



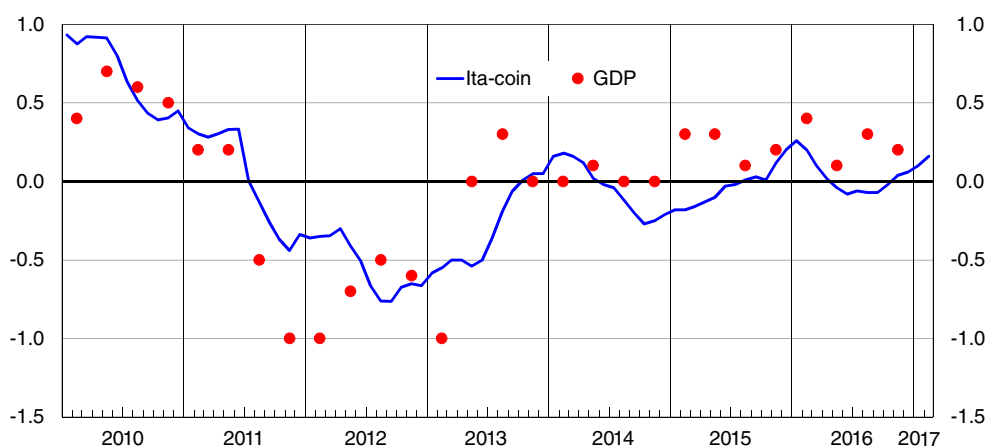
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NUMBER 119  
MARCH 2017

# THE ITALIAN ECONOMY IN BRIEF

Directorate general for economics, statistics and research

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

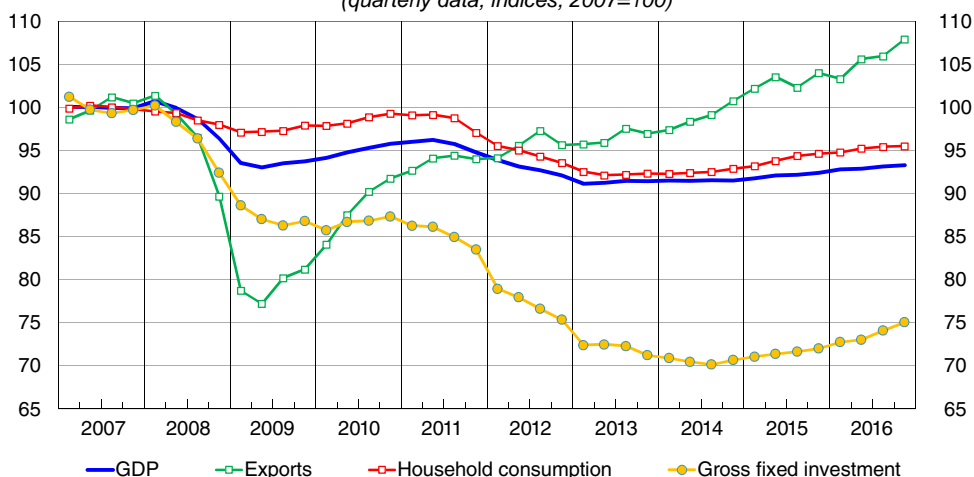


Source: Banca d'Italia.  
(1) Percentage change over the previous quarter. The Ita-coin indicator tracks quarterly Italian GDP growth net of the most volatile components.

cfr: <http://www.bancaditalia.it/statistiche/tematiche/indicatori/indicatore-ciclico-coincidente/index.html>

### 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

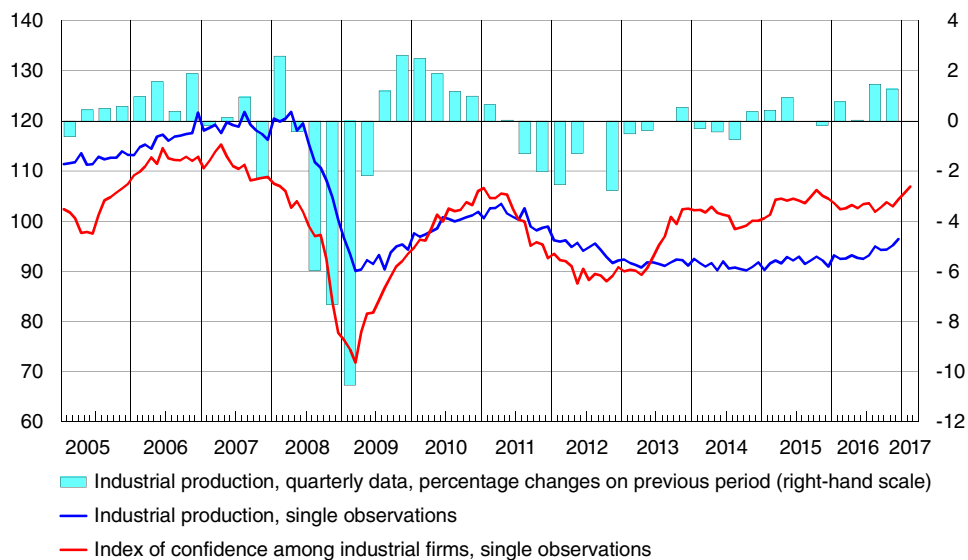
(Chained linked volumes; percentage changes on previous period; seasonally and working-day adjusted for quarterly data)

	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
2013	-1.7	-6.6	-2.5	-0.3	-2.6	0.7	-2.4
2014	0.1	-2.3	0.3	-0.7	0.2	2.7	3.2
2015	0.8	1.6	1.6	-0.7	1.4	4.4	6.8
2016	0.9	2.9	1.4	0.6	1.0	2.4	2.9
2016 I	0.4	1.0	0.2	0.9	0.4	-0.7	-1.1
II	0.1	0.4	0.5	-0.3	0.0	2.2	2.2
III	0.3	1.5	0.2	-0.2	0.5	0.3	1.0
IV	0.2	1.3	0.1	0.6	0.2	1.9	2.2

Source: Istat.  
 (1) Non-profit institutions serving households.  
 (2) Including changes in inventories and acquisitions less disposals of valuables.

### Industrial production and business confidence

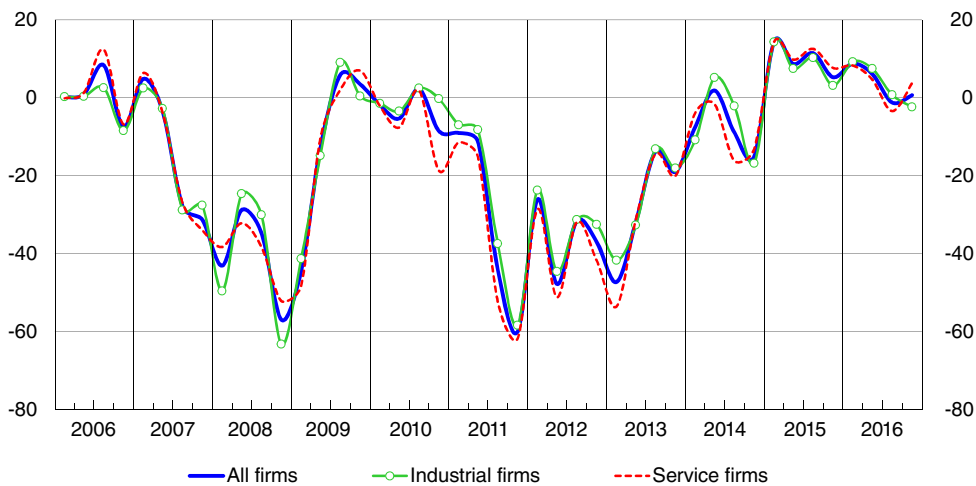
(indices, 2010=100; seasonally adjusted data)



Source: Based on Istat data.

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

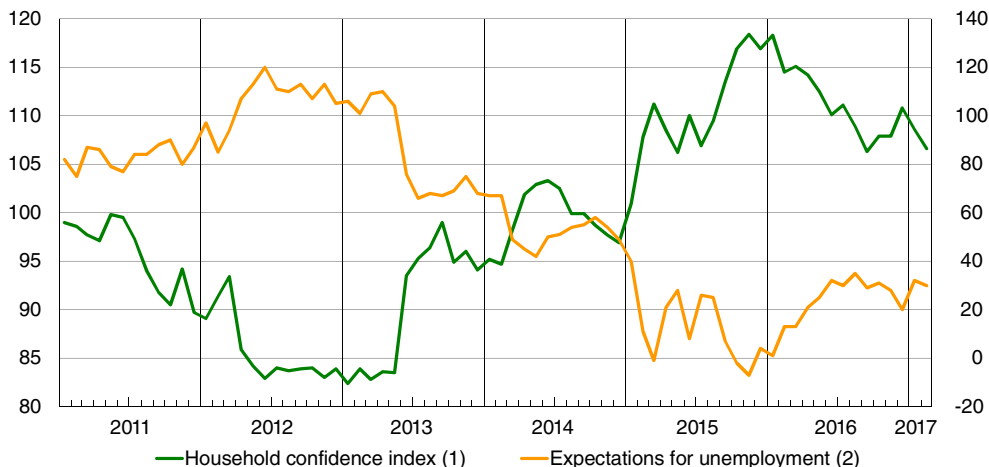
(quarterly data; percentage points)



(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 and industrial firms.

### Household confidence index and expectations for unemployment

(seasonally adjusted data)

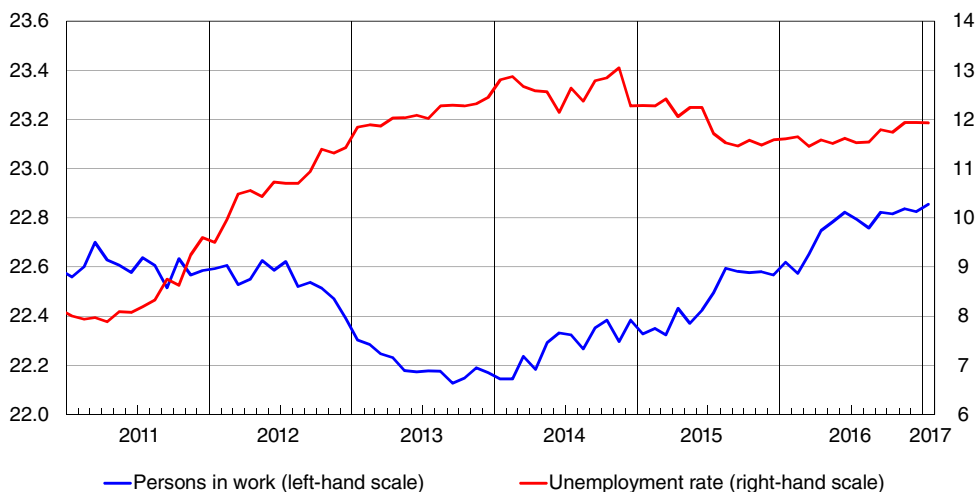


Source: Based on Istat data.

(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.

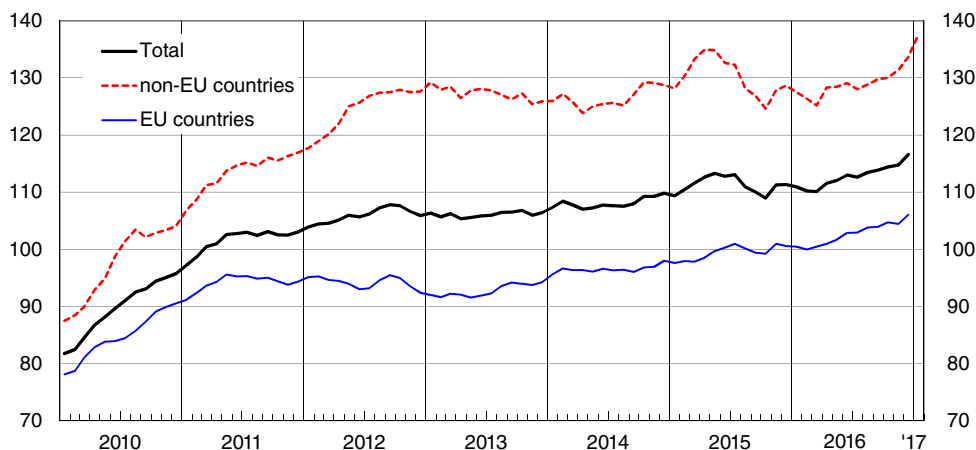
### Persons in work and unemployment rate

(seasonally adjusted monthly data; millions of persons and per cent)



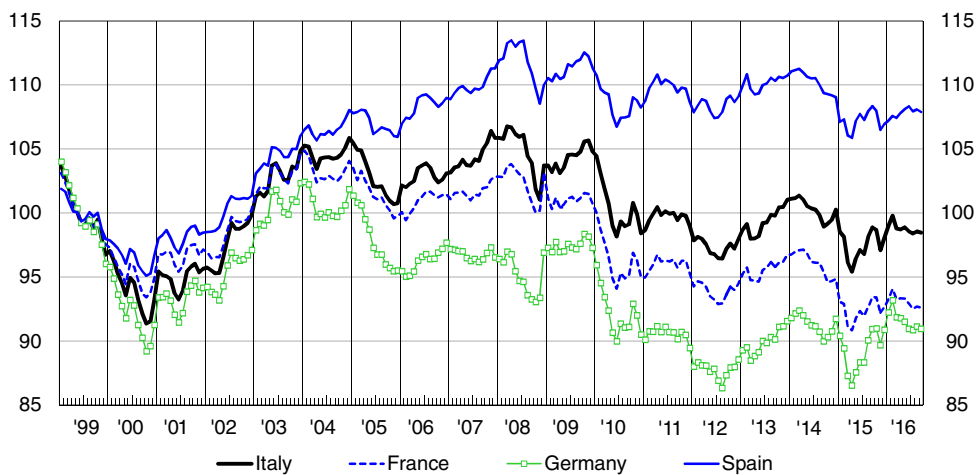
Source: Istat, Rilevazione sulle forze di lavoro, monthly estimates, provisional

### 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)

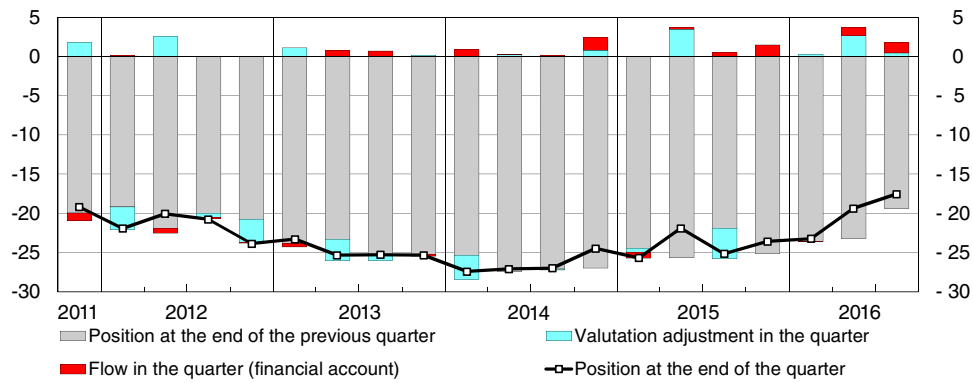


Sources: Based on ECB, CEPIL, Eurostat, IMF, OECD and UN data and national statistics.

(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)

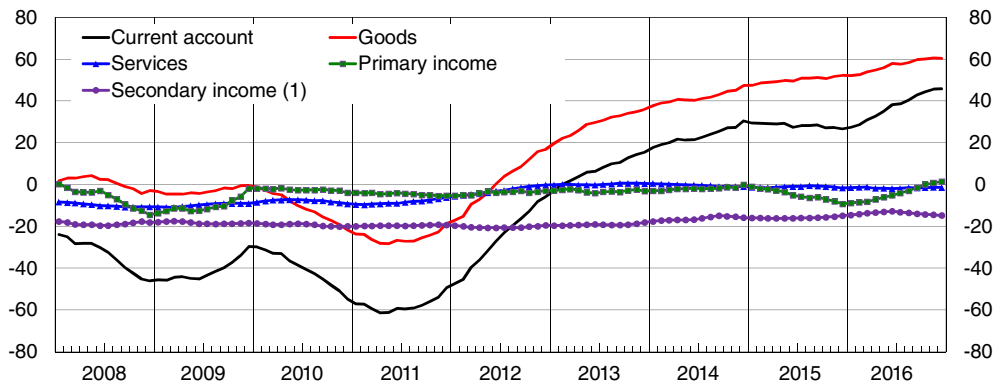


Source for GDP: ISTAT.

(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 6th edition, secondary income consists in almost all the items previously classed as current transfers.

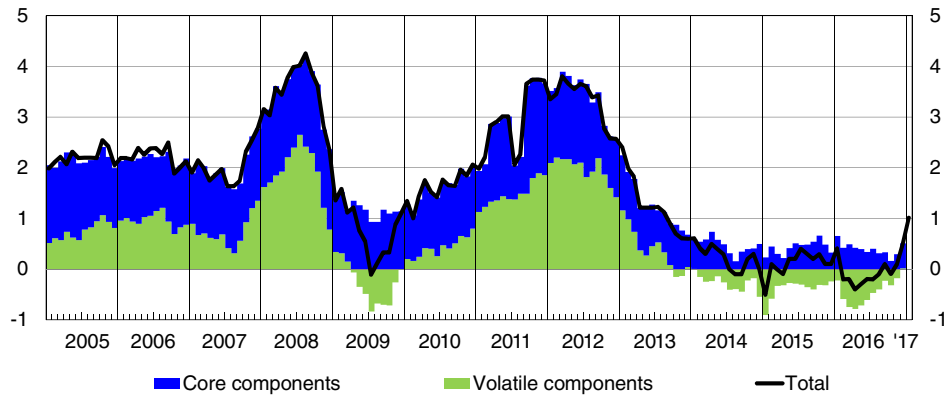
## Balance of payments

(net balances; billions of euros)

	Current account		Capital account	Net lending to the rest of the world	Financial account			
	Total	of which: Merchandise			Total	of which: Portfolio investment	Change in reserve assets	Errors and omissions C-(A+B)
	A		B	(A+B)	C			
2011	-49.3	-18.6	1.0	-48.3	-64.4	11.4	0.9	-16.1
2012	-5.8	16.8	4.0	-1.9	-10.2	-24.4	1.5	-8.3
2013	15.4	36.1	0.2	15.6	12.8	-13.2	1.5	-2.9
2014	30.5	47.4	3.4	33.9	43.8	-3.6	-1.0	9.9
2015	26.7	52.3	2.6	29.3	25.6	89.5	0.5	-3.7
2016	45.9	60.4	1.5	47.4	56.4	151.2	-1.5	9.0
2015 Dec.	5.4	6.5	0.8	6.2	2.3	30.4	0.0	-4.0
2016 Jan.	-1.7	0.6	-0.1	-1.8	0.9	20.3	-0.1	2.7
Feb.	1.6	4.5	0.0	1.6	0.5	12.1	-1.8	-1.1
Mar.	2.8	5.9	-0.2	2.6	-2.1	-11.2	0.1	-4.7
April	4.3	5.3	-0.1	4.2	12.7	32.9	0.1	8.5
May	3.2	5.7	-0.1	3.1	10.0	15.3	-0.1	6.9
June	4.1	5.4	-0.0	4.0	-5.7	1.4	-0.1	-9.7
July	8.6	8.2	-0.2	8.4	3.8	3.1	0.1	-4.7
Aug.	3.2	3.2	-0.2	3.0	9.7	32.5	0.0	6.7
Sept.	3.8	4.2	-0.3	3.5	8.4	26.9	0.5	4.9
Oct.	5.9	5.5	1.1	7.0	4.9	-10.6	0.3	-2.1
Nov.	4.6	5.5	1.1	5.6	-2.2	-16.2	-0.4	-7.9
Dec.	5.5	6.3	0.6	6.1	15.5	44.8	-0.2	9.4

### 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)

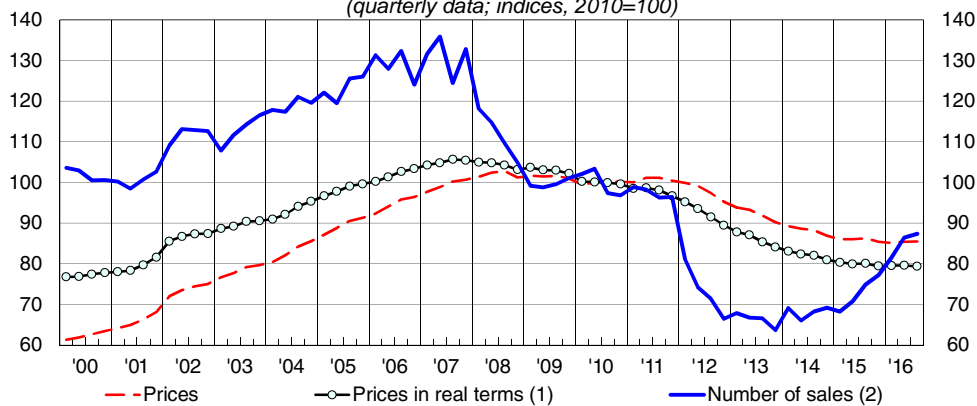
	HICP (1)				CPI (2)	PPI (3)	
	Overall index	Excl. energy	Excl. Energy and food	Overall index at constant taxation	Overall index	Overall index	Non-food products
2015 Nov.	0.1	0.9	0.7	0.1	0.1	-4.1	0.3
Dec.	0.1	0.7	0.5	0.1	0.1	-3.9	0.3
2016 Jan.	0.4	0.9	0.9	0.4	0.3	-3.0	0.1
Feb.	-0.2	0.3	0.5	-0.2	-0.3	-4.1	-0.2
Mar.	-0.2	0.5	0.8	-0.2	-0.2	-3.9	-0.2
April	-0.4	0.5	0.6	-0.4	-0.5	-4.5	0.2
May	-0.3	0.6	0.6	-0.3	-0.3	-4.1	0.2
June	-0.2	0.5	0.5	-0.2	-0.4	-3.4	-0.3
July	-0.2	0.6	0.5	-0.2	-0.1	-1.4	0.1
Aug.	-0.1	0.6	0.4	-0.1	-0.1	-1.0	0.1
Sept.	0.1	0.4	0.4	0.0	0.1	-0.8	-0.1
Oct.	-0.1	0.2	0.2	-0.2	-0.2	-0.6	-0.1
Nov.	0.1	0.5	0.4	0.1	0.1	-0.3	-0.2
Dec.	0.5	0.9	0.7	0.5	0.5	0.9	-0.2
2017 Jan.	1.0	0.9	0.5	1.0	1.0		
Feb. (4)	1.6	1.4	0.7		1.5		

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. - (4) Preliminary data.

### House prices and sales

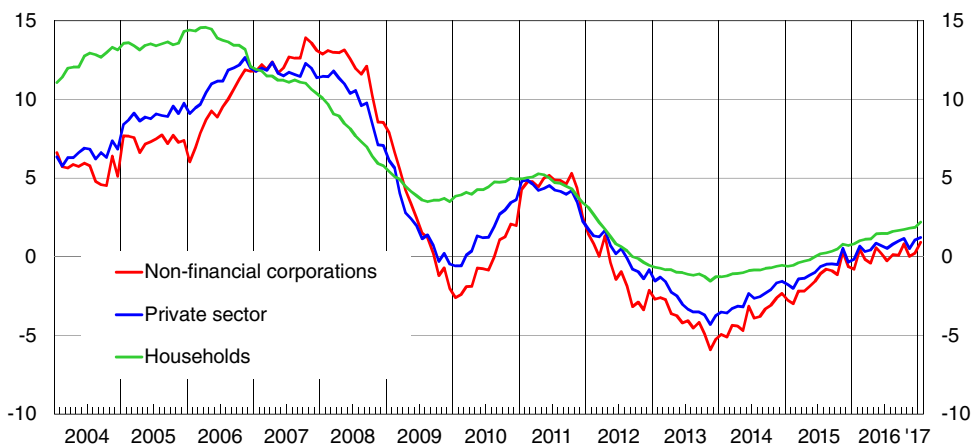
(quarterly data; indices, 2010=100)



Sources: Based on Osservatorio del Mercato Immobiliare, Bank of Italy, Istat, and Consulente 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)

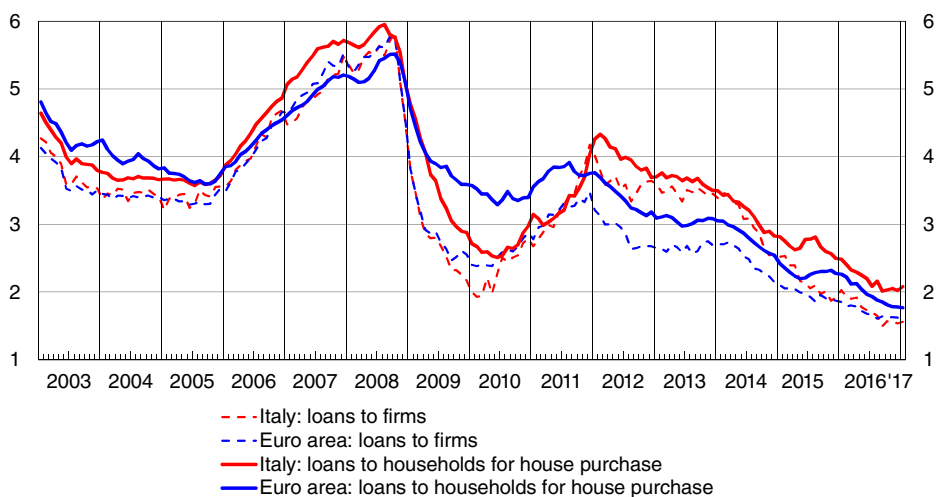


Source: Supervisory reports.

(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)

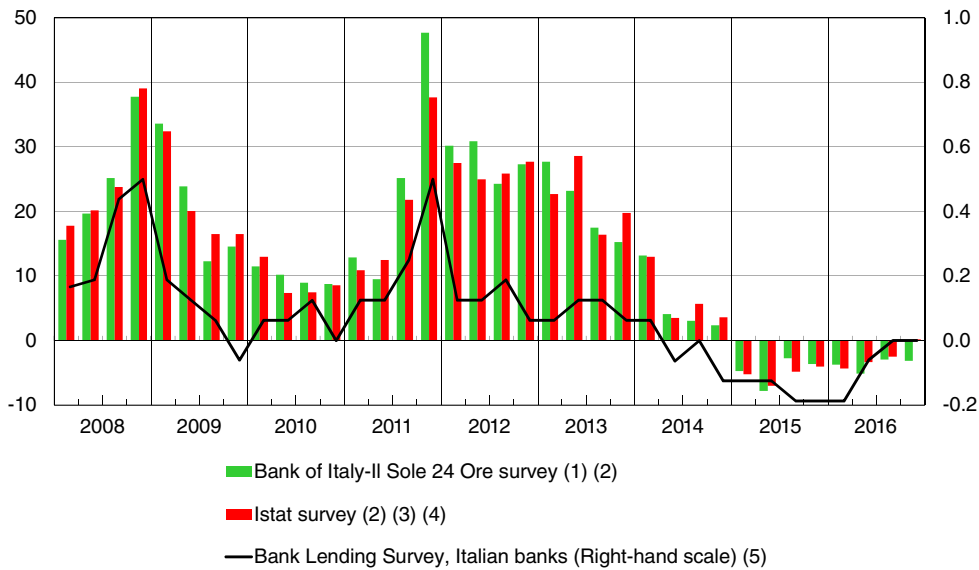
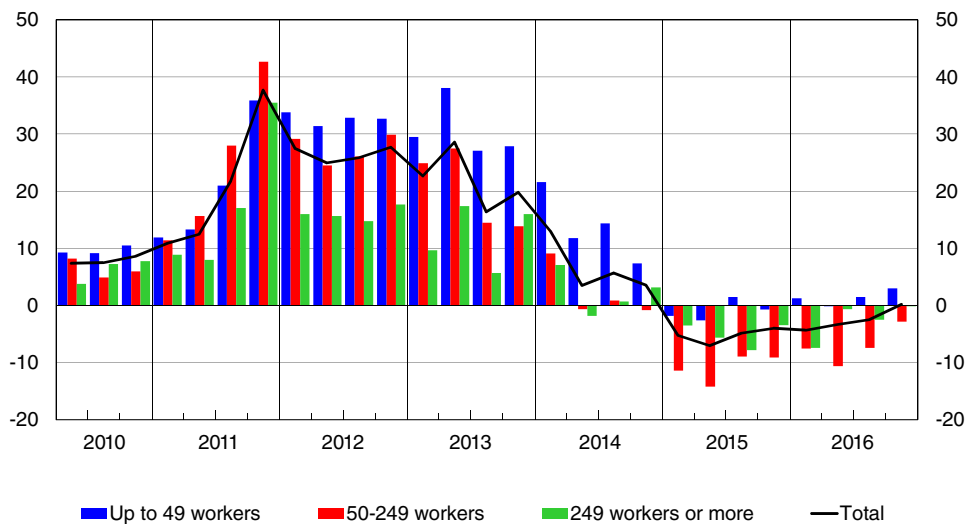


Source: Based on Bank of Italy and ECB data.

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



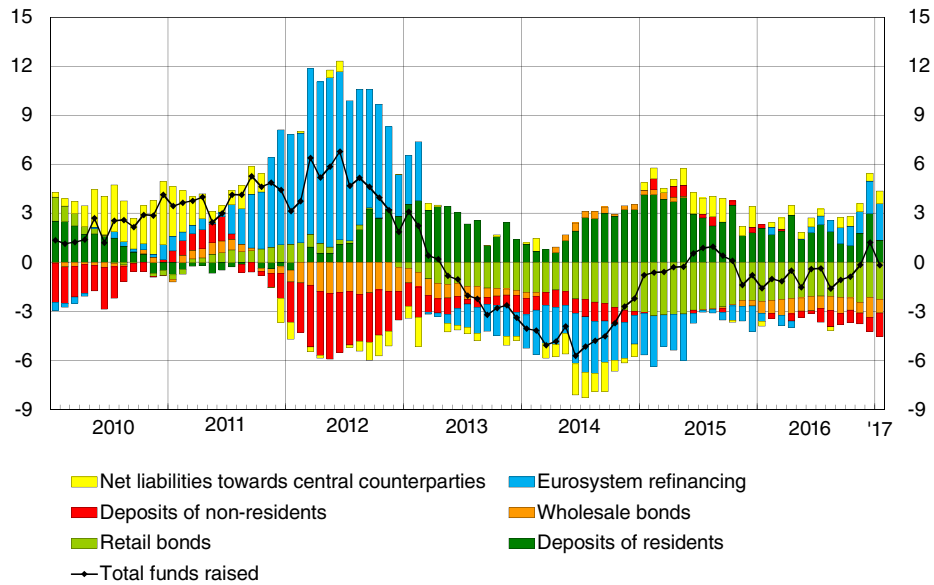
## Credit access conditions for Italian firms

a) Total  
(quarterly data)b) By firm size (2) (3) (4)  
(quarterly 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, Monthly 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; since October 2015, the questions on credit included in the Istat survey are set on a quarterly rather than monthly basis. - (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)

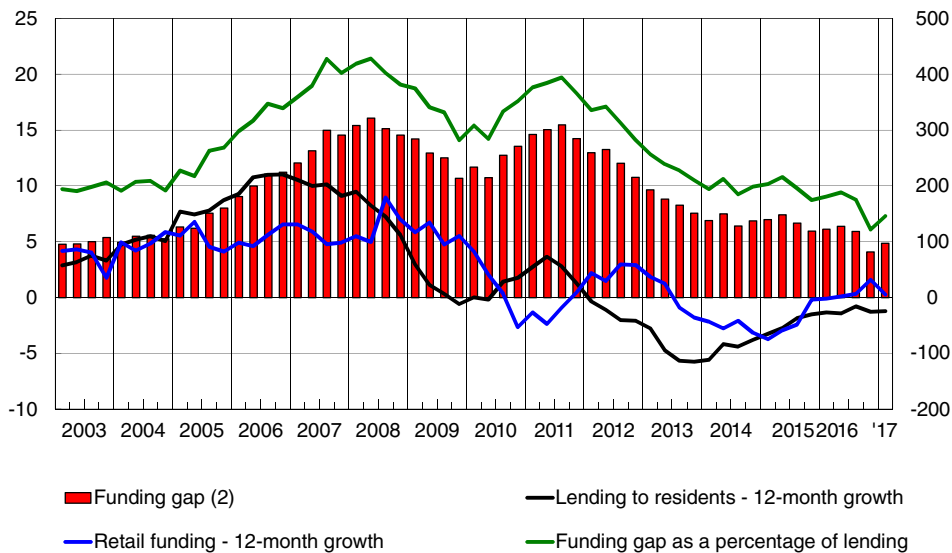


Source: Supervisory reports.

(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)

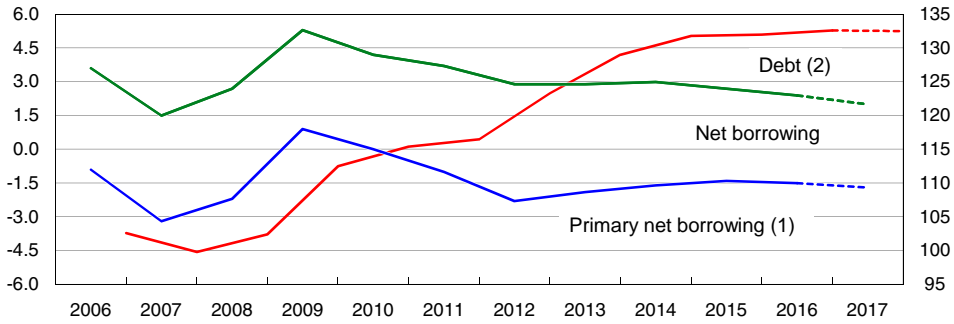
(billions of euros and per cent)



Source: Supervisory reports. Excludes Cassa Depositi e Prestiti and branches of foreign banks.  
 (1) Difference between lending to residents and retail funding (residents' deposits plus bank bonds subscribed by households). Last data at the end of January 2017. - (2) Right-hand scale (billions).

### General government net borrowing, primary net borrowing and debt (1)

(percentages of GDP; the dotted lines indicate Government targets)

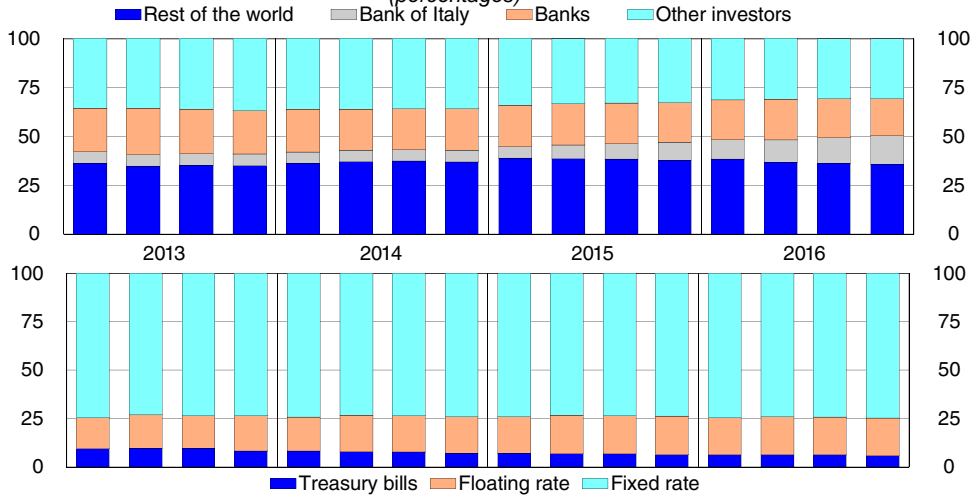


Source: for the items of the 2006-2016 general government consolidated accounts, Istat; for 2017 government targets, Ministry of Economy and Finance, Update of the 2016 Economy and Finance Document (September 2016).

(1) Overall balance net of interest payments. (2) Calculated according to the EC Regulation no. 2009/479; Right-hand scale.

### 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)

	CTZs	BTPs				CCTs
		3 year	5 year	10 year	30 year	
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
2015	0.19	0.34	0.77	1.72	2.77	0.71
2016	-0.03	0.08	0.46	1.48	2.56	0.53
2016 Mar.	-0.03	0.01	0.32	1.38	2.53	0.50
April	0.01	0.08	0.49	1.44	2.54	0.54
May	-0.04	0.08	0.49	1.53	2.65	0.60
June	-0.01	0.09	0.44	1.45	2.52	0.61
July	-0.09	0.00	0.31	1.23	2.25	0.47
Aug.	-0.09	-0.03	0.24	1.18	2.13	0.36
Sept.	-0.10	0.00	0.28	1.27	2.29	0.36
Oct.	-0.09	0.08	0.45	1.45	2.49	0.40
Nov.	0.03	0.34	0.84	1.94	3.01	0.74
Dec.	0.03	0.15	0.69	1.89	2.99	0.70
2017 Jan.	-0.02	0.12	0.69	1.99	3.10	0.64
Feb.	0.05	0.30	0.91	2.35	3.34	0.75

## Growth and inflation forecasts – Italy

## Growth

(percentage change on previous period) (1)

	2016				2017				2018				2016	2017	2018
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Bank of Italy (Jan.) (2)	-	-	-	-	-	-	-	-	-	-	-	-	0.9	0.9	1.1
European Commission (Feb) (3)	0.4	0.1	0.3	0.3	0.2	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.9	0.9	1.1
IMF (Jan.) (4)	-	-	-	-	-	-	-	-	-	-	-	-	0.9	0.7	0.8
OECD (Mar.) (5)	-	-	-	-	-	-	-	-	-	-	-	-	1.0	1.0	1.0
Consensus Economics (Feb.) (6)	-	-	-	-	-	-	-	-	-	-	-	-	0.9	0.8	0.9

## Inflation (7)

(percentage change on corresponding period of previous year)

	2016				2017				2018				2016	2017	2018
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Bank of Italy (Jan.) (2)	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	1.3	1.3
European Commission (Feb) (3)	0.0	-0.4	0.0	0.2	1.0	1.5	1.6	1.5	1.4	1.3	1.3	1.2	-0.1	1.4	1.3
IMF (Oct.) (4)	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	0.5	0.8
OECD (Nov.) (5)	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	0.8	1.2
Consensus Economics (Feb.) (6)	-	-	-	-	-	-	-	-	-	-	-	-	-0.1	1.1	1.2

(1) The quarterly data are seasonally adjusted.

(2) Economic Bulletin No. 1, 20 January 2017. GDP data adjusted for calendar effects.

(3) European Economic Forecast - Winter 2016.

(4) IMF World Economic Outlook, October 2016 for inflation and World Economic Outlook Update, January 2017 for growth.

(5) OECD Economic Outlook, November 2016 for inflation and OECD Interim Economic Outlook, March 2017 for GDP. GDP data adjusted for calendar effects.

(6) Consensus Forecasts, 13 February 2017.

(7) Forecasts for HICP.

[www.bancaditalia.it](http://www.bancaditalia.it) [Youtube.com/bancaditalia](https://www.youtube.com/bancaditalia) [Google.com/+BancaditaliaEurosistema](https://plus.google.com/+BancaditaliaEurosistema) [@UfficioStampaBI](https://twitter.com/UfficioStampaBI)

## THE ITALIAN ECONOMY IN BRIEF

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