

Monthly GDP: April 2021

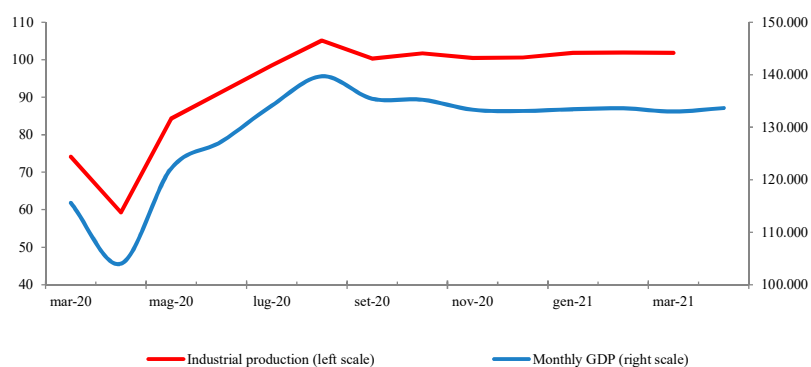
Early signs of recovery at the start of 2Q

The loosening of the restrictive measures and the increase in the immunization rate allows a positive start of the quarter, after the decline in 1Q21. The update estimate of monthly real GDP indicates a 0.5% m/m growth in April (28.5% y/y), thanks to a gradual reopening of many service activities together with a good performance in the manufacturing sector.

Contrary to the consensus, industrial production recorded a slight reduction in March (-0.1% from +0.1% m/m in February) penalized in particular by the decline in the consumer goods sector, which was not completely offset by the increase recorded in the other sectors. Looking ahead, the economic surveys reach high levels, well above their pre-crisis levels, with the PMI at 60.7 points and the ISTAT business confidence at 105.4 points in April, signaling a strengthening of economic conditions in the industry.

In the services sector, the evidence from the most recent indicators points to a persistent weakness, as shown by the sectoral PMI index which remains still below the expansion threshold (at 47.3 points in April). However, promising signs come from the improvement in the ISTAT confidence (to 87.1 from 85.4), although still far from its pre-crisis values.

GDP and Industrial production
(values in billions of euros and index 2015=100)



(*) The monthly GDP estimate is based on the methodology published in Fralle C. et al. "EUROMIND: A Monthly Indicator of the Euro Area Economic Conditions", Journal of the Royal Statistical Society: Series A, 174, 439- 470. The GDP estimate takes into account the forecasts of the industrial production made through a bridge model.

	Industrial Production (ISTAT)	Monthly GDP (updated estimate)	Monthly GDP (previous estimate)
	(1)	(2)	(3)
Apr-20	-20,0	-10,0	-12,1
May-20	42,2	17,4	16,7
Jun-20	8,4	4,2	4,4
Jul-20	7,8	5,4	5,4
Aug-20	6,7	4,2	4,4
Sep-20	-4,6	-3,1	-3,1
Oct-20	1,4	-0,2	-0,2
Nov-20	-1,2	-1,4	-1,4
Dec-20	0,1	-0,2	-0,4
Jan-21	1,2	0,2	0,2
Feb-21	0,1	0,1	0,0
Mar-21	-0,1	-0,5	-0,7
Apr-21		0,5	