



ASSOLOMBARDA

# BOOKLET ECONOMIA **Forecasts**

*Lombardy in comparison with Italian  
and European benchmarks*

Edited by  
**Research Department**

N° 7/July 2025





BOOKLET ECONOMIA

## **Forecasts**

*Lombardy in the national and European comparison*

# Executive Summary



# Executive Summary

## LOMBARDY’S GDP GROWTH FORECAST AT +0.6% IN 2025, IN LINE WITH THE ITALIAN AVERAGE

In a context of extreme uncertainty, the global economy has shown faint signs of resilience during the first half of 2025. However, the outlook for international trade remains tilted toward a phase of weakening due to the United States’ protectionist trade policy.

As a result, the forecast for Lombardy’s GDP growth in 2025 remains positive but has been slightly revised downward to +0.6% (from +0.8% in April), in line with the national average. The combined growth of the territories within Assolombarda’s “quadrilateral” is estimated at +1.2%. This forecast reflects the complex global scenario but does not yet incorporate an outlook related to the recent tariff agreement between the United States and the European Union (the details of which, moreover, have yet to be disclosed). A slight acceleration is expected in 2026, with growth rates of +0.8% in Lombardy and +0.7% in Italy.

In 2025, the expansion in Lombardy will continue to be driven by the services sector (albeit with a more moderate push compared to previous years) and by strengthening consumption. The manufacturing sector, on the other hand, remains relatively weak. In addition to the impact of higher tariffs, exporters are facing an unfavourable exchange rate, as the US dollar has depreciated by 13% against the euro since Trump took office. The unstable environment is also affecting private investment, as evidenced by the still subdued demand for credit from businesses.

At the European level, some tailwinds come from the retreat of inflation (which has now reached the ECB’s medium-term target, as declared by President Lagarde on July 24<sup>th</sup>) and from Germany’s expansionary fiscal policy, the effects of which, however, will likely materialise starting in 2026. More uncertain are the path of interest rates—which were left unchanged in July pending (then ongoing) negotiations on tariffs with the USA—and the actual implementation of increased defence spending by major European countries beyond Germany.

In any case, the projected economic expansion for Lombardy and Italy in the 2025–2026 period remains below the euro area average, which is also modest at +1.0% and +1.2%, according to International Monetary Fund forecasts.

GDP forecasts (year-on-year % var.)	2025
LOMBARDY	+0.6
Assolombarda’s territories	+1.2
Milano	+1.3
Monza Brianza	+0.5
Lodi	+0.9
Pavia	+0.2

Source: Assolombarda Research Dept., July 2025

# Executive Summary

## LOMBARDY’S GDP GROWTH FORECAST AT +0.6% IN 2025, IN LINE WITH THE ITALIAN AVERAGE

Among the benchmark regions, Catalonia continues to stand out for its strong momentum, with growth rates estimated at 2.6% in 2025 and 2.0% in 2026. This performance is driven by buoyant domestic demand, a tourism boom, and labour force expansion, all of which are fuelling Spain's broader economic growth. In contrast, Bavaria and Baden-Württemberg—following a recession in 2024—are projected to see flat growth in 2025, with recovery postponed to 2026. According to the latest Bundesbank forecasts, Germany is expected to remain stagnant this year, before experiencing growth in 2026, with GDP expanding by 0.7%, driven by gradually rising demand spurred by a sharp increase in public spending on defence and infrastructure.

Focusing on the dynamics behind the +0.6% GDP growth forecast for Lombardy in 2025, the region's value added from the services sector is expected to grow by 1.0% compared to 2024, versus a more modest +0.6% nationally. However, signs of weakening are emerging here as well following last year's momentum: business confidence among service-sector firms in Northwestern Italy has been declining since early 2025, and regional sector revenues showed only moderate growth in the first quarter.

By contrast, Lombardy's industrial sector is projected to see a 1.2% annual decline in value added, more pronounced than the nationwide figure of –0.6%. This drop is primarily due to the region's strong international exposure of its manufacturing base. According to Istat's business surveys, as of July, manufacturing confidence in Northwestern Italy remained at the same level as a year ago, with order books slightly rebounding since May but remaining very low, indicating ongoing weak demand both domestically and abroad.

Within this uncertain economic framework, the outlook for the labour market remains positive. Employment is expected to continue growing at a pace slightly above GDP, with an increase of +0.7% in Lombardy in 2025 compared to 2024, and +0.9% in Italy overall. This forecast incorporates data from Istat's labour force survey, which reported a robust first quarter for Lombardy, with the employment rate reaching 70.0%, significantly above the national average of 62.5%.

Employment forecasts (year-on-year % var.)	2025
LOMBARDY	+0.7
Assolombarda’s territories	+0.9
Milano	+1.3
Monza Brianza	+0.4
Lodi	+0.0
Pavia	+0.4

Source: Assolombarda Research Dept., July 2025

# Executive Summary

## The Territories in Detail

### MILANO

New estimates for Milan’s economy project GDP growth of 1.3% in 2025, an upward revision from the April scenario and well above the forecast for Lombardy (+0.6%).  
A key factor benefiting the metropolitan city is its intense concentration of services, a sector that continues to drive growth this year as well. In contrast, Milan’s industry—like that of Lombardy and Italy as a whole—continues to feel the effects of the shifting global trade landscape, which is influencing the direction of foreign demand.

Employment is expected to continue expanding, with a projected growth of 1.3% in 2025, following several years of strong performance and after reaching a 71.7% employment rate in 2024, driven entirely by an increase in the number of workers in the service sector.

Forecasts (year-on-year % var.)	2025	
	GDP	Empl.
LOMBARDY	+0.6	+0.7
Milano	+1.3	+1.3

Source: Assolombarda Research Dept., July 2025

### MONZA BRIANZA

Economic growth in Monza and Brianza has been revised downward from the April estimate. It is expected to continue at a modest pace this year, at +0.5% compared to 2024, slightly below the Lombardy average (+0.6%).  
The increase is mainly driven by service sector activities, which help offset the ongoing weakness in the local manufacturing sector. The area’s strong exposure to international markets makes it particularly sensitive to tariff-related disruptions and fluctuations in foreign demand.

Employment trends in the province are roughly in line with GDP growth, with the number of workers expected to increase by 0.4%

Forecasts (year-on-year % var.)	2025	
	GDP	Empl.
LOMBARDY	+0.6	+0.7
Monza Brianza	+0.5	+0.4

Source: Assolombarda Research Dept., July 2025

# Executive Summary

## The territories in detail

### LODI

Despite a downward revision compared to the April estimates, Lodi province’s economic growth forecast for 2025 stands at 0.9%, remaining above the regional average of +0.6%. This year’s GDP expansion is supported by a notably positive contribution from the construction sector, growth in services, and a moderate contribution from manufacturing, unlike the broader scenario in Lombardy.

The provincial labour market, however, is expected to be weaker than the regional average, with employment projected to remain flat following a (slight) decline in 2024

Forecasts (year-on-year % var.)	2025	
	GDP	Empl.
LOMBARDY	+0.6	+0.7
Lodi	+0.9	+0.0

Source: Assolombarda Research Dept., July 2025

### PAVIA

Following stagnation in 2024, Pavia’s economy is expected to remain broadly stable in 2025, with estimated growth of just 0.2%.This slight GDP increase is solely due to the rise in value added from the services sector, which offsets negative performance in both industry and, in particular, construction, the latter diverging from the growth trend seen across Lombardy.

In terms of employment, the province is projected to see a 0.4% increase this year.

Forecasts (year-on-year % var.)	2025	
	GDP	Empl.
LOMBARDY	+0.6	+0.7
Pavia	+0.2	+0.4

Source: Assolombarda Research Dept., July 2025

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## **Forecasts**

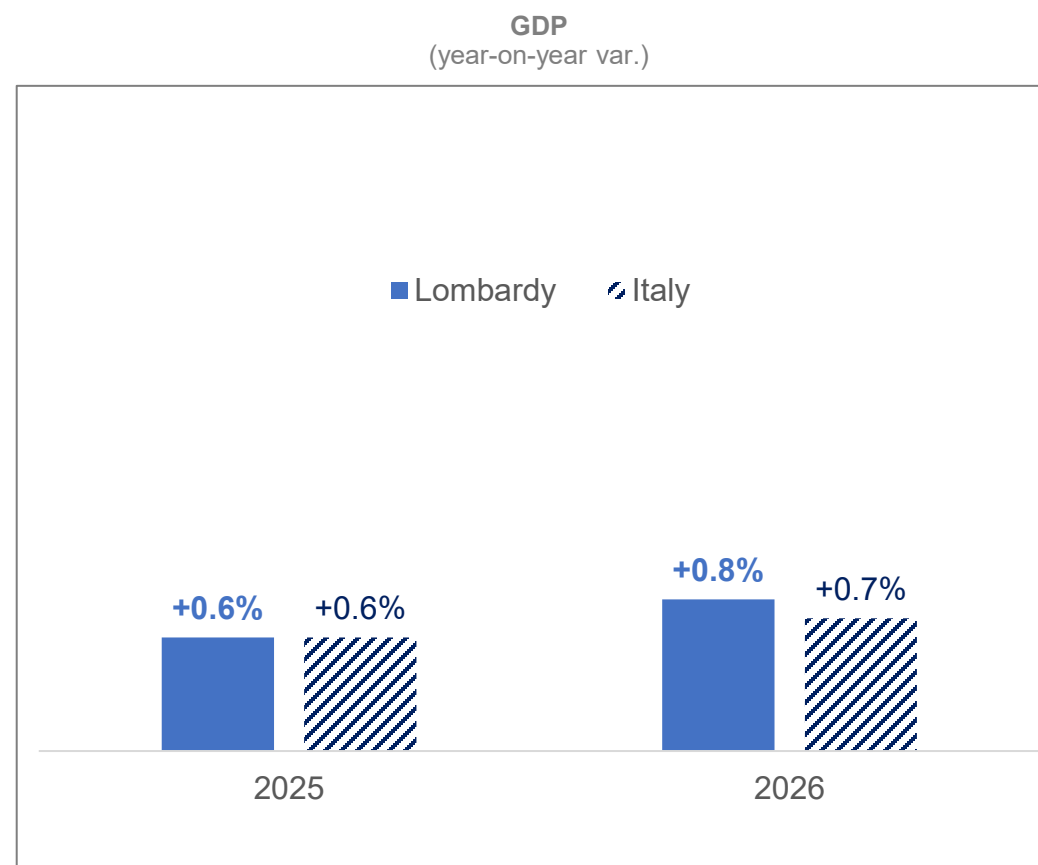
*Lombardy in the national and European  
comparison*

# GDP and employment forecastd

July 2025

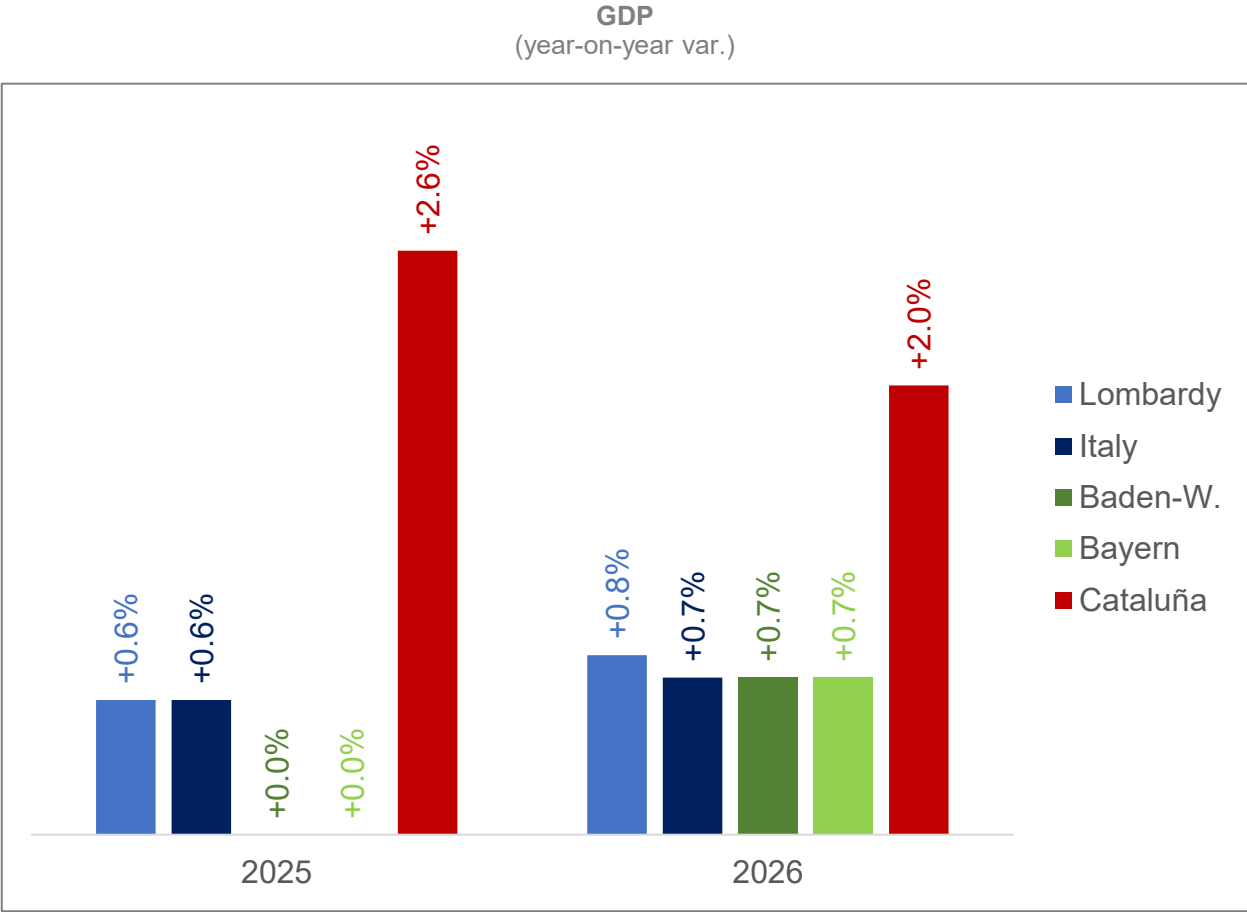
# GDP forecasts

## GDP / 2025-2026



# GDP forecasts

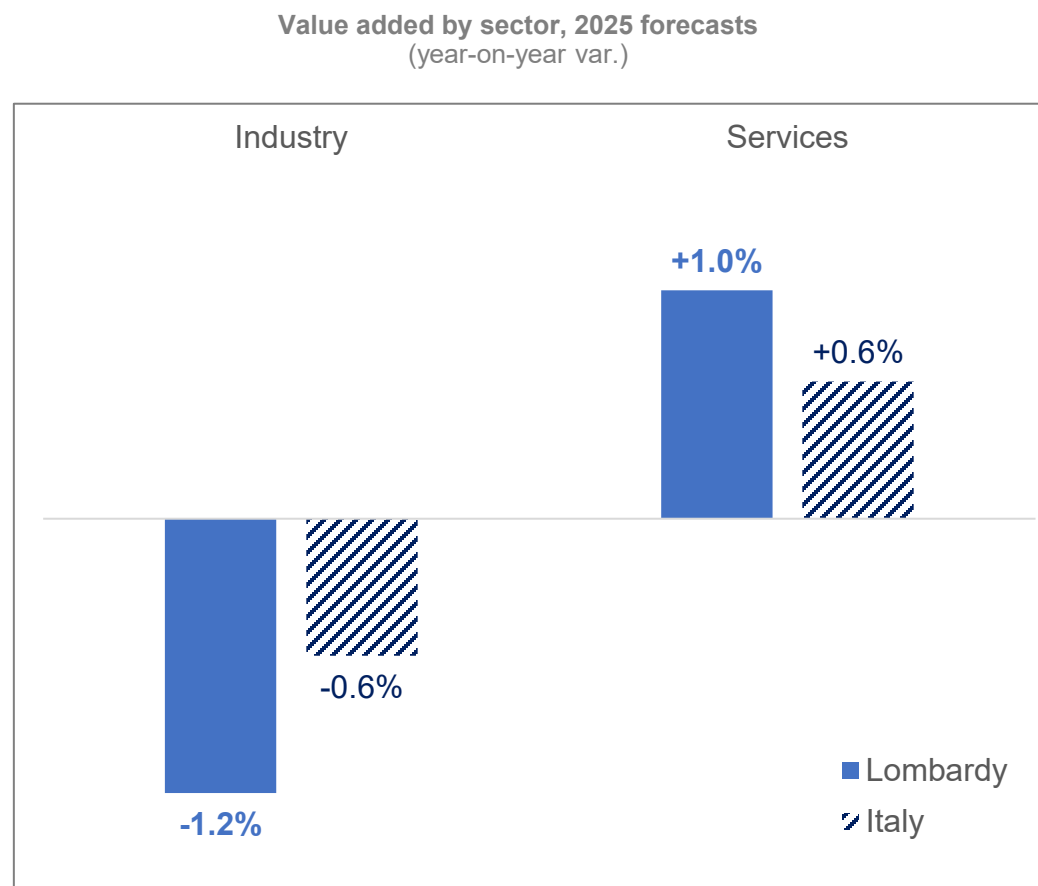
## GDP COMPARISON WITH BENCHMARK EUROPEAN REGIONS / 2025-2026



Source: Assolombarda Research Department on Destatis, Bundesbank, Idescat e gencat data. Absent regional forecasts, the graph shows the 2025 and 2026 German forecast for Baden-Württemberg and Bayern.

# Forecasts by sector

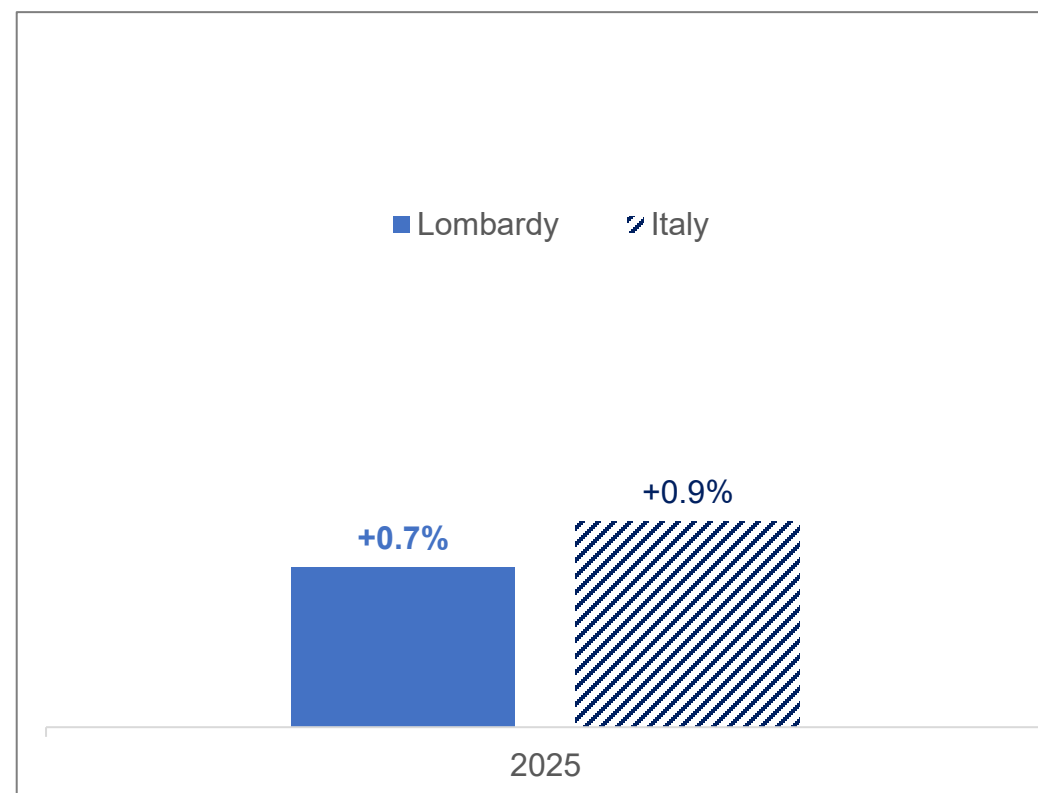
## VALUE ADDED BY SECTOR / 2025



# Employment forecasts

## EMPLOYMENT / 2025

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





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## **Forecasts**

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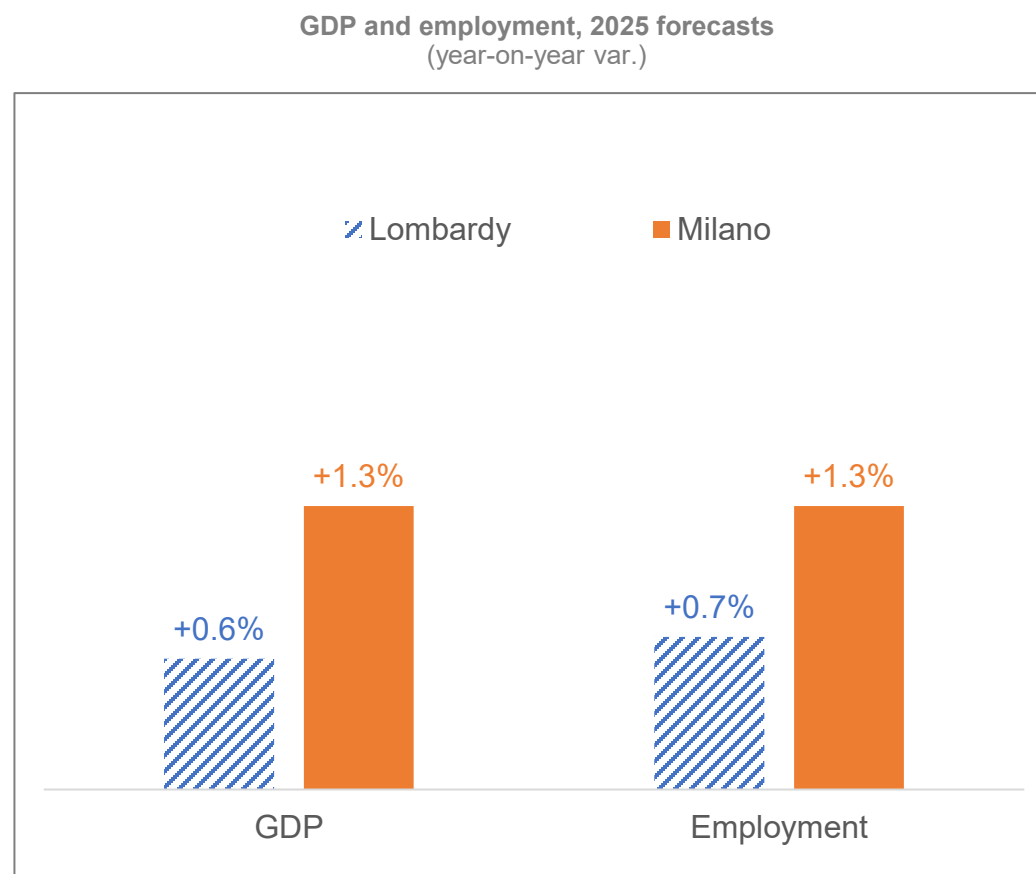
*Focus Milano*

# GDP and employment forecasts

July 2025

# Focus Milano: GDP and employment forecasts

## GDP AND EMPLOYMENT / 2025



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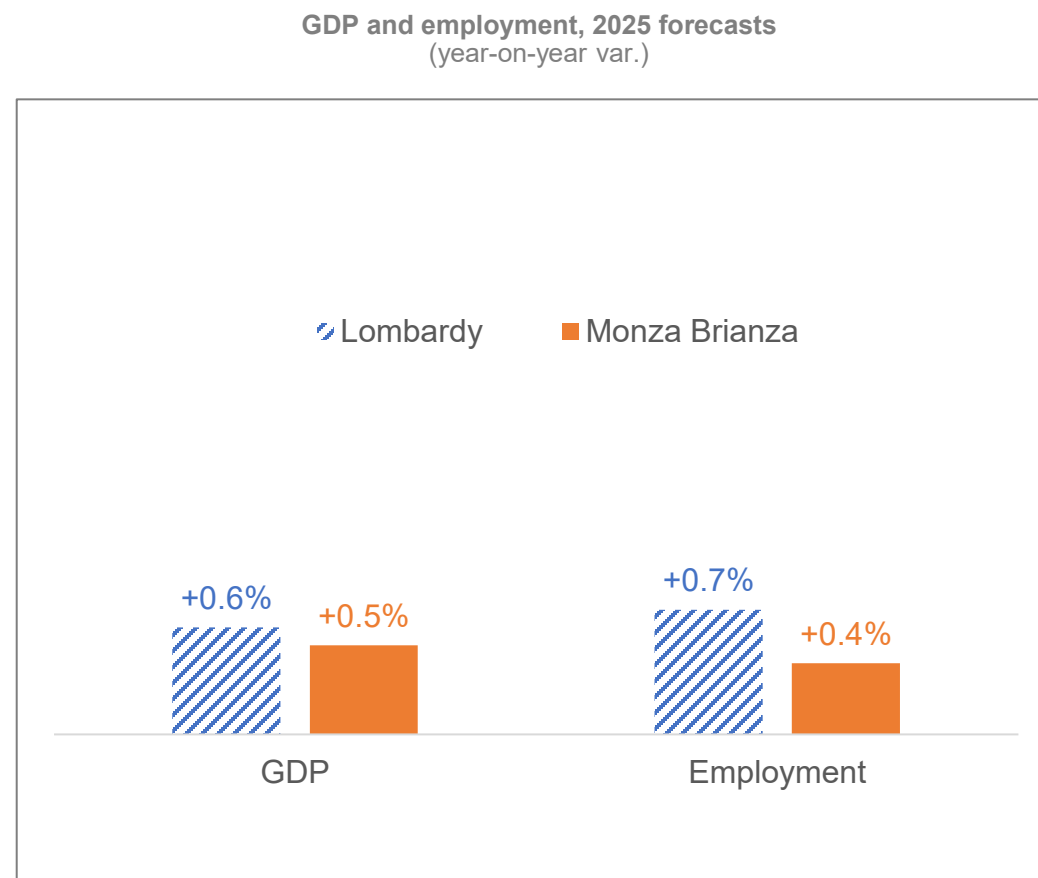
# *Focus Monza Brianza*

# GDP and employment forecasts

July 2025

# Focus Monza Brianza: GDP and employment forecasts

## GDP AND EMPLOYMENT / 2025



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## **Forecasts**

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# *Focus Lodi*

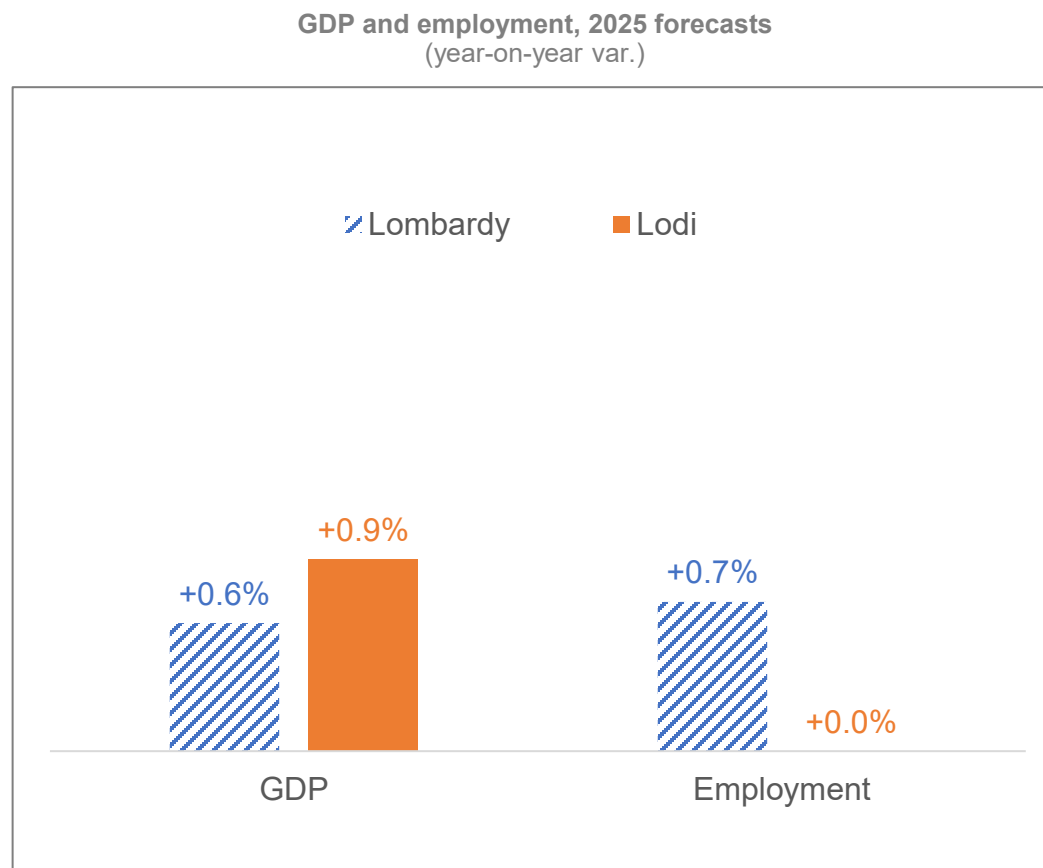
# GDP and employment forecasts

July 2025



# Focus Lodi: GDP and employment forecasts

## GDP AND EMPLOYMENT / 2025



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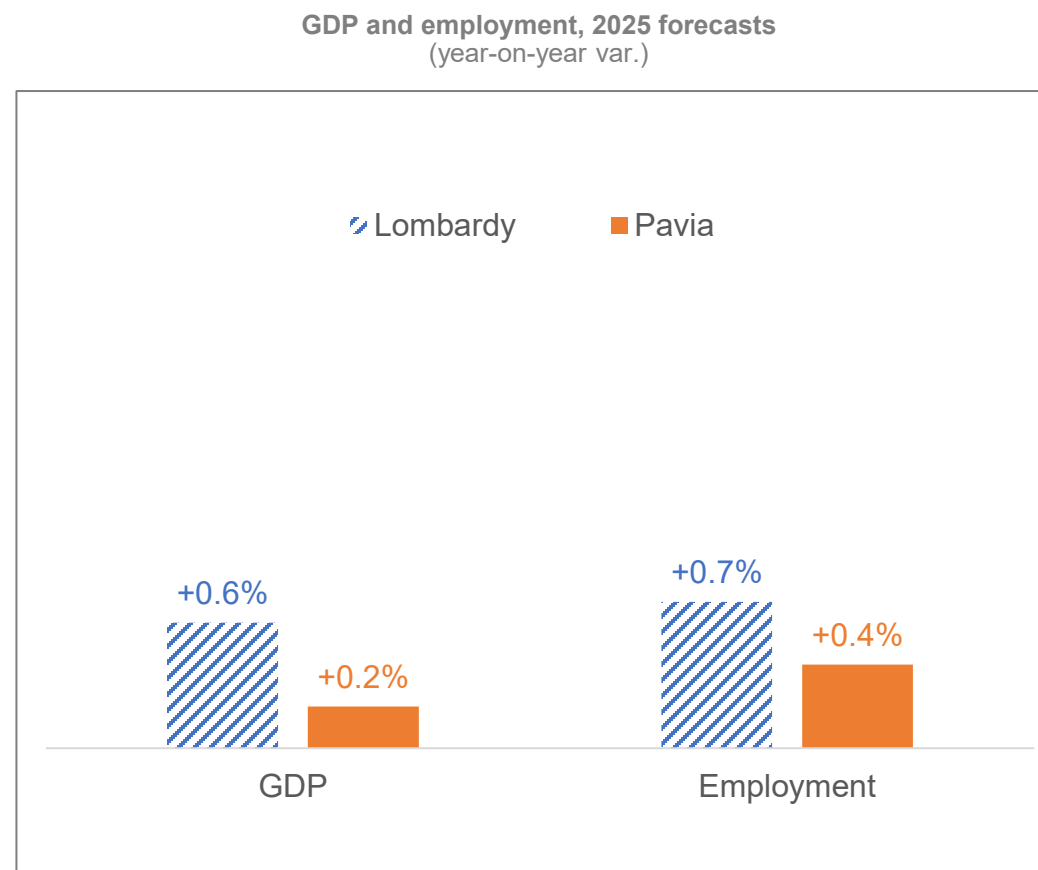
*Focus Pavia*

# GDP and employment forecasts

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# Focus Pavia: GDP and employment forecasts

## GDP AND EMPLOYMENT / 2025



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# 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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