BANCA D'ITALIA
EUROSISTEMA

Statistics

Survey on Inflation and Growth Expectations

9 October 2025

For further information: statistiche@bancaditalia.it
www.bancaditalia.it/statistiche/index.html

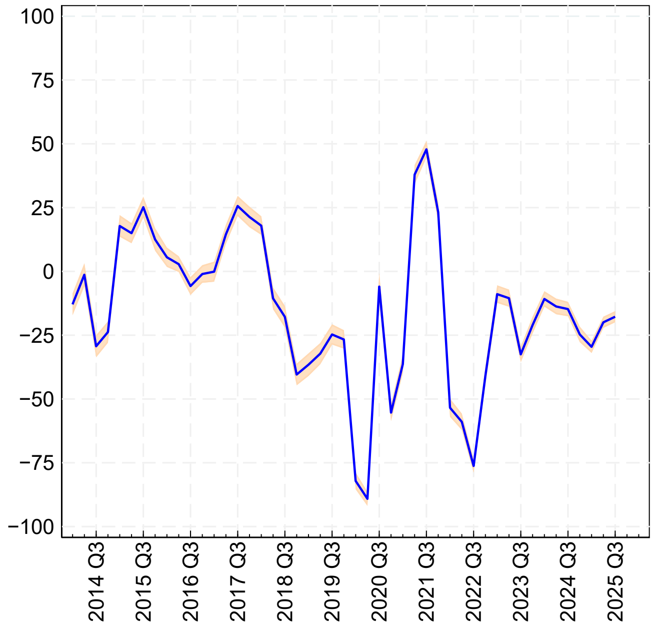
Main results

According to the survey conducted between 26 August and 19 September 2025 among Italian industrial and service firms with 50 or more employees, assessments of the general state of the economy are unfavourable overall, albeit they have improved compared with the start of the year. Overall demand stagnated in the third quarter, partly reflecting the implementation of tariffs on exports to the United States and the appreciation of the euro. Firms' expectations for the following quarter continue to point to a recovery in sales, although they are less upbeat than in the previous survey; moreover, business conditions remain a source of concern.

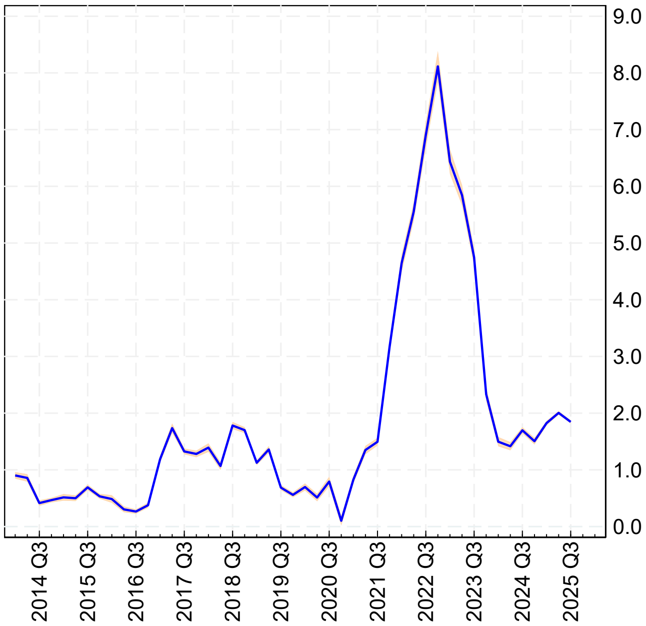
Employment expectations have softened accordingly, particularly in services and construction. Firms expect investment to grow in 2025, helped by stable credit standards and sufficient liquidity levels.

Over the last 12 months, firms' selling prices rose at essentially the same pace as reported in the previous survey. Firms in industry excluding construction and in services still expect their prices to go up moderately over the next 12 months, while construction firms anticipate stronger growth. Consumer price inflation expectations have eased slightly, especially over short-term horizons.

General state of the economy (1)
(balance between positive and negative assessments with respect to the previous quarter)



Consumer price inflation expectations over the next 12 months (1)
(percentage changes on the preceding 12 months)



(1) The shaded areas represent the 95% confidence intervals of the estimates. See Tables s1 and s4 of the statistical appendix.

Reference period: Q3 2025

Survey on Inflation and Growth Expectations[1]

Assessments of the state of the economy remain unfavourable, but improve slightly

Firms' assessments of Italy's overall economic environment remained generally unfavourable in the third quarter of 2025, although the negative balance between the assessments of an improvement and those of a deterioration shrank further (Table 1). Most firms continue to report stable business conditions.

Total and foreign demand remains unchanged in the third quarter

The balance between assessments of an improvement and of a deterioration in total and foreign sales (down from 9 to 1 and from 7 to 1 respectively) points to demand being broadly stable in the third quarter. This stability reflects more moderate growth in services and in construction, where the balance went from 12 to 4 and from 24 to 19 respectively, and a contraction in industry (from 3 to -5, with a sharper decline among firms with a greater share of foreign sales). According to the respondents, the recent appreciation of the euro vis-à-vis the main currencies and the implementation of tariffs on exports to the United States have affected foreign demand, but only to a certain extent. The impact of these developments on demand was actually mildly negative according to 42 per cent of industrial firms and 17 per cent of service firms, and strongly negative for 8 and 4 per cent respectively.

Expectations for the next three months are less upbeat, both for sales …

In industry excluding construction and in services, firms' expectations for sales growth in the following quarter worsened compared with the previous survey. The balance between expansion and contraction forecasts went down from 25 to around 18 percentage points. By contrast, it went up from 33 to 38 percentage points in construction. The expectations for exports are also less upbeat, mainly owing to worsening assessments in the service sector, where the balance, although still positive, narrowed by 15 percentage points (to 4). Among industrial firms, on the other hand, the balance remains unchanged at 18 percentage points.

… and for employment, especially in services

Employment growth expectations were revised downwards from the last survey, especially in the service sector. The percentage of firms planning to expand their workforce exceeds the share of those anticipating staff reductions by 6 percentage points in industry (from 10), 7 percentage points in services (from 18) and 14 percentage points in construction (from 25).

Expectations for business conditions are still being affected by economic and geopolitical uncertainty

According to the respondents, the business outlook over the next three months will still be affected by the uncertainty arising from economic and political issues and by concerns about international trade and investment policies. Compared with the previous survey round, the negative balance between assessments of an improvement and of a worsening in business conditions widened both in industry excluding construction (from -5 to -9 percentage points) and, to a lesser extent, in services (from -1 to -3). By contrast, assessments remain positive and have been improving among construction firms, with the National Recovery and Resilience Plan (NRRP) providing a boost to the sector – around 60 per cent of construction firms expect to benefit from the NRRP in the second half of the year.

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[1] The survey report was prepared by Marco Bottone and Cristina Conflitti.

The survey data were collected exclusively for the purpose of economic analysis and have been processed in aggregate form, in compliance with privacy regulations. We would like to thank the 2,357 firms with 50 or more employees (of which 1,042 in industry excluding construction, 1,101 in services and 232 in construction) that participated in the survey. The survey questionnaire, the statistical appendix and the methodological note are available on the Bank's website:

http://www.bancaditalia.it/statistiche/basi-dati/bird/inflazione-e-crescita/questionario-inflazione/documenti/quest_III_trim_2025.pdf
http://www.bancaditalia.it/pubblicazioni/indagine-inflazione/2025-indagine-inflazione/09/dati_2025_09.zip
https://www.bancaditalia.it/pubblicazioni/metodi-e-fonti-note/metodi-note-2025/IAI_metodi_e_fonti.pdf

Firms expect investment to grow and credit standards to remain stable

Most firms expect investment spending to expand in 2025, with the balance between assessments of an increase and of a decrease unchanged since the previous survey, at 17 percentage points.

Around three quarters of firms consider investment conditions to be unchanged; according to the remaining firms, they have only slightly deteriorated. Firms across all sectors reported broadly stable credit standards and overall liquidity positions, with almost no respondents anticipating any major issues in the next quarter.

Selling prices continue to grow moderately

Overall, year-on-year selling price growth remained stable in the third quarter of 2025 for firms in industry excluding construction (1.7 per cent) and in services (2.1 per cent), while it edged up by 0.2 percentage points (to 3.1 per cent) in construction. Over the next 12 months, selling price growth is expected to remain moderate in industry and in services (1.9 per cent) and to accelerate further in construction (3.8 per cent). Price changes are expected to be affected mainly by labour and commodity costs.

Inflation expectations edge down

Firms have revised their inflation expectations downwards across all forecast horizons: to 1.8 per cent over the 6- and 12-month horizons and to 1.9 per cent over the 24-month horizon (from 2.0 per cent across all horizons in June). Expectations remain similar across firms regardless of their size, business sector and geographical area.

Table 1

Main findings (1)

(per cent and percentage points)

	Industry exc. const.		**Services**		**Construction**		**Total**	
	2025 Q2	2025 Q3	*2025 Q2*	2025 Q3	*2025 Q2*	2025 Q3	*2025 Q2*	2025 Q3
	per cent							
Inflation expectation 6 months ahead	*2.0*	1.8	*2.0*	1.8	*2.0*	1.8	*2.0*	1.8
Inflation expectation 12 months ahead	*2.0*	1.8	*2.0*	1.9	*2.0*	1.8	*2.0*	1.8
Change in own prices 12 months ahead	*1.8*	1.8	*2.0*	1.9	*3.6*	3.8	*2.0*	1.9
	Balance between reports of improvement and deterioration (percentage points)							
Judgments on the previous quarter								
General economic situation	*-20.3*	-19.1	*-20.3*	-17.3	*-14.6*	-11.7	*-19.9*	-17.8
Total demand	*3.0*	-5.3	*11.8*	3.9	*24.1*	18.7	*8.7*	0.8
Foreing demand	*4.8*	-1.1	*9.6*	4.9	—	—	*6.3*	0.7
Investment conditions	*-12.2*	-14.6	*-9.9*	-11.8	*-13.1*	-5.8	*-11.1*	-12.7
Forecast 3 months ahead								
Total demand	*21.3*	18.2	*28.0*	17.9	*33.5*	37.9	*25.4*	19.3
Foreing demand	*18.9*	17.6	*19.3*	4.3	—	—	*19.0*	13.7
Firms' economic conditions	*-4.6*	-8.8	*-1.0*	-2.7	*2.0*	6.7	*-2.4*	-4.8
Employment	*10.2*	5.8	*18.1*	7.0	*24.8*	13.7	*15.0*	6.9
Forecast of investment expediture								
H2 2025 on H1 2025	*20.3*	11.4	*18.2*	16.6	*27.5*	20.9	*19.8*	14.6
2025 on 2024	*14.9*	13.2	*19.1*	20.5	*17.5*	17.9	*17.1*	17.1

(1) The statistical appendix is available at
http://www.bancaditalia.it/pubblicazioni/indagine-inflazione/2025-indagine-inflazione/09/dati_2025_09.zip?language_id=1

Figure 1.1

Expected and actual changes in selling prices and demand (1)

(industry excluding construction)

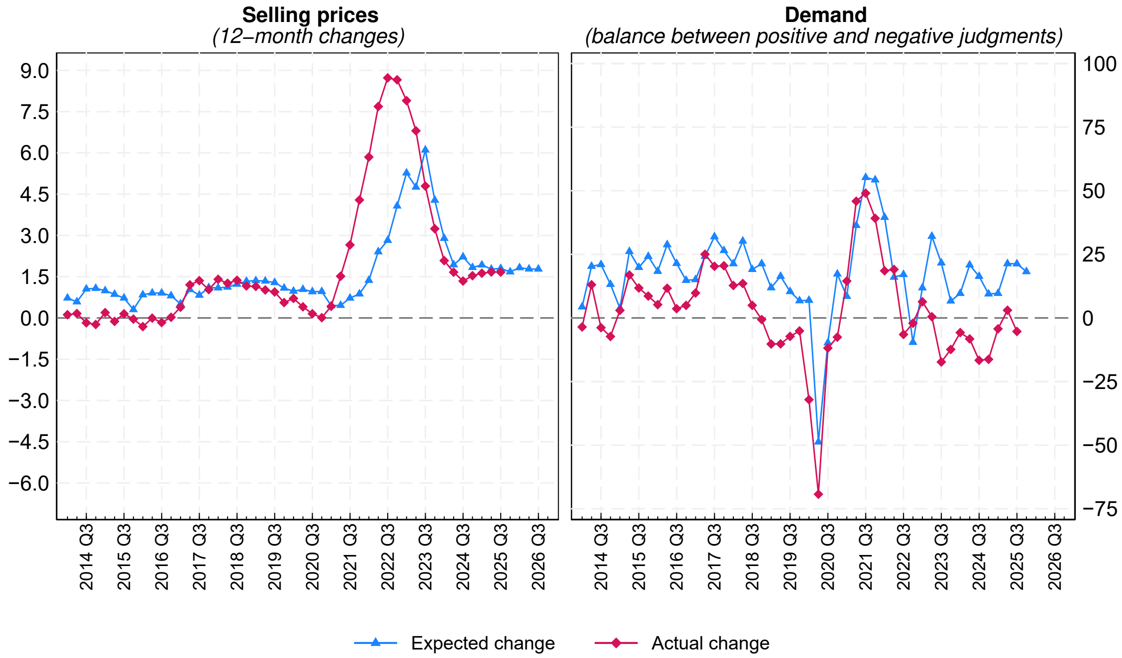


Figure 1.2

Expected and actual changes in selling prices and demand (1)

(services)

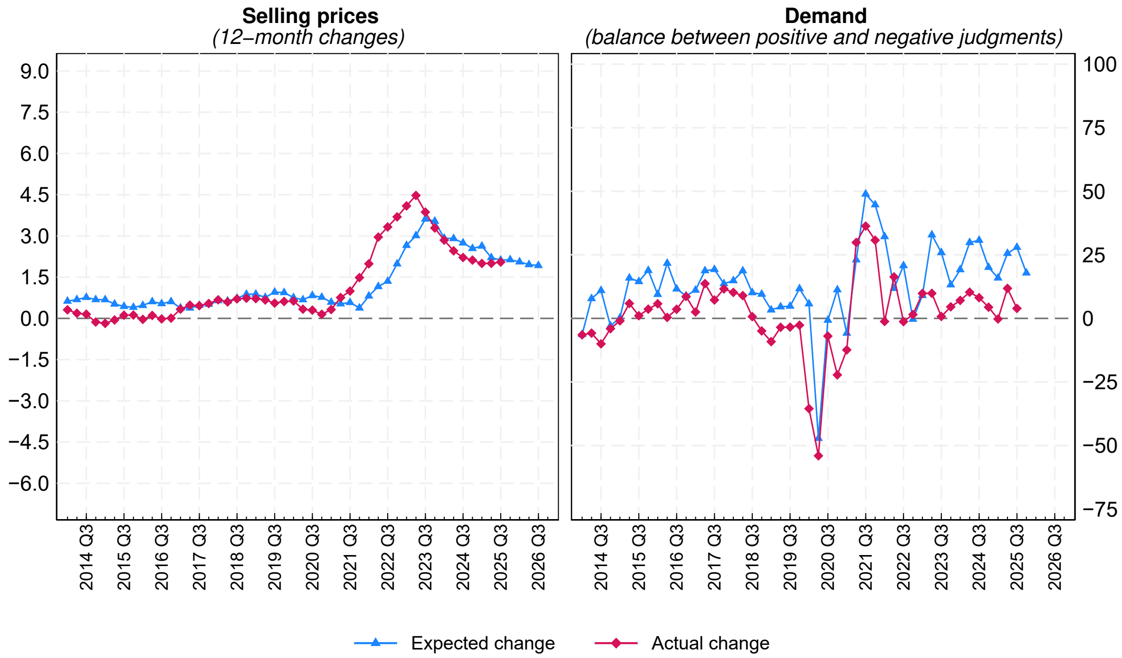
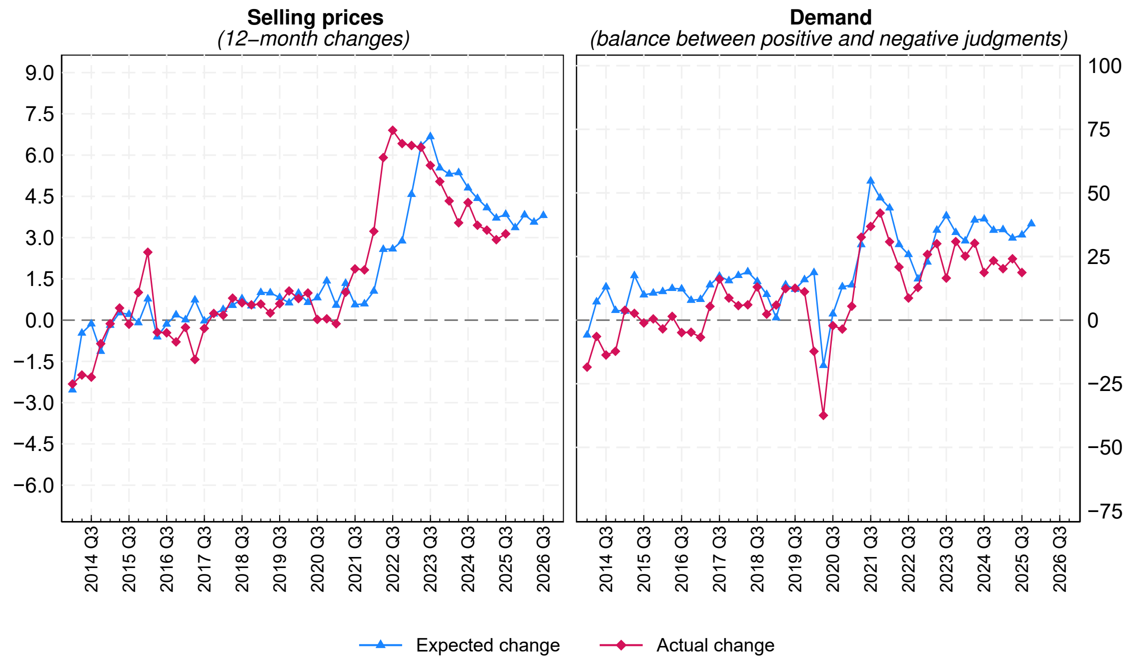


Figure 1.3

Expected and actual changes in selling prices and demand (1)

(Construction)

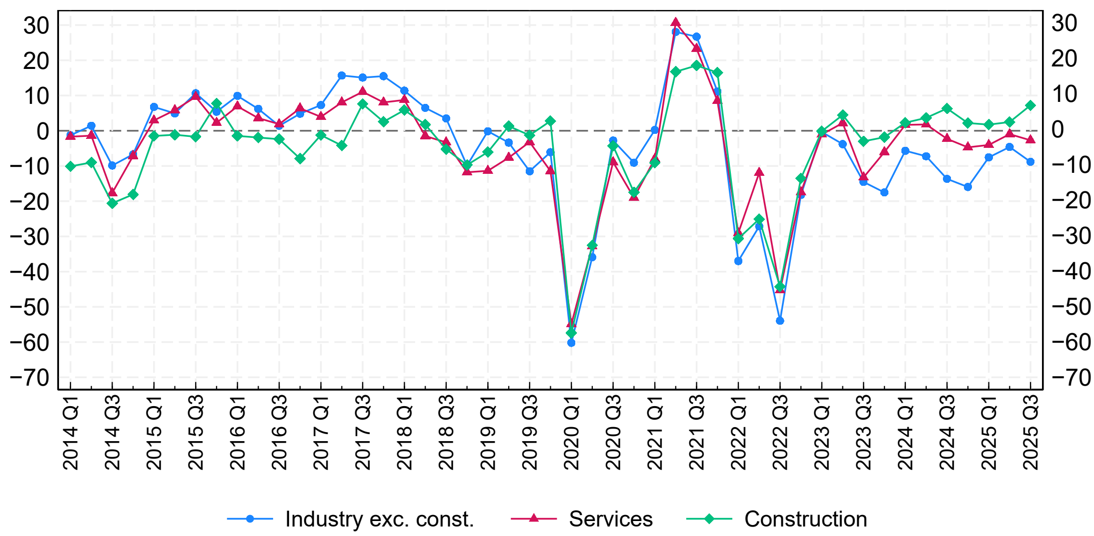


(1) Winsorized estimates: values outside the range between the 5th and the 95th percentiles are set at the threshold values of those percentiles. For selling prices, the actual change (red line) refers to price changes in the previous 12 months, while the expected change (blue line) refers to forecasts over a 12-month horizon, made in the same quarter of the previous year. For demand, the balances refer to changes observed over the reference quarter (red line) and to the forecasts made in the current quarter for the following three months (blue line).

Figure 2.3

Three-month forecast of the firm's business conditions (1)

(percentage points)



(1) Balance between expectations of an increase and expectations of a decrease.

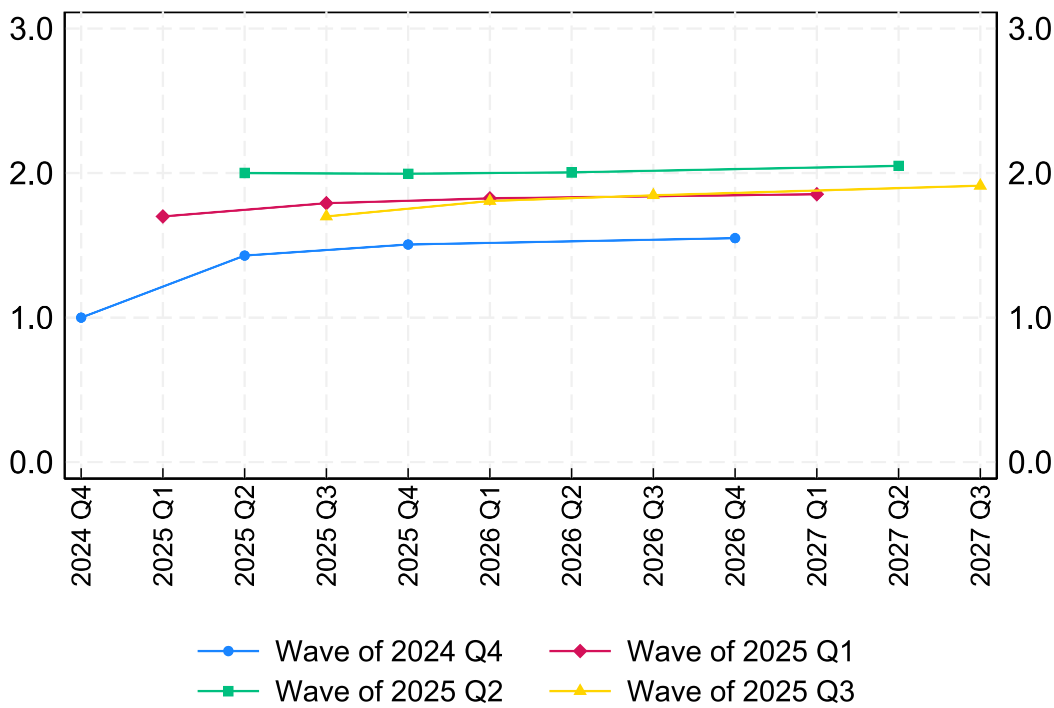
Figure 3

Conditions for investment with respect to previous quarter (1)
(percentage points)

(1) Balance between positive and negative judgments.

Figure 4

Expectations of consumer price inflation in Italy (1)
(percentage changes on year-earlier period)



(1) The first point in each curve is the latest definitive inflation data available at the time of the survey, which is given to the interviewees in the questionnaire as a point of reference for expressing their expectations; the second point is the average of the interviewees' forecasts for the next six months; the third point is the average of the interviewees' forecasts for the next twelve months; the fourth point is the average of the interviewees' forecasts for the next twenty-four months.

Figure 5

Expectations of the inflation rate over the next 12 months (1)
(non parametric estimates)

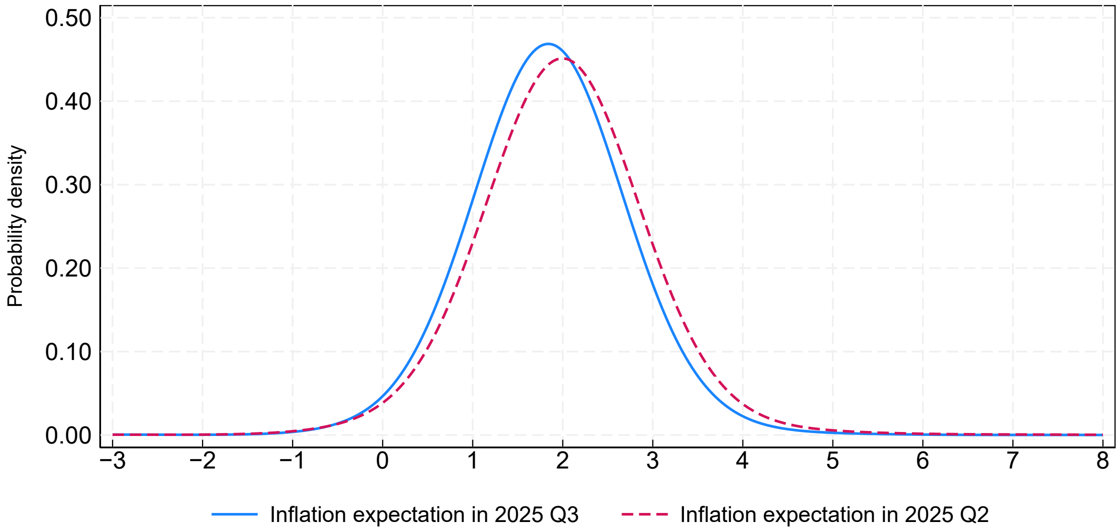
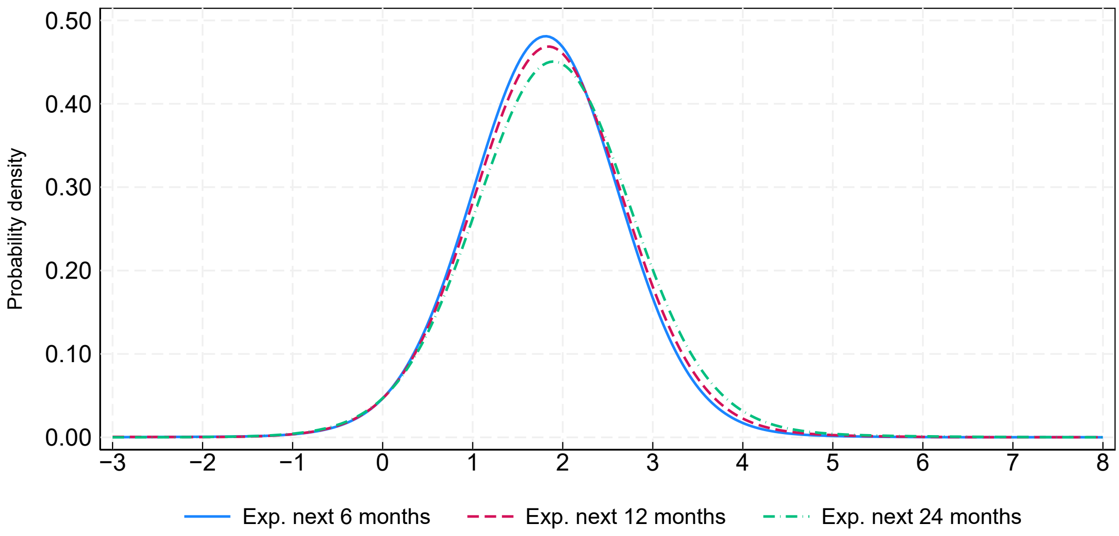


Figure 6

Expectations of the inflation rate over the next 6, 12 and 24 months (1)
(non parametric estimates)



(1) The estimates are obtained using a Gaussian kernel density with a bandwith equal to 0.75.

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