

World merchandise trade appears to stabilize, with a modest growth in June of 0.5%. This seems to indicate the end of the vigorous recovery in global goods trade.

In Italy, in the second quarter GDP showed a remarkable increase compared to the previous quarter (+2.7). The GDP growth annual carry-over for 2021 is +4.7%.

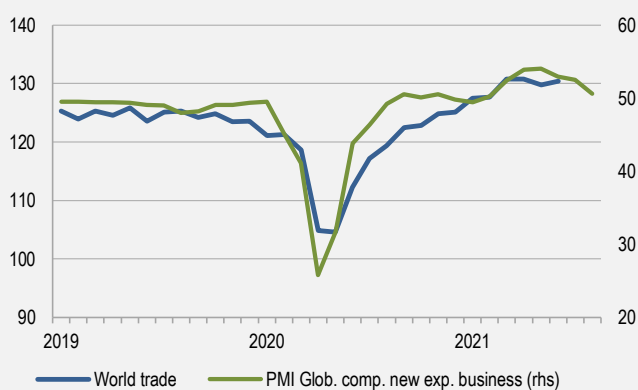
In July, the industrial production increased by 0,8% with respect to the previous month with increases diffuses to all components but energy.

In the second quarter, the number of hours worked and of employed persons increased respectively by +3,9% e +3,2% compared with the previous quarter.

In August, the rate of change of the Italian consumer price index for the whole nation (NIC) was +2.1% on annual basis.

The business and consumer confidence in August showed a decline but remained on historically high levels.

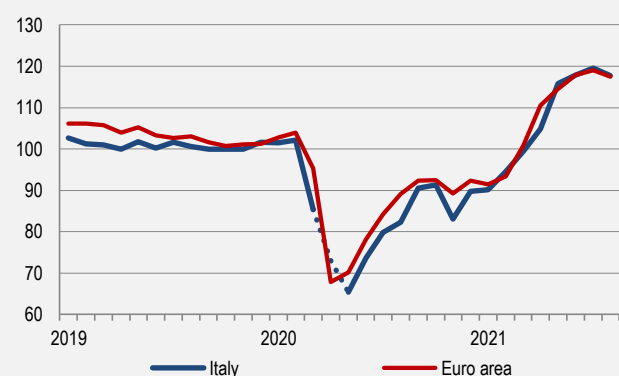
1. MERCHANDISE WORLD TRADE IN VOLUME AND PMI GLOBAL COMPOSITE NEW EXPORT BUSINESS



Source: CPB e IHS

2. ECONOMIC SENTIMENT INDICATOR (a)

(base 2010=100; seasonally adjusted)



Source: DG ECFIN

(a) In April the survey for Italy was not observed

THE INTERNATIONAL ENVIRONMENT

World merchandise trade appears to stabilize, recovering in June by 0.5%, compared to May, following the decline of 0.7% of the previous month. This seems to indicate the mitigation in the recovery pattern in global goods trade. The level of World merchandise trade is however higher than it was prior to the pandemic. The PMI Global composite new export business of August was recorded again above the expansion threshold but declined for the third month in a row (Figure 1).

In the second quarter, seasonally adjusted GDP increased by 2.2% in the euro area (-0.3% in Q1), compared with the previous quarter. The perspectives for euro area remain overall positively oriented in light of a recovery of the activity in the service sector extended to the third quarter. In July, the unemployment rate was 7.6%, down from 7.8%, and in August the Economic Sentiment Indicator (ESI) eased (-1.5 points) coming down from an all-time high in July. The indicator remains at a high historical level (Figure 2).

The ESI was dampened by a dip in confidence in services, industry and among consumers, while confidence picked up again in construction and remained virtually unchanged in retail trade. Amongst the largest EU economies, the ESI fell sharply in France (-4.5 percentage points) and to a lesser extent, in Italy (-1.9 p.p.) and Spain (-1.2 p.p.). Sentiment in Germany (-0.3 p.p.) was virtually unchanged.

THE ECONOMIC SITUATION IN ITALY

In the second quarter the seasonally and calendar adjusted, chained volume measure of Gross Domestic Product (GDP) increased by 2.7% with respect to the previous quarter. Compared to Q1, final consumption expenditure increased by 3.4%, gross fixed capital formation by 2.4%, imports and exports by 2.3% and 3.2% respectively. The GDP growth annual carryover for 2021 is +4.7%.

As for foreign trade over the second quarter, seasonally-adjusted data, compared to the previous, increased by +5.0% for exports and by +7.3% for imports.

In July, the industrial production increased by 0,8% with respect to the previous month with increases diffuses to all index components.

In the second quarter, the number of hours worked and the number of employed persons increased respectively by +3,9% e +3,2% compared with the previous quarter. In July, the employment rate remained stable at 58.4% and the unemployment rate declined to 9.3% (-0.1 p.p.)

According to preliminary estimates, in August the rate of change of the Italian consumer price index for the whole nation (NIC) was +0.5% on monthly basis and +2.1% on annual basis (from +1.9% in July). The speed-up of the growth on annual basis was mainly due to the prices of Non-regulated energy products (from +11.2% in July to +12.8%) with the prices of Regulated ones that still strongly grew (further up from +34.2% to +34.4%). Also prices of Processed food including alcohol recorded an increase (from +0.2% to +0.8%) and those of Unprocessed food reversed the trend (from -0.2% to +0.8%).

Core inflation (excluding energy and unprocessed food) stabilised at +0.6% (the same as in the previous month).

In August, both consumer and business confidence worsened although remaining on historically levels. Compared to July, the personal climate and the future one weakened, the economic climate bettered, while the current one remained virtually stable. With reference to the business confidence climate, the index after eight increases in a row declined from 115.9 to 114.2.

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