



ASSOLOMBARDA
Confindustria Milano Monza e Brianza

Booklet Economia

Lombardy in comparison with Italian
and European benchmarks

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Preface

Flash update on the short-term economic outlook for Lombardy in comparison with the other European “engines of growth” - Baden-Württemberg, Bayern, Cataluña, Rhône-Alpes - and the other benchmark regions in the North of Italy - Veneto, Piedmont, Emilia-Romagna.

Safety on the workplace in Lombardy

In 2016, workplace injuries per person employed in factories (net Cassa Integrazione Guadagni (CIG)) have decreased by 5.0% with reference, those “outside factories” by 4.7%.

SUMMARY – Economic performance in Lombardy in comparison with benchmark regions

Lombardy GDP growth is +1.3% in 2016 with respect to 2015. The gap with pre-crisis performance subsequently reduces to -3.1%

Lombardy's stronger economy spills over to the labor market. In 2016 4 million 232 thousand people are employed; net CIG, they are 4 million 217 thousand. With respect to 2008, the employment balance is positive: +36,000, net CIG +41,000. Compared to the pre-crisis period, the trend already caught a year ago continues: there are more women and fewer men employed, more workers with tertiary/upper secondary education and fewer workers with only lower secondary education, more 45-64 year olds and more employees.

In 2016 Lombardy reaches a new high on international markets, exporting an overall amount of 112 billion euros, +0,8% on 2015, +7,8% with respect to pre-crisis levels. In line with this trend, over the whole of 2016 manufacturing production has grown by 1,3% over 2015.

In the first months of 2017, the manufacturing sector still sends positive signals. In Milan* indeed, the confidence climate improves in February and sets on historically high levels.

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Economic performance in Lombardy in comparison with benchmark regions

Lombardy GDP growth is +1.3% in 2016 with respect to 2015. The gap with pre-crisis performance subsequently reduces to -3.1%. While this performance is the national best (together with that by Emilia-Romagna), at the European level recovery is stronger in all benchmark regions: Bayern is above its 2008 levels by 15.0%, Baden-Württemberg by 10.7%, Cataluña by 0.9%.

Over the past year, the consolidation of the recovery in Lombardy positively spilled over to the labor market. In 2016, 4 million 232 thousand 15-64 years old are employed - net CIG, 4 million and 217 thousand. With respect to 2008, the employment balance is positive: + 36,000, net CIG +41,000. Over the same period, the population grew by 120,000 units.

Considering a broader age segment, from 2008 to 2016 employment for the over 15 year olds has grown by 54,000 units. Compared to the pre-crisis period, there are more women employed (+75,000) and fewer men (-21,000), more university (+210,000) and upper secondary school (+59,000) graduates and fewer workers with only lower secondary education (-216,000), more 45-64 year olds (+530,000) and more employees (+156,000).

Of the total number of employees, almost 90 per cent are permanent contracts, a percentage substantially stable throughout the crisis. In particular, in 2016 it is 89,7%.

As to the unemployed, in 2016 they are 182,000 more than in 2008. However one has to note the progressive recovery over the last 3 years (+214,000 in 2014, +200,000 in 2015).

Interesting developments regard also the young. In Lombardy 15-24 year olds are 917,000, of which 20.3% are employed, 8.7% unemployment and 71.0% inactive. Relative to German regions, there are substantial differences. To compare, in Bayern the young are 1 million and 380 thousand, of which 52.1% are employed, 2.3% unemployed and 45.6% inactive.

Moving onto trade on international markets, in 2016 Lombard exports reach a new record at 112 billion euros, marking a +0.8% on 2015 levels (when it had managed a +1.6% on 2014) and a +7.8% with respect to pre-crisis levels. Both performances are nonetheless inferior to those of national (in particular Emilia-Romagna performs a +1,5% on 2015) and European benchmarks (especially, Bayern +2,5%). In 2016 Lombard exports are driven by EU markets (+2.0% on 2015) and, as to manufacturing sectors, by pharmaceuticals (+10.8%), food (+7.6%) and fashion (+5.5%).

Towards the end of 2016 manufacturing production in Lombardy was already sending positive signals. Indeed in the last quarter of 2016 production got back to growth (+0,3% after -0,1% in the third quarter), growing throughout the whole of 2016 by +1.3% over 2015.

In the first months of 2017 the positive trend is confirmed.

In Milan* manufacturing confidence climate improves in February, consolidating the historically high performance already reached at year-end in 2016. The index growth owes to the improvement in expectations over production for the next 3 to 4 months and to the increase in order books (mainly due to the foreign component, increasing and on high levels since the end of 2016, for the domestic one, though on positive levels, marks a decline for the third consecutive month). The stock of finished goods, which has grown for four consecutive months, is higher than normal levels. Expectations both over internal demand and foreign demand for the next months stay high.

At country level, manufacturing confidence improves and sets on positive levels in Italy and, especially, in Germany. It declines instead in Spain, where it lives ups and downs but still gravitates around 0, and in France.

Instead, in the North-West consumer confidence has been at its minimum since summer 2015.

Finally, back to the labor market in Lombardy, in the first two months of 2017 CIG has continued to decline (-59% with respect to the same period in 2016). Total hiring in January 2017 stays overall unchanged with respect to January 2016, whereas the decline in permanent contracts continues, as also in national benchmark regions (except from Emilia-Romagna, where they grow).



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