

WORLD RANK: **81** | REGIONAL RANK: **38**

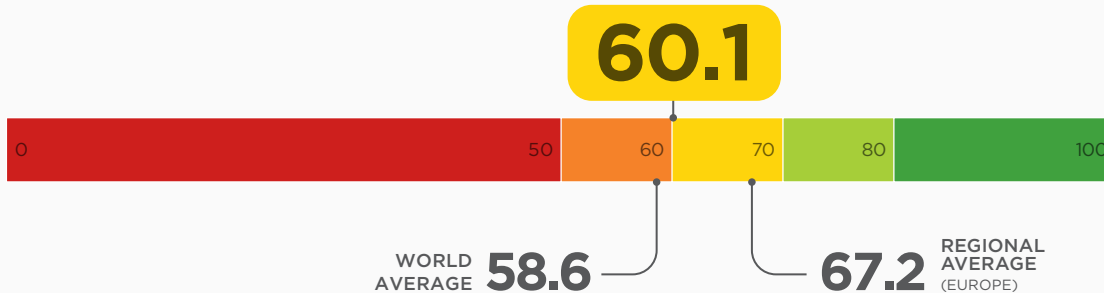
ECONOMIC FREEDOM STATUS:
MODERATELY FREE

ITALY

Italy's economic freedom score is 60.1, making its economy the 81st freest in the 2024 *Index of Economic Freedom*. Its rating has decreased by 2.2 points from last year, and Italy is ranked 38th out of 44 countries in the Europe region. The country's economic freedom score is higher than the world average and lower than the regional average. Italy's economy is considered "moderately free" according to the 2024 *Index*.

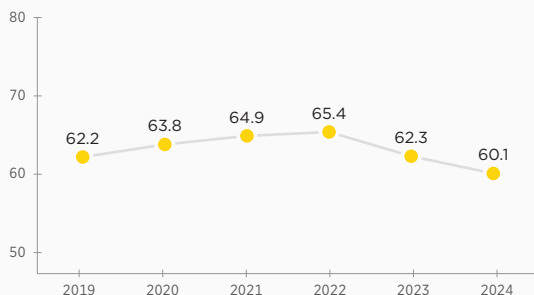
The Italian economy has been mired in a protracted slowdown. Despite repeated attempts at reform, economic competitiveness has flagged. Much-needed structural reforms have not been implemented effectively, and the economy is still burdened by poor management of public finance and other institutional issues. Public debt, which is more than 140 percent and growing, undermines prospects for long-term development. Because of the regulatory framework's complexity, the informal sector still accounts for a significant portion of economic activity in Italy.

ECONOMIC FREEDOM SCORE



HISTORICAL INDEX SCORE CHANGE (SINCE 1995): -1.1

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
59.1 million

GDP (PPP):
\$3.1 trillion
3.7% growth in 2022
5-year average growth rate: 0.6%
\$51,827 per capita

UNEMPLOYMENT:
9.8%

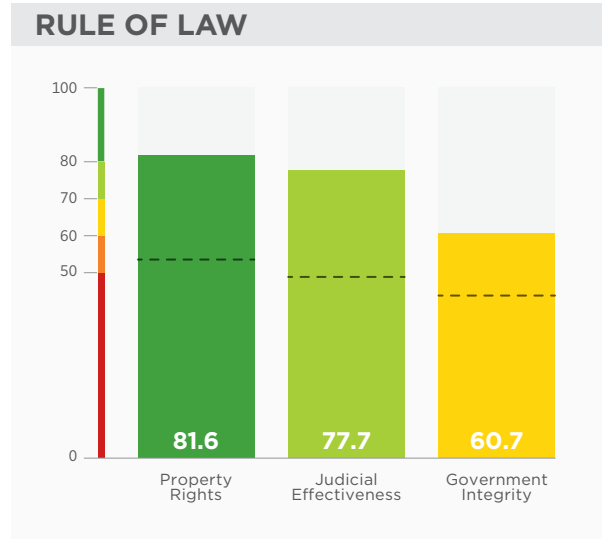
INFLATION (CPI):
8.7%

FDI INFLOW:
\$19.9 billion

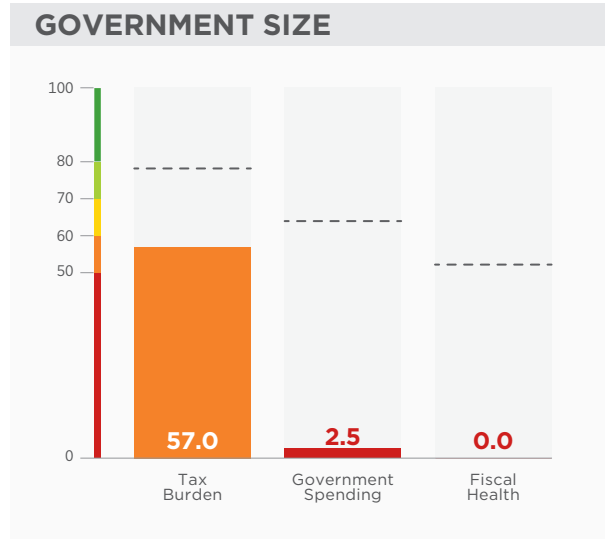
PUBLIC DEBT:
144.4% of GDP

2022 data unless otherwise noted. Data compiled as of October 2023.

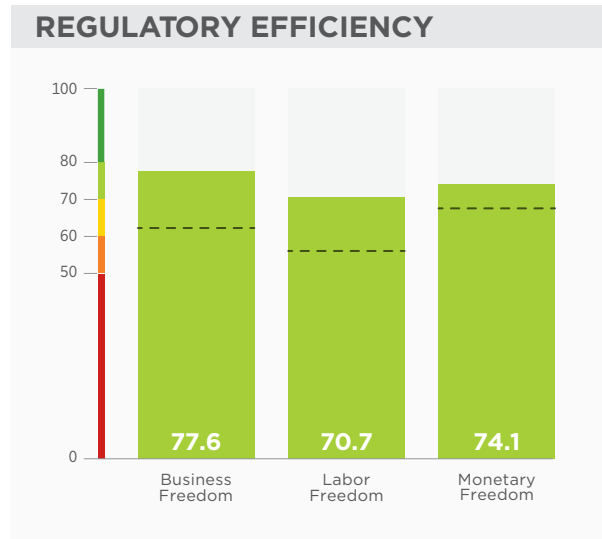
12 ECONOMIC FREEDOMS | ITALY



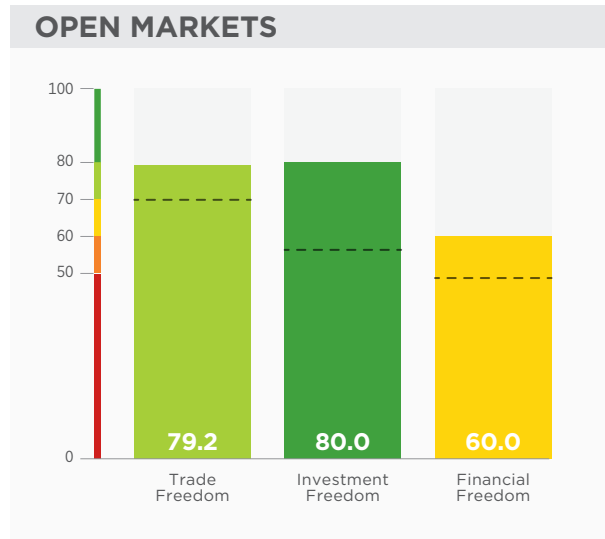
The overall rule of law is well respected in Italy. The country's property rights score is above the world average; its judicial effectiveness score is above the world average; and its government integrity score is above the world average.



The top individual income tax rate is 43 percent, and the top corporate tax rate is 24 percent. The tax burden equals 43.3 percent of GDP. Three-year government spending and budget balance averages are, respectively, 57.0 percent and -8.9 percent of GDP. Public debt amounts to 144.4 percent of GDP.



Italy's overall regulatory environment is well institutionalized and relatively efficient. The country's business freedom score is far above the world average; its labor freedom score is above the world average; and its monetary freedom score is above the world average.



The trade-weighted average tariff rate (common among EU members) is 2.9 percent, and more than 600 EU-mandated nontariff measures are in force. Foreign investment is not generally screened, and the economy is largely open. The financial sector is stable, but nonperforming loans remain a problem.