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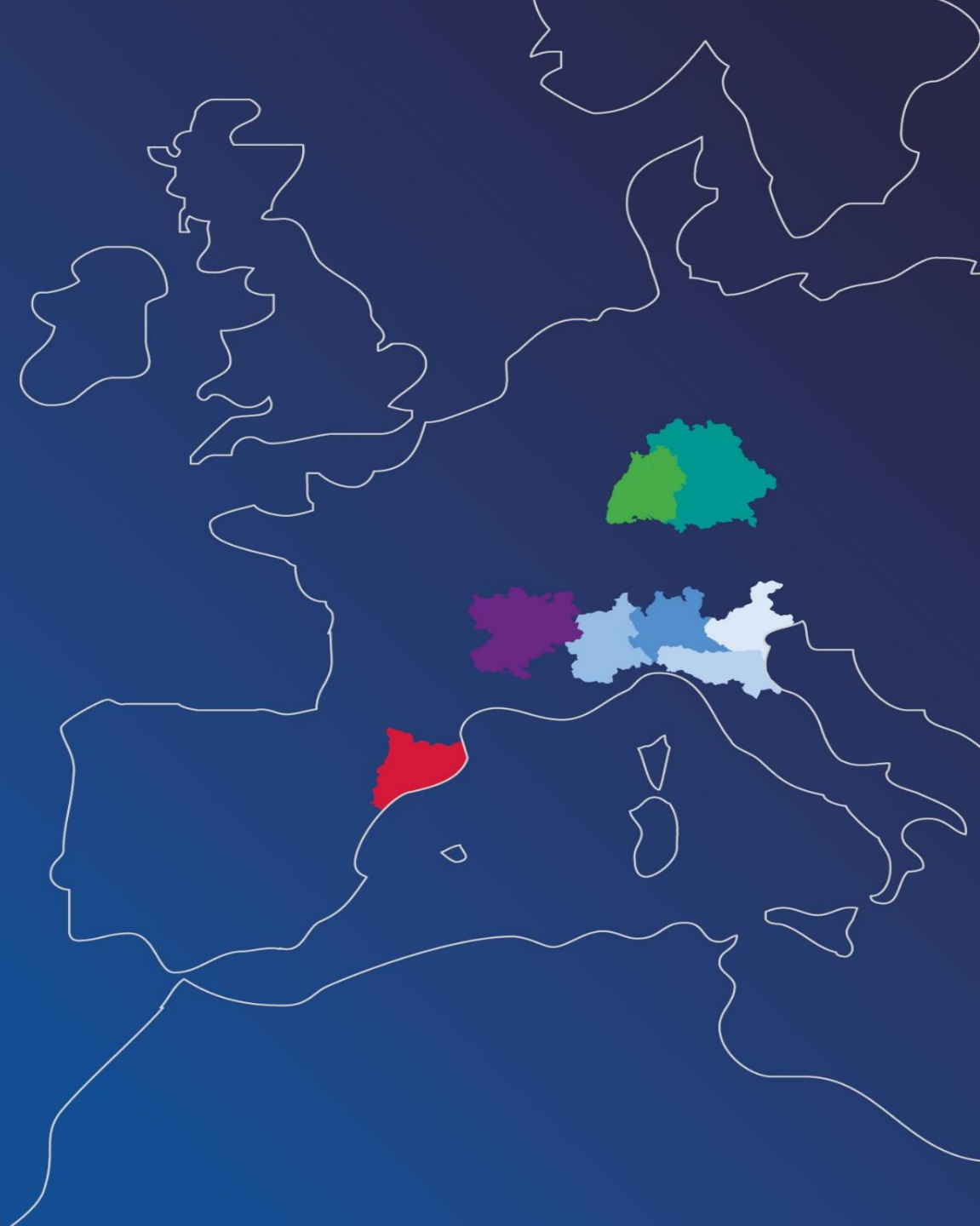
# Booklet Economia

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 October 2019 total work-related accidents in Lombardia increase by +1.7% compared to the same month in 2018, by +2.2% if considering the industry only. In the same period the increase is larger for on-the-job work-related accidents, which go up by +19.8% overall and by +40.9% in the industry. These are provisional figures though, data on the last two months of the year still missing.

#### Economic performance in Lombardia in comparison with benchmark regions

Lombardia's growth remains sluggish. Manufacturing production and international sales are almost stagnant in the first nine months of 2019. Furthermore the manufacturing and consumer confidence suggest the economy at 2019 year-end and beginning of 2020 to remain weak.

Especially between January and September 2019 regional manufacturing production just barely records a «+» sign (+0.3%) compared to the same period a year ago: the growth pace hence heavily decreased compared to 2018, when the industry overall totalled an annual growth rate of +3.0%.

Again with reference to the first nine months of the year, exports increase by a mere +0.4%, versus the +5.4% totalled in 2018. Considering manufacturing sectors, 7 out of 13 see their international sales decrease: automotive especially (-11.5% in January-September 2019 compared to the same period last year), but also electrical equipment (-4.3%), metals (-3.1%), electronics (-2.8%), food (-2.1%), machinery (-1.3%), wood (-0.8%). Also, chemicals (+0.3%) and rubber-plastics (0.0%) growth rates near zero. Pharmaceuticals instead stand out with a particularly positive performance (+26%).

As to territories, exports from 6 provinces are growing (especially from Pavia, Milano and Lodi, respectively by +13.1%, +4.8% e +3.4%) while those from other 6 provinces are decreasing (in particular from Varese and Monza Brianza, respectively by -8.6% and -5.8%).

As to destination markets, the slight increase in exports from Lombardia in January-September reflects the robust and positive performance in the USA (+17.6%, thanks to pharmaceuticals, which alone explain over half the increase). The opposite perform sales towards Germany (-2.1%, where metals suffer especially, followed by machinery, electrical equipment and chemicals) and China (-5.6%, mainly due to automotive and machinery).

What about the future? Manufacturing confidence in the North-West again worsens in November and the index results negative for the 16th consecutive month. (National but also and especially foreign) order books worsen, short-term expectations on production weaken and stocks grow. In the last months of 2019 and the first months of 2020 persisting stagnation in the region is clearly pictured.

As to the main European benchmark countries, the confidence climate again drops in Italy (at its lowest since end-2013) and in Germany (at its lowest since end-2012, with largely negative net values), stabilizes in France and dimly improves in Spain (though it is still below 0).

Among consumers, in November confidence sensibly diminishes both in Italy and, especially, in the North-West where it drops at its lowest since Summer 2017. In the North-West the decrease mainly owes to negative assessments of the national economic outlook (at its lowest since beginning of 2015), to which adds a faltering future components.

On the contrary, the labor markets still resists. In the third quarter of 2019 the employment rate increases in Lombardia (68.1%, up from 67.1% a year earlier) and, at the same time, unemployment rate decreases (the share of those looking for a job is 5.1%, down from 5.4%). In absolute values, there are +79,000 persons employed versus -9,000 unemployed, with a net increase by +70,000 in the number of active job seekers.

Finally, in the first semester of 2019 in Lombardia bankruptcies markedly drop (-7.3% on a yearly basis, after -1.3% in 2018). This trend reflects a further decrease in the number of procedures in the industry (-5.0%), in services (-3.3%) and especially in construction, which finally reverse the trend registered up to 2018 (-21.5%). Voluntary liquidations also to decrease, recording -1.1% between January and June this year (following -0.6% in 2018).





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