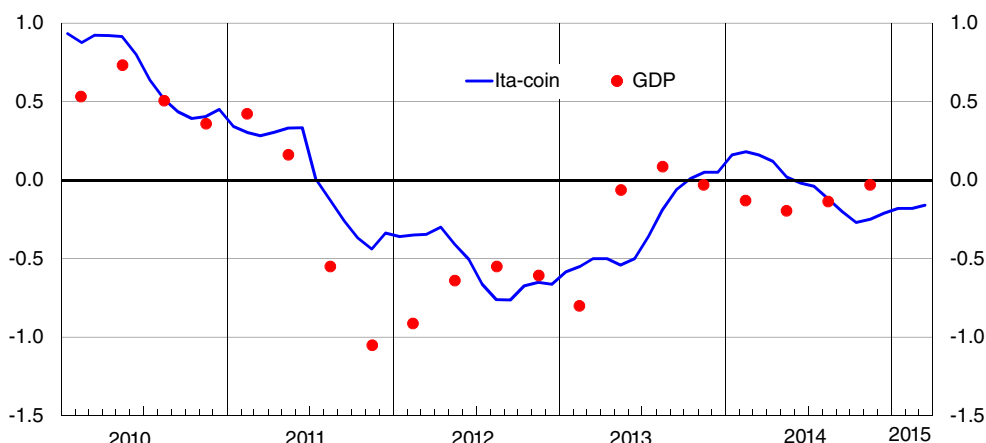




|                                   |    |
|-----------------------------------|----|
| ECONOMIC ACTIVITY AND EMPLOYMENT  | 1  |
| FOREIGN TRADE AND COMPETITIVENESS | 5  |
| INFLATION                         | 7  |
| CREDIT                            | 8  |
| THE PUBLIC FINANCES               | 11 |
| MACROECONOMIC PROJECTIONS         | 12 |

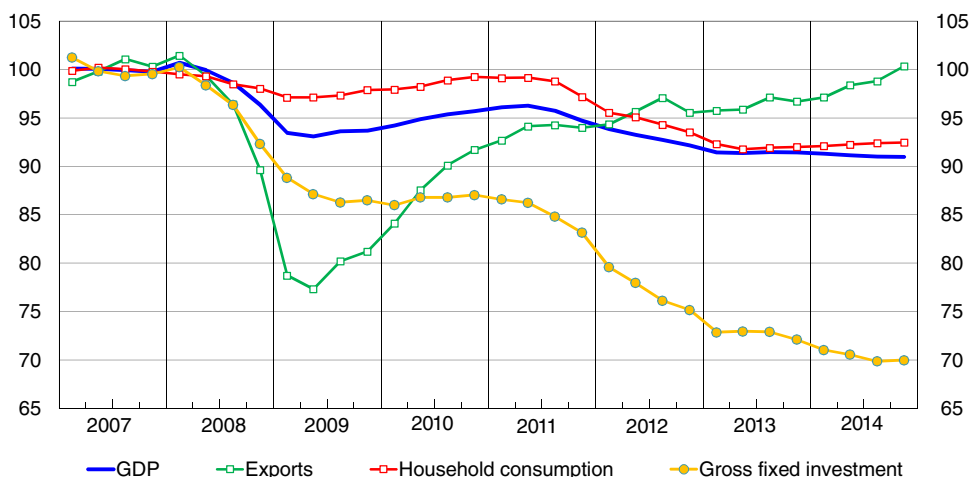
Coincident indicator (Ita-coin) and Italian GDP (1)  
(percentage changes)



Source: Banca d'Italia.  
(1) Percentage change over the previous quarter. The Ita-coin indicator tracks quarterly Italian GDP growth net of the most volatile components.

### GDP and the main components of demand (1)

(quarterly data; indices, 2007=100)



Source: Based on Istat data.

(1) Chain-linked volumes adjusted for seasonal and calendar effects.

### GDP, national demand, foreign trade

(Chained linked volumes; percentage changes on previous period; seasonally and working-day adjusted for quarterly data)

|        | Gross domestic product | Gross fixed investment | Resident household and NPISH consumption (1) | Government consumption | Total national demand (2) | Exports of goods and services | Imports of goods and services |
|--------|------------------------|------------------------|--|------------------------|---------------------------|-------------------------------|-------------------------------|
| 2011   | 0.6                    | -1.9                   | 0.0  | -1.8                   | -0.6                      | 5.2                           | 0.5                           |
| 2012   | -2.8                   | -9.3                   | -3.9   | -1.2                   | -5.6                      | 2.3                           | -8.1                          |
| 2013   | -1.7                   | -5.8                   | -2.8   | -0.3                   | -2.5                      | 0.5                           | -2.3                          |
| 2014   | -0.4                   | -3.3                   | 0.3  | -0.9                   | -0.7                      | 2.7                           | 1.8                           |
| 2014 I | -0.1                   | -1.5                   | 0.1  | -0.4                   | -0.3                      | 0.4                           | -0.1                          |
| II     | -0.2                   | -0.7                   | 0.2  | -0.5                   | -0.3                      | 1.3                           | 1.1                           |
| III    | -0.1                   | -1.0                   | 0.2  | 0.2                    | -0.1                      | 0.4                           | 0.7                           |
| IV     | 0.0                    | 0.2                    | 0.1  | 0.4                    | -0.4                      | 1.6                           | 0.3                           |

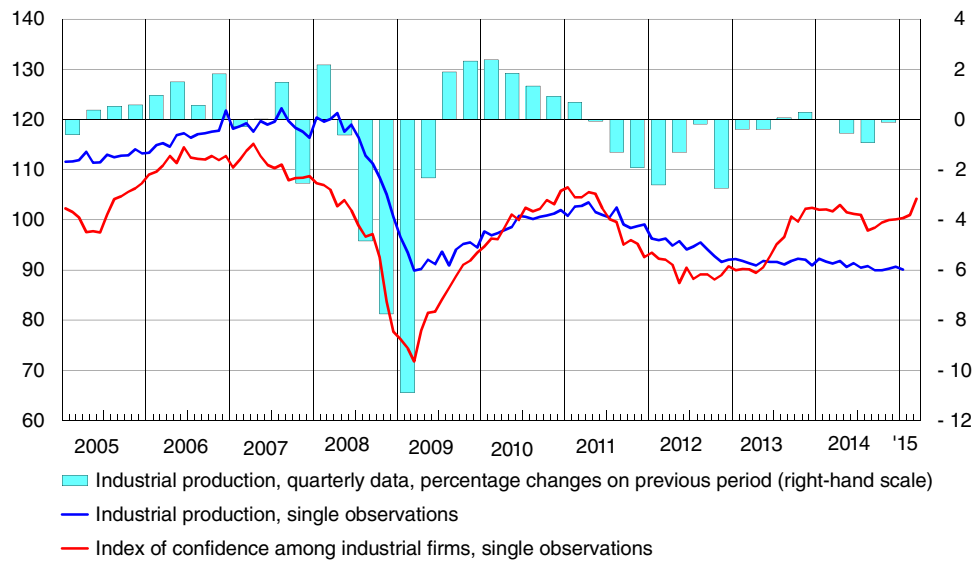
Source: Istat.

(1) Non-profit institutions serving households.

(2) Including changes in inventories and acquisitions less disposals of valuables.

### Industrial production and business confidence

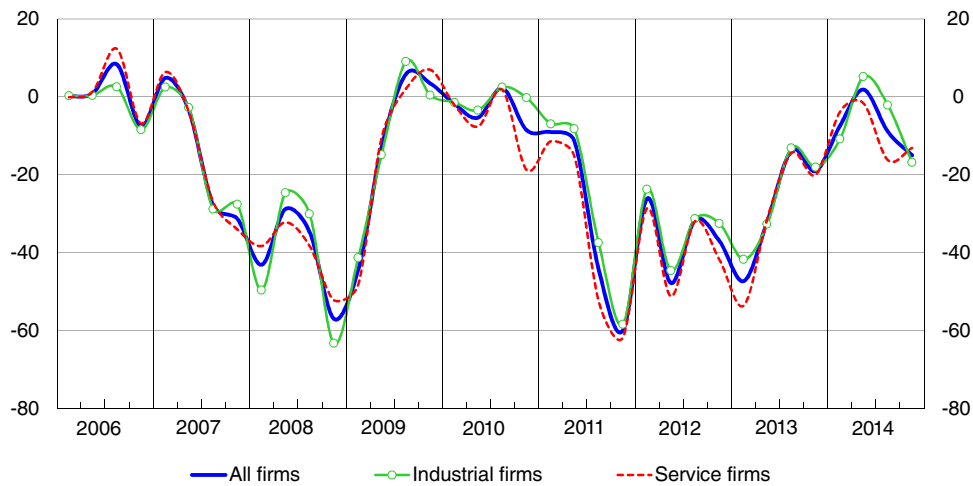
(indices, 2010=100; seasonally adjusted data)



Source: Based on Istat data.

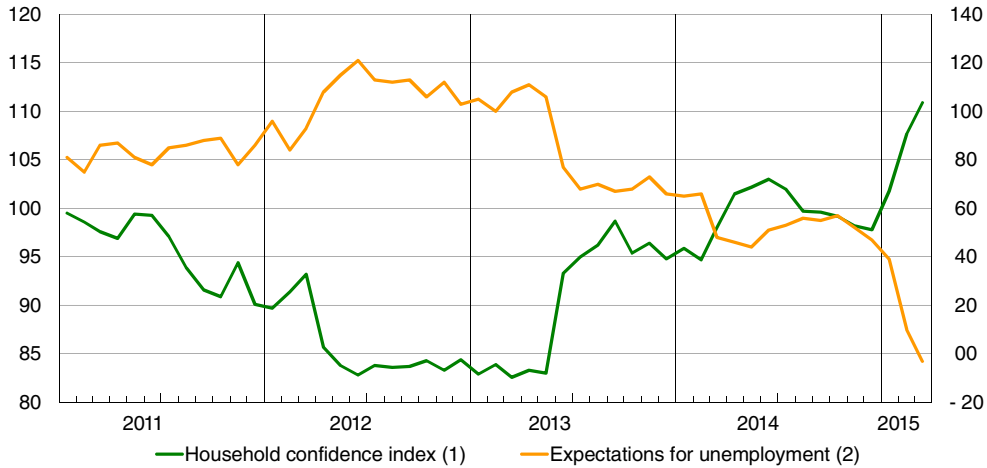
### Firms' assessment of the conditions for investing compared with the previous quarter (1)

(quarterly data; percentage points)



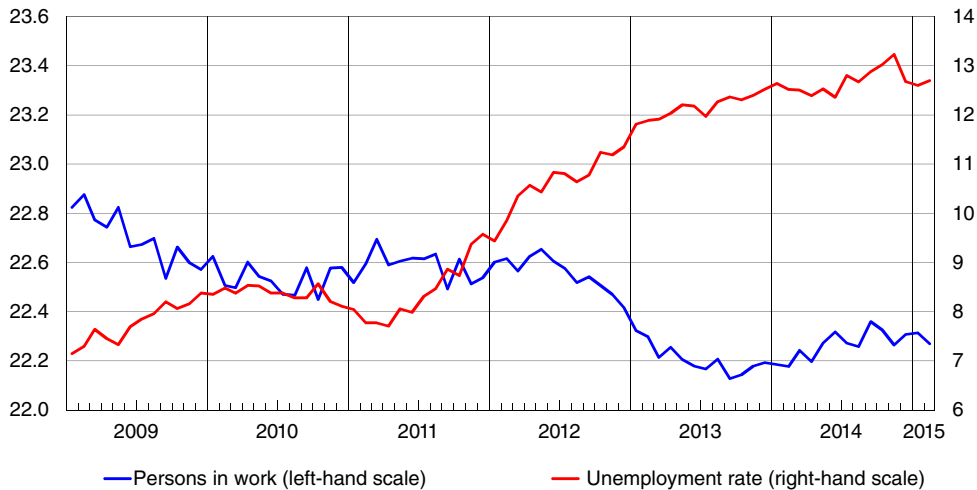
(1) Balance between judgments of improvement and of deterioration compared with the previous quarter reported in the quarterly *Survey on Inflation and Growth Expectations*, conducted by the Bank of Italy with *Il Sole 24 Ore* among service firms and non-construction industrial firms and published in *Supplements to the Statistical Bulletin*.

### Household confidence index and expectations for unemployment (seasonally adjusted data)



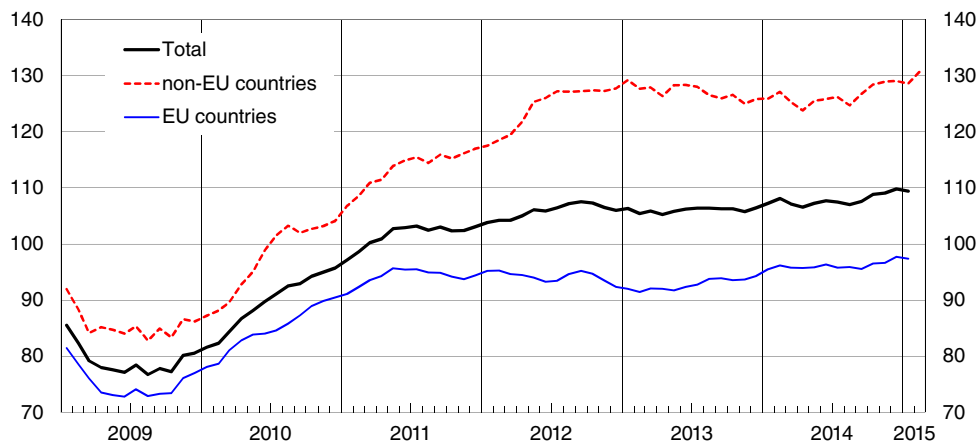
Source: Based on Istat data.  
 (1) Indices, 2010=100. In June 2013 Istat introduced methodological innovations such that subsequent data are not directly comparable with those preceding that date. – (2) Right-hand scale. The indicator is the simple average of the weighted balance between positive responses ("high", "increasing") and negative responses ("low", "decreasing") to the questions on the trend in unemployment.

### Persons in work and unemployment rate (seasonally adjusted monthly data; millions of persons and per cent)



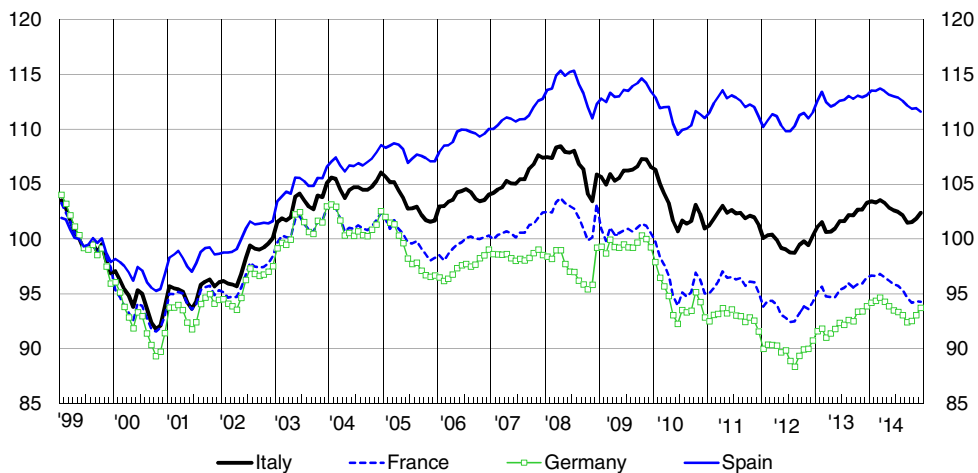
Source: Istat, *Rilevazione sulle forze di lavoro*, monthly estimates, provisional.

### Italy's exports of goods in value (seasonally adjusted; index, 2007 Q4 = 100; three-term moving averages ending in the reference month)



Source: Based on Istat data.

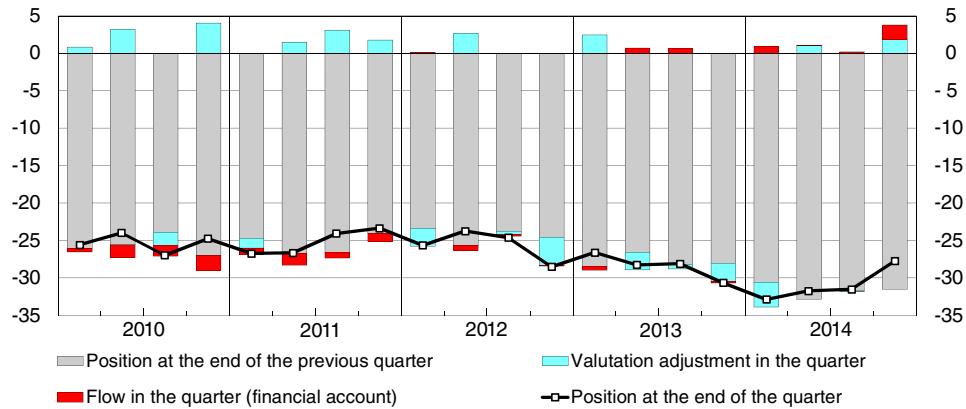
### Indicators of competitiveness (1) (monthly data; indices, 1999=100)



Sources: Based on IMF, OECD and Eurostat data.

(1) In relation to 61 competitor countries; based on producer prices of manufactured goods. An increase in an index indicates a loss of competitiveness.

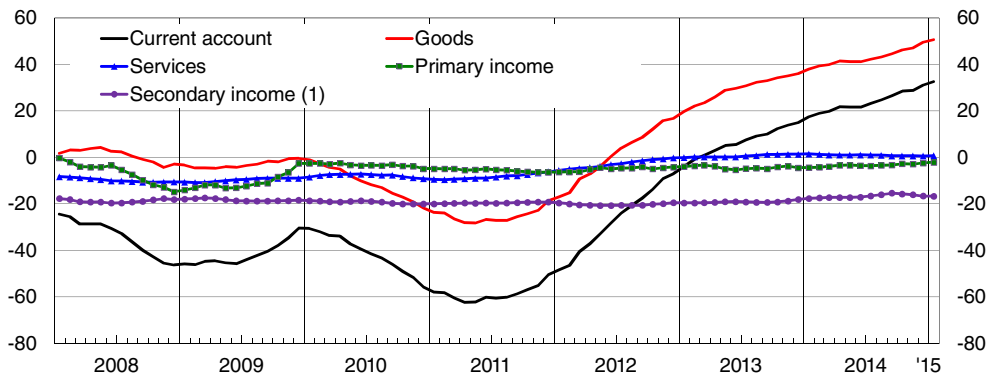
### International investment position (1) (percentages of GDP)



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.

### Italy: current account of the balance of payments (12-month cumulative balance; billions of euros)

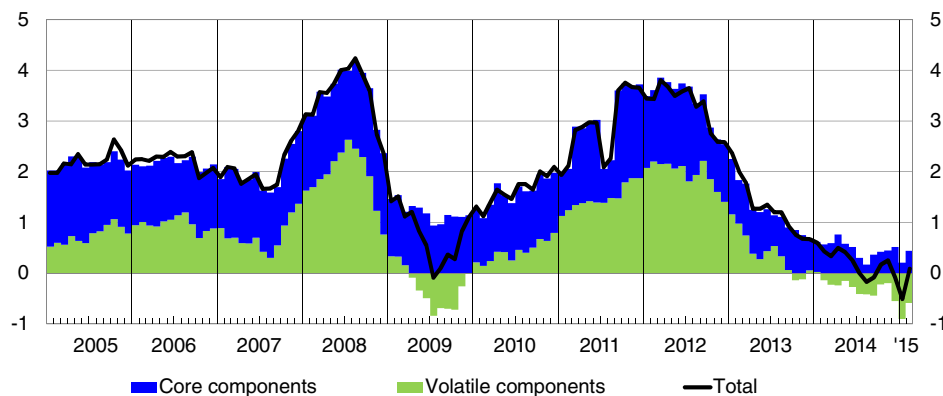


(1) According to the IMF Balance of Payments Manual 6<sup>th</sup> edition, secondary income consists in almost all the items previously classed as current transfers.

### 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 C-(A+B) |
|-----------|-----------------|-----------------------|-----------------|--|-------------------|--------------------------------|--------------------------|------------------------------|
|           | Total           | of which: Merchandise |                 |  | Total             | of which: Portfolio investment | Change in reserve assets |                              |
|           | A               |                       | B               |  | C                 |                                |                          |                              |
| 2011      | -50.4           | -18.6                 | 1.0             | -49.3                                      | -69.1             | 9.7                            | 0.9                      | -19.7                        |
| 2012      | -6.9            | 16.8                  | 4.0             | -3.0                                       | -14.8             | -25.9                          | 1.5                      | -11.8                        |
| 2013      | 15.0            | 36.1                  | 0.2             | 15.1                                       | 11.3              | -14.6                          | 1.5                      | -3.8                         |
| 2014      | 31.2            | 49.5                  | 3.4             | 34.5                                       | 50.2              | -4.5                           | -1.0                     | 15.7                         |
| 2014 Jan. | -1.4            | 0.8                   | -0.1            | -1.5                                       | -3.2              | -44.4                          | 0.1                      | -1.7                         |
| Feb.      | 0.5             | 3.2                   | -0.1            | 0.4  | 9.7               | 4.4                            | -0.4                     | 9.3                          |
| Mar.      | 0.6             | 4.4                   | -0.3            | 0.3  | 8.3               | 8.3                            | 0.2                      | 8.0                          |
| April     | 2.9             | 4.2                   | 0.0             | 2.9  | 3.1               | -17.6                          | 0.2                      | 0.2                          |
| May       | 0.9             | 4.2                   | 0.0             | 0.9  | -4.1              | -23.2                          | -0.2                     | -5.0                         |
| June      | 2.6             | 3.9                   | 0.3             | 2.9  | 1.8               | -4.9                           | -0.1                     | -1.1                         |
| July      | 7.6             | 7.4                   | 0.2             | 7.8  | 4.3               | -11.1                          | 0.3                      | -3.6                         |
| Aug.      | 1.6             | 2.7                   | 0.2             | 1.8  | 4.3               | 25.5                           | -0.1                     | 2.5                          |
| Sept.     | 1.3             | 2.7                   | 0.1             | 1.4  | -5.4              | 11.8                           | -0.1                     | -6.8                         |
| Oct.      | 6.0             | 5.9                   | 1.3             | 7.3  | 12.6              | 18.5                           | -0.7                     | 5.3                          |
| Nov.      | 3.2             | 4.0                   | 1.2             | 4.3  | 9.6               | 5.3                            | 0.2                      | 5.2                          |
| Dec.      | 5.2             | 6.2                   | 0.8             | 6.0  | 9.3               | 22.9                           | -0.3                     | 3.3                          |
| 2015 Jan. | 0.0             | 1.9                   | -0.1            | 0.0  | -5.2              | -18.5                          | 0.0                      | -5.2                         |

### Consumer price inflation and contributions of the main components (1) (monthly data; percentage changes over 12-months and percentage points)



Source: Based on Eurostat data.

(1) Harmonized index of consumer prices. The core component consists of non-food, non-energy and services; the volatile component is food and energy goods.

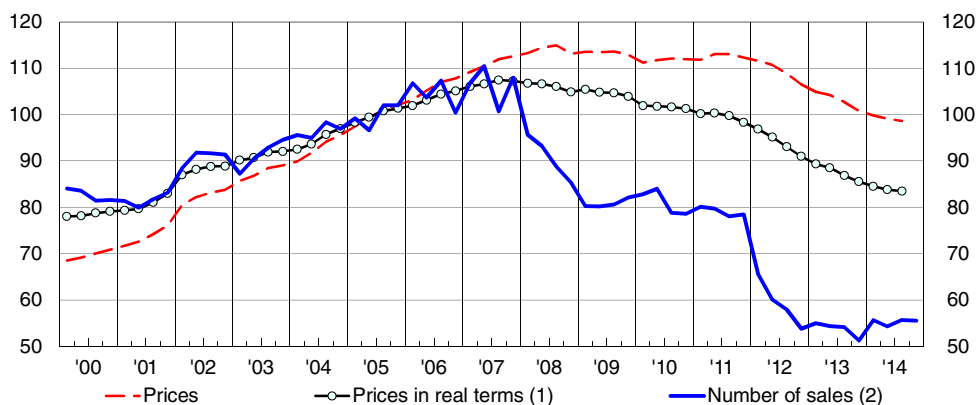
### Indicators of inflation in Italy (monthly data; 12-month percentage changes)

|           | HICP (1)      |              |                       |                                    | CPI (2)       | PPI (3)       |                   |
|-----------|---------------|--------------|-----------------------|------------------------------------|---------------|---------------|-------------------|
|           | Overall index | Excl. energy | Excl. energy and food | Overall index at constant taxation | Overall index | Overall index | Non-food products |
| 2013 Nov. | 0.7           | 1.0          | 1.1                   | 0.2                                | 0.7           | -2.3          | 0.3               |
| Dec.      | 0.7           | 0.9          | 0.9                   | 0.3                                | 0.7           | -2.1          | 0.5               |
| 2014 Jan. | 0.6           | 1.1          | 0.9                   | 0.3                                | 0.7           | -1.5          | 0.7               |
| Feb.      | 0.4           | 0.9          | 0.9                   | 0.1                                | 0.5           | -1.7          | 0.6               |
| Mar.      | 0.3           | 0.8          | 0.9                   | -0.1                               | 0.4           | -1.9          | 0.7               |
| April     | 0.5           | 0.9          | 1.1                   | 0.2                                | 0.6           | -1.7          | 0.9               |
| May       | 0.4           | 0.6          | 0.8                   | 0.0                                | 0.5           | -1.7          | 1.1               |
| June      | 0.2           | 0.3          | 0.7                   | -0.2                               | 0.3           | -1.8          | 0.7               |
| July      | 0.0           | 0.3          | 0.5                   | -0.3                               | 0.1           | -1.9          | 0.9               |
| Aug.      | -0.2          | 0.2          | 0.4                   | -0.6                               | -0.1          | -2.1          | 0.8               |
| Sept.     | -0.1          | 0.3          | 0.5                   | -0.5                               | -0.2          | -2.0          | 0.8               |
| Oct.      | 0.2           | 0.4          | 0.6                   | 0.2                                | 0.1           | -1.5          | 0.7               |
| Nov.      | 0.3           | 0.6          | 0.6                   | 0.3                                | 0.2           | -1.5          | 0.6               |
| Dec.      | -0.1          | 0.5          | 0.7                   | -0.1                               | 0.0           | -2.1          | 0.5               |
| 2015 Jan. | -0.5          | 0.3          | 0.5                   | -0.5                               | -0.6          | -3.8          | 0.4               |
| Feb.      | 0.1           | 1.0          | 0.9                   | 0.0                                | -0.1          | -3.3          | 0.5               |

Source: Based on Istat and Eurostat data.

(1) Harmonized index of consumer prices. – (2) Consumer price index for the entire resident population. – (3) Index of producer prices of industrial products sold on the domestic market.

### House prices and sales (quarterly data; indices, 2005=100)



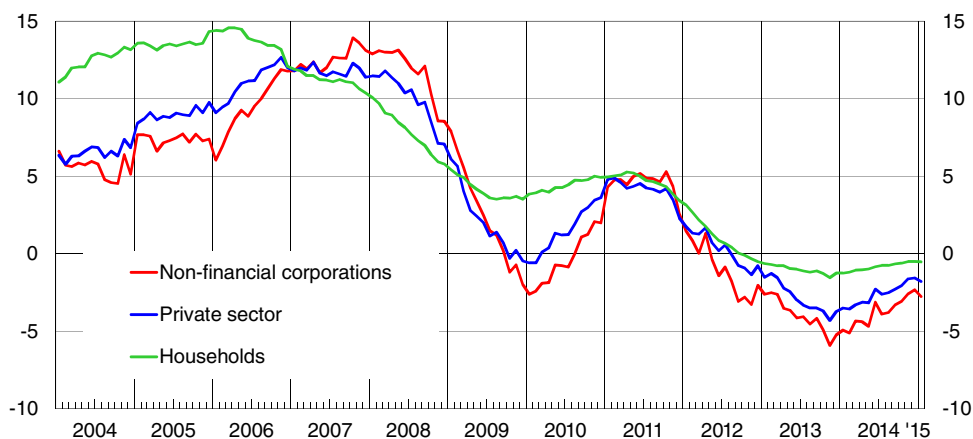
Sources: Based on Osservatorio del Mercato Immobiliare, Bank of Italy, Istat, and Consuente immobiliare data.

(1) House prices deflated by the consumer price index.

(2) Adjusted for seasonal and calendar effects.

### Bank lending to the private sector (1)

(monthly data; 12-month percentage changes)

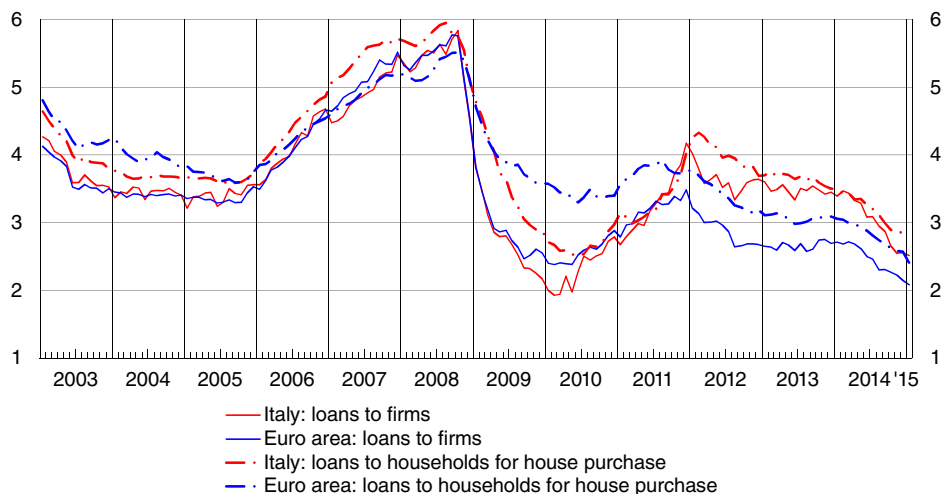


Source: Supervisory reports.

(1) Includes bad debts, repos and loans not recorded in banks' balance sheets because they have been securitized. The percentage changes are net of reclassifications, exchange rate variations, value adjustments and other variations not due to transactions; operations concluded with central counterparties are excluded.

### Interest rates on new loans (1)

(monthly data; per cent)



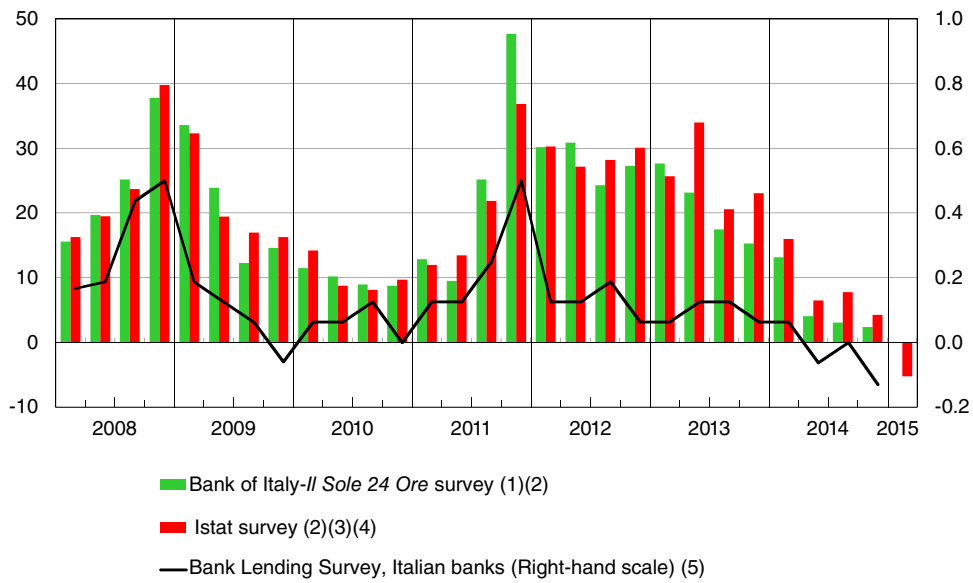
Source: Based on Bank of Italy and ECB data.

(1) Averages. Data refer only to transactions in euros and are gathered and processed using the Eurosystem's harmonized method.

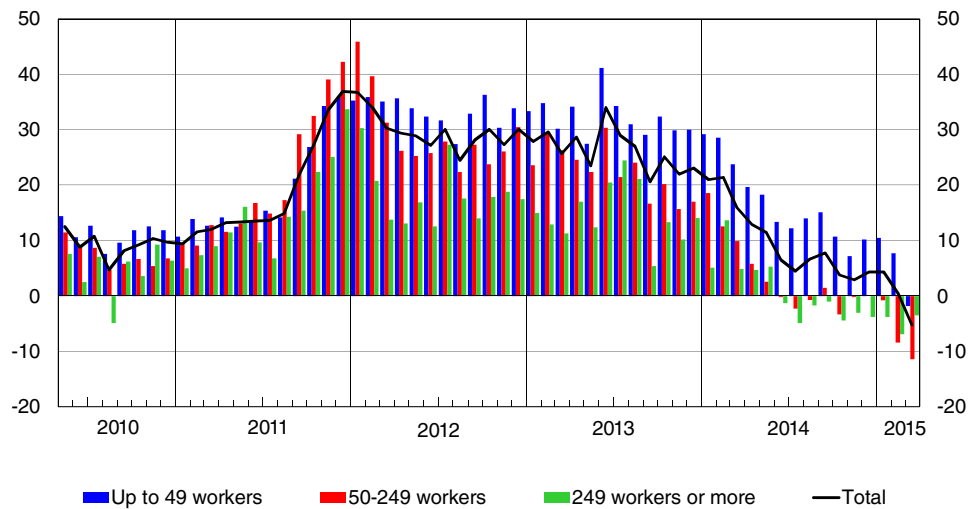


Credit access conditions for Italian firms

a) Total  
(quarterly data)

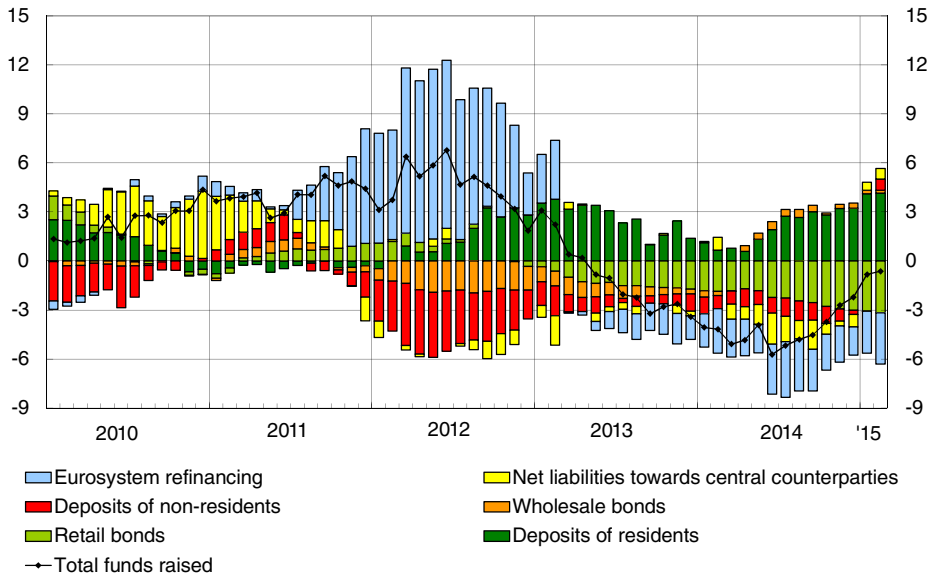


b) By firm size (2)(3)  
(monthly data)



(1) Source: Bank of Italy, *Survey on inflation and growth expectations*. The survey is conducted on samples of firms in industry (excluding construction) and services. - (2) Net percentage of firms reporting difficulty in obtaining credit calculated as the difference between the percentage of replies indicating a tightening of lending conditions and the percentage of those indicating an easing. - (3) Source: Istat, *Business confidence survey in the manufacturing sector*. In June 2013 some methodological changes involving the sample and data observation techniques were made precluding direct comparison with previous periods. - (4) Last survey in the quarter. - (5) Source: *The euro area bank lending survey*. Degree of credit supply tightening compared with the previous quarter (diffusion index); based on the replies by eight leading Italian banking groups.

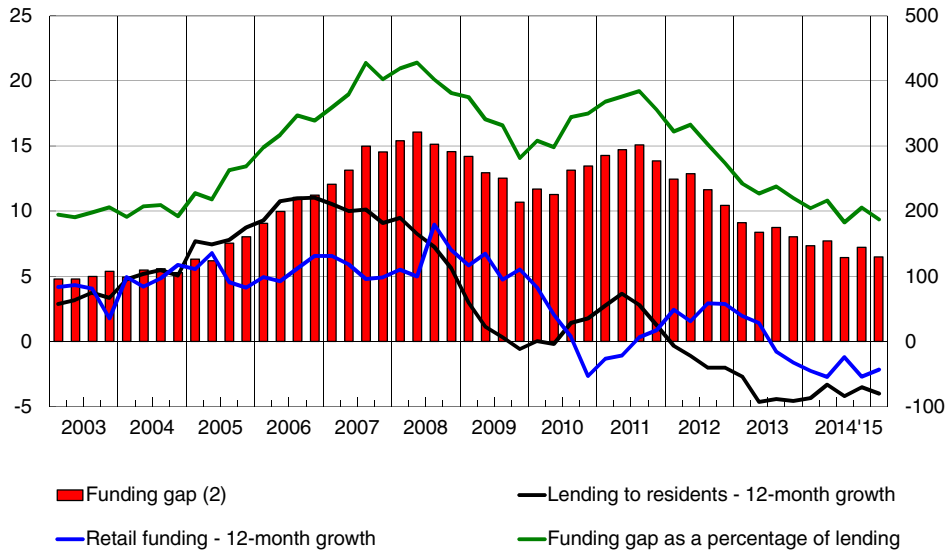
### Growth in bank funding: contributions of the various components (1) (percentage points and 12-month percentage changes)



Source: Supervisory reports.

(1) The sum of the contributions is equal to the percentage change over 12 months in the total funds raised. The percentage changes in the single components are calculated net of reclassifications, exchange-rate variations, value adjustments and other variations not due to transactions. Liabilities towards resident monetary financial institutions are excluded. Net liabilities towards central counterparties are the funds raised by way of repos with non-residents via central counterparties.

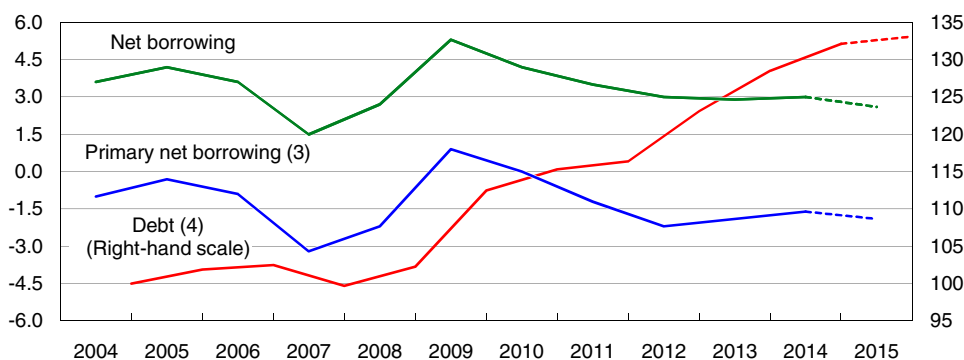
### Italian banks' funding gap (1) (billions of euros and per cent)



Source: Supervisory reports. Excludes Cassa Depositi e Prestiti and branches of foreign banks. For 2015, funding gap data at the end of February.

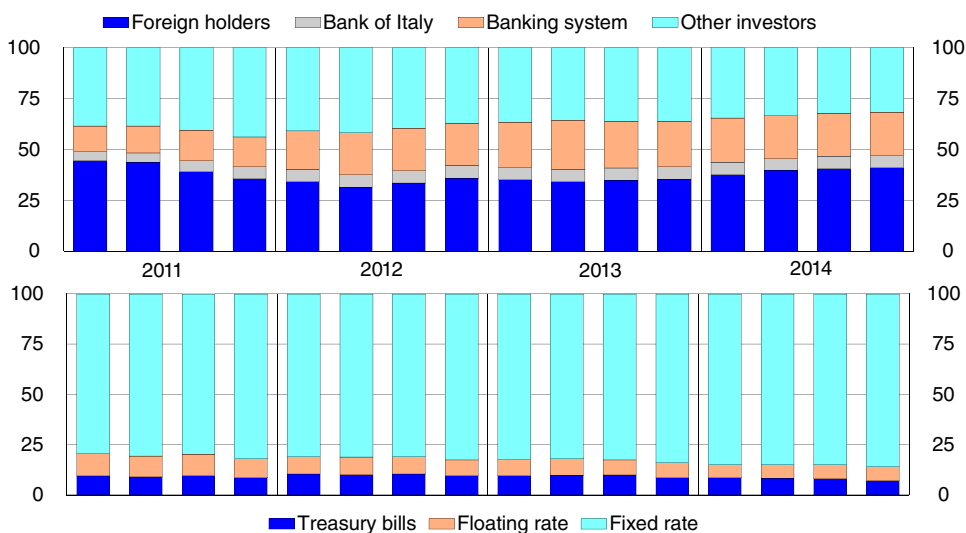
(1) Difference between lending to residents and retail funding (residents' deposits plus bank bonds subscribed by households). (2) Right-hand scale (billions).

### General government net borrowing, primary net borrowing and debt (1) (percentages of GDP; the dotted lines indicate Government targets)(2)



(1) The data are in accordance with ESA 2010. (2) Source: based on the *Update of the 2014 Economic and Financial Document*, the draft budgetary law for 2015 and updated tables of the *Draft Budgetary Plan 2015* (October 2014). (3) Overall balance net of interest payments. (4) Calculated according to the EC Regulation no. 2009/479.

### 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 |               |
| 2011       | 3.80       | 4.19    | 4.68    | 5.43     | 6.04     | 4.29          |
| 2012       | 3.15       | 3.63    | 4.53    | 5.51     | 6.01     | 5.11          |
| 2013       | 1.61       | 2.21    | 3.11    | 4.32     | 5.03     | 2.54          |
| 2014       | 0.70       | 0.96    | 1.57    | 2.90     | 4.03     | 1.36          |
| 2014 April | 0.77       | 1.00    | 1.82    | 3.23     | 4.22     | 1.28          |
| May        | 0.87       | 1.08    | 1.74    | 3.12     | 4.15     | 1.45          |
| June       | 0.68       | 0.94    | 1.46    | 2.92     | 4.04     | 1.33          |
| July       | 0.56       | 0.78    | 1.38    | 2.79     | 3.99     | 1.28          |
| Aug.       | 0.43       | 0.66    | 1.24    | 2.63     | 3.82     | 1.21          |
| Sept.      | 0.43       | 0.57    | 1.07    | 2.40     | 3.70     | 1.13          |
| Oct.       | 0.62       | 0.78    | 1.15    | 2.42     | 3.76     | 1.19          |
| Nov.       | 0.60       | 0.78    | 1.10    | 2.29     | 3.70     | 1.23          |
| Dec.       | 0.57       | 0.74    | 1.05    | 1.99     | 3.33     | 1.11          |
| 2015 Jan.  | 0.42       | 0.58    | 0.89    | 1.70     | 3.02     | 0.93          |
| Feb.       | 0.29       | 0.43    | 0.78    | 1.56     | 2.63     | 0.76          |
| Mar.       | 0.23       | 0.27    | 0.55    | 1.29     | 2.17     | 0.57          |

## Growth and inflation forecasts – Italy

## Growth

(percentage change on previous period) (1)

|                               | 2014 |      |      |      | 2015 |     |     |     | 2016 |     |     |     | 2014 | 2015 | 2016 |
|-------------------------------|------|------|------|------|------|-----|-----|-----|------|-----|-----|-----|------|------|------|
|                               | Q1   | Q2   | Q3   | Q4   | Q1   | Q2  | Q3  | Q4  | Q1   | Q2  | Q3  | Q4  |      |      |      |
| Bank of Italy (Jan.)(2)       | -    | -    | -    | -    | -    | -   | -   | -   | -    | -   | -   | -   | -0.4 | 0.4  | 1.2  |
| European Commission (Feb.)(3) | 0.0  | -0.2 | -0.1 | -0.1 | 0.1  | 0.2 | 0.4 | 0.5 | 0.1  | 0.4 | 0.5 | 0.5 | -0.5 | 0.6  | 1.3  |
| IMF (Jan.)(4)                 | -    | -    | -    | -    | -    | -   | -   | -   | -    | -   | -   | -   | -0.4 | 0.4  | 0.8  |
| OECD (Nov.)(5)                | -    | -    | -    | -    | -    | -   | -   | -   | -    | -   | -   | -   | -0.4 | 0.2  | 1.0  |
| Consensus Economics (Mar.)(6) | -    | -    | -    | -    | -    | -   | -   | -   | -    | -   | -   | -   | -0.4 | 0.6  | 1.1  |

## Inflation (7)

(percentage change on corresponding period of previous year)

|                               | 2014 |     |      |     | 2015 |      |      |     | 2016 |     |     |     | 2014 | 2015 | 2016 |
|-------------------------------|------|-----|------|-----|------|------|------|-----|------|-----|-----|-----|------|------|------|
|                               | Q1   | Q2  | Q3   | Q4  | Q1   | Q2   | Q3   | Q4  | Q1   | Q2  | Q3  | Q4  |      |      |      |
| Bank of Italy (Jan.)(2)       | -    | -   | -    | -   | -    | -    | -    | -   | -    | -   | -   | -   | 0.2  | -0.2 | 0.7  |
| European Commission (Feb.)(3) | 0.5  | 0.4 | -0.1 | 0.1 | -0.5 | -0.6 | -0.2 | 0.1 | 1.2  | 1.6 | 1.6 | 1.5 | 0.2  | -0.3 | 1.5  |
| IMF (Oct.)(4)                 | -    | -   | -    | -   | -    | -    | -    | -   | -    | -   | -   | -   | 0.1  | 0.5  | 1.1  |
| OECD (Nov.)(5)                | -    | -   | -    | -   | -    | -    | -    | -   | -    | -   | -   | -   | 0.1  | 0.0  | 0.6  |
| Consensus Economics (Mar.)(6) | -    | -   | -    | -   | -    | -    | -    | -   | -    | -   | -   | -   | 0.2  | 0.0  | 0.8  |

(1)The quarterly data are seasonally adjusted. (2) Source: *Economic Bulletin* No. 1, January 2015. GDP data adjusted for calendar effects. (3) Source: *European Economic Forecast - Winter 2015*. (4) Source: *World Economic Outlook*, October 2014 for inflation and *World Economic Outlook Update, January 2015* for GDP. (5) Source: *OECD Economic Outlook*, November 2014. GDP data adjusted for calendar effects. (6) Source: *Consensus Forecasts*, 9 March 2015. (7) Forecasts for HICP.

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## THE ITALIAN ECONOMY IN BRIEF

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