

## ITALY'S ECONOMIC OUTLOOK 2022-2023

- GDP is expected to increase both in 2022 (+2.8%) and in 2023 (+1.9% Table 1)
- In both years the increase of GDP will mainly be determined by the contribution of domestic demand (respectively +3.2 and +1.9 p.p). The net foreign demand will give a negative contribution in 2022 (-0.4 p.p) and null contribution in 2023, while inventories will provide a null contribution in the period.
- Gross fixed capital formation will provide decisive support for growth with a more sustained intensity in the current year (+8.8%) than in 2023 (+4.2%). The growth of residential households consumption expenditure will be more contained (+2.3% and +1.6%).
- The evolution of employment, measured in terms of FTE will be in line with the improvement in economic activity, with a more pronounced increase in 2022 (+2.5%) than in 2023 (+1.6%). Employment increases are expected to positively affect unemployment rate which would drop significantly in 2022 (8.4%) and, to a lesser extent, in 2023 (8.2%)
- The upsurge of energy goods prices is expected to boost the households consumption expenditure deflator in the current year (+5.8%) and expected to slow down in 2023 (+ 2.6%).

**TABLE 1: FORECAST FOR THE ITALIAN ECONOMY - 2020-2023**  
(% change on previous year)

	2020	2021	2022	2023
Gross Domestic Product	-9.0	6.6	2.8	1.9
Imports of goods and services (fob)	-12.1	14.2	8.5	3.8
Exports of goods and services (fob)	-13.4	13.3	6.7	3.7
DOMESTIC DEMAND (INCLUDING INVENTORIES)	-8.5	6.6	3.2	1.9
Residential households consumption expenditure	-10.6	5.2	2.3	1.6
Government Consumption	0.5	0.6	0.5	0.6
Gross fixed capital formation	-9.1	17.0	8.8	4.2
CONTRIBUTION TO GDP				
Domestic demand (net of Inventories)	-7.9	6.2	3.2	1.9
Foreign balance	-0.8	0.2	-0.4	0.0
Inventories	-0.5	0.2	0.0	0.0
Households consumption expenditure deflator	-0.2	1.7	5.8	2.6
Gross domestic product deflator	1.4	0.5	3.4	2.0
Compensation of employees per full-time equivalent	2.1	0.4	2.6	2.2
Full time equivalent employment	-10.3	7.6	2.5	1.6
Unemployment rate	9.2	9.3	8.4	8.2
Trade balance (level as % of GDP)	3.7	2.4	0.6	0.1

**For more details please refer to the Italian version**

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