



ASSOLOMBARDA

BOOKLET ECONOMIA **Forecasts**

*Lombardy in comparison with Italian
and European benchmarks*

Edited by
Research Department

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BOOKLET ECONOMIA

Forecasts

Lombardy in the national and European comparison

Executive Summary

Executive Summary

GROWTH REVISED DOWNWARD IN 2025, UNCERTAINTY WEIGHS ON BUSINESSES AND CONSUMERS

The paramount uncertainty of the global economic and commercial context, exacerbated by the chaotic and unpredictable protectionist policy of the Trump administration as well as the unstable balances of ongoing wars, heavily weighs on the growth prospects of Lombardy. The regional GDP forecast for 2025 has been revised downward to 0.8% (last January we predicted an increase of 1.1%), slightly boosting the estimated growth for 2024 (+0.5%). The forecasts are affected by this instability, which primarily impacts businesses, but do not directly incorporate the most recent tariffs announced by the U.S., as the scenario is continuously evolving and therefore challenging to simulate. However, given the relevance of the tariffs in force and announced, especially for a territory strongly open to international markets, this Booklet delves into the exposure to the U.S. of Lombardy and the territories of Assolombarda concerning direct exports.

The Lombard expansion for the current year, although weak, is confirmed to benefit from a recovery in consumption and support from services. At the same time, the negative cycle of manufacturing will continue into 2025: the hoped-for restart of foreign demand is now inevitably endangered by the repercussions of American trade policies. The forecast for Lombardy's GDP remains above the national average, +0.6% in 2025 (also revised downward from the +0.7% estimated at the beginning of the year), although it is more affected by the evolution of the global context.

Looking at the coming months, positive signals come from the levelling-down of inflation (net of any price heating due to the trade war) and further ECB interest rate cuts, which will respectively favor consumption and investments. The former, in particular, will be supported by the gradual recovery of real disposable income; the latter could restart after a cautious phase by businesses, as evidenced by the latest data on credit demand, which returned into positive territory after several quarters.

GDP forecasts (year-on-year % var.)	2025
LOMBARDY	+0.8
Milano	+1.0
Monza Brianza	+0.8
Lodi	+1.5
Pavia	+0.5

Source: Assolombarda Research Dept., April 2025

Executive Summary

GROWTH REVISED DOWNWARD IN 2025, UNCERTAINTY WEIGHS ON BUSINESSES AND CONSUMERS

The sluggish growth of the Lombard (and Italian) economy in the 2024-2025 biennium is halfway between the difficulties of the German regions and the brilliant performance of Cataluña. After 2024 closed with a recession for both Baden-Württemberg and Bayern (respectively -0.4% and -1.0%), the most recent forecasts for German GDP in 2025 predict stagnation (+0.0% according to the Kiel Institute). Conversely, Cataluña's expansion continues at a sustained pace (already +3.6% in 2024), with a forecast of +2.2% in 2025.

In the European context, among the factors to monitor in the near future, in addition to the downside risks of the global trade framework, there are positive repercussions that could derive from the ReArm Europe plan and the massive German infrastructure investment plan, which will represent, if effectively implemented, an important demand shock for the entire European industry, primarily German. Given the timing of these plans, the consensus is that much of their impact will occur in 2026, but the first effects could be seen as early as the second half of 2025, especially with the prospects of increased demand for mechatronics.

Going back to the Lombard context, the forecasts for the performance of the macro-sectors indicate, also for 2025, growth driven by services. For the added value of the Lombard industry, a contraction of -0.9% is expected, slightly less than the Italian total (-1.1%) and than the January expectations (-1.2%). Although the new tariff policies will certainly have greater repercussions on manufacturing, uncertainty also weighs on services, expected to expand by 1.0% in Lombardy, but significantly revised downward compared to last January (when we expected +1.9%). March Istat data also indicate a declining confidence climate for businesses in this sector, particularly in the Northwest, with the flow of new orders weakening. On the other hand, at the end of the year, the Milan Cortina Winter Olympics could give greater momentum to personal services, already growing strongly, especially in the hotel and restaurant sector. To conclude the sectoral picture, we expect the added value of construction to fall by two percentage points in 2025, with the exhaustion of building incentives only partially offset by PNRR infrastructure investments (already in 2024 a slowdown in the sector was evident, with a 2.8% drop in employment).

GDP forecasts (year-on-year % var.)	2025
LOMBARDY	+0.8
Milano	+1.0
Monza Brianza	+0.8
Lodi	+1.5
Pavia	+0.5

Source: Assolombarda Research Dept., April 2025

GROWTH REVISED DOWNWARD IN 2025, UNCERTAINTY WEIGHS ON BUSINESSES AND CONSUMERS

In addition to the push from services, consumption is confirmed as a key element of Lombardy's growth in 2025, with an expected expansion of 1.3% (more than the national 1.0%). However, in this case, too, there has been a downsizing of expectations compared to what was expected at the beginning of the year: the recovery of real disposable income seems to be balanced by growing uncertainty, which could keep the propensity to save high among families. This perspective is reflected in the consumer confidence climate, which sharply declined in March in the northern regions after a more optimistic start to the year.

Despite this instability in the evolution of the economic framework, we expect employment to continue to increase in 2025, in line with GDP growth: +0.9% in Lombardy (consistent with the +0.8% forecast in January), slightly above the Italian +0.7%. The positive trend of the Lombard labor market will therefore continue in the current year, after reaching a new historical high for the number of employed in 2024. The forecasts indicate that growth, also for the employed, is driven by services, as corroborated by the business confidence climate in the Northwest in the first 3 months of 2025, which sees stable/expanding employment expectations for services, while industry expectations appear more negative.

Looking at the medium term, demographic factors and the high inactivity rate must be considered, which, unless reversed, will inevitably limit future employment growth: as highlighted in [March Booklet](#) (focused on sectors and labor market), the recent Lombard employment expansion has mainly drawn from two shrinking pools, the unemployed and the potential labor force (i.e., the share of inactive people closest to the labor market).

In this context, the threat of American tariffs arises. In 2024, Lombardy exported goods worth 13.7 billion euros to the U.S., equal to 8.4% of total exports, a share lower than the Italian 10.4%. Among the most exposed sectors are food and beverage (American market equal to 11.5%), pharmaceuticals (11.5%), fashion (11.4%), electrical appliances (11.1%), and machinery (9.9%). Fashion and machinery are also particularly relevant for Lombardy's overall exports, representing 10.6% and 17.1% respectively.

Employment forecasts (year-on-year % var.)	2025
LOMBARDY	+0.9
Milano	+1.6
Monza Brianza	+0.4
Lodi	+0.5
Pavia	+0.3

Source: Assolombarda Research Dept., April 2025

* The analysis is limited to the "direct" exports of the region and the provinces to the U.S.. Considering the strong interdependencies of businesses in the Lombardy area, the exposure to the American market could also be transmitted through indirect channels.

Executive Summary

The territories in detail

MILANO

Also for Milano, GDP forecasts for 2025 have been revised downward. A growth of +1.0% is expected in 2025 (in January we estimated +1.2%), slightly above the regional average (+0.8%). The stimulus will again come from services, particularly personal services (commerce, tourism, and hospitality), while business services will contribute less, consistent with a manufacturing sector still in a stagnant phase, due to its strong international propensity. Employment growth will continue at a higher rate than GDP, +1.6% in 2025.

The exposure of Milano’s manufacturing is pronounced towards the U.S., with 11.0% of metropolitan exports directed there in 2024 (more than the regional average), for a value of 6.4 billion euros. The degree of exposure is particularly high for fashion (14.0%), which also represents 19.0% of provincial exports, as well as for pharmaceuticals, for which the American market is worth 14.0% but on which no additional tariffs have been imposed at the moment. Even food and beverage and electrical appliances, although representing smaller shares of total exports, have high exposure (respectively 14.7% and 17.8%).

MONZA BRIANZA

After a meager +0.2% in 2024, Monza Brianza is expected to see a GDP recovery in 2025 in line with that of Lombardy, +0.8% (compared to +1.0% in January). Manufacturing will continue to be penalized, with strong uncertainties arising from the increase in tariffs, which could slow down the excellent export performance in 2024. Overall growth will therefore be driven by service activities. Employment growth will be less marked, +0.4%, roughly remaining stable compared to the last two years.

Monza Brianza's exposure to the American market is 7.7% (for 1.1 billion euros), slightly below the regional average. However, there are very significant differences between sectors. Pharmaceuticals have the highest degree of exposure, 13.9%. The U.S. also receives significant shares of machinery and chemical exports (respectively 10.0% and 8.8%), other sectors of specialization in the province. Conversely, the importance of the American market is only 2.7% for metals, which represent the largest part of Monza Brianza's exports.

Forecasts (year-on-year % var.)	2025	
	GDP	Emp
LOMBARDY	+0.8	+0.9
Milano	+1.0	+1.6

Source: Assolombarda Research Dept., April 2025

Forecasts (year-on-year % var.)	2025	
	GDP	Emp
LOMBARDY	+0.8	+0.9
Monza Brianza	+0.8	+0.4

Source: Assolombarda Research Dept., April 2025

Executive Summary

The territories in detail

LODI

Despite a slight downward revision, Lodi's GDP projection for 2025 remains positive, +1.5%, and significantly above the regional average (in January the forecast was +1.7%). Economic expansion will be driven by both services and manufacturing, while the labor market appears relatively weaker, with employment expected to rise by 0.5% in 2025, after a slight contraction last year.

Compared to the regional total, Lodi's exposure to the American market is significantly lower, with 72 million euros, corresponding to 1.0% of provincial exports (2.3% net of electronics, which represents 57.2% of foreign sales and has virtually no exposure to the U.S., 0.1%). Sectors such as metals, pharmaceuticals, and machinery, although more "dependent" on the American market, together account for less than 10% of provincial exports.

PAVIA

After the stagnation estimated for last year, we expect an expansion of 0.5% for Pavia's GDP in 2025, (+0.6% in January), below the regional average. Services will support growth, while the added value of the industry will remain flat, as happened in 2024. In this province, the negative contribution of the construction sector also weighs significantly. These factors will reflect on the weak employment growth in 2025, +0.3%.

The American market appears to be of little relevance for Pavia's exports, 2.8% of the total in 2024 (130 million euros), well below the regional average. The exposure to the U.S. is significant for electronics (17.1%), which, however, accounts for only 1.5% of the province's exports. Considering the most important sectors for Pavia's exports, machinery emerges as the most exposed, with the American market accounting for 6.4%. Conversely, this share is only 1.1% for pharmaceuticals, which represents more than a fifth of provincial exports.

Forecasts (year-on-year % var.)	2025	
	GDP	Emp
LOMBARDY	+0.8	+0.9
Lodi	+1.5	+0.5

Source: Assolombarda Research Dept., April 2025

Forecasts (year-on-year % var.)	2025	
	GDP	Emp
LOMBARDY	+0.8	+0.9
Pavia	+0.5	+0.3

Source: Assolombarda Research Dept., April 2025

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Forecasts

*Lombardy in the national and European
comparison*

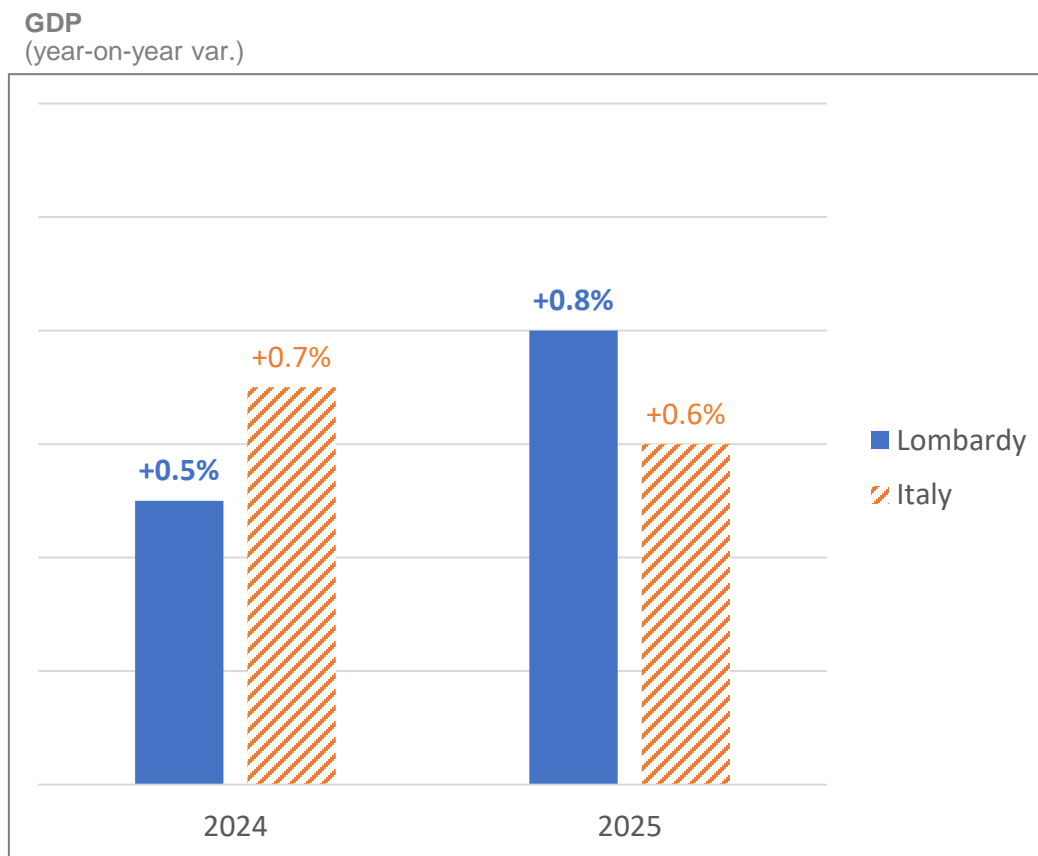
GDP, employment and consumption forecasts

Exports' exposure to the U.S.

April 2025

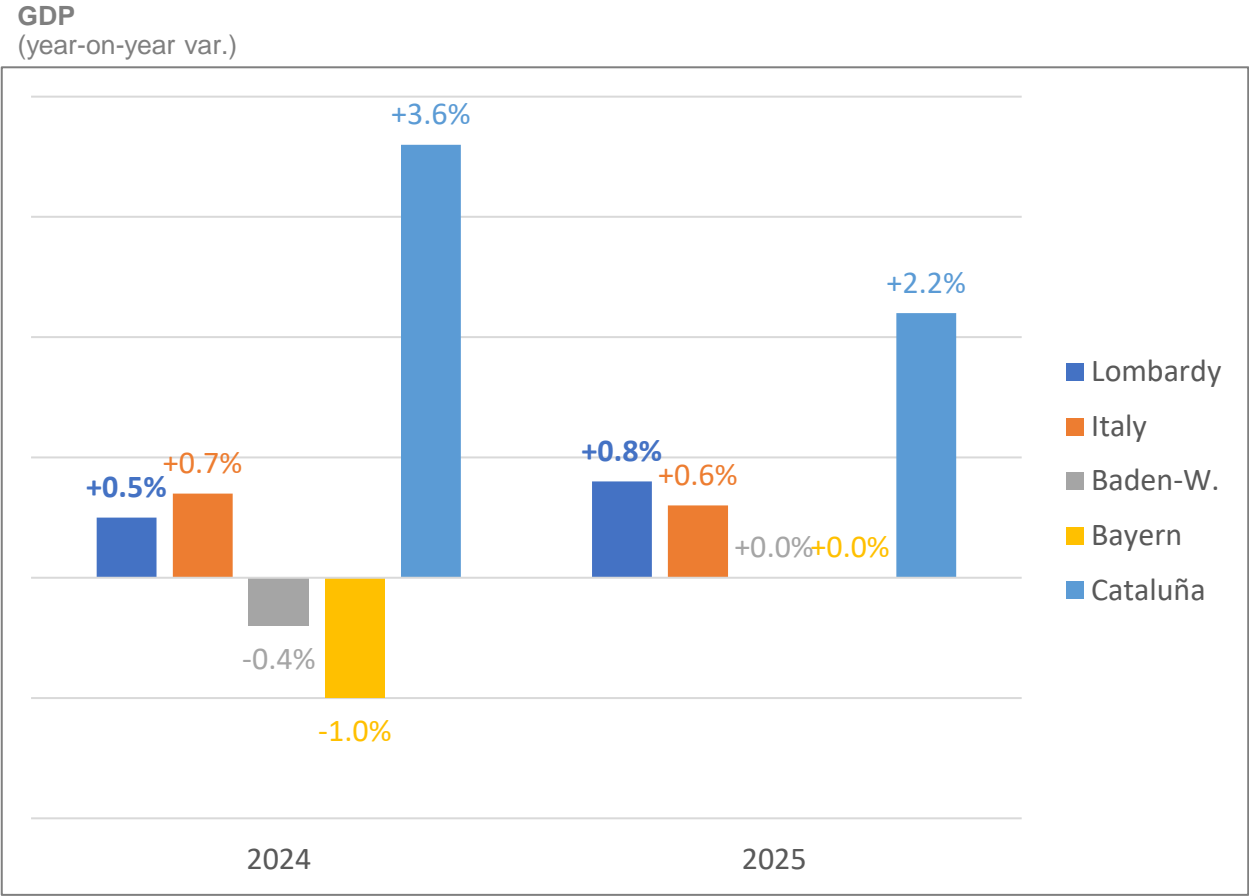
GDP forecasts

GDP / 2024-2025



GDP forecasts

GDP COMPARISON WITH BENCHMARK EUROPEAN REGIONS / 2024-2025

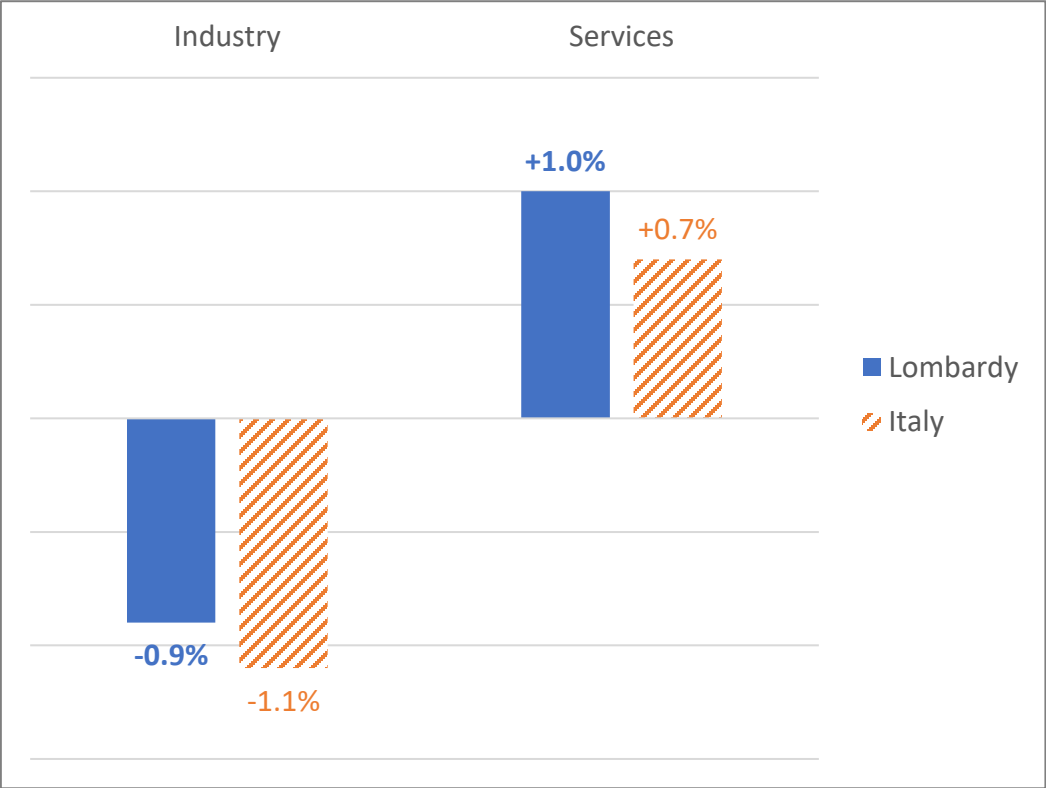


Source: Assolombarda Research Department on Destatis, Bundesbank, Idescat e gencat data. Absent regional forecasts, the graph shows the 2025 German forecast for Baden-Württemberg and Bayern.

Forecasts by sector

VALUE ADDED BY SECTOR / 2025

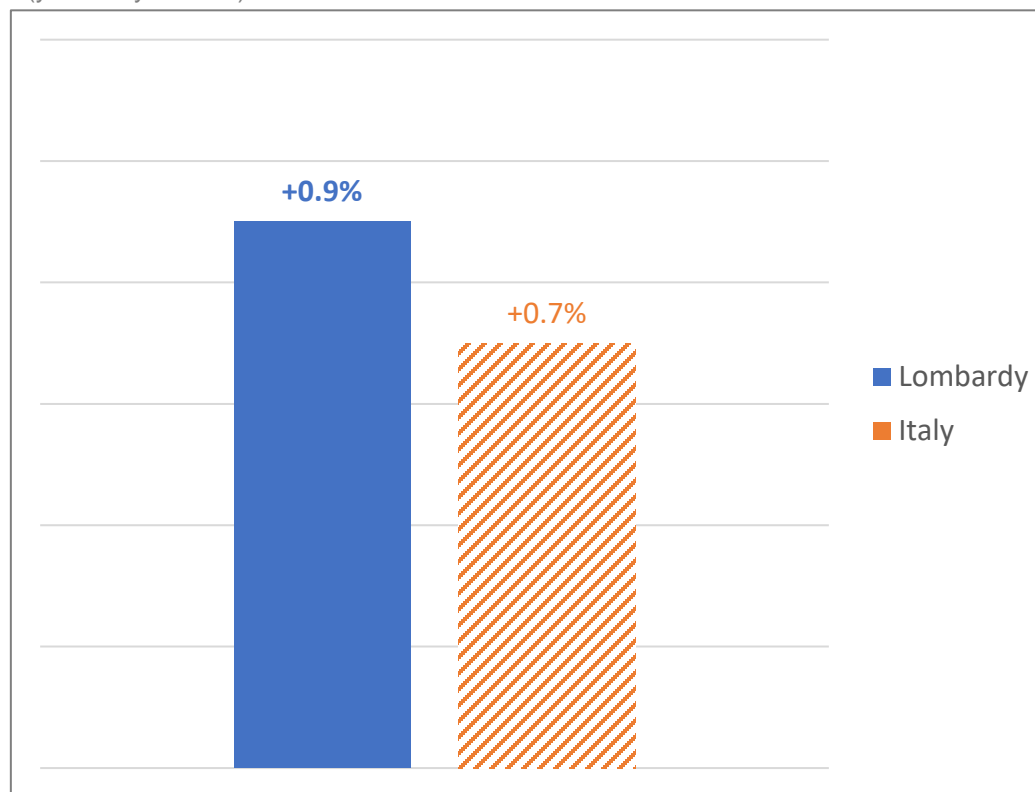
Value added by sector, 2025 forecasts
(year-on-year var.)



Employment forecasts

EMPLOYMENT / 2025

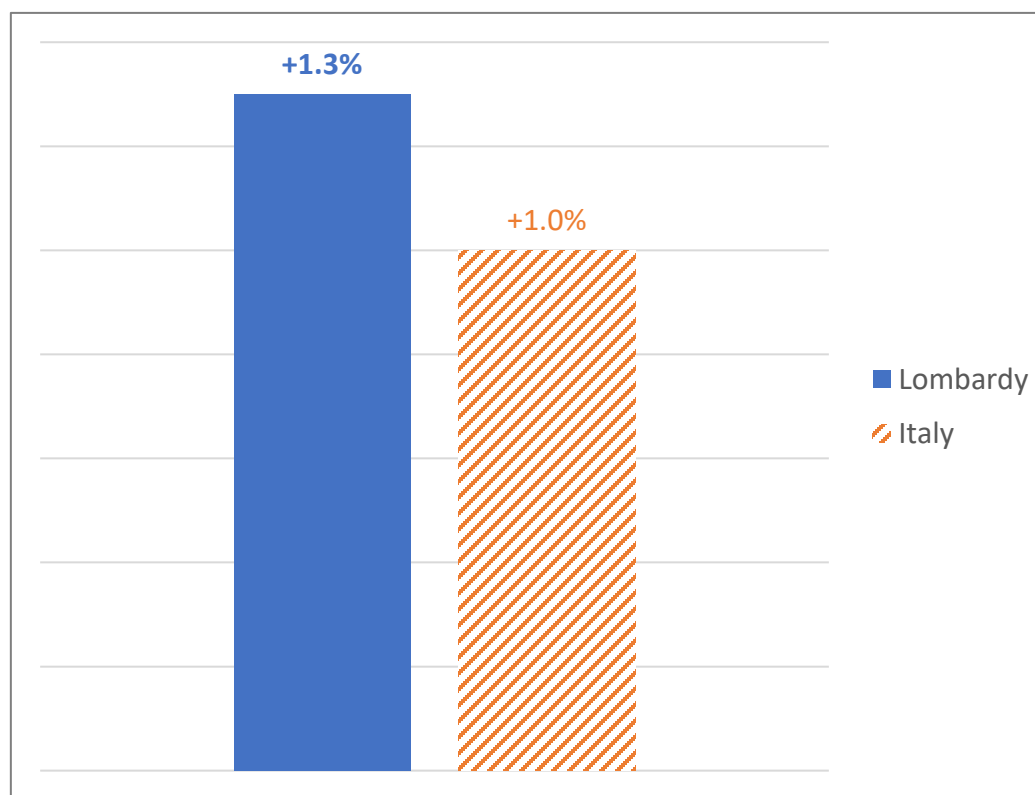
Employment, 2025 forecasts
(year-on-year var.)



Consumption forecasts

CONSUMPTION / 2025

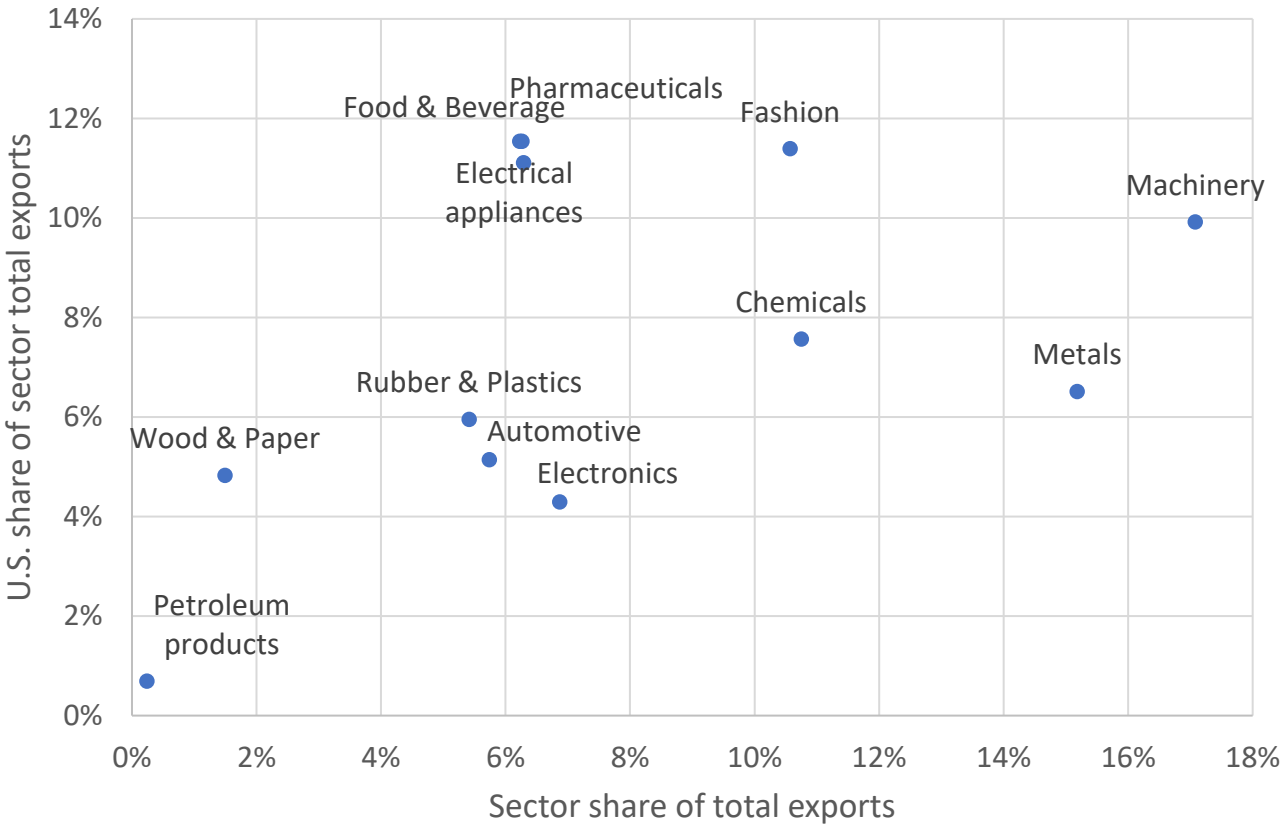
Consumption, 2025 forecasts
(year-on-year var.)



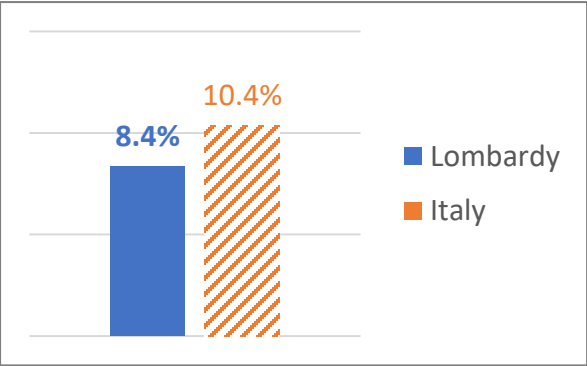
Exports' exposure to the U.S.

EXPORTS / 2024

Exports by manufacturing sector, Lombardy 2024



Exports to the U.S. as a share of total exports, 2024



Source: Assolombarda Research Department on Istat data.

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Forecasts

*Lombardy in the national and European
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Focus Milano

GDP and employment forecasts

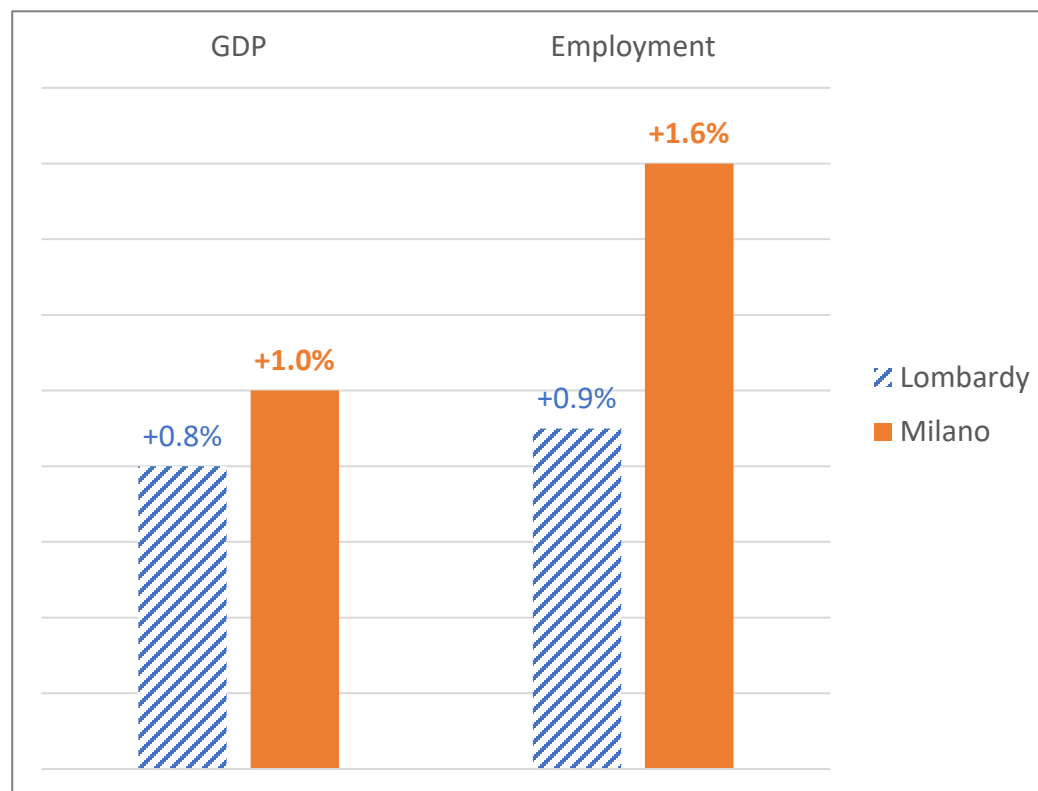
Exports' exposure to the U.S.

April 2025

Focus Milano: GDP and employment forecasts

GDP AND EMPLOYMENT / 2025

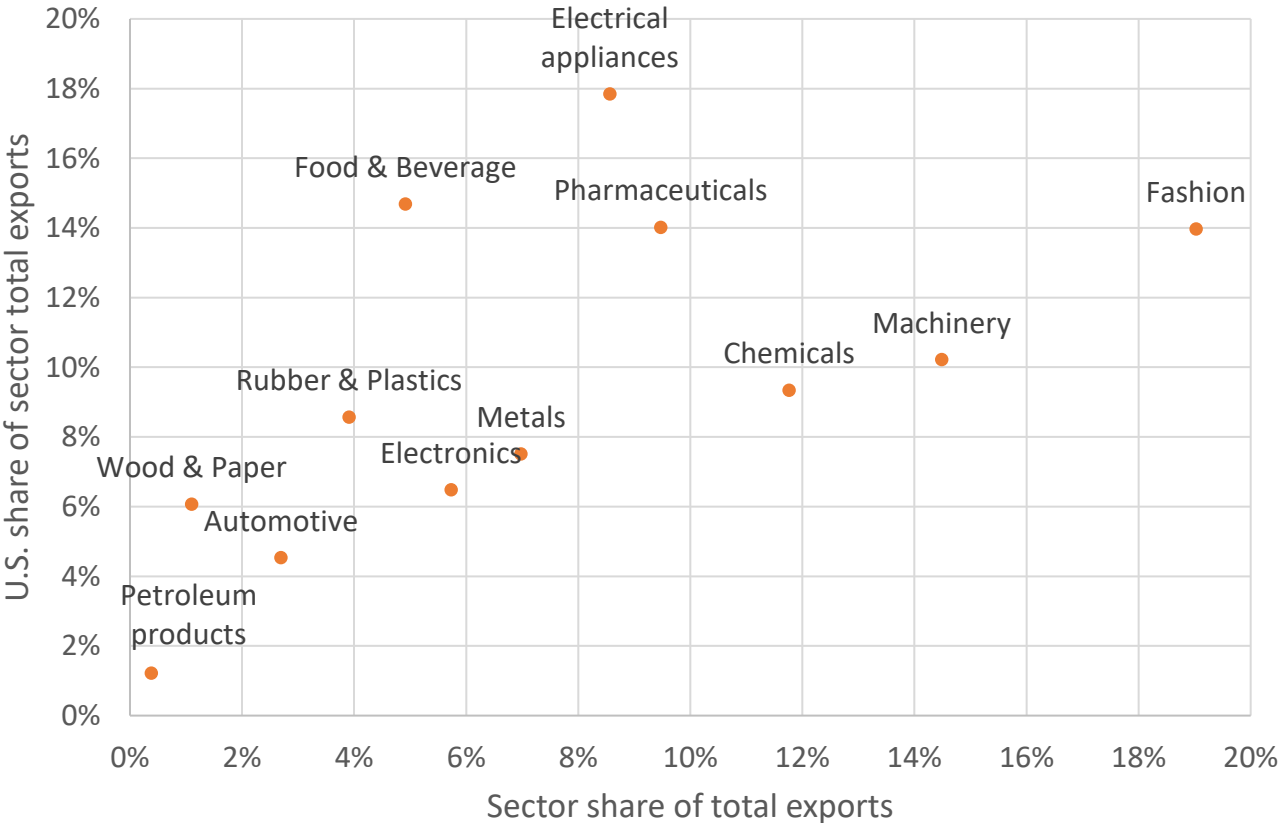
GDP and employment, 2025 forecasts
(year-on-year var.)



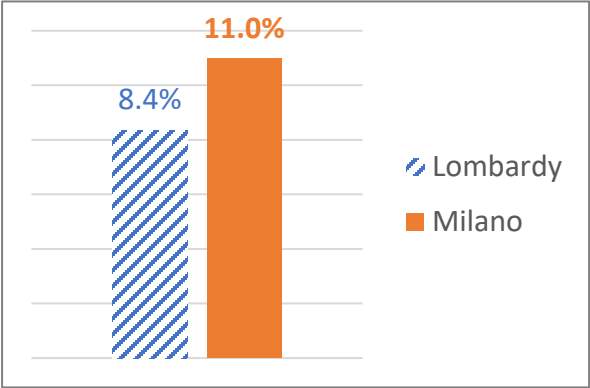
Focus Milano: Exports' exposure to the U.S.

EXPORTS / 2024

Exports by manufacturing sector, Milano 2024



Exports to the U.S. as a share of total exports, 2024



Source: Assolombarda Research Department on Istat data.

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Focus Monza Brianza

GDP and employment forecasts

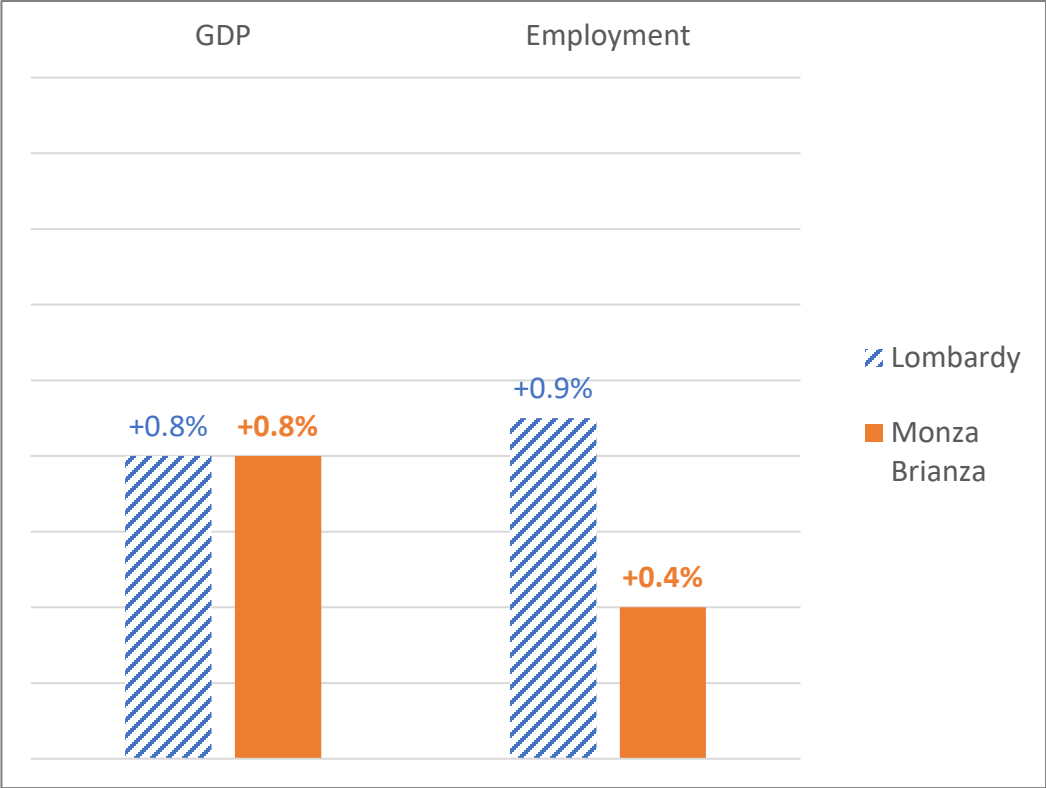
Exports' exposure to the U.S.

April 2025

Focus Monza Brianza: GDP and employment forecasts

GDP AND EMPLOYMENT / 2025

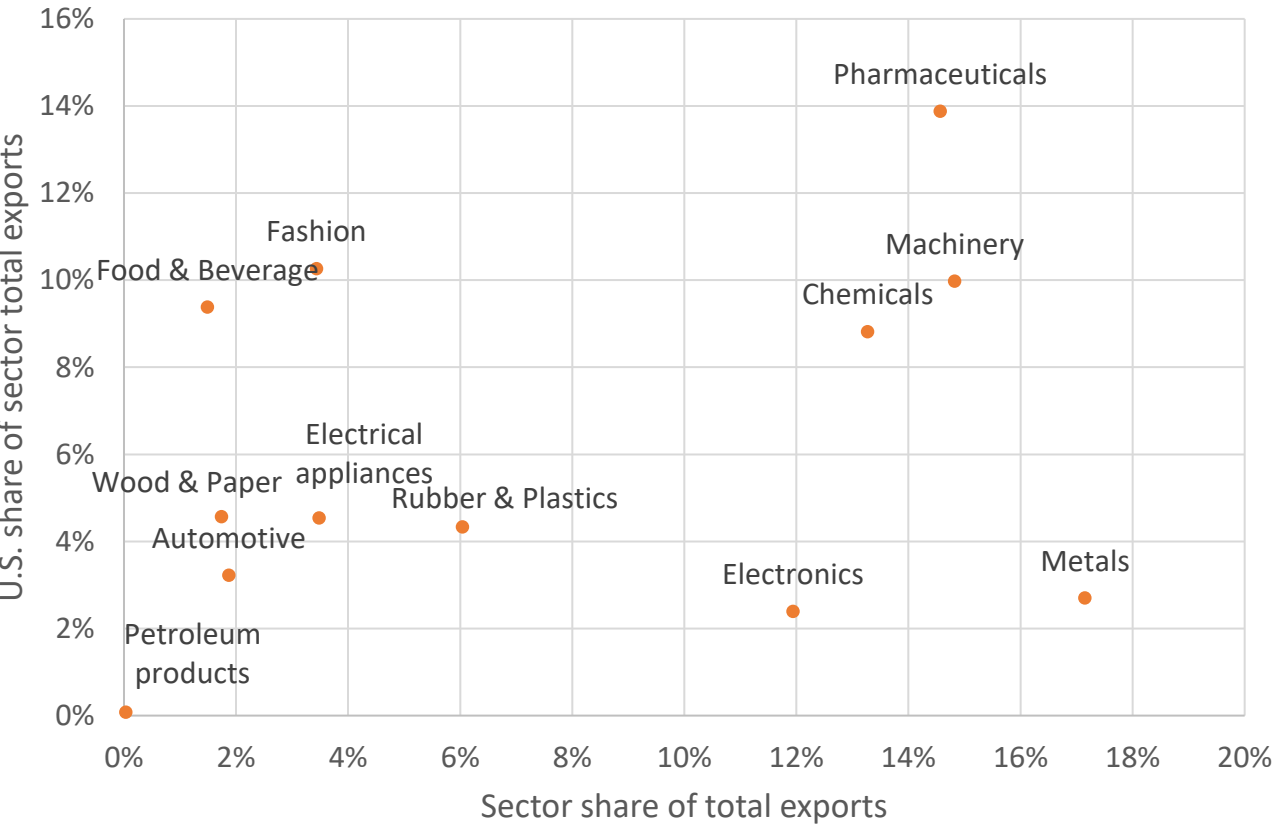
GDP and employment, 2025 forecasts
(year-on-year var.)



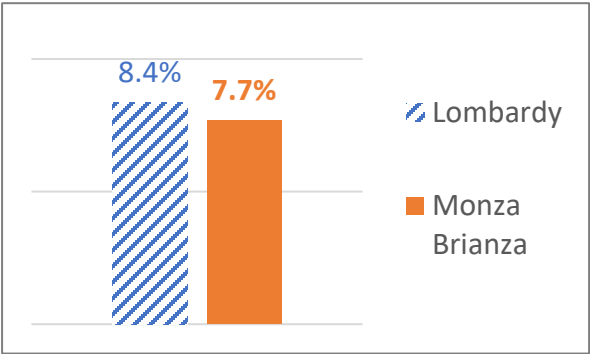
Focus Monza Brianza: Exports’ exposure to the U.S.

EXPORTS / 2024

Exports by manufacturing sector, Monza Brianza 2024



Exports to the U.S. as a share of total exports, 2024



Source: Assolombarda Research Department on Istat data.

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*Lombardy in the national and European
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Focus Lodi

GDP and employment forecasts

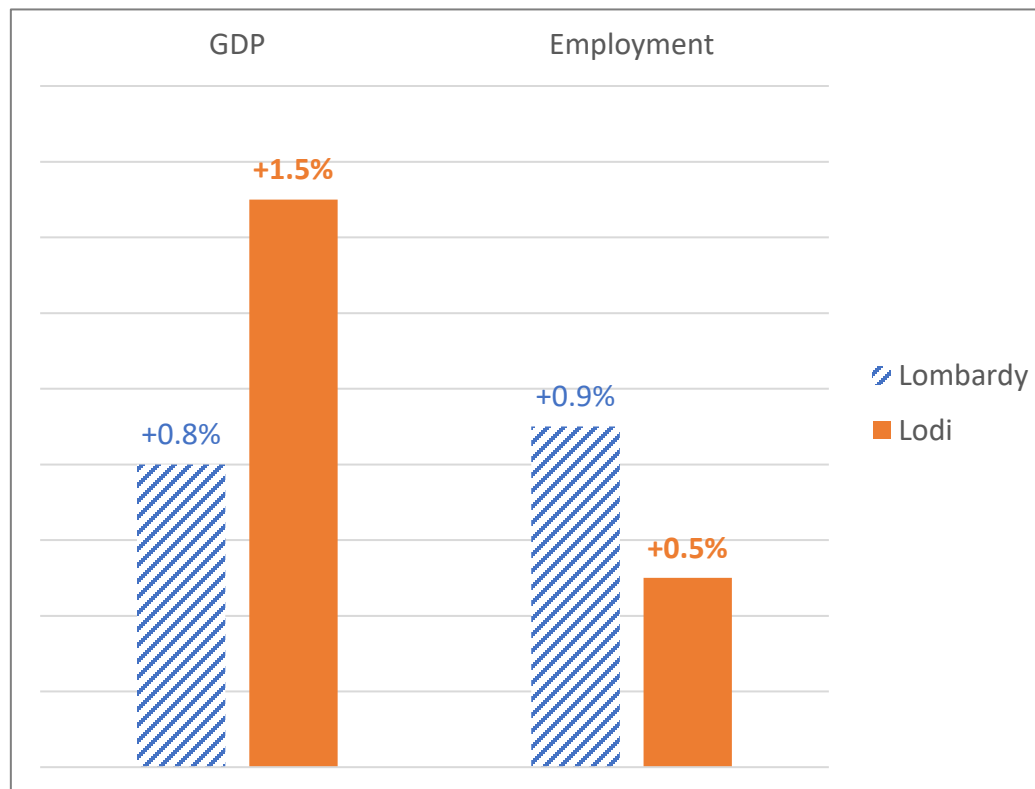
Exports' exposure to the U.S.

April 2025

Focus Lodi: GDP and employment forecasts

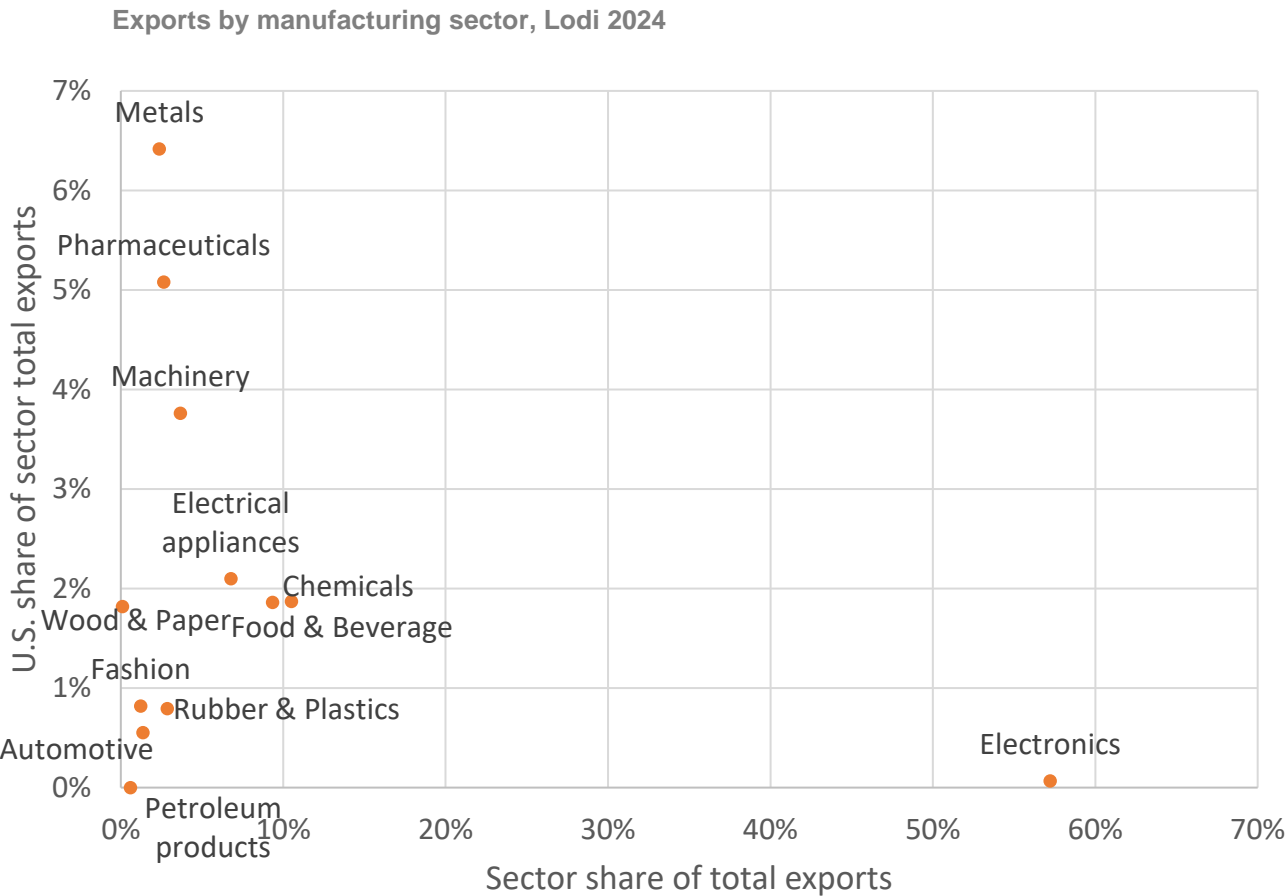
GDP AND EMPLOYMENT / 2025

GDP and employment, 2025 forecasts
(year-on-year var.)

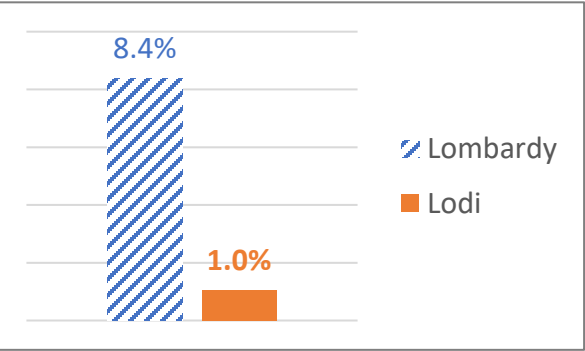


Focus Lodi: Exports’ exposure to the U.S.

EXPORTS / 2024



Exports to the U.S. as a share of total exports, 2024



Source: Assolombarda Research Department on Istat data.

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*Lombardy in the national and European
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Focus Pavia

GDP and employment forecasts

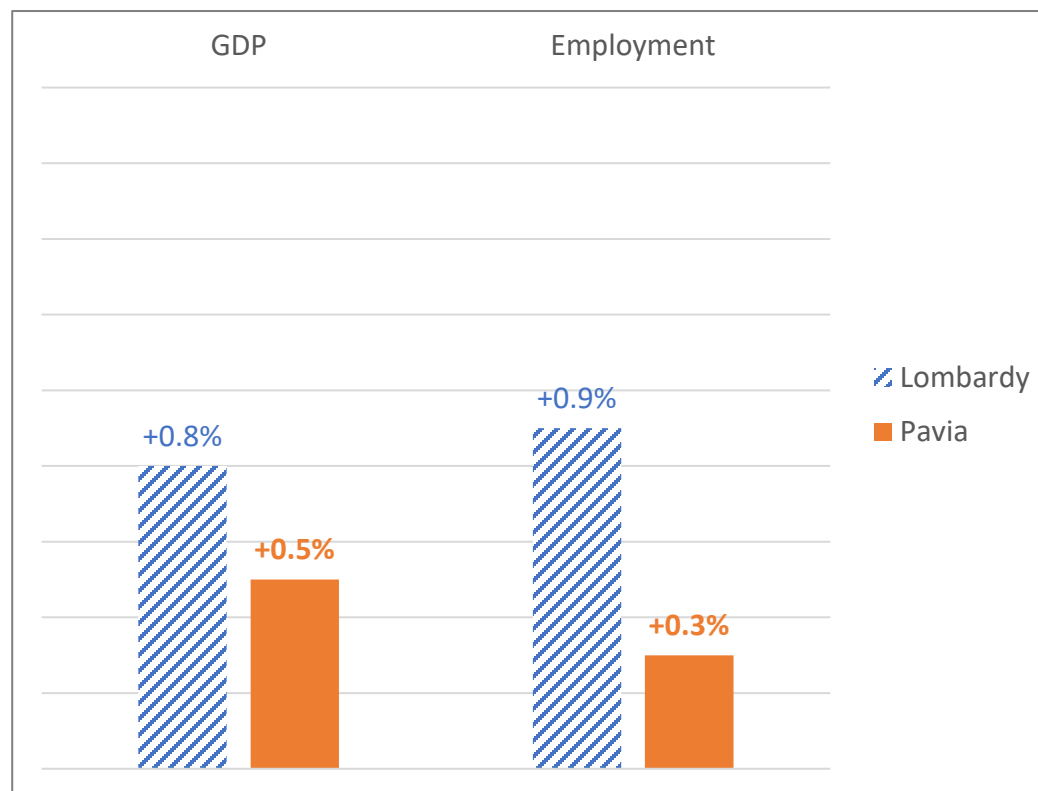
Exports' exposure to the U.S.

April 2025

Focus Pavia: GDP and employment forecasts

GDP AND EMPLOYMENT / 2025

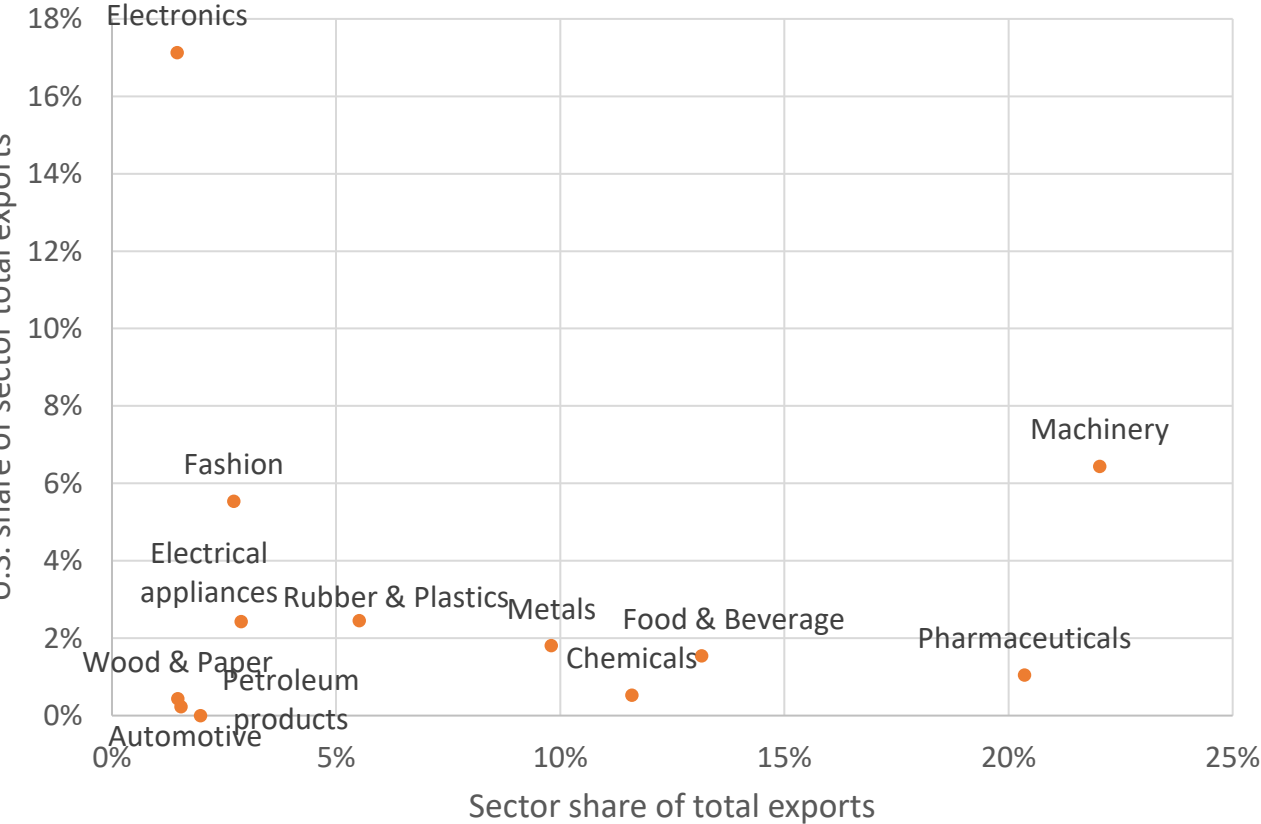
GDP and employment, 2025 forecasts
(year-on-year var.)



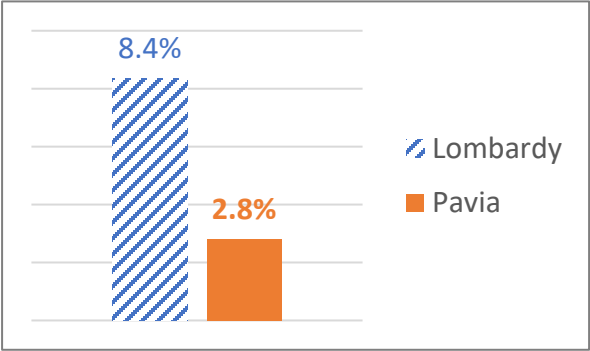
Focus Pavia: Exports’ exposure to the U.S.

EXPORTS / 2024

Exports by manufacturing sector, Pavia 2024



Exports to the U.S. as a share of total exports, 2024



Source: Assolombarda Research Department on Istat data.

BOOKLET ECONOMIA **FORECASTS**

Lombardy in the national and European comparison

Methodology note

The regional and provincial forecasts reported in this booklet are elaborations by the Assolombarda Research Department, based on macroeconomic forecasts produced by SVIMEZ. Analysis and comments were conducted in collaboration with REF Ricerche.



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