

Monthly GDP: April 2024

After the 0.3% increase in the first quarter of the year, GDP grew slightly in April

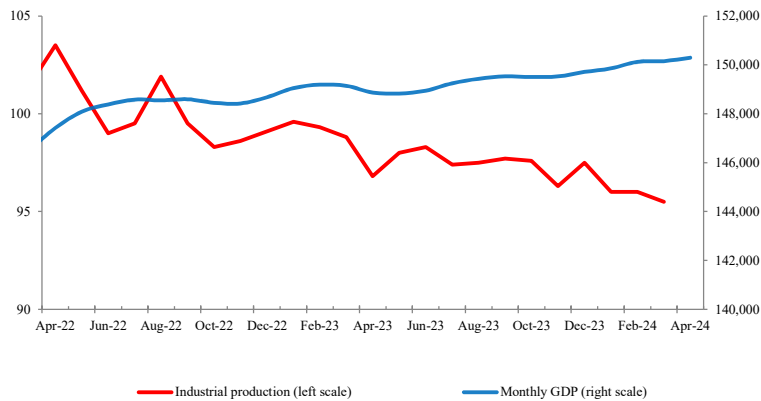
In April, the update of the monthly real GDP estimate(*) points to a slight improvement in activity (0.1% m/m), after the 0.3% q-o-q growth recorded in Q1, as reported by the preliminary estimates released by ISTAT. According to internal forecasts, the year-on-year GDP growth rate was 1.0%, gaining momentum compared to March (0.7%).

The improvement is due to the resilience of the services sector, whose performance would counterbalance the difficulties in manufacturing activity, confirmed by the unexpected decline in industrial production in March (-0.5% m/m; -1.3% t/t in Q1 average). In this regard, the signals coming from the high-frequency industrial indicators are mixed. In April, along the stability of electricity consumption by energy-intensive and a reduction in the demand for gas for industrial use (-2.3% m/m), both the motorway traffic of heavy vehicles and rail freight traffic increased (0.6% m/m and 0.4%, respectively). In the same month, the decrease of the PMI below the expansion threshold (47.3 from 50.4) along with the slight worsening of manufacturing business confidence still imply a phase of uncertainty in industry.

At the same time, the pace of growth in the services sector, which continues to be more dynamic than manufacturing, appears to have stabilized. In April, the sectoral PMI expanded for the fourth consecutive month (54.3 from 54.6), while, after the rise in March, the climate confidence in market services and retail trade decreased slightly. On the household side, despite the deceleration in consumer inflation, the consumer confidence index fell slightly, remaining above the average of the last quarter of 2023.

(*) The monthly GDP series were revised due to a different calibration of the forecasting model parameters.

GDP and industrial production
(values in billions of euros and index 2021=100)



	Industrial Production (ISTAT)	Monthly GDP (updated estimate)	Monthly GDP (previous estimate)
	(1)	(2)	(3)
Dec-21	-2.0	-0.1	0.0
Jan-22	-3.3	-0.1	-0.1
Feb-22	4.1	0.1	0.2
Mar-22	0.4	0.6	0.2
Apr-22	2.1	0.6	0.8
May-22	-2.2	0.5	0.4
Jun-22	-2.2	0.2	0.4
Jul-22	0.5	0.1	0.0
Aug-22	2.4	0.0	0.0
Sep-22	-2.4	0.0	-0.1
Oct-22	-1.2	-0.1	0.1
Nov-22	0.3	0.0	0.0
Dec-22	0.5	0.2	0.0
Jan-23	0.5	0.3	0.3
Feb-23	-0.3	0.1	0.2
Mar-23	-0.5	0.0	0.1
Apr-23	-2.0	-0.2	-0.3
May-23	1.2	0.0	-0.2
Jun-23	0.3	0.1	-0.1
Jul-23	-0.9	0.2	0.2
Aug-23	0.1	0.1	0.3
Sep-23	0.2	0.1	0.0
Oct-23	-0.1	0.0	0.0
Nov-23	-1.3	0.0	0.0
Dec-23	1.2	0.1	0.0
Jan-24	-1.5	0.1	0.0
Feb-24	0.0	0.2	0.0
Mar-24	-0.5	0.0	0.1
Apr-24		0.1	

(*) 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.