



جمعية الأعمال الأردنية الأوروبية **جيبا**
Jordan Europe Business Association **JEBa**

ITALY TRADE PROFILE



Preface

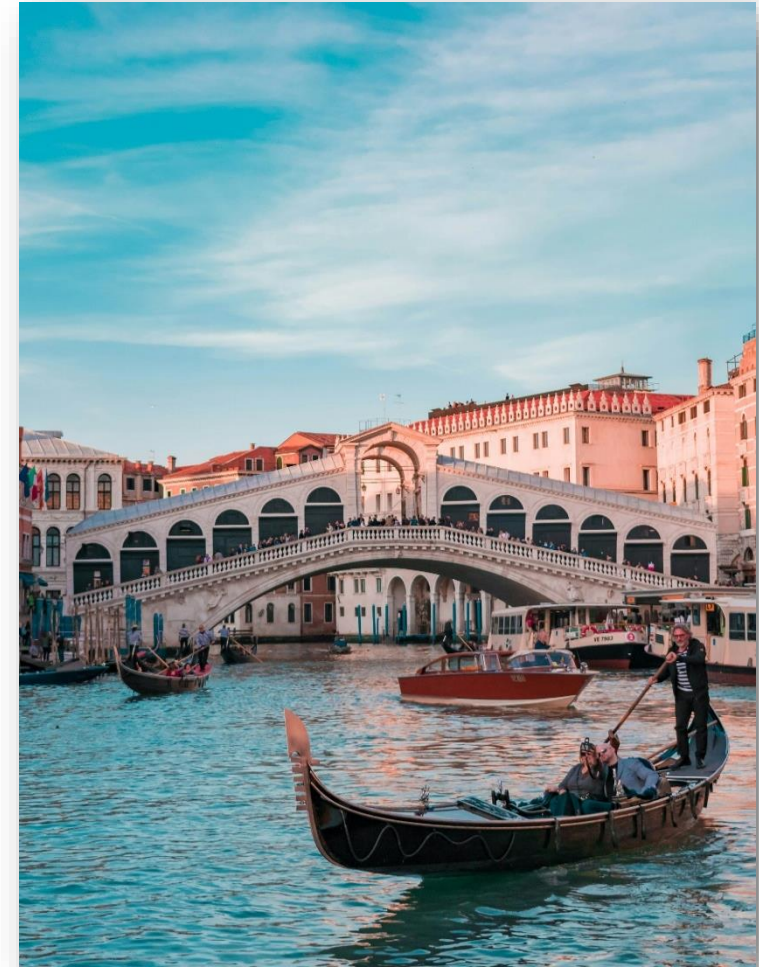
Dear Members,

We are pleased to share with you the Italy Trade Profile, prepared by the Jordan Europe Business Association, aiming to highlight the economic and commercial landscape in Italy and explore opportunities for cooperation between Jordan and Italy in trade and investment.

Italy is one of the leading economies in the European Union, known for its diverse productive sectors and strategic geographic location, making it an ideal gateway to European and global markets.

This profile is part of JEBA's ongoing efforts to enhance economic cooperation between Jordan and EU countries and to open new avenues for future partnerships.

We extend our sincere thanks to our members and partners for their continued support of the Association's mission and goals.



Geography

Location

It is located in Southern Europe on the Mediterranean Sea and is bordered to the north by France, Switzerland, Austria, and Slovenia.

Climate

The Italy has a Mediterranean climate, with hot and dry summers, and mild, rainy winters. In the northern regions, especially near the Alps, a cold climate prevails with snowfall in the winter. The coastal and southern areas enjoy a more moderate climate throughout the year.

People and Society

Population

59,191,871 (2024 est.)

Languages

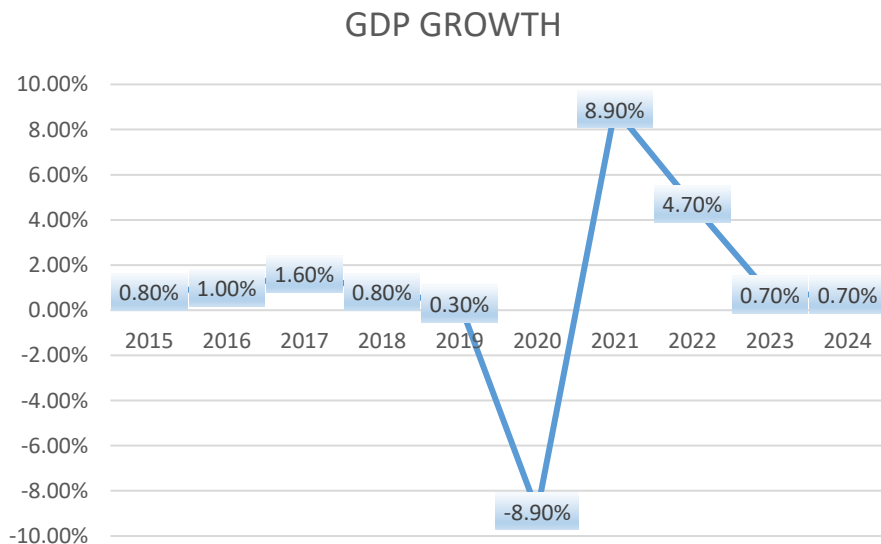
The official language in Italy is Italian, along with some regional languages such as German in South Tyrol, French in Aosta Valley, and Slovenian in some border areas. Other regional languages like Lombard, Tuscan, and Sardinian are also used.



Economic Snapshot

In 2024, the Italian economy achieved moderate growth with a clear improvement in key economic indicators despite global economic challenges. The main economic aspects are as follows:

➤ Economic Growth:



Italy's GDP grew by 0.7% in 2024. Although the growth was slow, it reflects relative stability after years of economic challenges, such as the impacts of the COVID-19 pandemic. This growth was supported by increased external demand, which contributed 0.1 percentage points to GDP in the fourth quarter of 2024. This highlights the Italian economy's ability to maintain strong trade relations with international partners, especially amid global crises.

➤ **fiscal Deficit** :Italy recorded a significant improvement in its fiscal deficit, which reached 3.4% of GDP in 2024, down from 7.2% in 2023. This improvement is attributed to the phasing out of costly government incentives, such as home renovation bonuses, and increased tax revenues. The decline in the deficit reflects ongoing efforts to reduce public spending and achieve financial stability, which is crucial given Italy's high public debt levels.

- **Labor Market:** The unemployment rate in Italy decreased to 6.5% in 2024, showing a slight improvement compared to 9.0% in previous years, demonstrating Italy's ability to create new job opportunities. However, the youth unemployment rate remains high, highlighting the need for more policies to integrate young people into the labor market.

Labor Force Participation Rate	Unemployment Rate	Employment Rate	Job Vacancy Rate
66.5%	6.2%	62.4%	1.7%

Italy's labor market faces major challenges, including an aging population and rapid technological shifts, which put pressure on the workforce. Despite these difficulties, there are positive future prospects due to ongoing reforms, support for remote work, and adaptation to digital transformations, which contribute to improving the work environment and creating more opportunities.

In light of these challenges, the Italian government is making significant efforts to improve the situation through labor market reforms aimed at reducing reliance on temporary contracts and enhancing workers' rights. The government is also focusing on improving education and vocational training, especially in digital technologies, to equip young people with the skills needed in the evolving labor market.



Green Transition

In 2024, Italy witnessed a clear shift toward a green economy, focusing on three main pillars:

- **Increase in Renewable Energy Production:** For the first time, electricity production from renewable sources surpassed that of fossil fuels in the first half of 2024. Hydropower played a major role in this achievement, increasing by 65% compared to the previous year, particularly in northern Italy due to higher rainfall. This development supports Italy's national energy and climate plan, which aims to increase the share of renewable electricity to 63% by the end of the decade.



- **Offshore Wind Projects:** In June 2024, Edison acquired a 50% stake in a floating offshore wind project with a capacity of 975 MW off the coast of Sicily. This project marks an important step toward Italy's goal of securing nearly two-thirds of its electricity needs from renewable sources by 2030.



- **International Cooperation in Clean Energy:** In February 2025, Italy signed a cooperation agreement with Albania and the UAE to produce renewable energy, such as solar and wind, in Albania using UAE expertise. Some of this energy will be transmitted to Italy via an underwater cable, helping Italy achieve its sustainable energy goals.



Italy's main climate goals for 2024 include:

- **Carbon Neutrality by 2050:** Italy aims to achieve carbon neutrality, which means eliminating greenhouse gas emissions entirely by 2050. This involves balancing carbon emissions with the ability to absorb them through environmental solutions like reforestation and expanding green spaces.
- **Reducing Emissions by 55% by 2030:** Italy is committed to reducing its greenhouse gas emissions by 55% compared to 1990 levels by 2030, in accordance with the plans. European Union's .
- **Increasing Renewable Energy Use:** Italy aims to achieve 63% of its electricity from renewable sources by 2030. The country is working to promote clean energy sources such as solar, wind, and hydropower.

- **International Cooperation:** Italy is strengthening international cooperation in renewable energy and climate action, having signed agreements with countries such as Albania and the UAE to develop renewable energy projects.



Health and economic, social and institutional resilience

- **Economic Resilience** :Italy's economic resilience in 2024 is characterized by its recovery from the shocks of the COVID-19 pandemic and rising energy prices. The real GDP surpassed pre-pandemic levels, driven by strong services such as tourism and construction projects supported by tax credits. However, manufacturing in energy-intensive sectors remained weak. Ongoing challenges include low labor productivity, skill shortages, and a decline in the working-age population, which hinder growth. Reforms under the National Recovery and Resilience Plan aim to address these issues through investments in green energy, digital transitions, and infrastructure.



➤ **Social Resilience:** Italy's economy recovered from the COVID-19 pandemic, driven by strong services such as tourism and construction projects supported by tax credits. It recorded growth of 0.6% to 0.8% in 2024. Tourism is a significant revenue source, contributing to GDP enhancement. Investments in green and digital energy aim to boost economic growth and improve resilience.

➤ **Institutional Resilience :** The National Recovery and Resilience Plan was central to driving institutional reforms, including civil justice, public administration, and competition. Italy receives funding of 191.5 billion euros from the European Union to enhance economic recovery and institutional resilience. Reforms aim to improve governance efficiency with economic recovery support through EU-funded investments.

➤ **Health System Resilience :** Italy is distinguished by a comprehensive and free healthcare system at the point of service. However, it faces challenges in sustainability due to workforce shortages, regional disparities, and an aging population. Healthcare expenditure was approximately 6.5% of GDP in 2018. Reforms aim to enhance the system's sustainability by improving planning, financing, and healthcare services.



Italy Investment Opportunities by Sector

Italy offers a number of investment opportunities in multiple sectors, including;

- **Manufacturing and Industry:** Italy is renowned for its luxury automotive brands such as Ferrari, Lamborghini, and Maserati, dominating the high-end vehicle market through enhanced manufacturing and institutional performance.



- **Agriculture and Food :**Italy is a European leader in organic farming, with over one-fifth of its agricultural land certified organic and a 4.5% annual increase, creating significant investment opportunities.



- **Logistics and Infrastructure :**Italy plays a strategic role in Europe's transport network, hosting 4 out of 9 core TEN-T corridors, making it a vital logistics hub with strong investment potential in infrastructure.

- **Real Estate** :Italy's commercial real estate market is projected to see positive growth in 2025, supported by falling interest rates and ongoing market activity, especially in major cities like Milan and Rome.



- **Renewable Energy**: Italy has allocated €59 billion under its National Recovery and Resilience Plan (NRRP) for 2021–2026 to promote renewable energy projects, aiming to generate 72% of electricity from renewable sources by 2030.



- **Tourism:** Italy is one of the world's top tourist destinations, known for its rich cultural heritage, iconic historical cities like Rome, Florence, Venice, and Milan, as well as its diverse natural landscapes and world-renowned cuisine. The tourism sector contributes over 13% of the national GDP and remains a key driver of economic growth and job creation. In 2024, hotel investments in Italy reached €2.1 billion—30% above the 10-year average reflecting strong investor confidence and sectoral recovery post-COVID. The Italian government actively supports sustainable and eco-friendly tourism initiatives, encouraging investments in eco-resorts, Agri-tourism, and the restoration of historic properties into boutique hotels. Additionally, the rise of rural and experiential tourism, coupled with the development of smart travel technologies, presents attractive opportunities for innovation. Italy's strategic location, robust infrastructure, and access to EU recovery funds (NRRP) make it an ideal market for sustainable tourism and hospitality investments.



Netherlands visitors to Jordan 2023-2024

2023 Jan- Dec

Tourists Overnight	Same day Visitors	Total
113,082	14,528	127,610

2024 Jan- Dec

Tourists Overnight	Same day Visitors	Total
23,993	987	24,980

Italy and Jordan Investment Opportunities by Sector

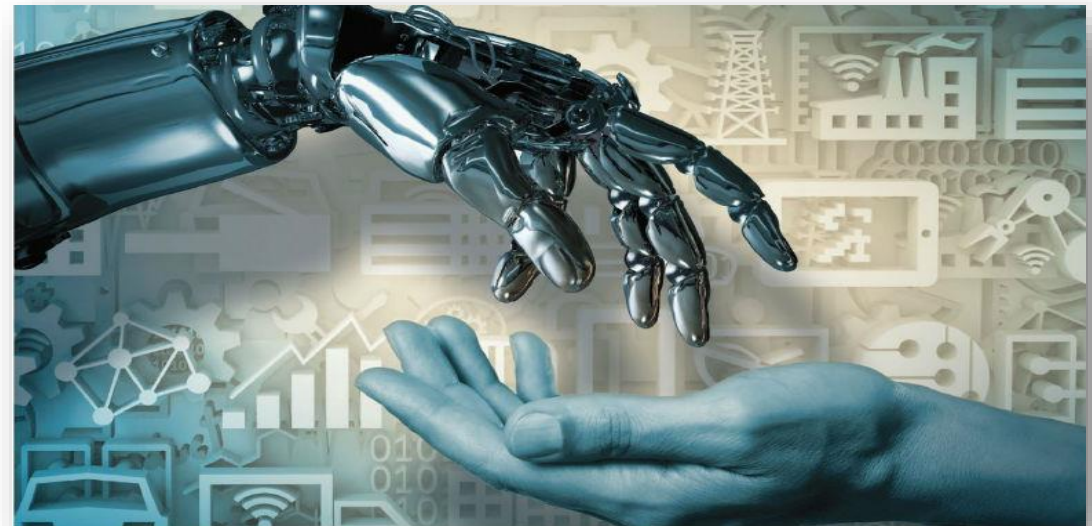
Jordan and the Italy have significant potential to enhance their bilateral cooperation in several strategic sectors such as :

➤ Renewable Energy:

Italy generates 41% of its electricity from renewable sources such as solar, wind, and hydroelectric power. Jordan has opportunities in joint solar energy projects, importing Italian renewable energy equipment, and enhancing technical skills through specialized training in green energy project management.

➤ Technology and Innovation:

Italy invests in areas such as artificial intelligence, the Internet of Things (IoT), and smart cities. For Jordan, opportunities include collaborating on innovation projects, exchanging expertise between startups, establishing joint business incubators, and funding research in advanced technologies to foster innovation and cooperation between the two countries.



➤ **Manufacturing Industry:**

The Italian industrial sector includes heavy machinery, cars, medical equipment, and textiles. Jordan can benefit from joint production partnerships in free zones, attracting Italian investments, and transferring advanced manufacturing technologies to local factories to boost growth and productivity.



➤ **Agriculture and Food Manufacturing:**

Italy is one of the largest food producers in Europe, known for products such as olive oil, wine, and cheese, using sustainable practices and advanced technologies like smart farming. For Jordan, opportunities for cooperation include exchanging knowledge in agricultural value chains, supporting Jordanian exports through Italian distribution networks, and introducing Jordanian smart farming technologies into the Italian market.





Jordan Europe Business Association

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