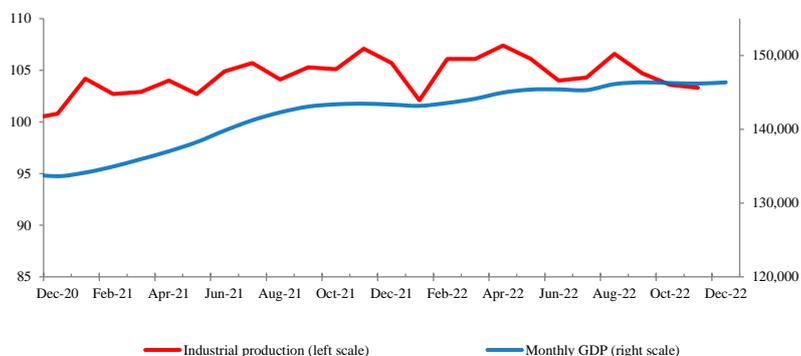


Monthly GDP: December 2022

GDP edges up in December following a slight contraction in the two previous months

In December, the updated monthly estimate of real GDP growth points to a slight recovery in economic activity, with an increase of 0.1% m-o-m after a moderate decline in November, revised downward by 0.2 percentage points compared to the previous estimate. The November GDP revision is due to a further decline in industrial production (-0.3% m-o-m), which fell short of internal and consensus estimates. The decline in industrial production, though smaller than in October, brought the seasonally adjusted index back below the February 2022 level, confirming the downturn in manufacturing and energy production, due in particular to high energy prices. In fact, in December, the electricity consumption by energy-intensive firms decreased, as did the demand for natural gas for industrial uses. Business surveys for December confirmed the softness of business conditions in manufacturing: the ISTAT confidence index declined, while the PMI index, while rising compared to the previous month, remained below the expansion threshold of 50. Despite this picture, the GDP estimate for December was positively influenced by an increase in motorway and rail traffic, as well as by a rebound in electricity production. The latest "soft indicators" show that ISTAT consumer confidence recorded a new increase, thanks to an improvement in household expectations on inflation and the economic situation. On the business side, services and retail confidence increased and the services sector PMI rose to 49.9, from 49.5 in November.

GDP and industrial production
(values in billions of euros and index 2015=100)



(*) The monthly GDP estimate is based on the methodology published in Fralle 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)
Mar-21	0.2	0.7	0.7
Apr-21	1.1	0.8	0.8
May-21	-1.3	0.9	0.9
Jun-21	2.1	1.1	1.1
Jul-21	0.8	1.0	1.0
Aug-21	-1.5	0.8	0.9
Sep-21	1.2	0.5	0.5
Oct-21	-0.2	0.2	0.2
Nov-21	1.9	0.1	0.1
Dec-21	-1.3	-0.1	0.0
Jan-22	-3.4	-0.1	-0.1
Feb-22	3.9	0.3	0.2
Mar-22	0.0	0.4	0.4
Apr-22	1.2	0.6	0.6
May-22	-1.2	0.3	0.3
Jun-22	-2.0	0.0	0.0
Jul-22	0.3	-0.1	-0.1
Aug-22	2.2	0.6	0.6
Sep-22	-1.8	0.2	0.2
Oct-22	-1.1	-0.1	0.0
Nov-22	-0.3	-0.1	0.1
Dec-22		0.1	