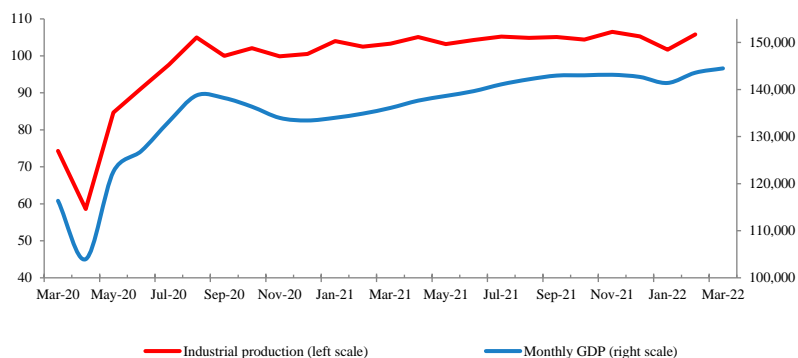


Upward GDP revision in March

The update estimate of the monthly real GDP indicates an increase equal to 0.6% m/m in March, with a variation on a y-o-y growth of 6.2% y/y (from 6.4% y/y in February). The revision of the estimates is attributable to a robust development of the industrial production in February, supported by positive signals also from other indicators on the industry in March and by an improvement in the epidemiological picture. Further, the repercussions of the Russian-Ukrainian conflict and the relative impact of the sanctions applied with renewed dysfunctions in the supply chains and further increase in the prices will weigh on growth. In detail, industrial production recorded a marked rebound in February (4.0% m/m), well above the expectations, which followed two severe contractions in the previous months. The index is 2.6% above the February 2020 level. Among the branches, consumer goods (5.2%), intermediate goods (3.5%) and capital goods (2.7%) record a solid increase; the increase in energy is more contained (0.9%). A deterioration in confidence in the manufacturing sector can be deduced from the ISTAT surveys (to 110.3 from 112.9 previously) as well as from the sector PMI Markit index (to 55.8 from 58.3 points). Opinions and expectations on the foreign component of orders weigh heavily in a significant downsizing. The uncertainty due to the evolution of the war and the rise in prices also affect sentiment in services: ISTAT confidence drops in March to 99.0 points (from the previous 100.4), and the sector PMI falls to 52.1 points (from 52.8 above).

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



	Industrial Production (ISTAT)	Monthly GDP (updated estimate)	Monthly GDP (previous estimate)
	(1)	(2)	(3)
Mar-21	0.8	0.9	0.9
Apr-21	1.7	1.1	1.1
May-21	-1.8	0.7	0.7
Jun-21	1.1	0.7	0.7
Jul-21	0.9	1.0	1.1
Aug-21	-0.3	0.8	0.8
Sep-21	0.2	0.6	0.6
Oct-21	-0.7	0.0	0.0
Nov-21	2.0	0.1	0.1
Dec-21	-1.1	-0.3	-0.3
Jan-22	-3.4	-0.9	-0.8
Feb-21	4.0	1.5	0.1
Mar-21		0.6	

(\*) 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.