



ASSOLOMBARDA

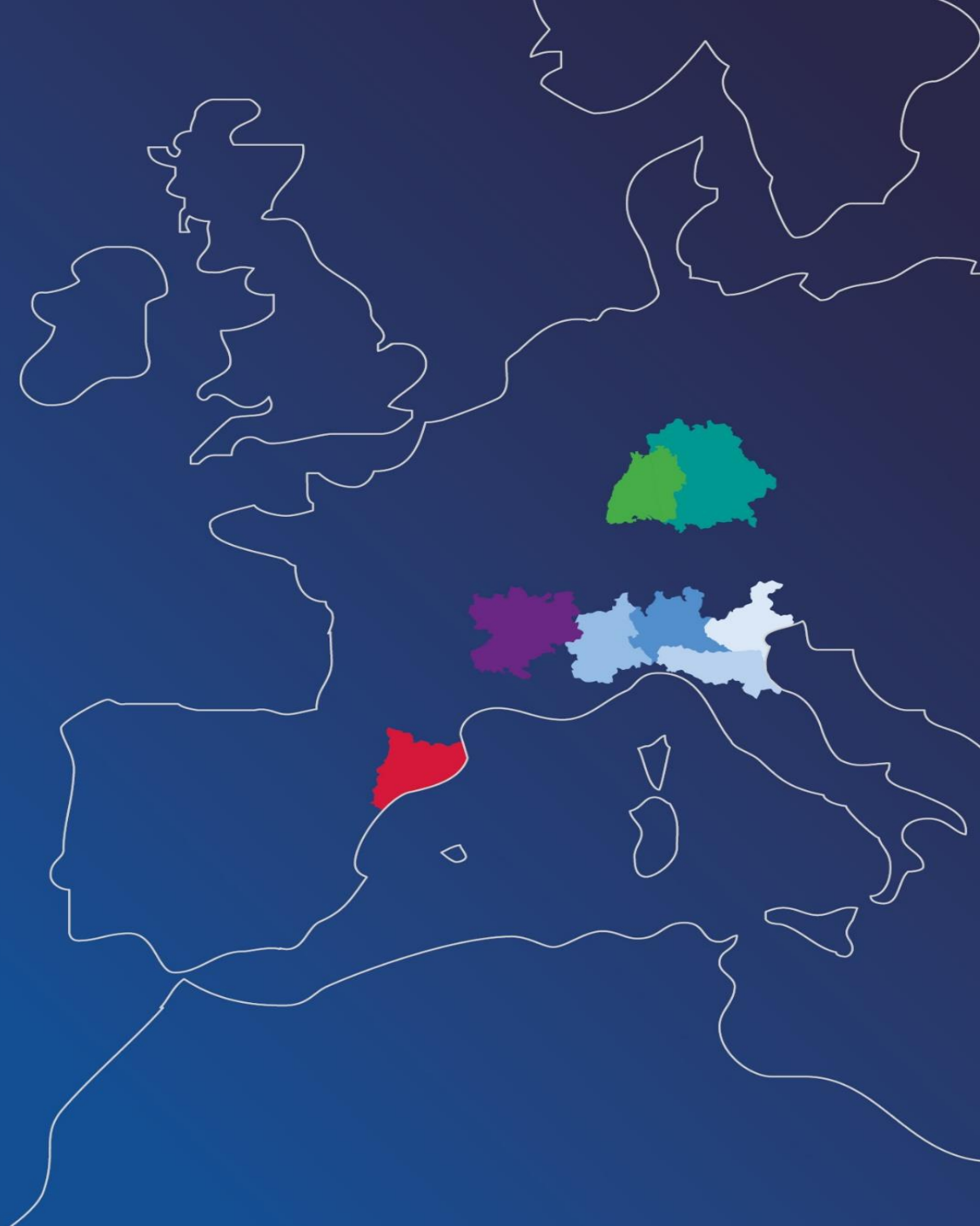
Booklet Economia

Lombardy in comparison with Italian
and European benchmarks

Edited by

Research Department

N° 60/December 2021



EXECUTIVE SUMMARY

Lombardia's economy in comparison with European and Italian benchmark regions

Manufacturing activity in Lombardia showed an acceleration in the pace of growth between June and September, rising +5.8% from the last quarter of 2019, before the pandemic (this Spring it read +3.2%, at the beginning of the year still -1.2%) and confirming its stronger performance compared to the national average, which stands at +1.2% in the third quarter compared to pre-Covid.

Lombardia, but in general Italy as well, stand out in Europe for the speed of the recovery. As a matter of fact, the industry sector in Spain, France, and Germany especially, still suffers from a gap with 2019 levels (respectively of -1.3%, -4.3% and -6.1%).

Lombardia's acceleration is also visible in export data, which hit +8.6% in the third quarter of 2021 compared to 2019, following +6.6% in the second quarter and -0.8% in the first. Boosted by a particularly positive third quarter, Lombardia's overall performance in the first 9 months of 2021 creeps up to that of its benchmarks, further ahead in the recovery thanks to a positive performance over the entire period: +4.8% Lombardia, +6.3% Veneto, +7.1% Emilia-Romagna, +5.1% Baden-Württemberg, +6.9% Cataluña.

Moreover, in September in Lombardia, interestingly a larger number of manufacturing sectors (9 out of 13) than last Spring see an increase in foreign sales compared to before the pandemic. Among top performers stand electronics (+16.4% in Jan-Sep 2021 on 2019), metals (+12.9%), food (+12.6%), electrical appliances (+11%), followed by chemicals (+9.4%) and rubber-plastics (+7.1%), then other manufacturing/furniture (+3.1%). Slower the pace kept by automotive (+0.9%, reversing the downward trend only in the summer) and pharmaceuticals (+0.5%, shrinking after starting the year strong). Among sectors still below pre-Covid levels are machinery (-1.4%) and fashion (-3.1%), which however reverse the trend, but also wood (-2.4%) and petroleum products (-12.9%), which further decrease instead.

Short-term business surveys conducted in November suggest the recovery to continue towards year-end, thanks to a still strong demand. However supply-chain bottlenecks and skyrocketing energy prices might put a damper on the pace of the recovery, besides inevitably the unfolding of the pandemic.

In the North-West especially and in Italy, in November manufacturing confidence comes close to all-time highs, with orders peaking and production expectations over the next 3 months remaining robust. Stocks of finished goods, which markedly dropped in October, increase, though remaining well below normal levels. In Europe, business confidence is still on historical highs in Germany (as orders are high and destocking shows a minor decrease, after having strongly accelerated in order to cope with the severe input constraints), it improves in France reaching the highest levels over the past decade, whereas it falls in Spain (where foreign demand plummets and short-term production expectations decrease).

A positive demand outlook also concerns services in the North-West, as confidence in November increases, almost reaching the peaks recorded in the Summer. In Italy instead the index slightly diminishes, a trend partly to be expected after the boost provided by Summer reopenings. In Europe the confidence climate is high and it increases in France and Spain, while in Germany it drops lower than in May and aligns to its long-term average.

To conclude, contrary to business confidence, North-West consumer confidence worsens, however also in this case it reads close to all-time highs recorded in October. The trend mostly owes to expectations on the economy and on the personal component worsening.

Safety on the workplace

In October 2021, 'on-the-job' work-related accidents in Lombardia decrease on the same period in 2020, both in the industry (-6.4%) and in the overall economy (-22.5%): its a u-turn compared to the trend in the third quarter. 'On-the-road' work-related accidents increase instead, overall (+44%, vs +17.8% in the third quarter) and in the industry (+33.6%, vs +16.1%).





ASSOLOMBARDA

www.assolombarda.it

www.genioeimpresa.it

Follow us

