BANCA D'ITALIA
EUROSISTEMA

Statistics

Survey on Inflation and Growth Expectations

14 July 2026

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

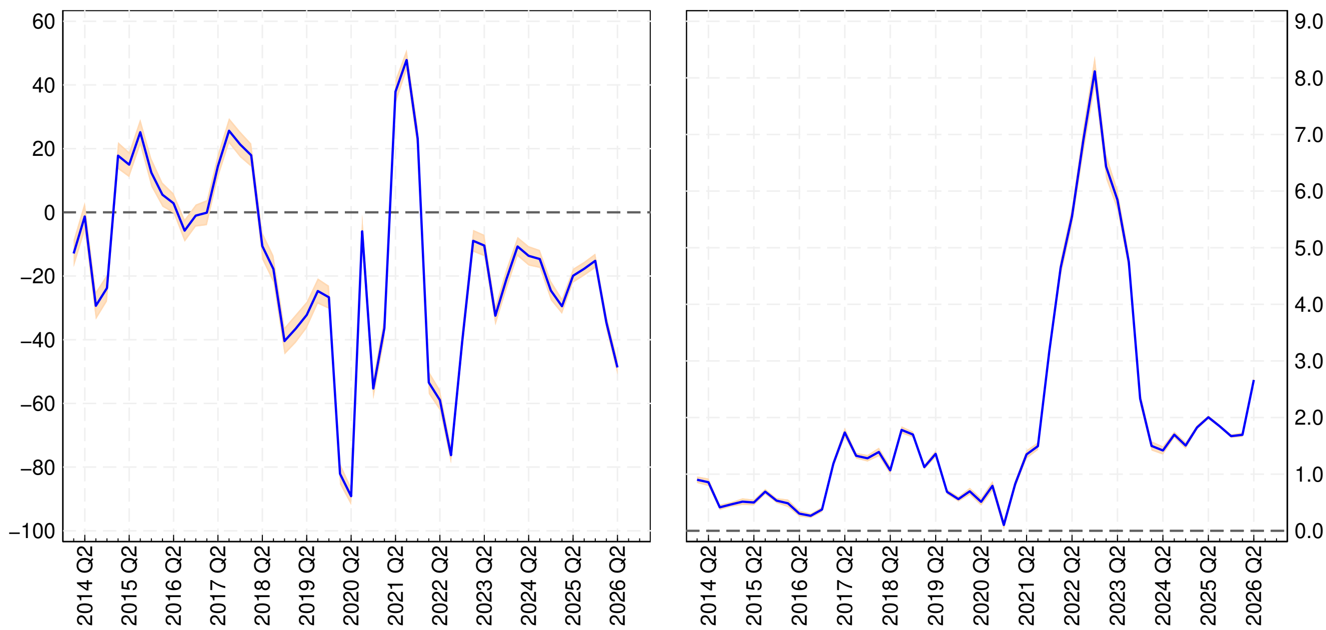
Main results

According to the survey conducted between 19 May and 16 June 2026 among Italian industrial and service firms with 50 or more employees, opinions regarding the general state of the economy deteriorated further in the second quarter compared with the previous survey, with a widespread worsening across all sectors. Firms indicated that the conflict in the Middle East and the closure of the Strait of Hormuz had an impact on their activity because of higher prices for energy and other production factors.

The outlook for firms' own operating conditions for the next quarter is less unfavourable overall, reflecting the improvement in assessments of developments in total demand, especially in services. Short-term demand expectations are positive and remain more cautious for the foreign component.

Despite a worsening in investment conditions, the balance between firms expecting to increase investment and those expecting to reduce it in 2026 remained positive, and only slightly lower than in the previous survey.

Consumer price inflation expectations range between 2.5 and 2.8 per cent depending on the time horizon. Firms' selling prices have accelerated and are expected to continue to rise over the next 12 months, partly driven by the higher production input costs linked to the conflict in the Middle East. Most of the firms interviewed report that they have transferred or intend to transfer them to their selling prices, albeit to a limited extent.



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

Survey on Inflation and Growth Expectations[1]

Firms' assessments of the general state of the economy worsen ...

In the second quarter of 2026, the balance between judgments of an improvement and of a worsening in the general state of the economy fell to -49 percentage points for firms as a whole (from -35 points in the previous survey; Table 1). The worsening is widespread across sectors of activity, size classes and geographical areas.

… but firms report a slight recovery in demand

In the same period, the trend in total demand for own products recorded a recovery compared with the first quarter, although it remained less favourable than at the end of 2025. The balance between assessments of an increase and of a decrease reached 4 percentage points for the total number of firms (from 1 in the first quarter of 2026 and 9 in the fourth quarter of 2025). The improvement mainly concerned services and construction, where positive assessments prevail; the balance remains slightly negative in industry excluding construction. A small share of firms reported a negative impact on demand because of the conflict in the Middle East and the closure of the Strait of Hormuz, which mainly affected the increase in input costs, especially energy costs, as reported by a higher percentage of firms.

Demand is expected to continue to expand in the third quarter, albeit at a slower pace

Firms' expectations regarding their own business conditions over the next three months remained negative, though less unfavourable overall than in the previous survey. The balance between expectations of an improvement and those of a worsening stands at -15 percentage points (from -18), reflecting a recovery in industry excluding construction and in services, against a further deterioration in construction. The uncertainty relating to the economic and political environment and the trend in oil prices continued to be the main factors curbing activity, with greater effects in industry excluding construction and in construction.

Pessimism about the evolution of firms' operating conditions abates

For the third quarter, firms expect total demand to grow less markedly than in the second (the balance between expectations of an increase and those of a decrease is 17 percentage points, compared with 20 points in the previous survey). A more cautious outlook emerged especially among firms in industry excluding construction and in services, particularly vis-à-vis foreign demand.

Employment is expected to continue to rise

The outlook for employment remained favourable across all sectors. The balance between the share of firms expecting an increase in their workforce over the next three months and those anticipating a decrease is positive, albeit slightly lower than in the previous survey.

Investment conditions worsen, but capital accumulation plans for 2026 remain expansionary for most firms

Assessments of investment conditions were more unfavourable than in the previous quarter. The negative balance between assessments of an expansion and of a contraction went down from -30 to -33 percentage points. The deterioration affected above all industry excluding construction, where the balance went from -31 to -36 percentage points; the balance remained practically stable in services and construction, at -31 and -30 points respectively. Nevertheless, one third of firms continue to expect fixed investment expenditure to go up in 2026 as a whole. For the second half of the year, the balance between firms expecting an increase and those expecting a reduction in capital expenditure is positive in all sectors and higher in construction, where more than half of the firms expect to benefit from the measures set out in the National

---

[1] The survey report was prepared by Stefania Villa and Lorenzo De Masi.

The survey data are 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 2,565 firms with 50 or more employees (of which 1,121 in industry excluding construction, 1,190 in services and 254 in construction) that participated in the survey. The survey questionnaire, the statistical appendix and the methodological note are available on the Bank's website:

https://www.bancaditalia.it/statistiche/basi-dati/bird/inflazione-e-crescita/questionario-inflazione/documenti/en_quest_II_trim_2026.pdf?language_id=1
https://www.bancaditalia.it/pubblicazioni/indagine-inflazione/2026-indagine-inflazione/06/dati_2026_06_eng.zip?language_id=1
https://www.bancaditalia.it/pubblicazioni/metodi-e-fonti-note/metodi-note-2025/IAI_methods_and_sources.pdf?language_id=1

Recovery and Resilience Plan.

Opinions of credit access conditions being broadly stable continue to prevail

Credit access conditions are assessed as being stable overall by the vast majority of firms (87 per cent). The balance between assessments of an improvement and those of a deterioration remains negative, at -4 percentage points. The liquidity position remains adequate in all sectors, with a small share of firms that consider it to be insufficient for the next three months.

Selling prices accelerate slightly, with expectations of further increases over the next 12 months

Firms' selling prices accelerated compared with the previous survey (from 1.9 to 2.2 per cent), with significant differences across sectors: growth was stronger in industry excluding construction (from 1.8 to 2.4 per cent) and in construction (from 3.4 to 4.0 per cent), while price increases remained stable in services, at 1.9 per cent. Selling prices are expected to continue to grow over the next twelve months. The expected change amounts to 2.4 per cent for all firms, 2.5 per cent for industry excluding construction, 2.1 per cent for services and 5.1 per cent for construction. Firms reported that the rise in prices would mainly reflect developments in commodity prices, labour costs and inflation expectations. Most firms reported that the cost increase caused by the conflict in the Middle East and the closure of the Strait of Hormuz has been passed through – albeit to a moderate extent – to the prices charged, or will be passed through over the next three months.

Inflation expectations rise across all time horizons, remaining lower across longer horizons

Consumer price inflation expectations rose significantly across all time horizons: by 2.8 per cent at 6 months, 2.7 per cent at 12 months, and 2.5 per cent at 24 months and over 3 to 5 years ahead (from 1.6, 1.7 and 1.8 per cent respectively in the previous survey).

Table 1

Main findings (1)

(per cent and percentage points)

	Industry exc. const.		**Services**		**Construction**		**Total**	
	2026 Q1	2026 Q2	*2026 Q1*	2026 Q2	*2026 Q1*	2026 Q2	*2026 Q1*	2026 Q2
	per cent							
Inflation expectation 6 months ahead	*1.7*	2.8	*1.6*	2.8	*1.7*	2.8	*1.6*	2.8
Inflation expectation 12 months ahead	*1.7*	2.7	*1.7*	2.6	*1.8*	2.8	*1.7*	2.7
Change in own prices 12 months ahead	*2.2*	2.5	*2.0*	2.1	*3.9*	5.1	*2.2*	2.4
	Balance between reports of improvement and deterioration (percentage points)							
Judgments on the previous quarter								
General economic situation	*-35.2*	-50.1	*-34.1*	-47.1	*-32.7*	-50.6	*-34.5*	-48.7
Total demand	*-2.6*	-1.1	*2.4*	6.4	*8.5*	14.1	*0.6*	3.6
Foreign demand	*3.2*	0.6	*7.4*	4.1	—	—	*4.4*	1.6
Investment conditions	*-30.7*	-35.5	*-29.7*	-31.3	*-31.3*	-30.5	*-30.2*	-33.1
Forecast 3 months ahead								
Total demand	*18.8*	13.0	*20.8*	19.2	*20.0*	21.2	*19.9*	16.6
Foreign demand	*14.2*	13.4	*13.1*	9.2	—	—	*13.9*	12.2
Firms' economic conditions	*-23.0*	-18.3	*-14.7*	-11.3	*-13.2*	-19.5	*-18.2*	-15.0
Employment	*8.9*	7.8	*15.0*	13.6	*21.2*	18.7	*12.8*	11.4
Forecast of investment expenditure								
H2 2026 on H1 2026	*0.7*	13.8	*21.7*	20.5	*24.0*	24.9	*12.7*	17.9
2026 on 2025	*0.9*	-1.5	*17.9*	16.9	*18.9*	19.4	*10.5*	9.0

(1) The statistical appendix is available at
http://www.bancaditalia.it/pubblicazioni/indagine-inflazione/2026-indagine-inflazione/06/dati_2026_06.zip?language_id=1

Figure 1.1

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

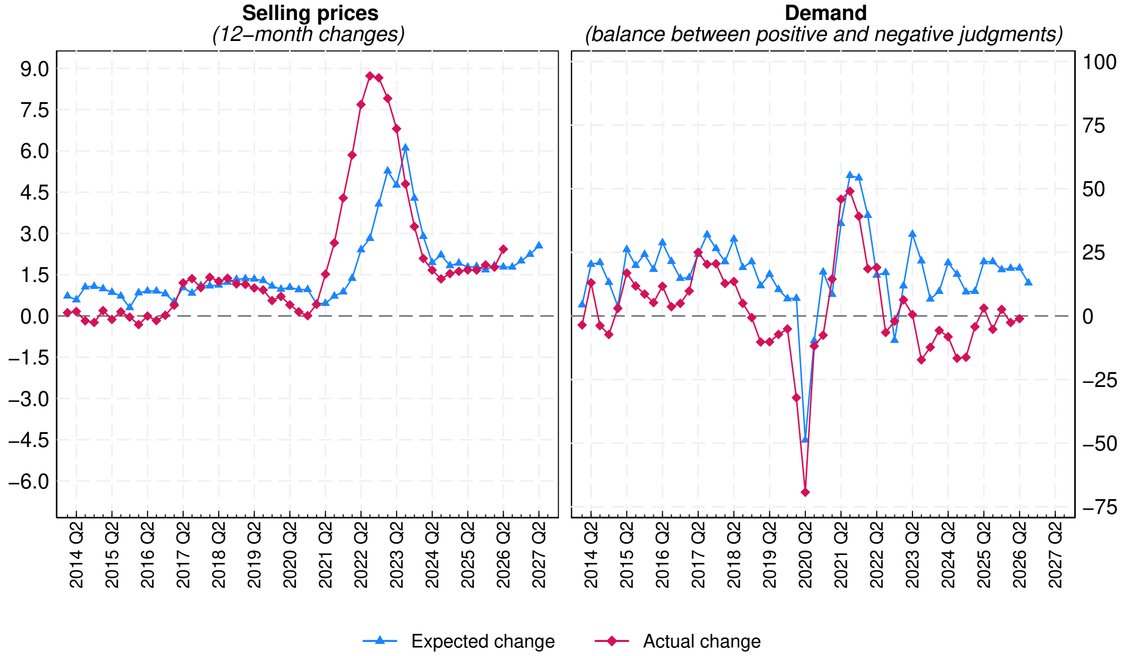


Figure 1.2

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

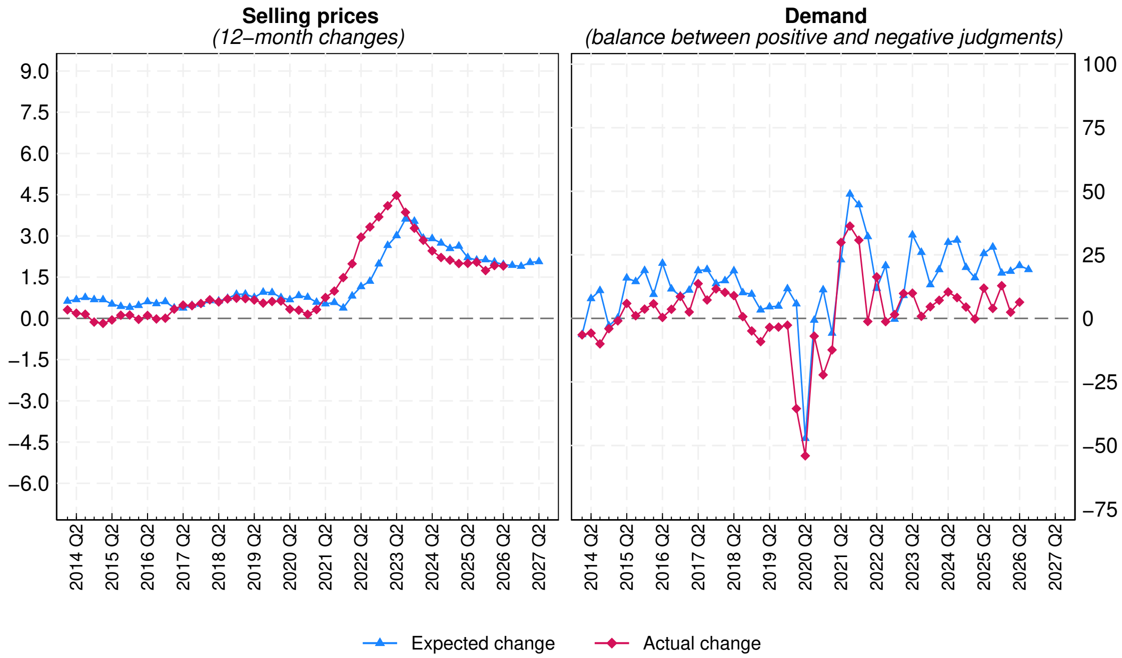
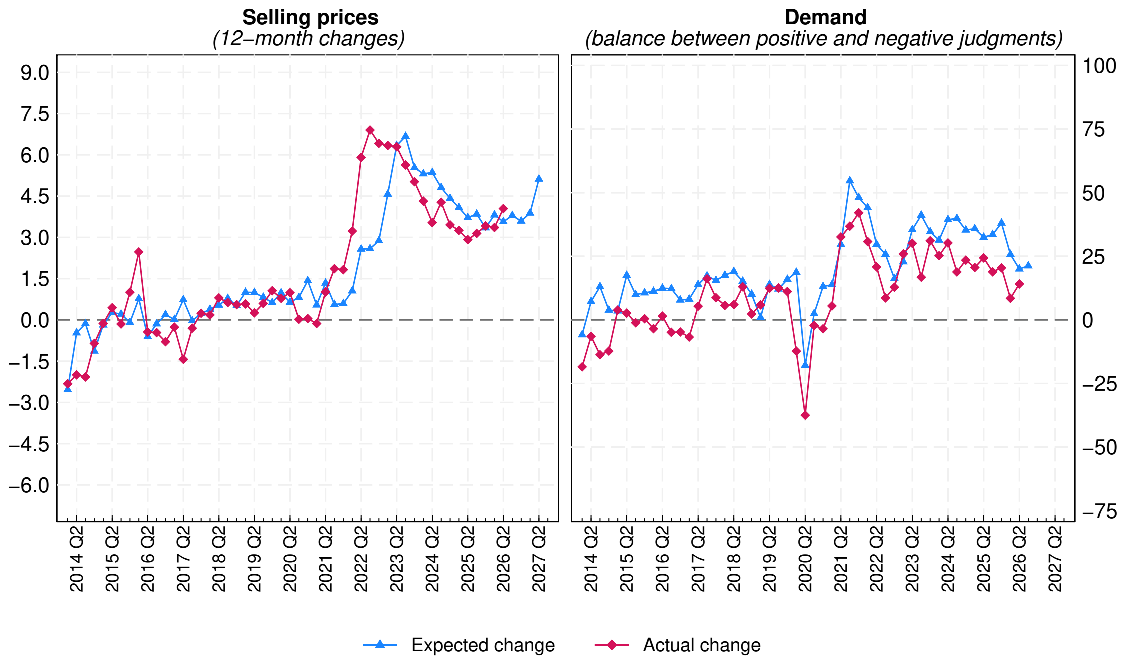


Figure 1.3

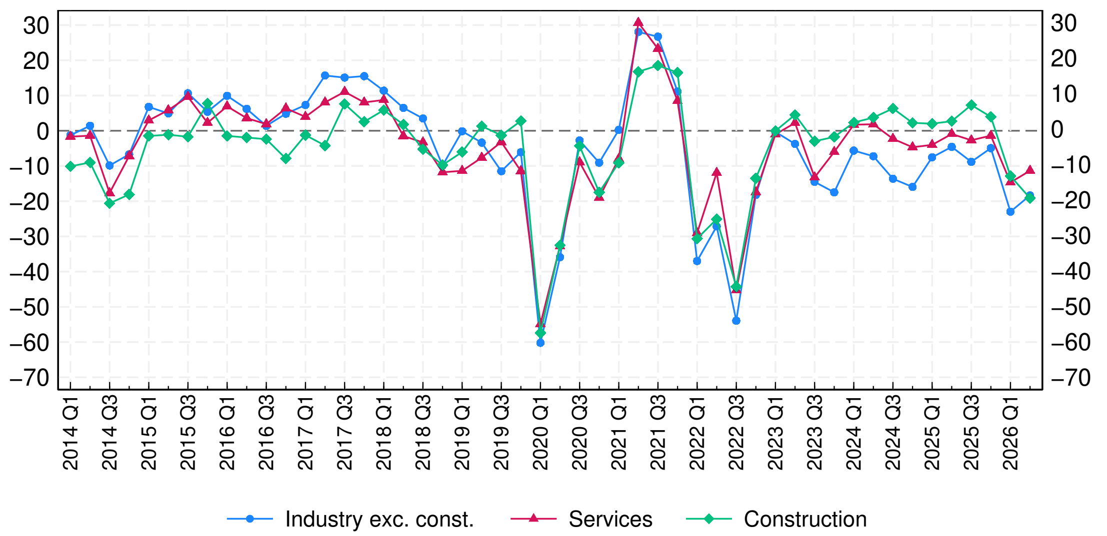
Expected and actual changes in selling prices and demand (1)
(Construction)



(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

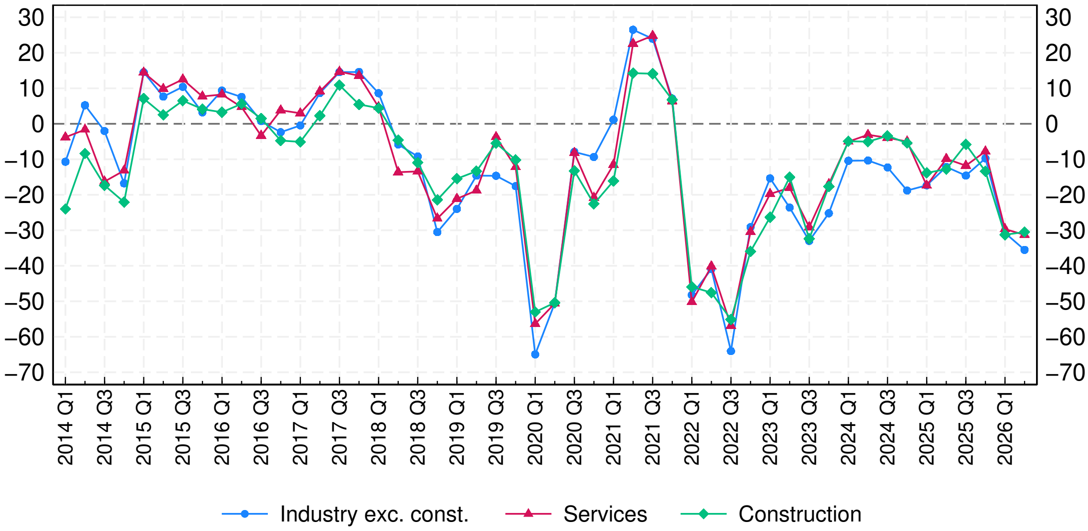
Three-month forecast of the firm's business conditions (1)
(percentage points)



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

Figure 3

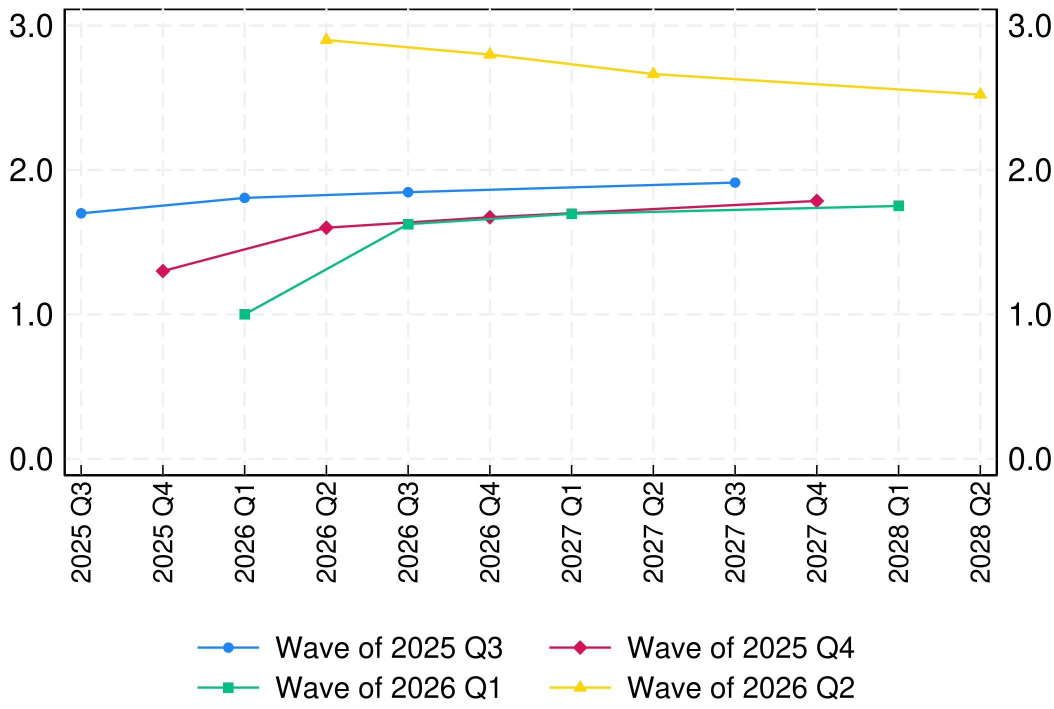
Conditions for investment with respect to previous quarter (1)
(percentage points)



(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)

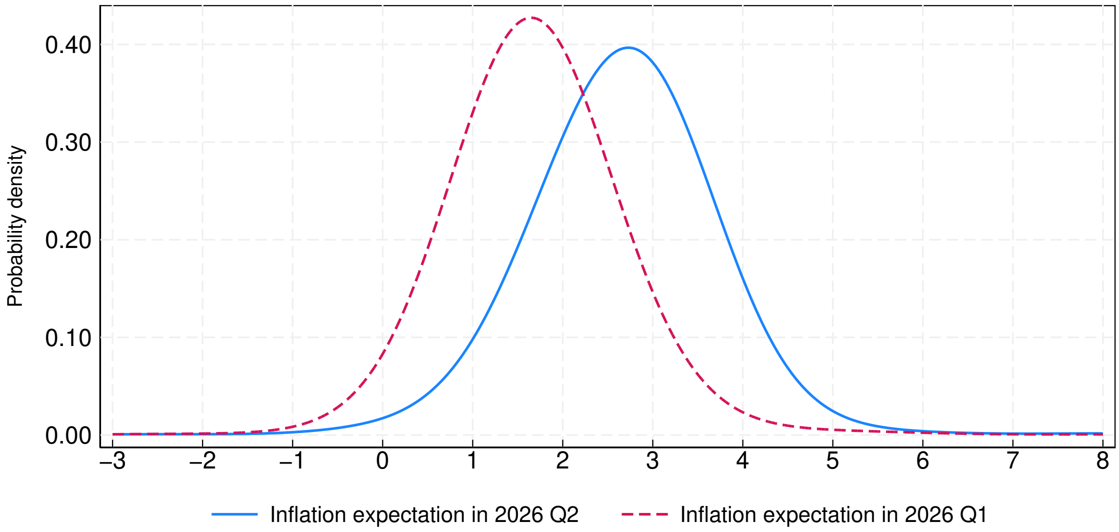
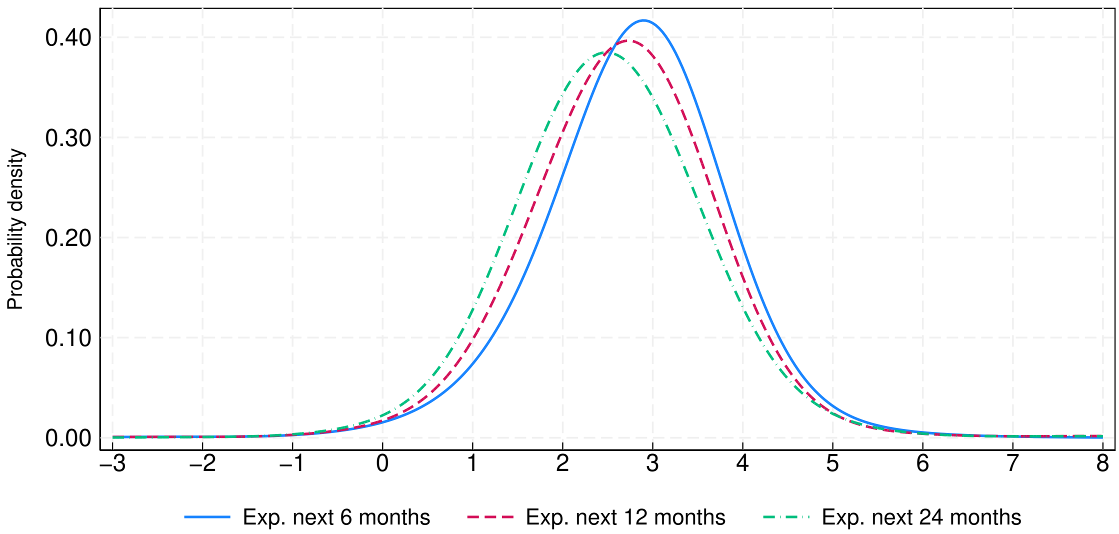


Figure 6

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.