

Italy

1. Industrial Strategy (Including Objectives/Goals)

Persistent regional disparities between northern and southern Italy have long shaped the country's industrial and regional development strategies.¹ A key instrument in addressing these imbalances was the *Cassa per il Mezzogiorno*, a state-led initiative implemented over the second half of the twentieth century. This major intervention aimed to stimulate economic development and infrastructure in southern Italy through coordinated public investment and industrial support mechanisms.²

In the early 1990s, integration through the Single Market and the establishment of the Economic and Monetary Union (EMU) marked a significant turning point for European industrial policy. The political and legal transformations driving European integration prompted a reorientation of national strategies: the traditional model of 'vertical' industrial interventions was gradually supplanted by 'horizontal' policies focused on enhancing competitiveness across the board. These measures aimed to foster innovation, support research and development, and ensure a level playing field within the single market, in line with EU competition law and state aid rules. As a result, industrial policy in Italy, as in other EU member states, increasingly aligned with broader European objectives, privileging structural reforms and market-wide incentives over selective support.³

In 2021 the implementation of the post Covid-19 Italian National Recovery and Resilience Plan (NRRP) and EU-funded instruments highlighted the Italian Government's endorsement of competition as a key driver of recovery.⁴ Italy's NRRP is the largest national plan under the Next Generation EU (NGEU) instrument.⁵ Key instruments under the PNRR include the Transition 5.0 plan, which provides €6.3 billion in tax credits for industrial investments in energy-efficient and digital production over 2024–25.⁶

¹ Patrizio Bianchi and others, 'Regional Resilience: Lessons from a Historical Analysis of the Emilia-Romagna Region in Italy' (2021) 66 *Business History* 1983.

² Antonia Accetturo and Guido de Blasio, 'History and Regional Policy: Some Reflections on Italy's Cassa per il Mezzogiorno' (2022) 42 *Review of Regional Research* 269.

³ Michael Blauburger, 'Of 'Good' and 'Bad' Subsidies: European State Aid Control through Soft and Hard Law' [2009] *West European Politics*, 32(4), 719–737.

⁴ The National Recovery and Resilience Plan (NRRP) is part of the Next Generation EU (NGEU) Programme. The NGEU was negotiated by the European Union in response to the pandemic crisis. The main component of the NGEU programme is the Recovery and Resilience Facility (RRF). Lasting from 2021 to 2026 it totals € 672.5 billion of which € 312.5 billion is in the form of grants, and the remaining € 360 billion is in the form of low-interest loans. See:

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698847/EPRS_BRI\(2021\)698847_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/698847/EPRS_BRI(2021)698847_EN.pdf)

⁵ Ibid.

⁶ Transition 5.0 Plan < <https://www.mimit.gov.it/it/incentivi/piano-transizione-5-0#faq> > accessed 21 July 2025.

2. Digital (Development) Strategy

Italy recognizes the importance of the digital sector and, as part of its digital transformation efforts, has been actively investing to foster innovation and drive overall digitalization. Italy's Recovery and Resilience Plan (PNRR) supported by the European Union includes specific digital initiatives (e.g., Digital Italy, Transition 4.0, Digital School, Digital Health) allocating billions of euros for investments to accelerate the adoption of emerging technologies and improve the country's digital capabilities and its global competitiveness.⁷ Set out in the Digital Italy 2026 Plan⁸ Italy has earmarked 27% of its total PNRR allocation and another €5.5 billion euro in EU Cohesion Policy funding for digital initiatives.⁹ The Digital Italy 2026 Plan is defined along two key areas:

- Digital infrastructure: primarily through ultrafast broadband and increased connectivity¹⁰ and
- Digital transformation of the Public Administration (PA).¹¹

Italy also follows the EU's Digital Decade policy programme,¹²

3. Main Constitutional Provisions

While Italy's Constitution does not explicitly contain provisions that directly influence the development of industrial strategy, one provision explicitly enshrines the government's commitment to addressing regional disparities.¹³

4. Main Regulatory Provisions and Policy Developments

Italy is under an obligation to implement or to adapt and implement EU Regulations and Directives that have an impact on industrial policymaking. However, the EU Court of Justice has incorporated in art. 5(4) of the TFUE from several EU members constitutional traditions, requires the administration to take a measure not exceeding what is appropriate and necessary to achieve the

⁷ Recovery and Resilience Plan (PNRR) < <https://www.governo.it/en/approfondimenti/italia-domani-national-recovery-and-resilience-plan>> accessed 21 July 2025.

⁸ Department for Digital Transformation, Digital Italy 2026 < <https://innovazione.gov.it/italia-digitale-2026/il-piano/>> accessed 21 July 2025.

⁹ International Trade Administration, Italy Country Commercial Guide < <https://www.trade.gov/country-commercial-guides/italy-digital-economy>> accessed 21 July 2025.

¹⁰ For more information on connectivity see - <https://innovazione.gov.it/italia-digitale-2026/il-piano/reti-ultraveloci/>

¹¹ For more details on the PA digitisation see: <https://innovazione.gov.it/italia-digitale-2026/il-piano/digitalizzazione-della-pa/>

¹² Decision (EU) 2022/2481 of the European Parliament and of the Council of 14 December 2022 Establishing the Digital Decade Policy Programme 2030.

¹³ The Constitution of the Italian Republic Art. 117 regional and national cooperation on economic and productive activities.

intended purpose. The implementation of the NRRP's multi-year economic reform agenda includes the adoption of the Annual Law to review on an annual basis the state of the legislation and assess whether regulatory constraints that unjustifiably hinder competitiveness and innovation persist, to correct market failures and promote pro-competitive reforms tailored to the socio-economic context.¹⁴ There also exists a number of domestic acts that are relevant for digital industrial development some of which are:

- Industrial Property Code;¹⁵
- E-commerce Decree;¹⁶
- Data Protection Code;¹⁷
- Digital Administration Code.¹⁸

5. (Regional) Economic Treaties to which Canada is a Signatory

Italy is bound by the Treaty on the Functioning of the European Union to observe, and implement, decisions taken by the EU concerning Common Commercial Policy aspects (which includes, among others, trade in goods and services), an exclusive competence of the latter.¹⁹

¹⁴ OECD Procompetitive Industrial Policy – Note by Italy 12 June 2024
[https://one.oecd.org/document/DAF/COMP/WD\(2024\)28/en/pdf](https://one.oecd.org/document/DAF/COMP/WD(2024)28/en/pdf)

¹⁵ <https://uibm.mise.gov.it/index.php/it/normativa-pi/il-codice-della-proprietà-industriale>

¹⁶ Legislative Decree No. 70/2003

¹⁷ Decree Number 196/2003

¹⁸ Legislative Decree 7 March 2005, Number 82

¹⁹ Treaty on the Functioning of the European Union, Art. 207.

6. *Plurilaterals*

Italy is participating in multiple plurilateral initiatives and agreements. Some of the most relevant ones are:

- the WTO's Government Procurement Agreement,²⁰
- the Information Technology Agreement,²¹
- the Investment Facilitation for Development Initiative;²²
- the WTO's Joint E-Commerce Initiative.²³

7. *Proceedings Initiated Against Italy, or by It, Before International Fora for the Adoption/Implementation of Industrial Policy Measures (e.g., Before WTO Panels, the WTO's AB)*

Italy has appeared as a respondent in one case before the WTO:

- WT/DS452/5: European Union and certain Member States - Certain Measures Affecting the Renewable Energy Generation Sector - Acceptance by the European Union of request to join consultations.²⁴

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²⁰ Revised Agreement on Government Procurement, Mar. 30, 2012, Marrakesh Agreement Establishing the World Trade Organization, Annex 4(b), 1915 U.N.T.S. 103.

²¹ WTO, 'Information Technology Agreement – An Explanation' <https://www.wto.org/english/tratop_e/inftec_e/itaintro_e.htm> accessed 20 July 2025.

²² Investment Facilitation for Development Agreement, Members Parties <https://www.wto.org/english/tratop_e/invfac_public_e/invfac_participation_list_e.htm> accessed 20 July 2025.

²³ Joint Statement Initiative on Electronic Commerce, INF/ECOM/87 (26 July 2024).

²⁴ European Union and certain Member States - Certain Measures Affecting the Renewable Energy Generation Sector - Acceptance by the European Union of request to join consultations <https://www.wto.org/english/tratop_e/dispu_e/cases_e/ds452_e.htm> accessed 22 July 2025.