

World merchandise trade volume decreased by 0.9% in July, compared to June when trade growth was 0.7%. The negative momentum can be mainly related to the continuing drop in China's trade.

In Italy, in August, the industrial production decreased by 0,2% with respect to the previous month with decreases diffuses to all components but instrumental goods.

The number of both employed and unemployed persons slightly decreased in August. Overall, the employment rate dropped to 58.1% and the unemployment rate remained stable at 9.3%.

In September, the rate of change of the Italian consumer price index for the whole nation (NIC) accelerated on annual basis (2.6% from 2.0 in August).

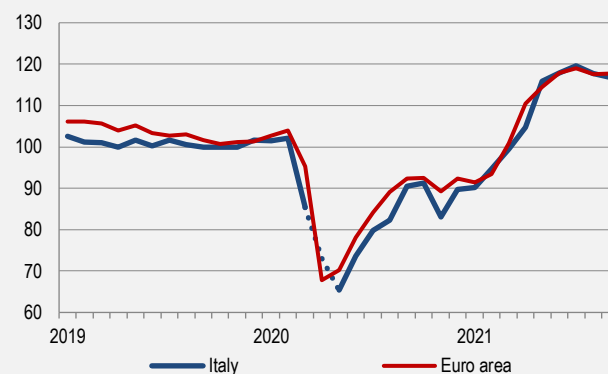
The consumer confidence index rose in September and the improvement was particularly evident in the economic climate, while the business confidence declined moderately for manufacturing but rose for services and particularly for tourism.

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 volume decreased 0.9% in July, compared to June when trade growth was 0.7%. The negative momentum can be mainly related to the continuing drop in China's trade. The PMI Global composite new export business of September, however, was recorded again above the expansion threshold, suggesting that international trade will continue to increase over the next months (Figure 1).

The economic recovery has been accompanied by a resurgent inflation in many countries and especially in USA where the tapering of monetary policy might start already in November.

In the euro area, the economy remains on a growing path. In August, the seasonally adjusted volume of retail trade rose by 0.3% and unemployment rate decreased marginally (was 7.5%, down from 7.6% in July). In September, annual inflation for the whole area is expected to be 3.4% up from 3.0% in August according to a flash estimate from Eurostat. In the same month, the Economic Sentiment Indicator (ESI) remained broadly stable in the euro area (+0.2 points to 117.8). (Figure 2). The stability resulted from improving confidence in construction and among consumers being offset by worsening confidence in services and retail trade. Industry confidence remained unchanged. Amongst the largest economies, the ESI rose in Spain (+1.7), Germany (+0.8), while it worsened in France (-1.3) and Italy (-0.9).

THE ECONOMIC SITUATION IN ITALY

In the second quarter, the seasonally and calendar adjusted, chained volume measure of Gross Domestic Product (GDP) was confirmed to have increased by 2.7% with respect to the previous quarter. The GDP growth annual carryover for 2021 is +4.7%.

In August, the industrial production decreased by 0.2% with respect to the previous month with decreases diffuses to all components but instrumental goods. As for foreign trade, in July seasonally-adjusted data, compared to June, increased by +2.6% for outgoing flows and by +1.3% for incoming flows. Exports grew for non EU countries (+7.5%) and dropped for EU countries (-1.8%). Imports rose by +2.5% for non EU countries and by +0.5% for EU countries. Over the last three months, seasonally-adjusted data, compared to the previous three months, increased by +3.1% for exports and by +4.9% for imports.

In August, in seasonally adjusted terms, Italian exports to non EU countries decreased by 5.0% and imports increased by 6.5% compared with July. Over the last three months, seasonally adjusted data, compared with the previous three months, showed a 3.1% increase in outgoing flows and a 6.7% rise in incoming flows.

In the second quarter, gross disposable income of consumer households increased by 0.5% with respect to the previous quarter. In real terms, gross disposable income increased by 0.1% for the negative impact of price dynamics (+0.4% the implicit deflator of household final consumption expenditure). The saving rate was 12.9%, 4.1 percentage points lower than in the first quarter of 2021. Increasing in consumption is thus expected to continue in Q3. In August, estimates for seasonally adjusted index of retail trade rose in the month on month series by 0.4% both in value and in volume terms. In the three months to August value of sales was up 0.8% when compared with the previous three-month period, likewise volume increased by 0.5%. The number of both employed and unemployed persons, in August, decreased, while a growth was recorded for inactive people. Overall, the employment rate dropped to 58.1% (-0.2 p.p.) and the unemployment rate was stable (at 9.3%).

According to preliminary estimates, in September, the rate of change of the Italian consumer price index for the whole nation (NIC) was -0.1% on monthly basis and +2.6% on annual basis (from +2.0% in August). The growth on annual basis of All-item index was still mainly due to the prices of Energy (from +19.8% in August to +20.2%), for both those of Regulated energy products (from +34.4% to +34.3%) and those of Non-regulated energy products (from +12.8% to +13.3%).

In the same month, the consumer confidence index rose and the improvement was particularly evident in the economic climate but it increased also for the other components. As for the business confidence climate, the index decreased marginally for manufacturing but rose for services and particularly for tourism.

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