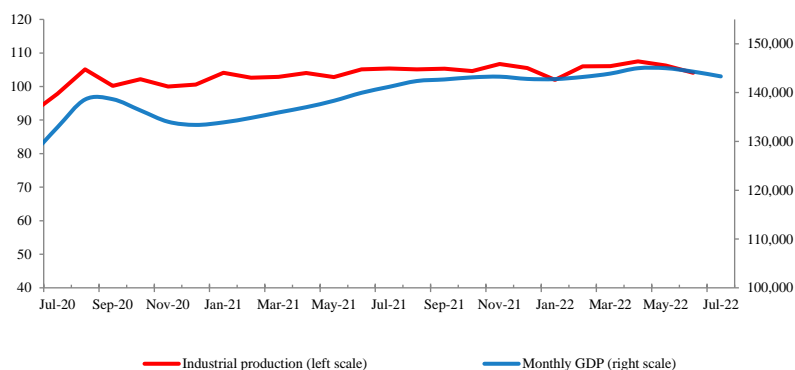


Second consecutive decline for the GDP indicator in July

The update of the monthly real GDP estimate for July marks a decline of 0,7% m-o-m, accompanied by a downward revision of the June figure (from -0.4% to -0.5% m-o-m) after an increase in the estimates for the months of March, April and May due to the inclusion of the ISTAT preliminary estimate of GDP in Q2 equal to 1.0% qoq. In annual terms, GDP dynamics slows down to 1.5%, from 3.1% in May. The decline in monthly GDP in July reflects the reduction in business confidence climate as well as the new contraction in industrial production in June (-2.1% m / m from -1.1% in May), which returns to the levels of the first months of the year. Among the activity branches, net to energy the reduction of index was widespread and particularly large for capital goods. Driven by the increases recorded between February and April, industrial production grew significantly in Q2 (1.2% q-o-q from -0.9% in Q1). Looking ahead, the Istat surveys on the climate of confidence referred to July outline a worsening of macroeconomic scenario: consumer confidence index, further falling compared to last month, showed the lowest value since May 2020, accompanied by a significant decline in the confidence index of manufacturing and services firms. The downturn is confirmed by sectoral PMI indices, which, after a prolonged period of expansion, declined below the 50-point threshold, probably due to inflationary tensions and the decline in orders and production.

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	0.3	0.8	0.9
Apr-21	1.1	0.8	0.8
May-21	-1.2	1.0	0.9
Jun-21	2.2	1.2	1.1
Jul-21	0.3	0.9	0.9
Aug-21	-0.3	0.8	0.7
Sep-21	0.2	0.2	0.5
Oct-21	-0.7	0.3	0.2
Nov-21	2.0	0.1	0.0
Dec-21	-1.1	-0.3	-0.2
Jan-22	-3.3	0.0	-0.1
Feb-22	3.9	0.3	0.3
Mar-22	0.1	0.5	0.4
Apr-22	1.3	0.8	0.6
May-22	-1.1	0.0	-0.1
Jun-22	-2.1	-0.5	-0.4
Jul-22		-0.7	