Note

ON THE ITALIAN ECONOMY

Istat

May 9th, 2025

- The international scenario continues to be characterized by a slowdown in economic activity and high and persistent uncertainty, fuelled by announcements regarding trade policy measures by the new US administration.
- In the first quarter, despite a still good economic performance in China and the euro area, the US GDP recorded a slight negative change, mainly due to a sharp increase in imports.
- According to the preliminary estimate, in the first three months of the year, Italian GDP grew by 0.3%, a better result than in France and Germany, but lower than in Spain.
- In the first quarter, industrial production recorded a slight increase on a quarterly basis: the increase in the index in January was followed by a decline in February and stability in March.
- Business confidence marked its third consecutive decline in April, involving all four main economic sectors. Consumer confidence also decreased in the same month, with a particularly marked worsening of opinions on Italy's economic situation.
- Despite a slight decrease in March, employment in the first quarter increased by 0.9% on a quarterly basis. This positive trend involved men and women, permanent employees and the self-employed, young people aged 15-24 and those aged 50 and over.
- The Harmonised Index of Consumer Prices (HICP) in all major European countries remained substantially unchanged in April compared to March, standing at 2.1% in Italy and 2.2% on average in the euro area.

Focus: *Among exporting firms, those most vulnerable to foreign demand are also characterized by greater profitability issues, and therefore by a higher degree of precariousness in their economic and financial soundness. Compared to potential shocks (i.e. imposition of tariffs), the combination of export vulnerability and fragility in profitability conditions could therefore represent an additional specific factor of criticality.*

TABLE 1. MAIN ECONOMIC INDICATORS FOR ITALY AND THE EURO AREA - q-o-q and m-o-m % variations.

INDICATORS	ITALY	EURO AREA	PERIOD	ITALY PREVIOUS PERIOD	EURO AREA PREVIOUS PERIOD
GDP	**0.3**	**0.4**	**Q1 2025**	**0.2**	**0.2**
Industrial Production	0.1	1.1 (Feb)	Mar. 2025	-0.9	0.6
Production in the construction sector	0.3	-0.5	Feb. 2024	4.7	0.6
Retail sales (volume) Vendite al dettaglio (volume)	-0.5	-0.1	Mar. 2025	-0.1	0.2
Producer prices in the industry – domestic market	-3.3	-1.6	Mar. 2025	0.9	0.2
Consumer prices (HICP)*	2.1	2.2	Apr. 2025	2.1	2.2
Unemployment rate	6.0	6.2	Mar. 2025	5.9	6.2
Economic Sentiment Indicator**	-1.8	-1.4	Apr. 2025	-2.0	-1.1

*Year-on-year variations **Absolute differences compared to the previous month

Source: Eurostat, European Commission, Istat

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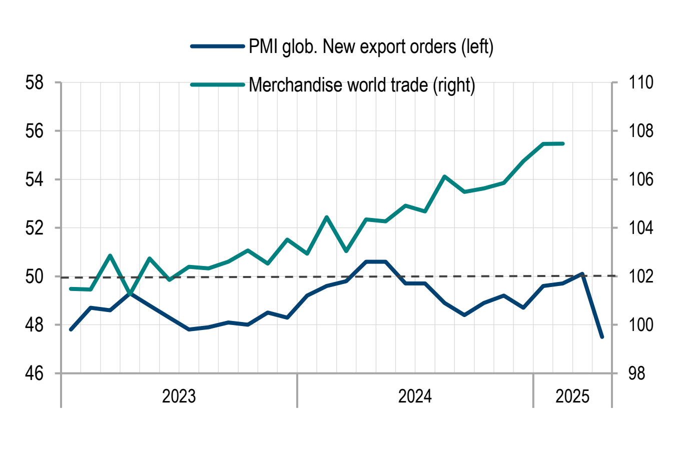
THE INTERNATIONAL FRAMEWORK

The global economy is slowing down, and perspectives are worsening. The international scenario remains marked by high and persistent uncertainty, which has begun to weigh on the decisions of consumers and businesses. In recent weeks, official announcements regarding trade policy measures by the new U.S. administration have undergone frequent changes. Currently, it is incredibly challenging to predict the outcomes of tariff negotiations between the United States and other major countries. Moreover, strong geopolitical tensions persist between Russia and Ukraine, as well as in the Middle East, with no imminent resolution in sight. In this context, the latest forecasts from the International Monetary Fund estimate a slowdown in global GDP for this year (+2.8%, down from +3.3% in 2024), with a moderate recovery expected in 2026 (+3.0%).

In February, global merchandise trade volumes remained unchanged from the previous month, after a 0.7% increase in January. On the import side, the United States showed a slight month-on-month decrease in merchandise import volumes (-0.4%), following the substantial increase recorded in January (+12.2%). As for exports, February saw a notable rise in Japan (+7.4%), which more than offset the 3.1% decline in the previous month.

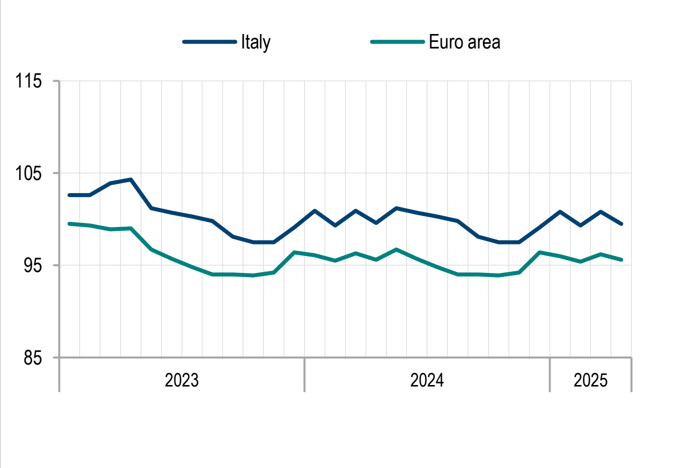
The outlook for global demand has turned negative again: the global composite Purchasing Managers' Index (PMI) for new export orders, which anticipates trends in international trade, fell below the 50-point expansion threshold in April (47.5 from 50.1, Figure 1).

FIGURE 1. MERCHANDISE WORLD TRADE IN VOLUME AND PMI GLOBAL COMPOSITE NEW EXPORT ORDERS. Index 2021=100, >50 = growth



Source: CPB and IHS

FIGURE 2. ECONOMIC SENTIMENT INDICATOR (ESI). Seasonally adjusted values.



Source: World Bank

The downward trend in gas and oil prices persists, driven by expectations of a global economic slowdown. The natural gas index in March and April exhibited a declining trend, with values of 121.6 and 104.8, respectively, down from 132.9 in February. Brent crude prices also showed a reduction, supported by the decision of OPEC+ countries to increase oil production, resulting in an average price of $67.8 per barrel in April, down from $72.6 in March.

The euro is appreciating against the dollar. Starting in March, the euro strengthened against the US dollar, trading at 1.08 dollars per euro, up from 1.04 in both January and February. In April, high uncertainty regarding the potential evolution of US trade policy - and its possible effects on the country's growth and inflation - further boosted the euro, averaging 1.12 dollars per euro.

Diverging trends in economic activity across major countries. In the first quarter, China and the euro area showed solid financial performance, while the US economy lost momentum. There is also a noticeable misalignment between actual data (which essentially refers to the period before the introduction of US tariffs) and mostly negative signals from business and consumer confidence surveys, with few exceptions, mirroring instead a more precise information set.

China's economy remains dynamic. In the first quarter, China's GDP grew by 1.2% (down from +1.6% in the previous three months), driven by an acceleration in the industrial sector, strong export performance, and fiscal and monetary stimulus measures implemented by the government. However, the outlook is dampened by the potential adverse effects of the US-imposed tariff increases, whose impact is currently difficult to predict.

In the United States, GDP fell slightly in the first quarter for the first time in three years, at -0.1% quarter-on-quarter, down from 0.6% in the previous period. This result is mainly due to a surge in imports (+10.9%, the highest quarterly change since 1972, excluding post-COVID reopening), which negatively impacted net exports. Domestic demand remained relatively strong for now, with private consumption decelerating less than expected and investments on the rise.

The Conference Board's consumer confidence index dropped sharply in April, to 86 (down from 92.9), primarily due to the expectations component, which fell to 54.4 (down from 66.9)—the lowest level since October 2011 and well below the 80 threshold that historically signals a looming recession.

The U.S. trade deficit reached a new low in March, hitting -161 billion dollars, compared to -148 billion in February. The anticipation of the announced tariff hike starting in April prompted American companies to bring forward their foreign purchases.

In the euro area, GDP accelerated in the first quarter (+0.4% compared to +0.2% in the previous three months). National data indicate that Germany's GDP increased by 0.2% quarter-on-quarter, following a 0.2% decline in the previous quarter. In France, the economy grew by 0.1% after contracting by 0.1% in Q4 2024. Lastly, Spain's economic activity remained robust and well above the euro area average (+0.6% quarter-on-quarter, slightly down from +0.7%).

The outlook for the euro area is deteriorating. The European Commission's Economic Sentiment Index, which summarises household and business confidence, fell by 1.4 points in April (Figure 2). The decline in the index was driven by a sharp deterioration in consumer confidence, particularly in the retail sector, and to a lesser extent in the services sector. In contrast, confidence in industry and construction remained broadly stable. Nationally, the ESI worsened notably in Italy (-1.8), while it improved slightly in Germany (+0.5) and Spain (+0.4). The index remained broadly unchanged in France.

THE ITALIAN ECONOMIC SITUATION

Italian GDP continues to grow. In the first quarter, Italy's GDP, expressed in chain-linked volumes with 2020 as the reference year, calendar- and seasonally adjusted, showed a preliminary estimated growth of 0.3% (+0.4 percentage points), marking the second consecutive positive quarterly change after the stagnation observed in the third quarter of 2023. Italy's economic performance was better than that of Germany and France, although weaker than Spain's (Figure 3). This result reflects an expansion in industrial and agricultural value added, which remained unchanged in the services sector. On the demand side, there was a positive contribution from domestic demand (net of inventories) and a negative contribution from net foreign demand.

Industrial production increases in the first quarter. Regarding manufacturing, the seasonally adjusted production index rose in January, declined in February, and remained stable in March (+0.1%), resulting in a modest overall increase in the first quarter (+0.4% compared to the previous three months). During the same period, production of intermediate goods and energy goods increased by 0.9% and 1.4%, respectively, while consumer goods and capital goods decreased by 0.6% and 0.3%, respectively.

The construction sector is slowing down. In February, after strong growth in January, the construction sector's output rose at a slower pace (+0.3% quarterly change). However, on a quarterly basis, growth remained solid, increasing by +2.6% in the December 2024–February 2025 period compared to the previous three months.

Less favourable signals emerge from Q4 2024 data on building permits: in the residential sector, the number of dwellings (-3.1%) and usable floor area (-0.4%) declined to a limited extent after growth in Q3. In contrast, non-residential construction saw a slight increase (+0.2%) compared to the previous quarter.

The services sector shows signs of a slowdown. In February, the turnover volume index declined by 1.3%, with decreases across all sectors, particularly in professional, scientific, and technical services (-3.3%), wholesale trade and motor vehicle repair (-1.3%), and transportation and storage (-1.2%). This contraction, which follows a rise in January, results in overall stability in the index for the December–February period compared to the previous quarter.

Gross fixed investments by non-financial corporations increased by 2.5% in Q4 of 2024, compared to the previous quarter, after two consecutive quarters of decline. As a result, the investment rate rose by 0.3 percentage points to 22.1%, supported by the moderate growth in value added (+1.0%). In the same period, the profit share declined further, although less sharply than before, falling to 42.4% (-0.2 percentage points), continuing the downward trend that began in Q3 2023.

Business confidence declined for the third consecutive month in April, affecting all four main economic sectors, albeit with varying intensities. The decline was more limited in manufacturing, but more pronounced in construction, retail trade, and market services, with a particularly sharp drop in the tourism sector. In manufacturing, there was an improvement in order assessments, while production expectations declined and stock evaluations remained unchanged. In the construction industry, employment expectations worsened, although order assessments remained stable. In the market services sector, all components of confidence deteriorated. In retail trade, the decline in confidence was attributed to negative evaluations of sales and perceptions of rising inventories; however, sales expectations showed a moderate improvement.

Goods trade value increased in the first two months of 2025: exports rose by 1.6% and imports by 6.5% compared to the first two months of 2024. Export growth was more pronounced toward EU markets (+2.5% compared to +0.7% for non-EU markets). Conversely, imports from the EU increased less than those from non-EU countries (+1.7% vs. +13.3%).

Trade performance was influenced by rising prices, as measured by average unit values, alongside an overall decline in volume. Only purchases from non-EU countries saw a positive volume change (Figure 4).

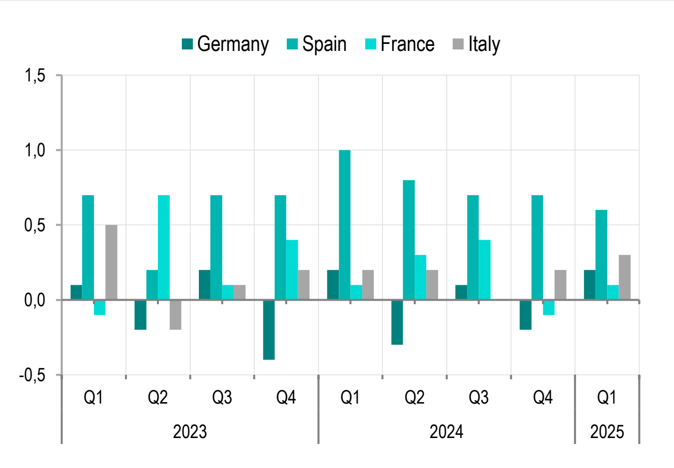
The value of Italian exports increased to Germany (+7.3%)—which had seen a sharp decline in 2024—along with exports to the Netherlands and Spain (+13.2% and +6.7%, respectively), while exports to Belgium fell (-6.0%). Outside the EU, exports increased to the United Kingdom (+11.2%), Switzerland (+15.5%), OPEC countries, and Mercosur (+11.8% and +4.2%), but decreased to the United States (-2.8%), China (-12.7%), Russia (-20.9%), and Turkey (-8.8%).

Initial March data confirm the growth in exports to non-EU markets observed in the first two months, with a sharp increase in direct sales to the United States (+41.2%), driven by an “anticipation effect” ahead of the announced tariff impositions and mainly, by extraordinary sales to the U.S. of marine vessels; net of these, a monthly basis decline in domestic exports to non-EU countries is estimated at -1.6%, and a relatively less sustained trend growth of +3.0% (from 7.5% before marine vessels).

Employment declined slightly in March, with the number of employed individuals totalling 24.307 million. The decrease affected only women and people under the age of 35. By employment status, the decline was observed among temporary employees and the self-employed, while permanent employees experienced an increase. The employment rate remained stable at 63.0% (Figure 5).

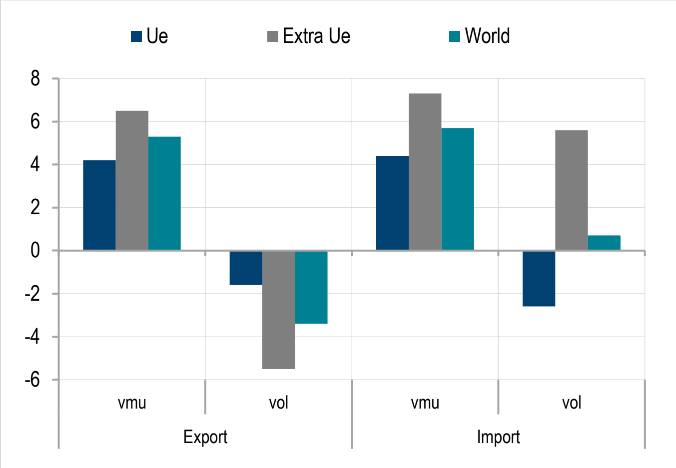
Compared to the previous month, unemployment increased, driven primarily by rises among men and individuals under the age of 50. On a monthly basis, the overall unemployment rate, which remained stable at 6.2% in the euro area, increased to 6.0% (+0.1 percentage points), while youth unemployment rose to 19.0% (+1.6 points). Finally, compared to February, the inactivity rate remained unchanged at 32.9%.

FIGURE 3. **GDP TREND IN MAJOR EUROPEAN COUNTRIES**
quarter-on-quarter % variations



Source: Istat and Eurostat

FIGURE 4. **TRADE OF GOODS: EU, NON-EU, AND WORLD.**
January – February 2025. Year-on-year % changes.



Source: Istat

Quarterly data confirm the positive employment trends: comparing Q1 2025 with the previous quarter, employment increased by 0.9%, totalling 224,000 more employed individuals, encompassing both men and women, permanent employees and the self-employed, as well as young people aged 15–24 and those aged 50 and above. This quarterly employment growth was accompanied by a rise in the number of job seekers (+0.5%, or +7,000 individuals) and a decrease in the number of inactive people (-1.7%, or -217,000 individuals).

On an annual basis, in March 2025, the number of employed people increased by 450,000 (+1.9%), with the employment rate rising by 0.9 percentage points compared to March 2024. The year-on-year change in the number of unemployed was negative, with 208,000 fewer job seekers (-11.8%). Compared to the previous year, the overall unemployment rate decreased by 0.9 points, and among young people, it fell by 1.0 points. The number of inactive people decreased year-on-year by -0.9% (-107,000 individuals), and the inactivity rate fell by 0.3 points.

Household spending growth slowed in Q4 2024 compared to the previous quarter (from +0.9% to +0.7%). Additionally, the household saving rate decreased by 0.6 percentage points compared to the last three months (8.5% from 9.1% in Q3). A slight decline in household disposable income was also observed, compared to the previous quarter, at- 0.1%.

Retail sales declined. In March, retail sales saw a monthly drop in both value and volume (-0.5% for both). Sales of food products decreased by 0.5% in value and 0.9% in volume, while those of non-food products decreased by 0.3% and 0.4%, respectively. In Q1 2025, on a quarterly basis, retail sales decreased by 0.2% in value and 0.5% in volume. The decline affected both food products (-0.1% in value and -0.5% in volume) and non-food products (-0.4% and -0.6%, respectively).

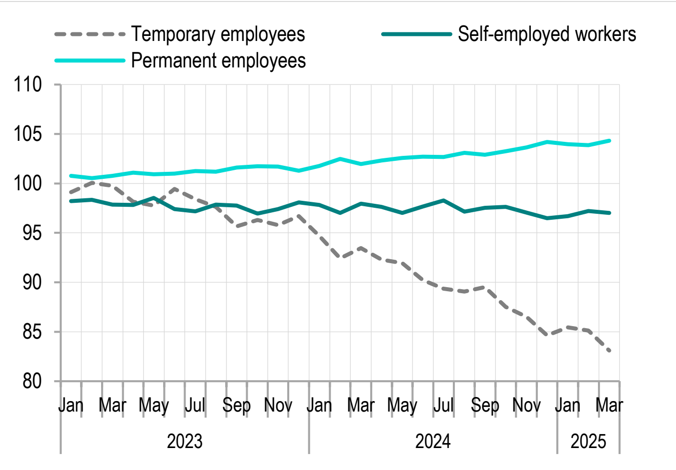
The upward trend of the contractual hourly wage index was confirmed, with a 0.4% monthly increase in March and a 4.0% rise compared to March 2024. The annual wage increase was greater in the private sector than in the public sector.

Consumer confidence declined for the second consecutive time in April, reflecting a general deterioration in opinions, especially regarding expectations for Italy's economic situation and assessments of the current opportunity to save. Employment expectations worsened in April compared to the previous month, especially in the manufacturing sector, and to a lesser extent in construction, services, and retail trade.

Inflation increases slightly in Italy. The year-on-year change in the consumer price index for the entire nation (NIC) was 2.0% in April (preliminary data), slightly up from 1.9% in March, while on a monthly basis the index rose by 0.2% (+0.3% in the previous month). Recent data thus confirm the upward trend that began in October, and the carry-over inflation for 2025 rose to 1.5% in April (Figure 6).

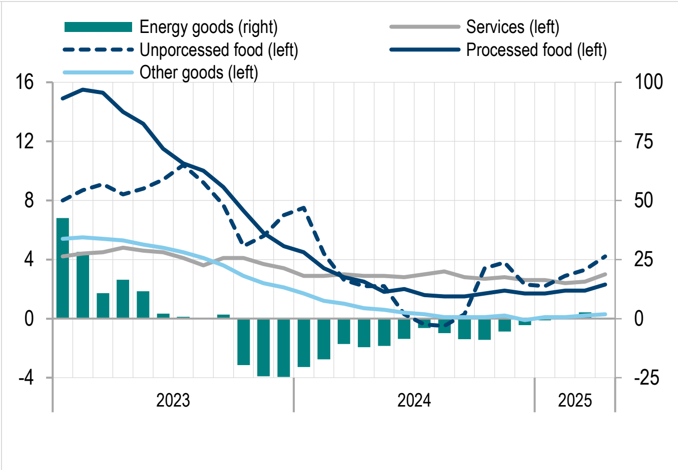
After accelerating from -0.9% in September to 1.5% in March, the year-on-year increase in goods prices slowed in April (+1.1%), while service prices grew at a stronger pace (+3% in April; +2.5% in March).

FIGURE 5. EMPLOYMENT RATE (AGES 15-64) AND TOTAL AND YOUTH UNEMPLOYMENT RATE (AGES 15-24). Index numbers, 2019 average base, seasonally adjusted data



Source: Istat

FIGURE 6. CONSUMER INFLATION IN ITALY. Consumer Price Index for the entire population (NIC), year-on-year variations.



Source: Istat

Energy prices decline. The trend in goods prices is mainly due to the slowdown in energy goods prices (from 2.6% in March to -0.3% in April year-on-year). On a monthly basis, after a 5.0% rise between October 2024 and March 2025, energy goods prices dropped sharply by 5.3% in April, falling below October levels.

Sharp rise in food inflation. In April, food prices saw a significant acceleration both year-on-year (+3% from +2.4% in March) and month-on-month (+0.6%). This increase involves both unprocessed food, which rose 0.7% in April alone (+4.2% year-on-year), and processed food, which increased 0.5% compared to March (+2.3% year-on-year).

Core inflation (excluding energy and unprocessed food) rose to 2.1% (from 1.7% in March), and the price of the "shopping basket" (food and personal/household care goods) increased by 0.6% compared to March (+2.6% year-on-year).

Service prices rose by 1.3% in April compared to March, with the most significant increases seen in transportation services (+3.4%).

HICP inflation remains stable in both Italy and the euro area. According to preliminary data, harmonised consumer price inflation (HICP) in April was virtually unchanged compared to March across the major European countries, standing at 2.1% in Italy and 2.2% in the euro area average.

Imported goods inflation accelerates in February. In February (the latest available data), the year-on-year change in industrial import prices increased to 2.2%, up from 1.4% in January. Month-on-month, the increase was 0.6% (+0.4% in January), mainly reflecting the strong growth in imported energy prices (+3.3%).

Industrial producer prices fell in March. After five consecutive months of increases, industrial producer prices dropped by 2.4% in March compared to the previous month, driven by a decline in energy goods production (-8.4%). Year-on-year, the trend showed a sharp slowdown, dropping to +3.9% (from +6.2% in February).

Construction producer prices for buildings rose by 0.5% both year-on-year and month-on-month in March, while prices for road and railway construction remained nearly stable year-on-year (+0.1%) and declined slightly month-on-month (-0.1%).

Consumers' inflation expectations rise. In April, more consumers expected inflation to rise over the next twelve months: 53.2% expected an increase (up from 46.4% in March), while fewer expected a decrease (31.5% vs. 34.6% in March) or stability (13% vs. 16.8% in March).

Firms are more inclined to maintain stable prices. In April, the share of firms intending to keep their prices stable over the next three months increased in manufacturing (82.6% from 81.2% in March), construction (89.7% from 88.4%), and retail trade (73.1% from 71.8%), while it slightly declined—though remaining the majority—in market services (85.7% from 88%).

The balance between price increase and decrease expectations shifted in April, with a decline in manufacturing (9.4% from 11.4% in March) and construction (7.1% from 8.1%), but an increase in retail trade (19.9% from 17.9%) and market services (7.3% from 6.2%).

focus

ITALIAN EXPORTING COMPANIES: VULNERABILITY TO FOREIGN DEMAND AND ECONOMIC-FINANCIAL STABILITY *

In recent years, the growing use of protectionist approaches by many countries has threatened to negatively impact the growth of international trade, with adverse effects on the global business landscape. Italian exporting companies, in particular, could be negatively affected by the recent introduction of tariffs on a wide range of products and towards main markets.

The following analysis examines the health financial conditions of exporting companies that are more exposed to foreign demand. These were selected using an export vulnerability indicator defined at the level of individual exporting firms. It is multidimensional and is based both on the degree of export openness (the share of revenue generated from exports) and on the level of product (number of exported products) and geographical concentration (number of countries to which the firm exports)[1]

In 2022, the most recent year for which data is available for this type of analysis, the indicator identified just over 23,000 firms as vulnerable to export risk. These companies employed more than 415,000 people (2.3% of the total), accounted for 3.5% of the value added (approximately 36 billion euros), and represented 16.5% of the country's total exports (approximately 87 billion euros). Compared to the pre-COVID period (2019), the share of vulnerable exporting firms relative to the total number of firms remained stable (0.5%), while their share of value added decreased (from 4.4% to 3.5%). In 2022, the United States was the country whose demand posed the highest vulnerability for the most significant number of firms (almost 3,300 units), followed by Germany (over 2,800) and France (2,721).

The condition of economic and financial vulnerability (or health) of companies is instead captured by an indicator (ISEF), which is also multidimensional and calculated for incorporated firms with adequate capitalisation. The indicator features four categories: healthy firms (entities with sufficient liquidity, profitability[2], and capital structure[3]), fragile firms (profitability is adequate, but at least one of the other two dimensions is not), at-risk firms (profitability is inadequate, but at least one of the different dimensions is adequate), and highly at-risk firms (all dimensions are insufficient).

The combined use of the two indicators enables the analysis of the economic and financial health dynamics of the subset of incorporated companies that are vulnerable to exports[4]. From 2019 to 2022, the percentage of export-vulnerable incorporated companies classified as healthy increased, at the expense of the shares of at-risk and highly at-risk firms (Figure F1). However, when comparing export-vulnerable companies with non-vulnerable ones, the former show, in 2022, a higher share of firms belonging to the two most at-risk categories (Figure F2).

* This focus was prepared by Marco Rinaldi.

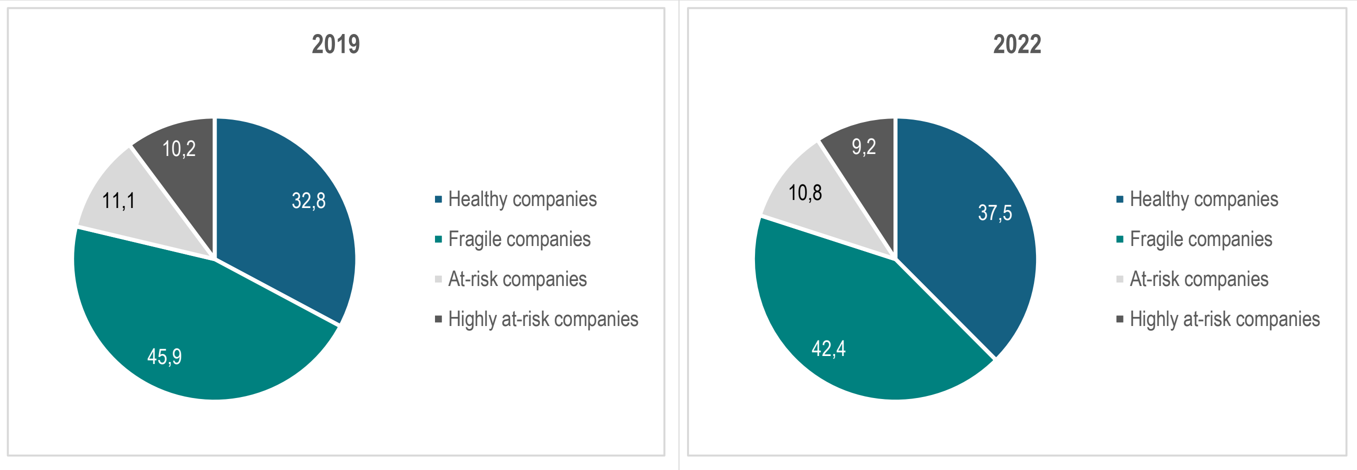
[1] In particular, the measurement of export vulnerability is based on three indicators:
a) the degree of product concentration of exports, captured through the Herfindahl-Hirschman Index (HHI) by product;
b) the degree of geographical concentration of exports, measured using the HHI by country;
c) the share of exports in the company's total turnover.
A firm is considered vulnerable to export shocks when the following three conditions occur simultaneously: a high level of product concentration in its exports (HHI > 3,000), a high level of geographical concentration in its exports (HHI > 3,000), and an export propensity higher than the average across the universe of exporting firms.
For more details on the indicator and its applications, see the Report on the Competitiveness of Productive Sectors, 2025 edition.

[2] Profitability is measured through ROI (Return on Investment, expressed as the ratio between value added minus production costs and total assets), while ROD (Return on Debt) expresses the interest rate paid on debt. For more details on the indicator, see: Boselli C., Costa S., Rinaldi M., Vicarelli C. (2022), "The pandemic crisis in Italy: An assessment through a new indicator of firm economic-financial solidity." Journal of Industrial and Business Economics, 1–21.

[3] For each of these three areas, financial statement analysis has long identified threshold values used to make positive or negative judgments about the sustainability of a firm's profitability, solidity, and liquidity (Walsh, 1996; Facchinetti, 2008); the combination of these assessments allows for the construction of a synthetic indicator of economic-financial sustainability. For details, see Boselli et al. (2024).

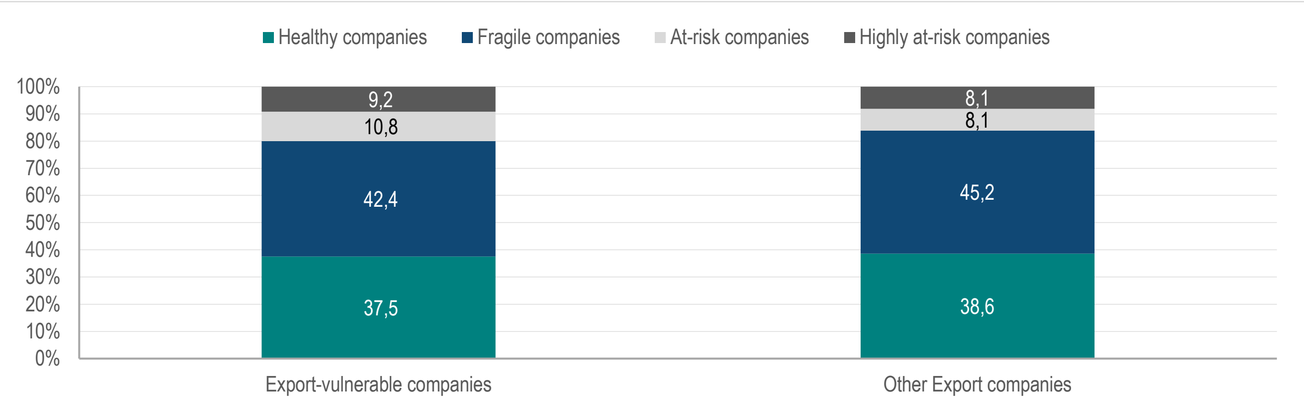
[4] The number of export-vulnerable incorporated companies for which the economic and financial sustainability indicator could be calculated is 15,421; the incorporated companies that export but are not classified as export-vulnerable amount to 75,469.

FIGURA F1. ECONOMIC-FINANCIAL SUSTAINABILITY INDICATOR (ISEF). EXPORT-VULNERABLE COMPANIES. Years 2019–2022 (percentage points)



Source: Elaboration on Istat data.

FIGURE F2. ECONOMIC-FINANCIAL SUSTAINABILITY INDICATOR (ISEF). EXPORT-VULNERABLE COMPANIES AND OTHER EXPORTING COMPANIES. Year 2022



Source: Elaboration on Istat data

Table F1 provides a detailed breakdown of the factors underlying the inadequate economic and financial sustainability of companies vulnerable to exports, including low liquidity, a weak capital structure, and profitability lower than the interest paid on debt (ROI < cost of debt). Companies that simultaneously exhibit weaknesses in the latter two factors may suffer significant losses, even from small reductions in profitability, due to the leverage effect.

TABLE F1. PERCENTAGE SHARE, NUMBER OF EMPLOYEES, VALUE ADDED, AND EXPORTS OF EXPORT-VULNERABLE COMPANIES BY TYPE OF ECONOMIC-FINANCIAL SUSTAINABILITY. Year 2022 (absolute values in billions and %) (a)

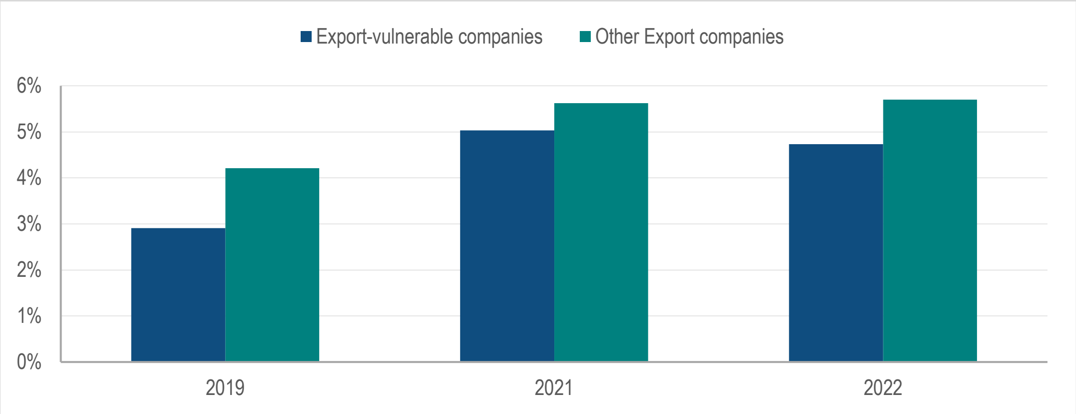
Vulnerable companies by type	Companies % (a)	Number of employees	Added value	Export (Billion euro)
Low-liquidity companies	46.4% (48.2%)	222364	1.75	4.72
Weak capital structure	38.5% (40%)	167222	1.22	3.02
ROD>ROI	20% (16.2%)	76039	0.39	1.16
Weak capital structure + ROD>ROI	11.1% (9.6%)	48179	0.24	0.70

Source: Elaboration on Comext-Istat data.

(a) In parentheses, the percentages refer to non-export-vulnerable exporting companies.

The table shows that, compared to other exporting companies, those vulnerable to exports display a higher share of companies with inadequate profitability. This lower profitability is confirmed even after controlling for composition effects. To this end, a Propensity Score Matching was estimated for the years 2019, 2021, and 2022. This procedure involves matching each vulnerable company with a non-vulnerable one with similar structural and economic characteristics[5]. When controlling for these characteristics, export-vulnerable companies show, compared to non-vulnerable ones, a persistent gap of about one percentage point in ROI over time (Figure F3). The comparison across years marked by different shocks suggests that the profitability gap is a structural phenomenon, thus attributable to vulnerability to foreign demand.

FIGURE F3. ROI OF EXPORT-VULNERABLE COMPANIES COMPARED TO ROI OF NON-EXPORT-VULNERABLE EXPORTING COMPANIES, MATCHED BY COMPANY PROFILE (PROPENSITY SCORE MATCHING). AVERAGE VALUE. INCORPORATED COMPANIES. Years 2019, 2021, 2022



Source: Elaboration on Istat data

In the face of potential foreign demand shocks, such as the one currently unfolding due to the imposition of trade tariffs, export vulnerability represents a specific risk factor that can threaten the firm's very survival.

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[5] The following variables were considered in the Propensity Score Matching: exports over total assets, economic sector, size class in terms of employees, membership in a multinational group, intermediate costs, value added over turnover, interest rate on debt, capital structure, and personnel costs. All variables are balanced. See also the *2025 Report on the Competitiveness of Productive Sectors*, p. 63.

For technical and methodological clarifications

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