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## DOING BUSINESS IN ITALY 2025 WITH STUDIO GAZZANI

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# Doing Business in Italy with Studio Gazzani

## 2025 Report

### Introduction

This report provides a comprehensive overview of the business environment in Italy for the year 2025. It covers economic outlook, regulatory environment, business opportunities, challenges, and business sentiment. The report aims to assist investors, entrepreneurs, and businesses in making informed decisions about operating in Italy.

### 1. Economic Outlook

**GDP Growth:** Italy closed 2024 with growth below 1%, primarily driven by consumer spending, supported by a resilient labor market and early wage increases.

**Public Investment:** A 20% increase in public investment was recorded, largely due to the Piano Nazionale di Ripresa e Resilienza (PNRR), Italy's national recovery and resilience plan.

**Private Investment:** Private investment declined amid uncertainty, although M&A activity remained strong, with around 1,300 deals in 2024, up 7% from 2023.

Italy's GDP is projected to grow by 0.8% in 2025, following a resilient performance in 2024 despite global uncertainties. Growth will be driven primarily by domestic demand, with household consumption supported by a strengthening labor market and rising real wages.

Unemployment is expected to fall to 6.2% in 2025, reflecting ongoing improvements in employment and a dynamic labor market

About the Inflation, after a sharp slowdown in 2024, inflation is forecast to remain moderate, supporting consumer purchasing power and business planning



## 2. Regulatory Environment

Italy has made strides in regulatory reform, guided by the OECD Regulatory Policy Outlook 2025: Regulatory Impact Assessments (RIA) are mandatory for major laws. Public consultations are encouraged but not uniformly applied. Evaluation of regulations is required for selected laws, with oversight from the Department for Legal and Legislative Affairs (DAGL). Innovation-friendly policies include regulatory sandboxes for testing new business models.

## 3. Business Opportunities

**Innovation & Digitalization:** Italy is investing in digital transformation, offering opportunities in tech, fintech, and smart manufacturing.  
**Green Economy:** The energy transition is a key focus, with incentives for sustainable business models and green investments.  
**M&A and Private Equity:** The M&A market is active, especially in supply chain consolidation, with private equity playing a major role.

## Strategic Advantages for Business

<i>Advantage</i>	<i>Details</i>
Strategic Location	Italy is a gateway to the EU, North Africa, and the Middle East, with world-class infrastructure.
Skilled Workforce	Highly educated talent, especially in manufacturing, design, engineering, and technology.
EU Market Access	Full access to the EU single market and eligibility for EU grants and funding.
Sector Opportunities	Strong potential in luxury goods, renewable energy, agri-food, robotics, automation, and tourism.
Simplified Bureaucracy	Ongoing reforms are making it easier to start and operate a business, with digital procedures and reduced cost.

## 4. Challenges

**Regulatory Complexity:** Italy’s legal and bureaucratic systems remain intricate and can be a barrier for new entrants.  
**Access to Capital:** While ECB rate cuts are expected to ease financing conditions, tangible benefits may only appear in late 2025.  
**Regional Disparities:** Economic conditions and infrastructure vary significantly between northern and southern Italy.

## 5. Business Sentiment

**CEO Optimism:** 62% of Italian CEOs are optimistic about the national outlook, and 72% expect revenue and profit growth in 2025.  
**Labor Market:** Employment remains high, with over 24 million employed as of October 2024, and unemployment on a downward trend.



## 6. Italy, US and China Duty Tariffs

General duty of 10% on all goods imported into the USA from the European Union, including Italy, effective April 5, 2025 (excluding Canada and Mexico)

- Additional sectoral duties:

- Steel: 25%
- Aluminum: 10%
- Vehicles and parts: 25%
- Other EU goods (including agri-food, wine, oil, cheese, pasta, fruit and vegetables): 20% overall (10% basic + 10% additional)

- Exclusions: Certain strategic products for the US, raw materials not available domestically, pharmaceuticals and chemicals are excluded from the new tariffs.

- Expected impact: Italian exports to the US could drop by up to 16%, with losses estimated between 1.5 and 2 billion euros per year for the agri-food sector alone

We can note that from April 9, 2025, a 90-day "pause" (until July) has been announced with duty reduced to 10% for EU countries that have not taken countermeasures, including Italy

### Duties Italy - China

No trade war is underway between Italy and China because no new punitive duties have been introduced between the two countries in 2025.

New Double Taxation Agreement (DTA) The new Italy-China treaty has been in force since 19 February 2025 which:

- Reduces withholding taxes on dividends, interest and royalties.
- Eliminate double taxation on income.
- Promotes tax planning and the competitiveness of Italian companies in China

With the aim of strengthening trade relations and facilitating bilateral investments, creating a more favorable environment for Italian companies operating in China

### U.S.-China tariffs (2025) and impact on Italy

- Trade war ongoing: The US has raised tariffs against China to cumulative levels of up to 145% on some products

- Chinese counter-tariffs: China responded with tariffs on US imports of up to 125%

- Indirect effect on Italy: The risk for the Italian market is the massive arrival of Chinese products that no longer find an outlet in the United States, which is why the Italian government has asked the EU for safeguard measures to protect the internal market

### Synthesis

Ratio	Duties 2025	News/Key Impact
Italy-USA	10% overall, 20-25% on key sectors	Italian exports at risk, especially agri-food
Italy-China	No new duties, new tax DTA	More tax advantages, less double taxation
USA-China	Duties of up to 145% on Chinese products	Risk of "invasion" of Chinese goods in Europe/Italy

Italian companies must constantly monitor the situation and evaluate adaptation strategies both for exports to the USA and for Chinese competition on the domestic market.

## 7. Tax and Regulatory News

**Corporate Tax Reduction (Mini Ires):** The 2025 Budget Law introduces a reduced corporate income tax rate of 20% (down from the standard 24%) for companies meeting specific conditions, such as retaining 80% of 2024 profits for two years and investing at least 30% in new capital goods (Industry 4.0/5.0 assets) in Italy. Additional requirements include increasing permanent employment by at least 1% and not using the redundancy fund

**R&D and Innovation Incentives:** Businesses can benefit from tax credits up to 20% for investments in new technologies and a 210% tax deduction\*\* for qualifying R&D expenditures under the Patent Box regime.

**Employment Incentives:** The increased deduction for personnel costs has been extended through 2027, promoting new hires, especially among disadvantaged groups

**Start-up & SME Support:** Italy offers zero-interest loans covering up to 80% (or 90% for women/young founders) of eligible start-up costs, with special incentives for innovative businesses or those based in the South

## 8. Why Open a Business in Italy in 2025

This report highlights the key aspects of doing business in Italy in 2025. While there are challenges such as regulatory complexity and regional disparities, there are also significant opportunities in innovation, digitalization, and the green economy. With a positive business sentiment and ongoing regulatory reforms, Italy presents a promising environment for businesses and investors. Because you can find:

- Attractive tax regime with the possibility of a 20% corporate tax rate and generous incentives for innovation, hiring, and R&D
- Robust support for start-ups and SMEs, including zero-cost incorporation and special credit schemes
- Strategic gateway to Europe and beyond, leveraging Italy's central location and advanced logistics
- Diverse, resilient economy with opportunities in high-value sectors and a skilled workforce
- Improving business environment thanks to government efforts to simplify procedures and promote investment

In summary Italy in 2025 offers a stable and moderately growing economy, a competitive tax environment, substantial incentives for innovation and employment, and a strategic position within the EU. These factors make it an excellent choice for companies seeking to expand or establish a business presence in Europe.

## 9. Studio Gazzani and the 2025 : A milestone Year

In the course of 2025, our firm reached 70 years since its foundation, as it was founded by Gazzani Carlo in 1955, and embarked on a path of transparency, but above all of digitization of activities, files and archives to share with clients, and also a model of sustainability

**Gazzani**  
Experience Since 1955

During 2025, the brand will also be changed to highlight all the years of activity and to create a more modern and market-friendly image. We have also renovated all locations with new furniture, a lot of art by young talents to create a sustainable value and culture of the area



For the fourth year in a row, Studio Gazzani was considered among the **best 100 consulting firms in Italy in the Best in Class** course that Teamsystem, Euroconference and Forbes rank every year: we are very proud because it is an award for the entire Team



<https://forbes.it/2025/05/05/best-in-class-2025-torna-la-lista-delle-100-eccellenze-tra-commercialisti-e-consulenti-del-lavoro-antonio-ravenna/>