

## NATIONAL REPORT - ITALY

IER COMMITTEE MEETING 19th JUNE 2025

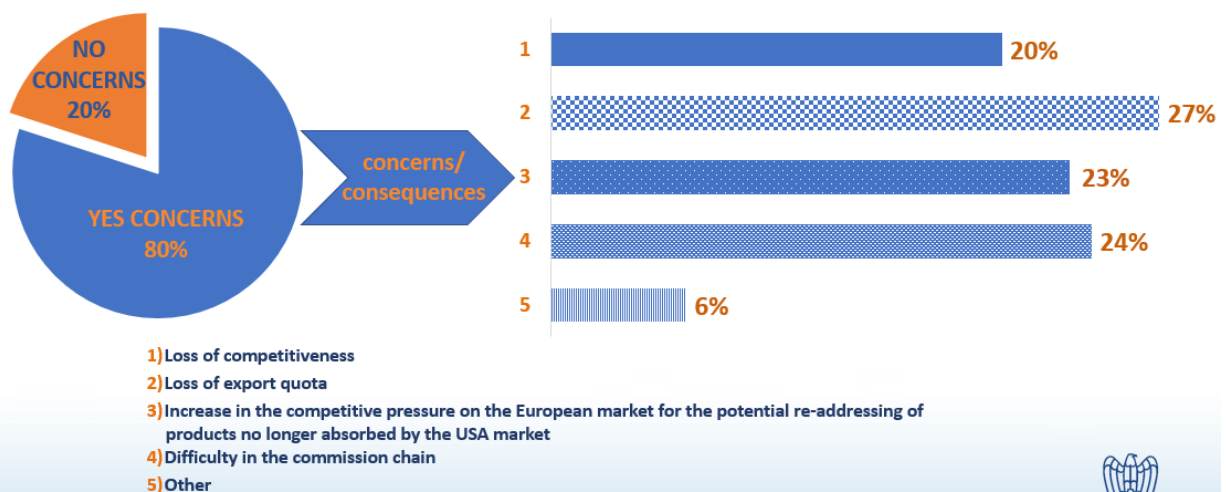
### ECONOMIC SITUATION

In the first months of 2025, global economic activity showed signs of weakening, and expectations for the current year have been further downgraded. Particularly concerning are the announcements of new import tariffs by the U.S. administration, which are having a significant impact on the global economy, also due to uncertainties regarding their implementation.

The results of the regular quarterly survey conducted by Federmeccanica, completed in mid-April, show a slight easing of the negative trend observed in the previous survey, although uncertainty about the sector's economic conditions persists. Short-term business outlooks show mixed signals: on the one hand, a modest recovery in both total and foreign production is expected; on the other hand, a contraction in employment is anticipated.

To better assess how companies are coping with these ongoing changes in their operating environment, a specific question was included on what all this might mean or imply for them. 80% of responding companies reported facing the situation with concern or fear of negative consequences for their business following the introduction of additional protectionist measures.

**Regarding the uncertainty of global business, due to the introduction of ulterior PROTECTIONIST MEASURES, what concerns/consequences could occur in your company?**



## **COLLECTIVE BARGAINING**

The negotiations for the renewal of the national collective agreement are still on hold. Union-led protests continue, and on June 20th, a national 8-hour strike is scheduled to take place with regional demonstrations. On June 12th, ISTAT released the final data for the IPCA index, excluding imported energy goods for 2024, along with forecasts for the 2025–2028 period.

According to the current rule-based model, the wage increases for each contractual level have been calculated based on the finalized index data. However, the unions are demanding a substantial increase in minimum wages, arguing that merely covering inflation is insufficient to protect workers' incomes.

We hope that the conditions will soon be right for resuming discussions before the context shifts in favor of the unions at the bargaining table.

## **AI MANAGEMENT IN THE WORKPLACE**

Federmeccanica is not directly involved in this area, but Assolombarda has recently conducted valuable work and developed guidelines for companies interested in exploring the world of AI. A study was conducted on how various AI technologies and tools can address different business needs.

In very general terms, AI can make production processes and corporate organization more efficient, reducing costs and improving production quality. Companies can leverage AI at various stages of the value chain. Below is an overview of AI application cases supporting various business processes:

- Operations
- Asset Management
- Services and Finance
- Logistics and Business Organization
- Marketing and Sales

Integrating AI into a corporate setting requires a well-defined strategic plan. While it may initially seem complex, a well-structured approach enables effective management. According to the study, the key steps to initiate this process are:

- **Identifying needs:** The launch of initial AI projects can begin by pinpointing business processes with the greatest potential for improvement. This preliminary step is essential to effectively guide the subsequent implementation process.
- **Defining objectives:** Clearly outlining the goals to be achieved through AI implementation is essential. This step helps focus efforts in a targeted and effective manner.
- **Assessing resources:** A thorough evaluation of both available and required resources is essential, including budget and personnel. This process involves acquiring the necessary software and hardware, training staff, and, if needed, engaging external consultants.
- **Selecting technologies:** Hardware and software technologies should be carefully selected, prioritizing those that best align with the defined objectives and are compatible with the available resources.
- **Continuous monitoring:** Establish a system for ongoing result tracking and make adjustments based on newly collected data. This continuous feedback loop ensures ongoing improvement throughout AI integration.

It is important to emphasize that AI is not a standardized product—its adoption involves starting a unique journey for each company, as differences in data and sectors demand diverse approaches. In order to remain competitive, companies must invest in AI immediately, incorporating it from the ground up to R&D, at all organizational levels. A top-down approach is also essential, beginning with managerial skills and leveraging decades of accumulated knowledge and know-how. AI should not replace this heritage, but serve as a tool to enhance and elevate it.

Finally, we must acknowledge that the rapid development of AI in our society raises critical concerns: from job displacement to data security, privacy violations, ethical challenges, the generation of false data, and the low reliability of AI outcomes.

An effective legal and institutional regulatory framework is necessary for this technically and economically private-sector-driven phenomenon—to protect fundamental human rights, uphold the rule of law, and promote socially trustworthy AI.

## QUALITY JOBS ROADMAP

Federmeccanica fully supports the CEEMET (draft) position paper. In particular, it should be emphasized that the concept of "quality jobs" is difficult to identify

depending on the perspective from which it is observed. Therefore, defining quality jobs in the abstract may lead to risky simplifications or inappropriate generalizations.

It should be noted that this Roadmap presents potential critical issues, as it could give rise to various measures, including binding ones for employers, and therefore must be closely monitored. At least three essential aspects should be highlighted:

- The necessary precondition for businesses to operate within a stable, predictable, and transparent framework in which the rules are clear to follow and not overly restrictive, so as not to jeopardize their competitiveness in the global market;
- Businesses should be supported in their efforts to update workers' skills, ensuring a skilled workforce as a necessary condition to enable quality job management and avoid the risk of being unprepared for current challenges;
- The awareness that it is necessary to foster as much as possible a constructive social dialogue, with the aim of reconciling the needs of workers and businesses to create quality jobs within a context of great dynamism and overall complexity.