



ASSOLOMBARDA

BOOKLET ECONOMIA  
**Sectors and labor  
market**

*Lombardy in comparison with  
Italian and European benchmarks*

Edited by  
**Research Department**

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BOOKLET ECONOMIA

## **Sectors and labor market**

*Lombardy in comparison with Italian and European benchmarks*

# Executive Summary

## **MANUFACTURING EXCEEDS EXPECTATIONS IN 2025 AND SERVICES CONTINUE TO EXPAND — YET GEOPOLITICAL INSTABILITY AND GLOBAL UNCERTAINTY THREATEN THE GROWTH OUTLOOK. LOMBARDY'S LABOUR MARKET RECORDS 29K ADDITIONAL EMPLOYEES AND AN UNEMPLOYMENT RATE OF 3%, WHILST INACTIVITY CONTINUES TO RISE**

Following a 2025 that proved broadly more resilient than anticipated for Lombardy's manufacturing and services sectors, renewed instability in the international environment now risks undermining the sustained industrial momentum recorded at the regional and wider European level towards the close of the year. Escalating geopolitical tensions arising from the Middle East conflict are already exerting significant upward pressure on energy costs and on supply chains for key raw materials across many industries, contributing to a markedly deteriorating outlook for 2026.

Turning to the available full-year data for 2025, Lombardy witnessed a broad-based strengthening of industrial activity alongside further expansion in services turnover, although the latter displayed a progressive deceleration relative to prior years. Regional manufacturing output followed a trajectory of slow but sustained recovery, with growth extending across most sectors and all enterprise size classes; export performance was equally positive, with no material adverse impact from tariff-related developments. Certain structural vulnerabilities nevertheless persist, linked to sector-specific difficulties and uneven growth across territories and sub-sectors — signals that, in the current environment, warrant close attention.

The regional picture for 2025 is completed by continued, if moderating, employment growth, accompanied by widening divergences across age groups and between genders. Unemployment in Lombardy declined further to frictional levels, indicating near-complete absorption of the active jobseeking population. This dynamic is compounded by rising inactivity among those disengaged from the labour market altogether, implying that, given current demographic trends, any prospective expansion in labour supply will require targeted action to raise participation and activity rates.

## Manufacturing

Lombardy's manufacturing output closed 2025 on a positive note, with output in the fourth quarter recording a quarter-on-quarter increase of +0.6% and a year-on-year gain of +2.3%. These figures represent, respectively, the fifth consecutive quarterly rise and the third consecutive annual increase, thus confirming a clear trajectory of industrial recovery. The region's output grew by 1.2% over the year as a whole, outperforming the broader Italian manufacturing sector, where production levels fell by 0.5% relative to 2024. Lombardy's performance also surpassed that of Spain and France, both of which recorded growth of 0.5%, as well as Germany, which remained in contraction for most of 2025 (-1.3%), despite some stabilization in the final quarter.

Growth in regional output was broad-based across all enterprise size classes: +1.8% for larger firms with more than 200 employees, +1.1% for medium-sized enterprises, and +0.9% for small businesses.

The expansion was equally widespread across almost all manufacturing sub-sectors: food and beverages (+3.3%), leather goods and footwear (+2.8%), non-metallic mineral products (+2.6%), wood and furniture (+1.9%), clothing and apparel (+1.8%), chemicals and pharmaceuticals (+1.6%), mechanical engineering (+1.6%), paper and printing (+0.9%), and iron and steel (+0.4%). Difficulties persisted, however, in transport equipment (-0.3%), rubber and plastics (-0.5%), and textiles (-2.0%), the latter being the only sub-sector to record negative quarterly performance throughout the year.

2025 also proved a solid year in terms of international market performance. Notwithstanding widespread concerns over the trajectory of global trade, fueled by the turbulent sequence of announcements and shifting implementation of US tariff measures, the current value of Lombardy's exports reached €167.1 billion, representing an annual increase of +1.8% with only a modest dip in the spring quarter. Lombardy's export growth outpaced that of Veneto (-0.2%) and Emilia-Romagna (+1.3%), as well as all European benchmark regions (Baden-Württemberg +0.6%, Bavaria and Cataluña +0.9%, Auvergne-Rhône-Alpes -1.9%), though it fell short of Piedmont (+2.7%) and the national aggregate (+3.3%).

The sectors making the largest contributions to export growth were transport equipment (+11.5%), pharmaceuticals (+10.7%), and food and beverages (+8.0%). Electrical equipment (+1.9%), mechanical engineering (+0.8%), and chemicals (+0.2%) also posted positive results, while exports declined in electronics (-1.6%), rubber and plastics (-1.5%), wood and paper (-1.4%), metals and related products (-0.6%), and fashion (-0.3%). Viewed over the medium term, pharmaceuticals, food

and beverages, and — to a lesser extent — chemicals continue on a growth trajectory, whilst fashion, rubber and plastics, and metals exhibit persistent structural weakness, albeit less pronounced than in previous years. Notable trend reversals include transport equipment (driven primarily by aircraft deliveries) on the upside, and electronics on the downside.

From a geographical perspective, Lombardy's export growth in 2025 was driven primarily by sales to other EU member states (+3.6%), which expanded across all four quarters of the year, whilst flows to non-European markets remained broadly flat, with a fourth-quarter upturn offsetting earlier declines. This geographical contribution to growth is the mirror image of 2024, when the support had come entirely from extra-EU demand.

More specifically, sales increased to all major European partners: the Netherlands recorded the strongest growth (+14.6%, partly reflecting its role as a key logistics hub), followed by Germany (+2.2%), France (+2.3%), Spain (+1.4%), and Poland (+5.3%). Among non-European partners, exports to the United States rose by 2.1% — supported largely by front-loading in the first quarter ahead of tariff uncertainty, followed by a subsequent slowdown and modest decline by year-end — as did exports to the United Kingdom (+2.3%). By contrast, exports fell to Switzerland (-5.7%), China (-5.8%), and Turkey (-7.3%).

## Services

In 2025, services turnover in Lombardy grew by 2.7% relative to 2024 in current price terms, with a positive quarterly profile throughout the year. This increase is broadly in line with the performance of the French services sector (+2.8%), though it falls below Italy (+3.4%), Germany (+3.9%), and Spain (+4.7%). A deceleration relative to prior years is evident across virtually all territories (Germany being the exception), even as growth rates remain at a solid level.

Turnover growth was broad-based across all services sub-sectors in Lombardy. Personal services recorded the strongest increase (+4.0% relative to 2024), accelerating from the previous year, followed by business services (+3.4%). Hotels and restaurants posted turnover growth of +1.8%, decelerating from the pace observed in 2024, when they had led the sectoral rankings. Wholesale trade recorded a modest increase of +0.5% — contained, but representing a reversal from the previous year's decline, consistent with resilient industrial performance and the tentative recovery in household consumption.

## Labor market

In 2025, Lombardy recorded 29 thousand additional employed people relative to 2024, bringing the total to 4.57 million — a new regional record. The annual rate of increase of 0.6% nevertheless signals a moderation from the robust post-pandemic expansion, a pattern similarly observed at the national level (Italy +0.8% in 2025). Growth in employment was concentrated almost entirely in the 50–64 age group (+74 thousand relative to 2024, +4.6%), among male workers, and, by sector, in construction (+20 thousand, +7.4%), trade, accommodation and food service activities (+13 thousand, +1.6%), manufacturing (+10 thousand, +0.9%), and agriculture, forestry and fishing (+6 thousand, +10%). Employment declined across all younger age cohorts, remained unchanged among women, and fell in knowledge-intensive services and other services. 2025 also marked the first year in which the number of dependent employees fell (-46 thousand, -1.2%), with employment growth driven entirely by self-employed workers (+75 thousand, +9.1%), who returned to their 2019 levels.

The number of unemployed people in Lombardy fell by 34 thousand in 2025 (-19.6%), continuing the downward trajectory that began in 2021, and at a faster pace than the national average (-5.3%). The reduction was shared across both women (-19 thousand relative to 2024) and men (-15 thousand). The number of inactive people, however, rose for the second consecutive year (+30 thousand relative to 2024, +1.7%), moving against the national trend (-0.5%). This increase is entirely attributable to the segment least amenable to re-engagement with the labour market, namely those individuals neither seeking employment nor available to work (+30 thousand), whilst the pool of potential labour market participants remained stable at its lowest level in recent years.

The employment rate for the 15–64 age group in Lombardy rose to 69.6% (+0.2 percentage points relative to 2024), remaining well above the national average (62.5%). This aggregate figure masks a divergence by gender: the male employment rate rose to 76.8% (+0.5 p.p.), whilst the female rate declined to 62.1% (-0.2 p.p.), widening the gender gap to 14.6 percentage points from 14.0 in 2024. Differential dynamics are also apparent across age cohorts: the 25–34 age group recorded its first significant post-pandemic decline (79.0%, -1.7 p.p.), the 35–49 group remained stable (85.8%), and the 50–64 group posted strong growth (71.6%, +2.3 p.p.).

The unemployment rate for the 15–74 age group in Lombardy fell to 3.0% (compared with 6.1% nationally), a frictional level reflecting a reduction of 0.7 percentage points relative to the prior year. The rate declined for both men (3.4%, -0.9 p.p. relative to 2024) and women (2.6%, -0.6 p.p.). A positive signal also emerged with respect to youth unemployment: among 15–24-year-olds, the rate fell to 10.9%, well below pre-pandemic levels (18.3% in 2019).

At the same time, the inactivity rate for the 15–64 age group in Lombardy rose to 28.3% — still below the national average (33.3%), but the highest among the Italian benchmark regions.

Finally, authorized redundancy funds hours requested by Lombardy's businesses in 2025 amounted to 100 million, representing an annual increase of 4.4%, below the national rise of 10.3%. The sectors accounting for the largest share of this increase were chemicals and synthetic fibers, mechanical engineering, and metallurgy.

## The territories in detail

### MILAN

In 2025, manufacturing output in the Milan area grew by 2.1%, comfortably above the regional average of +1.2% and ahead of the province's own performance in the prior year (+1.1% in 2024). This robust industrial performance was, however, accompanied by a decline in export demand: the value of Milan's exports reached €56.1 billion in 2025, a fall of 2.8%, running counter to the regional trend of expansion (+1.8%). The decline was driven primarily by the fashion sector (-7.7%) — a key specialization of the territory, accounting for approximately one-fifth of total outbound flows — and by jewelry, also linked to the luxury goods segment (included in the 'Other' aggregate, -17.8%); a significant negative contribution also came from metals and related products (-7.8%). Partially offsetting these declines were rises in transport equipment (+17.9%), food and beverages (+4.0%), pharmaceuticals (+2.3%), chemicals (+1.5%), mechanical engineering (+1.4%), and — marginally — wood and paper (+0.3%).

On the labor market front, employment in Milan continued to grow in 2025 (+33 thousand employees over the year), supported principally by industry and by trade, hotels and restaurants. The employment rate rose to 72.8% (+1.1 p.p. relative to 2024) — a stronger gain than the regional average (69.6%, +0.5 p.p.) — whilst the unemployment rate fell from 4.6% to 3.0%, in line with the regional figure.

Authorized redundancy funds hours in Milan increased by 3.2% relative to 2024, below the regional average of +4.4%.

## The territories in detail

### MONZA BRIANZA

In 2025, manufacturing output in Monza and Brianza contracted by a significant 2.5% relative to the prior year — the result of a modest decline in the first quarter and sharp falls in spring and summer, only partially offset by a recovery of +1.7% in the final quarter. This provincial performance stands in marked contrast to the regional average (+1.2%) and represents a deterioration from the already subdued result in 2024 (-0.3%). The outcome reflects an industrial base heavily oriented towards export markets and a strong specialization in mechatronics, a segment closely correlated with the still-depressed German industrial cycle.

The provincial picture improves when viewed through the lens of international trade. In 2025, exports from Monza and Brianza reached €15.4 billion, growing by 7.0% — well above the regional average of +1.8%. The growth impulse, however, originated almost entirely from pharmaceuticals (+43.8%): excluding this sector, aggregate export growth would reduce to +1.0%. Secondary contributions came from metals (+17.3%), transport equipment (+14.3%), wood and paper (+4.6%), electrical equipment (+3.3%), and chemicals (+1.0%). The most significant contractions were recorded in electronics (-13.2%) and mechanical engineering (-8.4%); the design and furnishings sector also declined (-0.6%), though less sharply than in prior years.

On the labor market, employment fell in 2025 (-15 thousand employees over the year), driven by contractions in the services sector. Accordingly, the employment rate declined to 68.1% (-2.6 p.p. relative to 2024), falling below the regional average (69.6%). The reduction in employment translated into higher inactivity (29.7%, +2.9 p.p.) rather than increased unemployment (the unemployment rate fell to 3.1%, -0.2 p.p. relative to 2024). Authorized redundancy funds hours in the province rose by +12.6% relative to 2024, significantly outpacing the regional average of +4.4%.

### LODI

Manufacturing output in Lodi grew by 5.5% in 2025 compared to the prior year, well above both the regional average (+1.2%) and the province's own performance in 2024 (+2.9%). This result reflects consistently positive quarterly dynamics, albeit with some deceleration in the final part of the year. Provincial firms experienced, however, a decline in sales on international markets: the value of Lodi's exports reached €6.9 billion in 2025, a fall of 4.4%, against the regional trend of +1.8%.

## The territories in detail

The decline was driven primarily by electronics (-10.3%), which accounts for 58% of the province's total export value; excluding this sector, aggregate performance would have been positive. The weight of other declining sectors is marginal. Growth was recorded in rubber and plastics (+13.6%), pharmaceuticals (+10.6%), chemicals (+9.5%), metals (+7.7%), electrical equipment (+7.4%), and food and beverages (+2.2%).

The overall resilience of the productive side is accompanied by positive signals from the labor market. Employment in Lodi grew modestly in 2025 (+2 thousand employees over the year), supported by gains in industry, knowledge-intensive services and other services. The employment rate rose to 66.7% (+0.9 p.p. relative to 2024), though it remains below the regional average (69.6%), whilst the unemployment rate fell to 2.0% (-0.5 p.p.) — the third lowest among all Italian provinces.

### PAVIA

Manufacturing output in the Province of Pavia grew by 0.6% in 2025 compared to 2024, half the regional average (+1.2%). The increase was driven primarily by a strong third quarter, which offset a weak start to the year and a decline in the final months, though output levels remained above those recorded twelve months earlier. International sales demonstrated a somewhat more positive dynamic: the value of Pavia's exports reached €5.5 billion in 2025, rising by 2.0% compared to the prior year and marginally above the regional average (+1.8%). This growth is, however, concentrated in a narrow range of sectors, above all pharmaceuticals (+7.8%), which accounts for approximately one-third of total provincial export value and without which aggregate performance would have been negative (-0.7%). Further contributions came from transport equipment (+30.1%), chemicals (+2.7%), and food and beverages (+2.0%). The most significant drags on the total came from mechanical engineering (-5.3%) and metals (-9.7%).

Labour market signals for Pavia in 2025 are mixed. Employment grew by +5 thousand over the year, supported by gains in manufacturing, knowledge-intensive services and other services. The employment rate rose to 68.8% (+1.3 p.p. relative to 2024), though it remains below the regional average (69.6%). This improvement was not, however, driven by a fall in unemployment, which instead rose to 4.1% (+0.5 p.p.); the employment gain reflected a decline in inactivity. Authorized redundancy fund hours in the province fell by 21.8% relative to 2024, running against the regional trend of increase (+4.4%) and representing a marked reversal from the sharp rise recorded in the previous year.

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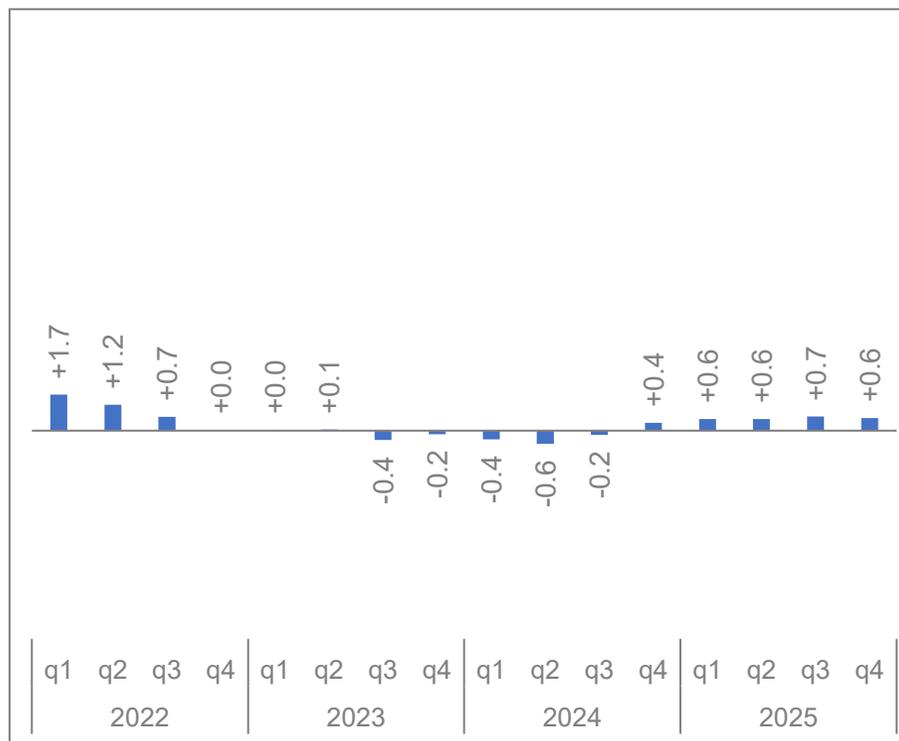
*Lombardy in the national and European  
comparison*

# Manufacturing

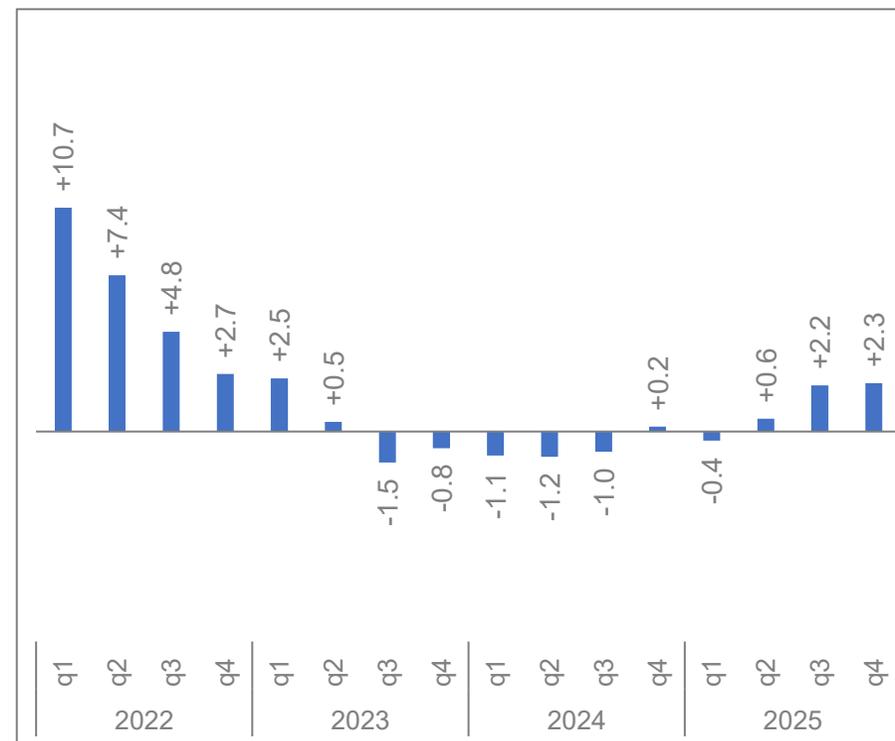
# Manufacturing production

## MANUFACTURING PRODUCTION IN LOMBARDY / Q4 2025

Manufacturing production in Lombardy  
(q-o-q % var.)

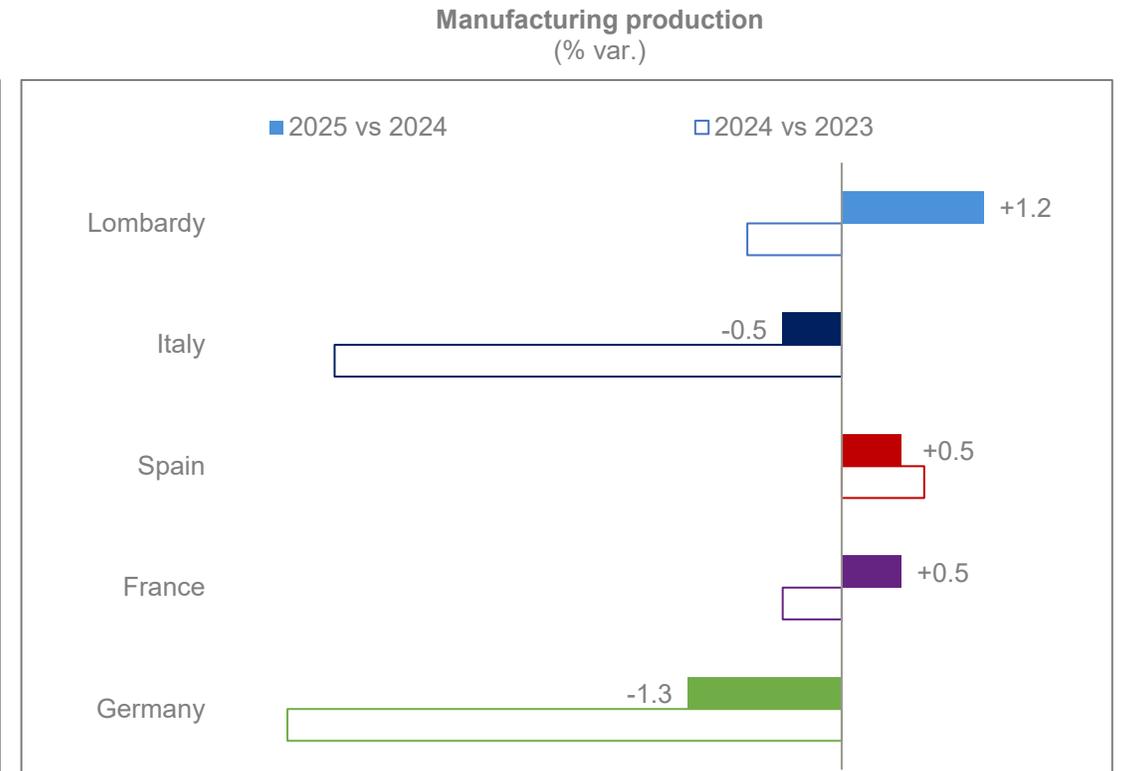
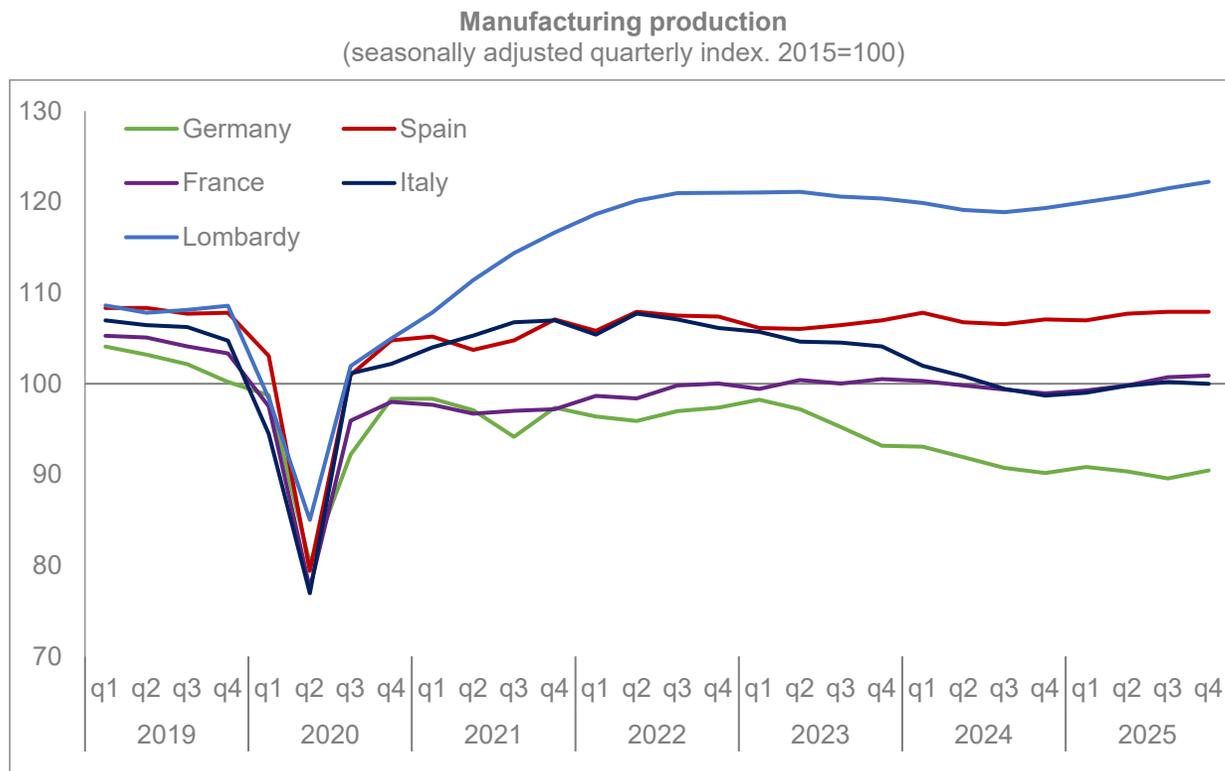


Manufacturing production in Lombardy  
(y-o-y % var.)



# Manufacturing production

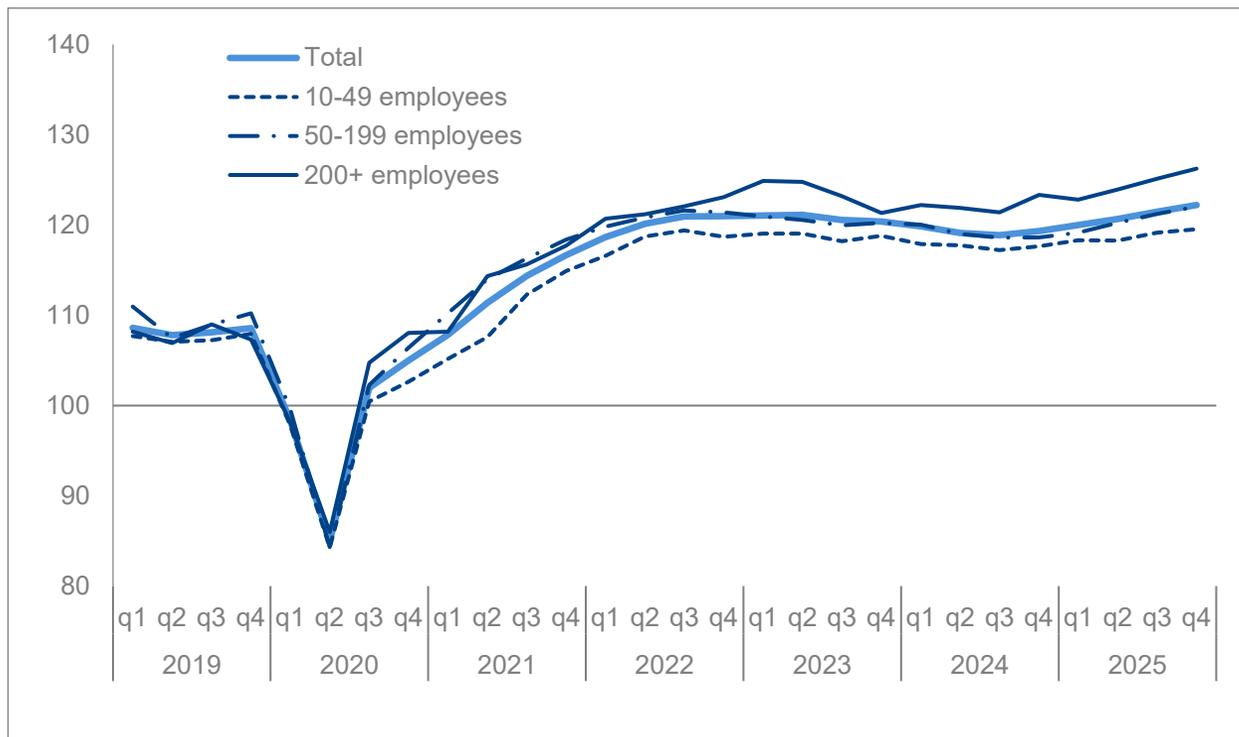
## MANUFACTURING PRODUCTION: COMPARISON WITH EUROPEAN BENCHMARKS / Q4 2025



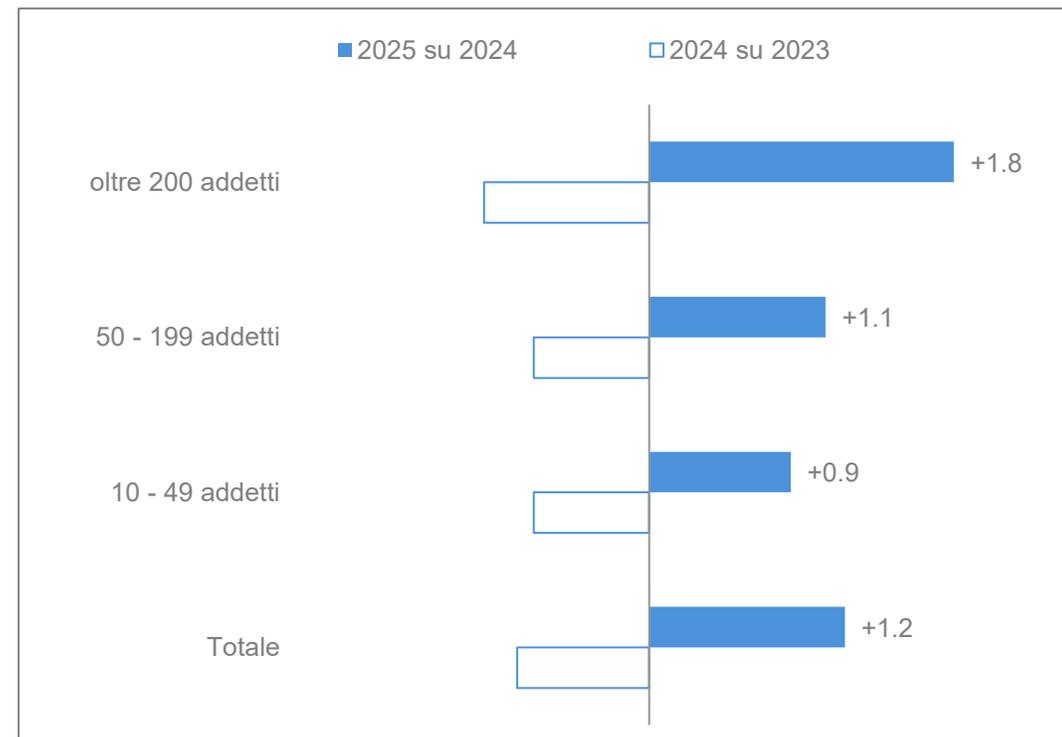
# Manufacturing production

## MANUFACTURING PRODUCTION IN LOMBARDY: FIRM SIZE / Q4 2025

Manufacturing production in Lombardy by firm size  
(seasonally adjusted quarterly index. 2015=100)



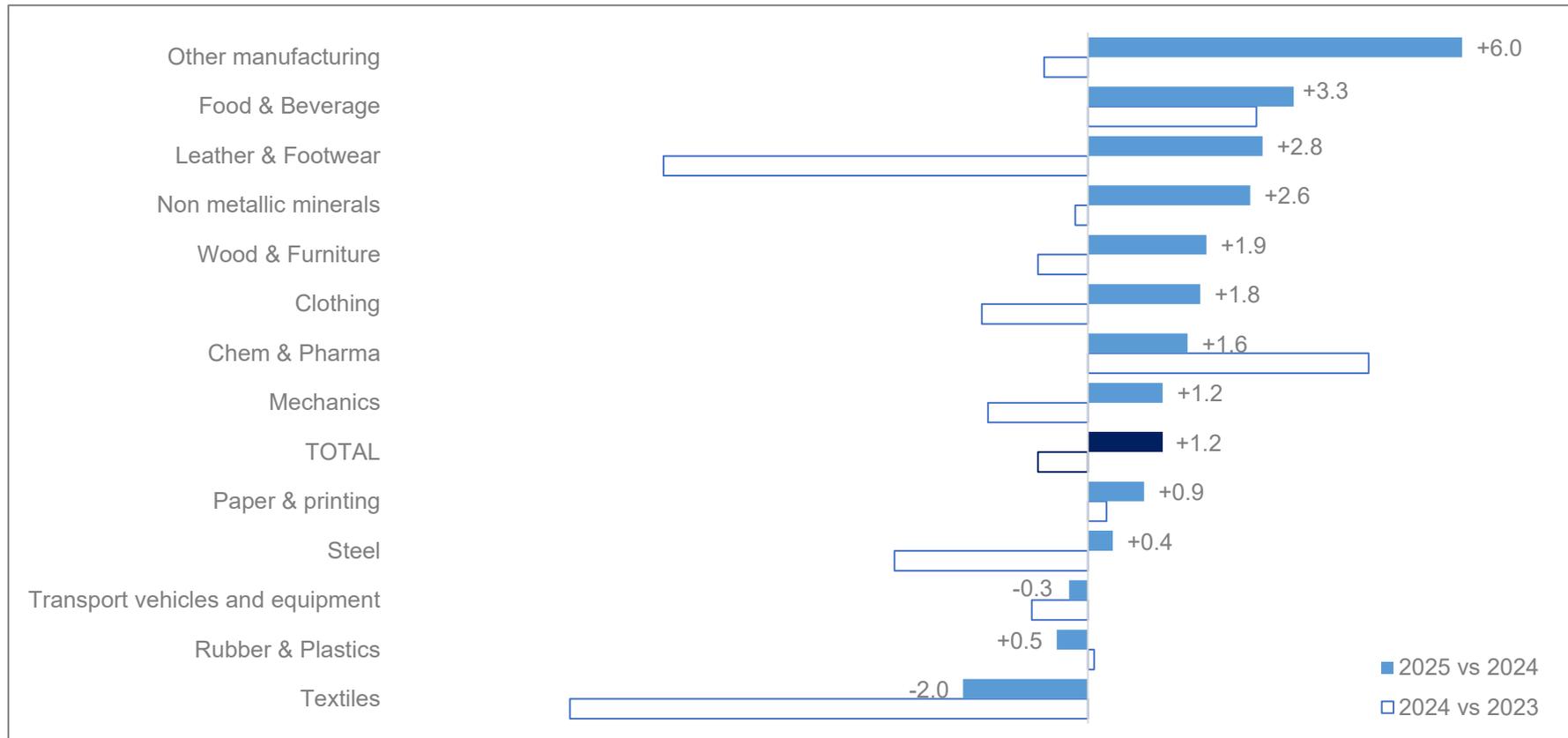
Manufacturing production in Lombardy by firm size  
(% var.)



# Manufacturing production

## MANUFACTURING PRODUCTION IN LOMBARDY: SECTORS / Q4 2025

Manufacturing production in Lombardy by sector  
(% var.)



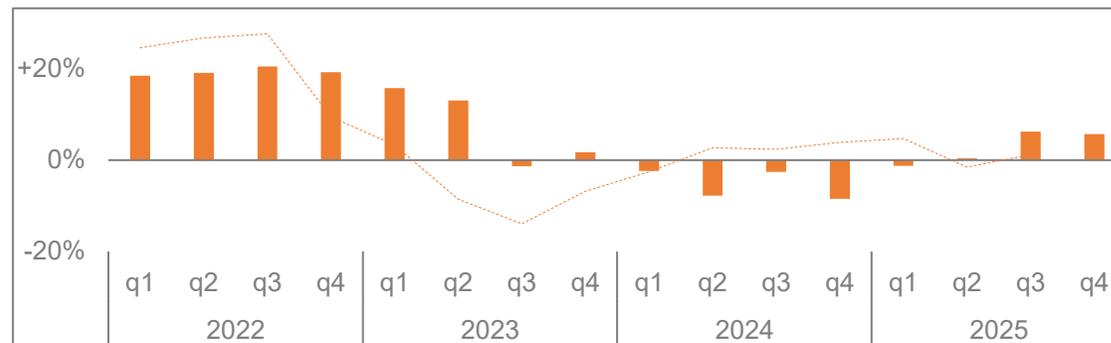
# Exports

## EXPORTS: COMPARISON WITH NATIONAL BENCHMARKS / Q4 2025

Exports: Lombardia and Italy  
(y-o-y var. %)



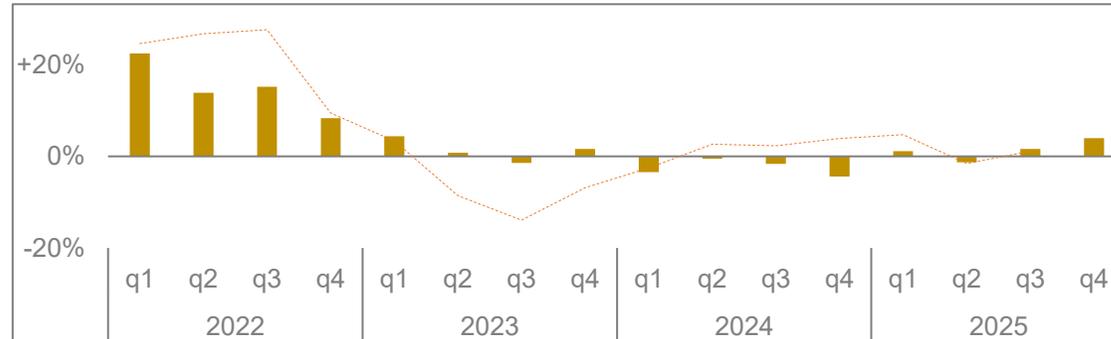
Exports: Piedmont  
(y-o-y var. %)



Exports: Veneto  
(y-o-y var.)



Exports: Emilia-Romagna  
(y-o-y var.)



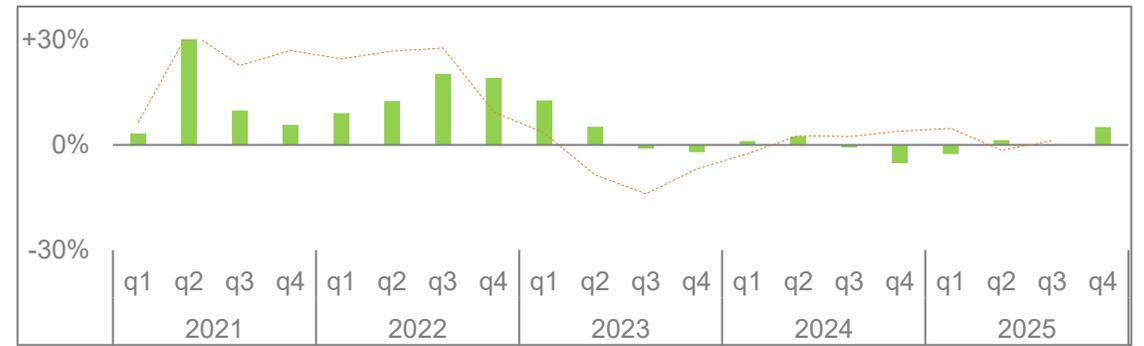
# Exports

## EXPORTS: COMPARISON WITH EUROPEAN BENCHMARKS / Q4 2025

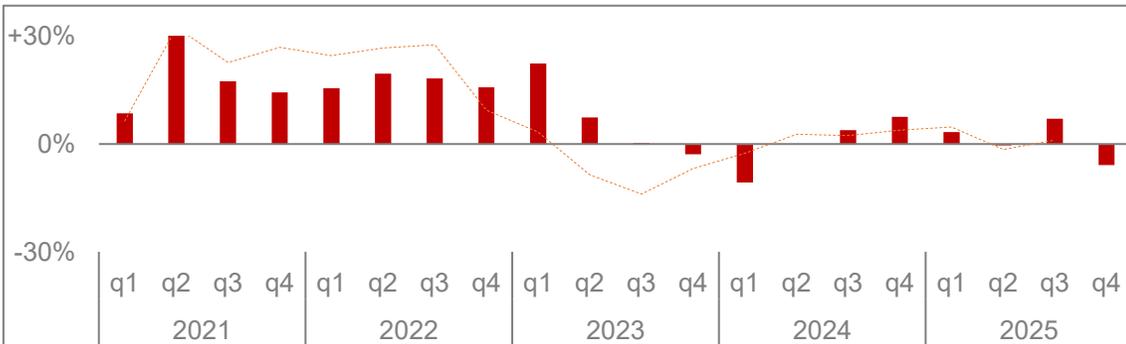
**Exports: Baden-Württemberg**  
(y-o-y var. %)



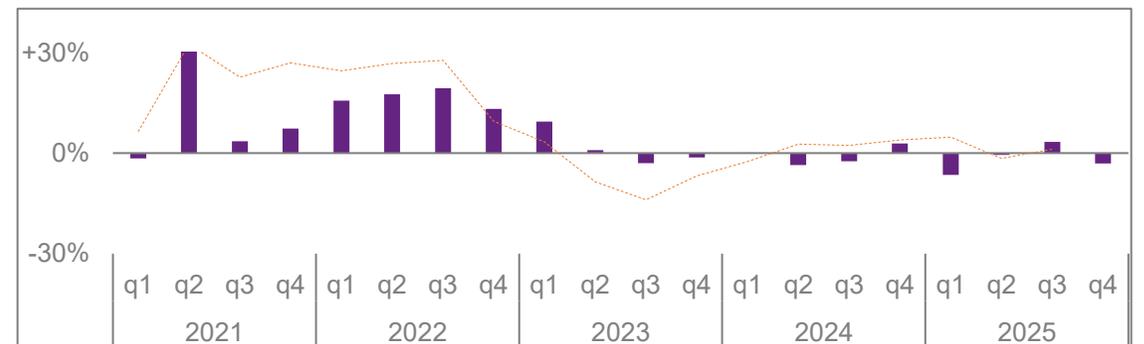
**Exports: Bayern**  
(y-o-y var. %)



**Exports: Cataluña**  
(y-o-y var. %)

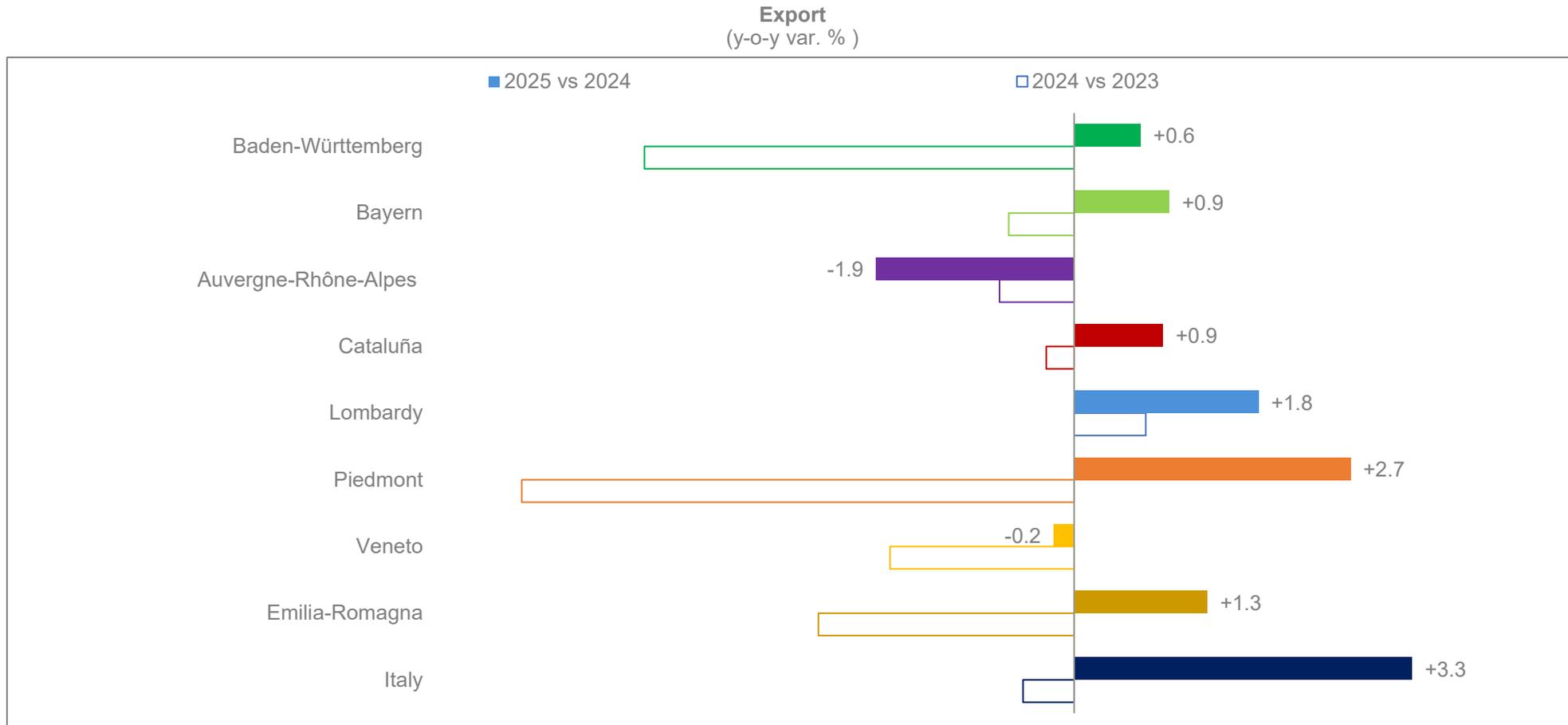


**Exports: Auvergne-Rhône-Alpes**  
(y-o-y var. %)



# Exports

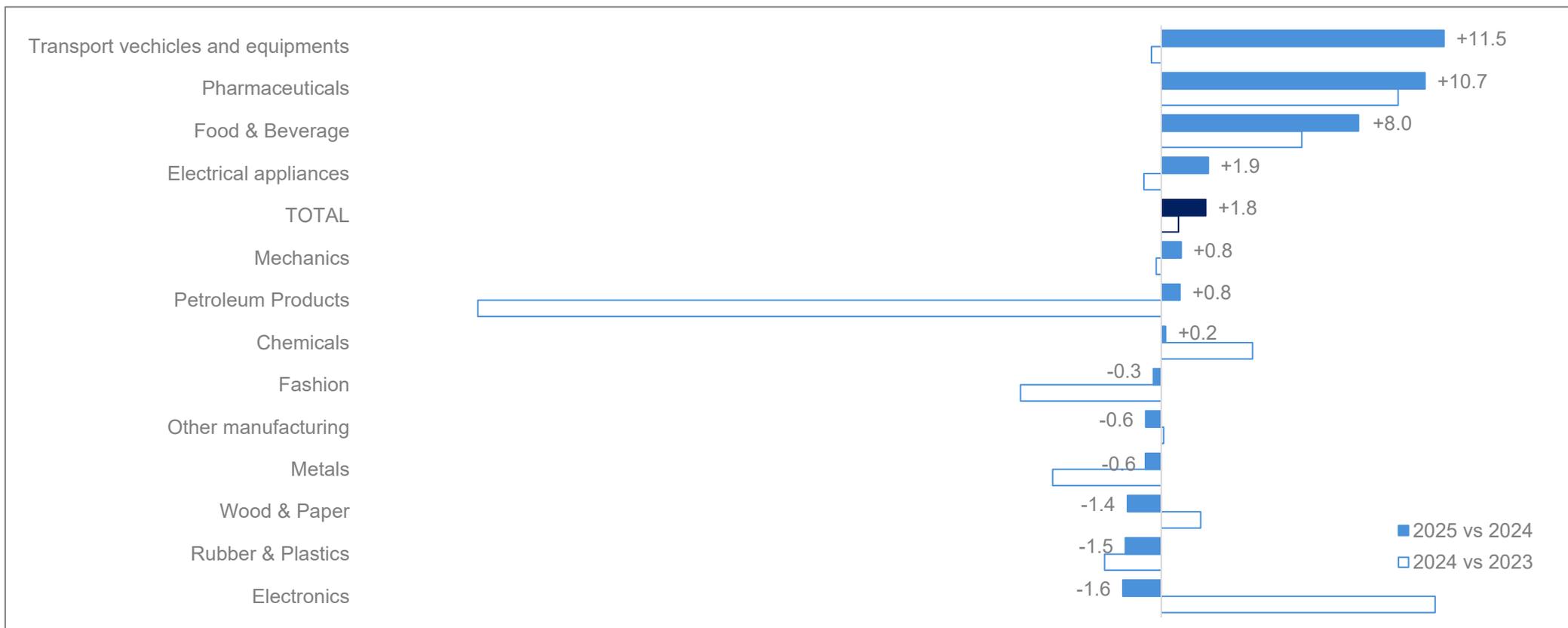
## EXPORTS: COMPARISON WITH NATIONAL AND EUROPEAN BENCHMARKS / Q4 2025



# Exports

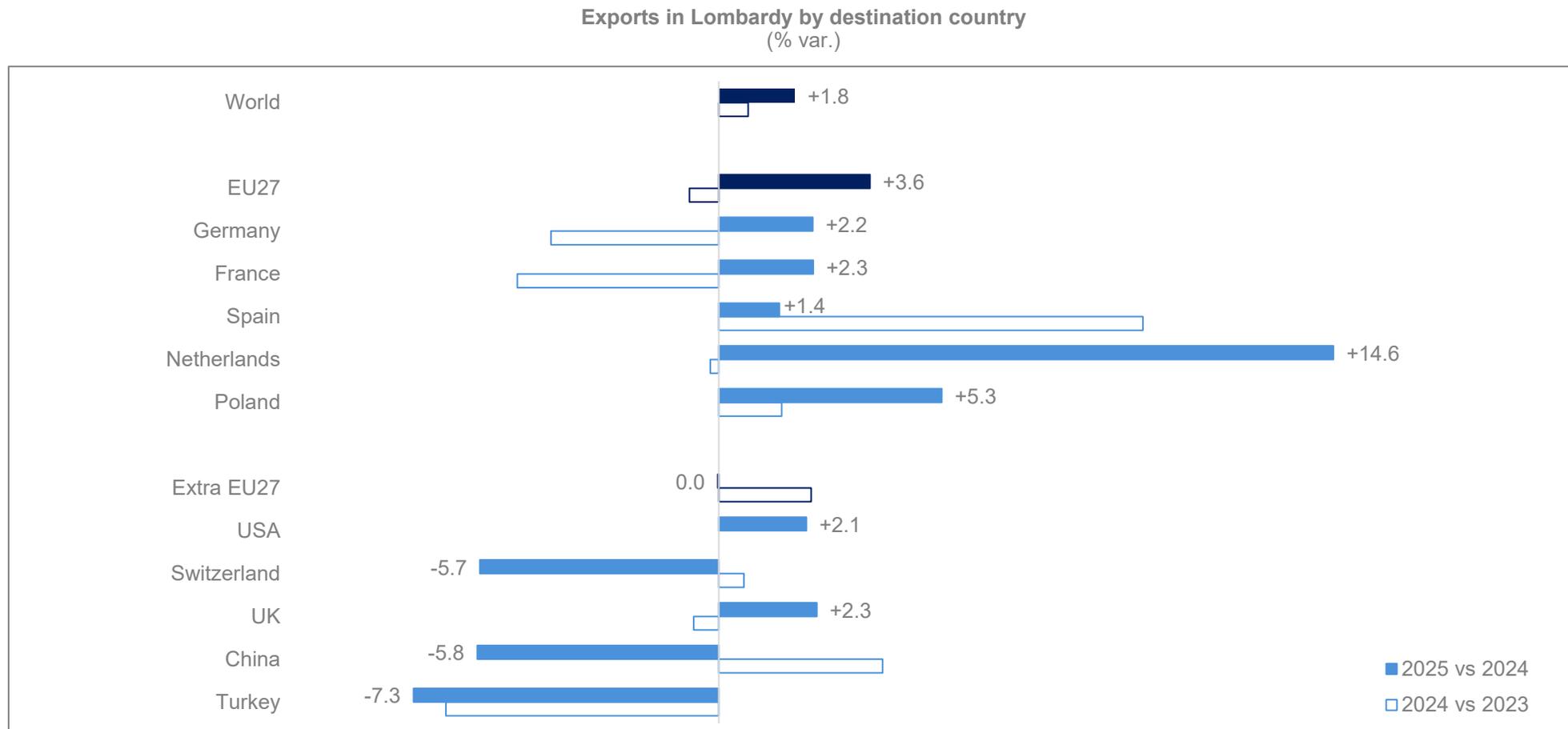
## EXPORTS IN LOMBARDY: MANUFACTURING SECTORS / Q4 2025

Exports in Lombardy by manufacturing sector  
(% var.)



# Exports

## EXPORTS IN LOMBARDY: DESTINATION MARKETS / Q4 2025



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## **Sectors and labor market**

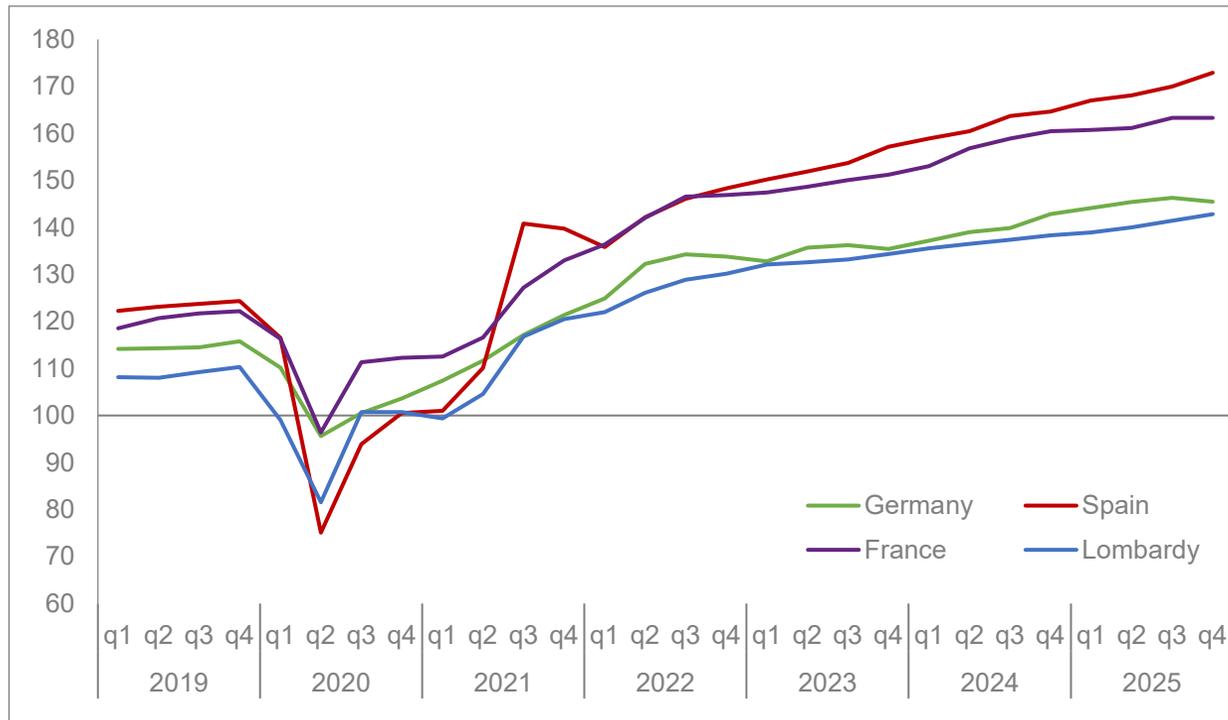
*Lombardy in the national and European  
comparison*

# Services

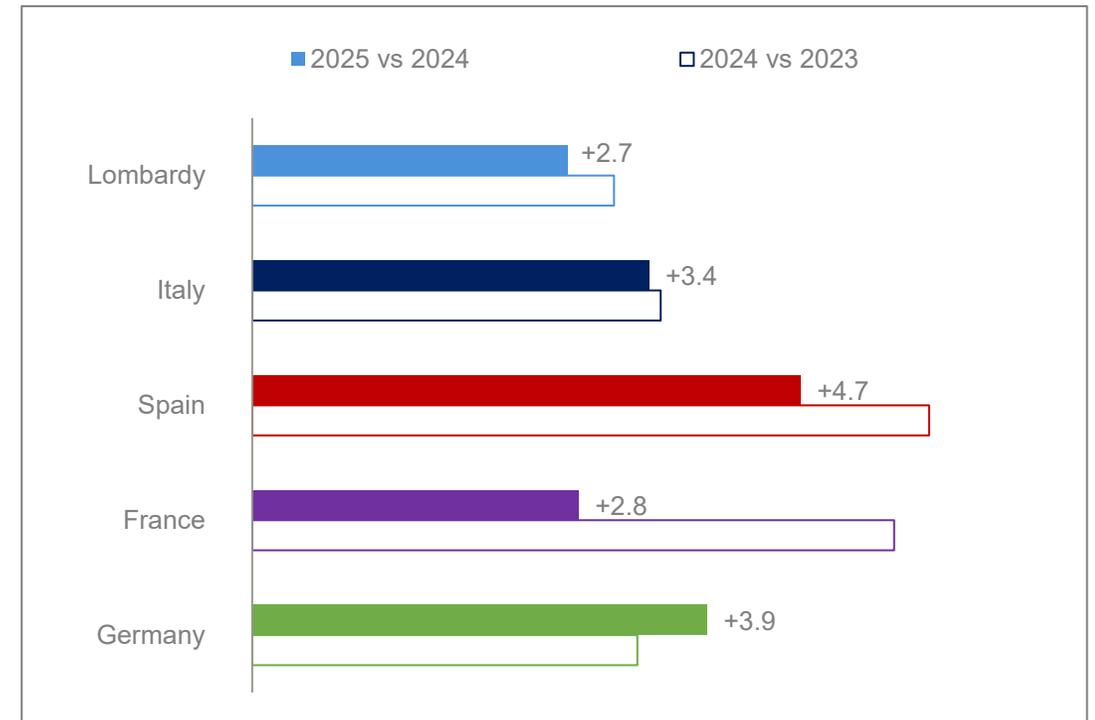
# Services turnover

## SERVICES TURNOVER: COMPARISON WITH EUROPEAN BENCHMARKS / Q4 2025

**Services turnover**  
(seasonally adjusted quarterly index. 2015=100)

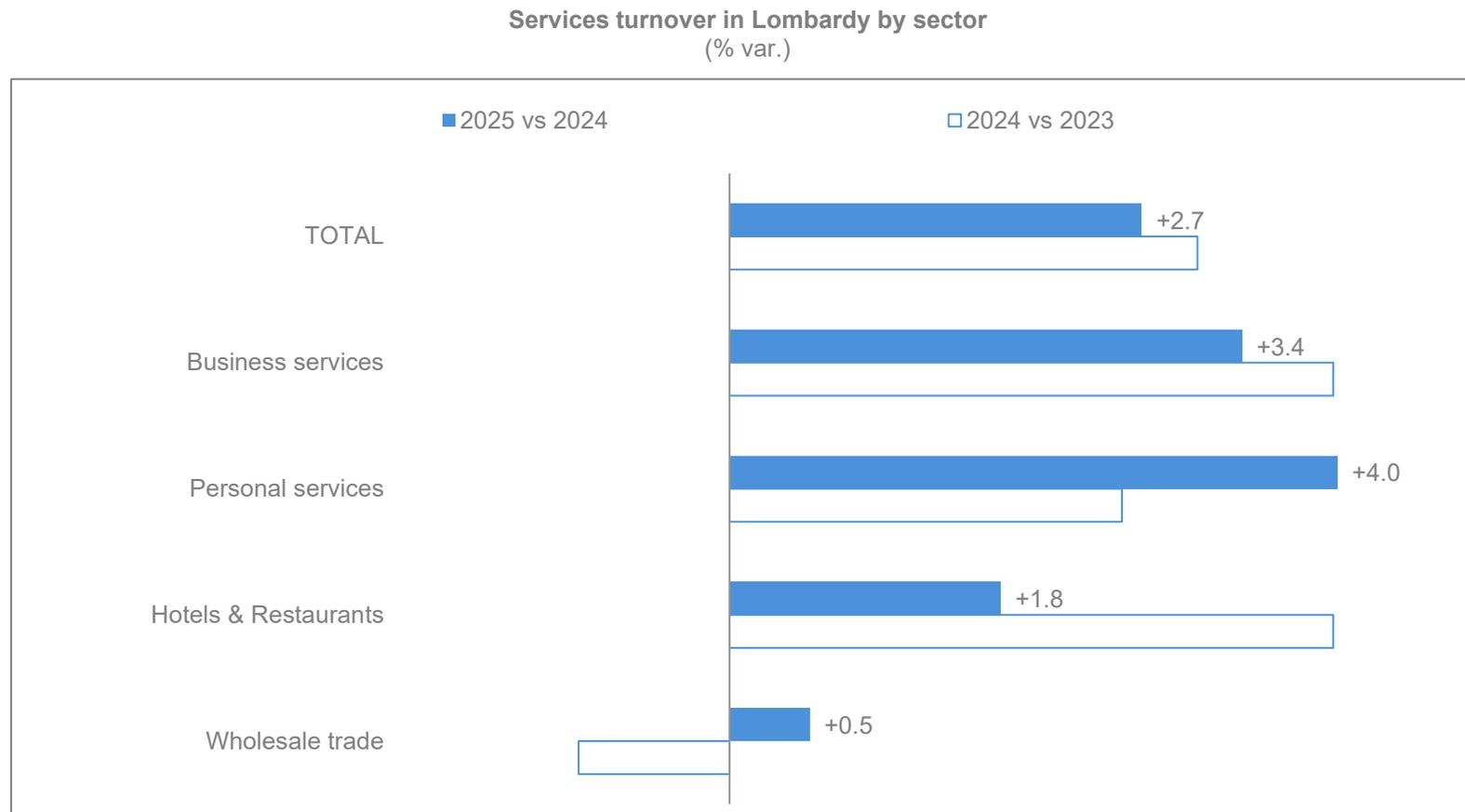


**Services turnover**  
(% var.)



# Services turnover

## SERVICES TURNOVER IN LOMBARDY: SECTORS / Q4 2025



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## **Sectors and labor market**

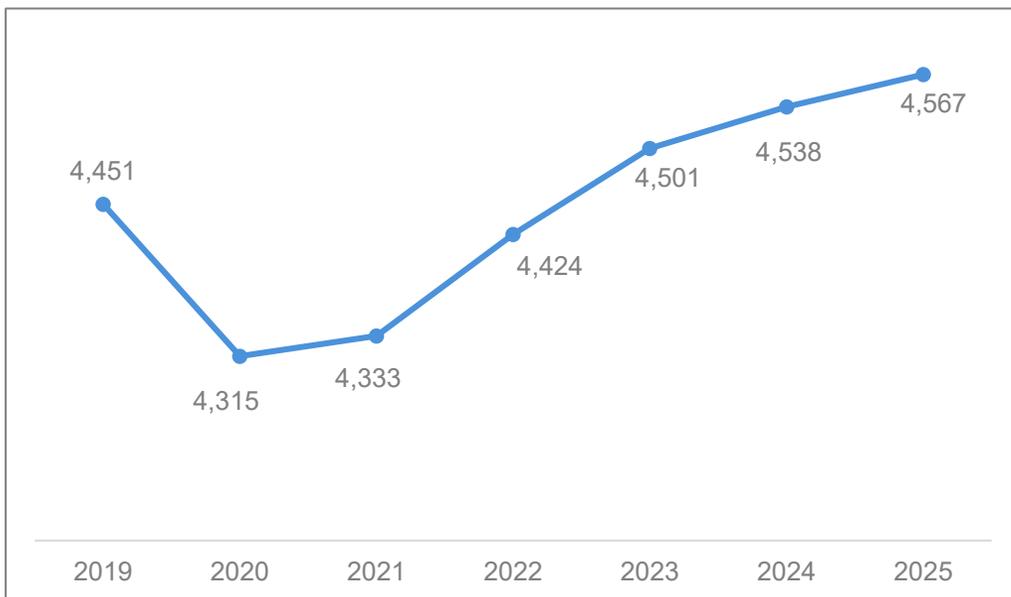
*Lombardy in the national and European  
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# Labor market

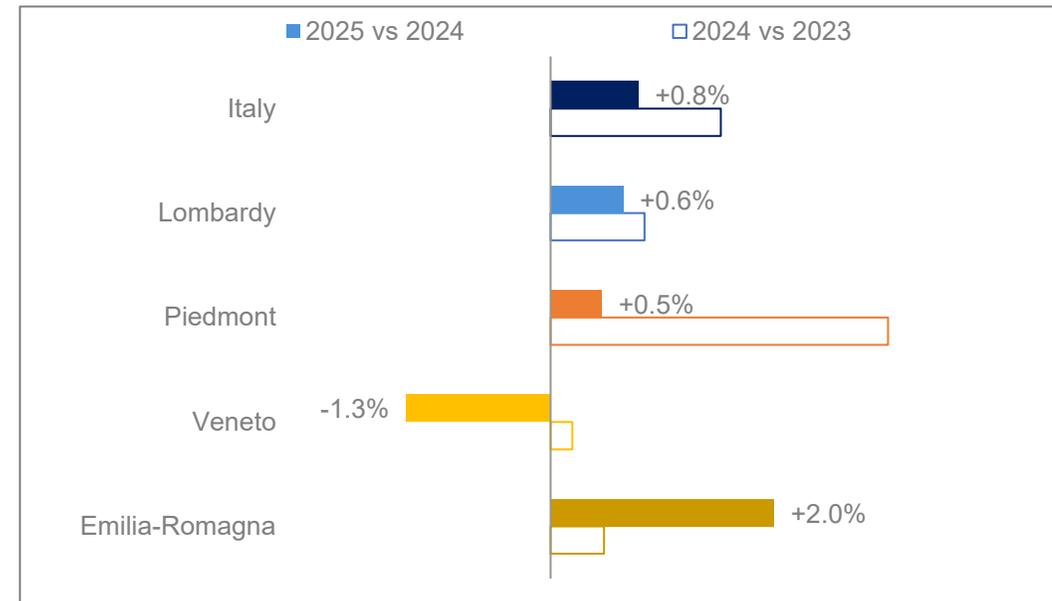
# Labor market

## EMPLOYMENT / 2025

Employed people in Lombardy  
(thousands)



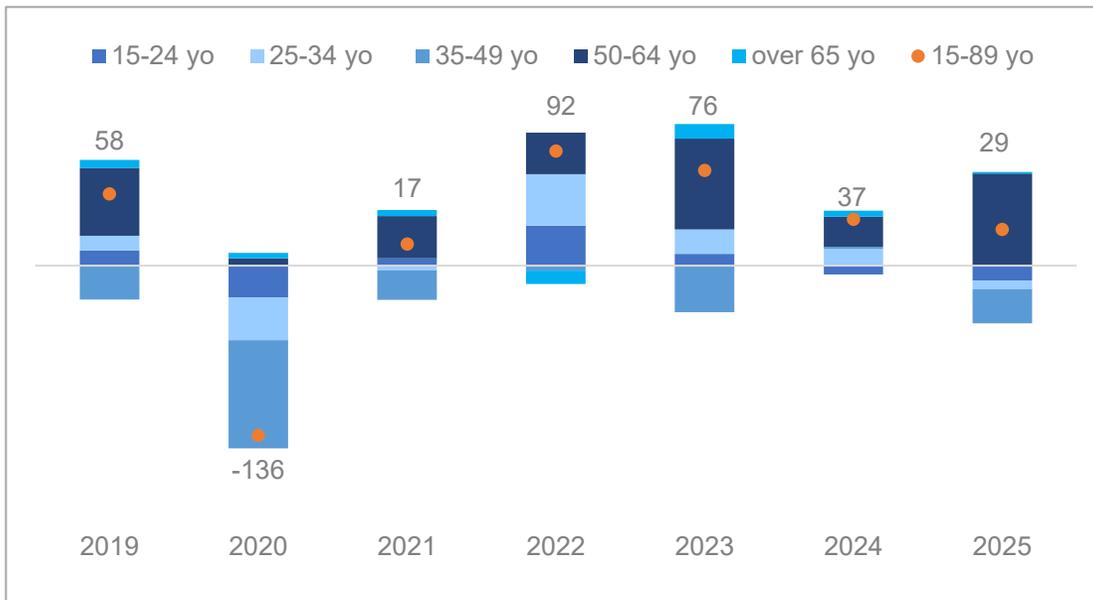
Employed people  
(% var.)



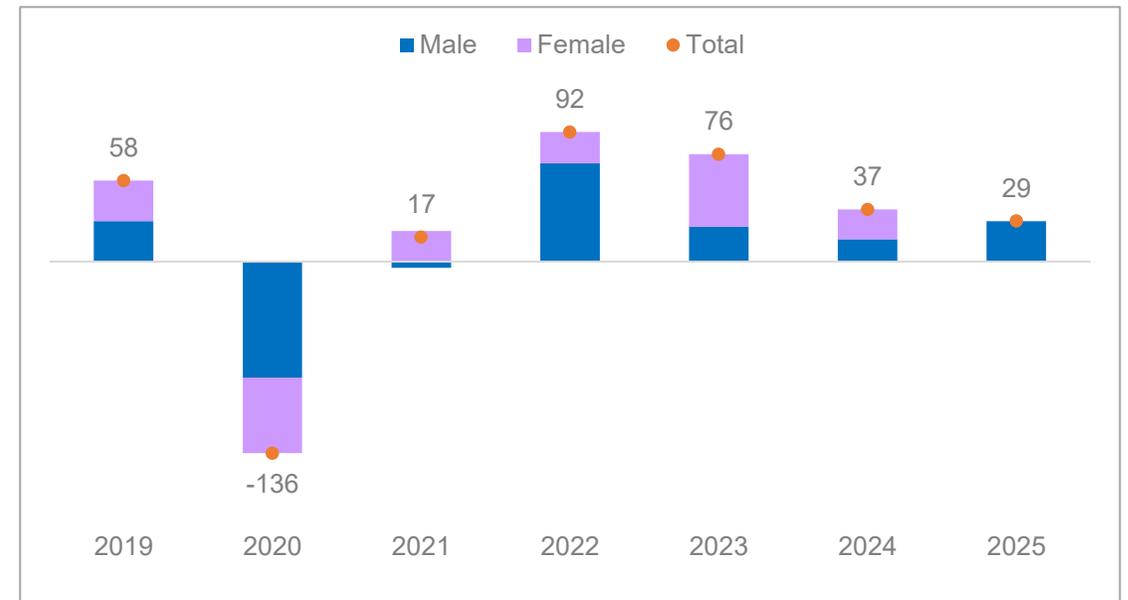
# Labor market

## EMPLOYMENT BY AGE AND SEX / 2025

Employed people in Lombardy by age class  
(y-o-y var., thousands)

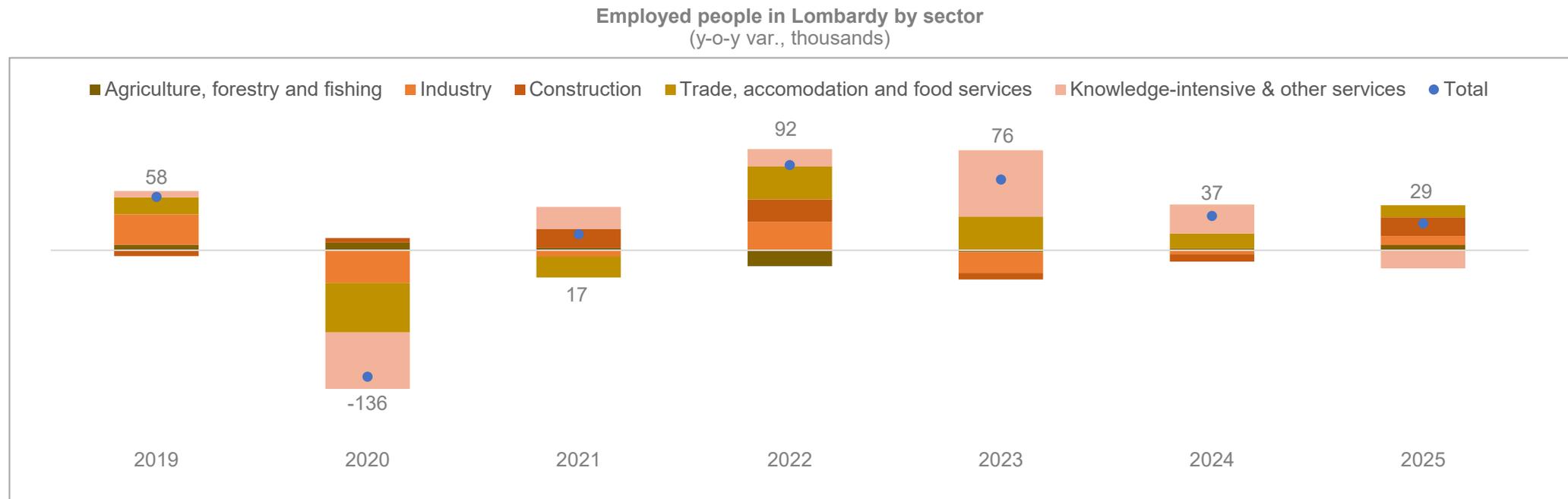


Employed people in Lombardy by sex  
(y-o-y var., thousands)



# Labor market

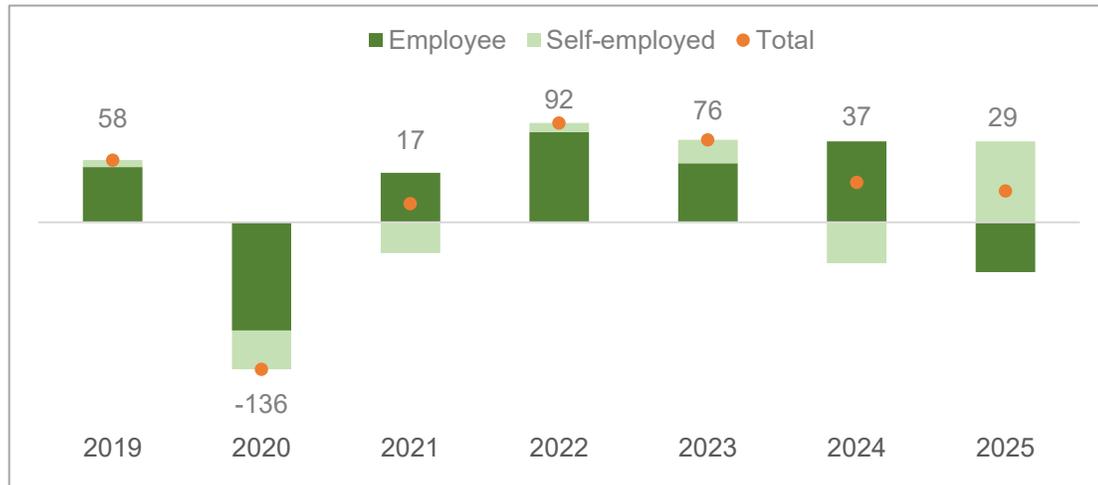
## EMPLOYMENT BY SECTOR / 2025



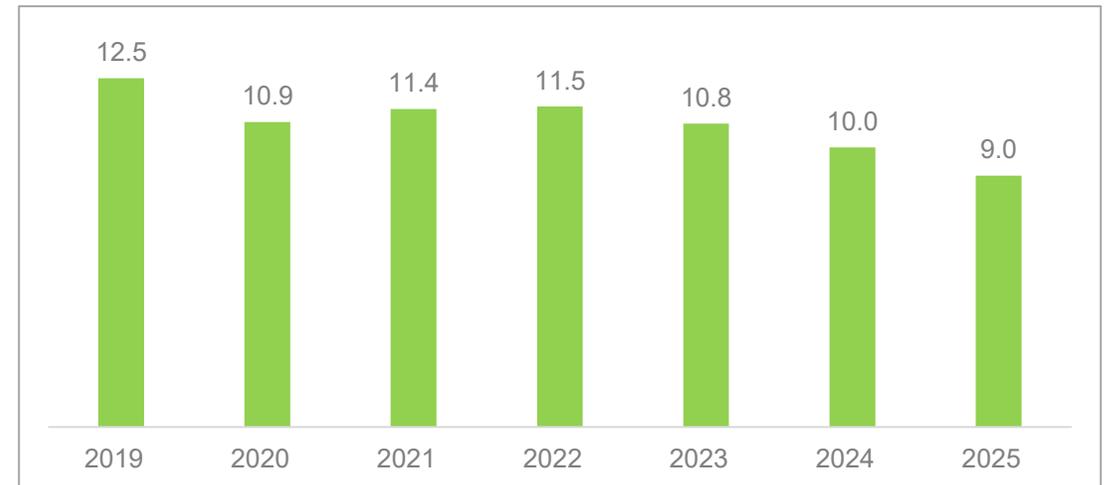
# Labor market

## EMPLOYMENT BY CATHEGORY/ 2025

Employed people in Lombardy by professional profile  
(y-o-e var., thousands)



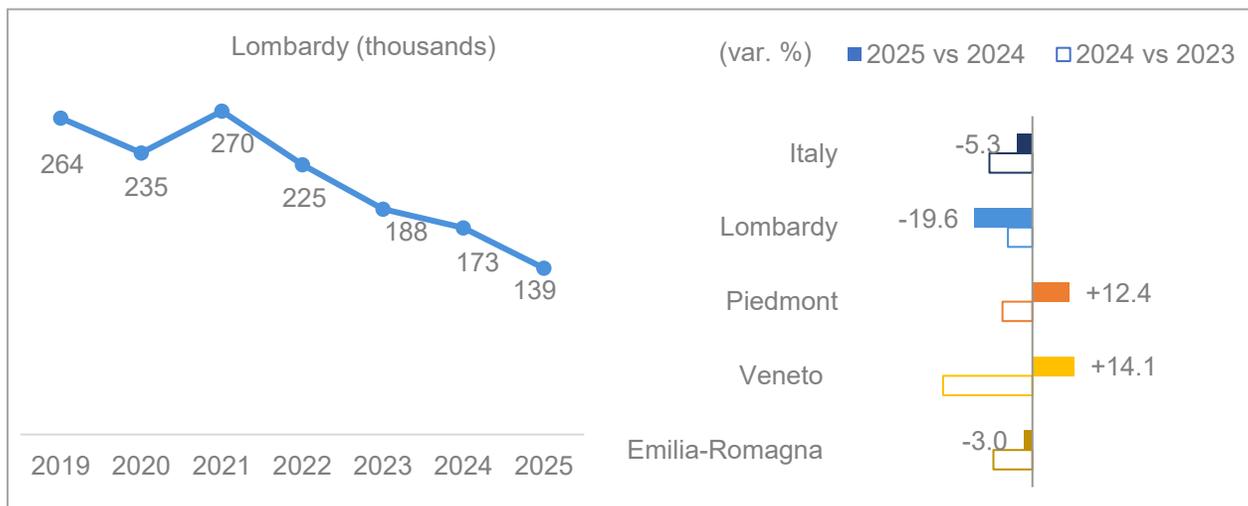
Share of permanent-contract employees in Lombardy  
(% over total employees)



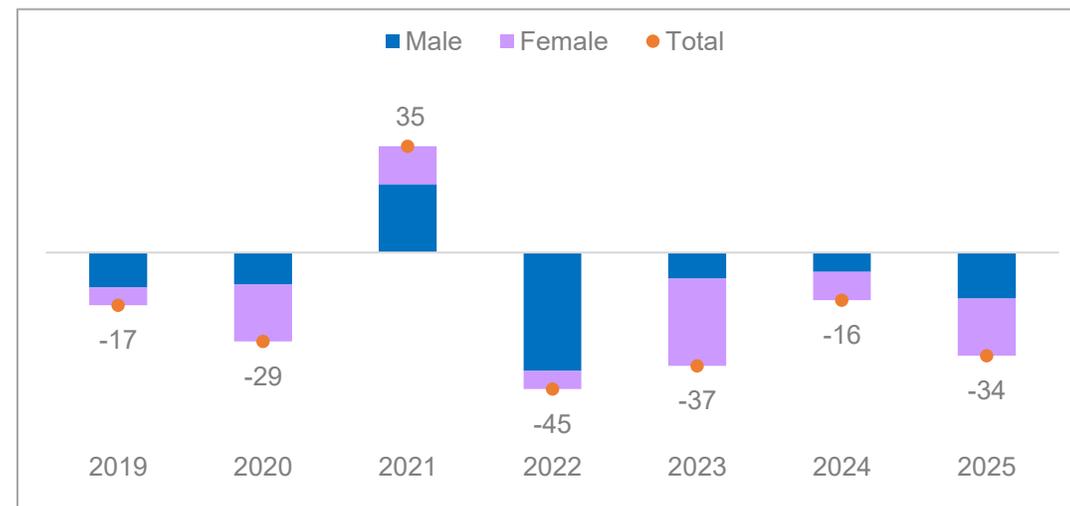
# Labor market

## UNEMPLOYMENT / 2025

Unemployed people (15-74 years old)



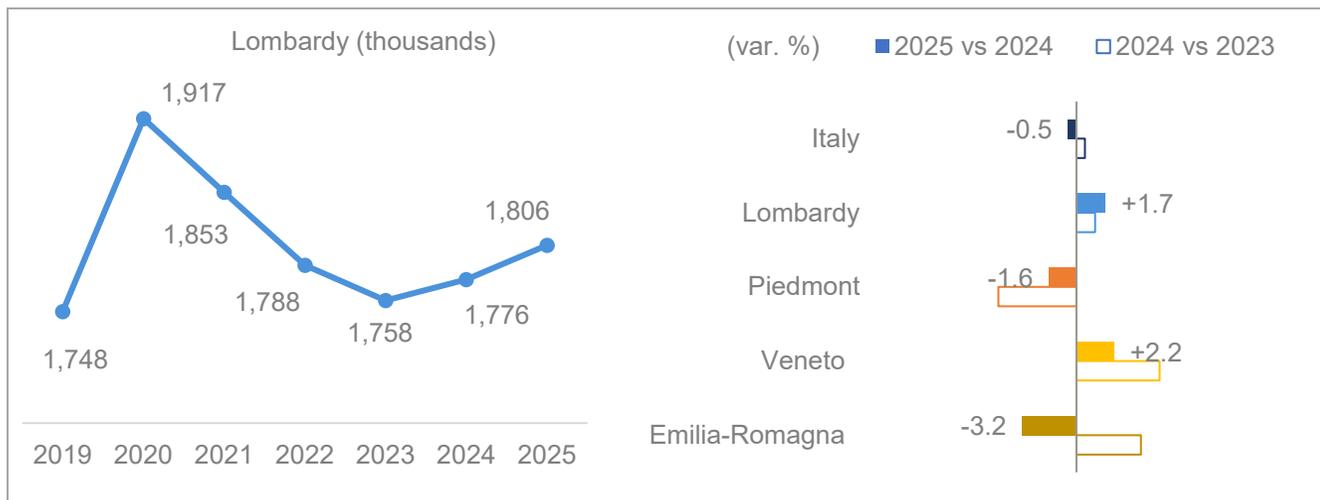
Unemployed people in Lombardy (15-74 years old) by sex (y-o-y var, thousands)



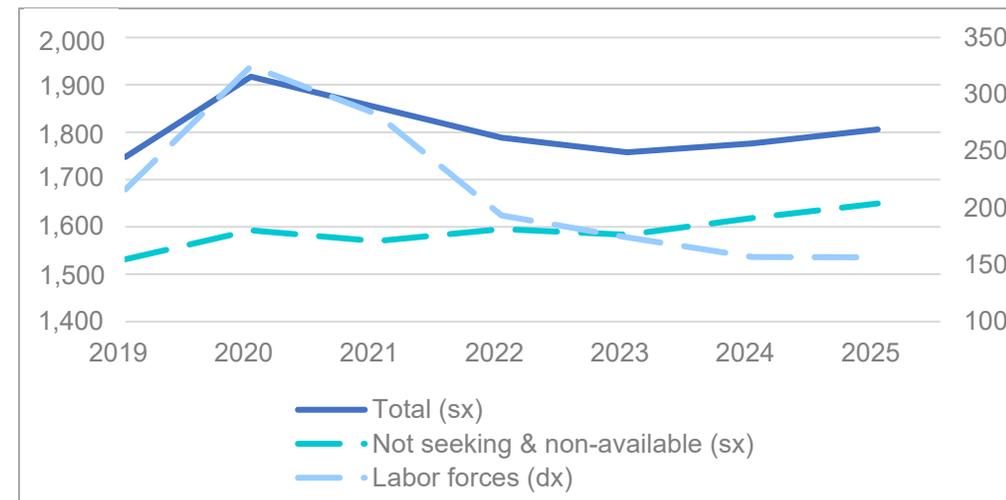
# Labor market

## INACTIVITY / 2025

Inactive people (15-64 years old)



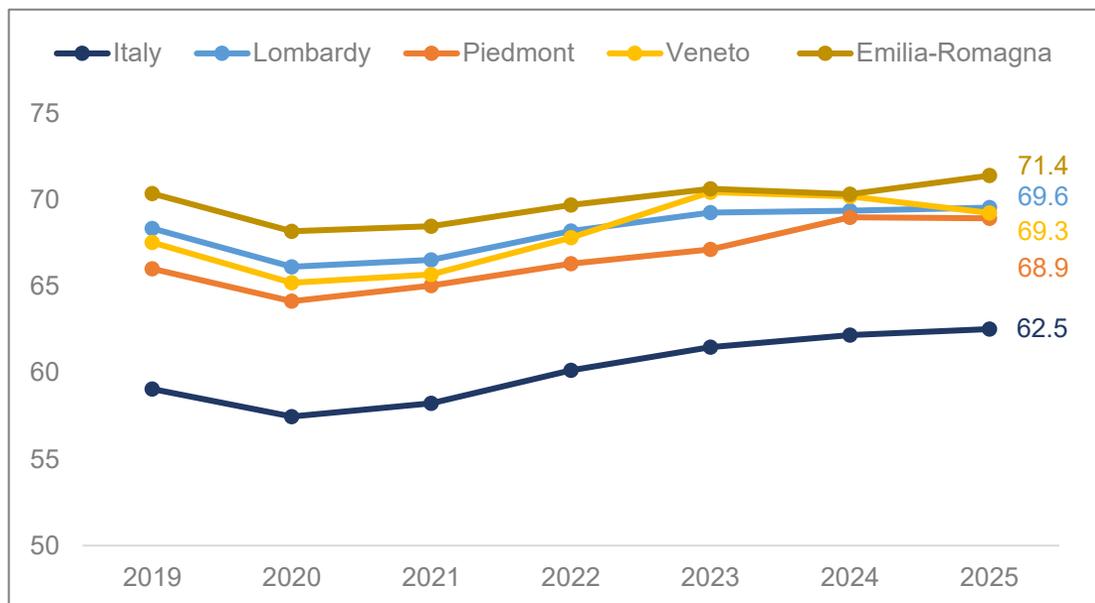
Inactive people in Lombardy (15-64 years old) by component (thousands)



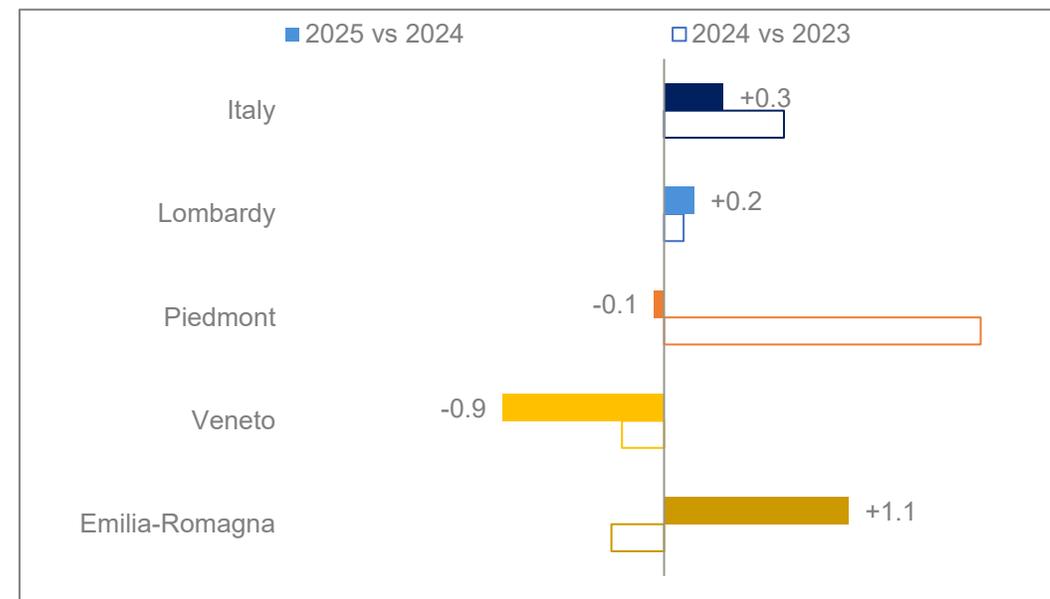
# Labor market

## EMPLOYMENT RATE / 2025

Employment rate (15-64 years old)  
(%)



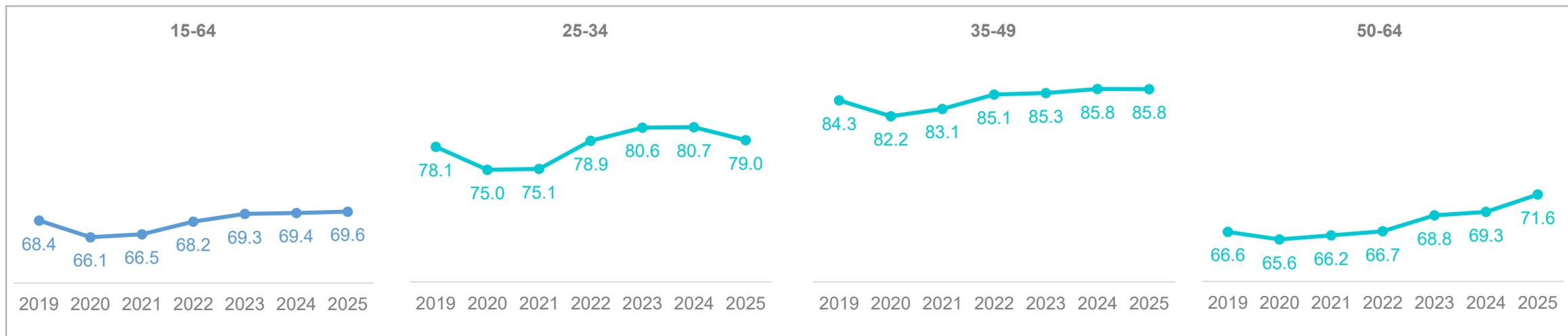
Employment rate (15-64 years old)  
(p.p. var.)



# Labor market

## EMPLOYMENT RATE IN LOMBARDY BY AGE GROUP / 2025

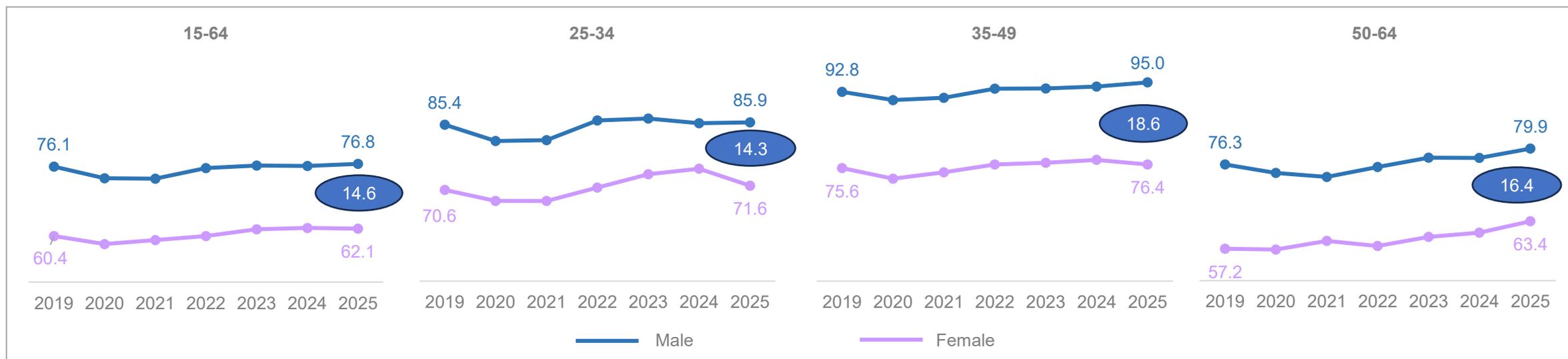
Employment rate in Lombardy by age group (%)



# Labor market

## EMPLOYMENT RATE IN LOMBARDY BY GENDER/ 2025

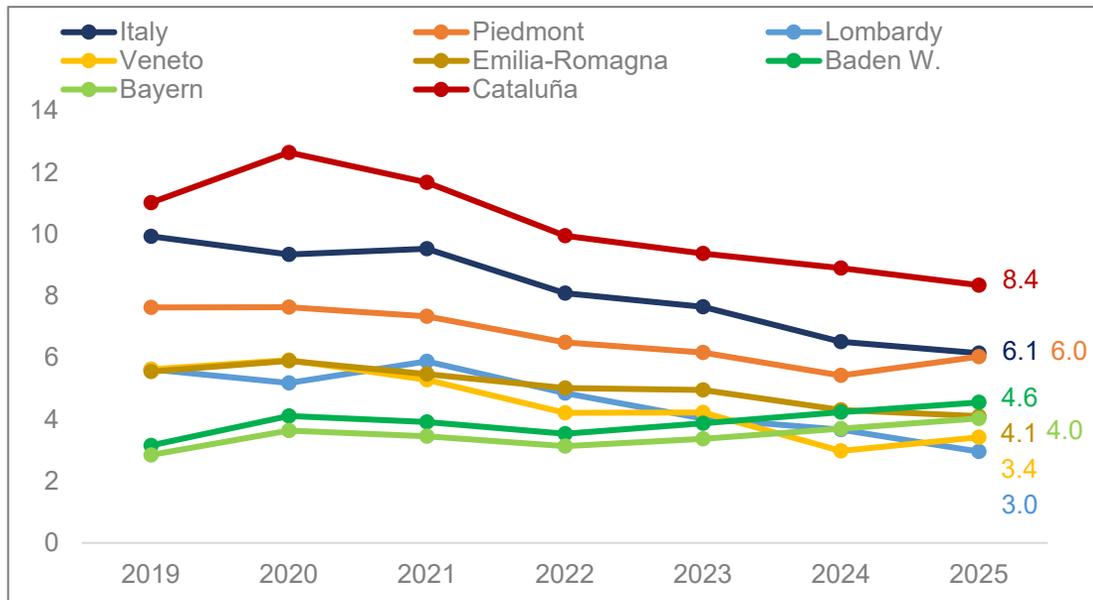
Employment rate in Lombardy by age group and gender (%)



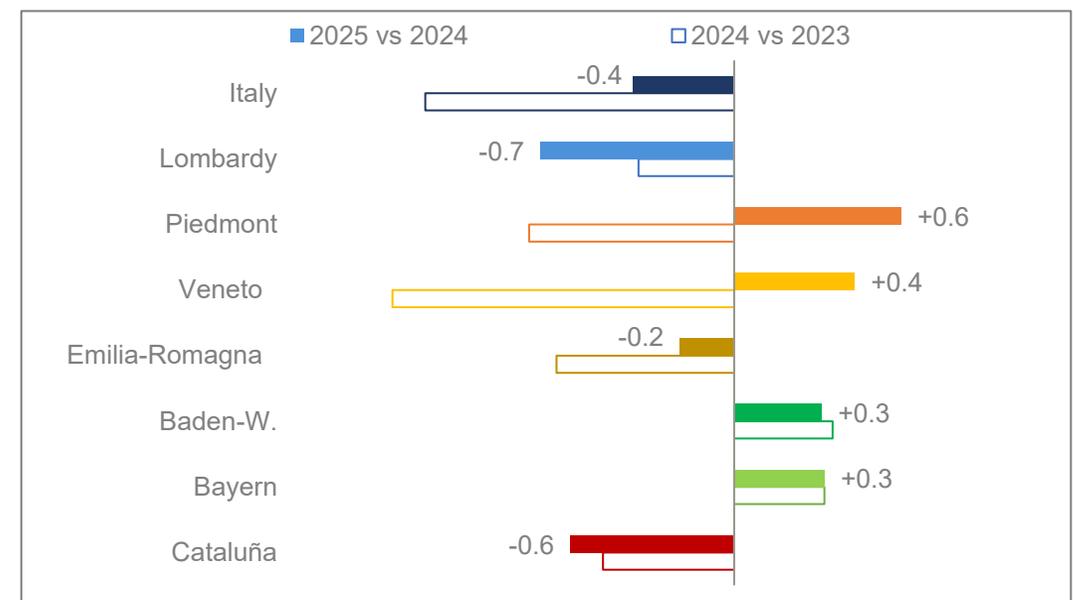
# Labor market

## UNEMPLOYMENT RATE / 2025

Unemployment rate (15-74 years old)  
(%)



Unemployment rate (15-74 years old)  
(p.p. var.)

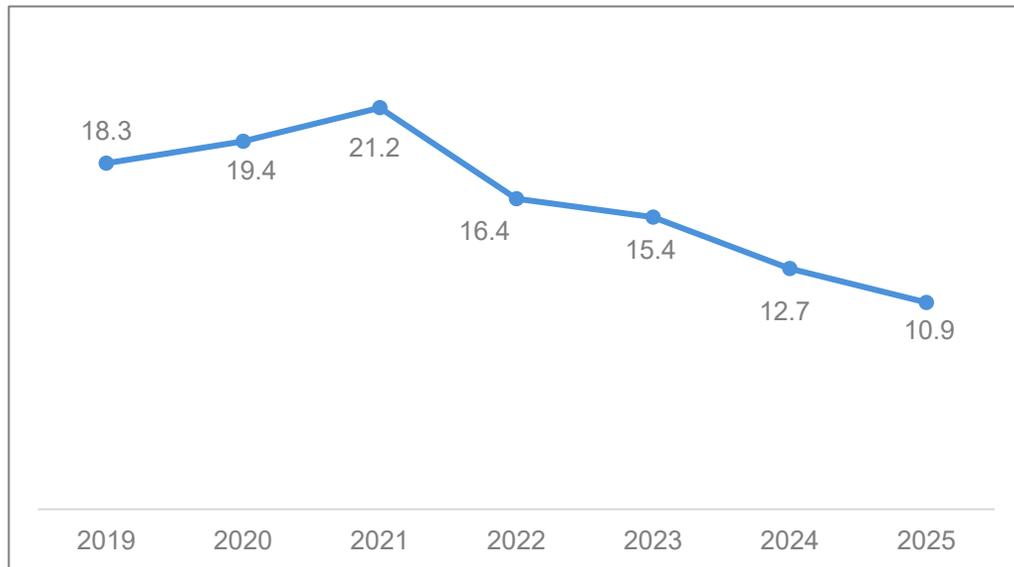


\*administrative data  
Source: Assolombarda Research Department on Istat, Idescat and Statistik der Bundesagentur für Arbeit data

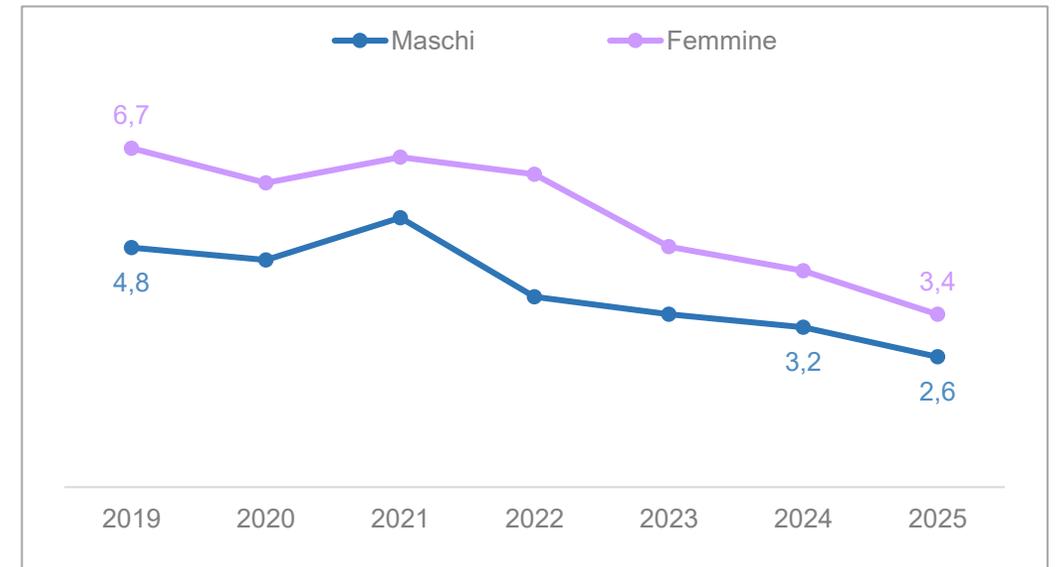
# Labor market

## UNEMPLOYMENT RATE: YOUTH AND GENDER / 2025

Youth unemployment rate in Lombardy (15-24 years old)  
(%)



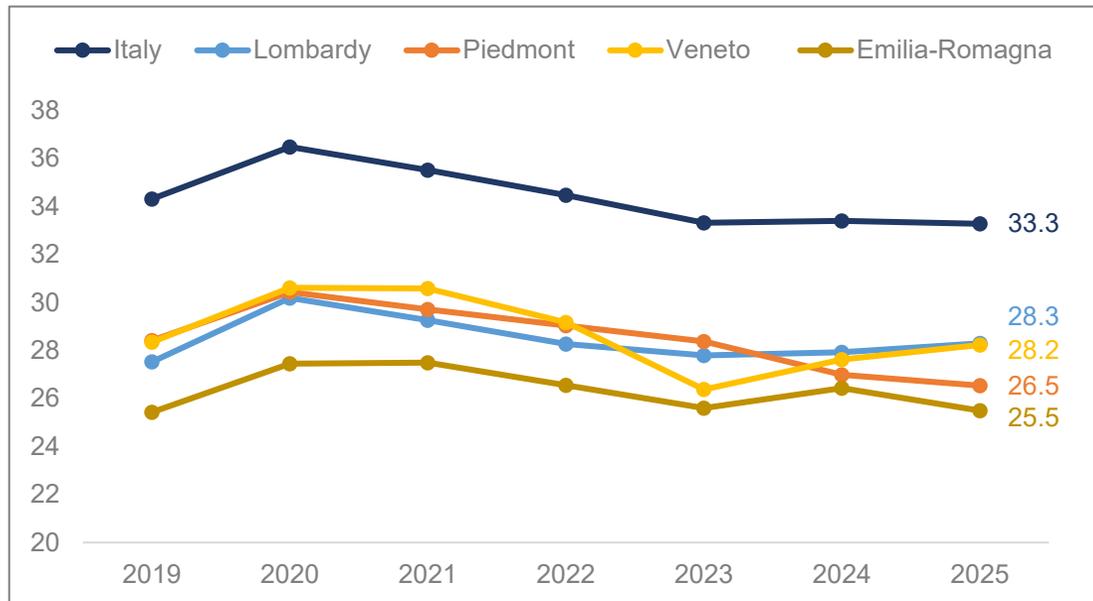
Unemployment rate in Lombardy (15-74 years old) by sex  
(%)



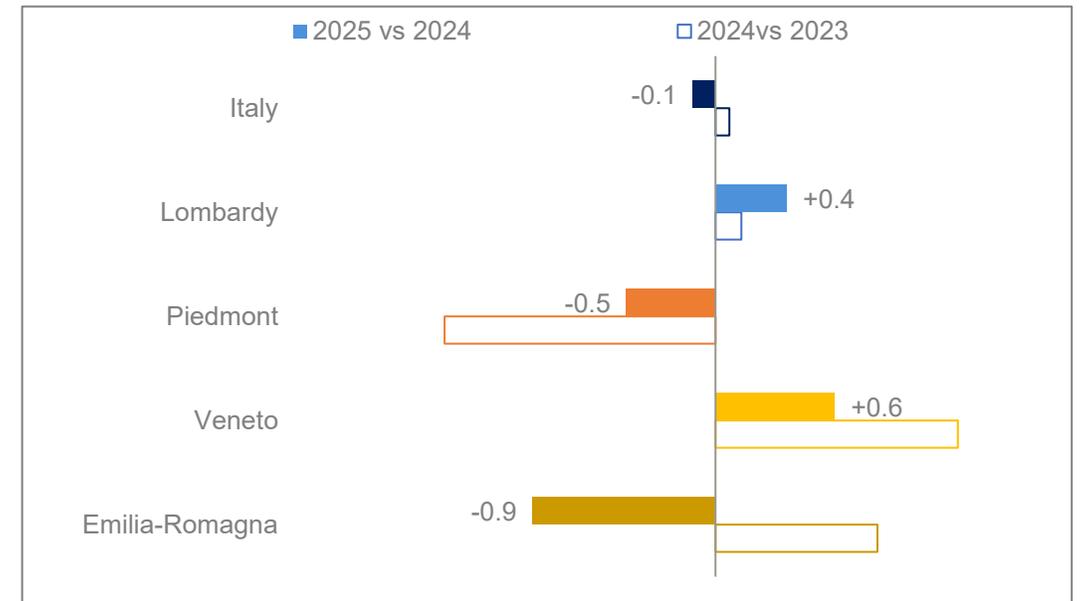
# Labor market

## INACTIVITY RATE / 2025

Inactivity rate (15-64 years old)  
(%)

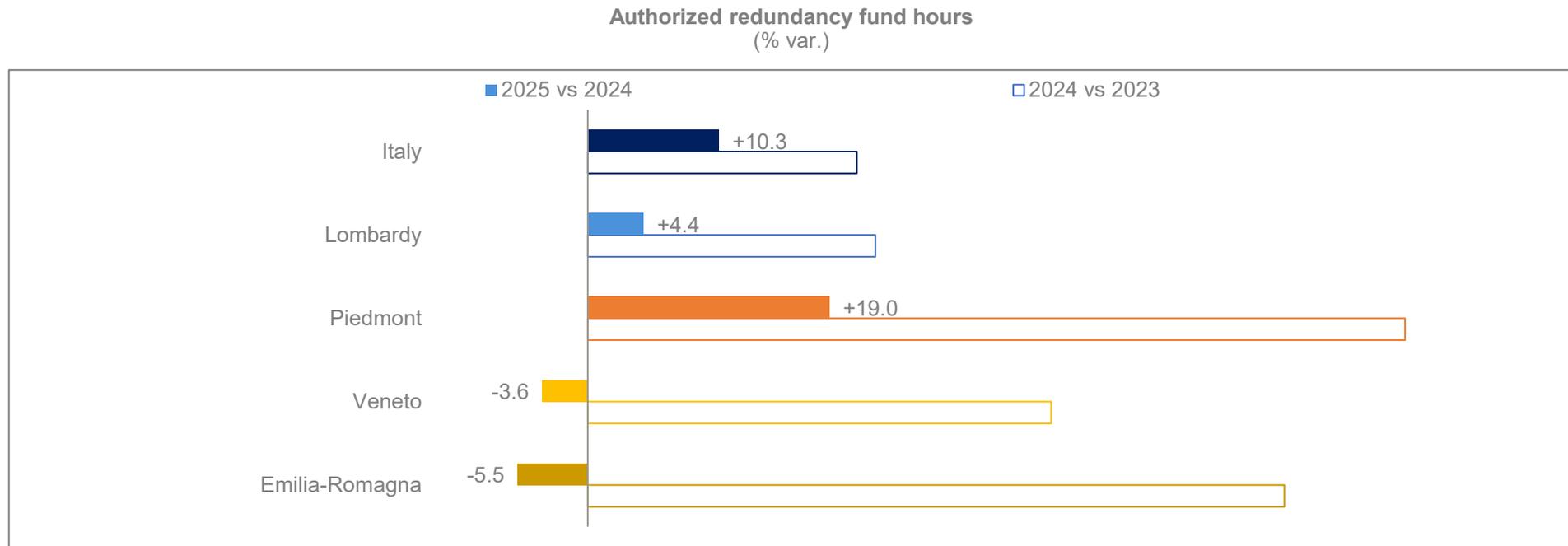


Inactivity rate (15-64 years old)  
(p.p. var.)



# Labor market

## REDUNDANCY FUND / 2025







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