



ASSOLOMBARDA

BOOKLET ECONOMIA **Forecasts**

*Lombardy in the National and
European Comparison*

Edited by
Economic Research Area

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BOOKLET ECONOMIA

Forecasts

Lombardy in the national and European comparison

Executive Summary

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LOMBARDY’S GDP GROWTH FORECAST FOR 2026 REVISED UP TO 1.2%, SUPPORTED BY GREATER INDUSTRIAL RESILIENCE. GROWTH OF 0.9% EXPECTED IN 2027, WITH SIGNIFICANT RISKS RELATING TO INFLATION, ENERGY PRICES AND INTEREST RATES.

Lombardy’s GDP growth forecast for 2026 has been revised up to 1.2%, from the 0.7% estimated in July, above the 0.9% expected for the Italian economy. The revision mainly reflects a stronger-than-expected performance in the second quarter: while stagnation had been anticipated in July, actual data showed greater economic resilience, despite a backdrop still marked by the war in the Gulf and ECB interest rate rises. The outlook has also improved for Assolombarda territories, where expected GDP growth has risen to 1.4%, from 1.1% three months ago, remaining above the regional average.

In 2027, the winding down of Italy’s NRRP is expected to lead to a slowdown: GDP growth is forecast at 0.9% in Lombardy and 1.0% in Assolombarda territories, compared with 0.8% for Italy.

The revision for 2026 mainly reflects the resilience of Lombardy’s industry in the second quarter. Between April and June, manufacturing output grew by 2.1% year on year, compared with 0.7% nationally, while exports rose by 6.9%, their strongest increase in three years. Turnover in Lombardy’s services sector also continued to expand, rising by 2.9%. These developments form part of a positive start to the year for Italy as a whole: national GDP grew by 0.3% and 0.2% in the first two quarters respectively, bringing the carry-over growth rate for 2026 to 0.8%, supported by investment, both NRRP-funded and private, and stronger-than-expected consumption.

However, the positive signs recorded in the spring do not dispel the uncertainties surrounding the outlook for the final months of the year and the beginning of the next. Economic conditions remain affected by pressures in energy markets and evolving geopolitical tensions, with oil at around US\$100 a barrel, gas prices at their highest since 2022, Italian inflation at 4.2% in September and the Strait of Hormuz only partially reopened.

GDP forecasts (year-on-year % var.)	2026 (July)	2026	2027
LOMBARDY	+0.7	+1.2	+0.9
Assolombarda territories	+1.1	+1.4	+1.0
Milan	+1.2	+1.5	+1.1
Monza Brianza	+0.7	+1.2	+0.9
Lodi	+0.4	+0.8	+0.6
Pavia	+0.5	+0.9	+0.8

Source: Assolombarda Economic Research Area

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Global and European Outlook

The international outlook remains dominated by the war in the Gulf, but the global economy has so far absorbed the shock better than expected. According to the International Monetary Fund (IMF), global growth will reach 3.1% in 2026 and 3.4% in 2027, supported by strong growth in trade and artificial intelligence-related investment, with inflation at 4.7%. However, the IMF also warns that the buffers helping to absorb the shocks — inventories, alternative routes bypassing Hormuz and lower oil intensity — are diminishing.

In September, the ECB also raised its euro area GDP growth forecasts to 0.9% for 2026 and 1.4% for 2027, supported by domestic demand, a robust labour market, AI-related investment and German public spending. In the same month, with euro area inflation at 3.0%, the ECB raised interest rates for the second time this year. Among Lombardy's benchmark regions, Baden-Württemberg and Bavaria are both showing a clear recovery, with GDP growth of 1.4% and 1.0% respectively in the first half of the year, while Catalonia continues to grow strongly, recording year-on-year growth of 3.0% in the second quarter. France, by contrast, is showing weaker momentum, with GDP flat in the second quarter following a decline in the first.

Sectors

The upward revision to Lombardy's GDP forecast is primarily attributable to industry, where value added is now expected to grow by 0.9% in 2026, up from 0.7% in July, almost twice the Italian average of 0.5%. The revision is consistent with the increases recorded between April and June in manufacturing output, up 2.1% year on year for a sixth consecutive increase, and exports, up 6.9%. Export growth resumed mainly thanks to contributions from pharmaceuticals, electronics and transport equipment. Manufacturing is expected to continue expanding in 2027, supported by the Defence investment cycle and exports of AI-related products. However, high energy costs and interest rate rises remain significant risks for industry in the second half of the year.

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The outlook for Lombardy’s services sector has also been revised up substantially, with value added now expected to increase by 1.1% in 2026, compared with 0.6% in July, above the Italian average of 0.9%. Actual data show that services turnover grew by 2.9% year on year in the second quarter, supported by all subsectors: personal services (+4.0%), business services (+3.2%), wholesale trade (+2.5%) and, at a more moderate pace, hotels and restaurants (+1.5%).

Finally, construction continues to benefit in 2026 from the final phase of NRRP implementation. However, the fading impetus from the Plan is expected to lead to a marked slowdown in the sector in 2027, potentially offsetting part of the positive contribution from industrial expansion

Consumption and Labour Market

Household consumption forecasts have also improved compared with July: expected growth in Lombardy has risen to 1.4% for 2026, from 1.2%, while the forecast for Italy remains at 1.0%, supported by resilient employment. In 2027, consumption growth is expected to ease to 1.2% in Lombardy, while remaining unchanged at 1.0% nationally.

Inflation remains the main source of uncertainty surrounding the path of consumption. In Italy, consumer prices rose by 4.2% in September, driven by higher energy prices, while core inflation remained relatively subdued at 2.0%. Any pass-through of higher energy costs to other spending categories could weaken purchasing power in late 2026 and early 2027, against a backdrop also marked by higher borrowing costs following the ECB’s interest rate rises.

Employment forecasts (year-on-year % var.)	2026 (July)	2026	2027
LOMBARDY	+0.5	+0.9	+0.8
Assolombarda territories	+1.3	+1.4	+1.1
Milan	+1.5	+1.7	+1.2
Monza Brianza	+0.3	+0.6	+0.8
Lodi	-0.2	+0.0	+0.7
Pavia	+0.2	+0.4	+0.6

Source: Assolombarda Economic Research Area

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In the labour market, Lombardy’s employment growth forecast for 2026 has risen to 0.9%, from the 0.5% estimated in July, slightly above the Italian average of 0.8%. Regional employment growth is expected to remain robust at 0.8% in 2027. However, the outlook remains constrained by diminishing scope to expand labour supply and the completion of the NRRP, which make continued employment growth more uncertain.

The Territories in Detail

MILAN

Milan remains the fastest-growing province among Assolombarda territories: its GDP growth forecast for 2026 has been revised up to 1.5%, from 1.2% in July, with growth of 1.1% expected in 2027.

The upward revision is mainly attributable to industry. In the second quarter, Milan’s manufacturing output rose by 2.3% year on year, while exports increased by 10.3%, their strongest growth since 2023. Pharmaceuticals and electronics accounted for almost half of export growth, against a backdrop of broad-based recovery supported by the diversity of the local production base. The services sector, which continues to benefit from the legacy of the Winter Olympics, further supports the area’s positive performance.

Employment growth is estimated at 1.7%, up from 1.5% in July and well above the regional figure of 0.9%, consistent with the area’s specialisation in services. Employment is also expected to expand strongly in 2027, rising by 1.2%.

GDP forecasts (year-on-year % var.)	2026 (July)	2026	2027
LOMBARDY	+0.7	+1.2	+0.9
Milan	+1.2	+1.5	+1.1

Source: Assolombarda Economic Research Area

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The Territories in Detail

MONZA BRIANZA

GDP growth in Monza and Brianza in 2026 has been revised up to 1.2%, from 0.7% in July, in line with the regional average. The local economy is also expected to grow at the same pace as Lombardy as a whole in 2027, with a projected increase of 0.9%. The revision reflects the recovery in manufacturing: in the second quarter, output grew by 4.3% year on year, recording its strongest increase since autumn 2022 and roughly twice the Lombardy average, while exports rose by 14.3%.

The employment growth forecast has risen to 0.6%, from 0.3% in July, although it remains below the regional figure of 0.9%: in the first half of the year, industrial employment fell despite higher output. A slight acceleration to 0.8% is expected in 2027.

LODI

Lodi's GDP growth forecast for 2026 has been revised up to 0.8%, from the 0.4% estimated in July, remaining below the regional average both this year and in 2027, when growth of 0.6% is expected. The revision reflects the recovery in manufacturing output, which, following a very weak start to the year, rose by 1.4% quarter on quarter and 3.5% year on year between April and June, performing better than expected. At the same time, however, the value of Lodi's exports fell for the third consecutive quarter, declining by 1.1%, affected by the downturn in electronics (-3.3%), which accounts for 44% of manufacturing exports, and the sharp fall in metals (-40%).

Employment is expected to remain broadly unchanged in 2026 (0.0%), before returning to growth in 2027 (+0.7%).

GDP forecasts (year-on-year % var.)	2026 (July)	2026	2027
LOMBARDY	+0.7	+1.2	+0.9
Monza Brianza	+0.7	+1.2	+0.9

Source: Assolombarda Economic Research Area

GDP forecasts (year-on-year % var.)	2026 (July)	2026	2027
LOMBARDY	+0.7	+1.2	+0.9
Lodi	+0.4	+0.8	+0.6

Source: Assolombarda Economic Research Area

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The Territories in Detail

PAVIA

Pavia's GDP growth forecast for 2026 has been revised up to 0.9%, from 0.5% in July, slightly below the Lombardy average of 1.2%. A broadly similar pace is expected in 2027, with growth forecast at 0.8%. Here too, the revision reflects industrial expansion: in the second quarter, following two consecutive declines, manufacturing output rose by 2.7% compared with the first quarter and by 6.8% compared with the same period of 2025, more than three times the Lombardy average. Export performance was similarly positive (+6.3%), although pharmaceuticals alone accounted for more than half of the increase. Employment is estimated to grow by 0.4%, accelerating to 0.6% in 2027.

GDP forecasts (year-on-year % var.)	2026 (July)	2026	2027
LOMBARDY	+0.7	+1.2	+0.9
Pavia	+0.5	+0.9	+0.8

Source: Assolombarda Economic Research Area

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Forecasts

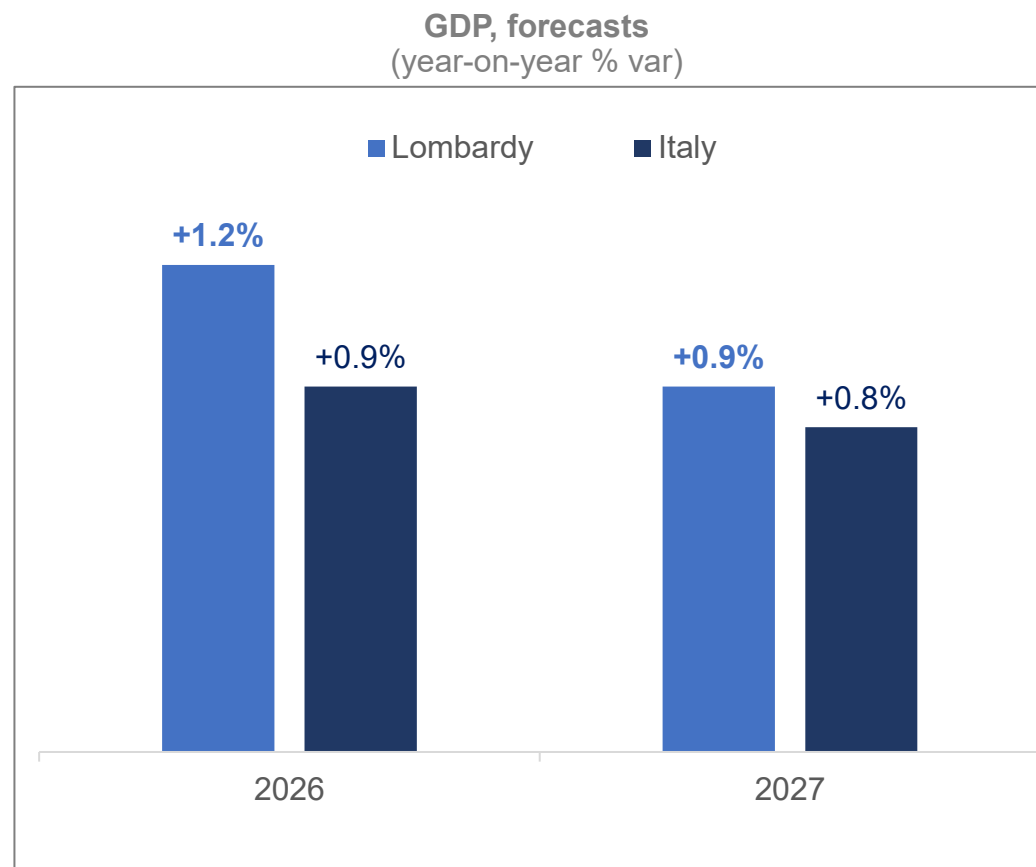
Lombardy in the National and European Comparison

Forecasts GDP, Employment and Consumption

October 2026

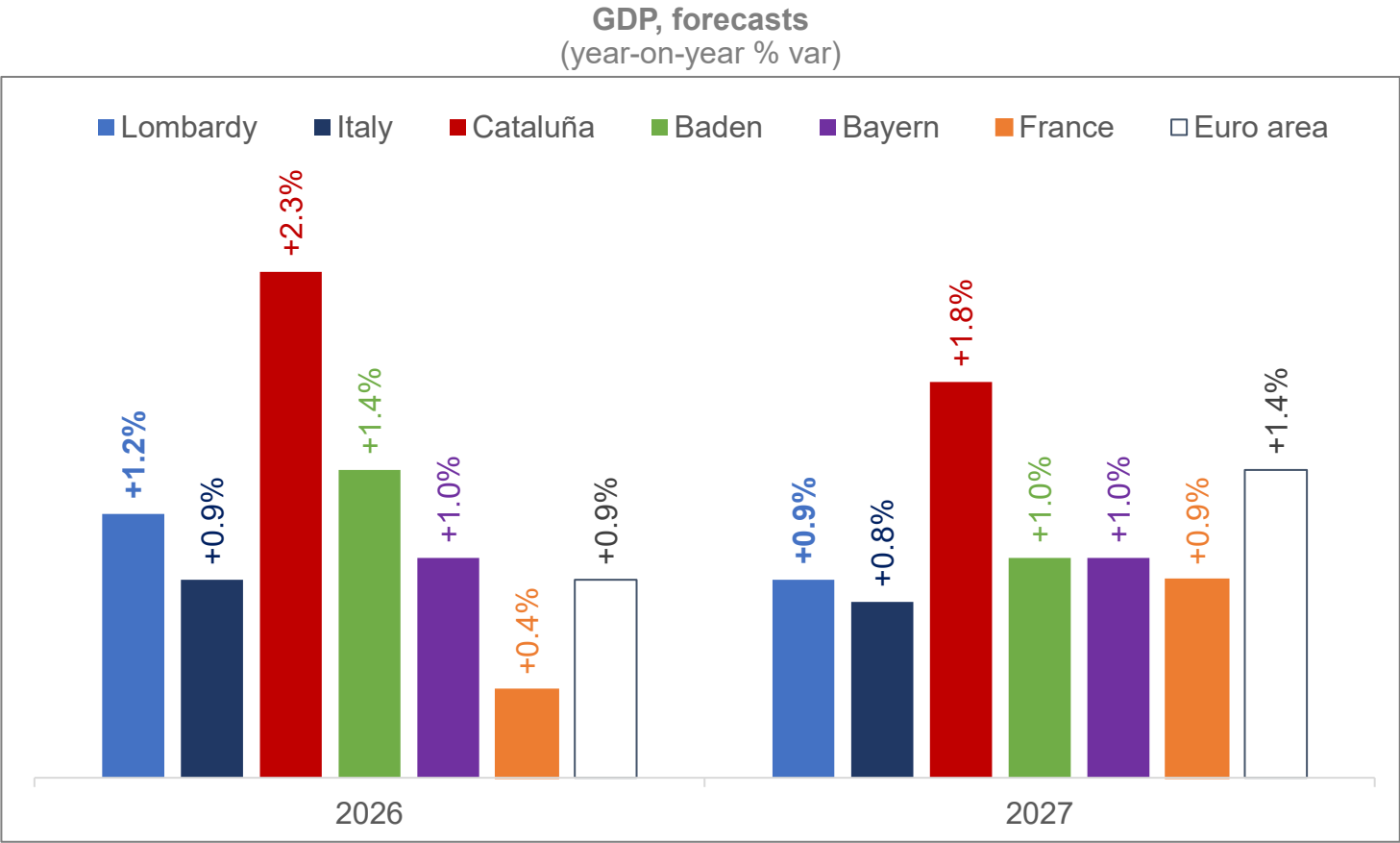
GDP Forecasts

GDP / 2026-2027



GDP Forecasts

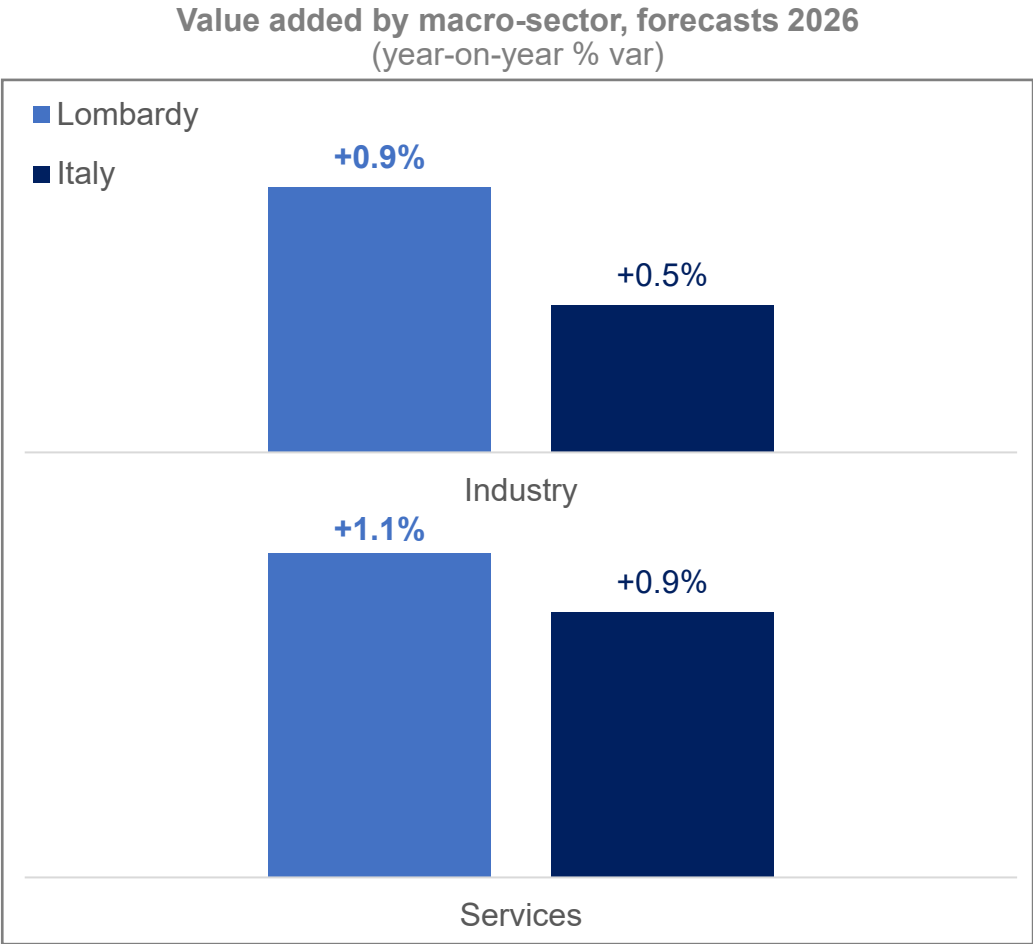
GDP IN COMPARISON WITH BENCHMARK EUROPEAN REGIONS AND THE EURO AREA / 2026-2027



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

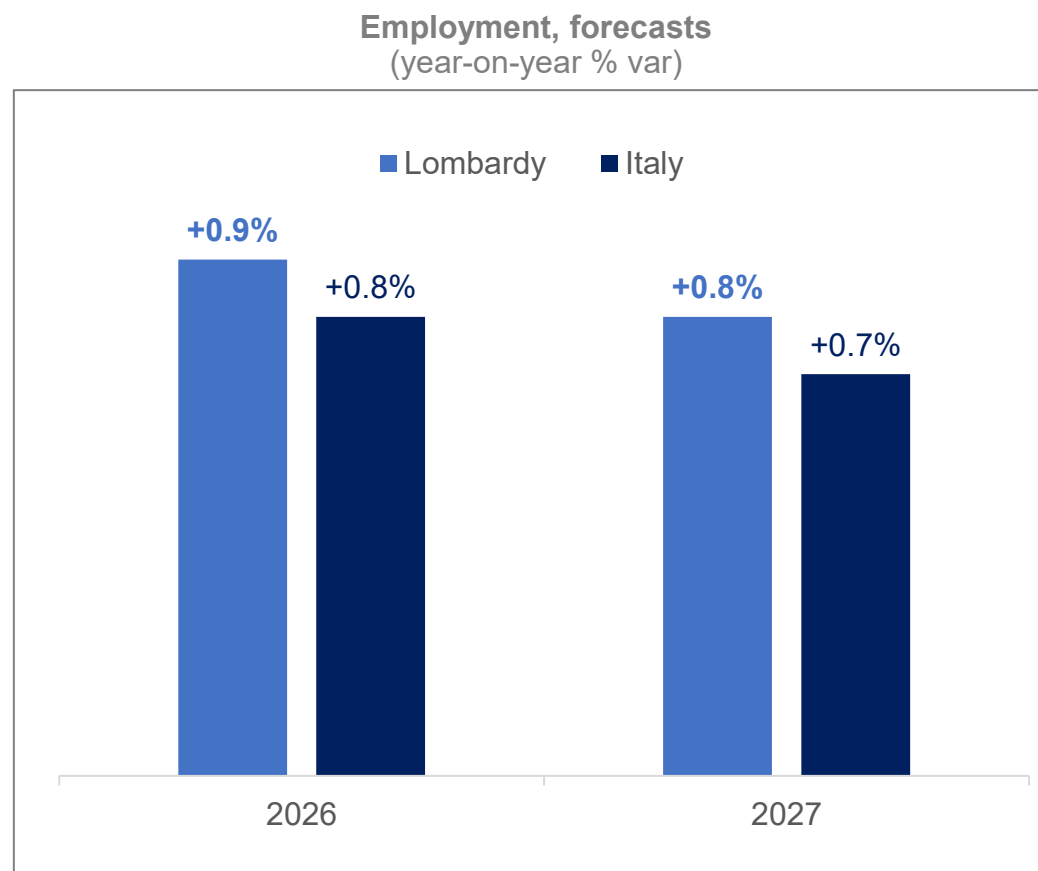
Sector Forecasts

VALUE ADDED BY MACRO-SECTOR / 2026



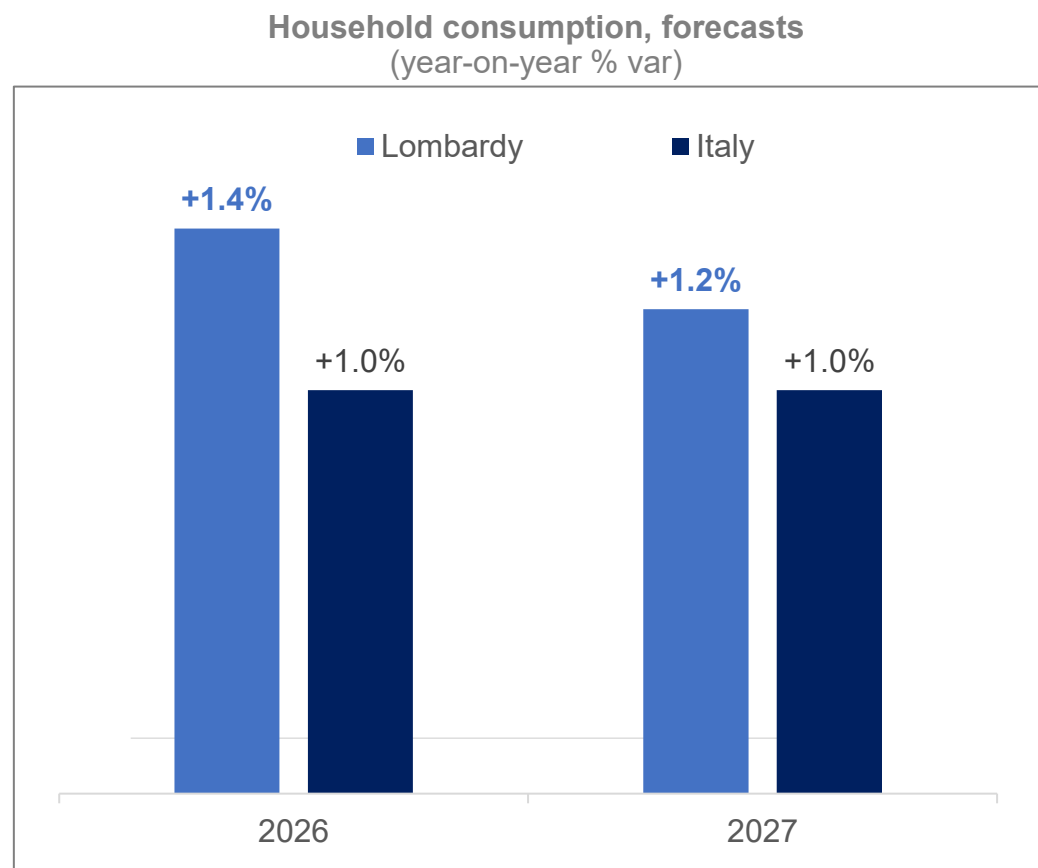
Employment Forecasts

EMPLOYMENT / 2026-2027



Consumption Forecasts

CONSUMPTION / 2026-2027



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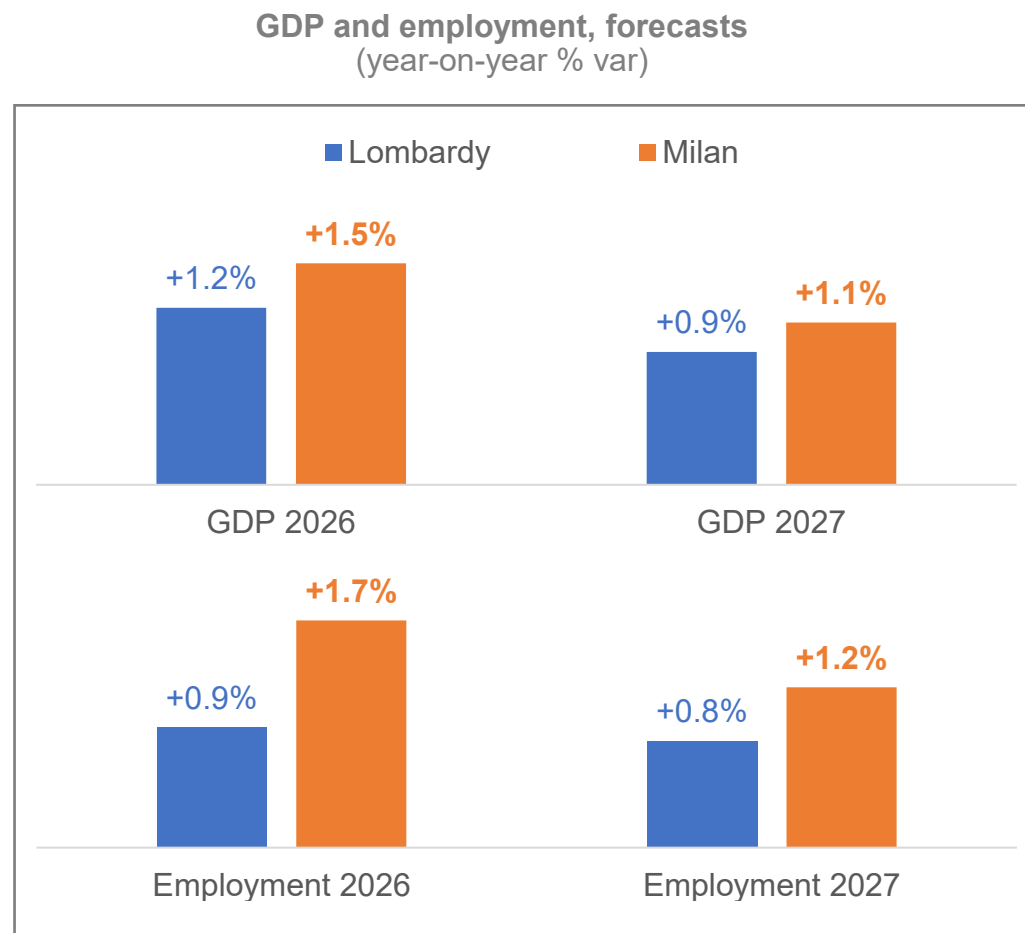
Focus Milan

GDP and Employment Forecasts

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Focus Milan: GDP and Employment Forecasts

GDP AND EMPLOYMENT / 2026-2027



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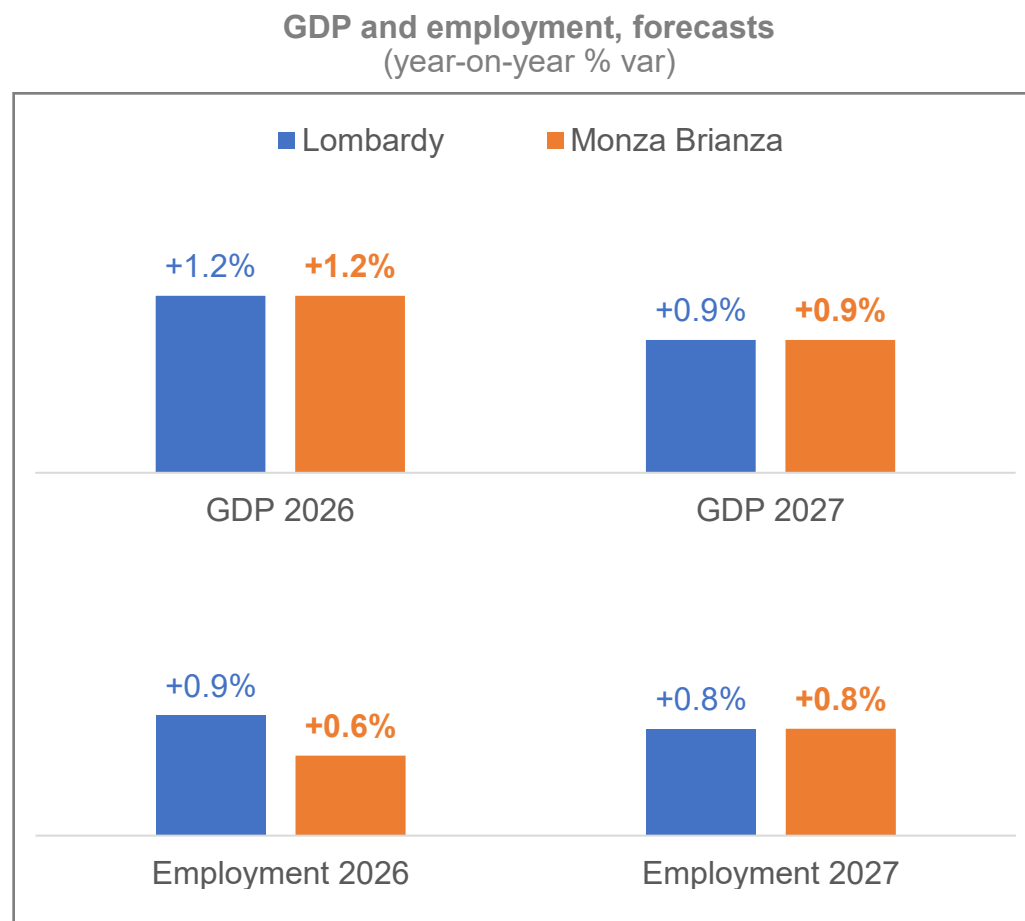
Focus Monza Brianza

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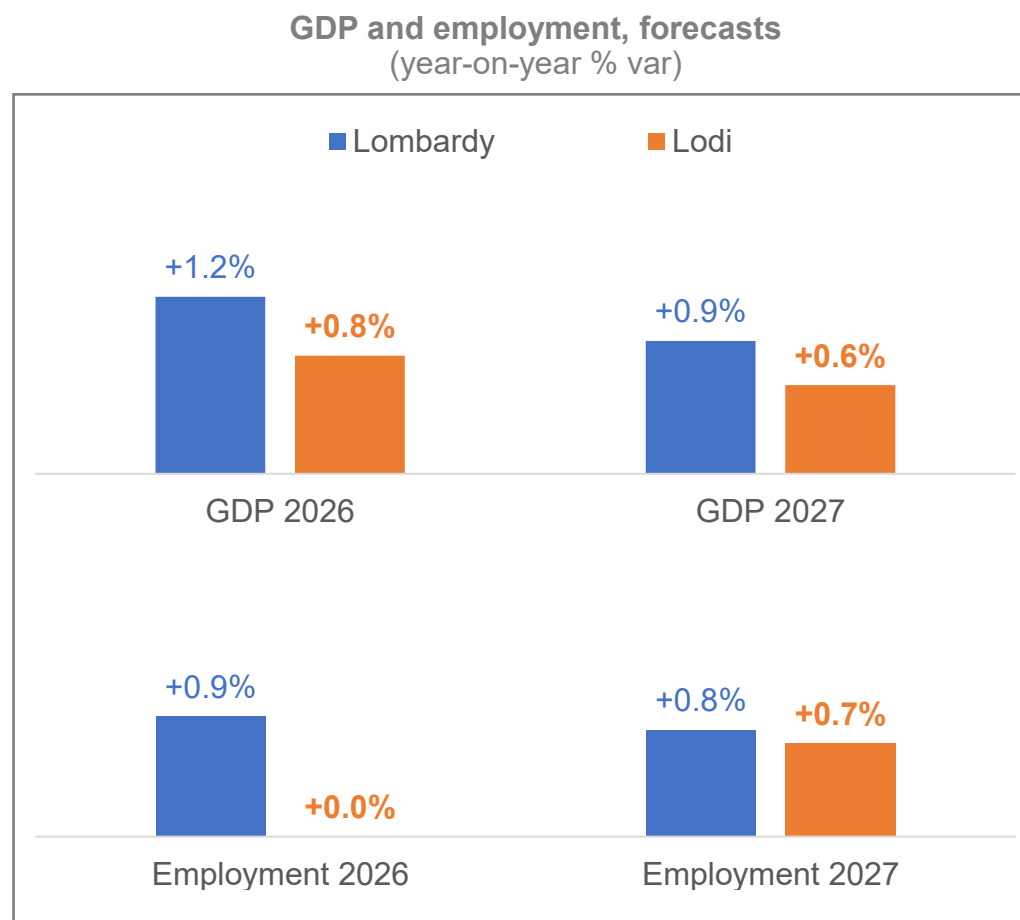
Focus Lodi

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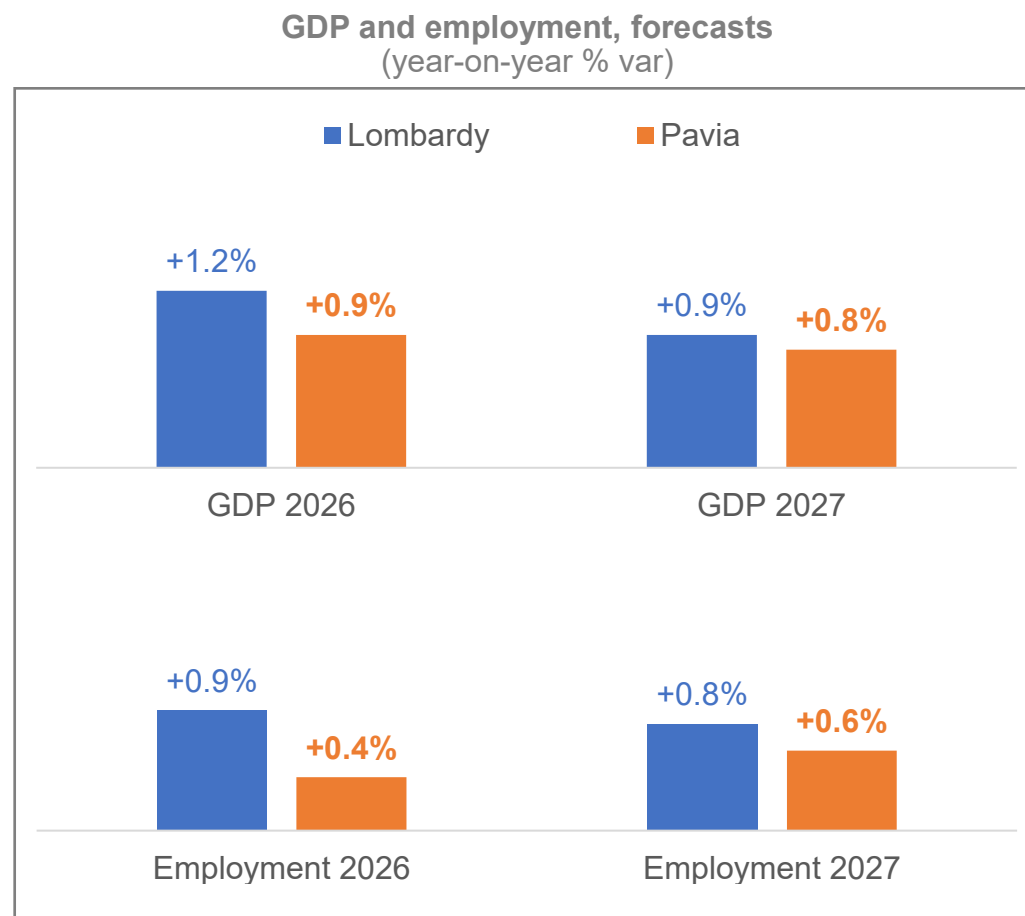
Focus Pavia

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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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