

ON THE ITALIAN ECONOMY

- In 2025, the major world economies showed heterogeneous trends, with China's GDP growth aligning with government targets (+5.0%), a slowdown in economic activity in the United States (+2.2%), and an overall recovery in the euro area surpassing expectations (+1.3%).
- The conflict in the Middle East is exerting upward pressure on crude oil prices, factoring in Iran's role as an oil producer and the strategic importance of the Strait of Hormuz as a trade route, with a worsening of the growth prospects for the global economy in 2026.
- In the 2025 fourth quarter, Italy's GDP recorded a quarterly growth of 0.3%. In the European comparison, the increase, driven by domestic demand, was higher than in France (+0.2%) and similar to that in Germany (+0.3%), but lower than in Spain (+0.8%).
- In January 2026, the seasonally adjusted industrial production index recorded the second consecutive decline in quarterly terms (-0.6%), following the drop in December (-0.5%). However, in the average of the November-January quarter, production increased compared to the previous three months (+0.7%).
- Employment rose in January. The growth involved only men and all age groups except for those aged 15-24. By professional position, employment increased among both employees and self-employed individuals.
- In February, the harmonized consumer price index (HICP) rose by 1.6% in year-on-year terms, showing a marked acceleration. Inflation in Italy remains below the euro area average, although the differential is narrowing.

Focus: After the abrupt halt in 2020, caused by lockdowns due to the COVID-19 pandemic, the Italian labour market has entered a phase of sustained growth, culminating in 2025 average with the surpassing of the 24 million threshold in employment. However, Italy exhibits, in the period 2019-2025, structurally higher inactivity rates than the European average, with a significant and entrenched gender gap compared to major EU partners. Despite the recovery phase following the 2020 pandemic shock, a wider territorial and social gap persists relative to major European partners, largely attributable to the gender gap.

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

INDICATORI	ITALY	EURO AREA	PERIOD	ITALY PREVIOUS PERIOD	EURO AREA PREVIOUS PERIOD
GDP	0.3	0.2	Q4 2025	0.2	0.3
Industrial Production	-0.6	-1.4 (Dec)	Jan. 2026	-0.5	0.3
Production in the construction sector	0.5	0.9	Dec. 2025	-1.7	-1.5
Retail sales (volume)	0.4	-0.1	Jan. 2026	-0.9	0.2
Producer prices in the industry – domestic market	2	0.7	Jan. 2026	-0.9	-0.3
Consumer prices (HICP)*	1.6	1.9	Feb. 2026	1.0	1.7
Unemployment rate	5.1	6.1	Jan. 2026	5.5	6.2
Economic Sentiment Indicator**	-0.6	-1.0	Feb. 2026	1.4	2.3

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

Source: Eurostat, European Commission, Istat

THE INTERNATIONAL FRAMEWORK

Strong geo-economic tensions dominate the global scenario. The outlook for the global economy at the beginning of 2026 is marked by high uncertainty, fueled by geopolitical crises and structural shifts in trade policy that have intensified fragmentation in international markets.

The escalation of the conflict in the Middle East, with the attack by the United States and Israel on Iran at the end of February, has caused a supply-side shock of energy products with potential systemic effects on economic growth, employment, and inflation. Iran's importance as an oil producer and the strategic relevance of the Strait of Hormuz have immediately generated a risk premium on the prices of Brent and other major energy commodities.

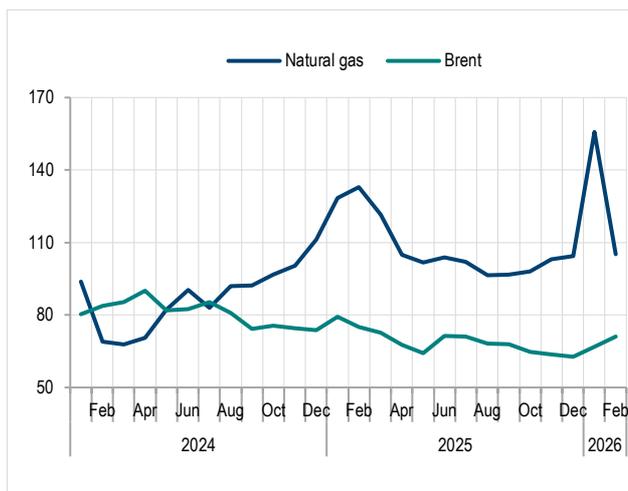
The extent of the economic impact of the current crisis, which is difficult to assess at present, will depend on its persistence and the potential compromise of extraction infrastructure or supply routes. High volatility on stock exchanges also suggests that the market has not yet fully priced in the possibility of a long-lasting conflict.

Global merchandise trade slows in December. According to data from the Central Plan Bureau (CPB), international goods trade volume increased by 0.4% month-on-month in December 2025, significantly down from the previous month (+1.8%). Overall, global merchandise trade volume grew by 4.4% in 2025, a sharp acceleration compared to 2024 (+2.5%). The increase in trade was partly supported by businesses front-loading overseas purchases to mitigate the effects of tariff increases on imports imposed by the United States.

The price of energy commodities rises. In the most recent period, the Strait of Hormuz closure, production disruptions, and escalating geopolitical tensions continue to drive up oil and natural gas prices. Brent prices have recently surged exponentially (averaging \$71.1 in February 2026, Figure 1) and have surpassed \$100/barrel for the first time since 2022, following attacks on energy infrastructure in Iran. Natural gas, which had seen a significant decline in February of this year (the index dropped to 105.1 from 155.8 in January), experienced a sharp reversal of trend in the first days of March.

FIGURE 1. OIL AND NATURAL GAS PRICE TRENDS.

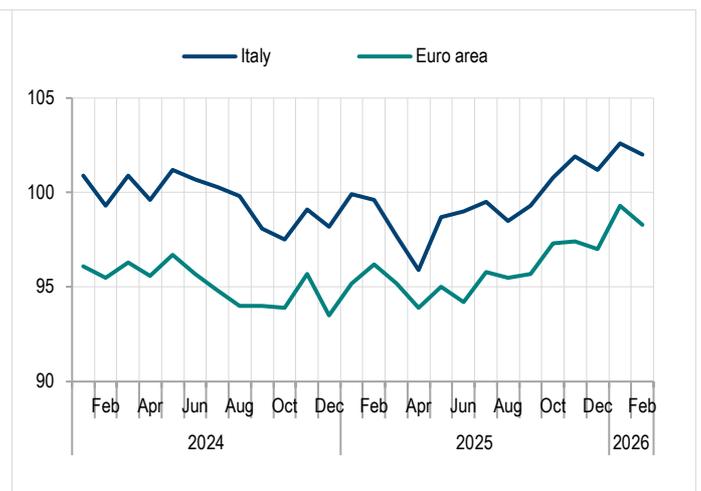
Brent: dollars per barrel. Gas: index (2010 = 100)



Source: World Bank

FIGURE 2. ECONOMIC SENTIMENT INDICATOR (ESI).

Seasonally adjusted data



Source: European Commission, DG ECFIN

The dollar moderately recovers in March. In the early months of 2026, the euro's nominal exchange rate against the dollar showed a strengthening trend, mainly driven by geopolitical dynamics and divergent monetary policy orientations (1.17 and 1.18 dollars per euro in January and February, respectively). However, daily data for March show a moderate strengthening of the U.S. dollar (1.15-1.16 dollars per euro), linked to greater U.S. energy independence from countries involved in the war and the return of investors to safe-haven currencies. The strengthening of the dollar is also supported by expectations of a

possible repositioning of the Federal Reserve, which could keep policy rates at current levels longer to contain potential new inflationary pressures arising from rising energy commodity prices.

Differentiated growth in major countries/areas. On the macroeconomic front, in 2025, the major world economies continued to show heterogeneous trends, with a rise in Chinese GDP (+5.0%), in line with the government's target, a deceleration in U.S. economic activity of 2.2% (+2.8% 2024), and an overall recovery of euro area GDP exceeding expectations (+1.3%, up from +0.7% in 2024).

The outlook for the euro area economy worsens: the European Commission's Economic Sentiment Indicator (ESI) shows a significant decline in February (-1.0 points, Figure 2). The drop is largely attributable to a significant decrease in confidence in the services sector, with construction contributing to a lesser extent. The confidence climate in the industrial sector and among consumers remained essentially unchanged, while confidence in retail continued its positive trend. At the national level, the ESI fell more sharply in France (-2.8 points) and Italy (-0.6), while it remained relatively stable in Spain (+0.0) and Germany (-0.2 points)."

THE ITALIAN ECONOMIC SITUATION

Domestic demand supports GDP growth in Italy. In 2025, Italian GDP in volume increased by 0.5% compared to 2024 (+1.3% of the euro area average growth rate). The increase was mainly driven by domestic demand, which contributed +1.5 percentage points. In contrast, net external demand and changes in inventories made negative contributions of -0.7 and -0.2 percentage points, respectively.

Acceleration of the economy in the second half of the year. The expansion of economic activity was primarily supported by the acceleration observed in the second half of the year. Specifically, in the fourth quarter, the Gross Domestic Product (GDP), expressed in chained values with a reference year of 2020, adjusted for calendar effects and seasonally adjusted, recorded a quarter-on-quarter growth of 0.3%. Compared with Europe (Figure 3), the increase was higher than in France (+0.2%), similar to Germany (+0.3%), but lower than in Spain (+0.8%).

Among the components, net external demand made a negative contribution (-0.7 percentage points) due to a decline in exports of goods and services, offset by an increase in imports (respectively -1.2% and +1.0%). Changes in inventories and national demand, net of inventories, contributed positively to GDP growth (respectively, +0.7 and +0.3 percentage points).

Widespread growth across all components of domestic demand. In detail, in the 2025 fourth quarter, final national consumption grew by 0.1% compared to the previous three months, with increases in spending by Public Administrations (PA), resident households, and non-profit institutions of a similar magnitude (+0.2% and +0.1%). Household spending in the economic territory showed a slowdown for non-durable goods (-0.1%). In contrast, semi-durable goods, durable goods, and services recorded increases (+0.1%, +0.3%, and +0.1%).

In the same period, gross fixed investments grew significantly (+0.9%), driven by increased housing investment (+7.1%). The increase was more modest for spending on intellectual property products (+0.4%), while investments in plants, machinery, and equipment and non-residential buildings declined (-0.2% and -1.8%, respectively). On the supply side, there were positive quarter-on-quarter trends in the added value of the manufacturing industry (+0.6%) and construction (+1.4%).

Moderate expansion of services was recorded, with a slight increase (+0.1%) alongside a marked contraction in financial and insurance activities (-1.1%) and a more contained decline in artistic and entertainment activities, as well as professional, scientific and technical, administrative, and support services (-0.2%). In contrast, information and communication services increased (+0.9%) along with the trade sector, vehicle repair, transport, warehousing, accommodation, and food services (+0.4%).

Industrial production is declining. In January, the [seasonally adjusted industrial production index](#) recorded a second consecutive month-on-month decline (-0.6%), following a similar decrease in December (-0.5%). However, the average index for the November-January quarter increased compared

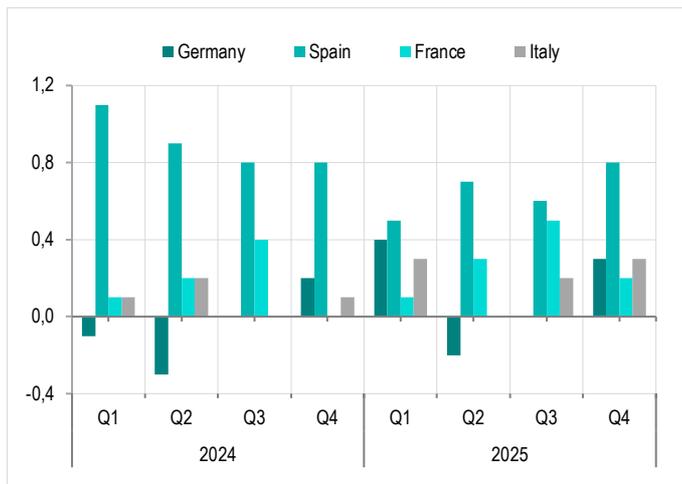
to the previous three months (+0.7%). During the same period, a slowdown was observed in the production of consumer goods (-1.1%) and intermediate goods (-0.2%), while the production of capital goods and energy increased (+1.5% and +7.2%, respectively).

In 2025, [construction production](#), adjusted for calendar effects, grew by 4.8%, an acceleration from 2024 (+3.9%). Specifically, in the fourth quarter of the year, the seasonally adjusted index recorded a quarter-on-quarter rebound (+1.5%), resuming the growth path interrupted in the third quarter (-0.5%).

The services sector recorded a similar trend. In 2025, the annual growth of the [services turnover index in volume](#), net of calendar effects, amounted to 0.8%, marking a recovery compared with 2024 (-0.1%). In particular, the quarter-on-quarter change in the seasonally adjusted services turnover index in volume was positive in the fourth quarter (+0.3%), continuing the growth path that began in the fourth quarter of 2024

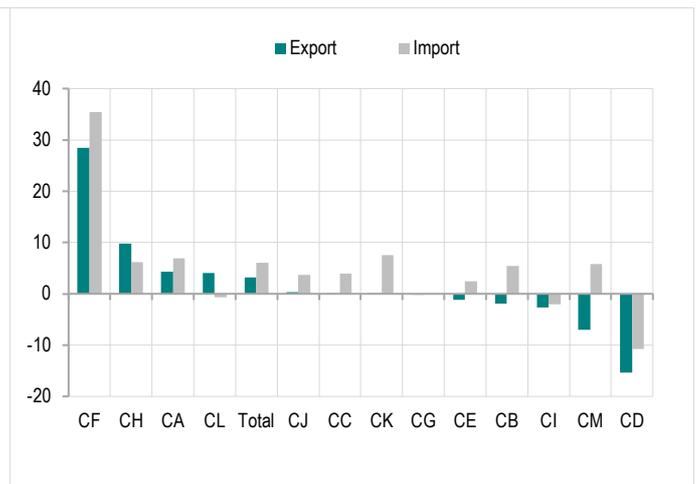
Business confidence worsened. After an improvement in January, the [confidence climate](#) slowed in February, remaining well above the 2025 average. The confidence index rose in construction and retail trade, while it declined in market services and manufacturing. In the manufacturing industry, all components recorded an unfavorable trend, while in market services, a deterioration in order assessments was noted; however, this was countered by an increase in related expectations; assessments of business performance deteriorated compared to the previous month.

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



Source: Istat and Eurostat

FIGURE 4. ITALIAN EXPORTS AND IMPORTS IN 2025 BY MANUFACTURING ACTIVITY*. Percentage changes



Source: Istat

* CA = Food, beverages, and tobacco. CB = Textiles, clothing, and leather. CC = Wood and wood products; paper and printing. CD = Coke and refined petroleum products. CE = Chemicals and chemical products. CF = Pharmaceutical products. CG = Rubber and plastic products. CH = Basic metals and metal products. CI = Computers, electronic and optical devices. CJ = Electrical appliances. CK = Machinery and equipment n.e.c. CL = Transport equipment. CM = Other manufacturing activities.

Italian trade exchanges increase in 2025. After recording a broadly stable export dynamic in 2023-2024, Italy's exports in value increased by 3.3% last year, while imports grew by 3.1%. Geographically, the increase was seen in both exchanges with the EU and outside the EU (exports up by +4.2% and +2.4%, respectively; imports up by +2.9% and +3.4%). Overall, sales performance in value terms reflects a relatively modest growth in export volumes (+0.7%), accompanied by a more vibrant price dynamic (+2.6%, measured in average unit values). For imports, a greater increase in volumes was observed (+2.0%) than in average unit values (+1.1%).

The increase in exports was driven by sales of pharmaceutical products (+28.5%), primarily directed towards the United States, the main destination market for these products, which alone accounts for about one-fifth of Italian exports. Of lower but still significant magnitude was the increase in metals and metal products (+9.8%), food products (+4.3%), and means of transport (+4.1%).

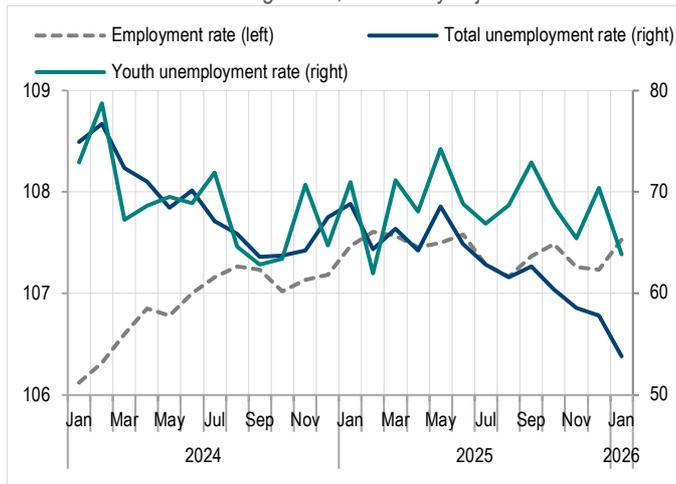
On the import side, pharmaceutical product imports also showed a strong boost (+35.5%), particularly from the United States and China; additionally, increases were noted in imports of metal products (+6.2%), food products (+7.0%), textiles, clothing, and leather (+5.4%), machinery (+7.5%), and electrical appliances (+3.7%).

Employment is on the rise again: the [number of employed individuals](#) increased in January 2026, reaching 24 million 181 thousand units. The growth involves only men across all age groups, except those aged 15-24; by professional position, employment increases among both employees and the self-employed. The employment rate rises to 62.6%. Compared to the previous month, unemployment decreased, with declines affecting men, women, and individuals of all ages. In the monthly comparison, the total unemployment rate, which in the euro area has decreased to 6.1% (-0.1 points), is down to 5.1% (-0.4 points), while the youth unemployment rate is at 18.9% (-1.9 points). Compared with December 2025, the inactivity rate has increased to 33.9% (+0.1 points).

In the November 2025–January 2026 period, employment increased by 0.1% compared with the previous quarter (23 thousand additional employed persons). The increase mainly concerned men, permanent employees, the self-employed, individuals aged 25–34, and those aged 50 and over. The rise in employment was accompanied by a decrease in the number of job seekers (-8.4%, corresponding to -125 thousand persons) and an increase in the number of inactive individuals (+0.9%, corresponding to +116 thousand persons).

FIGURE 5. EMPLOYMENT RATE (AGE 15-64), TOTAL AND YOUTH UNEMPLOYMENT RATE (AGE 15-24)

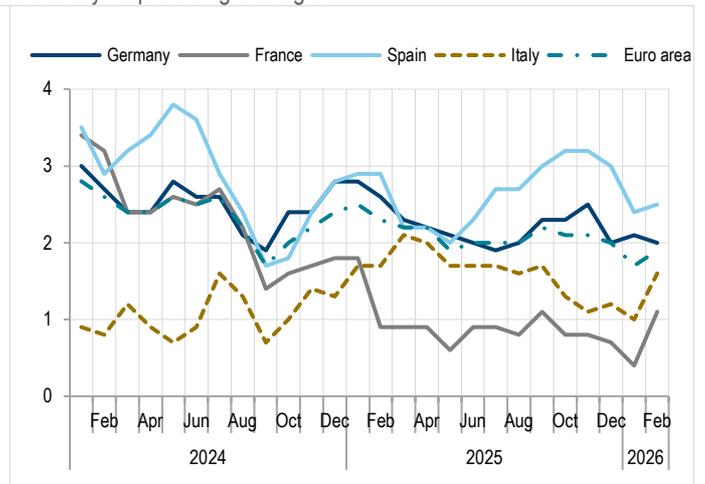
Index numbers: 2021 average base, seasonally adjusted data.



Source: Istat

FIGURA 6. CONSUMER PRICES (HICP) IN THE MAIN COUNTRIES OF THE EURO AREA

Year-on-year percentage changes.



Source: Eurostat

In January, the number of employed individuals increased by 70,000 (+0.3%), while the employment rate remained stable. Conversely, the unemployment rate declined by 384,000 over the course of the year, representing a 22.7% reduction. Compared with the previous year, the unemployment rate decreased by 1.4 percentage points overall and by 2.1 percentage points among youth (Figure 5). The number of inactive individuals rose by 2.6% or 322,000; refer to the Focus "*Labour Market Participation in Italy*" which details that the inactivity rate increased by 1.0 percentage points.

Consumer confidence improved in February, with the index rising from 96.8 to 97.4 across all components. The economic sentiment indicator increased from 97.4 to 99.1, as did the personal indicator (from 96.6 to 96.8), the current indicator (from 100.1 to 100.7), and the future indicator (from 92.3 to 93.1).

Retail sales in January increased compared with December 2025, both in value (+0.6%) and volume (+0.4%). This increase was particularly significant for food products, which rose by +1.1% in value and +0.9% in volume, while growth for non-food products was more modest (+0.2% in value and +0.1% in volume). An assessment of the quarter from November 2025 to January 2026 indicated that [retail sales](#) recorded a quarter-on-quarter improvement of 0.5% in value and 0.2% in volume. This increase was observed in both product categories: food products showed a 0.6% increase in value and 0.3% in volume, while non-food products recorded a 0.3% increase in both value and volume.

When analysed on a year-on-year basis, retail sales for January demonstrated a nominal increase of 2.3% and a real increase of 0.9%. Notably, the trend was more pronounced for food products, which registered increases of +3.9% in value and +1.5% in volume, compared with non-food products, which increased by +1.2% in value and +0.4% in volume.

Employment expectations showed a significant improvement in February, particularly in the Construction sector, with more modest gains in Market Services. However, expectations slightly deteriorated in the Retail Trade and Manufacturing sectors.

In December 2025, the monthly index of contractual hourly wages increased by 0.2% on a quarterly basis (+2.9% compared to December 2024). For the year, the average hourly [wages index](#) increased by +3.1% relative to 2024. Within the private sector, growth of 3.2% was driven primarily by agriculture (+5.0%), followed by industry (+3.4%) and, to a lesser extent, private services (+3.0%).

In the public administration sector, the annual average increase was recorded at 2.7%. Specifically, the highest year-on-year increases were observed in ministries (+7.2%), the armed forces (+6.9%), and firefighters (+6.8%), while private pharmacies and telecommunications experienced no increase.

The rate of consumer price inflation accelerated. Preliminary estimates for February indicate that the [Harmonised Index of Consumer Prices](#) (HICP) rose by 1.6% year-on-year, reflecting a sharp acceleration from January's figure of +1.0%. While consumer price inflation remains below the euro area average (1.9% in February; 1.7% in January), the disparity is narrowing. A comparative analysis with major countries indicates lower inflation rates than those in Germany (+2.0%; +2.1% in the preceding month) and Spain (+2.5%; +2.4% in the preceding month), whereas in France, despite a notable acceleration, inflation remains more moderate at +1.1% (up from +0.4% in January) (Figure 6).

Service prices are on the rise. The [national consumer price index for the entire nation](#) (NIC), which similarly accelerated (from 1% in January to 1.6% in February), is largely influenced by significant growth in service prices (+3.6% in February, up from +2.5% in January), particularly in sectors such as recreational, cultural, and personal care services (+4.9% in February; +3% in January) and transport-related services (+3.0% in February; +0.7% in January). Prices for goods, encompassing both energy and non-energy categories, continued to decline (-0.2% in both February and January), thereby constraining NIC inflation, which, for the 2026 purchasing context, stands at 1.1% in February.

Moreover, food prices continue to exhibit a high trend, with an acceleration in February (+2.4%; up from +2.1% in January), primarily attributed to robust growth in unprocessed food prices (+3.6% in February; +2.5% in January), whereas the increase in processed food prices has demonstrated more moderate and decelerating growth (+1.7% in February; up from +1.9% in January).

...while the decline in energy prices continues to strengthen. The expansionary effects on overall inflation are being mitigated by the persistent year-on-year decline in energy prices (-6.6% in February; -6.2% in January), accompanied by a quarterly increase of 0.3% (+1.6% in January).

Inflation for other goods remains low and stable, at +0.4% in February and +0.3% in January on a year-on-year basis, with price increases of 0.1% and 0.4%, respectively.

The prices associated with shopping carts continue to escalate. Shopping cart inflation remains elevated relative to the overall index, recording +2.2% in February and +1.9% in January, with the differential narrowing in February but remaining significant (0.6 p.p. in February; 0.9 in January).

Core inflation surpassed the 2.0% benchmark in February. Core inflation, which excludes more volatile components such as unprocessed food and energy, accelerated considerably, reaching 2.4% in February (up from 1.7% in January). The core inflation figure for February was 1.1%.

The prices of industrial imports decreased in December (-3.1% year-on-year, -2.8% in November). This [trend](#) was predominantly influenced by the substantial decline in the energy sector (-18.3%, -13.4% in November) and, to a lesser degree, by the reduction in prices within non-energy sectors (-0.6% and -0.9%). For the average of 2025, import prices decreased by 1.7% (-1.5% in 2024), primarily due to the significant reduction in energy prices (-7.6%; -5.4% in 2024). The decline in imported goods from other industrial sectors was more modest (-0.6%; -0.8% in 2024).

The year-on-year decrease in industrial producer prices persisted in January. In January, [industrial producer prices](#) (total internal and external markets) declined by 1.6% compared to the corresponding month in 2025 (-1.4% in December), which is reflective of a pronounced decrease in the energy sector (-7% in both months), partially countered by a moderate acceleration in the non-energy sector (+1.0%; +0.8% in the previous month). On a quarterly basis, prices rose by 1.5% (-0.7% in December), primarily attributable to an upsurge in the energy sector (+5.1%; -2.5% in the preceding month), but also to a lesser extent in the non-energy sector (+0.3%; -0.1% in December).

Consumers continue to be influenced by expectations of declining inflation. In February, the proportion of [consumers anticipating](#) a decrease in inflation over the next 12 months compared to the previous 12 months increased to 45.9%, up from 44% in January; the percentage expecting an increase rose to 41.7% from 40.5%, while expectations of stability decreased (11% from 14.4%).

Intentions to raise prices are rising among businesses. The balance between the shares of those forecasting an increase versus those anticipating a decrease in prices over the upcoming three months, in February, advanced in manufacturing (from 10.7 percentage points in January to 11.3 points in February), construction (from 7.1 to 9.3), and retail trade (from 12.8 to 14.5), while experiencing a slight decline in market services (from 7.5 to 7.3). The proportion of companies intending to maintain stable prices decreased in construction (from 90.6% in January to 87%) and, to a lesser extent, in manufacturing (from 80.3% to 80.1%). In contrast, it increased in services (from 89.3% to 90.9%) and in trade (from 76.9% to 78.2%).

focus

THE PARTICIPATION IN THE LABOR MARKET IN ITALY*

Between 2019 and 2025, employment in Europe and Italy experienced rapid expansion. After the temporary pause in 2020, caused by lockdowns due to the COVID-19 pandemic, the Italian labour market, in particular, experienced a period of sustained growth, culminating in 2025 with the surpassing of the 24 million threshold in employment.

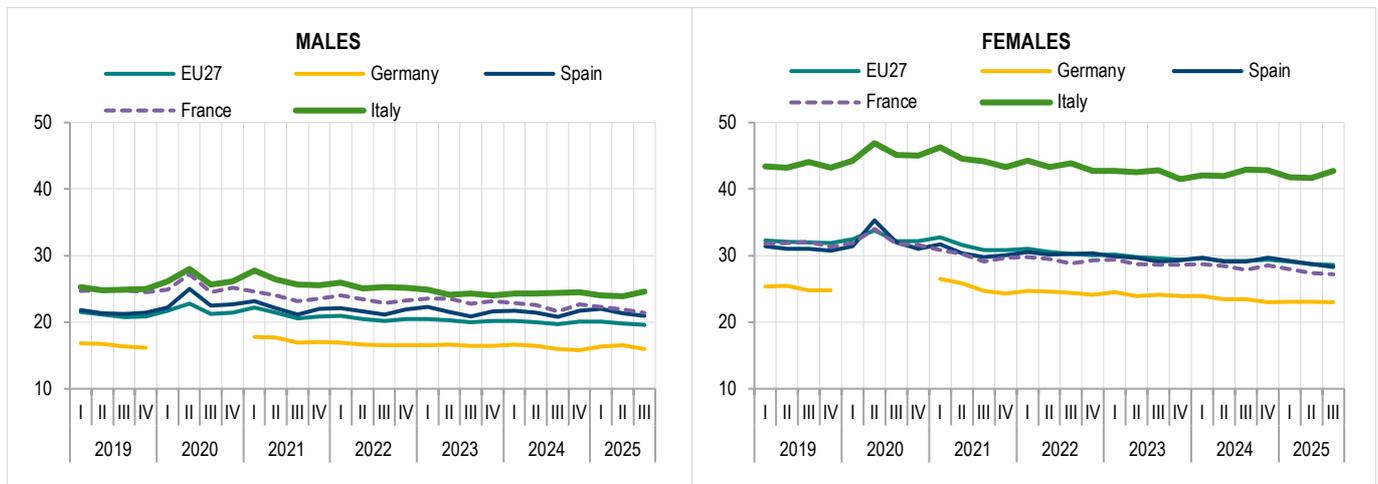
In Italy, moreover, unlike previous expansion cycles, this phase of recovery in employment was characterised by an increase in the share of permanent contracts and a decrease in the unemployment rate, which fell to historically low levels (6.1%) on average in 2025.

Alongside these dynamic elements of the Italian labour market, however, some structural problems remain. In particular, the inactivity rate, measured by the share of people of working age (15-64 years) not belonging to the labor force (people who are not employed, not actively seeking work, and are not immediately available to work) is, for males and especially for females, higher than the EU27 average and the values observed in the main European partners (Figure F1).

Participation in the labour market, both as employed and unemployed, is a central factor in analysing a country's economic and social conditions. Inactivity can have significant effects on the availability of labour in specific sectors or regions, and on the incidence of poverty and inequality.

This study analyses the evolution of the inactivity rate in Italy within the European context during the period 2019-2025, with particular attention to gender differences, level of education, and territory.

FIGURE F1. INDIVIDUALS NOT BELONGING TO THE LABOR FORCE: MALES AND FEMALES. Q1 2019 – Q3 2025, percentage of the population (age group 15-64)*



Source: Elaboration on nsa Eurostat data * 2020 data for Germany are not available, IV quarter 2025 data for Germany, France and Spain are not yet available.

As for the male component, the inactivity rate in Italy is consistently higher than the EU average and that of the main European countries. In the second and third quarters of 2020, a discontinuity due to the COVID-19 pandemic is evident. Specifically, the generalised increase in inactivity was more significant in Italy, Spain, and France. However, starting in the third quarter of 2021, a rapid and widespread recovery from the shock is evident.

Regarding gender differences, Italy shows a significant gap in the inactivity rate between males and females of about 18 percentage points, consistently higher than the European average and the gaps in other major countries, confirming a labour market participation model historically characterised by low female employment. However, there has been notable growth in recent years, and a high incidence of inactivity among women.

The difference in inactivity rates between females and males indicates, during the period examined and except Italy, a moderate reduction in all major European countries: between the first quarter of 2019 and the third quarter of 2025,

* Focus by Germana Bottone.

it decreases in Germany (from 8.6 to 7.0 percentage points), in Spain (from 9.6 to 7.3 percentage points), and in France (from 7.1 to 5.8 percentage points)¹.

With reference to Italy (Table F1), the analysis of the average inactivity rates in the four time intervals including the pandemic phase, disaggregated by educational qualification and geographical area, highlights dynamics consistent with the main structural patterns of the Italian labour market."

TABLE F1. INACTIVITY RATE BY GEOGRAPHICAL AREA AND LEVEL OF EDUCATION. Average for two-year period, (age group 15-64)

GEOGRAPHICAL AREA	2018-2019	2020-2021	2022-2023	2024-2025
Up to lower secondary				
North	42.1	44.2	43.4	44.1
North-West	41.8	44.2	43.5	44.1
North East	42.4	44.2	43.2	44.1
Centre	44.2	46.9	45.9	46.6
South and Islands	56.9	58.7	57.2	57.4
Italy	48.5	50.6	49.4	49.9
Upper secondary				
North	22.0	24.0	22.2	22.3
North-West	22.8	24.6	23.0	22.9
North East	21.1	23.3	21.1	21.6
Centre	26.6	28.1	26.2	26.1
South and Islands	38.9	41.1	38.8	38.9
Italy	28.3	30.2	28.2	28.3
Tertiary				
North	12.8	14.2	12.2	11.7
North-West	12.4	14.0	12.3	11.6
North East	13.3	14.4	12.1	11.8
Centre	14.7	15.6	14.0	13.0
South and Islands	23.3	23.6	22.2	20.8
Italy	16.1	17.1	15.5	14.6

Source: Elaboration on Istat data

For individuals up to lower secondary education, there is a slight increase in inactivity across all geographical areas. The less educated component of the population seems to show greater vulnerability to economic shocks, with a reduced ability to reintegrate into the labour market even in the recovery phase. Among people with tertiary education, the variations are contained and essentially stable, with minimal fluctuations between the periods examined. This group appears to be characterised by greater resilience, likely attributable to the higher employability of intermediate qualifications in medium-skilled job segments.

Evidence concerning people with tertiary education indicates a moderate decrease in inactivity in the post-pandemic period, particularly evident in the South. This dynamic may partially reflect an improvement in job opportunities for more qualified profiles. Overall, for the total population, there is confirmation of the persistence of a strong territorial gap: The South shows significantly higher levels of inactivity than the rest of the country, with only a marginal reduction in the post-pandemic period. The Northern and Central regions, on the other hand, show minimal variation, indicating substantial stability in participation behaviours.

The complexity of the phenomenon underscores the importance of analysing the motivations behind non-participation in the labour force. The Labour Force Survey highlights the importance of the interplay among economic, social, and personal factors. These include "discouragement" regarding job prospects, family reasons (i.e., obstacles to reintegration into the labour market, such as the need for childcare services), or reasons related to study and professional training. The motivations for inactivity appear to be strongly differentiated by gender and reflect both structural factors and more cyclical dynamics (Tables F2 and F3). Among men, reasons related to training prevail, while among women, especially in gender comparisons, family reasons dominate, highlighting a persistent asymmetry in the distribution of caregiving burdens against women.

¹ Data for the fourth quarter for the main European countries will be available from March 13.

In comparison with Europe, according to data from Eurostat (Inactivity - LFS), although the modalities do not perfectly correspond to those reported in the tables F2 and F3, in the average for 2019-2024 (latest available data), in Italy, female non-participation is linked to family reasons related to the care of disabled individuals and children to a greater extent than in France but less than in Germany and Spain (28.6%, 24.7%, 30.3%, and 31.6% respectively). It is confirmed, however, that these motivations have a lesser weight for men in Italy (6.3%) compared to women and other European countries: the care of disabled persons and children, according to the European survey, appears to be a less significant obstacle to labour market participation compared to France and Spain (9.3% and 13.4% respectively).

TABLE F2. % COMPOSITION OF REASONS FOR NON-PARTICIPATION. Years 2019-2025-Q3 MALES - (age group 15-64)

	2019	2020	2021	2022	2023	2024	2025
Discouragement	11.6	10.9	9.2	9.3	9.0	8.5	6.8
Family reasons	2.9	2.5	2.9	2.8	2.8	2.7	3.3
Study and vocational training	44.3	41.2	42.2	43.7	45.7	46.7	50
Waiting for outcomes from past research actions	8.1	6.9	7.4	6.9	5.5	6.2	7.4
Pension, not interested, also for age reasons	16.2	15.7	15.8	16.8	16.4	15.9	14.2
Other reasons	16.9	22.7	22.5	20.5	20.7	20.0	18.2
All items	100						

Source: Elaboration on Istat data

TABLE F3. % COMPOSITION OF THE REASONS FOR NON-PARTICIPATION. Years 2019-2025-Q3 FEMALES - (age group 15-64)

	2019	2020	2021	2022	2023	2024	2025
Discouragement	9.7	9.6	8.0	7.4	7.5	7.0	5.6
Family reasons	33.2	31.2	33.6	34.4	33.9	35.7	39.4
Study and vocational training	26.8	26.0	27.0	27.7	28.6	29.3	30.3
Waiting for outcomes from past research actions	4.1	3.5	3.8	3.6	3.0	3.4	3.7
Pension, not interested, also for age reasons	17.0	16.4	14.1	14.5	14.6	13.1	11.3
Other reasons	9.2	13.3	13.4	12.5	12.5	11.4	9.6
All items	100						

Source: Elaboration on Istat data

In summary, the data analysis highlights how Italy exhibits, even in the period 2019-2025, structurally higher inactivity rates than the EU average, with a significantly pronounced gender gap. Despite the recovery phase following the pandemic shock of 2020, the large territorial, social, and gender disparities that have historically characterised our country continue to persist.

For technical and methodological clarifications

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