

COUNTRY PROFILE REPORT OF ITJ DIVISION, DGCI&S INDIA-ITALY BILATERAL TRADE RELATIONS

INTRODUCTION & BRIEF ECONOMIC OVERVIEW

1. The Italian Republic comprises a peninsula, extending from southern Europe into the Mediterranean Sea, and a number of adjacent islands. The two principal islands are Sicily, to the south-west, and Sardinia, to the west. The Alps form a natural boundary to the north, where the bordering countries are France to the north-west, Switzerland and Austria to the north and Slovenia to the north-east. . Italy is a member of UN, WTO, NATO, BIS, OECD, EU, Council of Europe and WEU, Inter-American Development Bank, Asian Development Bank, IOM and the Antarctic Treaty. As per available data from DGCI&S database India and Italy have bilateral (goods) trade relations primarily in the form of Indian export to Italy and Italy ranked 10th as an export partner of India in 2023-24.

2. Italy has an advanced mixed economy that is the third-largest in the Eurozone and 13th-largest in the world by purchasing power parity GDP. It has the ninth-largest national wealth and the third-largest central bank gold reserve. As a founding member of the G7, the Eurozone, and the OECD, it is one of the most industrialised nations and a leading country in international trade. As per IMF Executive Board Article IV Consultation with Italy July 22, 2025, “Italy’s economy has continued to expand at a moderate pace. Real GDP grew 0.7 percent in 2024, supported by spending under the National Recovery and Resilience Plan (NRRP) and a positive contribution from net exports. Despite heightened global trade policy uncertainty, economic activity in the first quarter of 2025 remained resilient amid continued investment growth and a robust labour market. Headline inflation gradually increased to just below 2 percent in June, credit to households has turned positive, and the contraction in credit to corporates has eased. The 2024 public-sector deficit and debt ratios turned out better than projected and enabled a return to a primary surplus. But challenges remain. Public debt remains high, productivity growth is weak, the population is rapidly aging, female labour force participation remains well below the EU average, and regional disparities endure”.

A snapshot of Italy’s selected economic indicators is as under

TABLE 1

	2022	2023	2024	2025	2026	2027
				Projections		
Real Economy (change in percent)						
Real GDP	4.8	0.7	0.7	0.5	0.8	0.6
Final domestic demand	4.8	2.3	0.6	0.9	0.9	0.5
Exports of goods and services	9.9	0.2	0.4	-2.4	0.2	0.6
Imports of goods and services	12.9	-1.6	-0.7	-2.0	0.9	0.5
Consumer prices	8.7	5.9	1.1	1.7	2.0	2.0
Unemployment rate (percent) 1/	8.1	7.7	6.6	6.6	6.7	6.8
Public Finances						
General government net	-8.1	-7.2	-3.4	-3.3	-2.8	-2.7

lending/borrowing 2/						
Structural overall balance (percent of potential GDP)	-8.7	-7.7	-3.5	-3.1	-2.6	-2.5
General government gross debt 2/	138.3	134.6	135.3	136.9	138.4	138.5
Balance of Payments (percent of GDP)						
Current account balance	-1.7	0.1	1.1	0.9	0.8	1.2
Trade balance	-1.8	1.5	2.6	2.0	1.9	2.1
Exchange Rate						
Exchange rate regime	Member of the EMU					
Exchange rate (national currency per U.S. dollar)	0.9	0.9	0.9
Nominal effective rate: CPI based (2000=100)	104.6	108.2	110.0
Sources: National Authorities; Eurostat; and IMF staff calculations.						
1/ Eurostat.						
2/ Percent of GDP.						

FOREIGN TRADE

3. As per recent available inputs on WITS (World Integrated Trade Solution), the five major merchandise export partners of Italy are Germany, United States, France, Spain and Switzerland. On the other hand five major import partners of Italy are Germany, China, France, Netherlands and Spain. Major five exported goods of Italy are (i) Petroleum oils, etc., (excl. crude); preparation (ii) Other medicaments of mixed or unmixed products, (iii) Art. of jewellery and pts thereof of/o precious metals (iv) Human and animal blood; microbial cultures; tox and (v) Automobiles with reciprocating piston engine. On the other hand major five imported goods of Italy are (i) Natural gas in gaseous state, (ii) Petroleum oils and oils obtained from bituminous (iii) Other medicaments of mixed or unmixed products (iv) Electrical energy and (v) Natural gas, liquefied.

4. Italy's total exports globally in 2020 were of the order of USD 498,804 million. It was USD 674,874 million in 2024. Exports from Italy increased by 23.48% in the year 2021 just after the initial serious impact of Covid-19 pandemic. During the period from 2020 to 2024, the annual average compound rate of growth of exports was 7.85%.

5. Italy's total imports from the world in 2020 were of the order of USD 426,476 million and it was USD 615,599 million mark in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of imports was 9.61%.

6. Italy enjoyed an overall Balance of Trade surplus from 2020 to 2024 except in the year 2022. Italy had a trade deficit of USD 35,849 million in 2022 and trade surplus of USD 59275 million in 2024. During the period from 2020 to 2024, the annual average compound rate of growth of total volume of trade was 8.67%.

A snapshot of Italy's overall Trade Statistics is presented in **Table 2** and **Figure 1** below.

TABLE - 2

**ITALY'S TOTAL EXPORTS AND IMPORTS, VOLUME OF TRADE AND BALANCE OF TRADE
BETWEEN 2020 TO 2024**

(Figures in USD Million)

Year	Exports	Percentage Growth in Exports	Imports	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020	498804		426476		9,25,280		72328
2021	615910	23.48	568202	33.23	11,84,112	27.97	47708
2022	659387	7.06	695236	22.36	13,54,623	14.40	-35849
2023	677095	2.69	639929	-7.96	13,17,024	-2.78	37166
2024	674874	-0.33	615599	-3.80	12,90,473	-2.02	59275

**Annual
Compound
Growth
Rate**

7.85

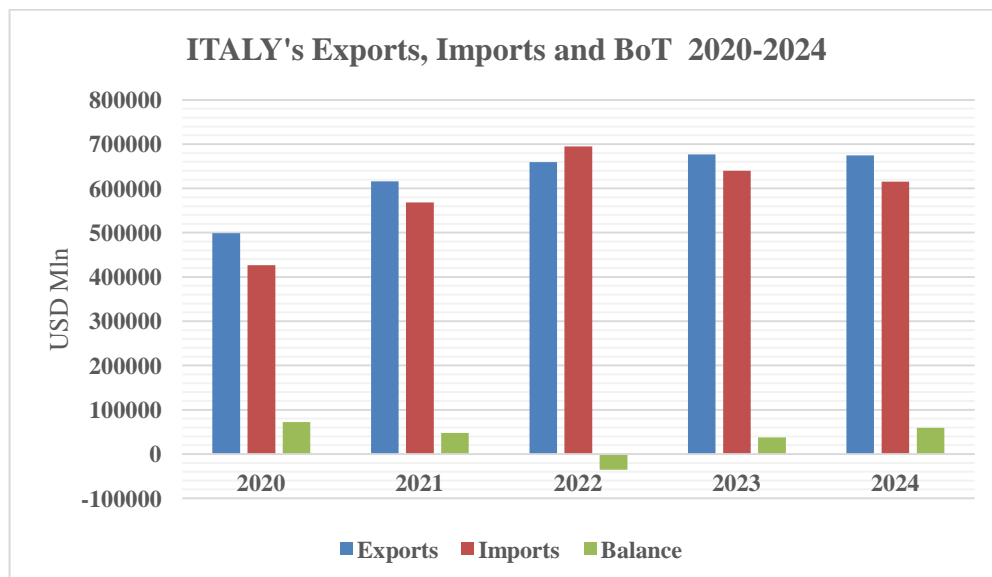
9.61

8.67

NOTE : Figures relate to calendar year (January to December)

SOURCE : UN COMTRADE PUBLICATION

FIGURE-1



BILATERAL TRADE WITH INDIA

Merchandise Trade

7. Diplomatic relations with Italy were established in 1947. In 2023, both countries celebrated the 75th anniversary of establishment of diplomatic relations. The two countries enjoy a strong people-to-people connect with a large Indian diaspora. There is a long-standing tradition of Indological Studies in Italy. Italy ranked 12th as an export destination of India in FY 2024-25. India exported to Italy almost 1.77% of its total export value in FY 2024-25. In the same financial year imports from Italy was 0.85% of India's total import value. Italy ranked 29th as an import partner of India in FY 2024-25. Almost 1.02% of India's total international trade value of goods was between India and Italy as recorded in DGCI&S database for FY 2024-25.

8. Indo-Italy total volume of bilateral trade in FY 2020-21 was of the order of USD 8,598.21 million. It was USD 13,843.60 million in FY 2024-25. The annual compound growth rate of total volume comprising both exports and imports during the period from 2020-21 to 2024-25 had been of the order of 12.64%.

9. It is seen from the available figures that between 2020-21 and 2024-25, India had a surplus Balance of Trade with Italy. It has been also observed that exports from India to Italy increased by 72.74% in FY 2021-22 compared to FY 2020-21. The annual average compound rate of growth of Exports was 13.02% during the period under review. On the other hand, imports from Italy to India increased by 30.72% in FY 2021-22 over FY 2020-21. During the period from 2020-21 to 2024-25, the annual average compound rate of growth of imports was 12.18%.

A snapshot of India's merchandise trade statistics w.r.t. Italy is presented in Table 3 & Figure 2.

TABLE - 3

**INDIA'S MERCHANDISE EXPORTS & IMPORTS w.r.t. ITALY
FY 2020-2021 to 2024-2025**

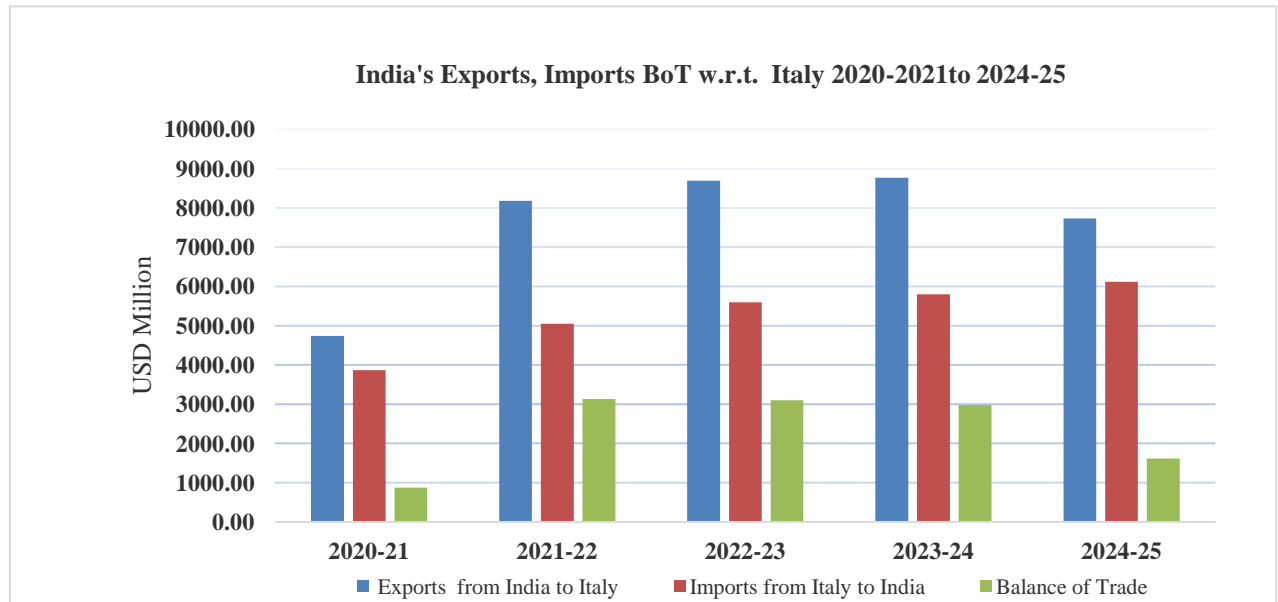
(Value in USD Million)

Year	Exports from India to Italy	Percentage Growth in Exports	Imports from Italy to India	Percentage Growth in Imports	Volume of Trade	Percentage Growth in Vol. of Trade	Balance of Trade
2020-21	4736.16		3862.05		8598.21		874.11
2021-22	8181.15	72.74	5048.47	30.72	13229.62	53.86	3132.68
2022-23	8691.83	6.24	5591.91	10.76	14283.74	7.97	3099.92
2023-24	8766.71	0.86	5795.37	3.64	14562.08	1.95	2971.34
2024-25	7727.26	-11.86	6116.34	5.54	13843.60	-4.93	1610.92
Annual Compound Growth Rate		13.02		12.18		12.64	

NOTE : Figures relate to Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

FIGURE-2



10. Additionally, from Tables 4 & 5 presented below the following are stated:

- a. (i) **Telecom Instruments** (ii) **Iron And Steel** and (iii) **Coffee** occupied the top three slots in India's exports to Italy in FY 2024-25. **Telecom Instruments** occupied 16.35% share of India's total exports to Italy in FY 2024-25.
- b. (i) **Indl. Machinery For Dairy Etc.** (ii) **Residual Chemical And Allied Products** and (iii) **Electric Machinery And Equipments** were the three major commodities in India's imports list from Italy in the year 2024-25. India imported a significant amount of **Indl. Machinery For Dairy Etc.** from Italy with a share of 18.06% of total imports from Italy recorded in FY 2024-25.

TABLE -4

**INDIA'S MAJOR ITEMS OF MERCHANDISE EXPORTS TO ITALY
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Exports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Telecom Instruments	168.34	226.57	730.86	803.90	1263.38	34.59	222.58	9.99	57.16
	Share in total export	3.55	2.77	8.41	9.17	16.35				
2	Iron And Steel	938.25	2144.70	1760.39	1895.56	1072.08	128.59	-17.92	7.68	- 43.44
	Share in total export	19.81	26.22	20.25	21.62	13.87				
3	Coffee	110.27	155.61	148.76	208.08	326.12	41.12	-4.40	39.88	56.73
	Share in total export	2.33	1.90	1.71	2.37	4.22				
4	Product Of Iron And Steel	183.79	272.45	285.46	311.82	261.58	48.24	4.78	9.23	- 16.11
	Share in total export	3.88	3.33	3.28	3.56	3.39				
5	RMG Cotton Including Accessories	188.42	254.96	257.57	215.50	245.10	35.31	1.02	- 16.33	13.74
	Share in total export	3.98	3.12	2.96	2.46	3.17				
6	Aluminium, Products Of Aluminium	68.14	493.96	505.38	230.04	229.87	624.92	2.31	- 54.48	-0.07
	Share in total export	1.44	6.04	5.81	2.62	2.97				
7	Electric Machinery And Equipments	114.12	143.15	194.99	183.02	223.27	25.44	36.21	-6.14	21.99
	Share in total export	2.41	1.75	2.24	2.09	2.89				
8	Auto Components/Parts	158.83	230.78	237.78	240.73	215.66	45.30	3.03	1.24	- 10.41
	Share in total export	3.35	2.82	2.74	2.75	2.79				
9	Marine Products	121.23	178.40	179.32	157.56	175.06	47.16	0.52	- 12.13	11.11
	Share in total export	2.56	2.18	2.06	1.80	2.27				
10	Indl. Machinery For Dairy Etc.	113.68	168.60	184.00	180.07	170.02	48.31	9.13	-2.14	-5.58
	Share in total export	2.40	2.06	2.12	2.05	2.20				
	Total export to ITALY	4736.16	8181.15	8691.83	8766.71	7727.26	72.74	6.24	0.86	- 11.86

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

TABLE -5

**INDIA'S MAJOR ITEMS OF MERCHANDISE IMPORTS FROM ITALY
2020-2021 TO 2024-2025 AND THEIR GROWTH RATES**

(Value in USD Million)

Sl. No.	Name of the Merchandise Commodities	Value of Imports					Annual Growth Rates			
		2020-21	2021-22	2022-23	2023-24	2024-25	21-22 over 2020-21	22-23 over 2021-22	23-24 over 2022-23	24-25 over 2023-24
1	Indl Machinery For Dairy Etc.	616.60	767.60	941.07	1061.73	1104.45	24.49	22.60	12.82	4.02
	Share in total import	15.97	15.20	16.83	18.32	18.06				
2	Residual Chemical And Allied Products	237.90	317.19	326.88	304.05	322.25	33.33	3.05	-6.98	5.99
	Share in total import	6.16	6.28	5.85	5.25	5.27				
3	Electric Machinery And Equipments	146.52	187.59	216.52	309.24	293.63	28.03	15.42	42.82	-5.05
	Share in total import	3.79	3.72	3.87	5.34	4.80				
4	Machine Tools	140.60	177.78	184.79	192.45	281.64	26.44	3.94	4.15	46.34
	Share in total import	3.64	3.52	3.30	3.32	4.60				
5	Other Misc. Engineering Items	124.12	179.40	218.66	243.57	2246.20	44.54	21.88	11.39	822.20
	Share in total import	3.21	3.55	3.91	4.20	36.72				
6	Products Of Iron Steel	149.17	177.27	185.65	188.28	224.40	18.84	4.73	1.42	19.18
	Share in total import	3.86	3.51	3.32	3.25	3.67				
7	Medical And Scientific Instruments	71.14	107.45	125.06	140.59	172.87	51.04	16.39	12.42	22.96
	Share in total import	1.84	2.13	2.24	2.43	2.83				
8	Paper, Paper Board And Products	98.64	111.73	162.88	182.63	150.39	13.27	45.78	12.13	-17.65
	Share in total import	2.55	2.21	2.91	3.15	2.46				
9	AC Refrigeration Machinery Etc.	104.52	113.16	156.89	158.49	142.44	8.27	38.64	1.02	-10.13
	Share in total import	2.71	2.24	2.81	2.73	2.33				
10	Bulk Drugs, Drug Intermediates	118.25	111.35	107.40	138.37	135.13	-5.84	-3.55	28.84	-2.34
	Share in total import	3.06	2.21	1.92	2.39	2.21				
	Total import from Italy	3862.05	5048.47	5591.91	5795.37	6116.34	30.72	10.76	3.64	5.54

NOTE : Figures relate to each Financial Year (April to March)

SOURCE : DGCI&S, M/o C&I

“NOTICE”

Rights of permission for reproduction in part or entirely of these official papers published in the Indian Trade Journal is reserved by the Directorate General of Commercial Intelligence & Statistics, Kolkata – 700 107.