BANCA D'ITALIA
EUROSISTEMA

Statistics

Survey on Inflation and Growth Expectations

14 January 2026

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www.bancaditalia.it/statistiche/index.html

Main results

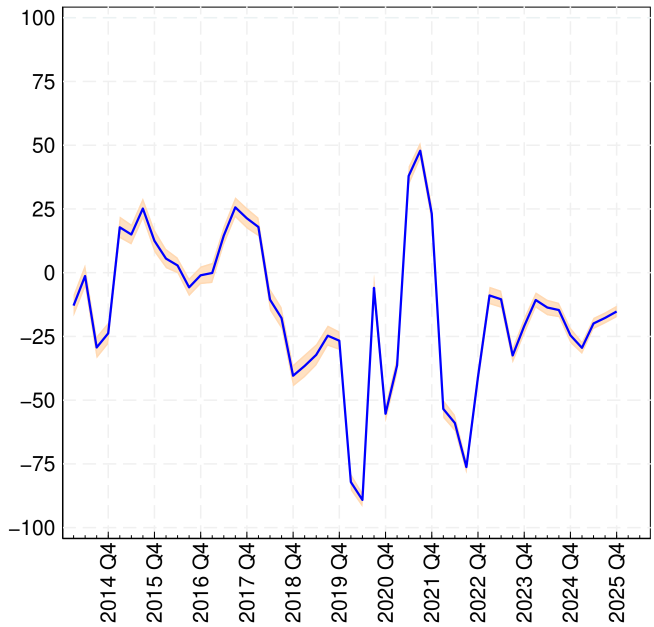
The survey was conducted between 20 November and 16 December 2025 among Italian industrial and service firms with 50 or more employees. Assessments of the general state of the economy have continued to improve gradually since the second quarter of 2025. Assessments of and expectations for demand, both domestic and foreign, were also more favourable than in the previous survey, with the exception of expectations for construction.

Expectations for 12-month growth in wages stand at around 2 per cent on average. Those for the next three months on firms' business conditions improved slightly, reflecting the less negative effects of the uncertainty attributable to economic and political factors and to trade policies. Employment is expected to continue to grow over the next three months.

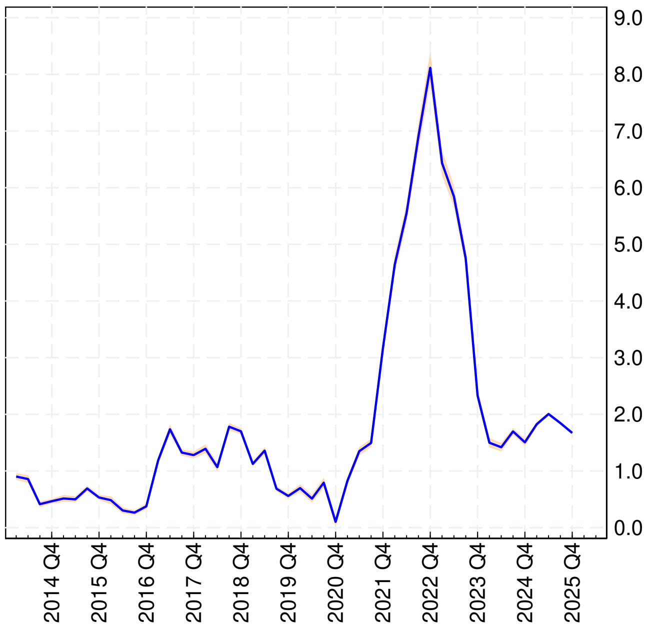
Assessments of investment conditions were less unfavourable than in the previous quarter, with a slight improvement in industry excluding construction and in services, while they worsened in construction. Nominal investment expenditure for 2026 as a whole is likely to continue to grow compared with the previous year. A significant share of manufacturing firms reported using the Transition 4.0 and Transition 5.0 incentives.

Growth in own selling prices was slightly lower for the economy as a whole and the growth expected for the next 12 months remains moderate. Consumer price inflation expectations declined across all time horizons and range from 1.6 to 1.8 per cent.

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: Q4 2025

Survey on Inflation and Growth Expectations[1]

The general economic situation is improving slightly

The balance between judgments of an improvement and those of a deterioration in the general economic situation recovered further in the fourth quarter of 2025 (Table 1), although it remained negative. The share of firms believing the situation is stable remains predominant, with no particular differences between sectors; the opinions of large firms became less unfavourable compared with the September survey.

Demand is more favourable in the fourth quarter

Assessments of the performance of total and foreign demand improved compared with both the previous survey and with the survey conducted in the same quarter of 2024, which was exposed to greater uncertainty about the consequences of US trade policies. The balance between firms that reported an expansion in overall demand and those that reported a contraction was 9 percentage points (from one point in the third quarter). The balance of assessments of total demand remained considerably higher in construction (21 points) and services (13 points) than in industry excluding construction (3 points).

Expectations for sales and exports in industry and services improve, but worsen in construction

Firms in industry excluding construction and in services expect sales to expand in the first quarter of 2026. The balance between firms expecting an increase in demand and those expecting a contraction was particularly high among firms with at least one thousand employees (39 percentage points, from 29 points in the previous survey). In construction, however, the balance narrowed (to 26 points, from 38 points in the previous quarter), though remaining at a higher level than in the other sectors. The three-month expectations for exports improved compared with the previous survey, especially in services, where the balance increased by 9 percentage points (to 13 points); in industry, the balance grew less but reached higher levels (21 points).

Employment is expected to grow over the next three months and wages to slow

Firms continue to forecast an increase in employment over the next three months, at a broadly unchanged pace, compared with the previous survey, in industry excluding construction and in services, and at a quicker pace in construction. Compared with the end-2024 survey, the share of firms expecting a nominal increase of more than 4 per cent in wages over the next 12 months fell, especially for firms in industry and services (from 8 to 4 per cent). For firms as a whole, the increase in the nominal wage expected over the next 12 months, for employees at the same level, is 2.2 per cent on average.

Expectations for business conditions are less unfavourable and trade policies concerns are fading

The negative balance of firms' assessments of economic conditions over the next three months improved slightly in industry and services (to -3 points from -6), benefiting from the easing of the negative effects of uncertainty attributable to economic and political factors and to trade policies. The balance remained positive in construction, but narrowed compared with the previous survey (to 3 points from 7), owing to the worsening of the expectations of firms whose business is heavily dependent on the National Recovery and Resilience Plan (NRRP).

[1] The survey report was prepared by Jacopo Tozzo and Lorenzo De Masi.

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 2,343 firms with 50 or more employees (of which 1,018 in industry excluding construction, 1,075 in services and 250 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/12/dati_2025_12.zip
https://www.bancaditalia.it/pubblicazioni/metodi-e-fonti-note/metodi-note-2025/IAI_metodi_e_fonti.pdf

Investment is expected to continue to expand in 2026

Firms' assessments point to a slight improvement in investment conditions in industry excluding construction and in services and a worsening in construction; these conditions remain unfavourable overall, but less so than in the previous survey (-9 percentage points, from -13). Around one third of firms expect to increase nominal investment expenditure, both in the first half of 2026 compared with the second half of 2025, and in the current year as a whole compared with the year just ended. Some 30 per cent of construction firms whose business remains heavily connected to NRRP-related projects expect a reduction in spending in the first half of 2026. Firms' overall liquidity position remained positive and stable and credit access conditions remained broadly unchanged.

In manufacturing, many firms have benefited from the incentives linked to Transition 4.0 and Transition 5.0

More than one third of firms in industry excluding construction reported that they had used or intended to use the incentives linked to the Transition 4.0 and Transition 5.0 plans in the fourth quarter. The share was particularly high in the food, paper, plastic, glass and metal sectors, while it fell to 13 per cent in services. Among the firms benefiting from these incentives, the share of those declaring that they want to use them for investments already planned is broadly similar to that of those intending to use them for new investments.

Expected selling prices are just below 2 per cent for industry excluding construction and for services

The annual growth rate of firms' selling prices declined slightly overall in the fourth quarter of 2025: it slowed by three tenths of a percentage point (to 1.7 per cent) in services, increased slightly in industry excluding construction (to 1.9 per cent) and rose again in construction (to 3.4 per cent). Over the next 12 months, the change in selling prices is expected to remain moderate in industry and services (1.9 per cent) and to be more marked in construction (3.6 per cent). Labour and commodity costs are still the main drivers of expected price developments.

Inflation expectations remain moderate

Firms revised their consumer price inflation expectations slightly downwards across all the forecasting horizons, to 1.6 per cent at 6 months, 1.7 per cent at 12 months and 1.8 per cent at 24 months (from 1.8, 1.8 and 1.9 per cent respectively in the previous survey round). Expectations remain uniform across firms in different sectors and sizes and in different areas of the country.

Table 1

Main findings (1)

(per cent and percentage points)

	Industry exc. const.		Services		Construction		Total	
	2025 Q3	2025 Q4	*2025 Q3*	2025 Q4	*2025 Q3*	2025 Q4	*2025 Q3*	2025 Q4
	per cent							
Inflation expectation 6 months ahead	*1.8*	1.6	*1.8*	1.6	*1.8*	1.6	*1.8*	1.6
Inflation expectation 12 months ahead	*1.8*	1.6	*1.9*	1.7	*1.8*	1.7	*1.8*	1.7
Change in own prices 12 months ahead	*1.8*	2.0	*1.9*	1.9	*3.8*	3.6	*1.9*	2.0
	Balance between reports of improvement and deterioration (percentage points)							
Judgments on the previous quarter								
General economic situation	*-19.1*	-15.1	*-17.4*	-15.3	*-11.7*	-15.1	*-17.7*	-15.2
Total demand	*-5.2*	2.6	*3.9*	12.9	*18.9*	20.5	*0.9*	8.9
Foreing demand	*-1.1*	7.1	*4.9*	6.5	—	—	*0.7*	6.9
Investment conditions	*-14.6*	-9.7	*-11.8*	-7.8	*-5.8*	-13.4	*-12.6*	-9.0
Forecast 3 months ahead								
Total demand	*18.2*	18.7	*17.9*	18.5	*38.1*	25.7	*19.4*	19.1
Foreing demand	*17.7*	20.9	*4.3*	12.9	—	—	*13.7*	18.6
Firms' economic conditions	*-8.8*	-4.9	*-2.7*	-1.4	*6.8*	3.5	*-4.7*	-2.6
Employment	*5.8*	5.4	*6.9*	8.1	*13.8*	20.1	*6.9*	7.7
Forecast of investment expediture								
H1 2026 on H2 2025	*11.4*	7.5	*16.6*	19.8	*21.3*	21.2	*14.7*	14.5
2026 on 2025	*13.3*	6.2	*20.6*	17.4	*18.2*	17.2	*17.2*	12.5

(1) The statistical appendix is available at
http://www.bancaditalia.it/pubblicazioni/indagine-inflazione/2025-indagine-inflazione/12/dati_2025_12.zip?language_id=1

Figure 1.1

Expected and actual changes in selling prices and demand (1)
(industry excluding construction)

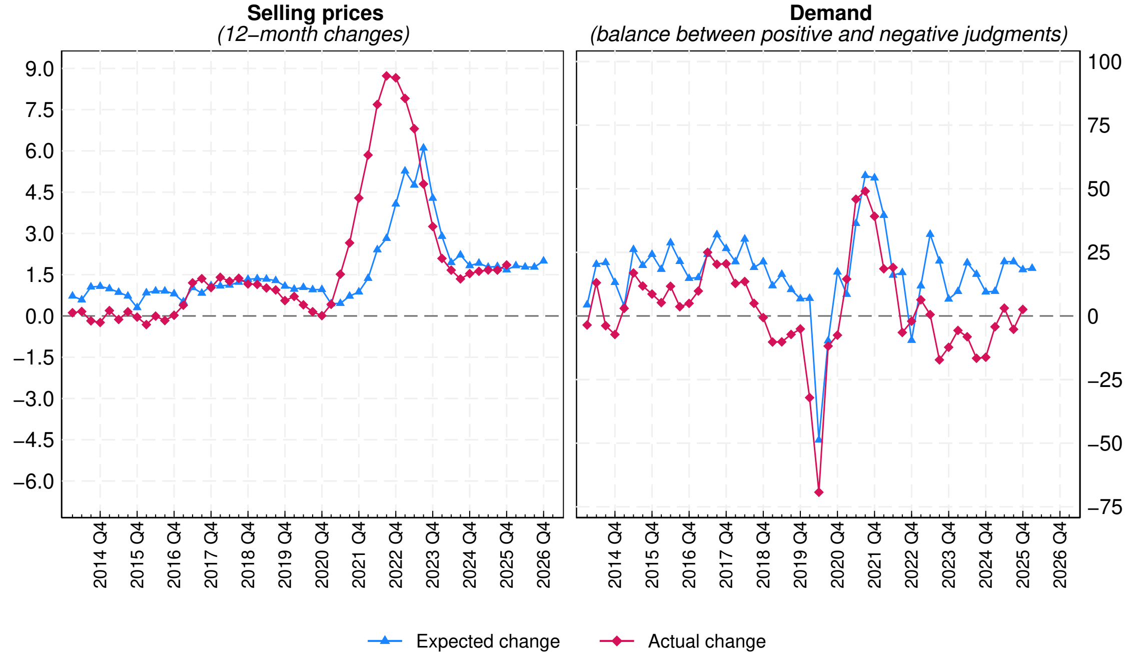


Figure 1.2

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

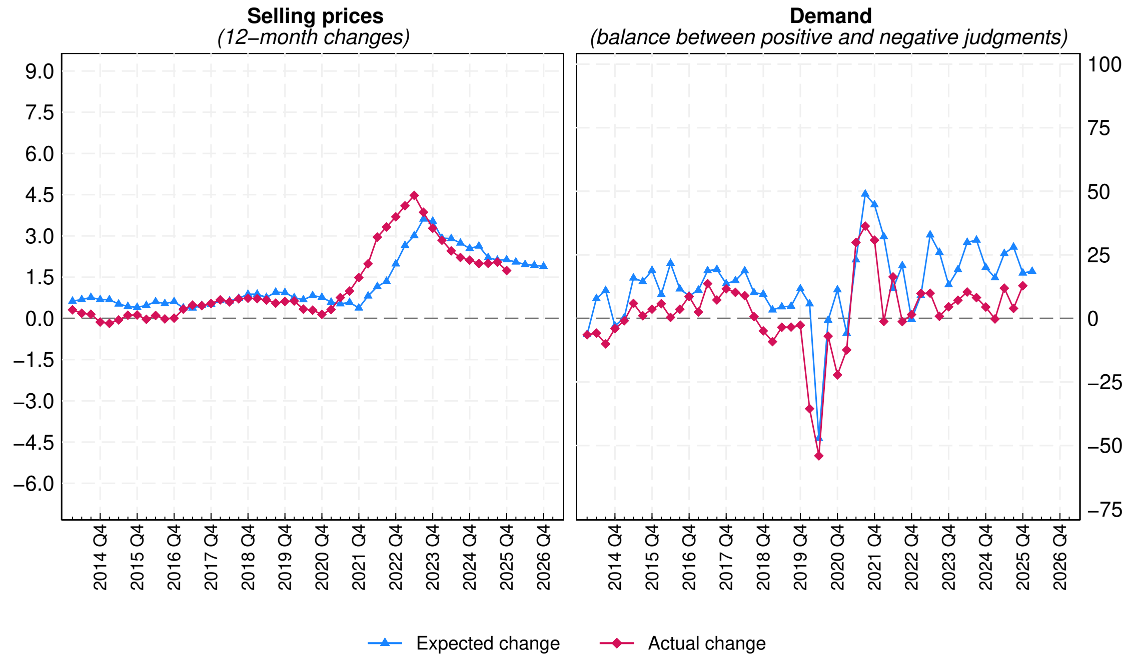
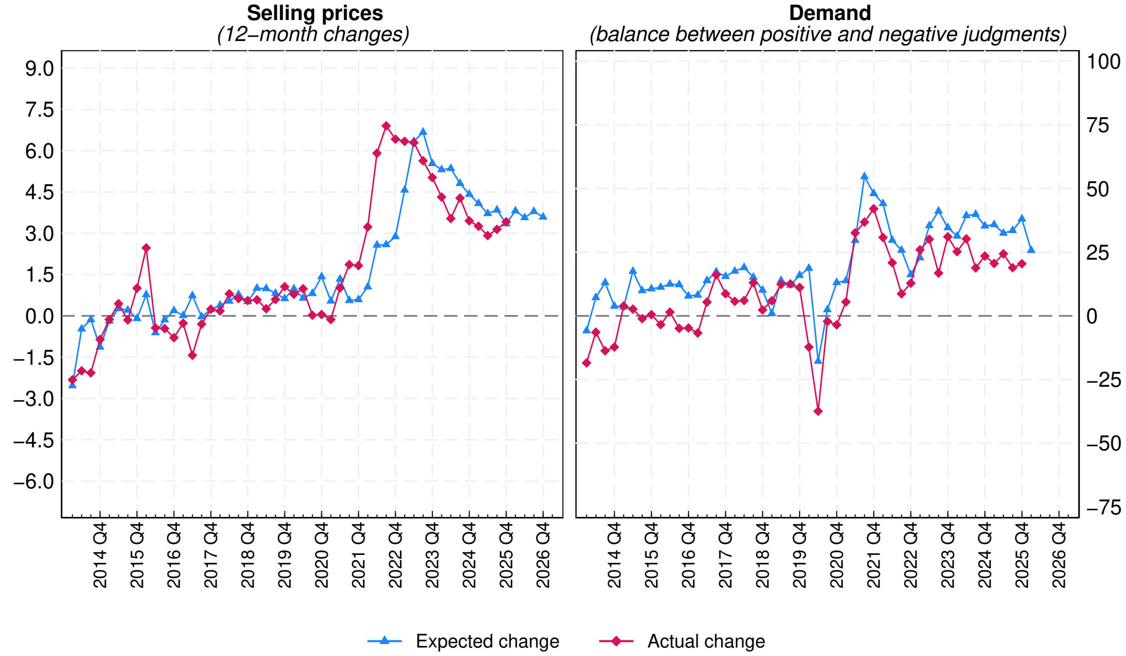


Figure 1.3

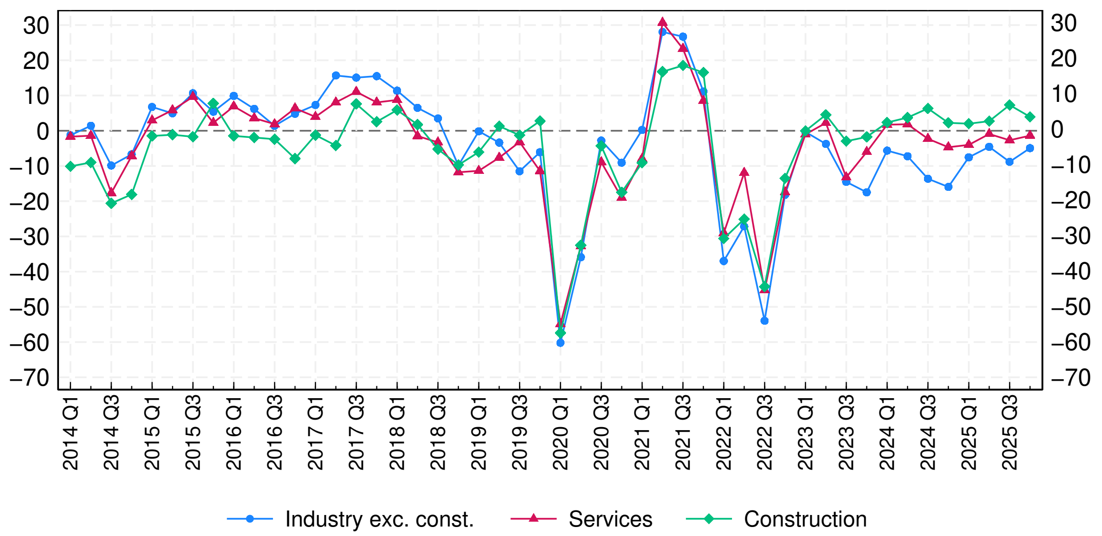
Expected and actual changes in selling prices and demand (1)
(Construction)



(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.

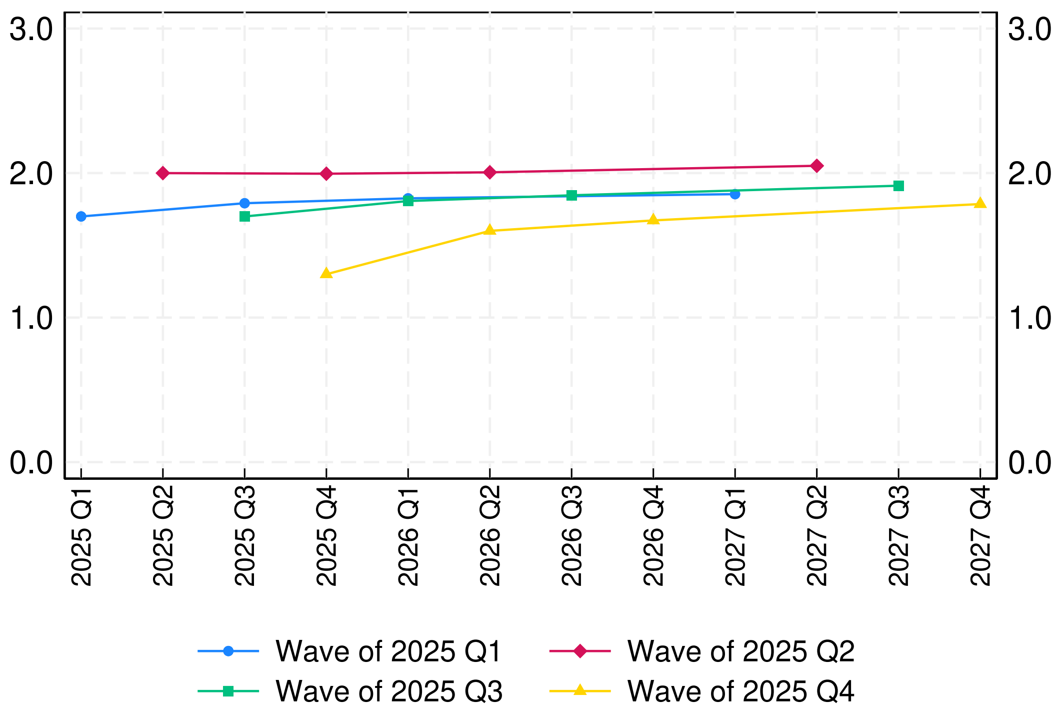
Figure 3

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)

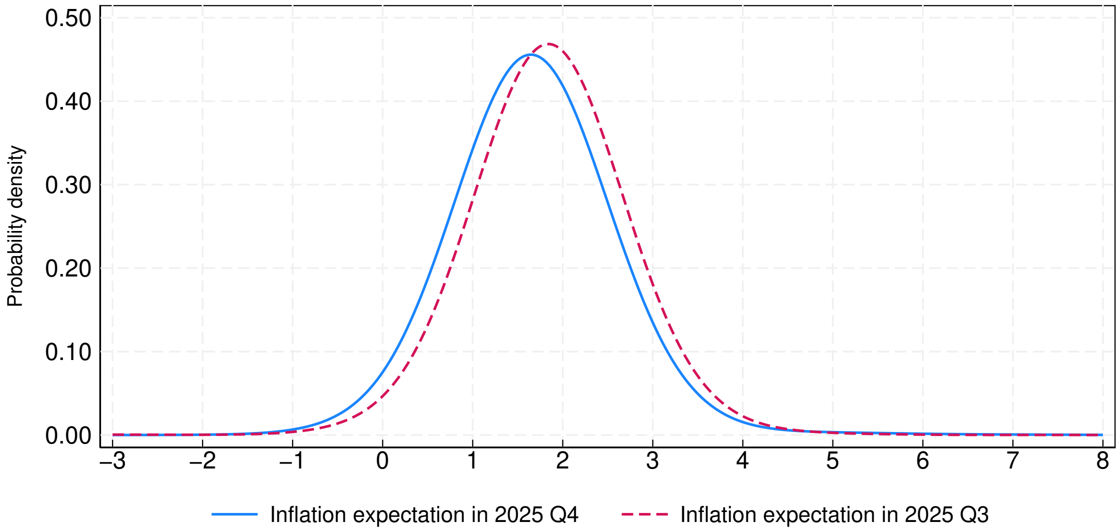
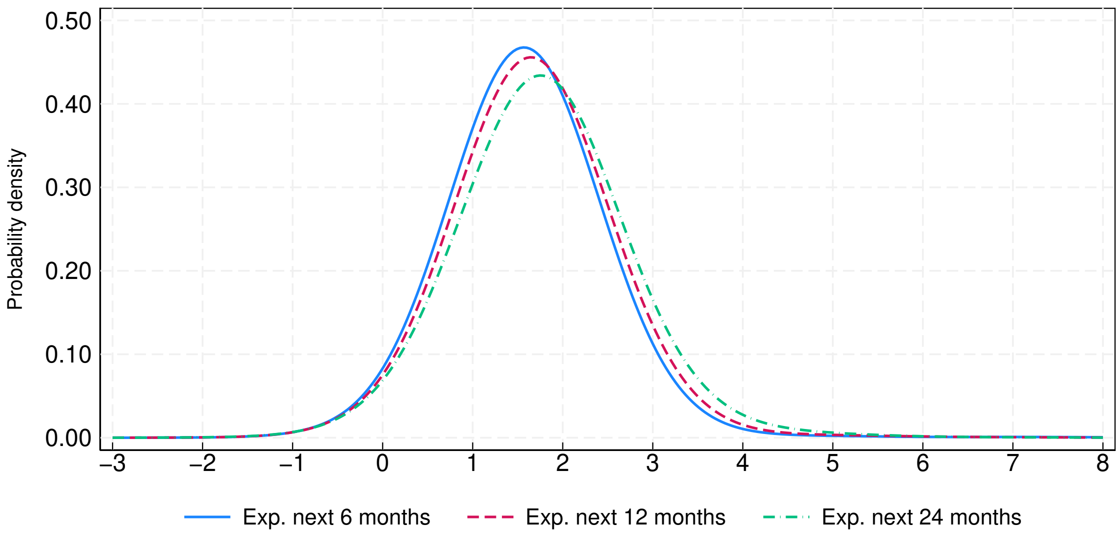


Figure 6

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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