



ASSOLOMBARDA

Booklet Economia

Lombardy in comparison with Italian
and European benchmarks

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Preface

Flash update on the short-term economic outlook for Lombardia in comparison with the other highly industrialized regions in Europe - Baden-Württemberg, Bayern, Cataluña, Rhône-Alpes - and in the North of Italy -Veneto, Piedmont, Emilia-Romagna.

Safety on the workplace in Lombardia

In the third quarter of 2019 total recorded work-related accidents in Lombardia are essentially the same number as in the same period last year and this is true for both on-the-job and work-related road accidents. Focusing on the industry, on-the-job work-related accidents are stable, whereas road accidents slightly decrease (-2.3%) compared to the third quarter of 2018.

Economic performance in Lombardia in comparison with benchmark regions

Survey data on manufacturing production in Lombardia unexpectedly reveal an increase by +1.1% in July-September 2019 on the previous quarter and +0.9% on a yearly basis. This increase concerns all size classes: +0.7% medium firms, +0.9% small firms, +1.3% in the case of large firms.

It is however one frame that does not change the overall picture showing stagnation over the first nine months of 2019. Regional production between January and September indeed only dimly increases by +0.3% on the same period last year: growth is hence substantially slower than in 2018, when industry totalled an annual growth rate of +3.0%.

As to manufacturing sectors in Lombardia, 5 out of 13 see their production levels diminish in the first 9 months of the year: -2,2% clothing, -1,4% textiles, -1.1% transports, -0.3% metallurgy, -0.3% other industries. The regional average benefits instead from the positive performance of food (+2.8%), non-metallic minerals (+2.3%) and chemicals-pharmaceuticals (+1.1%), all other sectors grow by less than 1 p.p. (to be mentioned, due to its relevance in the regional economy, is mechanics, which registers the smallest increase of +0.1%). Among provinces, 5 out of 12 record negative performances in the first 9 months of 2019: -1.1% Monza, -1.0% Bergamo, -1.0% Brescia, -0.8% Lecco, but also -0.1% Varese. Among the growing territories the following stand out: Lodi (+3.4%), Sondrio (+2.4%), Milano (+1.6%), Pavia (+1.6%), Cremona (+1.5%), Mantova (+1.4%).

On the one hand manufacturing production is stagnant, on the other exports halt. As a matter of fact, in the first half of 2019 exports from Lombardia decreased by -0.2%, a negative trend spread among the large majority of sectors and provinces.

Furthermore, despite some improvements in October relatively to production expectations and order books, manufacturing confidence climate still suggests industry in Lombardia is stuck in weak phase.

North-West manufacturing confidence climate indeed improves in October for the second consecutive month, but is still (for the 15th period in a row) negative. The improvement partly owes to the increase in order book expectations (both domestic and international), but especially to the increase in short-term production expectations; stocks increase instead. In the same month, confidence slightly grows in Italy and France, whereas it drops in Spain and in Germany it remains negative.

As to consumers, confidence falls in October both in Italy and, especially, in the North-West. In the North-West see a significant decrease the personal component (at its lows since end-2017), the current and future component, whereas the economic component holds (though at much lower levels than the peak registered between Fall 2017 and 2018).

Finally, as to business demography, in July-September 2019 the number of active firms in Lombardia decreases by -0.2%, in line with the negative trend registered in the first semester after four years of subdued but persistent growth. Manufacturing especially suffer, with a drop by -1.6% compared to 2018.





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