



BANCA D'ITALIA  
EUROSISTEMA

## The Italian economy in brief

No. 43 - November 2010

### GDP, national demand, foreign trade

Chained linked volumes; annualized percentage changes on previous period;  
seasonally and working days adjusted for quarterly data.

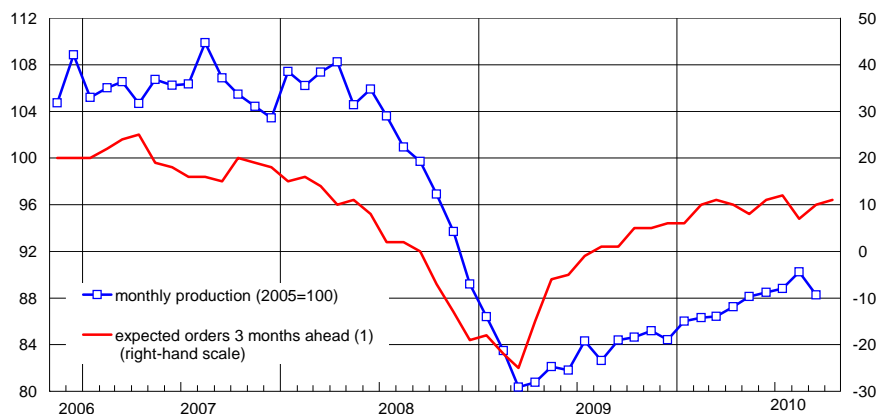
|         | Gross<br>domestic<br>product (1) | Gross fixed<br>investment | Households'<br>national<br>consumption | Collective<br>consumption<br>(2) | Total<br>national<br>demand<br>(3) | Exports of<br>goods and<br>services | Imports of<br>goods and<br>services |
|---------|----------------------------------|---------------------------|--|----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| 2006    | 2.0                              | 2.9                       | 1.2                                    | 0.5                              | 2.0                                | 6.2                                 | 5.9                                 |
| 2007    | 1.5                              | 1.7                       | 1.1                                    | 0.9                              | 1.3                                | 4.6                                 | 3.8                                 |
| 2008    | -1.3                             | -4.0                      | -0.8                                   | 0.8                              | -1.5                               | -3.9                                | -4.3                                |
| 2009    | -5.0                             | -12.1                     | -1.8                                   | 0.6                              | -3.8                               | -19.1                               | -14.5                               |
| 2009 IV | -0.2                             | 2.6                       | 0.0                                    | -0.9                             | 3.3                                | -0.7                                | 13.7                                |
| 2010 I  | 1.7                              | 5.6                       | 0.5                                    | -2.0                             | 1.3                                | 12.7                                | 11.1                                |
| II      | 1.9                              | 5.3                       | 0.0                                    | 1.4                              | -0.6                               | 13.9                                | 3.3                                 |
| III     | 0.7                              | ....                      | ....                                   | ....                             | ....                               | ....                                | ....                                |

Source: ISTAT.

(1) For GDP, preliminary estimates, not necessarily coherent with quarterly components and the whole annual accounts. (2) Consumption by general government and non-profit institution serving households. (3) Including changes in inventories and acquisition less disposals of valuables.

### Industrial production and expected demand

manufacturing; seasonally adjusted

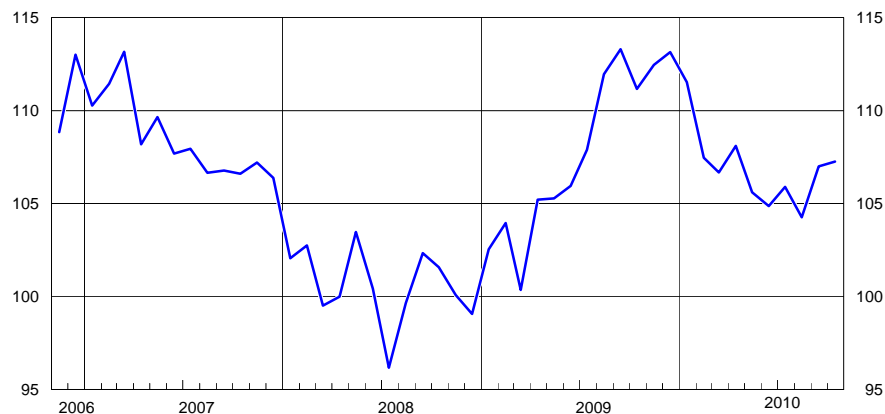


Source: based on ISTAT and ISAE data.

(1) Absolute difference between positive ("increasing") and negative ("decreasing") replies to surveys.

### Household confidence index

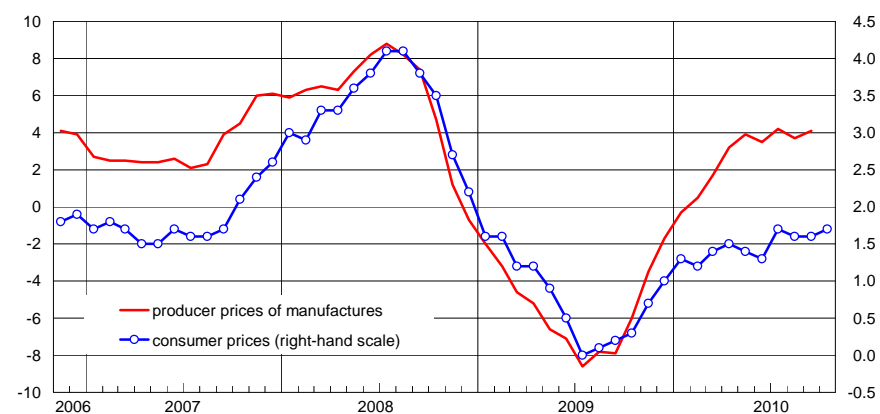
1980=100; seasonally adjusted



Source: based on ISAE data.

### Producer and consumer prices

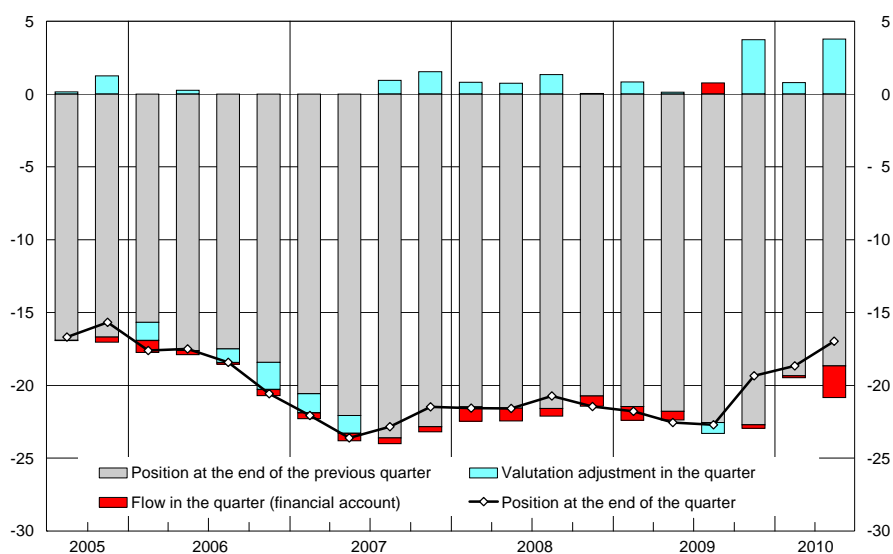
percentage changes on year-earlier period



Source: based on Eurostat and ISTAT data.

## International investment position (1)

percentages of GDP



Source for GDP: ISTAT.

(1) The position at the end of the quarter is equal to the position at the end of the previous quarter adjusted for the flows on the financial account during the quarter and for valuation adjustments.

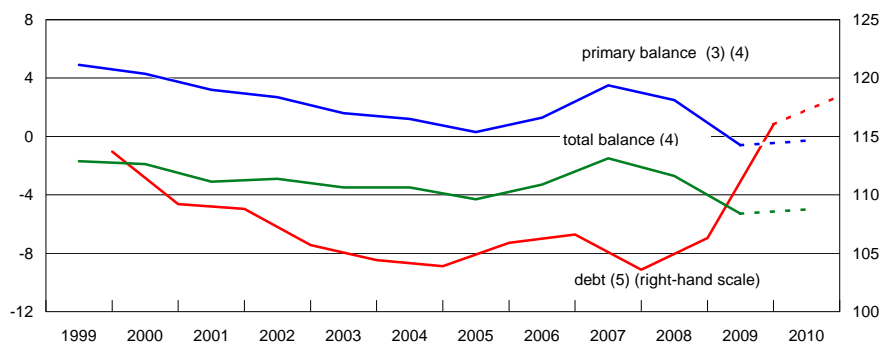
## Balance of payments

net balances; billions of euros

|                 | Current account |                       | Capital account | Net lending to the rest of the world (A+B) | Financial account |                                |                              | Errors and omissions -(A+B+C) |
|-----------------|-----------------|-----------------------|-----------------|--|-------------------|--------------------------------|------------------------------|-------------------------------|
|                 | Total           | of which: Merchandise |                 |  | Total             | of which: Portfolio investment | Change in reserve assets (1) |                               |
|                 | A               |                       | B               |  | C                 |                                |                              |                               |
| 2006            | -38.3           | -10.2                 | 1.8             | -36.5                                      | 25.4              | 44.3                           | 0.4                          | 11.1                          |
| 2007            | -37.7           | 3.2                   | 2.3             | -35.5                                      | 26.2              | 18.1                           | -1.5                         | 9.2                           |
| 2008            | -56.8           | -2.1                  | 0.8             | -56.0                                      | 49.6              | 118.5                          | -5.6                         | 6.4                           |
| 2009            | -49.4           | 1.7                   | 0.6             | -48.7                                      | 17.1              | 24.9                           | 0.1                          | 31.6                          |
| 2009 Jan.-Sept. | -38.2           | 3.5                   | -0.1            | -38.3                                      | 13.0              | 66.2                           | -0.6                         | 25.4                          |
| 2010 Jan.-Sept. | -46.8           | -12.2                 | 0.2             | -46.6                                      | 58.3              | 7.0                            | -0.9                         | -11.7                         |
| 2009 Sept.      | -5.3            | -0.3                  | -0.1            | -5.4                                       | -0.8              | 24.9                           | -0.1                         | 6.2                           |
| Oct.            | -3.1            | -0.3                  | 0.3             | -2.8                                       | 6.1               | 10.0                           | 0.1                          | -3.3                          |
| Nov.            | -4.9            | -1.7                  | 0.2             | -4.7                                       | -11.3             | -41.4                          | 0.4                          | 15.9                          |
| Dec.            | -3.2            | 0.4                   | 0.3             | -2.9                                       | 9.3               | -9.9                           | 0.3                          | -6.4                          |
| 2010 Jan.       | -6.4            | -2.8                  | 0.0             | -6.4                                       | 3.3               | 26.7                           | -0.1                         | 3.1                           |
| Feb.            | -5.9            | -1.6                  | 0.0             | -5.9                                       | 2.2               | -15.7                          | 0.0                          | 3.7                           |
| Mar.            | -6.0            | -0.4                  | 0.0             | -6.0                                       | -3.4              | -18.1                          | -0.1                         | 9.4                           |
| April           | -5.2            | -1.7                  | -0.1            | -5.3                                       | 13.4              | 5.7                            | -0.4                         | -8.1                          |
| May             | -6.3            | -1.1                  | 0.0             | -6.3                                       | 5.3               | -1.2                           | -0.2                         | 1.0                           |
| June            | -4.8            | -2.2                  | 0.6             | -4.2                                       | 14.7              | 10.3                           | 0.1                          | -10.5                         |
| July            | 0.9             | 2.6                   | 0.0             | 0.9  | 6.0               | 13.6                           | -0.1                         | -6.9                          |
| Aug.            | -5.0            | -2.2                  | -0.1            | -5.1                                       | -0.3              | -17.4                          | 0.5                          | 5.4                           |
| Sept.           | -8.1            | -2.7                  | -0.1            | -8.2                                       | 17.0              | 3.0                            | -0.6                         | -8.8                          |

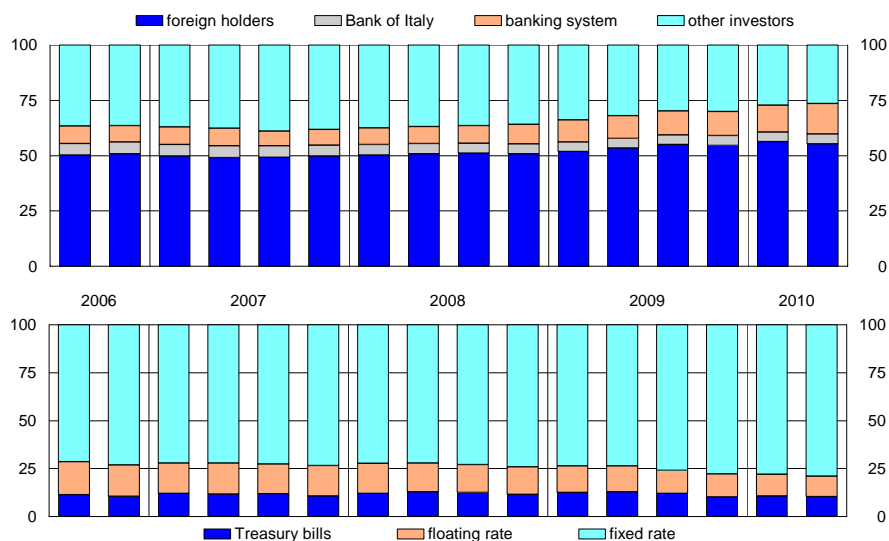
(1) A minus sign indicates an increase in reserves.

### General government total balance, primary balance and debt (1) percentages of GDP (the dotted lines indicate government targets (2))



(1) The data are in accordance with ESA95. (2) Source: Public Finance Decision (September 2010).  
(3) Overall balance net of interest payments. (4) For 2000, data do not include UMTS receipts.  
(5) Calculated according to the EU Regulation no. 3605/93.

### Stock of government securities by type of investor and security percentages

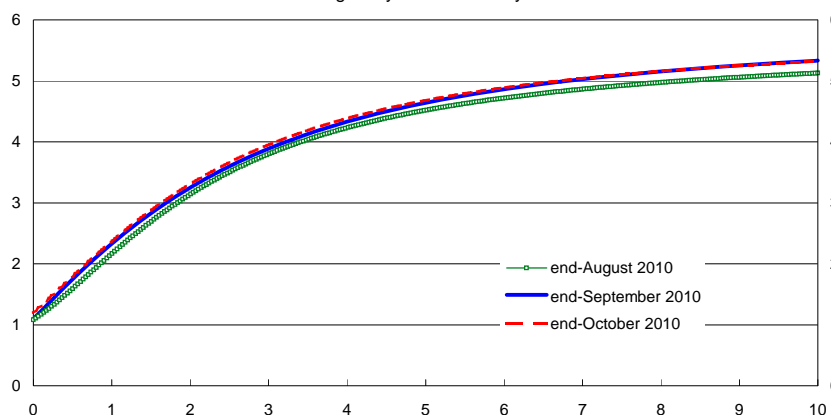


### Government benchmark bonds: gross yields to maturity annual and monthly averages of daily data

|           | Fixed rate |         |         |          |          | Floating rate |
|-----------|------------|---------|---------|----------|----------|---------------|
|           | 2 years    | 3 years | 5 years | 10 years | 30 years |               |
| 2006      | 3.46       | 3.55    | 3.71    | 4.05     | 4.39     | 3.31          |
| 2007      | 4.20       | 4.21    | 4.28    | 4.49     | 4.80     | 4.23          |
| 2008      | 3.99       | 4.13    | 4.30    | 4.69     | 5.13     | 4.54          |
| 2009      | 1.77       | 2.38    | 3.17    | 4.31     | 5.18     | 1.71          |
| 2009 Nov. | 1.52       | 1.98    | 2.77    | 4.06     | 4.90     | 1.10          |
| Dec.      | 1.56       | 1.94    | 2.70    | 4.01     | 4.82     | 1.12          |
| 2010 Jan. | 1.49       | 2.13    | 2.86    | 4.08     | 4.88     | 1.05          |
| Feb.      | 1.67       | 2.05    | 2.92    | 4.05     | 4.86     | 1.10          |
| Mar.      | 1.42       | 1.80    | 2.75    | 3.95     | 4.87     | 1.24          |
| April     | 1.48       | 1.81    | 2.74    | 4.00     | 4.83     | 1.24          |
| May       | 1.88       | 2.03    | 2.79    | 3.98     | 4.92     | 1.74          |
| June      | 2.03       | 2.25    | 2.98    | 4.10     | 5.10     | 2.29          |
| July      | 1.86       | 2.18    | 2.85    | 4.03     | 5.01     | 1.83          |
| Aug.      | 1.69       | 2.01    | 2.64    | 3.80     | 4.75     | 1.76          |
| Sept.     | 1.89       | 2.14    | 2.75    | 3.86     | 4.79     | 1.81          |
| Oct.      | 1.85       | 2.08    | 2.69    | 3.80     | 4.72     | 1.88          |

## Zero-coupon yield curve derived from government securities and interbank market interest rates

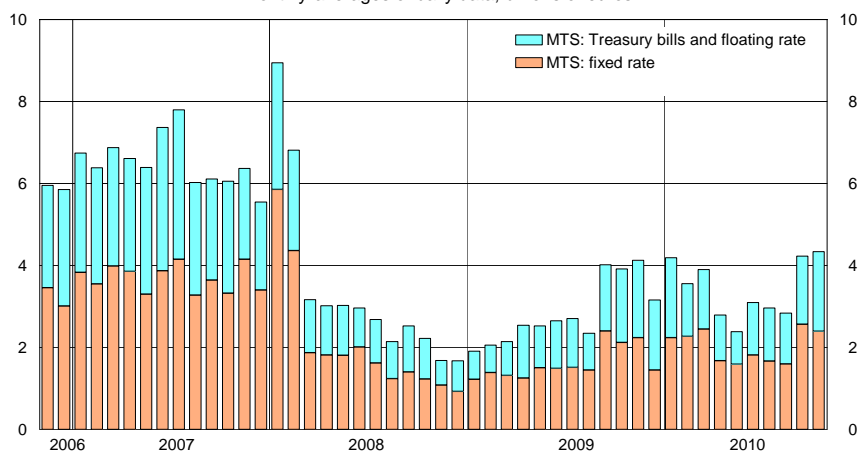
gross yields at maturity



The horizontal axis indicates residual maturity in years. Yields on maturities beyond 1 year are estimated on the prices of BTPs traded on MTS. Yields on maturities shorter than 1 year are estimated from LIBOR rates up to 12 months.

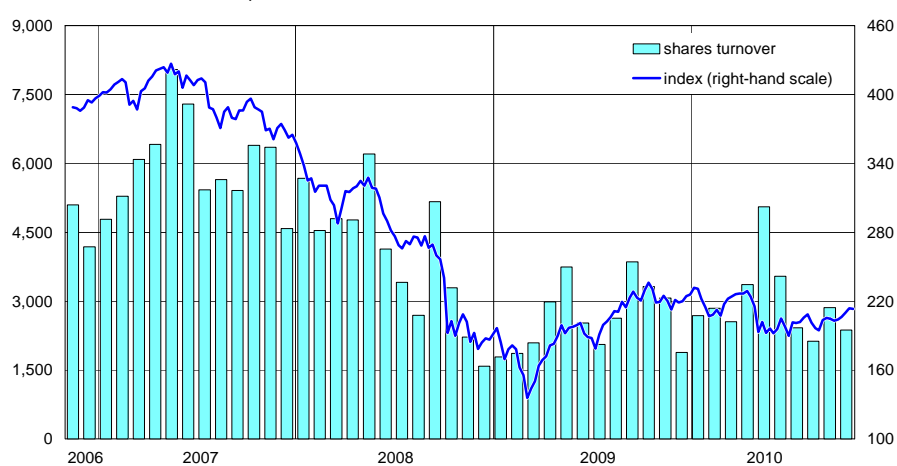
## Turnover in government securities

monthly averages of daily data; billions of euros



## Share prices and daily turnover on the Italian stock exchange

share price index 31 Dec. 1991=100; turnover in millions of euros



Source: Italian Stock Exchange.

## THE ITALIAN ECONOMY IN BRIEF

No. 43 - November 2010

Registration with the Court of Rome No. 70/2008, 26 February 2008

*Director:* SALVATORE ROSSI