

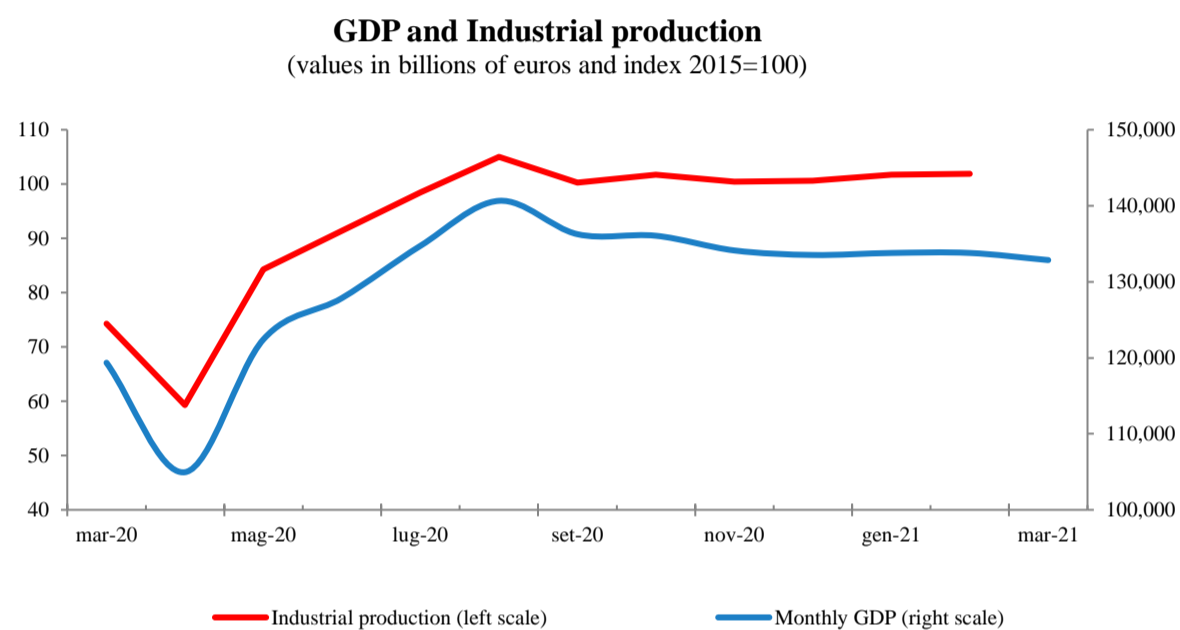
Monthly GDP: March 2021

GDP edges down at the end of 1Q21

After the decline in economic activity in 4Q20 (-1.9% qoq) due to the second wave of contagions, anti-Covid restrictions are expected to impact on GDP dynamic also in 1Q21. The updated estimate of monthly real GDP shows a decline in March of -0.7% m/m (+11.3% y/y), as many activities in the service sector are still closed, while manufacturing sector is proving more resilient.

Industrial production recorded a modest growth in February (0.2% from 1.1% in January) which, although lower than expected, stands out favorably in comparison with the other major European countries (Germany - 1.8%, France -4.7% and Spain 0.0%). Looking ahead, both PMI and ISTAT sectoral surveys (at 59.8 and 101.2 points respectively in March) outline a solid expansion in manufacturing, both of them printing well above their pre-crisis levels.

On the contrary, service indicators still show unfavorable conditions, although improving, as highlighted by the confidence index reported by ISTAT (85.3 from 85.7), still far from its pre-crisis records, and by the sectoral PMI index (48.6 points from 48.8), still below the expansionary threshold.



	Industrial Production (ISTAT)	Monthly GDP (updated estimate)
	(1)	(2)
mar-20	-27.8	-16.83
apr-20	-20.2	-12.06
mag-20	42.2	16.65
giu-20	8.4	4.43
lug-20	7.8	5.37
ago-20	6.6	4.39
set-20	-4.5	-3.12
ott-20	1.4	-0.15
nov-20	-1.3	-1.42
dic-20	0.2	-0.45
gen-21	1.1	0.20
feb-21	0.2	0.00
mar-21		-0.70

(*) 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.