

Monthly GDP: December 2021

Growth estimates improve for Q4

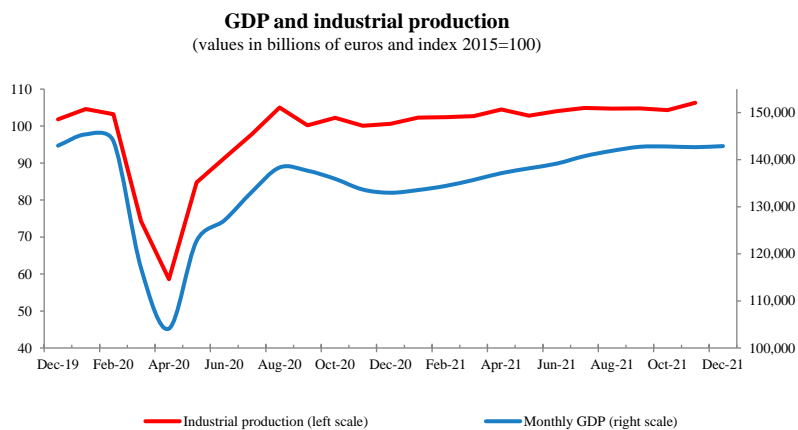
The update estimate of the monthly real GDP indicates a 0.2% m/m increase in December, with a robust y-o-y growth (7.5% y/y) also due to the comparison with a period undermined by highly restrictive measures.

Industrial production came in above expectations in November increasing by 1.9% m/m. The expansion was driven by the energy component and by the production of capital and consumer goods. There are still difficulties in the production of means of transport, likely affected by the bottlenecks in global value chains. Other quantitative indicators witness a liveliness in the manufacturing sector in the same month.

Looking ahead, firms appear less optimistic about the conditions to invest, due to supply-side shortages and uncertainty related to the new pandemic wave.

Surveys reveal a moderation of sentiment in December. According to ISTAT, the worsening of expectations on production weakened confidence in the manufacturing sector (115.2 from 115.9), particularly in the sector of intermediate goods, together with the assessments on accumulating inventories. Sectoral PMI index eased as well, even if remaining on historical high levels (62.0 from 62.8).

Expectations negatively affected ISTAT confidence index in the services as well (to 110.2 from 111.3), particularly in the tourism sector and the sectoral PMI index declined more than 1 point (110.2 from 111.3).



(*) The monthly GDP estimate is based on the methodology published in Frale C. et al. "EUROMIND: A Monthly Indicator of the Euro Area Economic Conditions", Journal of the Royal Statistical Society: Series A, 174, 439- 470. The GDP estimate takes into account the forecasts of the industrial production made through a bridge model.

	Industrial Production (ISTAT)	Monthly GDP (updated estimate)	Monthly GDP (previous estimate)
	(1)	(2)	(3)
Dec-20	0.5	-0.5	-0.5
Jan-21	1.7	0.4	0.4
Feb-21	0.1	0.7	0.7
Mar-21	0.3	0.9	0.9
Apr-21	1.8	1.1	1.1
May-21	-1.6	0.7	0.7
Jun-21	1.2	0.7	0.7
Jul-21	0.9	1.1	1.1
Aug-21	-0.2	0.8	0.8
Sep-21	0.1	0.6	0.6
Oct-21	-0.5	0.0	0.0
Nov-21	1.9	-0.1	-0.2
Dec-21		0.2	