



Sweden
Sverige



BUSINESS CLIMATE SURVEY FOR SWEDISH COMPANIES IN ITALY 2025

A REPORT FROM TEAM SWEDEN IN ITALY

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FOREWORD

As the world's eighth-largest economy and the EU's second-largest industrial producer, Italy presents diverse business opportunities for Swedish companies across multiple sectors. Italy offers a well-developed network of service providers, distributors, and suppliers, an advantage particularly valuable for Swedish companies setting up operations in the country. Its strategic location also offers access to key markets in Southern Europe, North Africa, and the Middle East, making it an ideal hub for regional operations. Italy is also the largest beneficiary of the NextGenerationEU funds, the most extensive stimulus package in EU history, receiving EUR 194 billion. These funds aim to drive the country's green and digital transitions, enhance social and economic resilience, and continue to support projects through June 2026.

Despite the positive boost from post-Covid-19 NextGenerationEU funds, the Italian economy has continued to face global headwinds over the past year, marked by uncertainty. Real GDP growth reached 0.5 per cent in 2024, falling short of the 0.6 per cent forecast by Oxford Economics, and is expected to slow further to around 0.4 per cent in 2025. While inflation has stabilised following the easing of energy prices, it is projected to rise slightly to 2.0 per cent in 2025, mainly due to rising labour costs passing through to consumers.

Team Sweden in Italy, consisting of the Embassy in Rome, Business Sweden, and the Swedish Chamber of Commerce in Milan, has conducted a business climate survey among Swedish companies currently operating in Italy. The survey was carried out during Q1 2025. The purpose of this report is to enhance understanding of Swedish companies' performance in Italy, as well as the opportunities and challenges presented by the Italian market. Furthermore, it aims to serve as a reference point in bilateral trade dialogues between Sweden and Italy.

The 2025 Business Climate Survey for Italy shows that, despite ongoing macroeconomic challenges, most Swedish companies operating in the market view the current business climate as neutral. Nevertheless, they maintain a positive outlook, with 59 per cent of the responding companies expecting to increase their turnover, compared to 39 per cent in the previous year. The focus on sustainability, which could be seen in last year's survey, has slightly lost its momentum, with the share of respondents believing that the environment significantly influences their customers' purchasing decisions falling from 81 to 75. The continuous investments from the National Recovery and Resilience Plan (NRRP) present ample business opportunities for Swedish companies, both those already established in the market and those considering entry, to provide much-needed innovation through sustainable, green, and high-tech solutions. As the June 2026 deadline approaches, these investments are expected to accelerate to ensure timely implementation.

Finally, we would like to express our sincere gratitude to the participating companies and respondents who have contributed to this report.



Pelle Jacobson
Trade Commissioner



Robert Naredi
Senior Consultant



Nicole Buzzetti
Associate

49 respondents in Italy

Current business climate

Most Swedish companies in Italy view the business climate as positive or neutral.

Industry turnover

59%

of Swedish companies expect their industry turnover to increase

Future investments

33%

of Swedish companies plan to increase their investments in the next 12 months

Globally valued success factors

Sales competence
Brand awareness
Collaboration/feedback from clients

Brand Sweden

87%

of Swedish companies abroad consider Brand Sweden beneficial for business

Local conditions with high satisfaction

1. Access to suppliers, distributors and service providers
2. Personal safety
3. Access to specialists

Local conditions with least satisfaction

1. Corporate taxation
2. Licences
3. Labour Market

Environmental considerations

75%

of respondents believe environmental considerations are a factor in their customers' purchasing decisions

Corruption

No reports of corruption by Swedish companies in Italy

Human rights violations and labour rights abuse

No reports of human rights violations or labour rights abuse by Swedish companies in Italy

ABOUT THE SURVEY

The majority of survey respondents comprise large and mature industrial companies

Business Sweden conducts an annual Business Climate Survey to track the perceptions of Swedish companies operating globally regarding market conditions and the economic prospects of their business and how the views vary across markets, industries, and company types. We hope that this report will let you explore how companies of different sizes and within different industries are affected by changes in the business climate and what they expect for the future.

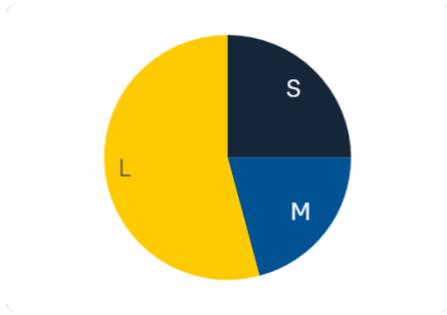
Conducted during the first quarter of 2025, this survey aims to understand the perceptions of economic and market developments, as well as the opportunities and challenges faced by Swedish companies in Italy. The report is divided into four main sections. Firstly, it elaborates on the economic situation, including current business performance and outlook. It then delves into the Italian market, exploring respondents' views on the overall business climate and the factors that contribute positively or negatively to their commercial success. The third section covers Swedish companies' operations and perceived success factors in the market, while the final section explores sustainability-related aspects and how they are interpreted among Swedish companies in Italy.

A total of 99 Swedish companies were invited to participate in the survey, with 49 responses received, resulting in a response rate of 49.5 per cent, which is higher than in previous years. Among the respondents, 54 per cent are large companies with a global workforce of over 1,000 employees, while 21 per cent are medium companies with 250-1,000 employees. The remaining 25 per cent are small-sized companies.

The report encompasses a range of business areas grouped into three broad categories: professional services, consumer, and industrial. This year's responses were dominated by the industrial and professional services sectors, accounting for 51 per cent and 39 per cent of the responses, respectively.

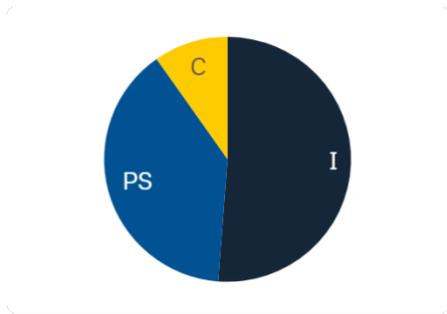
Furthermore, the largest group of respondents in the 2025 survey consisted of 'mature companies' (defined as being established in Italy prior to 2003), comprising 47 per cent of the companies surveyed. Respondents categorised as 'experienced companies' (defined as established between 2004 and 2019) accounted for 43 per cent, while 'newcomers' (established after 2020) represented 11 per cent of the respondents.

SIZE OF COMPANIES



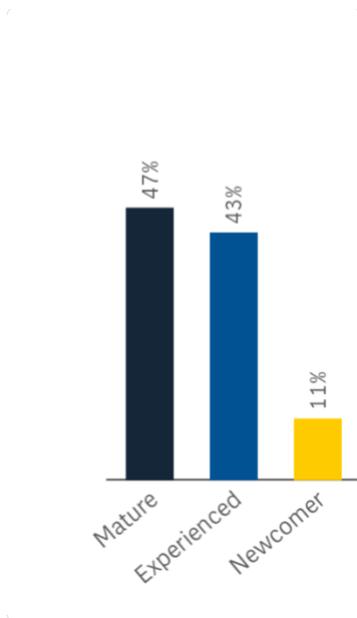
NOTE: Global employees. Large >1000. Medium 250-1000. Small 0-249

MAIN INDUSTRY



NOTE: Industrial 51%. Professional services 39%. Consumer 10%

AGE OF COMPANIES



NOTE: Mature (<2003). Experienced (2004-2019). Newcomer (2020-)

ECONOMIC OUTLOOK

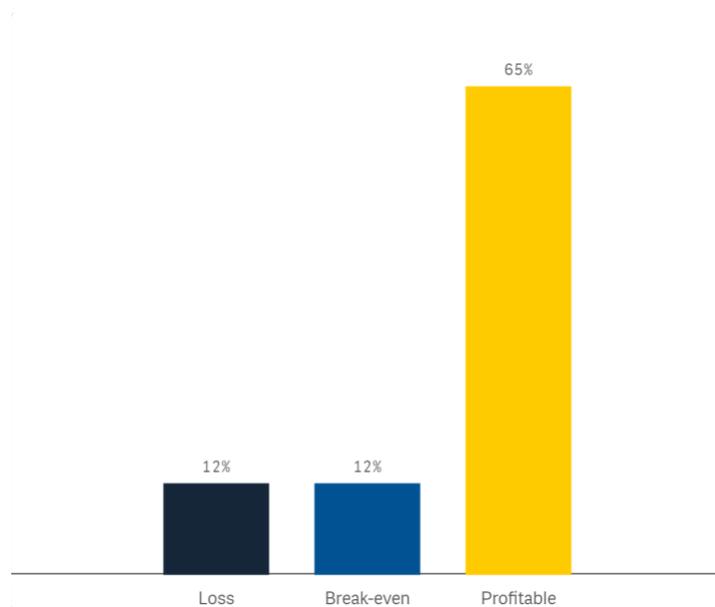
2024 continued to be a profitable year for Swedish companies in Italy

According to last year's Business Climate Survey, 76 per cent of Swedish companies in Italy reported profitability in 2023. This year's survey shows a continuation of the trend, though at a lower rate, with 65 per cent reporting profitability in 2024, indicating a decline in financial performance.

From a sector perspective, the consumer sector has the highest proportion of companies reporting profitability, with 75 per cent of companies reporting profitability. This is followed by 67 per cent of industrial firms and 50 per cent of those operating in the professional services industry. When looking at company size, a greater share of large firms (77 per cent) reported being profitable, compared to 60 per cent of medium-sized companies and 42 per cent of small businesses.

Overall, the majority of companies remained profitable across both sectors and company sizes, continuing the positive moment observed in last year's survey. Among the newly established firms, however, the share reporting losses rose from none in 2023 to 60 per cent in 2024. While this suggests a potential shift, the small sample size of only six companies makes it difficult to draw firm conclusions. Nevertheless, the change may reflect the impact of slower economic growth and elevated interest rates in the first half of 2024, which can significantly hinder early-stage profitability.

HOW WOULD YOU DESCRIBE YOUR COMPANY'S FINANCIAL PERFORMANCE IN ITALY IN 2024?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

Italian GDP growth is forecasted to be lower than the European average for 2025-2027

Italy's real GDP growth fell short of expectations in 2024, reaching 0.5 per cent compared to the forecasted 0.7 per cent. Growth is projected to slow further to around 0.4 per cent in 2025, aligned with Europe's slowdown in 2025. At the EU level, a modest recovery is expected to begin in 2026, with stronger momentum in 2027. Italy's economy is also set to improve during this period, though growth is likely to stay below one per cent, reaching around 0.8 per cent by 2027.

Following a steady decline from 8.7 per cent in 2022 to 1.1 per cent in 2024, the inflation rate in Italy is projected to rise modestly to 2.0 per cent in 2025, in line with the European Central Bank target. As energy prices stabilise, inflationary pressures are expected to stem primarily from the services sector, where rising labour costs are likely to be passed on to consumers. For 2026, the inflation rate is forecasted to land at 1.7 per cent.

A particular mention is worth making regarding tariffs. With exports making up about one-third of Italy's GDP, the economy is highly exposed to trade disruptions such as tariffs. Slower export growth can weigh on overall GDP, and for a high debt-to-GDP country like Italy, prolonged weak growth makes it harder to reduce deficits and manage debt, potentially worsening its fiscal position.

Despite global economic uncertainty revolving around tariffs, exacerbated by the eurozone's slowing growth, 59 per cent of surveyed companies in Italy expect an increase in turnover over the next 12 months. This represents a 20-percentage-point rise compared to the previous year. Additionally, 22 per cent anticipate that their turnover will remain stable, while a smaller proportion, 14 per cent, forecast a decline. This more optimistic outlook may be attributed to the accelerated implementation of the National Recovery and Resilience Plan (NRRP), which requires the objectives and milestones to be met by 2026 in order to receive the funds allocated under the plan.

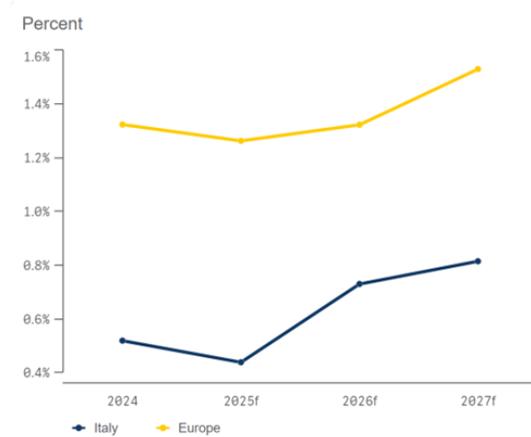
Compared to the previous year, expectations by company size have shifted, with small companies now showing the most optimistic outlook, with 67 per cent anticipating increased turnover. In contrast, medium and large companies also expect growth, though to a slightly lesser extent, at 50 per cent and 58 per cent respectively.

From a sectoral perspective, the outlook for increased turnover in the coming year is consistently positive across all three sectors. Specifically, 56 per cent of respondents in the professional services sector, 50 per cent in the consumer sector, and 57 per cent in the industrial sector anticipate higher turnover in the year ahead.

Interestingly, the losses experienced by newcomers in 2024 appear to fuel a strong sense of optimism, with 80 per cent expecting an increase in turnover in the coming year. While still positive, expectations are more moderate among experienced and mature companies, with 59 per cent and 60 per cent, respectively, anticipating growth.

SOURCE: European Commission, OECD, Oxford Economics, European Central Bank

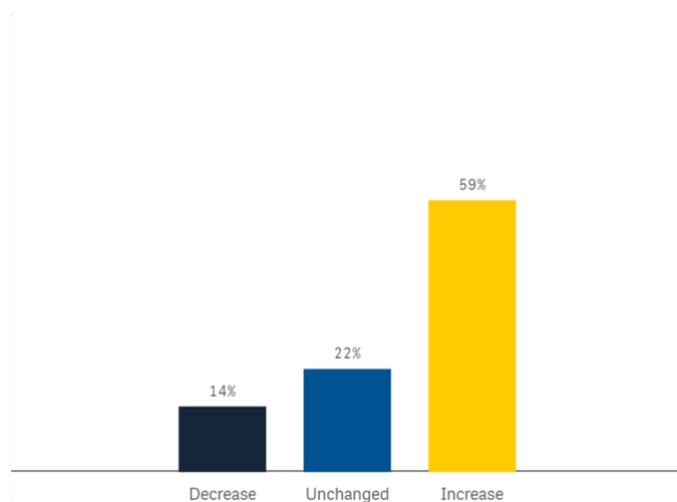
PROJECTED GDP GROWTH IN ITALY



NOTE: Constant prices.

SOURCE: Oxford Economics 11 March 2025

COMPARED TO THE DEVELOPMENT IN THE PAST 12 MONTHS, WHAT ARE YOUR EXPECTATIONS FOR THE COMING 12 MONTHS FOR YOUR INDUSTRY IN ITALY REGARDING TURNOVER?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

74% of Swedish companies in Italy plan to increase or maintain investments for the next 12 months

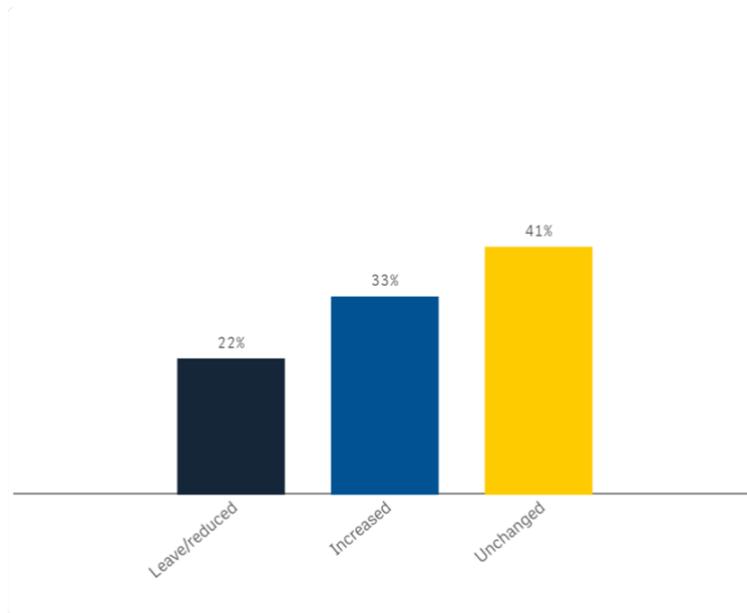
Thirty-three per cent of the surveyed companies have indicated their intention to increase investments over the next 12-month period, while 41 per cent plan to maintain their current investment levels. Twenty-two per cent of the companies responded that they plan to decrease their investments or leave the market. A comparison with last year's results reveal a reduction of four percentage points in the intention to increase investments, while the percentage of companies planning to maintain their current investment levels increased by seven percentage points compared to the 2024 survey. Furthermore, there has been no variation from last year in the share of companies planning to reduce their investments or leave the market in the upcoming year.

When examining the sectors, both the industrial and professional services sectors respondents, 29 per cent and 25 per cent, respectively, report planned investment increases, while all the

respondents in the consumer sector will keep the level of investment unchanged. From a size perspective, medium companies show a higher inclination to increase their investments (50 per cent) than large or small-sized companies (27 per cent and 33 per cent, respectively).

Among newly established companies, 60 per cent plan to increase their investment, reflecting their expectations of higher turnover in the next 12 months. In contrast, mature and experienced companies are largely maintaining current investment levels, with 45 per cent in both categories indicating no change. Meanwhile, 32 per cent of mature companies and 30 per cent of experienced ones intend to increase their investment.

WHAT ARE YOUR COMPANY'S INVESTMENT PLANS FOR THE COMING 12 MONTHS IN ITALY, COMPARED TO THE PAST 12 MONTHS?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025

THE MARKET

Most Swedish companies in Italy are mature and strongest in the pharma and industrial sectors

The initial entry of a Swedish company into the Italian market dates back to the early 1900s, but it was during the 1990s that the establishment of Swedish subsidiaries in Italy witnessed a significant surge, driven by growing business interests between the two countries. Out of the companies taking part in the 2025 survey, almost half (45 per cent) of respondent companies established their operations before 2004.

Italy stands as Sweden's 12th largest trading partner, accounting for 2.9 per cent of total exports. Key export categories from Sweden to Italy include machinery, vehicles, fish, iron and steel, paper and pulp, electric equipment, and pharmaceutical products. More than half of all companies in Italy are based in the North, and this trend is reflected among Swedish companies, most of which are also located in Northern Italy, the country's economic engine. Moreover, many Swedish firms use Italy as a regional hub to oversee operations in Southern Europe. Thanks to its strategic Mediterranean location, Italy also serves as a gateway for managing markets in South-Eastern Europe, the Middle East, and North Africa.

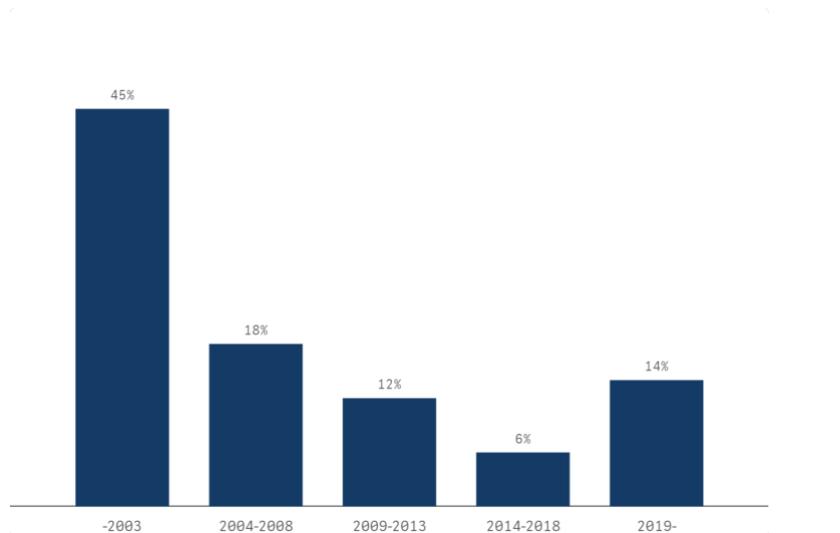
The top industries represented by the respondent companies are healthcare and pharma (16 per cent), industrial equipment (10 per cent), energy/electricity, consumer goods, construction and business services (six per cent). Automotive, as well as forest products and heating, represent four per cent each. Sectors outside the top 10 categories account for 20 per cent of the total and encompass diverse industries such as metal and mining, telecommunications, transportation, aerospace and defence, chemicals, plastics and rubber, IT and electronics, and retail and wholesale. This indicates a varied mix of sectors among Swedish companies operating in Italy, primarily focusing on the B2B segment.

Given that Italy is the second-largest manufacturing nation in Europe after Germany, the industrial sector plays a significant role in driving the market and economy. Italy's business ecosystem is predominantly composed of small and medium-sized companies, often organised in clusters rather than global multinational corporations. Although the Swedish companies established in Italy have a large global workforce, 81 per cent of the respondent companies reported having fewer than 249 local employees. In line with the previous year's survey, eight per cent of respondent companies have a large number of local employees (>1000).

The Northwest region of Italy hosts major industries such as machinery, aerospace, naval and automotive. In contrast, the central and Northeast regions are characterised by small companies with a high level of craftsmanship, specialising in textiles, clothing, furniture, leather products, and more. It's worth noting that the pharmaceutical sector has experienced strong growth, with Italy's exports reaching a record EUR 54 billion in 2024 and total production exceeding EUR 56 billion. With a 65 per cent export increase in pharma products over the past five years, outpacing the EU average of 57 per cent, this dynamic growth aligns with the strong presence of Swedish pharmaceutical companies in the Italian market. Overall, Italy's primary export partners in 2024 were Germany, the United States, France, Spain, and Switzerland.

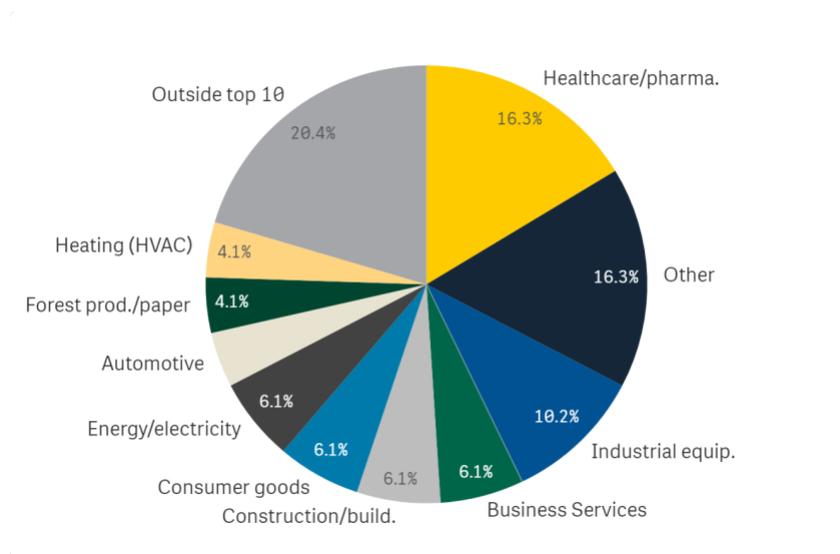
SOURCE: Kammerskollegium, Istat, Italian Ministry of Foreign Affairs, Farindustria

IN WHAT YEAR DID YOUR COMPANY ESTABLISH OPERATIONS IN ITALY?



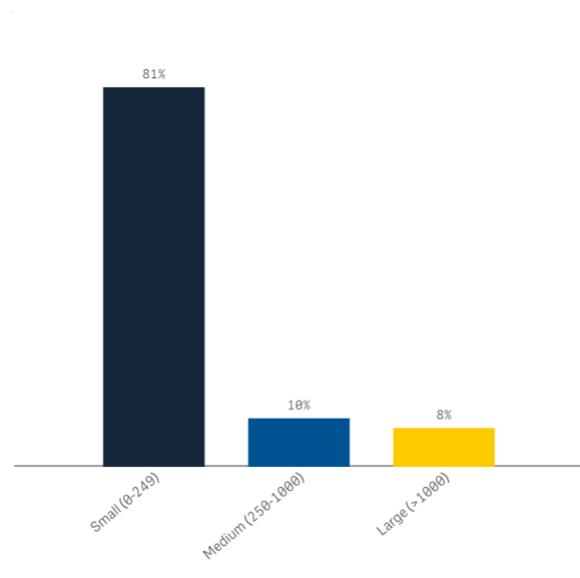
NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.
 SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

WHAT IS YOUR COMPANY'S MAIN INDUSTRY IN ITALY?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.
 SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

SWEDISH FIRMS' LOCAL NUMBER OF EMPLOYEES IN ITALY IN 2025



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

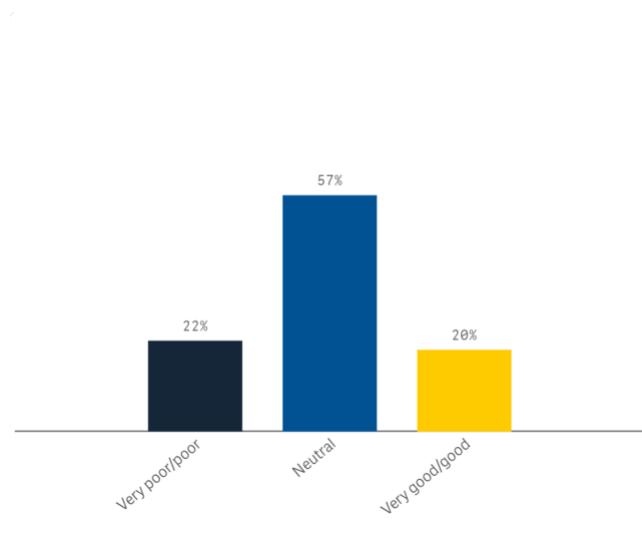
The business climate in Italy is perceived to be neutral by the majority of companies

Twenty per cent of the companies taking part in the survey consider the business climate to be good or very good. Compared to last year's survey, this is an increase of four percentage points in rating the business climate as good or very good. Meanwhile, 57 per cent of companies described the business climate as neutral, and 22 per cent expressed a more negative perception, viewing it as poor.

When looking at company size, small businesses appear to be the most positive about the business climate in Italy, with 33 per cent describing it as very good. In contrast, only 13 per cent of medium-sized companies and 16 per cent of large companies share this optimistic view. Despite this variation, a majority of companies across all company sizes perceive the business climate as neutral. Medium-sized companies lead this perspective, with 88 per cent of respondents indicating a neutral stance, with none of them having reported a negative outlook. Similarly, 50 per cent of small companies and 48 per cent of large companies also described the business climate as neutral.

Large companies express a more divided sentiment, with 36 per cent rating the business climate as poor or very poor. This more negative outlook may reflect the recent slowdown in GDP growth and, potentially, the ongoing uncertainty surrounding global tariff disputes that could lead to increased production and shipping costs, particularly for firms operating across multiple markets.

HOW DO YOU PERCEIVE THE CURRENT BUSINESS CLIMATE IN ITALY?



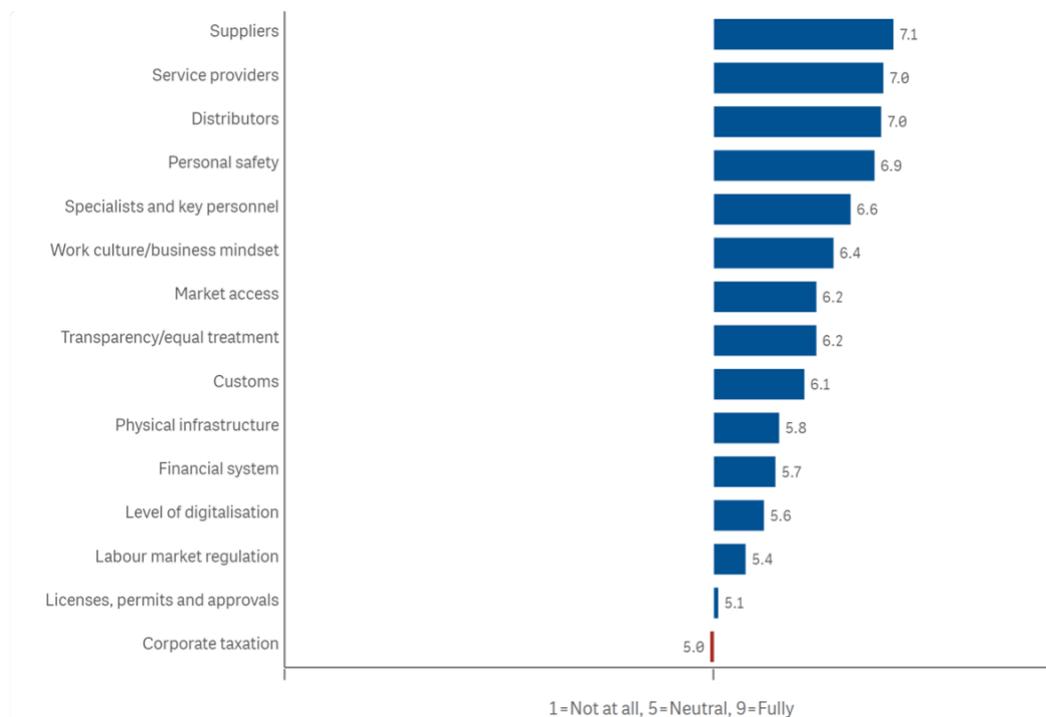
NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

Top market conditions for Swedish companies in Italy involve strong access to partners, while corporate taxation is a challenge

The findings of last year's survey hold constant as Italy remains an appealing market for Swedish companies. Key factors include Italy's large market size, favourable access to suppliers, service providers and distributors, as well as conditions that align well with Swedish business expectations, such as personal safety, skilled key personnel, a compatible work culture and business mindset, good market accessibility, and a high level of transparency and equal treatment. However, it is important to note that corporate taxation and associated bureaucratic processes related to the labour market and obtaining licences continue to pose challenges to the efficient operations of Swedish companies in Italy.

HOW WELL DO THE FOLLOWING CONDITIONS MEET THE NEEDS OF YOUR COMPANY IN ITALY?



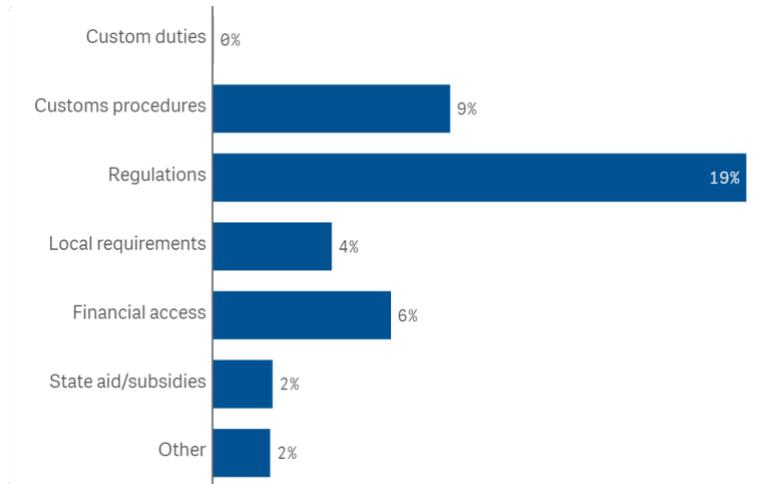
NOTE: The number of respondents for this question was 49.
SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

Regulatory requirements continued to be seen as significant barriers to trade

In addition to challenges related to the corporate tax system, Swedish companies in Italy face difficulties with permits and approvals, labour market regulations, and the financial system – all of which negatively affect their business operations. While the Italian government has accelerated reform efforts under the National Recovery and Resilience Plan, aiming to simplify bureaucracy and reduce administrative burdens by the 2026 deadline, the country remains highly bureaucratic. This continues to pose a significant challenge for Swedish businesses. To navigate Italy's complex and time-consuming administrative processes, forming close partnerships with skilled professionals in labour law and taxation often proves essential.

This year's survey shows that nine per cent of respondent companies identified customs procedures as a challenge. This marks an increase from three per cent in the 2024 survey, though still below the 17 per cent reported in 2023. Regulations continue to be cited as the most problematic factor affecting business operations, with 19 per cent of respondents indicating this issue when asked about trade barriers influencing their operations negatively. This represents a rise from 14 per cent in 2024, yet it remains lower than the 21 per cent recorded in 2023.

HAS YOUR COMPANY IN THE PAST YEAR ENCOUNTERED TRADE BARRIERS IN ITALY WITH A NOTICEABLY NEGATIVE IMPACT ON OPERATIONS, IN ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 49.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

HOW SWEDISH COMPANIES SUCCEED IN ITALY

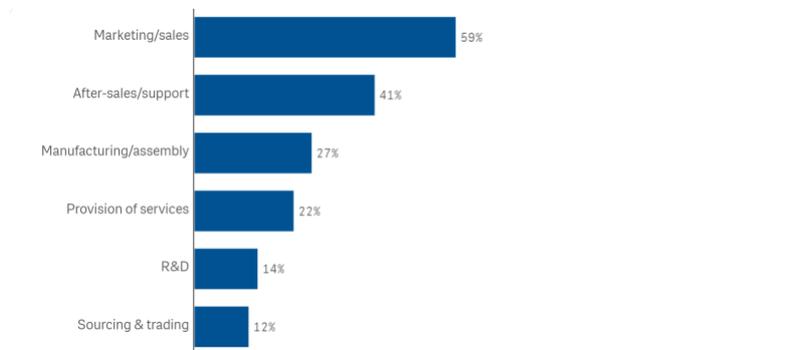
A local presence and adapting to regional diversity remain critical for success in the Italian market

Italy has a well-informed and increasingly sustainability-focused consumer base, alongside a competitive manufacturing sector driven by innovative small and medium-sized enterprises (SMEs) producing high-quality goods across multiple industries.

Having an on-the-ground presence is highly relevant as business relationships and connections play a pivotal role in the Italian business climate. As mentioned before, Italian geographical variety and diversity in sectoral clusters call for high cross-cultural awareness and adaptability. Consequently, most of the Swedish companies operating in Italy opt for close collaboration with local partners or the establishment of local offices to effectively oversee sales and marketing, distribution, and customer service operations. Marketing and sales (59 per cent) and after-sales support (41 per cent) represent the key operations of Swedish companies in Italy.

The share of companies involved in marketing, sales operations, and after-sales support as their primary activities is once again consistent with the findings of last year's survey. This reaffirms the significance of establishing a local presence and fostering strong connections with the Italian customer base.

OPERATIONS OF SWEDISH FIRMS IN THE MARKET



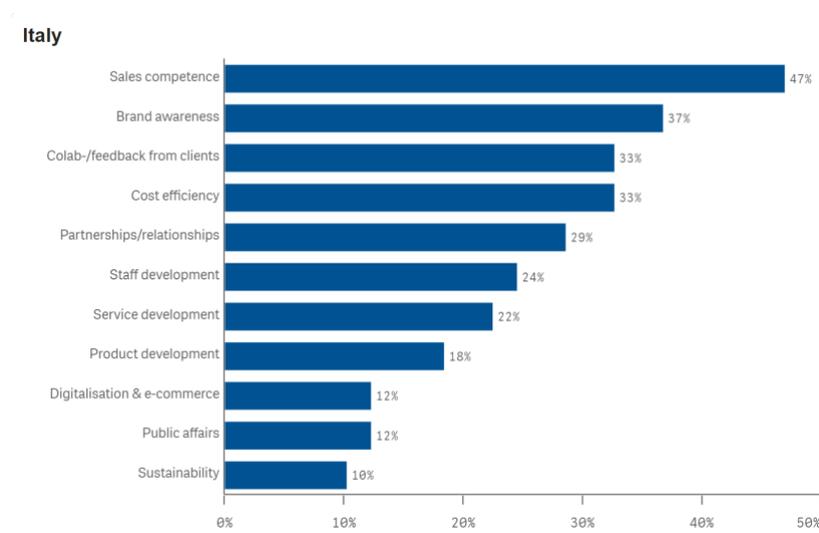
NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

Sales competence is consistently viewed as key for Swedish companies to stay competitive in Italy

According to this year's survey, brand awareness (37 per cent), client feedback (33 per cent), and cost efficiency (33 per cent) are seen by respondents as key factors for maintaining competitiveness in the Italian market. Sales competence continues to rank highest, with 47 per cent of companies emphasising its importance. In contrast to the previous year, sustainability has seen a significant decline in perceived relevance, as only 10 per cent of respondents consider it a key factor, down from 27 per cent last year. This suggests that sustainability may be losing momentum in the Italian market.

To date, which of the following areas have been important in maintaining competitiveness in Italy?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.

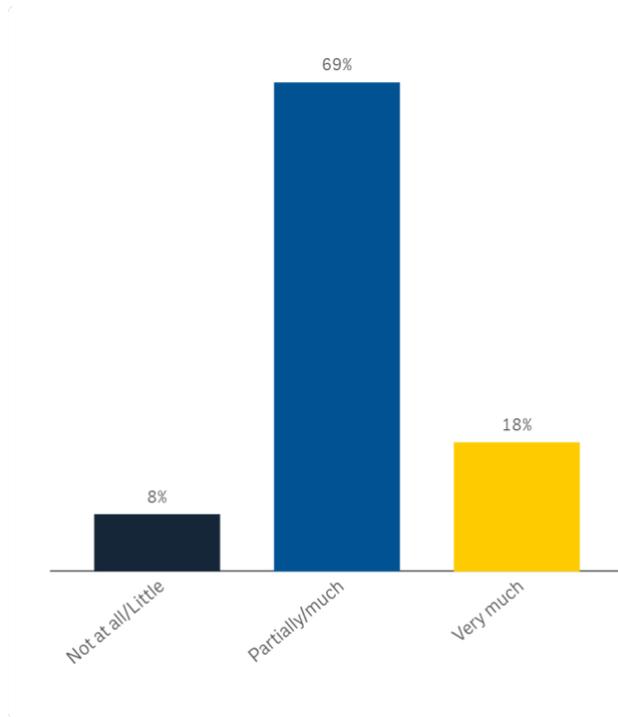
SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

The 'Swedish brand' continues to be important

In Italy, Sweden is perceived in a positive light, and Sweden is strongly associated with innovation and sustainability. There is a broad consensus among Swedish companies that the Swedish brand has a positive impact on their business in Italy, with 87 per cent acknowledging some level of contribution.

The Swedish brand holds significance in both the consumer and professional services sectors, although slightly more in the consumer sector, consistent with the 2024 survey. Of all consumer and professional services respondents, 100 per cent reported that the Swedish brand contributes to their business, with the industrial sector following closely with 90 per cent. When comparing the three sectors, the industrial sector is the only one where ten per cent of respondents report no particular benefits from the Swedish brand. The companies from the other sectors surveyed all see benefits from the Swedish brand.

TO WHAT EXTENT WOULD YOU ESTIMATE THAT THE “SWEDISH BRAND” CONTRIBUTES TO YOUR BUSINESS IN ITALY?



NOTE: The number of respondents for this question was 49. “Don't know/Not applicable” responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

ACTING SUSTAINABLY

Environmental considerations in purchasing decisions remain relevant, though less prominent

The green transition represents a central pillar of Italy's National Recovery and Resilience Plan, accounting for 29 per cent of its overall value. By June 2026, approximately EUR 55.5 billion will be allocated to initiatives driving this transition, with significant investments in the circular economy, renewable energy, hydrogen, and energy efficiency. While the shift toward a sustainable and circular economy is widely acknowledged as an important driver of Italy's economic and social progress, environmental considerations are not currently seen as the most critical factor for maintaining competitiveness in the country by Swedish companies. Nonetheless, ongoing reforms and investments present valuable opportunities for Swedish companies offering innovative green solutions.

In 2025, 75 per cent of Swedish companies in Italy reported that they believe customers in their industry consider environmental aspects in purchasing decisions, either to some extent or to a great extent. This marks a six percentage point decrease compared to the peak of 81 per cent in 2024. However, despite the decline, the 2025 figure remains above the 2020–2025 average of 71 per cent, suggesting a continued focus on environmental considerations. Looking specifically at the share of companies indicating that customers place *very high* importance on environmental aspects, the figure remains largely unchanged at nine per cent in 2025, compared to 10 per cent in 2024. Yet, when viewed over the longer 2020–2025 period, this represents a notably low level, far below earlier figures such as 30 per cent in 2020, 28 per cent in 2021, and 38 per cent in 2022. This suggests that while environmental concerns remain present, they are increasingly seen as relevant to some extent rather than as a decisive purchasing factor.

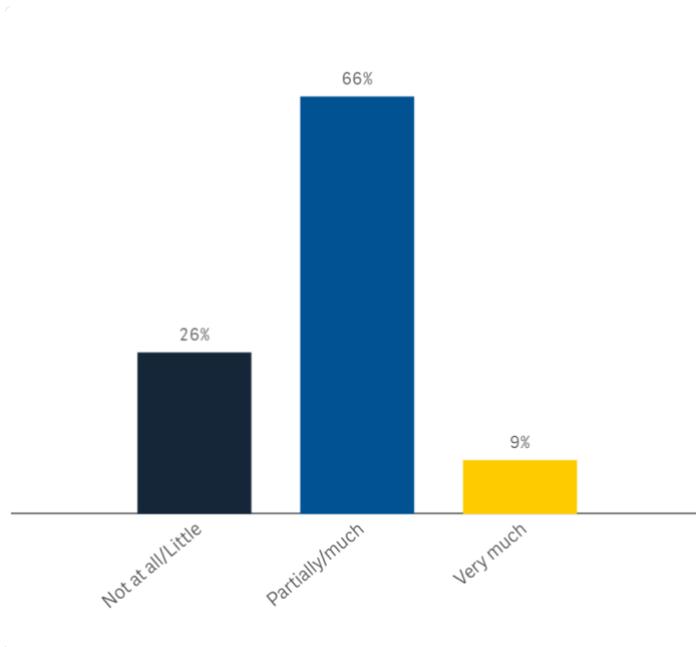
In terms of company size, it is primarily small and medium-sized companies' customers that perceive environmental aspects as particularly important. Among these, 91 per cent of small companies and 89 per cent of medium-sized companies reported that their customers consider environmental factors either much or very much when making purchasing decisions. While the majority of large companies share this perception, the figure is notably lower at 65 per cent, indicating that 35 per cent of respondents from large companies do not believe their customers place significant importance on environmental considerations.

Respondents from the professional services and consumer sectors widely perceived that environmental aspects are important to their customers. In these sectors, 80 per cent and 100 per cent of companies, respectively, indicated that environmental considerations are at least partially, significantly, or very important in purchasing decisions. By comparison, 72 per cent of respondents from the industrial sector expressed the same view.

In terms of sustainability, Italy shows a clear North-South divide in green transition and the circular economy. According to assessments against the 2030 Agenda and its 17 Sustainable Development Goals, Northern regions are expected to achieve between eight and 12 goals, whereas Southern regions are projected to meet only four to six goals, even with the support of NRRP funding.

SOURCE: Asvis

TO WHAT EXTENT DO CUSTOMERS IN ITALY CONSIDER ENVIRONMENTAL ASPECTS OF A PRODUCT OR SERVICE IN THEIR PURCHASING DECISION?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

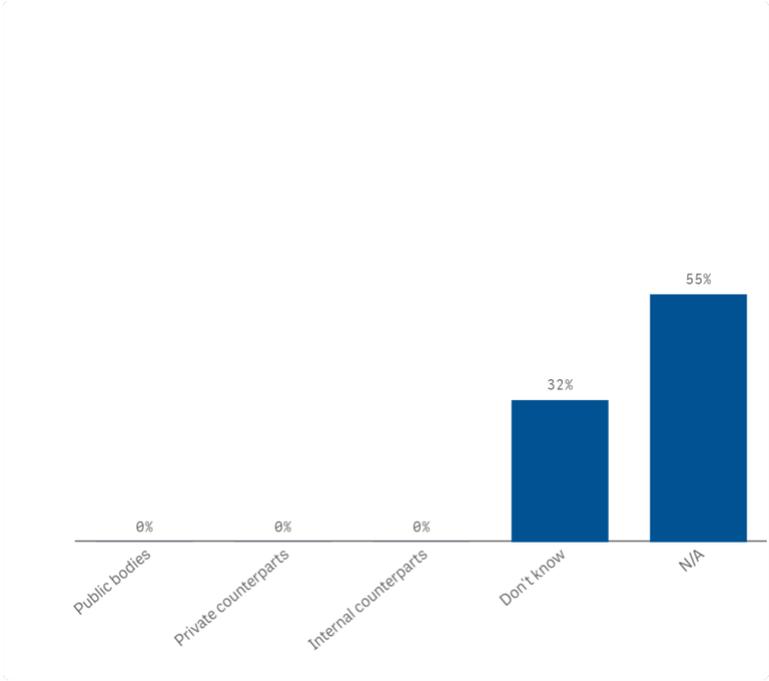
Italy still lags behind its peers on anti-corruption despite a narrowing gap driven by regional decline

In the 2024 edition of Transparency International's Corruption Perceptions Index (CPI), Italy's score declined from 56 to 54 out of 100, resulting in a drop from 42nd to 52nd position globally. This marks a notable setback following three consecutive years of stability, during which Italy's score remained unchanged between 2021 and 2023. While Italy has achieved a 12-point improvement since 2012, it continues to underperform compared to its Southern European counterparts despite a narrowing gap. This convergence is not due to progress on Italy's part but rather reflects a more marked deterioration in the performance of neighbouring countries compared to 2023. As of 2024, France ranks 25th with 67 points (previously 20th with 71 points), Portugal 43rd with 57 points (previously 34th with 61 points), and Spain 46th with 56 points (previously 36th with 60 points).

Changes to the Italian legal framework – such as narrowing the definition of influence trading and decriminalising abuse of office by public officials from the list of crimes – have weakened checks on potential links between public institutions and organised crime. Ongoing transparency issues are undermining Italy's anti-corruption efforts, particularly in the monitoring of National Recovery and Resilience Plan funds. Nonetheless, initiatives like the Anti-Corruption Agency's e-procurement system signal steps toward improved accountability. However, corruption remains a concern for businesses in Italy, especially in the South and in sectors like public administration, healthcare, and politics.

In Team Sweden Italy's Business Climate Survey 2025, none of the respondents reported their company being exposed to corruption, while 32 per cent indicated that they did not have knowledge of such incidents.

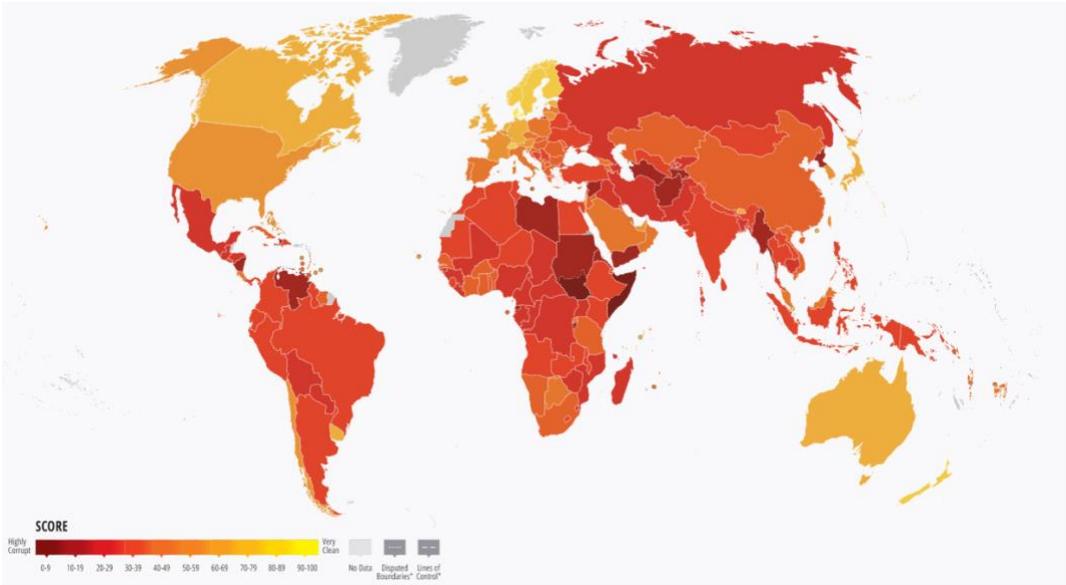
HAS YOUR COMPANY IN ITALY BEEN EXPOSED TO CORRUPTIONSUCH AS, BUT NOT LIMITED TO, ATTEMPTS OF BRIBERY OR FRAUD IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 49. "Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

CORRUPTION PERCEPTION INDEX 2024

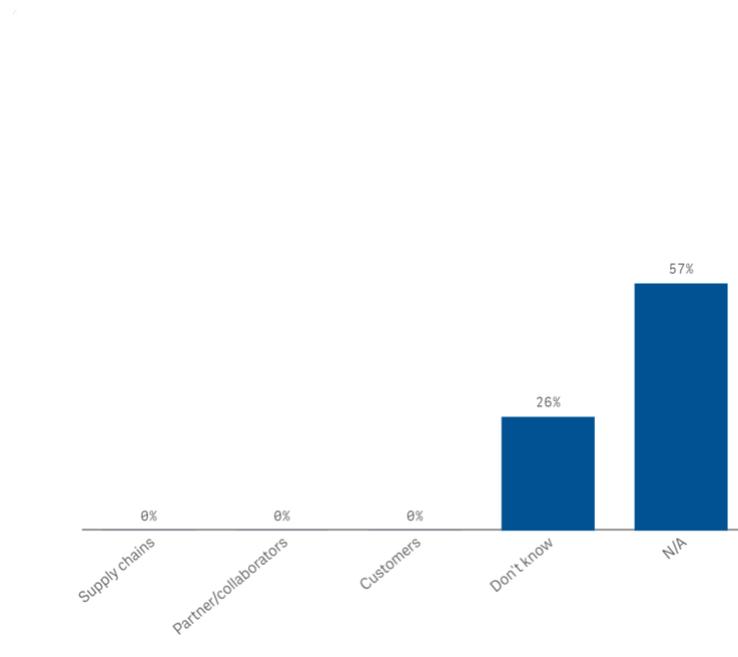


NOTE: Italy's score 2024: 54/100
SOURCE: Transparency International

None of the responding companies reported any form of human rights violations

No surveyed companies reported encountering any instances of human rights or labour rights violations or abuse in Italy. Twenty-six per cent of the respondents indicated that they were not aware of any such violations, while 57 per cent responded that it was not applicable to their operations.

HAS YOUR COMPANY IN ITALY ENCOUNTERED ANY FORM OF HUMAN RIGHTS VIOLATIONS AND/OR LABOUR RIGHTS ABUSE IN CONTACTS WITH ANY OF THE FOLLOWING AREAS?



NOTE: The number of respondents for this question was 49. Don't know/Not applicable" responses are included but not shown in this figure.

SOURCE: Business Climate Survey for Swedish companies in Italy 2025.

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