



NAVIGATING ITALY-US COMMERCIAL POLICIES JOINT TRADE & TARIFFS COMMITTEE



Italy-America
Chamber of
Commerce

BRIEFING – OCTOBER EDITION 2026



EU-US Trade Relations in a Shifting Tariff Landscape: New Developments under Section 301

As the US tariff strategy moves beyond its reliance on the International Emergency Economic Powers Act (IEEPA), Section 301 of the Trade Act of 1974 has become the primary statutory basis for pursuing further tariff action. In particular, Section 301 authorizes the Office of the United States Trade Representative (USTR) to investigate whether the acts, policies, or practices of a foreign government are unjustifiable, unreasonable or discriminatory & burden or restrict US commerce. Unlike IEEPA, Section 301 does not provide an immediate, emergency-based route to broad tariff action. Instead, the adoption of tariffs or other restrictions is contingent upon the completion of a clearly defined procedural framework, including a formal investigation & public consultation. On March 11, 2026, the USTR opened investigations into 16 economies, including the European Union (EU), concerning structural excess capacity & production in manufacturing. Specifi-

cally, the investigations seek to determine whether policies & practices contributing to overproduction, persistent trade surpluses or underutilized capacity may burden or restrict US commerce. Following the public hearings held in May, the proceedings have not yet resulted in a final determination. On March 12, 2026, the USTR initiated a second set of investigations into 60 economies, examining whether they had imposed & effectively enforced prohibitions on the importation of goods produced with forced labor. These investigations do not focus on whether forced labor exists within the domestic economy of each jurisdiction. Rather, they assess whether the jurisdictions concerned prohibit the importation of goods produced with forced labor & effectively enforce those prohibitions. On June 2, 2026 the USTR concluded that, of the 60 economies investigated, 54 had neither introduced nor effectively enforced a prohibition on imports of goods produced with forced labor,

while 6, including the EU, had adopted such a prohibition but had not enforced it effectively. Upon completion of the procedure prescribed under Section 301, the USTR adopted its final action on July 23, 2026, which was subsequently formalized through a notice published in the Federal Register on July 28, 2026. The resulting measures impose a 10% duty on products from economies that have adopted, partly implemented or committed to introducing forced-labor import restrictions, & a 12.5% duty on products from the remaining economies. Products subject to Section 232 tariffs, together with certain specified goods, are exempt. For the European Union, the imposition of additional duties under Section 301 raises the question of their compatibility with the 15% tariff ceiling established under the EU-US Framework Agreement. The possibility that further US tariff measures could affect the application of that ceiling is reflected in Regulation (EU) 2026/1455, which im-

plements the EU's commitments under the Framework Agreement. Indeed, rather than merely giving effect to the tariff concessions agreed by the European Union, the Regulation establishes a conditional & reversible implementation framework. It allows the European Commission to suspend, in whole or in part, the tariff preferences granted to US goods if the United States fails to implement the Framework Agreement, undermines its objectives, restricts access to the US market for EU economic operators or adopts discriminatory measures against them. A specific suspension mechanism also applies to steel & aluminum derivative products if US tariffs remain above 15% at the end of 2026. These developments illustrate both the reach & the limitations of Section 301. Although it does not offer the immediacy of emergency-based tariff action, it provides a structured basis for additional trade measures. For the European Union, Section 301 investigations

show that the predictability provided by the Framework Agreement will ultimately depend on how its commitments interact with the broader range of tariff instruments available under US trade law.

Andrea De Gaspari
Head of International Network at
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Intesa Sanpaolo



AmCham Italy & the transatlantic corridor in times of change

The past year has brought a complex & evolving environment, marked by significant challenges as well as new opportunities that have enabled businesses active along the Italy-US trade corridor to strengthen their competitive position. Despite the introduction of new tariff measures, Italian exports to the United States rose by 7.2% in 2025, demonstrating the resilience of transatlantic trade. The transatlantic relationship remains one of the strongest & most integrated economic partnerships globally. Collaboration with the Italy America Chamber of Commerce in New York (IACC) provides our members with complementary perspectives & strengthens a coordinated transatlantic dialogue. Building on this foundation, the **Joint Trade & Tariffs Committee** was established to create a dedicated forum for analysis & exchange, bringing together leading stakeholders to better understand ongoing developments & their implications for businesses. At the same time, recent developments - including the decision of the United States Court of International Trade

concerning IEEPA duties - underscore the legal & operational complexity companies are currently navigating. While these measures may create new opportunities, including potential refunds, they also demonstrate how rapidly evolving trade dynamics call for a more structured & informed approach. Against this backdrop, trade flows between Italy & the United States continue to show strong resilience. Despite increased tariff pressures, bilateral exchanges have remained robust and, in several sectors, have continued to expand, confirming the structural strength & long-term importance of the transatlantic corridor. This briefing aims to contribute to a deeper understanding, providing insights that can help companies navigate an increasingly complex & evolving trade environment.

Simone Crolla
Managing Director
AmCham Italy



Beyond Tariffs: The Next Phase of Italy-US Business Relations

The debate surrounding tariffs has understandably dominated discussions about Italy-US economic relations over the past year. For companies operating across the Atlantic, however, tariffs are only one part of a broader transformation in the way businesses approach the US market. For many Italian companies, the United States has traditionally been viewed primarily as an export destination. Today, that model is evolving. Long-term success increasingly requires a deeper presence in the market through stronger distribution networks, local personnel, subsidiaries, strategic partnerships and, where appropriate, direct investment in operations, assembly or manufacturing. Tariffs may be accelerating this evolution, but they are not its only driver. Changing supply chains, proximity to customers & the need to respond rap-

idly to market conditions are encouraging companies to reconsider how they structure their US operations. Entering the United States can therefore no longer be viewed simply as an export decision, but increasingly as a broader internationalization strategy involving taxation, customs, logistics, regulatory compliance, employment, financing & investment. At the Italy-America Chamber of Commerce, we see this shift directly in our work with companies. Businesses are increasingly asking not simply how to sell in the United States, but how to establish themselves, identify the right partners & locations, & build a sustainable platform for growth. In this context, our collaboration with AmCham Italy, including through the **Joint Trade & Tariffs Committee**, provides an important platform for dialogue, analysis & exchange across both

sides of the Atlantic. By bringing together complementary perspectives, we can help companies better understand changing conditions & translate market access into long-term opportunities. The next phase of Italy-US economic relations may ultimately be defined not simply by how much we trade, but by how successfully companies turn that trade into lasting investment, deeper integration & shared economic growth.

Federico Tozzi
Executive Director
Italy-America Chamber of
Commerce



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Update on the Effects of Tariffs & Trade: Six Months After the April Review

1. Supreme Court Ruling Against IEEPA Tariffs

In February 2026, the US Supreme Court ruled that the administration's use of the International Emergency Economic Powers Act (IEEPA) as the basis for broad tariff authority was unlawful. This decision invalidated a significant portion of tariffs imposed over the past year, which had accounted for roughly half of the tariffs in place.

The ruling required the administration to find alternative legal bases for maintaining or reimposing tariffs, & it triggered a process for refunding tariffs collected under IEEPA authority.

2. Shift to Alternative Legal Frameworks: Section 122, Section 301, & Section 232

Section 122 of the Trade Act of 1974: Coming into the year, we had expected the details of trade policy to evolve in ways that would change the effective tariff rate little on net & leave trade policy uncertainty lower but still elevated. To date, the Supreme Court struck down the IEEPA tariffs earlier this year, which were quickly replaced by an across-the-board 10% tariff under Section 122 — both as expected. The administration then announced plans for Section 301 tariffs that will effectively reproduce a 10% minimum global tariff rate upon the expiration of Section 122 levies in July.

Section 301 & Section 232: As the Section 122 tariffs expired, the administration has pivoted to Section 301 (targeting unfair trade practices, including forced labor) & Section 232 (national security grounds, e.g., steel & aluminum). The US Trade Representative (USTR) has proposed new Section 301 tariffs for 60 economies, covering ~99% of US imports, with rates similar to the Section 122 tariffs.

Tariff Structure Outlook: The endgame is a differentiated, multi-tiered tariff regime: while the latest J.P. Morgan research indicates that the US formally declined to renew USMCA at the July 1 joint review deadline, shifting the agreement into a process of annual reviews rather than a long-duration framework, tariff rates are expected to be ~10-15% for major allies (Europe, Japan, Korea), ~15-20% for parts of South Asia, & higher for China. The average effective US tariff rate is expected to return to 9-10%.

3. Reimbursement of IEEPA Tariffs

Refund Process: US Customs & Border Protection (CBP) began processing refund requests for IEEPA tariffs in April 2026. As of late May, CBP had accepted \$85bn in potential & certified refund claims, with \$21bn paid out in the first month. The process is ongoing, with expectations that about 75% of the \$166bn in IEEPA duties collected will ultimately be refunded — \$30bn+

in FY26 & the remainder in FY27.

Eligibility & Uncertainty: According to the JPM Emerging Markets Economic Research & Policy Team's estimates, IEEPA tariff reimbursements stand at around \$130bn for 2025. While the Court of International Trade ruled that all such tariffs should be refunded, the Department of Justice has argued that importers must file individual lawsuits to claim reimbursement, & there is no guarantee of an automatic refund process. As a result, it remains unclear how much of the IEEPA tariffs will be returned. Over a thousand companies have recently filed lawsuits, but the total amount of tariffs they paid is still unclear.

Fiscal Impact: Since the last refund announcement, the Supreme Court has overturned the use of IEEPA for broad tariffs. Accounting for tariff refund payments & lower tariff revenue this year, we see a fiscal deficit of \$1.980tn in FY26, up from \$1.875tn previously.

4. Current Status & Outlook

a. Tariff Regime & Trade Policy Uncertainty

Trade policy uncertainty remains elevated. Many trade deals negotiated to date have relied on IEEPA tariffs & have not yet been formalized as trade agreements. With the legal basis for these tariffs now invalidated, the fate

of these deals is in question. These may need to be renegotiated as the administration shifts to tariffs under different sections of the various Trade Acts. The administration's approach is to maintain leverage through sectoral & country-specific tariffs, with a focus on strategic sectors & supply chain resilience.

b. Macroeconomic & Market Implications

The effective average US tariff rate is expected to settle near 9-10%, with only modest macroeconomic impact anticipated. However, the realignment of tariffs across products & countries is creating winners & losers & may prompt frontloading of imports ahead of more permanent tariffs.

Fiscal projections have been adjusted to reflect lower tariff revenue & the impact of refunds, with the FY26 deficit now forecast at \$1.98tn.

Overall, we think that these developments do not have major implications in terms of effective tariff rates: our economists estimate that the average effective tariff rate should be broadly unchanged by the end of the year at 8.8%, compared with 9.4% previously forecast. The new universal tariff regime also creates a more level playing field across countries relative to the previous country-specific tariffs. Nonetheless, we see possible downside risks arising from (i) supply chain disruptions

due to goods substitution effects & (ii) increased trade policy uncertainty due to reworkings in recent trade deals, which could undermine the recent sentiment lift.

5. Forward-Looking Outlook

The US tariff regime is expected to remain in flux through the remainder of 2026, with a likely transition to a multi-tiered, more permanent structure under Section 301 & 232. The average effective tariff rate should return to pre-IEEPA levels, but the distribution of tariffs will be more differentiated by country & sector.

Trade policy uncertainty will persist, especially as legal challenges to Section 122 & future Section 301/232 actions work through the courts. The risk of retaliatory measures & supply chain disruptions remains elevated.

The fiscal impact of tariff refunds will be felt over FY26 & FY27, with implications for Treasury financing & deficit projections.

Marco Mariano
Head of Mid Cap Global Corporate Banking in Italy
JP Morgan Italy



\$166 bn

IN IEEPA DUTIES
COLLECTED



9-10%

AVERAGE US TARIFF
RATE



\$1.98 tn

FISCAL IMPACT





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Trade Strategy for Italian Businesses in the Era of Tariff Uncertainty

The Evolving US Trade Environment

Following recent judicial challenges to the use of IEEPA as a basis for broad tariff measures, uncertainty remains a defining feature of the US trade environment.

EU companies continue to assess how new tariff measures, trade investigations, & enforcement actions may affect their supply chains & competitiveness in the United States.

Italian Industry Exposure

The 2025 EU-US framework established a maximum, all-inclusive US tariff rate of 15% for most EU exports, subject to product-specific exceptions & separate sectoral measures. For Italian companies – global leaders in sectors such as automotive, furniture, fashion & agri-food – the framework provides greater predictability. However, access to the US market generally remains more costly than before the 2025 tariff escalation.

Supply Chain & Operational Responses

Italian companies with manufacturing or assembly operations in the US are rebalancing their supply chains, reducing direct exports from Europe, adjusting inventory & pricing, & tightening cost controls. Firms without US manufacturing are diversifying procurement & considering alternative US-bound production locations. Supply chain changes should be carefully assessed for their effects on origin, customs valuation, transfer pri-

cing, tariff stacking, & indirect tax consequences.

Product Design & Section 232

Product planning is increasingly important for goods containing steel, aluminum, copper, or derivative metal content. Recent Section 232 measures have significantly expanded the tariff landscape. In 2026, additional duties increased to 50% for specified steel, aluminum, & copper products, while certain derivative products became subject to 25% duties. At the same time, relief measures were introduced for certain industrial machinery, power equipment, agricultural equipment, & residential heating & cooling systems, including temporary reduced-rate treatment in specific circumstances. Certain derivative products containing less than 15% relevant metal content may also qualify for relief.

Customs & Duty Mitigation Strategies

Companies may rely on a range of customs-planning tools to mitigate duties. Depending on the facts, these opportunities may include unbundling non-dutiable costs from customs value, applying the US first-sale-for-export rule, utilizing Foreign-Trade Zones or bonded facilities, applying Chapter 98 exemptions, & claiming duty drawback.

Companies should also review product origin, tariff classification, & whether multiple tariffs apply. Where there is uncertainty, companies may seek

a binding ruling from the US customs administration, CBP. EU inward processing may also suspend import duties on non-EU inputs used in products which are later exported to the US. Each measure should account for transfer-pricing & indirect-tax implications.

Refund Opportunities

Businesses should also assess potential duty recovery opportunities. Following the Supreme Court's IEEPA decision, CBP launched a refund functionality called CAPE within the ACE Portal to streamline eligible IEEPA-duty refunds. Phases 1 & 2 are currently live & operational, covering certain unliquidated entries, entries within 80 days of liquidation, & reconciliation-flagged entries without a filed reconciliation entry. Phase 3, which is intended to address certain finally liquidated entries, has been delayed. Importers should review each entry's liquidation status, refund eligibility, & applicable deadlines.

Conclusion

Italian companies should include tariff mitigation in broader business planning through regular reassessment of product design, sourcing, pricing, contractual terms, data quality & customs compliance. In a volatile environment, competitive advantage will depend on the ability to monitor legal developments, quantify exposure rapidly & implement documented, compliant mitigation

measures before additional duty costs become embedded in the business. Companies that proactively integrate trade strategy into sourcing, product development, & investment decisions will be better positioned to maintain competitiveness in the US market.

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€1.77 tn

VALUE IN EU-US
TRADE IN 2025



€69.63 bn

VALUE IN ITALIAN
GOODS EXPORTS TO
THE US



\$282 bn

IN ESTIMATED & FINAL
DUTIES, TAXES, &
FEES ON US IMPORTS

reported by CBP for FY
2026 to date (as of July
27, 2026), including refund
adjustments processed as
of that date

Source: European Council, Eurostat, US Customs & Border
Protection





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There will be tariffs

For many companies engaged in transatlantic trade, the past year has felt like an extraordinary break from the ordinary rules of international commerce. New tariff announcements, shifting effective dates, litigation over presidential authority, refund questions, & the emergence of substitute tariff mechanisms have created a sense that US trade policy has entered unfamiliar territory. That sense is understandable, but it is not entirely accurate. The United States has been here before.

Tariff disputes, retaliatory measures, & politically charged trade restrictions are not new. The difference today is the breadth, speed, & layering of tariff measures, & the degree to which tariffs have become a central instrument of US economic policy. Tariffs now affect pricing, sourcing, supply-chain design, customs valuation, origin planning, contract terms, cash flow, & competitiveness in the US market.

Recent litigation may have invalidated one statutory basis for certain tariffs, but that does not mean tariffs will disappear. On February 20, 2026, the US Supreme Court held that the International Emergency Economic Powers Act (IEEPA) did not authorize the President to impose tariffs. The decision invalidated IEEPA-based tariffs, but did not disturb tariffs imposed under other statutory authorities, including §301 of the Trade Act of 1974 & §232 of the Trade Expansion Act of 1962.

The administration responded quickly by invoking §122 of the Trade Act of 1974 & imposing a temporary 10% ad valorem import surcharge. §122 expressly contemplates import surcharges, but only on a temporary basis. It therefore provides the administration with a short-term bridge, not a permanent tariff regime.

Because §122 is temporary, the administration has increasingly turned to §301 as a longer-term solution. §301 authorizes USTR to investigate & respond to foreign acts, policies, or practices that violate trade agreements or are unjustifiable, unreasonable, or discriminatory & burden or restrict US commerce. Unlike §122, §301 is not limited to 150 days or capped. In practice, §301 is likely to remain a central tariff tool.

Importers should not treat tariffs as fixed costs. US Customs law permits companies to structure transactions, supply chains, product design, & valuation methodologies in ways that lawfully reduce duty exposure. Lawful tariff mitigation is not evasion. Any mitigation strategy, however, must be transparent, carefully researched, & supported by documentation that can withstand CBP scrutiny.

Many tariffs apply by HTSUS classification. Classification review can therefore be a powerful tool, but it must be grounded in the General Rules of Interpretation, legal notes, explanatory notes, CBP rulings & product facts. Country of origin has also become one of the most important tariff variables. Meaningful production changes, supported by engineering, commercial, & legal analysis, may lawfully alter origin & tariff exposure.

Customs valuation can also materially affect duty liability. Under the “first sale” doctrine, qualifying multi-tier transactions may permit importers to appraise goods based on the price paid by the middleman to the manufacturer, rather than the higher price paid by the US importer to the exporter. Buying agency arrangements may also reduce dutiable value where the agency is bona fide.

Tariff mitigation must be paired with compliance. CBP enforcement has intensified as tariffs have increased. Importers should expect CBP to review whether classifications are supported, origin claims match production records, value deductions are substantiated, & supply-chain documentation supports claimed duty mitigation strategies. Importers should assemble a team including experienced Customs counsel, financial officers, corporate counsel, accountants & tax advisors together with members of the supply chain, logistics & procurement teams.

The practical message for importers & exporters is clear: tariffs will remain part of doing business with the United States. Companies should not assume that litigation, elections, negotiations, or temporary suspensions will eliminate tariff exposure. Nor should they treat tariffs as unavoidable fixed costs. Instead, they should undertake disciplined customs planning. Trade wars are disruptive, but they are not new. The companies best positioned to survive the current environment will be those that move from reaction to planning, from speculation to documentation, & from treating tariffs as a political headline to treating them as manageable customs, legal, & commercial issues. There will be tariffs. The question is whether companies will be prepared for them.

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How Businesses Are Adapting for Success in the US Market

How Businesses Are Adapting for Success in the US Market

Despite continuing uncertainty surrounding trade policies & tariffs, the United States remains one of the most attractive & dynamic export markets for European businesses. What we are witnessing is not a reduction in trade activity, but rather a transformation in the way companies access & serve the US market.

Over the last few years, tariffs have become an additional variable in supply chain planning, forcing businesses to rethink logistics strategies, cost structures, & inventory positioning. The focus is no longer solely on transportation costs. Companies are now looking for greater flexibility, resilience, & customs efficiency to remain competitive.

One of the most significant developments has been the evolution of distribution models. While direct international shipments continue to play an important role, many exporters are increasingly leveraging inventory injection strategies. By moving goods in bulk into the United States & distributing them domestically, businesses can improve transit consistency, optimize transportation costs, & react more quickly to market demand.

At the same time, we are seeing growing interest in solutions that simplify customs clearance & reduce administrative complexity. Consolidated clearance models, such as FedEx International Priority Distribution (IPD), enable businesses to streamline cross-border processes while maintaining fast & reliable access to customers across the United States. These solutions have become particularly valuable for companies operating both B2B & B2C channels, where speed & flexibility are equally important.

Another area receiving greater attention is landed cost management. As import duties increasingly influence purchasing decisions & supply chain design, companies are looking for tools

that provide more transparency & control over duty-related expenses. The objective is not simply to reduce costs but to gain predictability & improve financial planning.

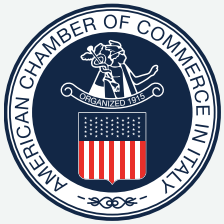
However, the most critical challenge remains compliance. In today's environment, customs clearance is no longer a back-office activity. It has become a strategic component of international trade. Accurate product descriptions, correct HS classifications, declared values, & country-of-origin information are essential for ensuring smooth customs processing. Even minor inaccuracies can lead to delays, additional inspections, & increased costs.

What differentiates successful exporters today is their ability to integrate logistics, compliance, & commercial strategy into a single framework. Companies that view customs preparation as an integral part of their go-to-market strategy are generally better positioned to navigate regulatory changes & maintain service excellence. Ultimately, tariffs have not diminished the importance of the US market. Instead, they have accelerated the adoption of more sophisticated & agile supply chain models. Success is no longer measured only by transit time. It depends on the ability to combine speed, compliance, visibility, & flexibility to deliver a seamless customer experience.

The companies that will succeed in the coming years are not necessarily those that avoid complexity, but those that learn to manage it effectively. In that respect, logistics has become a strategic enabler of international growth rather than simply a transportation function.

Diego Asproso
Senior Manager Global Worldwide Sales
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EU-US Trade: two Opposite Forces Shaping the Current Trade Environment

The current EU-US trade landscape is being shaped by two opposing forces. On the one hand, the implementation of the EU-US trade agreement confirms a continued effort to preserve & facilitate open trade between the European Union & the United States, by reducing tariffs & providing preferential market access for selected products. On the other hand, the United States is simultaneously moving towards a stricter trade environment, introducing additional requirements & controls on importers that increase compliance obligations & further protect the US domestic market.

Against this backdrop, two developments are particularly relevant: EU-US Trade Agreement – the EU has formally adopted the measures implementing the commitments agreed with the United States, including the elimination or reduction of tariffs on certain US products & preferential treatment for selected agricultural & seafood imports.

New US import requirements – the US Administration is introducing tighter rules for importers, customs brokers & other parties involved in the import process, increasing financial, compliance & reporting requirements & strengthening CBP's enforcement powers.

EU adopts two regulations of the EU-US Trade Deal

On 25 June 2026, the EU Council formally adopted two regulations implementing the commitments in the Joint Statement of 21 August 2025 announcing a United States-European Union framework on an agreement on "reciprocal, fair & balanced trade." The commitments were previously informally agreed upon on 20 May 2026, when the European Parliament & European Council announced a provisional agreement.

EU Regulation 2026/1455 was then published in the Official Journal on 30 June & entered into force on 1 July 2026.

The regulations eliminate tariffs on a wide range of US industrial goods & provide preferential market access for certain US agricultural & seafood products.

Main regulation

The main regulation notably includes the following provisions:

- 0% import duty on a large variety of industrial goods originating in the US. The eligible products are listed by combined nomenclature (CN) codes outlined in Annex I.

- The ad valorem component of the tariff on certain agricultural products will no longer apply for goods classified under the CN codes in Annex II & originating in the US.
- If the import price falls below the entry price, the duty will still apply.
- Tariff rate quotas are introduced for certain products intended for human consumption, specifically, the products classified under the CN codes in Annex III.
- The origin of the goods is to be determined on the basis of the non-preferential rules of origin referred to in the Union Customs Code until preferential rules of origin have been adopted.

Further, a safeguard mechanism is included allowing the EU Commission to investigate whether increased imports from the US have caused or threaten to cause serious injury to EU producers. This procedure can be initiated following a substantiated request from one or more EU member states, the European Parliament, or on the Commission's own initiative.

Additionally, a reinforced suspension provision will apply, meaning that if the US continues to apply a tariff rate above

15% on steel & aluminum derivative products imported from the EU after 31 December 2026, the Commission may suspend tariff preferences.

Pursuant to a sunset clause, the regulation will expire at the end of 2029 unless further action is taken by the Commission.

Lobster regulation

The Lobster regulation continues the non-application of customs duties on specified types of lobster & expands the scope to include the imports of processed (i.e., prepared) lobster.

White House orders tighter import rules

CBP & the Department of Homeland Security (DHS) will be issuing stricter regulations on importers of record (IORs), & their affiliates & agents, based on an Executive Order issued by the White House on 3 June. The changes will include requirements for IORs to "maintain at all times a minimum level of tangible domestic assets, bonding, or both," & higher bond amounts to "ensure compliance with US customs & trade laws." In addition, IORs will need to meet a "good standing" requirement, report more information to CBP, & foreign IORs, specifically, will be prohibited from filing informal entries & will

need to obtain Customs Trade Partnership Against Terrorism (CTPAT) validation or use customs broker with CTPAT validation status, among other changes. Other new rules will address CBP's penalty mitigation procedures, "establish enhanced vetting procedures" of importers, affiliates of importers, customs brokers, & freight forwarders, & the executive order directs DHS to "take any action [deemed] necessary to bolster the enforcement of customs laws, regulations, & other mandates."

On 19 August a notice regarding "Accuracy of Importer of Record Data Submitted to CBP" was published on the Federal Register taking into account the Executive Order issued by the White House & announcing enhanced enforcement procedures to verify the accuracy of the information provided by new & existing importers of record on the CBP Form 5106. Inaccurate information may result in immediate voiding of IOR numbers & other enforcement actions.

Pier Paolo Ghetti

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Italy-US trade relations: unlocking the full potential of a strategic economic partnership

For the Italian wood & furniture industry, the US market remains a strategic destination & a key driver of international growth. It is the second largest destination for exports, accounting for 10.7% of total foreign sales. In 2025, exports to the United States exceeded €2 billion, despite a decline of 3.9%. This represents a noteworthy signal for a sector that has long regarded the American market as one of its most important international outlets & where Italian companies have invested significantly to strengthen their commercial presence across North America.

For the Italian wood & furniture industry, the United States is much more than an export destination. It is a market where the distinctive strengths of Made in Italy, including design, quality, innovation & manufacturing excellence, are widely recognized & appreciated.

ted.

At the same time, the characteristics of our industry make it particularly sensitive to changes in the business environment. Italian furniture is increasingly incorporated into residential, hospitality, contract & real estate projects rather than being sold as a stand-alone product. These projects are often developed over periods exceeding twelve months & require long planning cycles, substantial commitments & continuous coordination among multiple stakeholders.

For this reason, stability & predictability are especially important. Unlike sectors characterized by shorter sales cycles, many activities in the furniture industry are planned over a medium to long-term horizon. Frequent changes in trade measures, regulations & market conditions can therefore complicate

business planning & increase operational uncertainty.

Tariffs are undoubtedly one element of this context. While they do not fully explain recent trade trends, they have contributed to a more challenging operating environment. Their impact may be particularly relevant for furniture products, which compete primarily on quality, innovation, design & service rather than on price alone.

Even more significant, however, is the uncertainty generated by the frequent evolution of trade policies & by a rapidly changing geopolitical environment. In such circumstances, companies face greater difficulty in assessing costs, planning investments, managing complex projects & making long-term strategic decisions.

This issue is especially relevant considering the long-standing commitment

of Italian companies to the US market. Over the past decade, many businesses across the sector have invested substantially in showrooms, retail networks, commercial offices & local partnerships throughout North America. These investments were undertaken to establish a stable presence in the market & strengthen relationships with customers, designers & industry professionals. A context characterized by limited predictability inevitably makes it more difficult to fully leverage & enhance the value of such investments. The key question, therefore, is not whether the United States represents a challenge or an opportunity. For the Italian wood & furniture industry, it remains a strategic market with considerable long-term potential. Realizing that potential, however, requires a framework based on regulatory certainty,

predictable rules & constructive economic relations.

The long-term potential of the Italy-US economic relationship is not in question. What remains essential is the ability to ensure regulatory certainty, predictable rules & conditions that allow companies to plan, invest & compete effectively over time. A more stable & predictable business environment would support long-term planning, facilitate investment decisions & enable companies on both sides of the Atlantic to fully capture the opportunities generated by an economic relationship of strategic importance to both countries.

Paolo Fantoni

*Vicepresidente Vicario
FederlegnoArredo*



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Italy–US Agri-Food Trade: Strengthening a Strategic Transatlantic Partnership

The economic relationship between Italy & the United States is one of the most established pillars of the transatlantic partnership. Within it, agri-food trade goes beyond the value of individual flows: it connects companies, territories, production systems & consumers, & contributes to a broader relationship based on investment, innovation & long-term cooperation.

According to the CREA Foreign Trade Report 2025, Italian agri-food exports reached a record €72 billion, up 5.6% on 2024. The United States remained the third destination market for Italian agri-food exports, accounting for 10.5% of the total. North America as a whole absorbed 12.5%, confirming the strategic relevance of the area even in a more complex trade environment.

The role of the United States becomes even clearer when looking at Made in Italy. CREA identifies as Made in Italy those agri-food products internationally recognized as typical of the country & characterized by a structurally positive trade balance. In 2025, these products accounted for 72.5% of total Italian agri-food exports, worth more than €52 billion. The United States was their second largest destination after Germany, with exports of approximately €6.6 billion & a 12.7% share. For processed Made in Italy products, the US was the first destination market, absorbing 17.1% of exports.

These figures also show why market access conditions matter for companies. In 2025, the value of total Made in Italy agri-food exports to the US declined by 6.2%, while volumes increased by 2.3%. The impact was highly differentiated: olive oil & wine were more exposed, while pasta, cheeses, baked goods, confectionery products & roasted coffee showed greater resilience or growth. The question for firms is therefore not simply whether to remain in the US market, but how to strengthen competitiveness within it.

This requires a more advanced approach to internationalization: better use of trade data, careful assessment of tariff & non-tariff exposure, stron-

ger supply-chain management, market diversification where appropriate, investment in traceability & logistics, & continued protection of the distinctive value embodied in Italian products. In agri-food, origin is often part of the product itself: quality, geographical identity & production know-how are inseparable from competitiveness.

This is where public research can provide practical value. CREA, Italy's main public research body dedicated to the agri-food system & supervised by the Ministry of Agriculture, Food Sovereignty & Forestry, supports institutions & businesses through economic analysis, monitoring & evidence-based tools. The Foreign Trade Report is part of this mission: turning data into knowledge that can support strategic choices in an increasingly complex international environment.

At the same time, institutions that connect the two business communities have an essential role. AmCham Italy & IACC contribute to strengthening economic relations between Italy & the United States by supporting companies operating across the Atlantic & facilitating dialogue with institutions & decision-makers. In this perspective, trade is not merely a set of transactions: it is an infrastructure of the bilateral relationship.

For Italian agri-food companies, the United States remains a market of scale, value & strategic importance. For US companies investing & operating in Italy, the Italian agri-food system offers quality, specialized supply chains, innovation capacity & strong territorial identities. Preserving & expanding this two-way relationship means reinforcing one of the most concrete dimensions of the Italy–US partnership: the capacity of our economies to create value together.

Prof. Alessio Tola

Director

CREA Research Centre for Agricultural Policies & Bioeconomy

Council for

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Tariffs, Seen from the Capital Side

Most of the tariff debate is conducted in the language of trade: rates, volumes, exposed sectors, margins at the border. That framing is correct but incomplete. It measures what tariffs cost. It says very little about what they change.

Seen from where I sit – investing directly in Italian technology companies on behalf of the country's national innovation fund – the more consequential question is what tariffs do to investment decisions. They shape not only the cost of moving goods, but where companies choose to build, manufacture, raise capital & scale. Goods move after a decision has been taken. Capital moves in anticipation of one.

This matters particularly for Italian venture capital. Italian venture investment reached roughly €1.5 billion in 2025, up 32% year on year, but still represented only 0.07% of GDP, compared with 0.22% in France & 0.15% in Germany. The relatively limited scale of Italy's venture capital market matters because a significant part of Italy's technological strength is built on atoms, not only software: robotics, space, semiconductors, advanced materials, energy & biotech. Deep tech was Italy's largest venture investment category in 2025, attracting €413 million across 47 rounds. These companies rely on global supply chains & often target the United States early, so tariffs can reach them through both the components they source & the markets they sell into, before they have the scale or pricing power to absorb the im-

pact.

The harder problem, however, is not the level. It is the variance. In roughly eighteen months, the US tariff framework has moved from IEEPA tariffs to a temporary Section 122 surcharge & new Section 301 measures, alongside expanding Section 232 measures. For a corporate treasurer this is a hedging problem. For a venture investor it is an underwriting problem.

We commit capital against business plans that assume market access years into the future. We do not price the tariff; we price the uncertainty around it. In practice, that can mean discounting future US revenues, assuming longer funding runways & placing greater value on business models that can reach industrial scale in Europe first. None of this appears in trade statistics. All of it changes what gets built. A stable 15% can be more investable than an unpredictable 5%.

The most valuable thing the transatlantic framework can provide is therefore not simply a lower headline rate, but a predictable one: reasonable notice periods, durable commitments & dispute mechanisms companies can plan around. Companies can plan around a rule they dislike. They cannot plan around a rule that may not exist next quarter.

But the same forces that increase risk also create investable demand. Tariffs & trade friction can raise the relative attractiveness of automation, shorter supply chains & domestic production. When

the arbitrage from distant manufacturing narrows, the answer is not to rebuild factories as we built them forty years ago; it is to make production automated & software-defined enough that location stops being the binding constraint. For Italy, Europe's second-largest manufacturing economy, this matters enormously. Manufacturing accounts for around 15% of GDP & roughly half of national R&D spending, making the country both highly exposed to trade friction & well positioned to adopt the technologies that can mitigate it. Trade friction is a risk for some companies, & a demand catalyst for physical AI & robotics, energy infrastructure & resilient supply chains.

There is a second-order effect that deserves more attention. Tariffs constrain goods. Capital & founders are more mobile, & they move faster. The risk for Italy is not only that exports are taxed at the border; it is that founders conclude the shortest route to the American market requires a US holding company, US growth capital & eventually a US cap table. That decision is usually framed as proximity – to customers, capital & acquirers. Trade friction strengthens all three arguments at once.

At that point, trade friction becomes a question of where the next generation of industrial champions will be headquartered, financed & scaled. Europe should avoid financing the riskiest stages of technological development – research, proof of concept & early industrialization – only to see

companies relocate as their capital requirements grow. The loss would be measured in intellectual property, skilled employment & where enterprise value is created.

This is why deepening Europe's growth-capital markets matters. The gap remains substantial: by their tenth year, European scale-ups have raised around 50% less capital than comparable companies in San Francisco. But capital alone is not enough: technology companies scale where they find customers, industrial partners & exit markets capable of rewarding success.

The objective, however, is not to close the transatlantic technology market. Quite the opposite. American capital & market depth, & Italian engineering & manufacturing know-how, are complementary. Europe must keep investment flows open while strengthening its ability to finance & scale its own companies, so that access to growth capital does not require them to relocate.

The most consequential effect of tariffs may therefore not be what crosses the border at a higher price. It may be where the next generation of companies choose to build, & where the capital that finances them chooses to follow.

Alessandro Scortecchi

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NAVIGATING ITALY-US COMMERCIAL POLICIES

JOINT TRADE & TARIFFS COMMITTEE

BRIEFING – OCTOBER EDITION 2026



Italy-America
Chamber of
Commerce



Italy-US & the Automotive Sector: The Resilience of Trade Relations in the Age of Tariffs and Innovation

Throughout 2025, trade between Italy & the United States showed remarkable vigour, with Italian exports to the US market recording year-on-year growth of +7.2% (Source: ISTAT). This increase, however, must be viewed in the context of the extraordinary economic dynamics generated by US trade policies: the announcement of the imminent introduction of new tariffs by the Trump administration triggered significant front-loading. Driven by fears of imminent price rises, US businesses accelerated their orders & built up stocks in the first part of the year, temporarily bolstering trade flows. Against this backdrop, the 'Transport Equipment' macro-sector reaffirms its position – alongside capital goods & pharmaceuticals – as one of the key pillars of Italy's trade surplus with the US. In 2025, Italian exports to the US in this sector reached a total value of 9.3 billion euros (+16.8% compared with 2024), accounting for 13.4% of total national exports to the US. A detailed analysis of the sector's components reveals, however, a marked divergence: whilst the 'Motor Vehicles' category (finished vehicles) suffered a significant decline (-18.2%), the sector was driven upwards by the strong performance of 'Other means of transport' (+59.5%), driven in particular by shipbuilding, aerospace & defence. Although the finished car segment is directly affected by tariff barriers, the overall impact of tariffs on the Italian automotive supply chain is partially mitigated by the very nature of the global value chain. Major US car manufacturers are heavily reliant on imports of specialised components with very high added value. On many overseas assembly lines, the final assembly stage carried out on site accounts for only around 7–8 per cent of the vehicle's total value, whilst the technological & engineering 'heart' remains of European & Italian manufacture. The high level of specialisation of our companies – from precision engineering to on-board electronics – makes it difficult & uneconomical to replace Italian suppliers quickly.

Alberto Russo
Vice Presidente
Api Torino

To offset the higher costs generated by tariffs, European companies are also reorganising their logistics routes. Strategies include repositioning towards third countries with more favourable customs regimes or the use of intermediate hubs (such as the United Kingdom) for the triangulation of goods. At the same time, there is a growing trend among Italian companies to consolidate their direct presence in the US through operational subsidiaries or industrial partnerships. These transformations are taking place against a backdrop of profound change in the sector, dominated by the development of autonomous driving & the challenges of electrification: high-energy-density dry-cell batteries, reduced charging times & advanced software architectures. In this context of continuous innovation, the know-how of the Italian supply chain remains a strategic asset for American manufacturers. Regardless of protectionist barriers, trade between Italy & the United States rests on such solid industrial foundations that it ensures structural resilience even in the face of turbulence on international markets.



The Transatlantic Beauty Axis: Economic Resilience & Strategic Innovation in the Cosmetics Industry

In the current climate of global macroeconomic recalibration, the Italian beauty industry stands out as a structural outlier & a primary driver of the Made in Italy economic ecosystem. Far from being merely an aesthetic proposition, the Italian cosmetic sector represents a complex, highly specialized value chain that merges advanced scientific research, technological innovation, & an unparalleled cultural heritage. For the transatlantic business community, this industry offers a robust paradigm of resilient growth & strategic investment opportunities. The economic data from 2025 confirm the sector's robust health. The Italian cosmetics industry reached a total turnover of €18.0 billion, recording a solid +2.5% growth compared to the previous year. This performance is particularly striking when juxtaposed against the broader macroeconomic slowdown affecting other traditional Italian manufacturing sectors. In fact, beauty exports grew by +4.1%, outperforming industries such as fashion apparel, footwear, & furniture, which experienced contractions during the same period. At the heart of this international success is the strategic trade relationship between Italy & the United States. The US remains the absolute leading destination for Italian beauty exports, absorbing €1,174 million in value in 2025, which represents a +1.3% year-over-year increase. The United States itself is the undisputed premier global market for cosmetics, with domestic consumption reaching €118 billion in 2025 & an impressive projected CAGR of +10.9% for the 2026-2029 period. This dynamic presents a formidable opportunity for Italian manufacturers, who are uniquely positioned to meet the sophisticated demands of the American consumer. Global Positioning: Italy ranks as the 5th largest exporter of beauty products, capturing a 5.6% share of worldwide exports. It holds 1st place globally in the export of hair dyes & preparations, & 3rd in the highly competitive fragrance

segment.

In terms of total export value in 2025, fragrances lead the Italian portfolio at €2,733 million (+6.4%), followed by skincare at €2,184 million (+2.3%) & haircare at €1,577 million (+3.0%). To sustain this momentum, Italian enterprises are strategically aligning their R&D & product development with the evolving consumer trends dominating the US market. American consumers are increasingly demanding hyper-personalization, with 62% of buyers expressing interest in targeted, tailored cosmetic solutions. Furthermore, sustainability & holistic wellbeing are fundamentally reshaping purchasing behavior. Over half of US adults are more determined to make eco-conscious choices, driving demand for lab-grown natural ingredients & transparent supply chains. The concept of "beauty from within"—the intersection of nutrition, gut health, & skincare—is also gaining significant traction, forcing brands to pivot towards preventative care & scientifically validated health benefits. Looking ahead, the industry outlook remains strongly positive. The projected total turnover for 2026 anticipates a +4.0% expansion, heavily supported by a forecasted +5.0% surge in international exports. As the American Chamber of Commerce in Italy & the Italy-America Chamber of Commerce continue to foster transatlantic alliances, the Italian cosmetics sector exemplifies how manufacturing excellence, combined with targeted industrial scale, can generate shared economic value. The ongoing integration of Italian craftsmanship with US market dynamism will undoubtedly remain a cornerstone of the bilateral economic relationship for years to come.

Roberto Isolda
Research Department Manager
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NAVIGATING ITALY-US COMMERCIAL POLICIES JOINT TRADE & TARIFFS COMMITTEE

BRIEFING – OCTOBER EDITION 2026



Italy-America
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Italy–United States: Building the Next Chapter of a Strategic Partnership

The relationship between Italy & the United States has long been much more than a matter of trade flows. It rests on strong economic ties, investment & mutual trust, as well as on relationships between companies & consumers that have developed over decades.

For Italy's branded FMCG industry, the United States is a market of particular strategic importance. Its size & purchasing power, together with American consumers' appreciation for quality & Made in Italy, have made it one of the leading international destinations for Italian consumer goods. At the same time, there is still considerable potential for further growth.

The figures speak for themselves. In 2024, Italian grocery exports to the United States reached €9.9 billion, up 16% in one year & more than 160% compared with 2014. The US market now accounts for approximately 11% of Italy's total grocery exports. This momentum continued into 2025:

in the first four months of the year, exports increased by a further 14% in value compared with the same period of 2024.

A decade of sustained growth suggests something more than a positive export cycle. Italian FMCG companies have established a solid position in the US market & have built a relationship with American consumers based on quality, reputation, innovation & trust.

Made in Italy & the Strength of Brands Country of origin clearly matters, but it does not tell the whole story. Around half of American consumers purchase or consume Italian products, with pasta, olive oil, cheese, sauces & wine among the most popular categories. Perceived quality & brand reputation are among the main drivers when American consumers choose Made in Italy products.

This is where the relationship between Made in Italy & Brand becomes particularly important. Italian origin carries

a strong reputation, but companies & brands are what make that reputation tangible. Quality standards, research, innovation, product safety & a consistent relationship with consumers turn an expectation linked to origin into trust in a specific product.

International growth, therefore, cannot be measured only by the amount of goods sold abroad. A stronger & more lasting presence also depends on the ability to build brands that consumers know, recognise & choose.

And the United States still offers considerable room for development. Today, 85% of US imports of Italian grocery products are concentrated in just ten States. This reflects the strength already achieved in some parts of the country, but also highlights the opportunity to expand distribution, reach new households & develop new consumption occasions in a market of more than 330 million consumers.

A Partnership with Further Potential

The importance of this relationship should not be viewed only from an Italian perspective. Italian companies gain access to one of the world's largest & most dynamic consumer markets, while American consumers benefit from a broader choice of products recognized for their quality, innovation & distinctive identity.

There is therefore a shared interest in allowing this relationship to continue to develop. In a more complex international environment, stable, open & predictable economic relations are essential for companies making long-term investment decisions.

The almost €10 billion worth of Italian grocery products reaching the US market every year should be seen as a foundation, not a destination. The opportunity now is to broaden distribution, reach new consumers & strengthen the role of Italian brands in the American market.

For Italy's branded FMCG industry, the

United States is not only a major export market. It is a strategic partner for long-term international growth.

The next chapter of this relationship should therefore be measured not simply by how much we trade today, but by how much value our companies can continue to create together in the years ahead.

Vittorio Cino
Direttore Generale
Centromarca



Why a Joint Trade & Tariffs Committee?

The United States & Italy share one of the strongest & most dynamic economic relationships in the transatlantic marketplace. Yet today's business environment is evolving at an unprecedented pace. Trade policies, tariffs, customs procedures, regulatory changes & geopolitical developments now influence business decisions with a speed & complexity that require companies to continuously reassess their strategies.

Recognizing this reality, the **American Chamber of Commerce in Italy** & the **Italy-America Chamber of Commerce** have joined forces to establish the **Joint Trade & Tariffs Committee**, a permanent platform connecting businesses, institutions & experts on both sides

of the Atlantic. Bringing together the complementary perspectives of trustworthy specialists in their respective fields allows the Committee to monitor developments in real time, analyze the information available & verify their conclusions against the real-life cases collected from their clients & members. This allows the Committee to provide companies with practical insights into issues that increasingly shape investment, trade & supply-chain decisions. Rather than offering a single institutional viewpoint, it brings together the experience of business leaders, legal & customs experts, economists & trade professionals who address these challenges every day. Their diverse perspectives help transform complex

regulatory developments into practical knowledge that companies can use to better understand risks, identify opportunities & make more informed decisions.

As global trade continues to evolve, access to timely, reliable & balanced information becomes a strategic asset. Our ambition is for this publication to be a trusted reference for companies operating along the US-Italy corridor, while fostering a constructive dialogue between the private sector & public institutions. Through regular publications, events & working sessions, the Joint Trade & Tariffs Committee will continue to provide a forum where ideas, expertise & experience converge to support informed decision-making

& strengthen transatlantic economic relations.

This initiative would not be possible without the commitment of the companies that support the Committee & share its mission of promoting a more informed, resilient & competitive transatlantic business environment. We extend our sincere appreciation to our six Supporting Companies for their trust & continued engagement. We also wish to recognize the valuable contribution of the Committee's Executive Members, whose expertise, leadership & dedication continue to shape its work & ensure that its activities remain relevant, balanced & firmly connected to the needs of the business community. Together, their support enables this

Committee to serve as a unique platform for dialogue, knowledge sharing & practical cooperation between Italy & the United States.

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