

NATIONAL REPORT 25 JUNE 2026

The Italian economy recorded a GDP increase of +0.3% in the first quarter of 2026, confirming the same growth rate as at the end of 2025. In year-on-year terms, the variation is more substantial (+0.8%), and it is in line with that of the Euro Area. Compared to the previous quarter, all the main components of domestic demand increased: +0.4% for consumption and +0.7% for gross fixed investments. The contribution of foreign trade was positive, as imports decreased (-0.7%) while exports rose (+2.2%).

Decisive for the overall result was the negative contribution from changes in inventories which, already declining in the last quarter of 2025, sharply accelerated their decrease, subtracting demand and depressing the cyclical GDP growth.

At the beginning of 2026, the international scenario has become even more complex and unpredictable, with new repercussions on national productive activity. Despite a still weak general industrial context (-0.2% quarter-on-quarter, +0.4% year-on-year), the metalworking sector is showing signs of a rebound.

This is what emerges from the latest survey conducted on a sample of companies in the sector, released on 4 June 2026.

After a negative fourth quarter of 2025, metalworking production in the first three months of the current year recovered by 0.8% compared to the previous period. Year-on-year, the average growth was 2.6% compared to the first quarter of last year, thanks to widespread positive performance in almost all subsectors, with the only exception being Metal Products (-2.4% quarter-on-quarter).

In the first quarter of 2026, exports of the sector grew by 4.8% year-on-year. However, imports increased more significantly (+8.4%), causing a trade surplus of approximately €10 billion, a figure lower than the previous year.

The results of the survey describe a picture that remains critical. Despite short-term forecasts indicating a moderately positive change in total production, there is concern about the contraction in foreign orders and financial sustainability:

- 26% of companies report a decrease in their order portfolio, while 32% have seen an increase.
- 12% of companies (up from 9% in the previous survey) rate their liquidity situation as "poor or very poor."
- 30% of companies have initiated crisis and/or restructuring procedures; of these, 14% have already resorted to social safety nets (in 8% of cases such activation is expected within the next three months).
- Employment has remained stable for 72% of the sample, while 14% anticipate an increase and another 14% foresee reductions.

FOCUS: The Conflict in the Middle East

- The survey further examined the impact of tensions in the Middle East on business activity. 59% of companies consider the effects of the conflict significant, and of these, 43% fear that they may be long-lasting.
- The heaviest consequences concern increased production costs, especially energy costs (indicated by 27% of respondents) and transport and logistics expenses (26%).
- Regarding corrective measures, 31% of companies have begun contract renegotiations with clients and suppliers, while 26% are diversifying suppliers in order to mitigate risks.
- The level of uncertainty remains very high: 44% of companies declare the impossibility of making reliable forecasts for the coming months, while 26% expect a further deterioration of the situation.

FOCUS: Energy Costs

Specifically concerning the increase in energy costs, 44% of the interviewed companies stated they fear significant repercussions on their operating margins, while 43% and 7% believe the impact will be, respectively, contained or insignificant on business activity; the remaining 6% of the respondents could not quantify the effects of rising energy costs.

ROLE of COLLECTIVE BARGAINING in the GENDER PAY GAP

Italy has definitively approved the decree for transposing the Directive 2023/970, which came into force on 7 June 2026.

Article 4 identifies the central concepts of equal work and work of equal value. This provision is the cornerstone of the decree, providing uniform criteria for assessing different pay positions in order to identify any gender-based pay gaps within the same work organization.

This article reiterates the essential and central role played by collective bargaining in the national framework, recognizing, through a rebuttable presumption of conformity, that national collective labor agreements ensure objective and gender-neutral pay classification systems, which constitute the reference tool for guaranteeing non-discriminatory treatment.

It is important to note that the demonstration of discriminatory individual pay treatments remains possible.

Furthermore, equal work specifically means work performed in the exercise of identical tasks or tasks attributable to the same qualification within the same salary level and legal classification as set by the National Collective Bargaining Agreement (CCNL) applied by the employer, or, in its absence, by the CCNL signed by the most representative trade unions at the national level for the relevant sector.

The concept of work of equal value refers to a job that is different, but still involves tasks comparable to another job. In this case, reference must be made to the classification levels set by the National Collective Bargaining Agreement (CCNL) applied by the employer. In its absence, the CCNL signed by the most representative national trade unions for the sector must be taken into account.

The comparison concerning the value of work must be based on objective and gender-neutral criteria which include skills, responsibilities, working conditions and, where relevant, any other factors relevant to the specific job or position. It should be noted that the classification and grading systems provided for by current national collective bargaining agreements, which already rely on these criteria, constitute the primary tool for this comparison.

NEW LAW – FAIR WAGE

The "May 1st Decree" (*Decreto Primo Maggio*) introduced the "**fair wage**" (**salario giusto**) principle in Italy, which links minimum pay to national collective agreements rather than a fixed national minimum wage. It requires employers to pay workers at least the total compensation specified in the leading collective contracts (CCNL) signed by the most representative trade unions.

The House of Representatives has given the green light, with 137 votes in favour, to the decree-law containing urgent provisions on fair wages, employment incentives and combatting digital labour trafficking. The law will now be sent to the Senate and must be converted into law by 29 June, failing which it will lapse.

These are the main points of the law:

Fair pay

The appropriate wage is defined as the total remuneration package (Tec) set out in the national collective labour agreements signed by the most representative trade unions and employers' associations, which must be adhered to in order to qualify for bonuses for hiring young people, disadvantaged women and the unemployed in the Special Economic Zones (SEZs). Among the new provisions introduced during the parliamentary process is the definition of the TEC,

comprising all fixed and ongoing remuneration items, whether direct, indirect and deferred items defined by the National Collective Labour Agreements (CCNLs), including additional monthly payments, bonuses and fixed and continuous allowances, as well as contractual step-ups and welfare benefits applicable to all employees and any other schemes or allowances of economic value defined by those same collective agreements. A definition that echoes the 2018 Factory Pact.

National Collective Labour Agreement renewals - automatic Inflation Protection:

Within the first nine months following the natural expiry date, in the absence of any contractual agreements to the contrary, salaries shall be adjusted, by way of a lump-sum advance on the salary increase based on the consumer price index excluding imported energy products (HICP-EIP), by 50%, with the exception of the tourism sector and workers in the health and social care sectors, as well as those in facilities providing services on behalf of and at the expense of the National Health Service, where the adjustment is determined by collective bargaining (and may not exceed 50%).

Delegation allowed to lapse

The government decided to accept the appeal of the social partners and to drop the proxy provided for in the draft legislative decree on bargaining that was due to expire on Saturday, 18 April, which contained the disputed reference to the 'most applied' contracts, which, according to the most representative employers' associations and trade unions, risked opening the way to the recognition of 'pirate' contracts that penalise workers with lower wages and less protection, introducing unfair competition between companies.

Confindustria together with other employers' associations and the unions Cgil, Cisl, and Uil have been pressing for some time for the wages, contractual institutions, and welfare of the contracts signed by the 'comparatively most representative' trade unions, the so-called leader contracts, to be taken as reference. And after a long debate within the government, the premier was convinced not to exercise the delegation unilaterally in order to give the social partners time to reach an agreement on the criteria for defining the comparatively most representative contracts.

Riders

There are also changes for delivery riders and platform workers: where evidence suggests the existence of powers of management and control – including through automated monitoring systems or automated decision-making systems – the employment relationship is presumed to be one of subordination, unless proven otherwise.