Monthly GDP: growth speeds up in the first quarter

In the first quarter GDP growth gains some momentum, moving to 0.3% q/q from 0.2% q/q in the four quarter 2015 (data revised upward by 0.1pp). Domestic demand including inventories provides a positive contribute while foreign demand curbs growth. On the supply side, services and industry as a whole have contributed to increase the value added. In March, the industrial production index was unchanged compared to February, reflecting a fall in consumption, in capital and intermediate goods, offset by a rise in the energy sector. On average, in the first quarter industrial production growth appears sound (0.7% q/q) displaying a more robust dynamic in the manufacturing sector (1.0% q/q). According to recent business survey the outlook seems encouraging. Less favourable signals come from consumption of electricity and paper and paperboard production. The GDP estimate for March foresees a flat profile (0.01% m/m) and the annual growth rate is estimated at 0.8% y/y.

(*) Monthly GDP is an average of results obtained from different models as documented in Frasé, C., and Monteforte, L., “FaMIDAS: A mixed frequency factor model with MIDAS structure”, MEF and Department of the Treasury Working Paper Series n. 3/2010.