ASSOLOMBARDA

BOOKLET ECONOMIA

Forecasts

Lombardy in the National and European Comparison

Edited by

Economic Research Area

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Executive Summary

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LOMBARDY GDP FORECAST AT +0.7% IN 2026, THANKS TO STRONGER INDUSTRIAL RESILIENCE THAN EXPECTED IN THE FIRST QUARTER. PROSPECTS ARE CAUTIOUS FOR RECENT MONTHS AND EMPLOYMENT GROWS AT MODERATE RATES.

The forecast for Lombardy's GDP growth in 2026 has been revised slightly upward to +0.7% from +0.6% estimated in April, placing it just above the expected increase for the Italian economy (+0.6%). The improvement mainly reflects the first-quarter expansion that exceeded expectations, leaving a favorable statistical carryover for the annual average. In parallel, the forecast for the GDP of Assolombarda territories, which remains above the regional average, rises to +1.1% from +1.0% in April.

The slight revision for Lombardy is confirmed by year-start actual data, which depict a resilient economy, albeit with signals to monitor. On one hand, between January and March manufacturing output grew 2.4% year-on-year (vs +0.4% in Italy), supported by domestic consumption; on the other hand, regional exports remained substantially flat (vs +1.3% in Italy), a factor to watch given a possible weakening of global trade in the second part of the year (excluding trade related to the Artificial Intelligence market, which is experiencing considerable acceleration).

However, the greater resilience of the first quarter is expected to be followed by stagnation in the second. High-frequency indicators, at least at the Italian level, indeed point to a deceleration, weighed down by rising energy prices, triggered by ongoing international tensions, and the resulting inflationary pressures, which in the coming months could spread to other components of consumer prices.

GDP forecasts 2026 *(year-on-year % var.)*	Apr. 2026	July 2026
LOMBARDY	+0.6	**+0.7**
Assolombarda territories	+1.0	**+1.1**
Milano	+1.1	**+1.2**
Monza Brianza	+0.6	**+0.7**
Lodi	+0.4	**+0.4**
Pavia	+0.4	**+0.5**

Source: Assolombarda Economic Research Area

Executive Summary

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The European outlook also remains affected by the evolution of the Middle East conflict and continues to proceed at a moderate pace. According to the ECB's June projections, euro area GDP will grow by 0.8% in 2026, factoring in a war impact more pronounced than expected on commodity markets, real incomes, and household and business confidence.

Looking at the main European economies, the Bundesbank revised its estimate for Germany to 0.5% (from 0.6% released in December), and the Banque de France lowered its expectations for France to 0.5% (from 0.9% in March), penalized not only by the effects of international tensions but also by a weaker-than-expected first quarter. Lombardy thus remains substantially aligned with the average of the main European Union economies. A clear gap is evident, however, compared with Catalonia, which continues on a path of marked expansion: GDP grew 2.9% year-on-year in the first quarter of 2026 and, according to Idescat estimates, is forecast at +2.3% on average for the year.

The upward revision of Lombardy's GDP is mainly attributed to industrial resilience in the first quarter of 2026 that exceeded expectations from a few months ago. Regional industrial value added growth is now estimated at +0.7%, up from +0.4% in April, more than double the national average (+0.3%). The forecast is consistent with the good performance of regional manufacturing output in the first quarter of the year. However, the support comes almost exclusively from domestic demand, which is a cautionary factor for the sector's outlook, given the domestic market's lower expansion capacity compared with international markets.

The forecast for Lombardy's services sector remains stable instead at +0.6%, in line with the Italian average. Compared with the April scenario, expectations for services value added are now lower than those for industry: this reversal is reflected in confidence indicators, with services sentiment appearing more strongly affected by the Middle East war, particularly for personal services (transport and tourism above all).

Executive Summary

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Construction continues to perform positively, with its value added growth estimate rising to 0.9% in Lombardy (+1.5% in Italy) and still benefiting from support in the final stretch of the PNRR. Prospects for business investment expansion are also improving slightly, supported by the carry-over of tax credits from the Transition 4.0 and 5.0 schemes, despite the inevitable greater caution stemming from the widespread uncertainty.

Looking at the labor market, the employment growth forecast in Lombardy for 2026 rises to 0.5% from 0.3% in April, while still remaining below the +0.8% Italian average. In the first quarter, the number of employed people grew further and the unemployment rate fell to a very low 2.8%. The +0.5% estimate for the current year, following the +0.3% recorded in 2025, in any case outlines a picture of employment growth slowing compared with the more buoyant post-pandemic years.

Estimates for household consumption also improve compared with April expectations: the forecast for Lombardy rises to 1.2% (from 1.0% three months ago), while the forecast for Italy reaches 1.0%. As already noted for the supply side, the stronger expansion in consumption reflects a first quarter that was stronger than expected and weaker trends for the middle part of 2026. Household confidence, in fact, suffered a sharp decline starting in March, particularly regarding the perception of the general economic climate and the future one. Consumption trends for the rest of the year will be affected by inflation dynamics, whose trend remains uncertain and tied to the actual reopening of the Strait of Hormuz. The pass-through of energy price increases to other components of consumer prices has not (yet) fully materialized: price growth actually slowed in June (+3.0%) compared with May (+3.2%), also benefiting from the temporary truce between the US and Iran.

Employment forecasts 2026 *(year-on-year % var.)*	Apr. 2026	July 2026
LOMBARDY	+0.3	**+0.5**
Assolombarda territories	+1.1	**+1.3**
Milano	+1.4	**+1.5**
Monza Brianza	+0.2	**+0.3**
Lodi	-0.2	**-0.2**
Pavia	+0.2	**+0.2**

Source: Assolombarda Economic Research Area

Executive Summary

The territories in detail

MILAN

The new forecasts confirm Milano's greater dynamism compared with the regional average, with GDP expansion in 2026 revised upward to 1.2% from 1.1% estimated in April.

Economic expansion this year is driven by the services sector, which still benefits from the legacy of the Milano Cortina Winter Olympics, and is supported by the greater strength expected from the industry. Prospects for industry's resilience are validated by first-quarter actual data: metropolitan manufacturing output grew considerably (+4.3% year-on-year), driven by domestic demand, while performance in foreign markets was slightly negative (exports -0.5%).

On the employment side, growth in 2026 is estimated at 1.5% (from 1.4% in April), a figure significantly higher than the +0.5% regional average.

GDP forecasts 2026 *(year-on-year % var.)*	Apr. 2026	July 2026
LOMBARDY	+0.6	**+0.7**
Milan	+1.1	**+1.2**

Source: Assolombarda Economic Research Area

MONZA BRIANZA

Growth forecasts for Monza and Brianza's GDP in 2026 are revised to +0.7% from +0.6% estimated in April.

This is a modest increase that places the province in line with the regional picture and reflects early-year performance with both positive and slowing signals. In the first quarter, the territory indeed stood out in foreign markets, with exports up 5.7% (albeit with a contribution concentrated in a few sectors), while provincial manufacturing output returned to substantial stability after the strong increase in late 2025. Industrial value added is still expected to grow slightly, while a greater boost is expected from services and construction.

On the employment front, the forecast for 2026 rises slightly to +0.3% from +0.2% in April, still below the +0.5% Lombardy average.

GDP forecasts 2026 *(year-on-year % var.)*	Apr. 2026	July 2026
LOMBARDY	+0.6	**+0.7**
Monza Brianza	+0.6	**+0.7**

Source: Assolombarda Economic Research Area

Executive Summary

Territory details

LODI

Growth forecasts for the province of Lodi in 2026 remain unchanged from April, with GDP growth expected at 0.4%.

The slowdown that began in late 2025 appears to be carrying over into the current year: the most recent data show a particularly weak first quarter for local manufacturing, lacking support from both domestic and foreign orders, and moderate performance in services, trade, and construction.

On the employment front, the forecast remains slightly negative at -0.2%, in line with indications from Chamber of Commerce data on the number of provincial employees in the first quarter, which is virtually stagnant.

GDP forecasts 2026 *(year-on-year % var.)*	Apr. 2026	July 2026
LOMBARDY	+0.6	**+0.7**
Lodi	+0.4	**+0.4**

Source: Assolombarda Economic Research Area

PAVIA

The growth forecast for Pavia's economy in 2026 has been revised slightly upward to +0.5% from +0.4% in April, just below the +0.7% Lombardy average.

Expansion is driven mainly by services, while prospects for industry remain weak. This weakness is also evident in first-quarter actual data: manufacturing output declined quarter-on-quarter, although remaining above year-earlier levels, and exports slowed sharply (-14.0% year-on-year).

In employment terms, a growth estimate of 0.2% is confirmed, below the +0.5% regional average.

GDP forecasts 2026 *(year-on-year % var.)*	Apr. 2026	July 2026
LOMBARDY	+0.6	**+0.7**
Pavia	+0.4	**+0.5**

Source: Assolombarda Economic Research Area

Index

BOOKLET ECONOMIA

Forecasts

Lombardy in the National and European Comparison

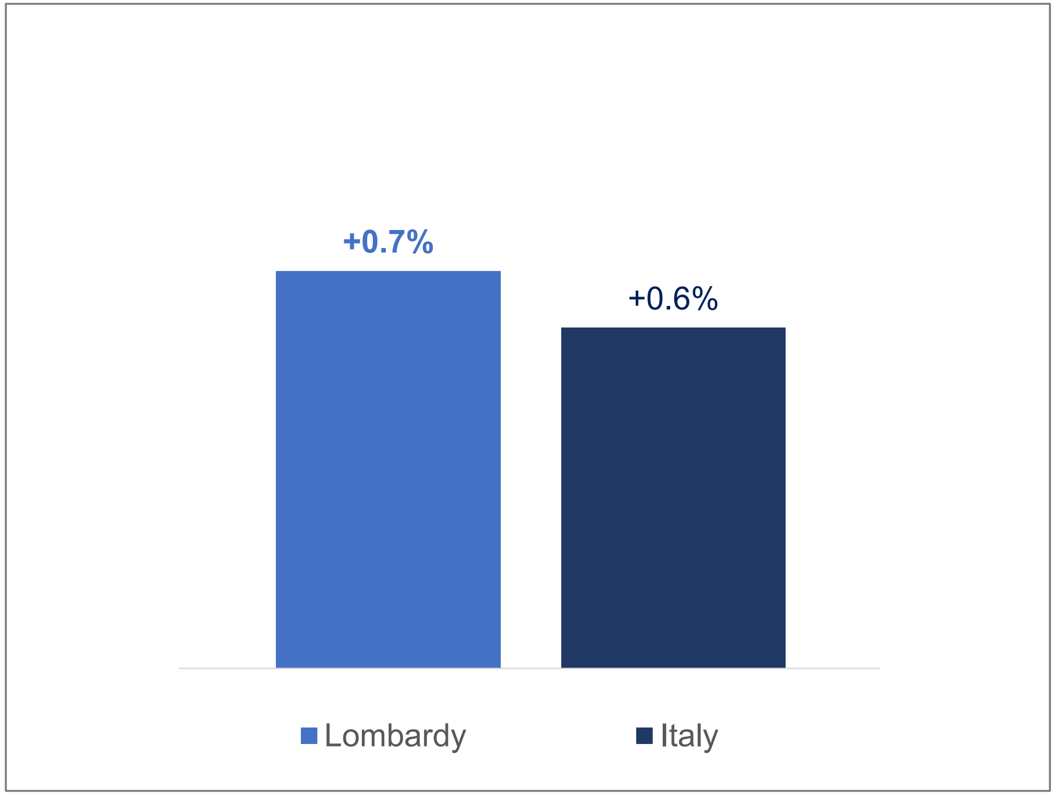
Forecasts
GDP, Employment and Consumption

July 2026

GDP Forecasts

GDP / 2026

GDP, forecasts 2026
(var. on previous year)

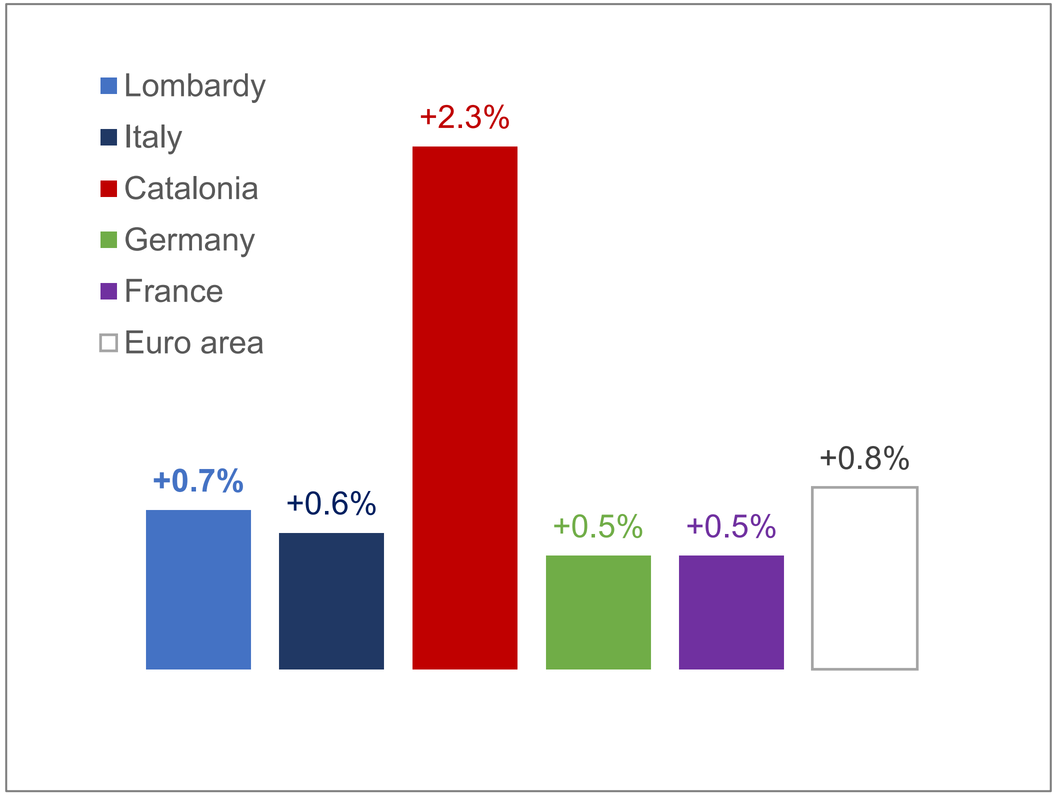


Source: Assolombarda Economic Research Area

GDP Forecasts

GDP IN COMPARISON WITH BENCHMARK EUROPEAN REGIONS AND THE EURO AREA / 2026

GDP, forecasts 2026
(var. on previous year)

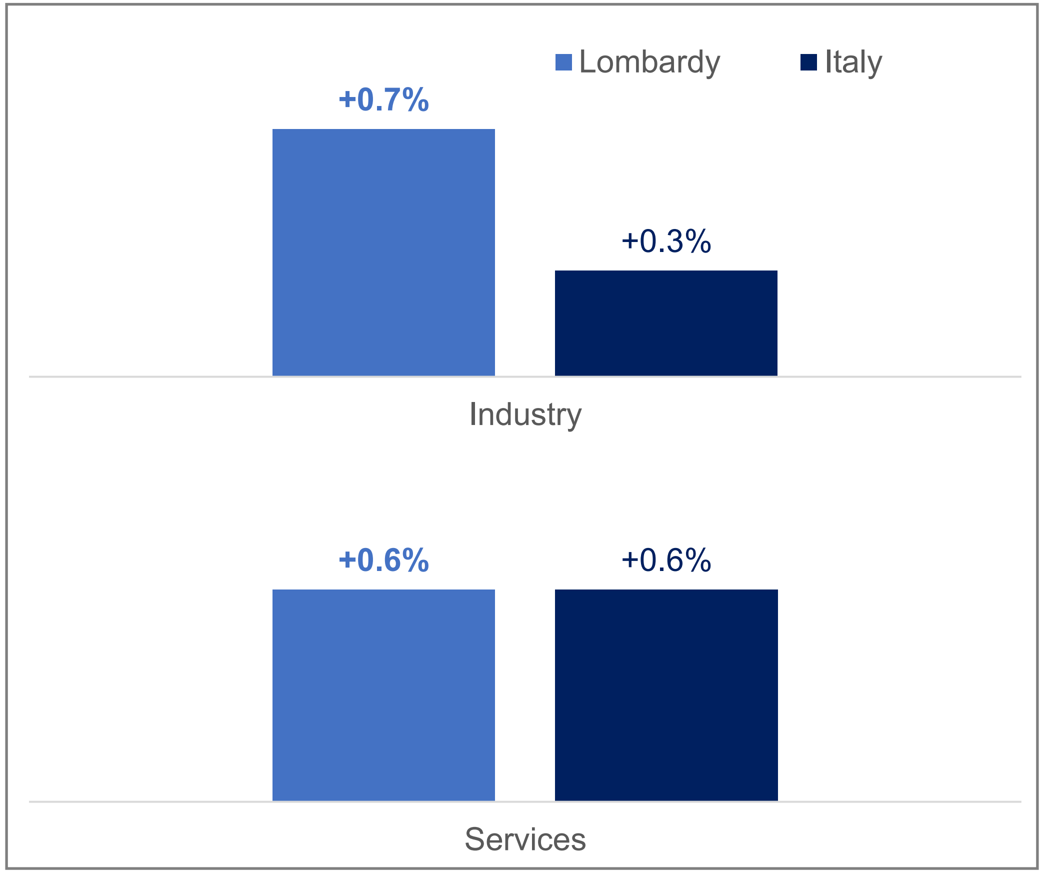


Source: Assolombarda Economic Research Area, based on data from Banque de France, Bundesbank, Idescat and the ECB.

Sector Forecasts

VALUE ADDED BY MACRO-SECTOR / 2026

Value added by macro-sector, forecasts 2026
(var. on previous year)

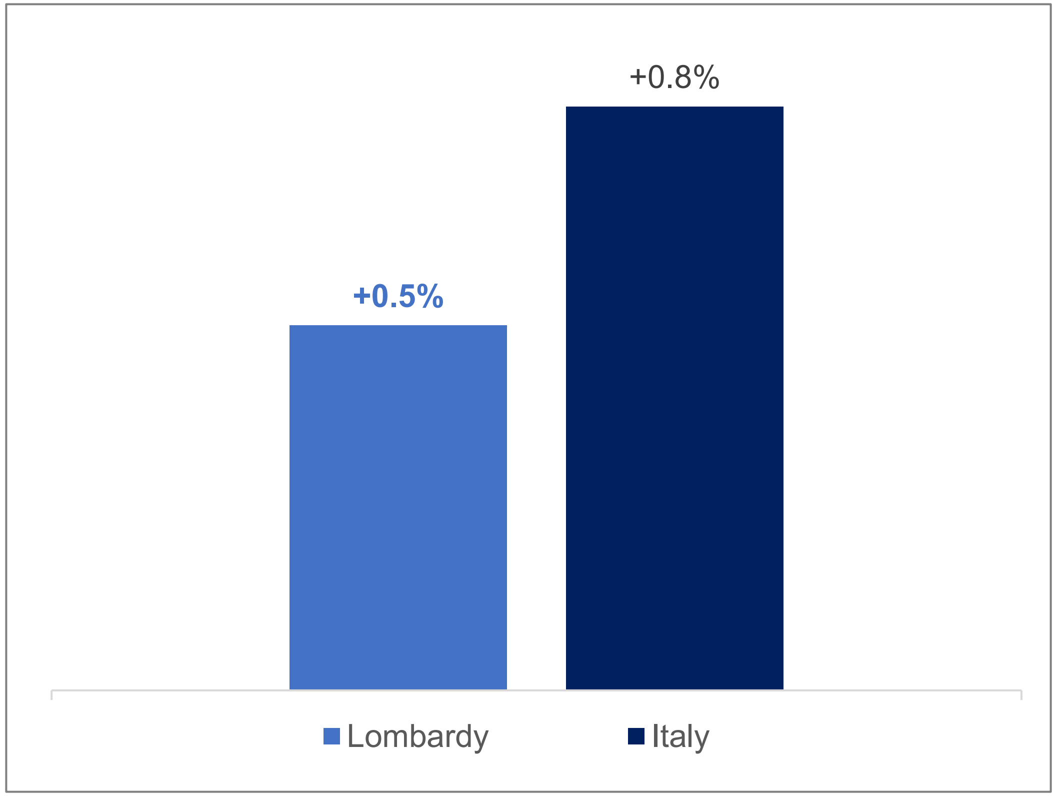


Source: Assolombarda Economic Research Area

Employment Forecasts

EMPLOYMENT / 2026

Employment, forecasts 2026
(var. on previous year)

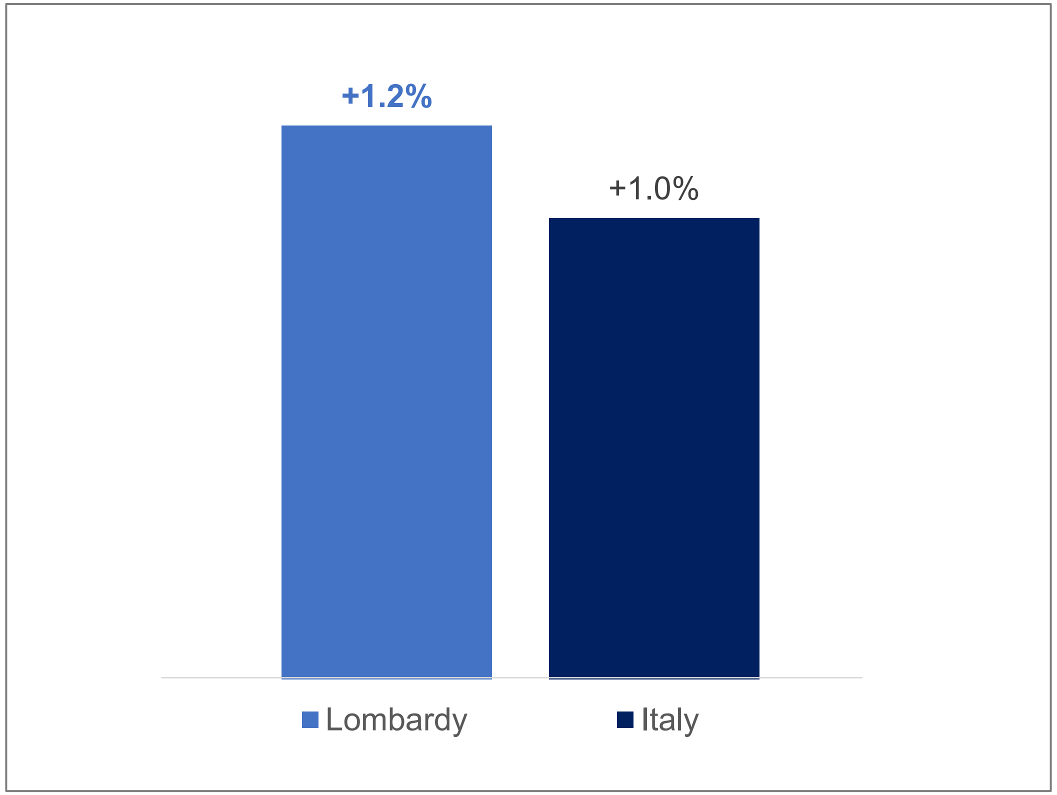


Source: Assolombarda Economic Research Area

Consumption Forecasts

CONSUMPTION / 2026

Household consumption, forecasts 2026
(var. on previous year)



Source: Assolombarda Economic Research Area

BOOKLET ECONOMIA

Forecasts

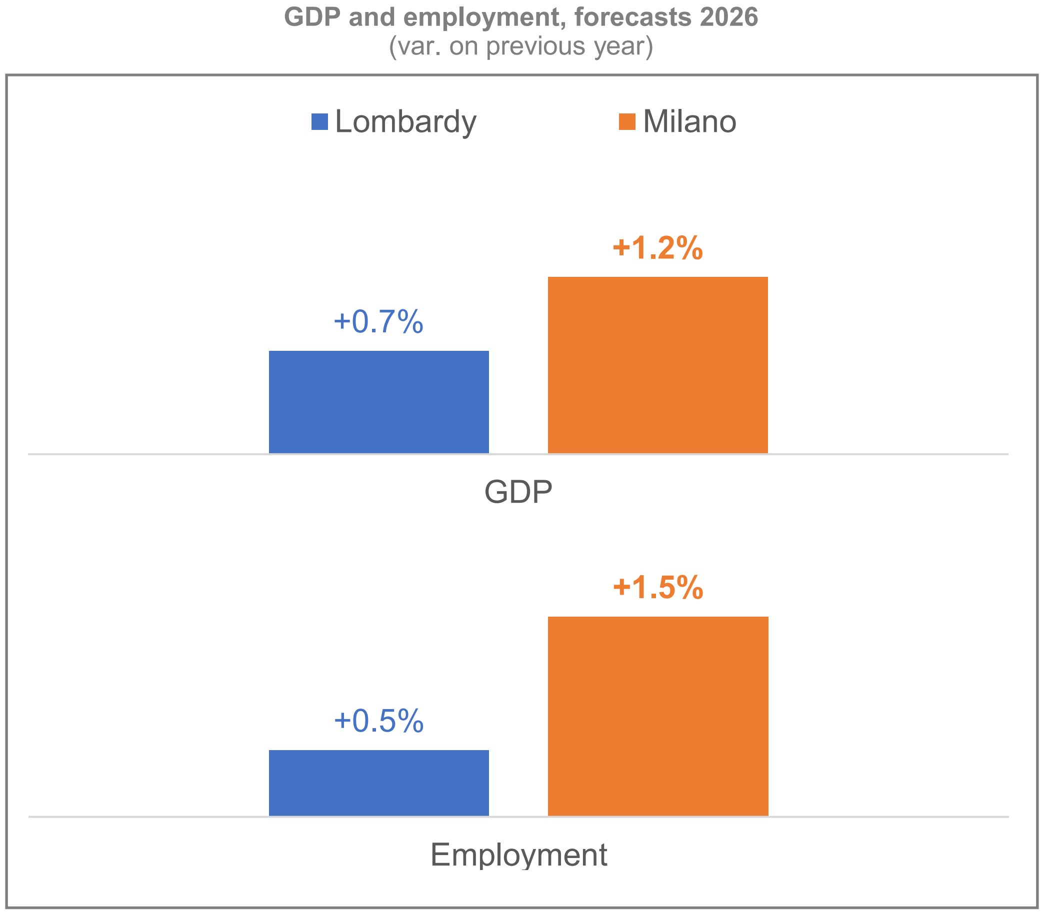
Lombardy in the National and European Comparison

Focus Milan
GDP and Employment Forecasts

July 2026

Focus Milano: GDP and Employment Forecasts

GDP AND EMPLOYMENT / 2026



Source: Assolombarda Economic Research Area

BOOKLET ECONOMIA

Forecasts

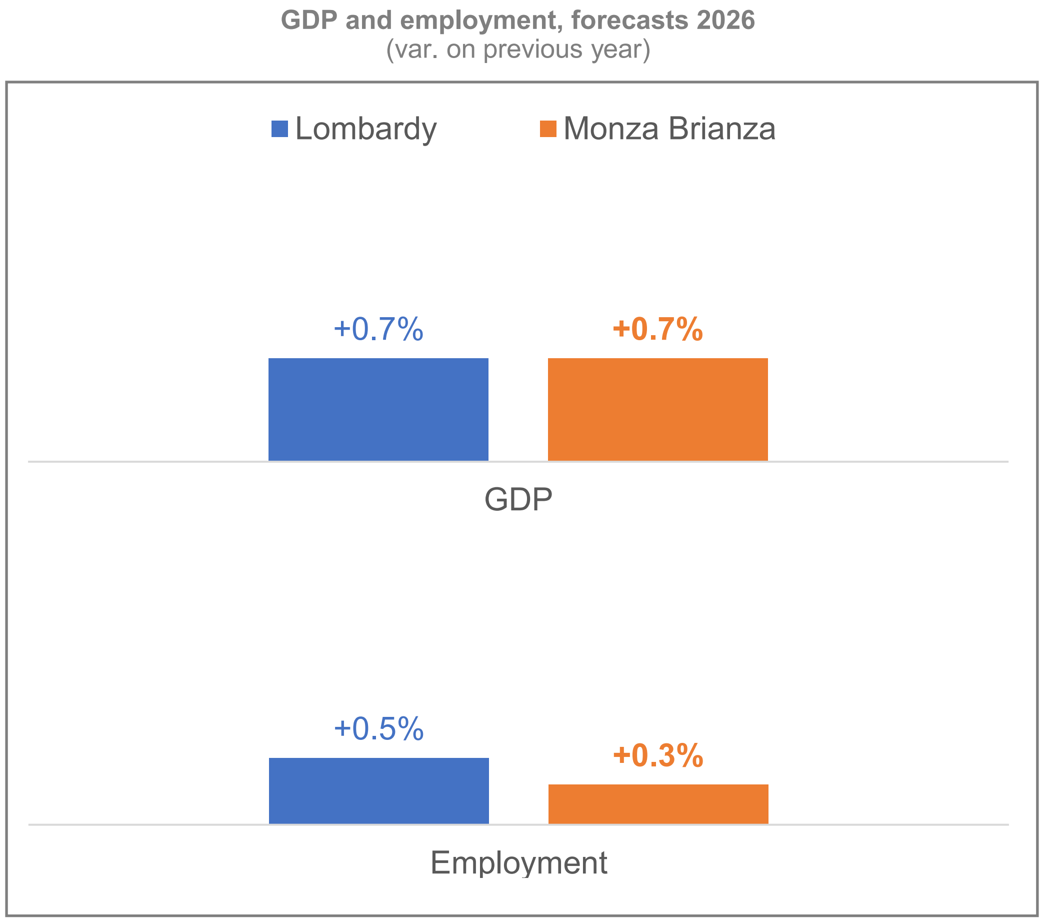
Lombardy in the National and European Comparison

Focus Monza Brianza
GDP and Employment Forecasts

July 2026

Focus Monza Brianza: GDP and Employment Forecasts

GDP AND EMPLOYMENT / 2026



Source: Assolombarda Economic Research Area

BOOKLET ECONOMIA

Forecasts

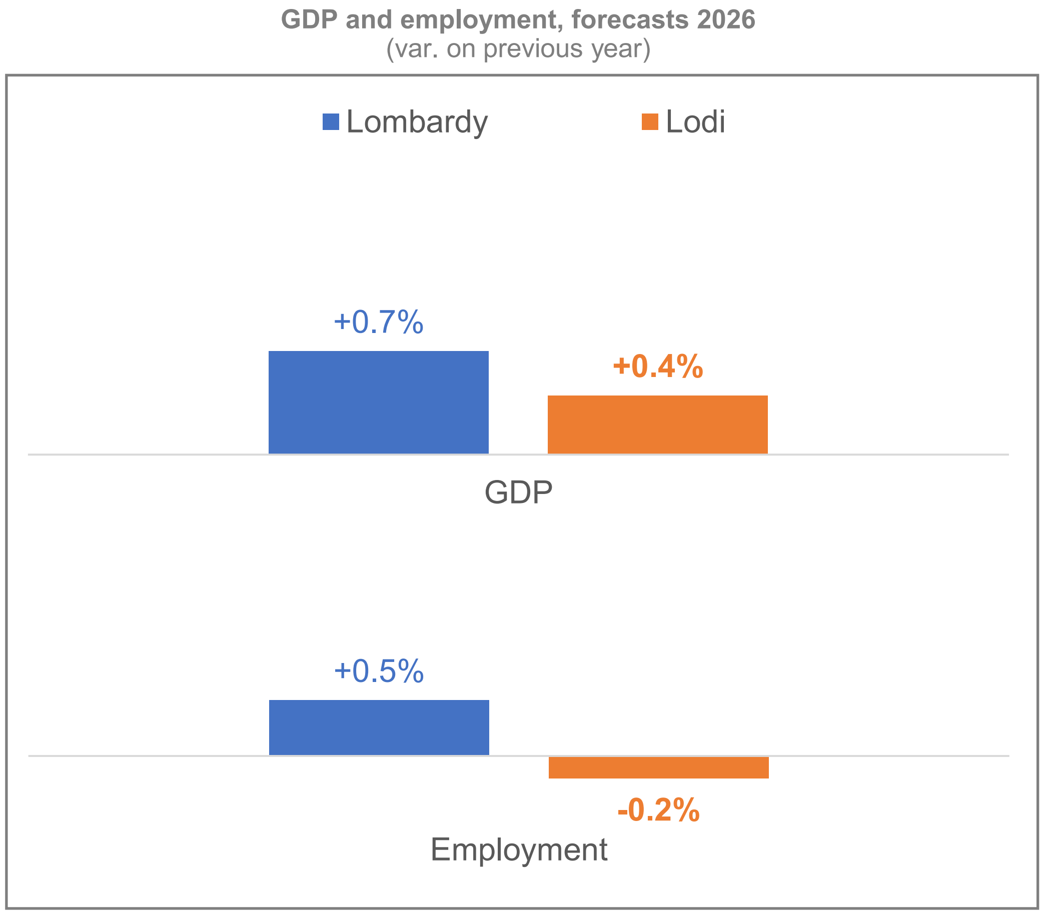
Lombardy in the National and European Comparison

Focus Lodi
GDP and Employment Forecasts

July 2026

Focus Lodi: GDP and Employment Forecasts

GDP AND EMPLOYMENT / 2026



Source: Assolombarda Economic Research Area

BOOKLET ECONOMIA

Forecasts

Lombardy in the National and European Comparison

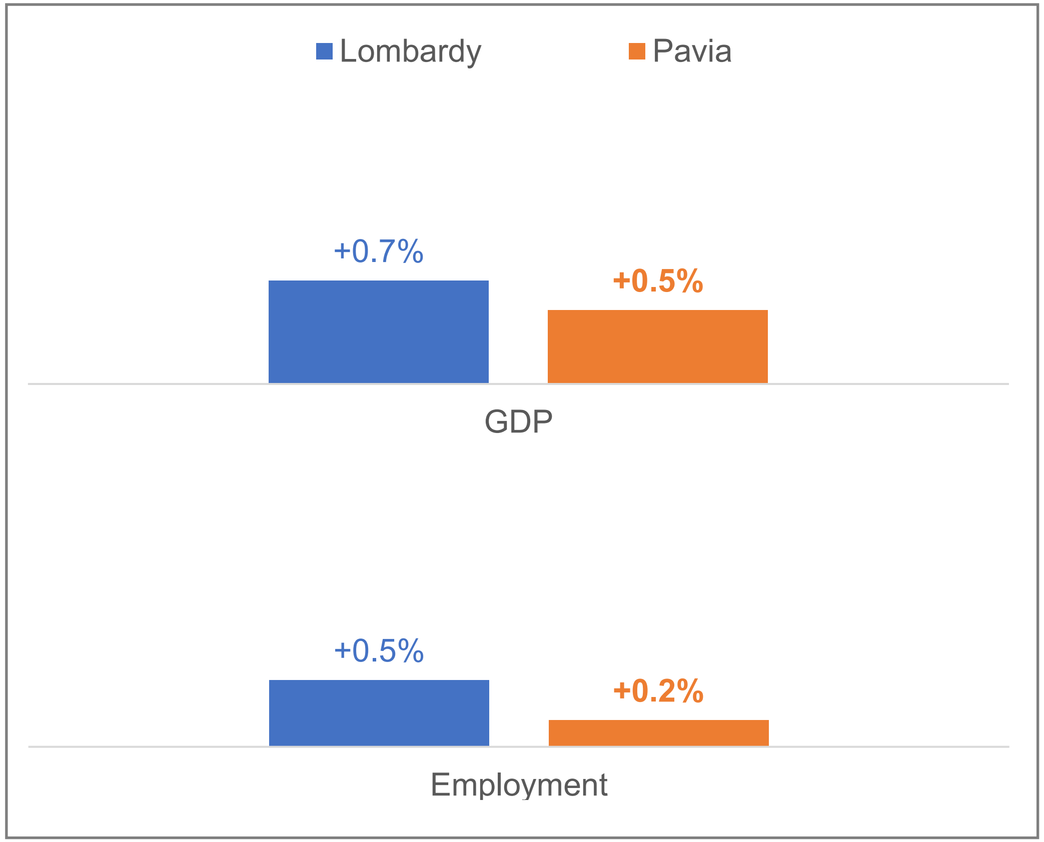
Focus Pavia
GDP and Employment Forecasts

July 2026

Focus Pavia: GDP and Employment Forecasts

GDP AND EMPLOYMENT / 2026

GDP and employment, forecasts 2026
(var. on previous year)



Source: Assolombarda Economic Research Area

BOOKLET ECONOMIA **FORECASTS**

Lombardy in the National and European Comparison

Note on Methodology

The regional and provincial forecasts reported in Booklet Economia are sourced from analyses by the Assolombarda Economic Research Area, based on macroeconomic forecasts produced by SVIMEZ.
The analyses and comments were carried out in collaboration with REF.

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