

## Italy's economic outlook 2015-2017

In 2015, GDP is expected to increase by 0.7 percent in real terms, reaching 1.2 percent in 2016 and a slightly higher 1.3 percent in 2017.

The recovery will be driven mainly by domestic demand that will provide a contribution of 0.3 percentage points to GDP growth in 2015. Domestic demand will account for 0.8 and 1.2 percentage points of GDP growth in 2016 and 2017 respectively. The contribution to growth of foreign demand will be stable at 0.4 percentage points both in 2015 and 2016 but lower in 2017 (0.2 percentage points).

Domestic consumption is projected to grow by 0.5 percent in 2015, and by 0.7 percent and by 0.9 percent in 2016 and 2017 respectively. In 2015, capital accumulation is expected to recover at 1.2 percent, rising by 2.5 percent in 2016 and 2.8 percent in 2017. These projections reflect more favourable credit conditions eased by the ECB's accommodative monetary policy and an improvement in the economic outlook.

Employment will improve gradually over the forecasting period. In 2015, the unemployment rate will marginally decline at 12.5 percent and will reduce further both in 2016 (12.0 percent) and 2017 (11.4 percent).

TABLE 1: FORECAST FOR THE ITALIAN ECONOMY - 2015-2017  
(% change on previous year)

	2013	2014	2015	2016	2017
Gross Domestic Product	-1.7	-0.4	0.7	1.2	1.3
Imports of goods and services (fob)	-2.3	1.8	2.8	3.8	5.0
Exports of goods and services (fob)	0.5	2.7	3.7	4.6	4.9
DOMESTIC DEMAND (INCLUDING INVENTORIES)	-2.5	-0.7	0.3	0.8	1.2
Residential households consumption expenditure	-2.9	0.3	0.5	0.7	0.9
Government Consumption	-0.2	-0.9	-0.8	-0.5	0.1
Gross fixed capital formation	-5.8	-3.3	1.2	2.5	2.8
CONTRIBUTION TO GDP					
Domestic demand (net of Inventories)	-2.9	-0.6	0.3	0.8	1.1
Foreign balance	0.8	0.3	0.4	0.4	0.2
Inventories	0.4	-0.1	0.0	0.0	0.0
Households consumption expenditure deflator	1.1	0.2	0.2	1.4	1.5
Gross domestic product deflator	1.4	0.8	0.8	0.9	1.2
Compensation of employees per full-time equivalent	1.3	1.2	1.0	1.1	1.3
Full time equivalent employment	-1.9	0.2	0.6	0.9	1.0
Unemployment rate	12.1	12.7	12.5	12.0	11.4
Trade balance (level as % of GDP)	2.3	3.2	4.1	4.7	4.9

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

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