



ASSOLOMBARDA

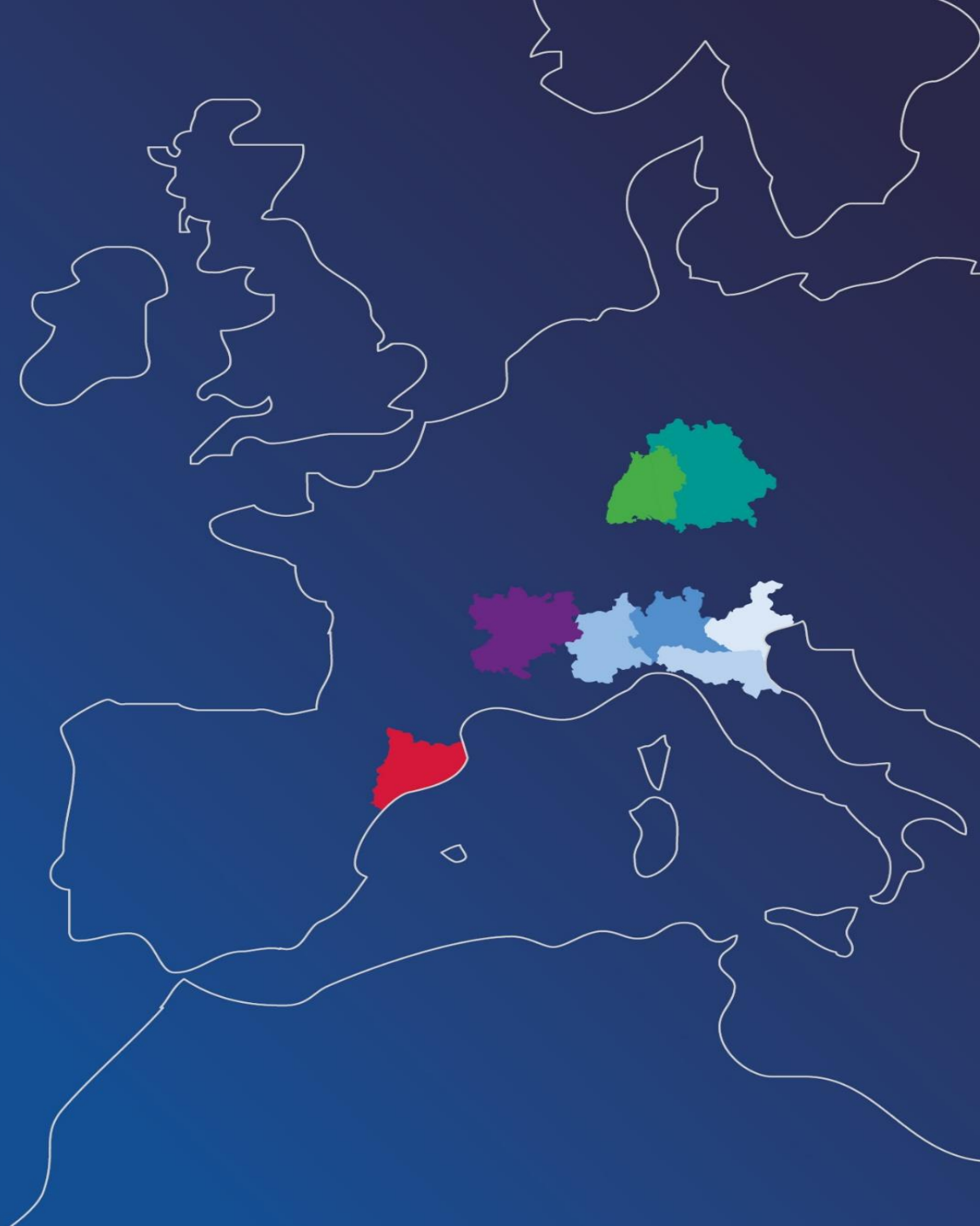
Booklet Economia

Lombardy in comparison with Italian
and European benchmarks

Edited by

Research Department

N° 44/May 2020



Preface

Flash update on the short-term economic outlook for Lombardia in comparison with the other highly industrialized regions in Europe - Baden-Württemberg, Bayern, Cataluña, Rhône-Alpes - and in the North of Italy - Veneto, Piedmont, Emilia-Romagna.

Safety on the workplace in Lombardia

In Lombardy recorded work-related accidents decrease in the first quarter of 2020, by 5.2% overall and by 15.9% in the industry alone. This latter result reflects at least in part the business closures imposed in many sectors to contain the spread of the Covid-19 epidemic which in turn, having also limited mobility, induced a drastic decrease in work-related road accidents (-25.6% overall and -28.1% in the industry).

Economic performance in Lombardia in comparison with benchmark regions

Having been 90 days since the spread of the coronavirus and two weeks since the beginning of «Phase 2» in Italy, it is time to take stock of the economic situation in March and April, the two peak months in the epidemic curve, and to draw a first tentative picture of what May could look like.

Based on available national figures, the depth and character of the economic crisis are unprecedented: according to the Italian National Statistics Institute (Istat), Italian GDP fell by 4.7% quarter-on-quarter in the first three months of 2020, industrial production plummeted by a record-level 29.3% year-on-year in March and in the same month exports plunged by 13.5%.

Regional-level synthetic statistics are not available yet, preventing a complete analysis of how the lockdown affected the economy in Lombardia. However, though partial and incomplete, indicators collected in March and April all suggest the regional outlook to be worse than the national one, especially considering that our region was hit first and particularly harshly by the epidemic.

Starting with electricity demand, a good proxy of production activity, in Italy it decreased by 10% in March, to then drop by 17% in April, reaching the lows recorded in the mid-90s. In Lombardia it shrank even further, both in March (-16%) and in April (-20%).

Reading Terna's electricity consumption data (around 7/10 of which depend on industry and services) together with estimates of the fall in Italian production in March (-29% year-on-year, source Istat) and in April (-45%, source Centro Studi Confindustria) and accounting for the larger epidemic shock suffered by Lombardia, we revise our estimates on production in Lombardia downward to around -35% year-on-year in March and we expect a nosedive to at least -45% in April.

The severity of the slowdown in economic activity in Milano and Lombardy is conveyed by data on HGVs traffic on urban bypasses as well, shrinking by 36% in March and 50% in April compared to 2019. Cargo traffic at Malpensa airport also plunges in those two months, first by 29% then by 35%.

Considering people's mobility, both on bypasses and within the city, the fall is still impressive: different soft indicators all converge towards around -70% in March and -75-85% in April.

As to the gradual reopening allowed in Phase 2, in the days from May 4th to May 10th electricity demand in Italy registered -12%, to be compared with -22% between March 23rd and April 19th, i.e. the worst phase of the lockdown (computations exclude data on the rest of April because not comparable to the same period in 2019, due to Easter holidays and the recurrence of April 25th and May 1st). The impact of the reopening is visible in the numbers, but the trend is still negative, reminding that some sectors are still closed and many, among those who reopened, are doing so gradually. In the next weeks the speed of the recovery back to pre-Covid might be better assessed.

Though gradual, the move to Phase 2 is evident in Google Maps' data on people's work-related mobility: as of May 7 it indeed improved to -48% on January-February, after the -70% recorded between end of March and mid-April.

As to the job market, there are no statistics yet to fully assess the effect of the pandemic. The latest data on CIG however still deserve attention, as they show an increase by 13% in the first quarter of 2020 compared to 2019, due to a spike in applications in February (+45% in that month) despite Covid-related effects not being considered (the figure concerns applications submitted by 2019 year-end).

Now that part of the supply has been switched back on, the key issue is the speed and extent of the demand-side recovery, both Italian and foreign.





ASSOLOMBARDA

www.assolombarda.it

www.genioeimpresa.it

Seguici su

