

Confindustria's study centre has completed a study called **"Unveiling Italy's Economic Potential"**, stressing the strengths of our economy and the significant improvements that have been taking place for several years. This document, here attached, has been presented to the main rating agencies in Rome, Frankfurt and London, receiving very positive feedback.

Here are some key results:

- Italy recorded a significant increase in foreign investments, which grew by 44 per cent in the period 2015-2023: from around EUR 300 billion to over EUR 450 billion;
- economic growth: in the period 2018-2023, Italy recorded an average annual GDP growth of +1.0%. This exceeds the growth of other European countries. The positive trend demonstrates the resilience of the Italian economy in the face of the Covid shocks and the wars in Ukraine and the Middle East;
- productive investments in strong expansion: from 2019 to 2024, productive investments in Italy increased by 17.8%. The investment figure indicates a climate of optimism and a renewal of companies' production base;
- extraordinary export performance: Italian exports grew by 45% from 2015-2024. Italy is second in the EU for manufacturing exports and fourth in the world for the number of products of which it is the main exporter. This highlights the strong international competitiveness of Italian industry and its great product diversification, as well as a favourable framework for manufacturing activities;
- highly productive manufacturing: Italy is second in Europe for hourly productivity in the manufacturing sector;
- sustainable and low-emission economy: Italy's greenhouse gas emissions are among the lowest in the G20, with only 0.12 kg of CO<sub>2</sub> per dollar of GDP produced. Our country's industry is therefore among the most efficient in environmental terms;
- firms are more solid and less indebted: Italian companies, in the period 2007 to 2022, i.e. after the financial crisis of 2008 and after Covid, have increased their capital (growth from 34.5% to 47.3%) and, conversely, their reliance on bank debt has decreased (from 19.5% to 13.2%). Italian companies therefore have a higher share of venture capital and a lower share of debt capital. For this reason they are better shielded from a possible rise in interest rates;
- more stable public finances compared to external perception: between 2019 and 2023, despite Covid and the outbreak of war in Ukraine, Italy's public debt increased by only 1.2 percentage points. Also compared to other countries, Italy has maintained tighter control over its finances. Moreover, more than 70% of the debt is held by domestic investors, which makes our public debt less susceptible to future international financial crises.