0	-8.4	-5.5	-0.8	-1.0	42.7	45.1	56.1	56.6	1.5	2.2
<b>Memorandum</b>												
World Output (percent)	3.6	2.9	-4.9	-3.4	-1.9	-0.3						

Source: IMF staff estimates and projections.  
 Note: All country averages are weighted by nominal GDP converted to US dollars (adjusted by purchasing power parity only for world output) at average market exchange rates in the years indicated and based on data availability. Projections are based on IMF staff assessments of current policies. In many countries, 2020 data are still preliminary. For country-specific details, see "Data and Conventions" and Tables A, B, C, and D in the April 2020 Fiscal Monitor Methodological and Statistical Appendix. MENAP = Middle East, North Africa, and Pakistan; WEO = World Economic Outlook.  
<sup>1</sup> For cross-country comparability, expenditure and fiscal balances of the United States are adjusted to exclude the imputed interest on unfunded pension liabilities and the imputed compensation of employees, which are counted as expenditures under the 2008 System of National Accounts (2008 SNA) adopted by the United States but not in countries that have not yet adopted the 2008 SNA. Data for the United States in this table may thus differ from data published by the US Bureau of Economic Analysis.  
<sup>2</sup> Including financial sector support.  
<sup>3</sup> For cross-country comparability, gross debt levels reported by national statistical agencies for countries that have adopted the 2008 System of National Accounts (Australia, Canada, Hong Kong SAR, United States) are adjusted to exclude unfunded pension liabilities of government employees' defined-benefit pension plans.  
<sup>4</sup> Gross debt refers to the nonfinancial public sector, excluding Eletrobras and Petrobras, and includes sovereign debt held by the central bank.

(Left) Real GDP experienced a -10.6% decline; however, it is projected to experience a growth of 5.2% in 2021. (IMF)<sup>7</sup>  
 (Right) Government debt (in terms of budget deficit) increased from 1.6% of the GDP in 2019 to 12.7% in 2020.<sup>8</sup>

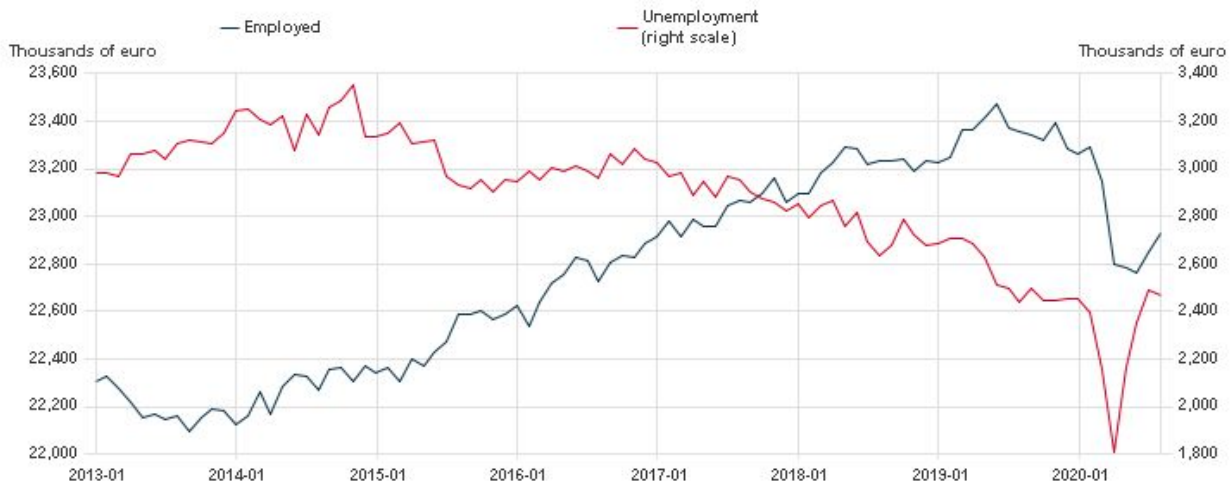
The GDP recorded for the second quarter of 2020 was \$410,947 million (7th highest in the world) and GDP per capita was \$6,193 (22nd highest in the world).<sup>9</sup>

Both the business climate and employment climate have begun to recover in May; however, uncertainty remains for the next upcoming months.

<sup>7</sup> <https://www.imf.org/en/Countries/ita>

<sup>8</sup> <https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>

<sup>9</sup> <https://countryeconomy.com/gdp/italy>



<b>Next update</b>	2020/10/30		
<b>Last month available</b>	2020 Aug.		
<b>Series</b>	<b>Percentage change compared with the previous period</b>	<b>Percentage change compared with the previous quarter</b>	<b>Percentage change compared with the same month of the previous year</b>
Employed	0.4	-0.2	-1.8
Unemployment	-0.9	20.6	1.2

*Employment dropped drastically in 2020 but is expected to slowly rise again (Istat)*

**Business confidence indicator (IESI) - seasonally adjusted indices 2010=100**



<b>Next update</b>	2020/10/29	
<b>Last month available</b>	2020 Sep.	
<b>Series</b>	<b>Month</b>	<b>Previous month</b>
IESI - Composite business confidence indicator	91.1	81.4
Manufacturing	92.1	87.1

*Business confidence (measured as IESI) is forecasted to rise back nearly to its original level before the pandemic (Istat)<sup>10</sup>*

<sup>10</sup> <https://www.istat.it/en/economic-trends>

### **Major Industries and Trends**

Italy is a large manufacturer and exporter of a significant variety of products including machinery, vehicles, pharmaceuticals, furniture, food, clothing, and robots. The country is also well known for its influential and innovative business economic sector, an industrious and competitive agricultural sector (Italy is the world's largest wine producer), and manufacturers of creatively designed, high-quality products including automobiles, ships, home appliances, and designer clothing. Italy is the largest hub for luxury goods in Europe and the third luxury hub globally.<sup>11</sup>

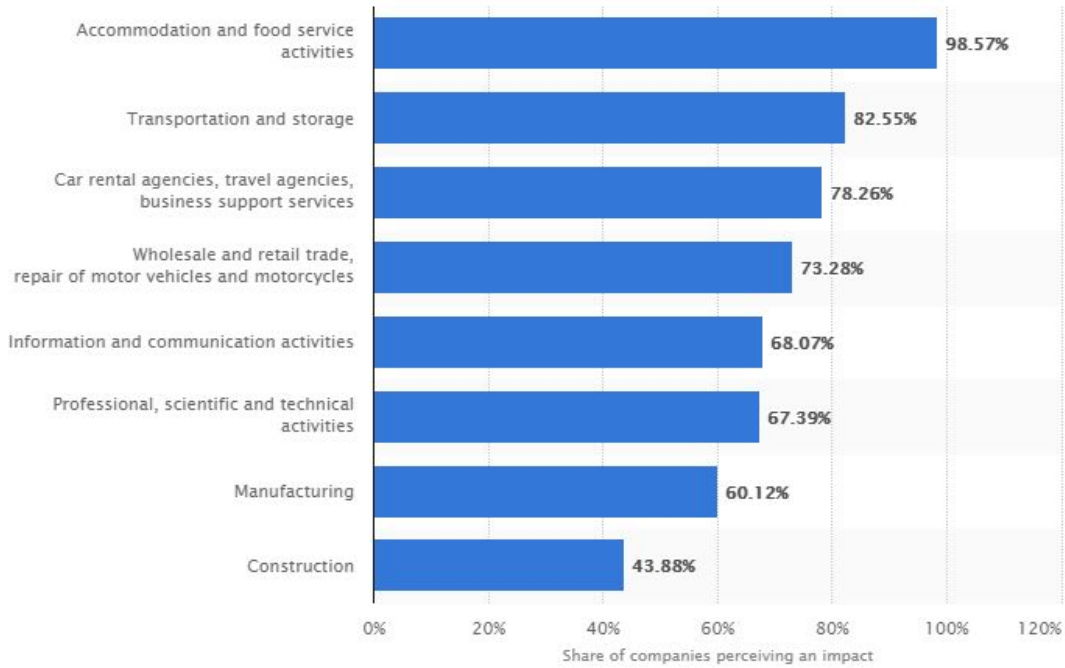
Much of Italian industry is comprised of small and medium-sized family businesses, with the majority of Italian industrial companies having less than 50 employees. Italy is the largest global exporter of luxury goods (clothing, cars, etc.). Other major Italian industries include precision machinery, motor vehicles, chemical products, pharmaceuticals, electrical items, fashion and clothing. The country has suffered from deindustrialisation (especially during the global financial crisis), but it remains Europe's second largest manufacturing power and the seventh largest worldwide.

The service sector constitutes two-thirds of Italian GDP (66.3%) and employs 71% of the country's workforce. Tourism - one of the fastest growing and most profitable industries in Italy - comprises the largest part of the service sector (Italy is the fifth most visited country internationally and the third most visited Europe): according to the national statistical agency ISTAT, tourism and its related activities generate 6% of the economy's added value. The business-related services also play an important role in the country's economy. It is estimated that more than half of Italy's 5 million companies are active in the tertiary sector.<sup>12</sup>

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<sup>11</sup> [https://en.wikipedia.org/wiki/Economy\\_of\\_Italy](https://en.wikipedia.org/wiki/Economy_of_Italy)

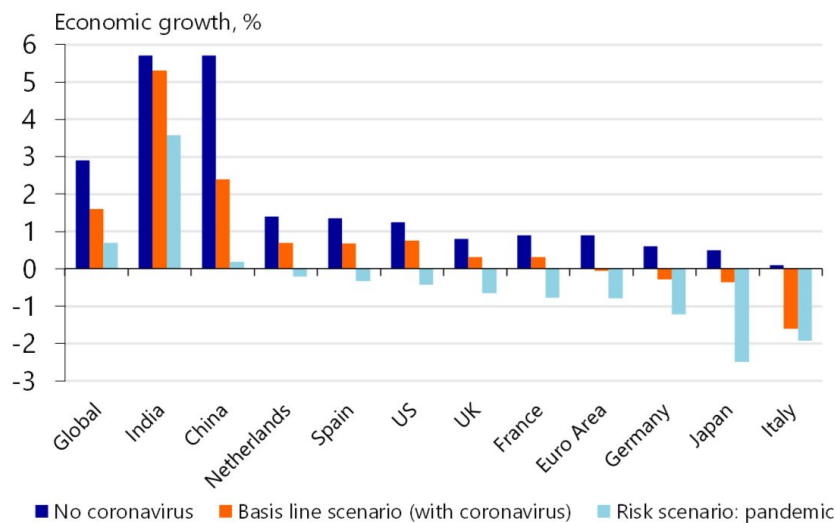
<sup>12</sup> <https://import-export.societegenerale.fr/en/country/italy/market-sectors#:~:text=Italy%20is%20the%20largest%20global,electrical%20items%2C%20fashion%20and%20clothing.>



Details: Italy; March 2020; 3,171 respondents; companies; Questionnaire

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Perceived impact of coronavirus (COVID-19) among Italian companies in March 2020, by macro sector<sup>13</sup>



Comparison of Italy's economic growth to other countries as of March 2020<sup>14</sup>

<sup>13</sup><https://www.statista.com/statistics/1103017/perceived-impact-of-coronavirus-covid-19-among-italian-companies-by-sector/>

<sup>14</sup><https://economics.rabobank.com/publications/2020/march/coronavirus-economic-impact-covid-19-on-india/>

## Major Cities

Major cities and their populations

- Rome (2,856,133)
- Milan (1,378,869)
- Naples (959,188)
- Turin (875,698)
- Palermo (663,401)
- Genoa (578,000)
- Bologna (390,636)
- Florence (378,839)

### Rome

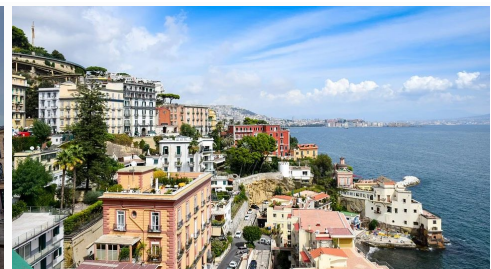
The capital of Italy, Rome is located in central Italy and is the third most populous city in the European Union. With an extensive history being a major human settlement for almost three millennia, Rome is a center of culture and art as well as a popular tourist destination. It is the political and religious center of Italy (lagging behind Milan and Turin economically). Internationally, Rome is also known to seat several agencies of the United Nations, as well as international businesses and banks. The presence of renowned international brands in the city have made Rome an important centre of fashion and design, and the Cinecittà Studios have been the set of many Academy Award–winning movies.

### Milan

Milan is the capital of the Lombardy region in north Italy, and is known as the industrial hub of Italy due to its manufacturing and commercial prosperity. Today, it is the richest city in Italy and one of the richest in all Europe; it is also one of the four fashion capitals of the world. Milan is considered a leading alpha global city, with strengths in the fields of art, commerce, design, education, entertainment, fashion, finance, healthcare, media, services, research, and tourism. Its business district hosts [Italy's stock exchange \(Italian: Borsa Italiana\)](#), and the headquarters of national and international banks and companies.

### Naples

Naples, the capital of the Campania region south of Rome, is one of the oldest urban areas in the world. It has experienced significant economic growth since the late 20th century through its business district and transportation network. Naples is known for its culturally and historically significant sites as well as natural beauty.



(Left to right:) Rome, Milan, Naples



Northeastern University

**Employer Engagement  
and Career Design**



## Internships and Co-ops

Desirable employers in Italy according to Randstad criteria:<sup>15</sup>

According to a survey of nearly 6,000 people in Italy between 18 and 65, carried out by human resources consultants Randstad, Italians' top priority is work-life balance. Fifty-five percent of respondents said it was one of the main things they looked for in an employer, followed by a good working environment with 51 percent and pay and benefits with 48 percent.

Among the least important factors were reputation, corporate social responsibility, and use of the latest technologies.

There appears to be a mismatch between what employers offer and what employees value, according to Randstad's analysis, which identified Italian employers' strong points as financial stability, a strong reputation and modern technologies rather than the lifestyle benefits that workers seek.

- Lamborghini (best overall)
- Florim (best for work-life balance)
- Coca-Cola (financial stability)
- Maserati (most interesting work)
- Ikea (socially responsible)
- Brembo (cutting-edge technology)

Top 10 start-ups to work for in France - LinkedIn<sup>16</sup> (see footnote for links to start-up websites)

1. BrumBrum
2. Casavo
3. BOOM imagestudio
4. Freeda Media
5. ProntoPro
6. Sweetguest
7. TeiaCare
8. xFarm
9. Yolo Insurance
10. Abiby

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<sup>15</sup> <https://www.thelocal.it/20180420/best-companies-to-work-for-in-italy-according-to-italians>

<sup>16</sup> <https://www.eu-startups.com/2020/01/10-promising-italy-based-startups-to-watch-out-for-in-2020/>

## Resources for NU Students

### GoinGlobal

GoinGlobal helps new and experienced job seekers find opportunities both at home and abroad. As the market leader in online career and employment resources for more than 16 years, our website has helped millions of new and experienced professionals expand their horizons.

We are committed to providing “grassroots employment intelligence” through our team of local career experts. These globally-minded individuals are in place around the world, personally monitoring and updating the career information and resources that we deliver to you.

GoinGlobal’s Internship database features millions of opportunities around the globe—all updated daily. Our proprietary search engine has the unique ability to identify internships that have been posted in the local language, as well as in English. Each internship opportunity lists the position title and description, company name, location and date of posting.

GoinGlobal makes it easy to search for internship positions in the nonprofit and international development fields, as well as opportunities with public and private organizations of every size and focus.

Link: <http://www.goinglobal.com/>

### GlobeSmart

With over 25 years of experience, Aperian Global provides organizations with scalable, blended solutions that enable them to conduct business effectively across boundaries. Our consulting, training, and online learning tools help employees at all levels to engage global and local counterparts in a fully inclusive way, bringing out their best ideas while serving as a catalyst for innovative new solutions.

Prepare for trips or relocation abroad with guidance on over 50 cultural business topics, including travel, attitudes towards women, safety, manners and etiquette, and more.

Link: <https://www.globesmart.com/>