

OECD estimates indicate that inflation acceleration, uncertainty and the change of stance of monetary policy in many countries might provide a deceleration of the World economy in the coming quarters.

Italian GDP, in the second quarter, increased driven by domestic demand while net exports gave a negative contribution.

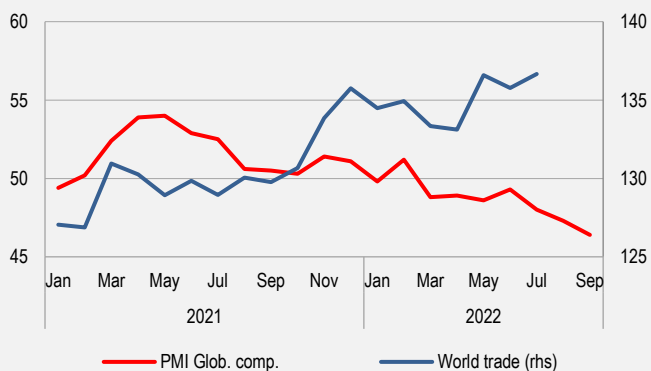
Industrial production in August increased strongly by 2,3% with respect to the previous month but under the hypothesis that the index in September will remain on the same value of August, the third quarter will return only a marginal increase.

The number of both employed and unemployed persons decreased in August while a growth was recorded for inactive people. The unemployment rate declined to 7.8%

Italian inflation accelerated in September and the diffusion of the inflationary process widened. IPCA for Italy remained below the euro area.

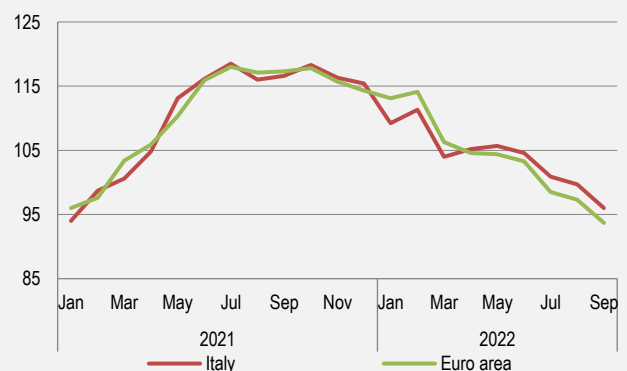
The outlook for next months continues to worsen. In September, the consumer and business confidence index decreased with a fall diffused to all the components but the construction sector.

### 1. MERCHANDISE WORLD TRADE IN VOLUME AND PMI GLOBAL COMPOSITE NEW EXPORT BUSINESS INDEX



Source: CPB and IHS

### 2. ECONOMIC SENTIMENT INDICATOR (base 2010=100; seasonally adjusted)



Source: European Commission

## THE INTERNATIONAL ENVIRONMENT

Recent OECD estimates indicate that inflation acceleration, uncertainty and the change of stance of monetary policy in many countries might determine a deceleration of the global economy in the coming quarters.

After a decline in June (-0.6%), World merchandise trade in volume increased again in July 2022 (+0.7%). Growth in exchanges of goods is mainly driven by advanced economies. In September, the PMI Global composite new export business index, however, remained below the expansion threshold for the seventh month in a row, suggesting that international trade will decrease in the coming months (Figure 1).

In August, the seasonally adjusted volume of retail trade decreased by 0.3% in the euro area and seasonally-adjusted unemployment rate was 6.6%, stable compared with July. Euro area annual inflation is expected to be 10.0% in September, up from 9.1% in August. Looking at the main components of the index, energy is expected to have the highest annual rate, followed by food, alcohol & tobacco, non-energy industrial goods and services.

The outlook for the euro area has continued to worsen. In September, the Economic Sentiment Indicator (ESI) declined further (-3.6 points) driven by a significant deterioration in confidence in all surveyed business sectors and another particularly sharp decline among consumers. The fall was diffused to area main countries (Figure 2).

## THE ECONOMIC SITUATION IN ITALY

In the second quarter, the seasonally and calendar adjusted, chained volume measure of GDP increased by 1.1% to the previous quarter both final consumption expenditure and gross fixed capital formation increased (1.6% and 1.1% respectively), imports and exports increased by 2.0% and 1.6% respectively.

On the supply side, GDP growth is driven by industry (net construction) and Services. In August, the seasonally adjusted industrial production index increased strongly by 2.3% compared with the previous month. However, under the hypothesis that the index in September will remain on the same value of August, the third quarter will return only a marginal increase

In July, seasonally-adjusted data, compared to June, increased by 4.1% for outgoing flows and by 3.4% for incoming flows. Exports raised by 2.6% for EU countries and by 5.7% for non EU countries. Imports grew by 1.6% for EU countries and by 5.0% for non EU countries. In August, in seasonally adjusted terms, exports to non EU27 countries decreased by 7.0% and imports by 3.6% compared with July.

The trade balance in July 2022 overall amounted to -361 million Euros (+2,466 million Euros for EU countries and -2,828 million Euros for non EU countries).

Seasonally adjusted index of volume sales in August, decreased by 1.1% in the month on month series and the number of both employed and unemployed persons decreased, while a growth was recorded for inactive people. The unemployment rate declined to 7.8% (-0.1 p.p.).

According to preliminary estimates, in September the rate of change of the Italian consumer price index for the whole nation (NIC) was 8.9% on annual basis (from +8.4% in August). The speed-up of the growth on annual basis of all-item index was mainly due to the prices of Food including alcohol (from +10.1% to +11.5%), for both processed food including alcohol (from +10.4% to +11.7%) and unprocessed food (from +9.8% to +11.0%); to a lesser extent, it is also due to prices of non-durable goods (from +3.8% to +4.7%) and of semi-durable goods (from +2.3% to +2.8%). Quite the opposite, the growth on annual basis of the prices of Energy, even though it remains high, slightly reduced (from +44.9% to +44.5%), for both regulated energy products (from +47.9% to +47.7%) and non-regulated energy products (from +41.6% to +41.2%) and the prices of services related to transport slowed down (from +8.4% to +7.2%). The harmonised index of consumer prices (HICP) increased by 9.5% on annual basis (from +9.1% in the previous month) remaining below the value for the euro area.

The outlook for next months has continued to worsen. In September, the consumer and business confidence index decreased with a fall diffused to all the components but the construction sector.

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