

ITALY'S ECONOMIC OUTLOOK 2020-2021

- In 2021 GDP is expected to increase (4.7%) followed by a deceleration in 2022 (+4.4%, Table 1).
- In both years the domestic demand will provide a remarkable contribution (+4.6 and 4.5 percentage points) while foreign demand will provide a slightly contribution (+0.1 and -0.1 percentage points) and inventories a null contribution.
- Exports and imports will growth in both years in line with the recovery of international trade (+9.6 and 7.9 for exports and 10.4 and 9.0 for import). Residential households consumption expenditure is expected to increase by 3.6 percent in 2021 and 4.7 in 2022. Investment are expected to provide a remarkable impact on the economy (+10.9% in 2021 and +8.7 in 2022).
- Employment trend, in FTE terms, will follow the GDP recovery in both years (+4.5% and +4.1%) while the rate of unemployment will increase at 9.8 percent in the current year, reflecting the ricomposition between unemployed and inactive people, with a slightly decrease in 2022 (9.6).
- The households final consumption expenditure deflator will display a positive trend this year (+1.3%) and will marginally decelerate the next (+1.1%).

TABLE 1: FORECAST FOR THE ITALIAN ECONOMY - 2019-2022
(% change on previous year)

	2019	2020	2021	2022
Gross Domestic Product	0.3	-8.9	4.7	4.4
Imports of goods and services (fob)	-0.7	-12.6	10.4	9.0
Exports of goods and services (fob)	1.6	-13.8	9.6	7.9
DOMESTIC DEMAND (INCLUDING INVENTORIES)	-0.4	-8.4	4.8	4.6
Residential households consumption expenditure	0.3	-10.7	3.6	4.7
Government Consumption	-0.9	2.0	2.4	0.3
Gross fixed capital formation	1.1	-9.1	10.9	8.7
CONTRIBUTION TO GDP				
Domestic demand (net of Inventories)	0.2	-7.7	4.6	4.5
Foreign balance	0.7	-0.8	0.1	-0.1
Inventories	-0.6	-0.4	0.0	0.0
Households consumption expenditure deflator	0.5	-0.2	1.3	1.1
Gross domestic product deflator	0.8	1.2	0.9	1.1
Compensation of employees per full-time equivalent	1.3	2.0	1.0	1.0
Full time equivalent employment	0.1	-10.3	4.5	4.1
Unemployment rate	10.0	9.2	9.8	9.6
Trade balance (level as % of GDP)	3.3	3.7	3.3	3.2

For more details please refer to the Italian version

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