



JUNE 2012 ECONOMIC OUTLOOK FOR ITALY: ANSWERS FROM CONFINDUSTRIA

MAIN FORECAST

Annual % change	2012	2013
Real GDP growth	-1,6	0,6
Consumer price inflation	2,2	2,1
Unemployment rate	10,0	10,5
Employment growth	-1,1	-0,2
government net lending (% of GDP)	-1,5	-0,1
gross public debt (% of GDP)	121,3	118,0
current account balance (% of GDP)	-2,5	-2,0

Components of aggregate demand - in real terms

Annual % change		
Private consumption	-1,0	0,4
Public consumption	-0,8	-0,4
Investment (Gross Fixed Capital Formation)	-4,5	2,3
Private non-residential investment	0,0	0,0
Exports	0,2	3,6
Imports	-1,3	3,4

ECONOMIC SENTIMENT

	<i>Positive</i>	<i>Negative</i>	<i>Unchanged</i>			
Trend in business climate over the next 6 months		Industry Services				
Trend in profitability over the next 6 months		Industry Services				
Investment intentions over the next 6 months	<i>Increase (faster pace)</i>	<i>Increase (slower pace)</i>	<i>Unchanged</i>	<i>Decrease (slower pace)</i> Industry	<i>Decrease (faster pace)</i>	
			Services			
Influence on companies' investment decisions	<i>Global demand</i>	<i>Domestic demand</i>	<i>Cost of finance</i>	<i>Availability of finance</i>	<i>Company Profitability</i>	<i>Capacity Utilisation</i>
	negative	negative	negative	negative	negative	negative
Driving force behind investment decisions in the next 6 months	<i>Replacement</i>	<i>Extension</i>	<i>Rationalisation</i>	<i>Innovation</i>		
	positive	neutral	positive	positive		
Overall trend in employment	<i>Industry: past 6 months</i>	<i>Industry: next 6 months</i>	<i>Services: past 6 months</i>	<i>Services: next 6 months</i>		
	Down	Down	Down	Down		

ACCESS TO FINANCE AND IMPACT OF THE CRISIS ON POTENTIAL GROWTH

<i>Compared to 6 months ago, cost/access to finance has been... for SMEs</i>	sharply up / restrained	up / more difficult	same	down / easier
	Cost Access			Demand for finance
<i>for larger companies (>250 employees)</i>	Cost Access			Demand for finance

<i>Compared to 6 months ago, cost/access to finance has been... for SMEs</i>	sharply up / restrained	up / more difficult	same	down / easier
	Access		Demand for finance Cost	
<i>for larger companies (>250 employees)</i>	Access		Demand for finance Cost	

	<i>Investment</i>	<i>Inventories and working capital</i>	<i>Internal Financing</i>	<i>Issuance of debt securities</i>	<i>Economic Outlook</i>	
<i>Factors contributing to the demand of bank lending</i>	Very negative effect	Very positive effect	Neutral effect	Negative effect	Negative effect	
	<i>Bank's capital position</i>	<i>Bank's liquidity position</i>	<i>Access to market financing</i>	<i>Financial Regulation</i>	<i>Economic Outlook</i>	<i>ECB Long term refinancing operations</i>
<i>Factors contributing to the supply of bank lending</i>	Negative effect	Very negative effect	Very negative effect	Negative effect	Negative effect	Positive effect