



ITALY

2026-2027 SCENARIO

Quarterly – April 2026



Italy – Caught between a rock and a hard place in a volatile geopolitical climate

Italy's economy closed 2025 on a positive note, with full-year growth revised up to 0.7% and a statistical carry-over of 0.3 percentage points into 2026. That backdrop had raised hopes of a consolidation in activity following a cycle of declining growth, still weighed down by the lingering effects of the past energy crisis. The deterioration of the international environment since the start of the year has changed that picture.

With energy costs rising in the wake of the Strait of Hormuz blockade, Italy is once again vulnerable to its heavy dependence on gas and to upward price pressures. The prolonged pass-through of conflict-driven energy prices is expected to weigh on 2026 growth by 0.6 percentage points, bringing the annual rate down to 0.3%. Inflation is projected to peak at 3.2% in 2026, breaking with the disinflationary dynamics of recent years.

Domestic demand is likely to take the strain. Although consumption staged a modest recovery in late 2025, supported by an improvement in real disposable income, that upturn could be tempered by rising inflation, with households likely to increase precautionary behaviour. Investment, while still underpinned by significant carry-over effects, is expected to slow markedly, posting negative average growth in 2026. A gradual recovery should nonetheless materialise from Q2 2027 as the effects of the geopolitical crisis fade.

Growth is expected to consolidate modestly over 2027, but persistently elevated inflation and weak domestic demand drivers would continue to weigh, especially as the country remains disrupted by high volatility in foreign trade, where the fallout from US trade policy is still being absorbed.

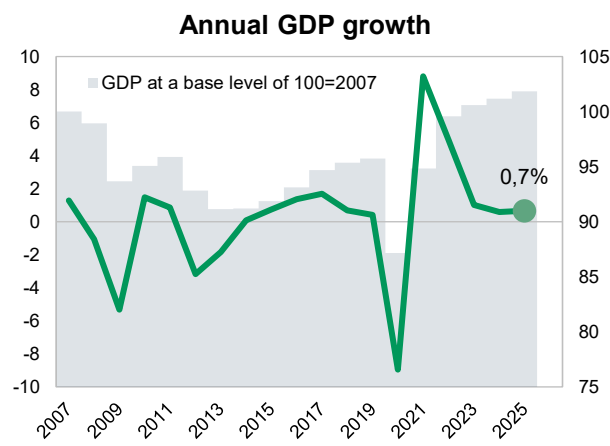
AN ILLUSORY YEAR-END RECOVERY, WITHIN A REVISED GROWTH PROFILE

The final figures for 2025 took all observers by surprise. The unexpected recovery in Q4, with growth of +0.3%, along with the upward revision of previous quarters, in turn altered the assessment of economic activity. Whilst the consensus had settled on 0.5% growth for the year – equivalent to the figure recorded in Q3 prior to the latest release of the accounts – these changes resulted in an upward revision of 0.2 percentage points, bringing full-year growth to 0.7%.

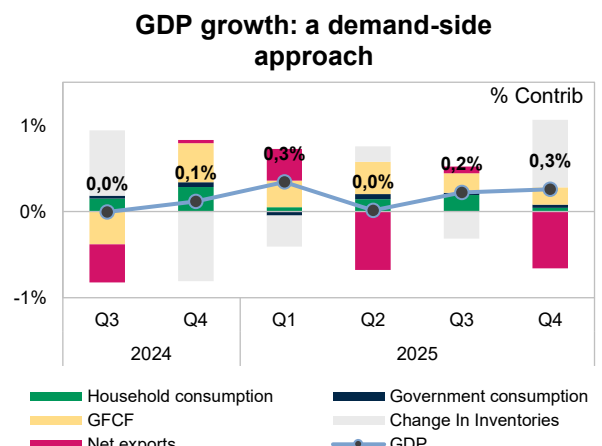
The update to Istat's January data significantly alters the interpretation of the accounts, across both current and past quarters. A detailed note addresses this, and we present its main conclusions below.

The first observation concerns a change in the composition of growth in 2025: domestic demand excluding inventories appears slightly stronger than previously estimated, driven by stronger household consumption during Q2 and Q3, as well as a larger contribution from investment over the year. The high volatility of foreign trade, following the shift in US trade policy, has not resulted in a significant decline in exports; in fact, exports have increased, driven by *front-loading* behaviour. The negative contribution from foreign trade stems more from a rise in imports.

The second observation concerns investment, marked by a much sharper correction in housing in 2024 (-37.4%) due to the end of the Superbonus, partly offset by the ramp-up of public investment. The revisions made for 2024 also alter the outlook for 2025, reducing the carry-over effect into 2025.



Sources: Istat, Crédit Agricole S.A./ECO



Sources: Istat, Crédit Agricole S.A./ECO



Whilst the growth profile over the course of the year appears more buoyant, the recovery in Q3 nevertheless masks weak domestic demand, pointing to an underlying slowdown in both consumption and investment. Following a slight recovery in the third quarter, household consumption expenditures are virtually stagnant at 0.1% in Q4, with the goods component stagnating and only slightly offset by services. Public consumption, meanwhile, is rising moderately, by 0.2%. Investment also slowed, falling from 1% in Q3 to 0.9% in Q4, weighed down by a decline in productive investment despite the recovery in construction driven by housing.

The industrial sector recorded its second consecutive quarter of growth, albeit at a slightly slower pace than in the previous quarter. Whilst the machinery and equipment sector continues to drive growth, with a 2.5% rise in value added and a contribution of 0.15 percentage points to total value-added growth, the transport component fell significantly, by more than 3%, with a negative contribution of -0.08, halving the manufacturing sector's positive contribution. Services also slowed, falling from 0.3% to 0.1%, weighed down by the decline in financial and insurance activities. Employment rose by 0.3% quarter-on-quarter in Q4 compared with Q3, driven by industry and services. Hours worked, meanwhile, remained flat over the quarter.

A START TO THE YEAR TESTED BY A GEOPOLITICAL AND ENERGY SHOCK, THE EFFECTS OF WHICH ARE STILL BARELY NOTICEABLE

A major energy shock on international markets

The first quarter is likely to be affected by recent geopolitical developments. The conflict in the Middle East and the significant disruptions to oil and gas trade will not be without consequences for economic activity in Italy.

The closure of the Strait of Hormuz has, so far, led to a significant rise in global oil prices, rising from an average of \$65 per barrel to \$80 per barrel on 2 March – the first working day after the conflict began – and peaking at over \$118 per barrel on 31 March. The quarterly average is therefore expected to rise from \$64 per barrel in Q4 2025 to nearly \$80 per barrel in Q1 2026 alone.

Similarly, the damage caused by the clashes to gas facilities on the Arabian Peninsula has led to a surge in gas prices on European markets. The price of gas (TTF¹), which had started the year with an average price of €34/MWh, subsequently reached over

€60/MWh on 19 March. Over the first quarter, the price rose by more than 50% compared with Q4 2025.

Pass-through to production and import prices remains limited

As yet, the pass-through effects of these shocks remain barely noticeable in the data on industrial producer prices and import prices – for which only the first few months' figures are available – but are beginning to materialise in terms of inflation. The trend in producer prices remains dominated by the year-on-year decline in the domestic market, which fell by 3.7% in February, marking the fourth consecutive monthly decline.

The import price index fell by a further 3.3% year-on-year in January, whilst prices from the European Union rose by 1.4%. At this stage, the signals remain partial and do not yet support a full assessment of the scale of pass-through.

First visible effects on the inflation front

On the inflation front, the overall monthly data point to a resurgence in prices, with inflation rising from 1% in January to 1.7% in March. Over the quarter, inflation averaged 1.4% year-on-year, admittedly higher than the previous quarter, but well below the average of 1.6% that characterised the first nine months of 2025.

The effects of rising energy costs, although marginal at this stage, nevertheless appear to be altering the dynamics within the index itself. Indeed, inflation excluding energy and food fell year-on-year in March, dropping from 2.4% the previous month to 1.8% year-on-year. This easing in the non-volatile components of inflation stems from a fall in services inflation in March compared with February, which had previously stood out as an outlier against the trend of preceding months.

Whilst the disinflation in goods prices persisted through January and February, these prices saw a slight recovery in March, rising to +0.7%, driven by the most volatile component of semi-durable goods.

Energy price trends were most sensitive to the rise in oil and gas costs, though they have not yet shifted into growth. Nevertheless, the downward trend that had characterised previous months has been interrupted.

Notably, it is the regulated component that recorded the most marked turnaround in March, shifting from a month-on-month decline of 11.5% in February to -1.3% in March. The slowdown in unregulated prices, which are thought to be more affected by fossil fuel prices, was less pronounced, falling from -6.2% to -2.4%.

¹ The *Title Transfer Facility* (TTF) is the main benchmark for gas prices in Europe.



Energy prices therefore continue to show a decline despite current events.

Over the quarter, the trend is more pronounced, explained by a hysteresis effect that is still present, with energy prices falling by 6.5% in Q1, compared with -4.4% in the previous quarter. This is sufficient to trigger an acceleration in quarterly inflation, which rises from 1.1% in Q4 2025 to 1.4% in Q1 2026, with core inflation remaining stable.

Prevailing uncertainty is weighing on household expectations

Whilst consumer confidence appeared to have recovered somewhat since the start of the year, fluctuating between an index of 96 and 97, the effects of prevailing uncertainty are beginning to materialise. The confidence index plummeted in March, falling to 92.6 – a 5-point drop from the levels seen over the previous eleven months. It has thereby returned to the level seen in April 2025, a month when Donald Trump’s tariff announcements had rattled sentiment.

Whilst all components are affected, concerns about the geopolitical environment are reflected primarily in households’ assessment of the Italian economic climate, where the index has fallen by more than 10 points. Expectations regarding the future economic outlook have also been affected (-8 points), whilst concerns are more measured regarding households’ personal circumstances. Nevertheless, households fear a deterioration in the labour market as well as a decline in their purchasing power, with expectations of future savings falling and weakening intentions to spend on durable goods.

January’s retail sales do not yet reflect these effects but provide an indication of the downward trend in consumption, with a decline in sales volume and value compared with December, of -0.5% and -0.1% respectively. However, the momentum from the previous period leaves a positive legacy for the quarter.

A labour market out of step with economic momentum

Households’ fears of a downturn remain, for now, unjustified. A slowdown in the labour market, more in line with the sluggish momentum of economic activity, has certainly been expected for several months, but at this stage, the data point to a still robust economic climate. Unemployment continues to fall over time, despite a slight rise to 5.3% (+0.1 percentage points), and remains well below its 2025 average (6.1%). The fall in employment observed in February (-0.1%, or -29,000) also fits within this context and does not yet signal a trend reversal.

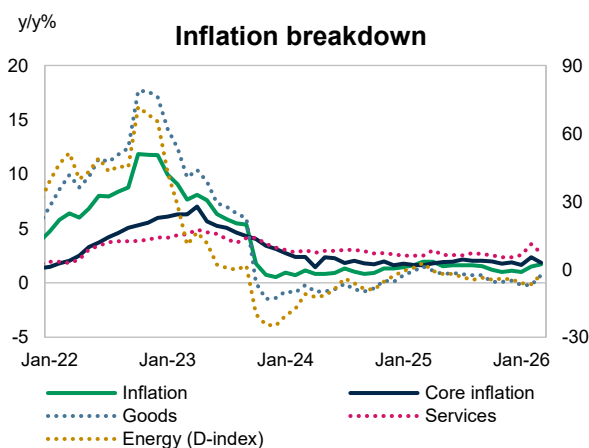
The growth momentum, which remains positive at around +0.2% for the quarter, suggests instead a one-off adjustment. The employment rate fell to 62.4% (-0.1 percentage points), whilst the inactivity rate remained stable at 33.9%. Youth unemployment, however, fell to 17.6%

(-1 percentage point). However, the dynamics of the labour supply are changing. The rise in inactivity is moderating and, for the first time in several months, the adjustment is no longer solely due to people leaving the labour force but is partly reflected in a rise in the number of unemployed (+2.7%, or +36,000).

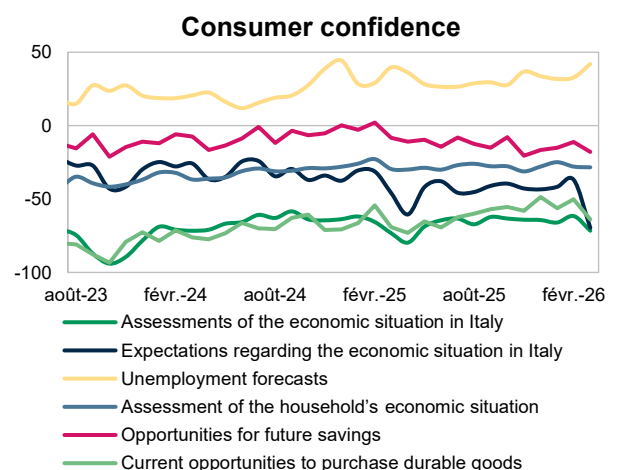
In detail, the February adjustment is concentrated among employees (-0.2%), particularly those on fixed-term contracts (-0.5%), whilst the self-employed continue to increase (+0.2%). It mainly affects men and those aged 25–49, whilst employment continues to rise for women, young people and older workers.

The apparent decoupling between the labour market and economic activity reflects the fact that short-term adjustments are offset by deeper transformations, where supply constraints are gradually becoming more apparent. The fall in unemployment observed in recent years therefore reflects not only a cyclical improvement in economic activity, but also more structural factors.

Among the reasons already identified are the effects of sectoral restructuring, with growth that is admittedly weak but labour-intensive, driven by services and construction. Demographics also play a role: the arrival



Sources: Istat; Crédit Agricole S.A./ECO



Sources: Istat; Crédit Agricole S.A./ECO



of increasingly large cohorts of people over 60 who are about to leave the labour market encourages people to stay in work, particularly as the pool of available young people is shrinking. The number of 25–34-year-olds (combined employed and unemployed) has fallen by more than 30% since 2004.

In addition to these macroeconomic and demographic factors, there is a geographical dimension. According to an analysis by the research institute Ref Ricerche², areas of labour market tension have multiplied in recent years, affecting around fifteen regions, and are no longer concentrated solely in the industrial regions of the North. Furthermore, nearly half of new jobs, mainly in the hospitality and construction sectors, are now located in the Mezzogiorno.

Geopolitical scenario assumption: persistently higher energy prices

Against this backdrop of high volatility, our international scenario assumes that the energy shock will be prolonged. The normalisation of flows through the Strait of Hormuz would remain incomplete, with a gradual reopening. Following the blockage observed in March, the resumption of flows would be gradual from Q2 2026, with no return to normality before 2027. Trade and shipping traffic, particularly for oil tankers, would remain persistently below pre-crisis levels, at around -20% over the forecast horizon. Damage to oil and gas infrastructure would also contribute to keeping energy prices high, for both oil and gas.

Following the peak seen in Q1, oil prices are expected to remain at a high level, well above their 2025 average. Our assumptions project an average price of around \$110 per barrel in Q2 2026, before a gradual decline to \$100 in Q3 and then \$85 by the end of the year, a level at which it is expected to stabilise in 2027. European gas prices would follow a similar trajectory, with an average price of €68/MWh in Q2 2026, followed by a decline to just over €50/MWh by the end of the forecast horizon.

The high volatility of energy prices would indeed exert sustained pressure on inflation in the eurozone and contribute to keeping monetary conditions restrictive. However, although significant, this episode will have more limited and temporary consequences than during the 2022 energy crisis, which involved the rerouting of gas supplies for a country such as Italy.

A dependence on gas that heightens vulnerabilities

Italy remains nonetheless one of the countries most vulnerable to this geopolitical risk, particularly due to its dependence on LNG supplies, with gas remaining a central component of *the energy mix*. Italy imports around 95–96% of its gas, which is largely used for electricity generation, with 44% of its electricity generation relying on this source in 2024.

Since the outbreak of the conflict in Ukraine, the supplier landscape has changed significantly. Russia, which accounted for nearly 50% of imports, saw its share fall to around 5% in 2023, then to around 10% in 2024 as a result of sanctions.

It has been gradually replaced by a rise in the share of Algeria, Azerbaijan and Norway, all three connected by gas pipelines. LNG now accounts for around 25% of supplies, up from 19% in 2019. Among suppliers, Qatar has remained the main supplier of LNG since 2015, accounting for around 10%, with a slight recent increase. The main change, however, lies in the emergence of the United States as a supplier since 2022, with its share increasing 4.5-fold in two years. It accounts for around 9% of imports in 2024, entirely in the form of LNG.

Italy is therefore doubly vulnerable to the current shock: to the risk of supply disruption, given Qatar’s significant role in its supplier portfolio, but also to price fluctuations. The rise of LNG in imports in turn heightens sensitivity to *spot* gas prices, which are then passed on to electricity prices and, more broadly, to domestic prices.



Sources: Istat, Crédit Agricole S.A./ECO

² Ref Ricerche, *Report on the labour market in Italy*, March 2026.



WEAKENED ECONOMIC ACTIVITY, DUE TO A LACK OF GROWTH DRIVERS

Inflation at the forefront of the geopolitical shock, but significantly more limited spillover effects from 2027 onwards

Based on these assumptions, prices would rise significantly, with inflation forecasts revised sharply upwards for the next two years. On an annual average, headline inflation would reach 3.2% in 2026, whilst core inflation would remain moderate, around the target, at 2.2%, marking a break from the previous disinflationary trend.

The quarterly picture would be characterised by a rebound in inflation from the second quarter, to 3.7%, peaking at 3.9% in the fourth quarter.

Behind this trend, the rise in energy prices would be significant, rising from -5.1% in the first quarter to +16.6% year-on-year from Q2 onwards, a level that would hold until the end of the year, at around 16.2%. Over the year, energy prices would rise by 11.2%.

Food prices would also be affected by this rise in energy prices, via producer prices. The effects of this shock would materialise in this segment from Q4 onwards, with inflation rising from 2.5% in Q1 2026 to 3.3% by the end of the year.

Second-round effects would also spread to goods, but with a time lag, i.e. from Q2 2027. As for services, price growth would remain relatively robust, at around 3%, and would not change from that observed over the past year.

Core inflation is expected to remain close to 2% over the forecast horizon; the absence of spillover effects beyond those specific to energy explains this relative stability.

In 2027, headline inflation is expected to return to a level close to that of 2025, at 1.6%. Base effects on energy prices, together with the assumption of limited

pass-through to wages, should limit second-round effects and allow core inflation to remain contained.

Whilst the current shock is a supply shock that resembles that of 2022, insofar as it is primarily driven by energy prices, it is nonetheless different. Indeed, the conditions under which it is occurring are not the same.

The energy shock of 2022 occurred at a time of very strong economic recovery, specific to the post-Covid period. In a recovering global economy, energy prices and, more broadly, input prices had already been on an upward trajectory since September 2021. The shock linked to the conflict in Ukraine served to amplify this phenomenon.

The current situation is different. The economy is operating in an environment of much more moderate growth, with sluggish domestic demand and a negative *output gap*. Tensions in the labour market, at face value, must be put into perspective: despite historically low unemployment rates, job creation remains concentrated in sectors with low productivity and few trade unions, where the capacity for wage bargaining remains limited, particularly in the hospitality and catering sectors or construction, which limits the risk of spillovers.

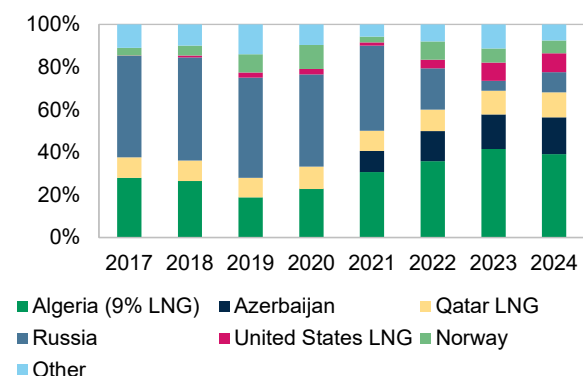
In this context, spillover effects are likely to be much more contained, with less pressure on wages, which would limit second-round dynamics.

Households caught in the grip of the geopolitical crisis

The inflationary shock would primarily be transmitted via household income. Real disposable income, which had barely returned to its pre-energy crisis level, would deteriorate once again as a result of rising prices. Wage gains would do little to offset this loss of purchasing power. In this context, precautionary behaviour would remain prevalent, or even intensify, keeping the savings rate at a high level.

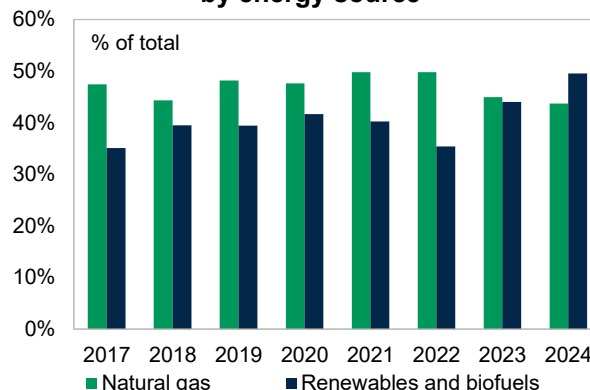
Unlike in 2022, fiscal room for manoeuvre appears more limited today. The government has committed to bringing the deficit back below the 3% threshold by

Gas imports by partner



Sources: Eurostats, Crédit Agricole S.A./ECO

Electricity generation by energy source



Sources: Eurostat, Crédit Agricole S.A./ECO



2026, with a view to exiting the excessive deficit procedure, which severely constrains its capacity to intervene.

Whilst in 2022, Giorgia Meloni's government had broadened the scope of existing schemes, notably *by* extending the electricity bonus to households with an equivalent economic situation indicator (ISEE) of up to €12,000³, no measures of a similar scale have been introduced at this stage, apart from an extraordinary contribution [of €115](#) towards electricity bills. A reduction in excise duties has also been decided, which would partially cushion the impact on pump prices, in line with one-off measures already implemented in the past. In this context, a significant portion of the rise in energy costs would continue to be borne directly by households.

From Q2, activity would begin to contract and continue into Q3, in line with the rise in the inflationary shock. Despite a positive start to the year (+0.3%), consumption would remain generally sluggish throughout 2026, with growth close to 0% on an annual average.

A modest recovery is expected in 2027, with growth of around 0.4% for the year, supported by a stronger quarterly profile as the effects of the shock fade.

Investment: carried by 2025 momentum, constrained by 2026 uncertainty

Investment is expected to maintain a certain momentum at the start of the year, driven by still significant carry-over effects, with growth of close to 1% in 2026. However, this momentum would mask an underlying weakening, which would become fully apparent in 2027, with gross fixed capital formation (GFCF) turning negative.

Productive investment would be directly affected by the energy shock, with growth forecasts having been significantly revised downwards. The year 2026 would be characterised by a decline of -0.6%, which would deepen in 2027 to -1%.

“ In this new reality where one crisis follows another, the effects of tariffs are not a thing of the past – quite the contrary ”

In a context where businesses are already facing high energy costs, the additional rise would weigh on margins and further erode competitiveness, limiting the capacity and incentive to invest. This adjustment would take place within an industrial environment that is already weakened. The 2022 energy crisis continues

to weigh on the productive sector, with industrial production falling for the second consecutive year, starting the year with a contraction of -0.6%.

Added to these constraints would be sluggish demand and heightened geopolitical uncertainty, which would reinforce caution among investors. Trade tensions, particularly those involving the US, would also contribute to reduced visibility.

Finally, the gradual withdrawal of public support is likely to amplify this trend. Policies that have strongly supported investment in recent years, particularly *through* infrastructure, would see their contribution diminish, reducing the overall momentum.

Construction: a real rebound, but a fragile one

The construction sector remains a special case. The revision of the accounts has highlighted a very sharp correction in the housing segment in 2024 (-37.4%, or around €53 billion)⁴, linked to the end of the Superbonus, partially offset by the ramp-up of public investment.

Contrary to initial expectations, the sector's correction therefore materialised earlier. The year 2025, by contrast, was marked by a recovery in the housing segment, with sustained growth rates of around 5.4% on an annual average, and momentum that was already strong from the start of the year. This trend is now reflected in significant carry-over effects, exceeding 2%, which continue to support the sector in 2026.

Economic indicators confirm this trend. Confidence in the sector remains positive, with a high level in Q1 and a recent recovery. Order books also remain solid, representing on average nearly 8.6 months of activity.

However, the survey indicates a decline in construction levels. Growth is expected to remain robust in 2026, at around 1.8%, driven by carry-over effects and the final investments from the stimulus package, but these factors mask a slowdown that is already underway. Once the carry-over effects have faded, construction investment is expected to turn negative in 2027.

A restructuring of global trade driven by exceptional flows

In this new reality where one crisis follows another, the effects of tariffs are not a thing of the past – quite the contrary. 2026 looks set to follow the same pattern.

Three main observations emerge.

The first relates to particularly buoyant imports. By volume, imports are rising by 3.9% compared with

³ The extension of the scheme had reached nearly 5.2 million people

⁴ See the publication [Italy – Behind the rebound, an economy in recovery](#), March 2026



1.4% for exports. By value, exports are up by 3.3%, compared with 3.1% for imports. Despite this gap, the trade balance remains largely in surplus, at around €50 billion.

The second concerns trade flows with the United States, where the effects of tariffs are not yet visible. Trade remains dominated by *front-loading* effects and very pronounced sectoral dynamics. Exports rose by 7.2%, driven mainly by the pharmaceutical sector, which contributed 8.5 percentage points to this increase. In 2025, the United States accounts for around 12% of total Italian exports, two percentage points more than in 2023. Non-automotive transport equipment also contributes to this growth, with a 16% increase. On the import side, flows from the United States increase by 35%, with a very strong concentration in the pharmaceutical sector, where imports rise by more than 100%. At the same time, the sector's exports to the United States will double over the same period. Despite these developments, the trade balance remains in surplus with the United States, including for the pharmaceutical sector.

The third observation relates to extreme sectoral concentration, particularly in the pharmaceutical sector. This sector accounts for a significant share of trade dynamics: it contributes 2.5 percentage points to export growth (3.3%) and 2.6 percentage points to import growth (3.1%), whilst recording an increase of over 35% in trade flows. It also accounts for around one-fifth of the total trade surplus. China is also part of this trend, accounting for nearly 13% of the sector's imports in 2025, compared with 1.8% a year earlier. Imports of pharmaceutical products from China increased by nearly 1,000% over the year. Pharmaceutical exports to China are also on the rise, up by 45%.

Outside the pharmaceutical sector, Italian exporters are losing market share in China (-6.6%), whilst the penetration rate of Chinese imports into the Italian market is holding steady. This also affects consumer goods, notably textiles (+7%) and the automotive sector (+39.4%). Chinese imports now account for around 17% of total textile imports and nearly 60% of automotive imports.

Within the eurozone, trade flows remain generally buoyant but mixed. Trade with France is characterised by a renewed rise in exports, largely driven by the pharmaceutical sector, with an increase of over 100%, whilst trade with Germany appears more consistent, driven notably by capital goods, particularly machine tools.

The most recent data, however, confirm a slowdown. In January, imports fell by 1.3% and exports by 0.1%. This trend masks divergences: trade with the eurozone is growing strongly (+14%), whilst trade with countries outside the eurozone is declining.

Against this backdrop, 2026 looks set to be another turbulent year. The effects of customs tariffs are not yet fully apparent and are expected to materialise with a time lag. Exports are expected to fall by around 1%, whilst imports are likely to remain buoyant, driven in particular by the restocking of energy reserves.

Constrained growth

Based on our assumptions, growth in 2026 would be severely affected by the energy shock, with an estimated impact of -0.6 percentage points compared to a scenario without a blockade of the Strait of Hormuz. Against a backdrop of initially stronger growth underpinned by fragile domestic demand, rising energy prices and their impact on inflation would accentuate the slowdown. Growth would slow to a very modest pace in 2026, around 0.3%, with an intra-annual profile marked by a decline in Q2 and Q3, despite positive growth momentum at the start of the year.

In 2027, the impact of the shock would be more limited, as base effects on energy prices fade. Growth would recover slightly, averaging around 0.6% for the year, with a recovery taking hold in the second half of the year.

However, this scenario remains subject to downside risks. Persistently weak domestic demand, the spillover of the energy shock into corporate profit margins, and the ongoing adjustment in foreign trade are likely to continue to weigh on economic activity.

	2024	2025	2026	2027
GDP (y/y, %)	0,6	0,7	0,3	0,6
Domestic demand (contribution to GDP, pps)	0,2	1,5	0,3	0,3
Stockbuilding (contribution to GDP, pps)	0,3	-0,2	0,8	0,2
Net exports (contribution to GDP, pps)	0,2	-0,6	-0,9	0,2
Private consumption (y/y, %)	1,2	1,1	0,0	0,4
Investment (y/y, %)	-3,5	3,8	1,0	-0,2
Inflation (y/y, %)	1,1	1,7	3,2	1,6
Unemployment rate (%)	6,6	6,1	6,0	6,2
Fiscal balance (% of GDP)	-3,4	-3,1	-3,2	-2,7



ECONOMIC AND FINANCIAL FORECASTS

EUROPEAN MACROECONOMIC SCENARIO

International forecasts

	2024	2025	2026	2027	2025				2026				2027			
					T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4
Eurozone GDP (y/y, q/q, %)	0,9	1,5	0,8	1,1	0,6	0,1	0,3	0,2	0,2	0,1	0,2	0,3	0,3	0,3	0,4	0,4
United States GDP (y/y, q/q, annualised, %)	2,8	2,1	2,2	1,9	-0,6	3,8	4,4	0,7	3,0	1,8	2,1	2,1	2,0	2,1	1,9	1,8
China GDP (y/y, q/q, %)	5,0	5,0	4,7	4,5	-	-	-	-	-	-	-	-	-	-	-	-
ECB deposit rate (end of period, %)	3,00	2,00	2,75	2,50	2,50	2,00	2,00	2,00	2,00	2,00	2,50	2,75	2,75	2,75	2,50	2,50
Federal Reserve funds rate (end of period, %)	4,50	3,75	3,75	3,50	4,50	4,50	4,25	3,75	3,75	3,75	3,75	3,75	3,75	3,50	3,50	3,50
Exchange rate (average, EUR/USD)	1,08	1,13	1,14	1,15	1,05	1,13	1,17	1,16	1,16	1,14	1,12	1,13	1,13	1,14	1,16	1,17
Brent (average, USD/barrel)	81,2	69,3	96,0	85,0	76,0	68,0	69,0	64,0	89,0	110,0	100,0	85,0	85,0	85,0	85,0	85,0

GDP trends

	2024	2025	2026	2027	2025				2026				2027			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Eurozone	0,9	1,5	0,8	1,1	0,6	0,1	0,3	0,2	0,2	0,1	0,2	0,3	0,3	0,3	0,4	0,4
Germany	-0,5	0,4	0,5	0,8	0,4	-0,2	0,0	0,3	0,2	0,1	0,1	0,2	0,2	0,2	0,2	0,3
France	1,1	0,9	0,9	0,9	0,1	0,3	0,5	0,2	0,2	0,1	0,1	0,2	0,2	0,3	0,3	0,3
Italy	0,6	0,7	0,3	0,6	0,3	0,0	0,2	0,3	0,0	-0,1	0,1	0,1	0,1	0,3	0,3	0,3
Spain	3,5	2,8	2,0	1,6	0,5	0,7	0,6	0,8	0,5	0,3	0,3	0,5	0,4	0,4	0,4	0,4
Netherlands	1,1	1,9	1,3	1,0	0,3	0,3	0,5	0,5	0,3	0,2	0,2	0,2	0,3	0,3	0,4	0,4
Belgium	1,1	1,0	0,4	0,5	0,4	0,2	0,3	0,1	0,2	0,0	0,0	0,1	0,1	0,2	0,3	0,3
Ireland	2,5	12,4	-0,6	2,5	7,7	-0,6	0,0	-3,8	1,4	0,7	0,7	0,7	0,5	0,6	0,6	0,6
Portugal	2,2	1,9	1,8	1,6	-0,3	0,7	0,6	0,9	0,1	0,3	0,4	0,5	0,4	0,4	0,4	0,2
Greece	2,1	2,2	1,9	1,5	0,4	0,5	0,7	0,8	0,4	0,2	0,4	0,4	0,4	0,4	0,4	0,3
Finland	0,4	0,1	0,7	0,9	0,0	-0,3	-0,3	0,6	0,3	0,1	0,2	0,2	0,2	0,3	0,3	0,3
Luxembourg	0,3	0,6	1,6	1,2	0,6	0,6	1,2	-0,1	0,5	0,2	0,3	0,4	0,1	0,3	0,4	0,4
Austria	-0,8	0,7	0,5	0,6	0,3	0,0	0,3	0,0	0,1	0,1	0,1	0,1	0,2	0,2	0,2	0,2
Slovenia	1,7	0,9	1,6	0,6	-0,6	0,9	0,9	0,4	0,3	0,3	0,2	0,2	0,1	0,1	0,1	0,1
Malta	6,2	4,0	3,7	1,7	1,4	1,7	1,1	2,1	1,2	-0,2	-0,2	0,6	0,6	0,6	0,6	0,6

Italy

	2024	2025	2026	2027	2024				2025				2026				2027				
					T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4	
GDP (y/y, q/q, %)	0,6	0,7	0,3	0,6	0,1	0,2	0,0	0,1	0,3	0,0	0,2	0,3	0,0	-0,1	0,1	0,1	0,1	0,1	0,3	0,3	0,3
Domestic demand (contribution to GDP)	0,2	1,5	0,3	0,3	0,2	0,0	-0,2	0,8	0,3	0,6	0,4	0,3	0,1	-0,3	-0,2	-0,1	0,1	0,3	0,2	0,2	
Private consumption (y/y, q/q, %)	1,2	1,1	0,0	0,4	1,4	0,3	0,3	0,5	0,1	0,3	0,3	0,1	0,1	-0,4	-0,2	0,0	0,2	0,3	0,2	0,2	
Public consumption (y/y, q/q, %)	1,5	0,6	0,5	0,6	-0,1	0,7	0,2	0,3	-0,2	0,3	0,1	0,2	0,1	0,1	0,1	0,1	0,1	0,2	0,2	0,2	
Investment (y/y, q/q, %)	-3,5	3,8	1,0	-0,2	-2,5	-1,3	-1,8	2,1	1,4	1,7	1,0	0,9	0,0	-0,4	-0,4	-0,4	-0,2	0,4	0,3	0,3	
Stockbuilding (contribution to GDP, pps)	0,3	-0,2	0,8	0,2	0,1	0,9	0,6	-0,7	-0,3	0,1	-0,3	0,6	0,1	0,3	0,2	0,1	-0,1	-0,1	0,1	0,1	
Net exports (contribution to GDP, pps)	0,2	-0,6	-0,9	0,2	-0,1	-0,7	-0,4	0,0	0,4	-0,7	0,1	-0,7	-0,2	-0,2	0,1	0,1	0,1	0,1	0,0	0,0	
Exports (y/y, q/q, %)	-1,1	1,4	-1,0	0,0	-1,3	-1,4	-0,3	-0,3	2,7	-1,7	2,1	-1,2	-0,3	-0,3	-0,3	-0,3	0,2	0,2	0,2	0,2	
Imports (y/y, q/q, %)	-1,8	3,9	1,9	-0,6	-0,9	0,8	1,3	-0,4	1,6	0,5	2,0	1,0	0,3	0,2	-0,6	-0,6	0,0	0,0	0,2	0,2	
Inflation (y/y, %)	1,1	1,7	3,2	1,6	1,0	0,9	1,2	1,3	1,8	1,8	1,7	1,2	1,4	3,7	3,8	3,9	2,9	1,3	1,1	1,2	
Core inflation (y/y, %)	2,3	1,8	2,1	2,0	2,6	2,2	2,3	2,2	1,9	1,9	1,8	1,8	1,9	2,1	2,2	2,2	2,0	2,2	2,1	1,9	
Unemployment rate (%)	6,6	6,1	6,0	6,2	7,1	6,7	6,3	6,2	6,3	6,3	6,0	5,6	5,8	6,0	6,0	6,0	6,2	6,2	6,2	6,2	
Current account balance (% of GDP)	1,1	1,1	0,3	0,5	0,4	1,6	1,7	0,6	-0,4	1,8	2,6	0,5	0,3	0,2	0,3	0,4	0,4	0,5	0,5	0,5	
Fiscal balance (% of GDP)	-3,4	-3,1	-3,2	-2,7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public debt (% of GDP)	134,9	135,4	134,7	134,3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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