



ASSOLOMBARDA

BOOKLET ECONOMIA
**Sentiment and raw
materials**

*Lombardy in comparison with
Italian and European benchmarks*

Edited by
Research Department

N° 2/February 2025



BOOKLET ECONOMIA

Sentiment and raw materials

Lombardy in comparison with Italian and European benchmarks

Executive Summary

RECOVERY EXPECTED FROM SPRING, WITH CONSUMERS MORE OPTIMISTIC THAN BUSINESSES. INFLATION DECLINING, BUT ENERGY COSTS REMAIN VOLATILE AND HIGH.

After analyzing in the [previous edition](#) the sluggish growth recorded by Lombardy in 2024 and the moderate expansion forecast for 2025, this Booklet adds further insights into business sentiment and obstacles to activity, with a particular focus on inflation trends and raw material prices.

In summary, the Assolombarda flash survey on business sentiment further highlights the weakness of the economic cycle perceived in 2024 and the expectations for a recovery in 2025, now postponed until spring. The outlook appears more positive for service sector businesses than for manufacturing, especially for the year just ended but also for the current one. This divergence aligns with our forecasts and with the business confidence climate in the Northwest, which remains in negative territory for the industrial sector at the beginning of 2025, mainly due to insufficient demand. Conversely, household confidence is improving, suggesting a rebound in consumption over the coming quarters, supported by declining inflation and recovering disposable income. Raw material prices have recorded significant increases at the start of 2025, especially in energy goods—gas and electricity in particular—continuing to weigh on the international competitiveness of our businesses.

Assolombarda businesses' sentiment

The outlook for moderate growth, with still uncertain developments, is clearly reflected in the perception of economic operators at the micro level. Looking at 2025 as a whole, just over two-thirds (67.7%) of the more than 400 Assolombarda businesses responding to the flash survey foresee an economic context in Lombardy that is the same or better than in 2024. Specifically, expectations improve going from the first to the second quarter, indicating a gradual recovery in demand over the year. The gap between the sentiment of the industrial and service sectors is narrowing, although service companies remain more optimistic: 71.0% expect 2025 to be the same or better than 2024, compared to 64.2% in manufacturing.

RECOVERY EXPECTED FROM SPRING, WITH CONSUMERS MORE OPTIMISTIC THAN BUSINESSES. INFLATION DECLINING, BUT ENERGY COSTS REMAIN VOLATILE AND HIGH.

Business confidence in the Northwest

Taking a closer look at the recent scenario, even the available confidence indices for early 2025 do not indicate an immediate recovery for the industrial sector. Business confidence in the Northwest's manufacturing sector, as recorded by Istat, remains low both compared to the historical average and the post-Covid four-year period, despite a slight increase in January. Order book assessments remain extremely weak, and short-term production expectations are modest. For manufacturing in Northwest Italy, insufficient demand remains the main obstacle to production throughout 2024, worsening towards the end of the year. In fact, in the fourth quarter, this issue was reported by as many as a quarter (25.9%) of businesses in the region, marking the highest incidence in the post-Covid period.

The persistent weakness of the industrial sector is also evident across the broader Italian economy and in major European countries. Among these, Spain's manufacturing sector is better positioned, benefiting from a more moderate decline in orders and production, while Germany's industrial confidence is at the lowest end, reflecting the ongoing recession.

Services, on the other hand, continue to show greater resilience. This trend is confirmed by the latest Istat confidence indicator: the sentiment among service sector businesses in the Northwest remains positive, starting 2025 in a state of relative stability. A similar pattern is observed at the national level, and in the European context, the resilience of the services sector compared to industry is also evident in Germany, whereas France's service sector appears to be under greater strain.

The main challenge reported by service sector businesses in the Northwest at the end of 2024 was insufficient demand, which affected 9.5% of respondents in the fourth quarter—though this figure is decreasing. Labor shortages represent the second most significant obstacle (7.4% at the end of 2024). This issue is also declining compared to previous periods but remains above the historical average.

RECOVERY EXPECTED FROM SPRING, WITH CONSUMERS MORE OPTIMISTIC THAN BUSINESSES. INFLATION DECLINING, BUT ENERGY COSTS REMAIN VOLATILE AND HIGH.

Finally, indications from households point to an improvement: after months of decline towards the end of 2024, consumer confidence in early 2025 is rising again in Italy, especially in Northwestern regions, where it has returned to positive territory. The increase in confidence in this area is mainly driven by more favorable opinions on the overall economic situation and future outlook. The decline in inflation and the resulting recovery in household purchasing power have likely played a significant role. However, personal and current economic assessments remain characterized by more moderate optimism.

Focus: difficulties in recruitment

Despite still being a significant obstacle to production in both industry and services, labor shortages are slightly easing in Northwestern Italy, according to Istat data. This trend is partly reflected in the Excelsior data on workforce demand from businesses in Lombardy. After years of continuous tightening, the share of hires that companies consider difficult to fill remained stable at 48.7% in the fourth quarter of 2024, compared to the previous year, although still at historically high levels (three years ago, it stood at around 38%, ten percentage points lower than today).

The situation varies across Assolombarda provinces, but in all cases, businesses perceive this issue more acutely than the Lombardy average. In the fourth quarter of 2024, labor shortages for sought-after roles increased in Lodi (51.3%, +5.0 percentage points year-on-year), Pavia (54.7%, +3.2 p.p.), and, to a lesser extent, Milan (44.5%, +1.0 p.p.). Conversely, the situation improved in Monza, where the difficulty in finding qualified workers dropped to 52.9%, down 1.6 percentage points from the previous year.

RECOVERY EXPECTED FROM SPRING, WITH CONSUMERS MORE OPTIMISTIC THAN BUSINESSES. INFLATION DECLINING, BUT ENERGY COSTS REMAIN VOLATILE AND HIGH.

Focus: prices and raw materials

The decline in inflation, a key factor in consumer confidence, is also evident in late 2024 data: in December, consumer prices in Lombardy rose by just 1.0% year on year, slightly above the +0.8% recorded at the national level.

Looking at prices on the production side, monitoring of raw materials reveals an upward trend in the first weeks of 2025.* Significant price increases have been observed in energy goods—especially gas—food products, precious metals, and, to a lesser extent, wood. In contrast, ferrous and non-ferrous metals continue to experience stable or declining prices, reflecting the weakness of global manufacturing and demand in Europe and China. However, the threat of new trade tariffs looms over metals and other raw materials, already causing significant market volatility.

The most pronounced fluctuations have affected European natural gas prices, which rose steadily until February 10, driven by stockpile reductions, reaching over €58/MWh. However, the following days saw a sharp decline following the announcement of potential peace negotiations between Ukraine and Russia, as well as a possible decision by the European Commission to introduce a gas price cap. As a result, prices quickly dropped to around €50/MWh, though they remain historically high—more than three times the 2019 average.

This volatility directly impacts electricity costs, which remain significantly higher in Italy compared to its European peers. In January, the average electricity price in Italy was €143.2/MWh, whereas Germany, France, and Spain paid 80%, 71%, and 68% of this amount, respectively.

* The data considered here and in the slides on raw materials are updated as of January 31, 2025. More recent data is provided only for gas prices, given the significant market movements in early February.

Table of contents

Executive summary	3
Assolombarda businesses' sentiment – flash survey	9
Manufacturing confidence index	13
Services confidence index	18
Consumers confidence index	22
FOCUS – Difficulties in recruitment	25
FOCUS – Prices and raw materials	28
Methodology note	41

BOOKLET ECONOMIA

Sentiment and raw materials

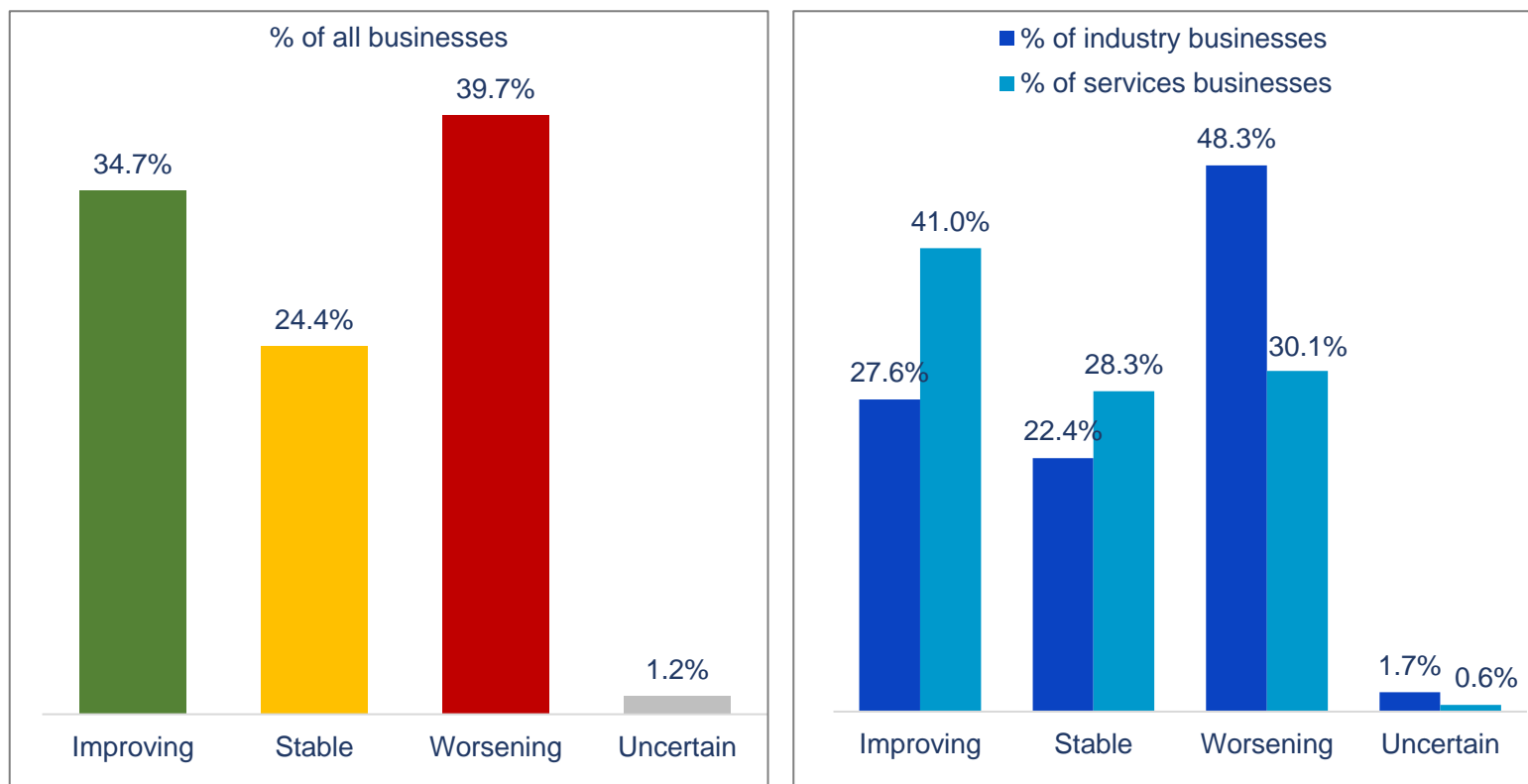
*Lombardy in the national and European
comparison*

Assolombarda businesses' sentiment – flash survey

Assolombarda businesses' sentiment

FLASH SURVEY ON THE LOMBARDY ECONOMY – 2024 ASSESSMENT

In 2024 taken as a whole, with respect to 2023, the Lombardy economic context was:

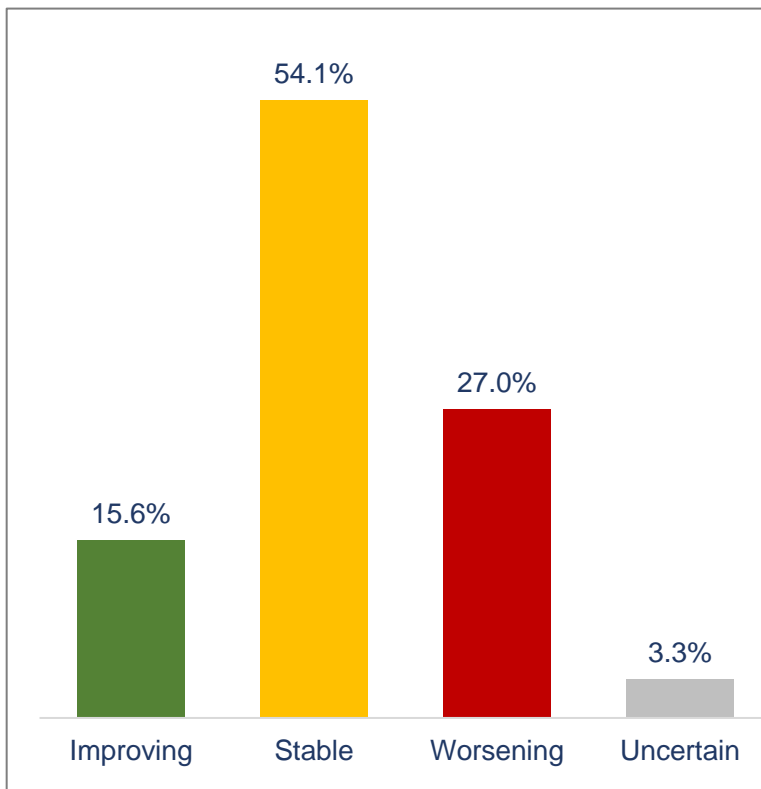


Note: The survey was conducted between January 9 and 13 and involved 418 member companies from the industry and services sectors. More details about the sample surveyed can be found in the appendix.
Source: Assolombarda Research Department

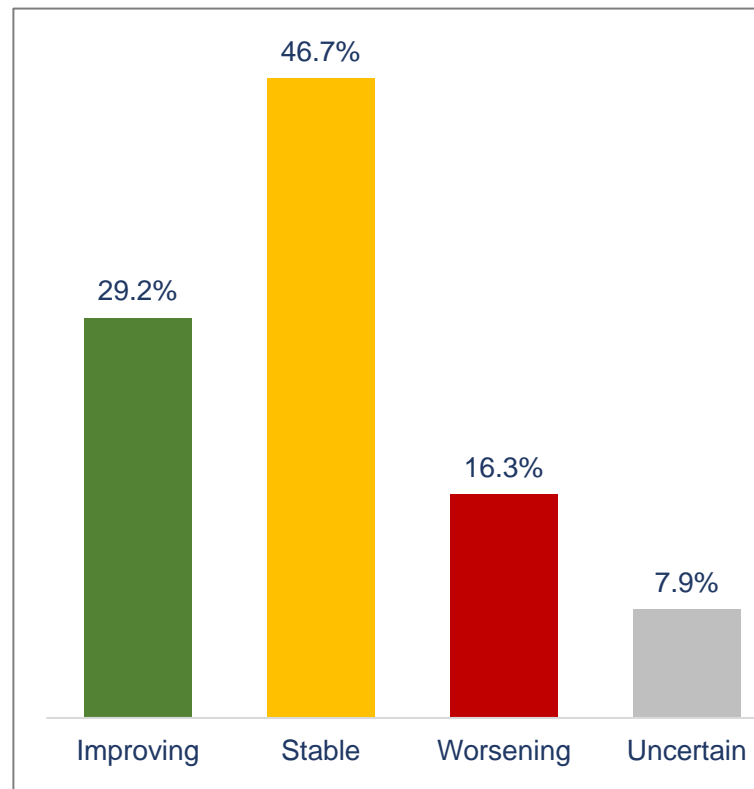
Assolombarda businesses' sentiment

FLASH SURVEY ON THE LOMBARDY ECONOMY – OUTLOOK ON THE FIRST HALF OF 2025

In 2024Q1, with respect to 2023Q4, you expect the Lombardy economic context to be:
(% of businesses)



In 2024Q2, with respect to 2024Q1, you expect the Lombardy economic context to be:
(% of businesses)

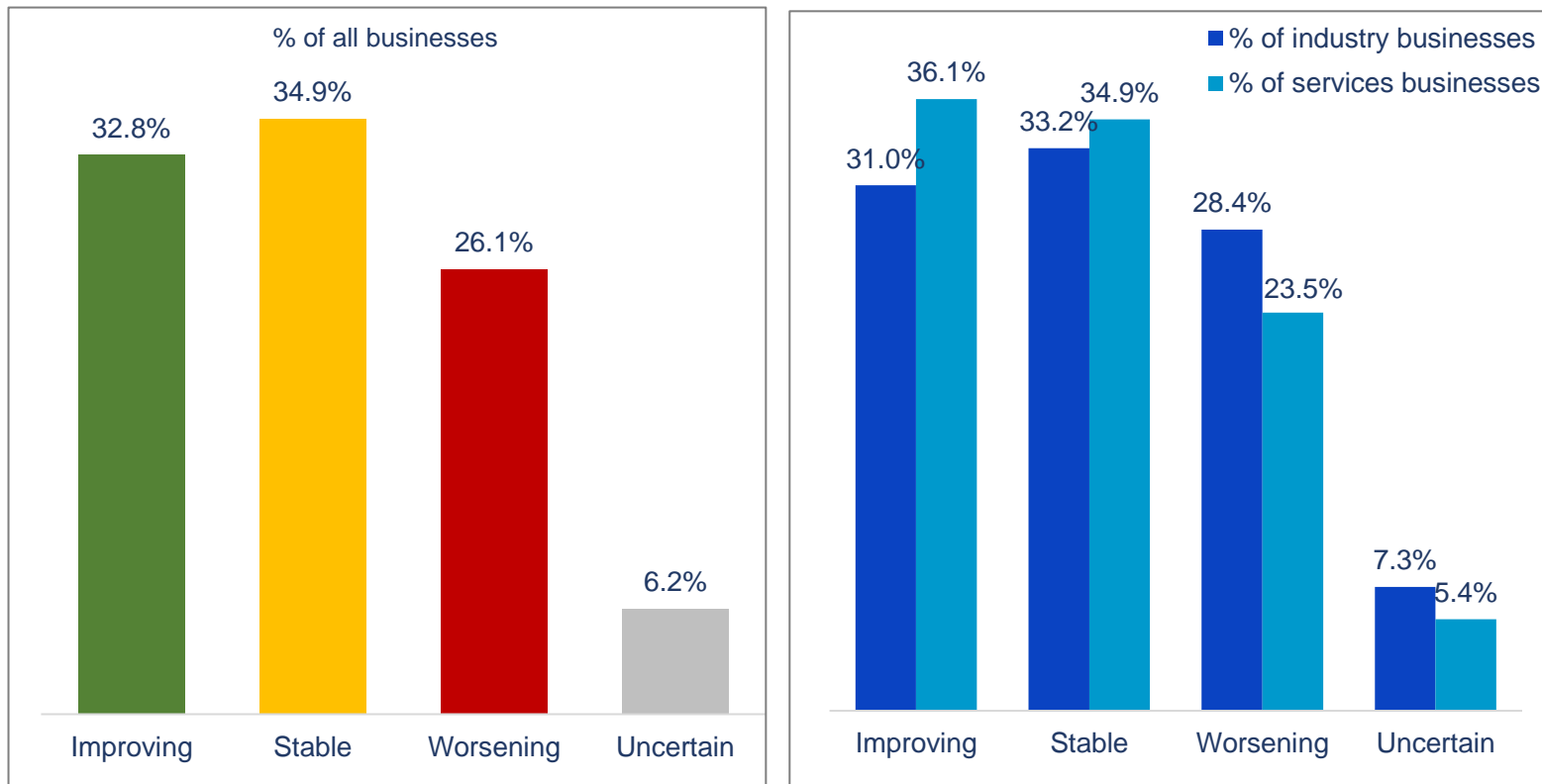


*Note: The survey was conducted between January 9 and 13 and involved 418 member companies from the industry and services sectors. More details about the sample surveyed can be found in the appendix.
Source: Assolombarda Research Department*

Assolombarda businesses' sentiment

FLASH SURVEY ON THE LOMBARDY ECONOMY – OUTLOOK ON 2025

In 2025 taken as a whole, with respect to 2024, you expect the Lombardy economic context to be:



Note: The survey was conducted between January 9 and 13 and involved 418 member companies from the industry and services sectors. More details about the sample surveyed can be found in the appendix.
Source: Assolombarda Research Department

BOOKLET ECONOMIA

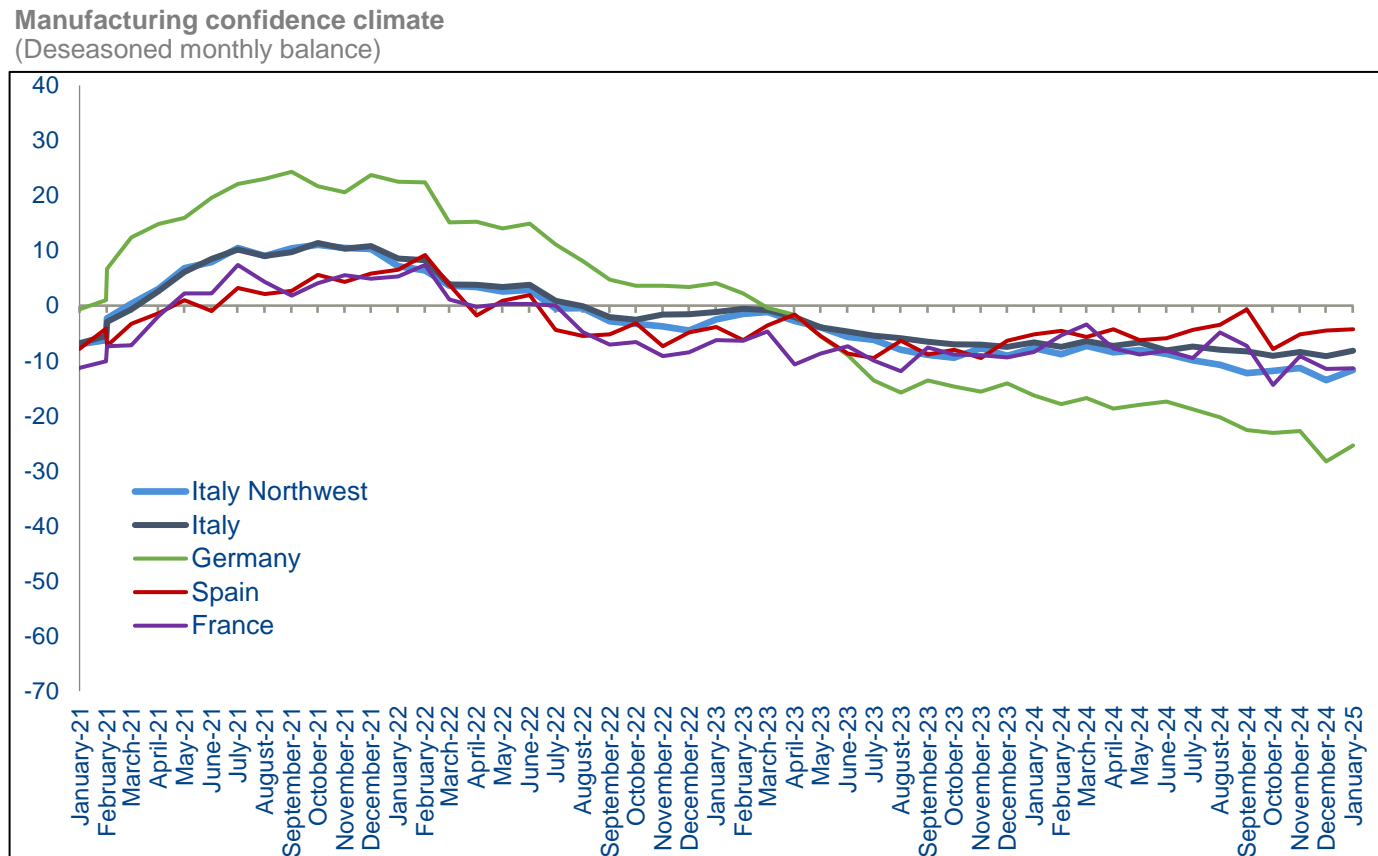
Sentiment and raw materials

*Lombardy in the national and European
comparison*

Manufacturing confidence climate

Confidence climate

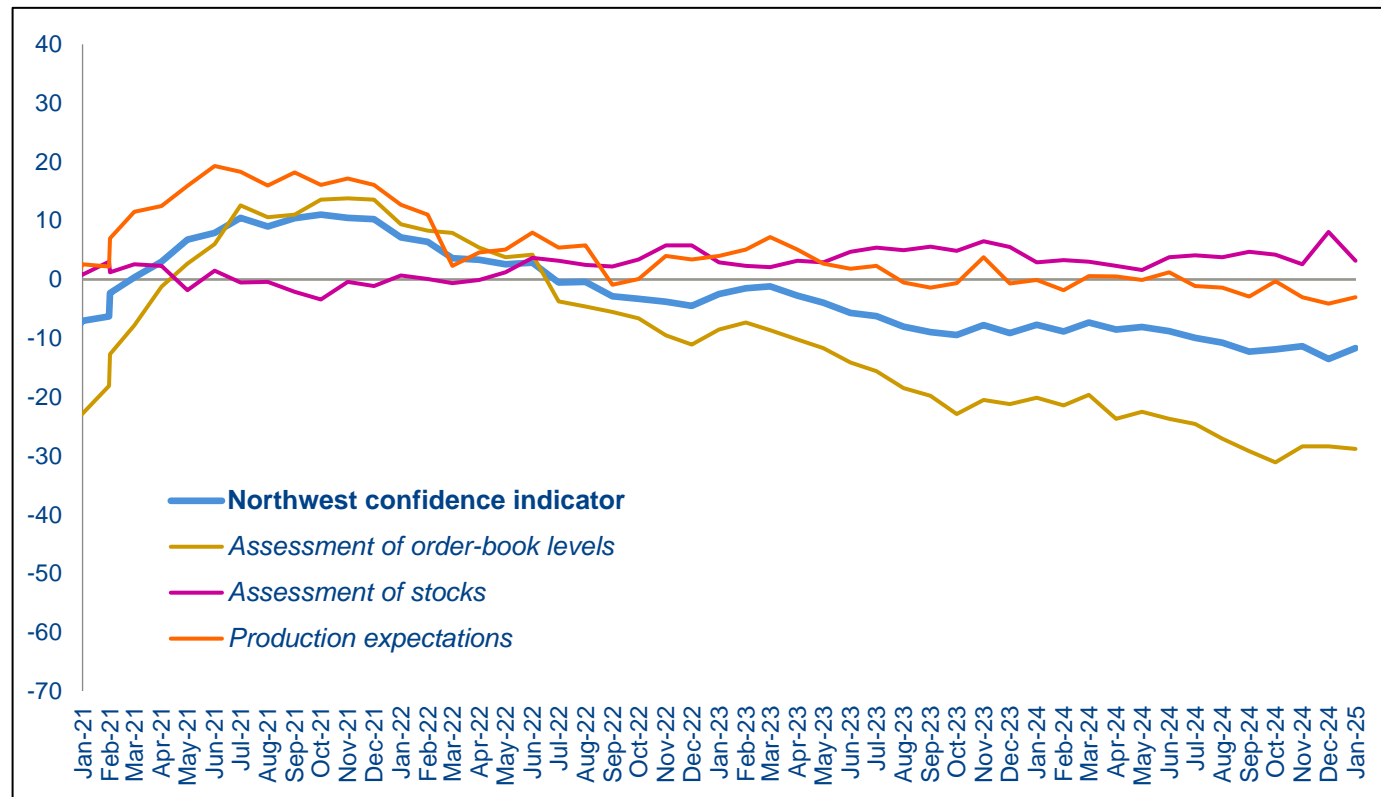
MANUFACTURING CONFIDENCE CLIMATE IN THE EUROPEAN COMPARISON / January 2025



Confidence climate

MANUFACTURING CONFIDENCE CLIMATE – ASSESSMENTS AND EXPECTATIONS / January 2025

Manufacturing confidence climate in the Northwest – components
(Deseasoned monthly balance)

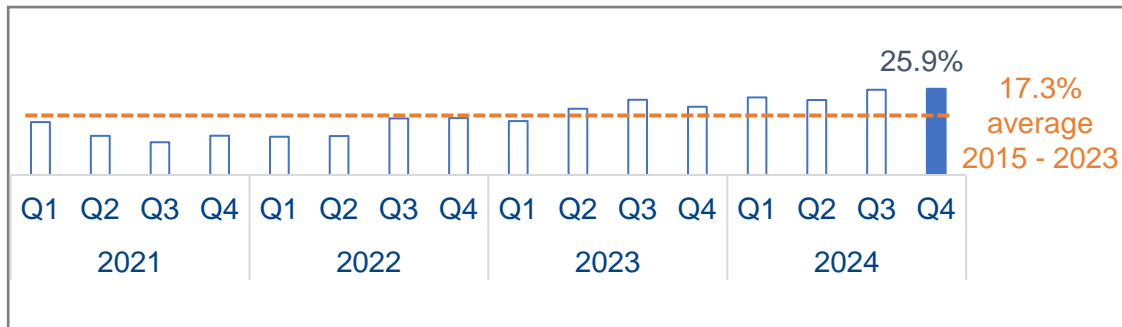


Confidence climate

OBSTACLES TO MANUFACTURING PRODUCTION / 4° quarter 2024

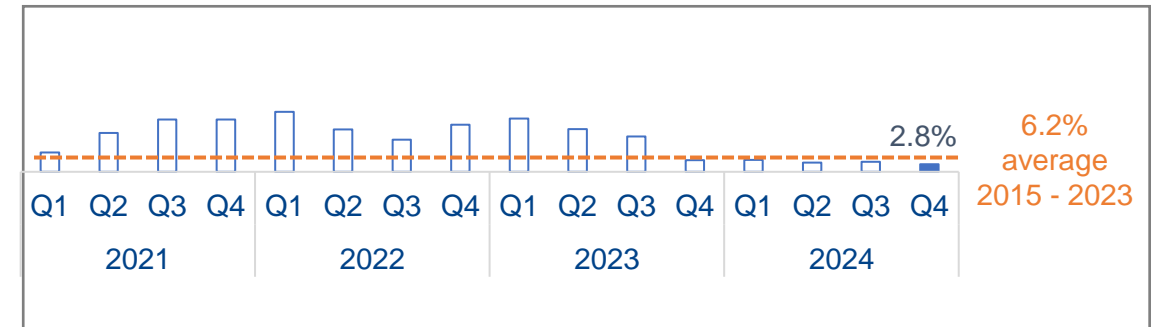
Insufficient demand

(% of Northwest manufacturing businesses)



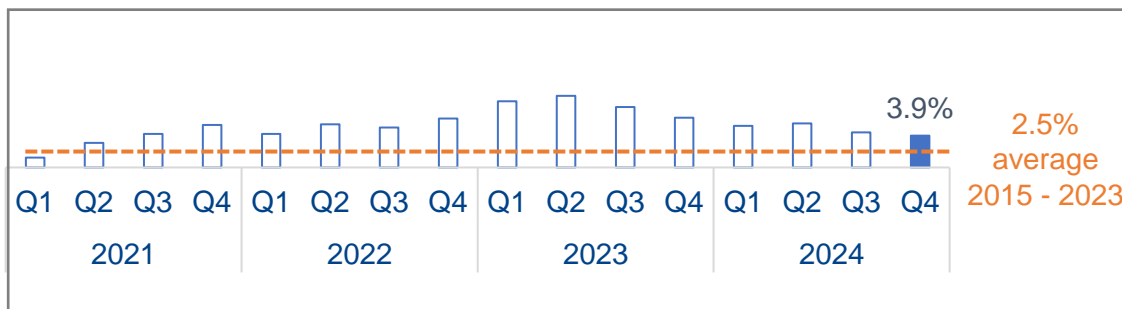
Insufficient equipment and/or materials

(% of Northwest manufacturing businesses)



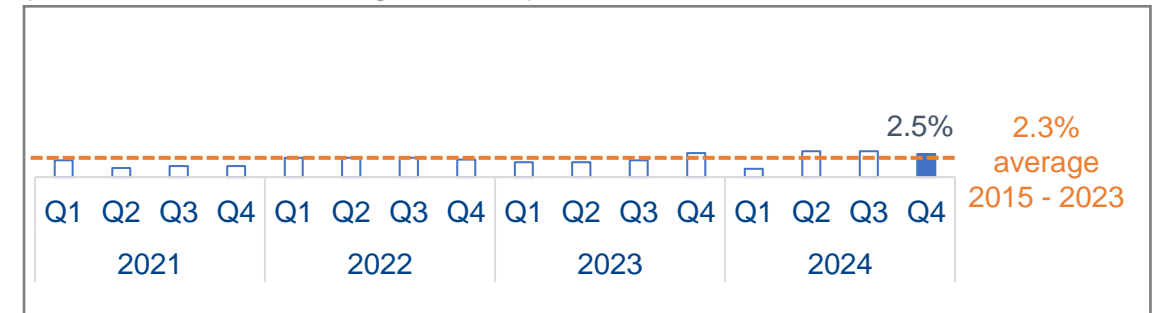
Labour shortage

(% of Northwest manufacturing businesses)



Financial constraints

(% of Northwest manufacturing businesses)

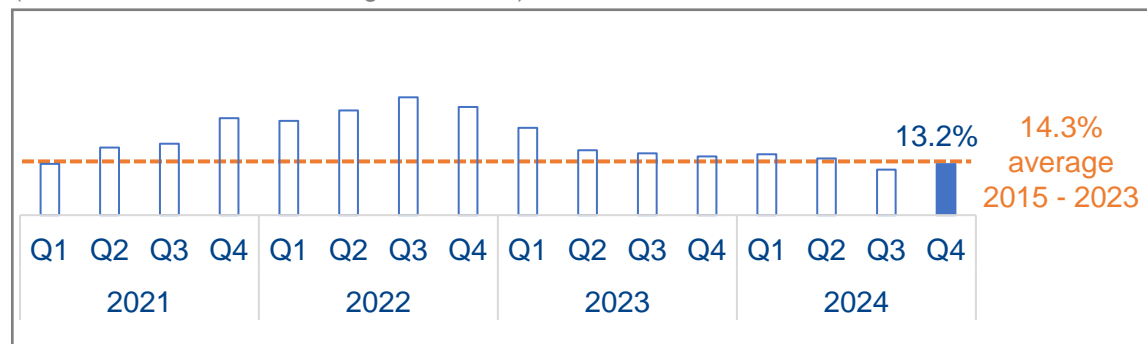


Confidence climate

OBSTACLES TO MANUFACTURING EXPORTS / 4° quarter 2024

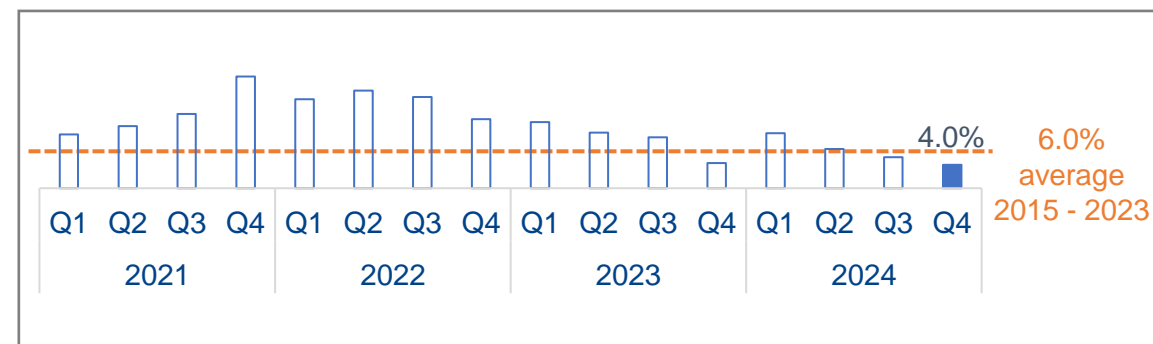
Prices and costs

(% of Northwest manufacturing businesses)



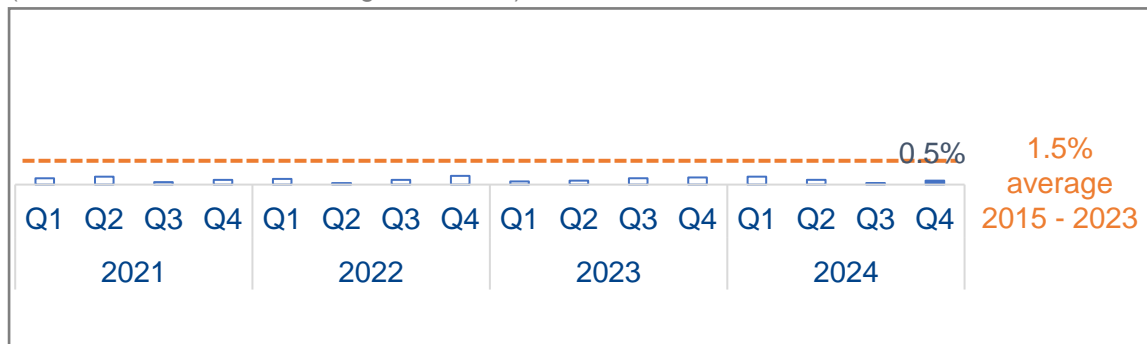
Delivery times extension

(% of Northwest manufacturing businesses)



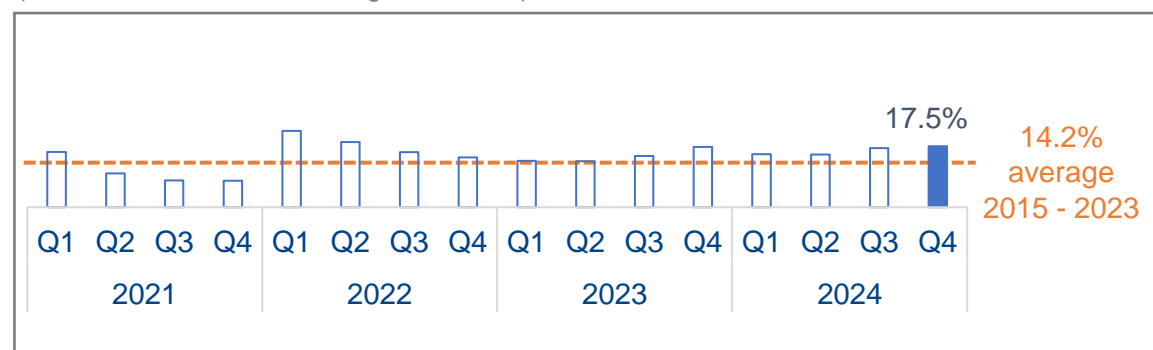
Financing

(% of Northwest manufacturing businesses)



Other factors

(% of Northwest manufacturing businesses)



BOOKLET ECONOMIA

Sentiment and raw materials

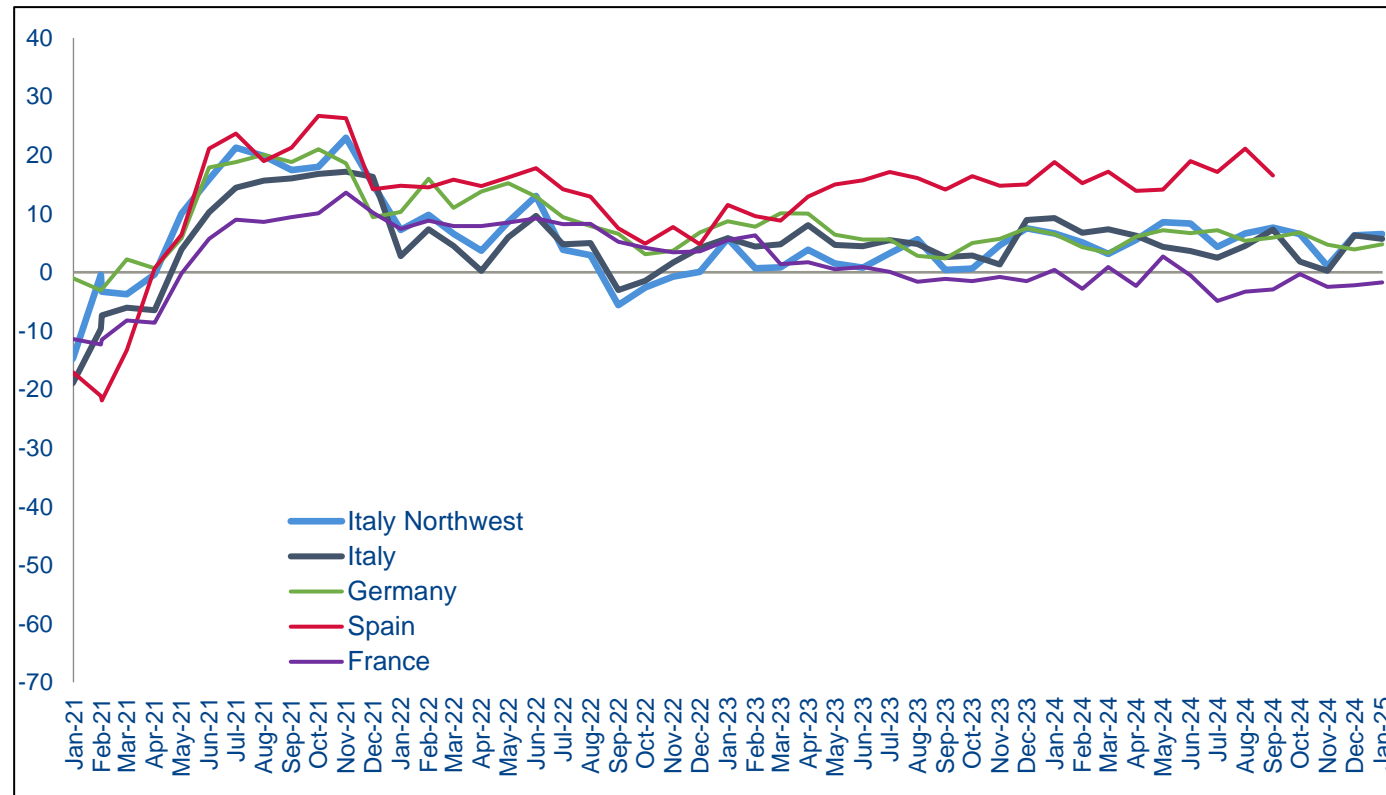
*Lombardy in the national and European
comparison*

Services
confidence climate

Confidence climate

SERVICES CONFIDENCE CLIMATE IN THE EUROPEAN COMPARISON / January 2025

Services confidence climate
(Deseasoned monthly balance)

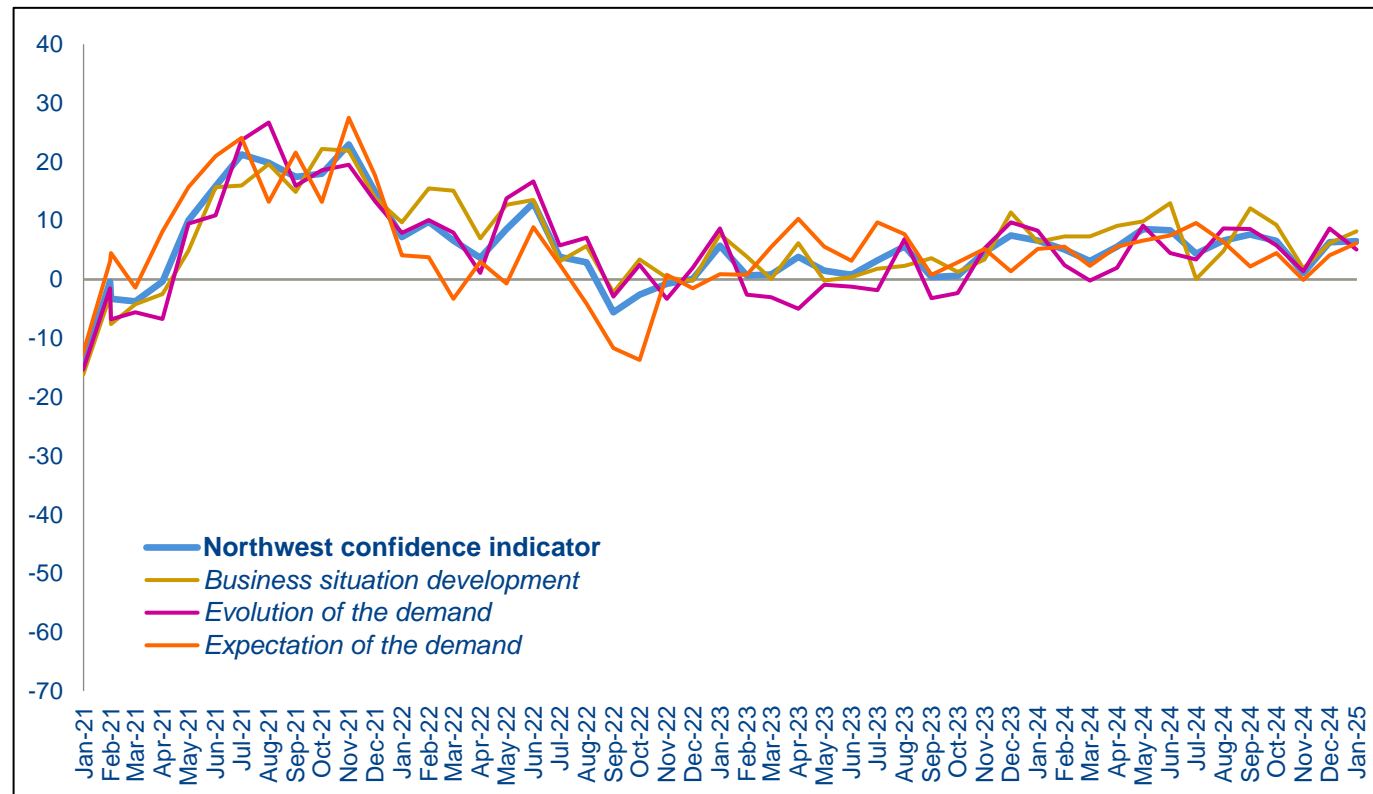


Note: Companies in the service sector, excluding retail, are considered. The survey of confidence in Spanish service companies has not been updated since October 2024.
Source: Assolombarda Research Department on European Commission, Istat data

Confidence climate

MANUFACTURING CONFIDENCE CLIMATE – ASSESSMENTS AND EXPECTATIONS / January 2025

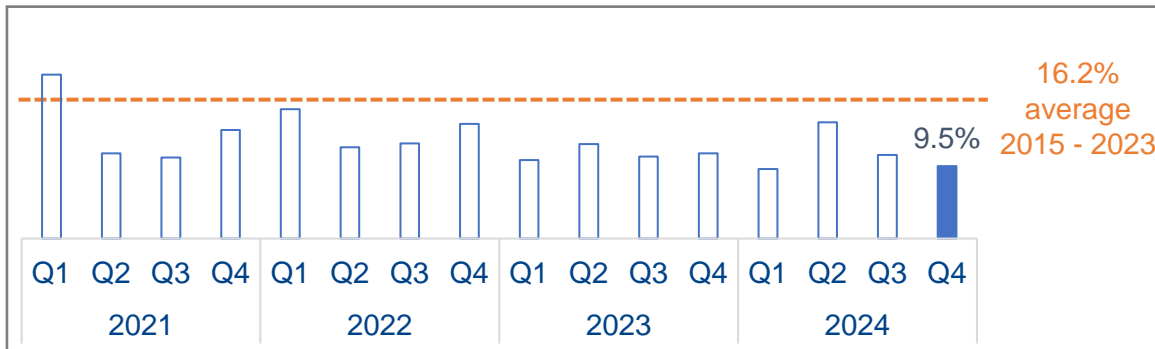
Services confidence climate in the Northwest – components
(Deseasoned monthly balance)



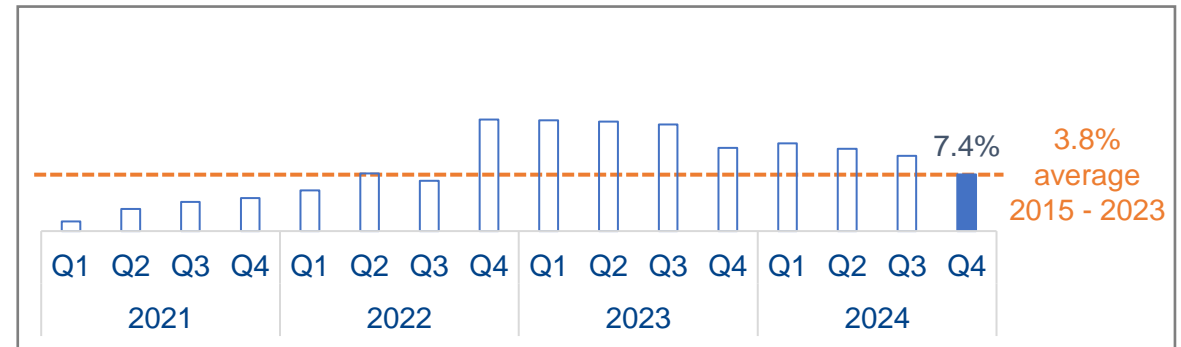
Confidence climate

OBSTACLES TO SERVICES PRODUCTION / 4° quarter 2024

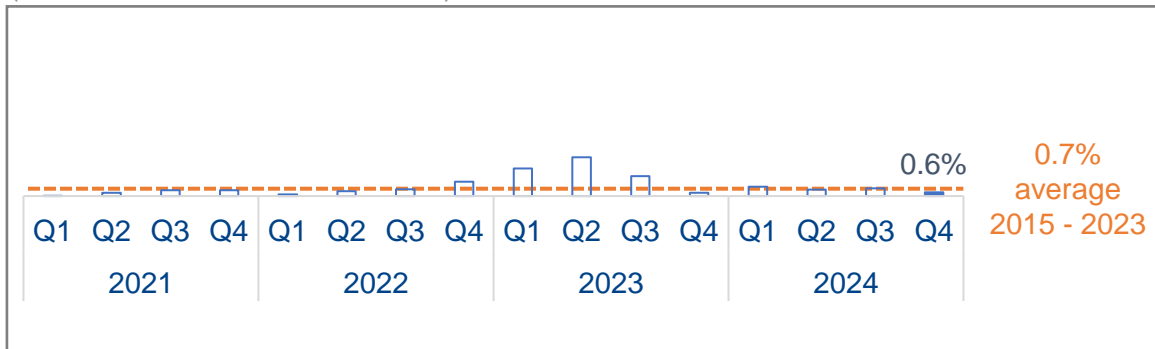
Insufficient demand
(% of Northwest services businesses)



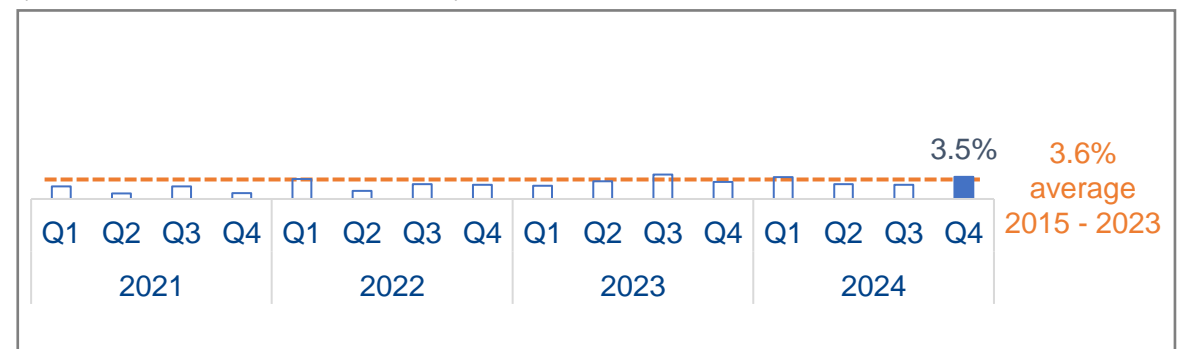
Labour shortage
(% of Northwest services businesses)



Insufficient space and/or equipment
(% of Northwest services businesses)



Financial constraints
(% of Northwest services businesses)



BOOKLET ECONOMIA

Sentiment and raw materials

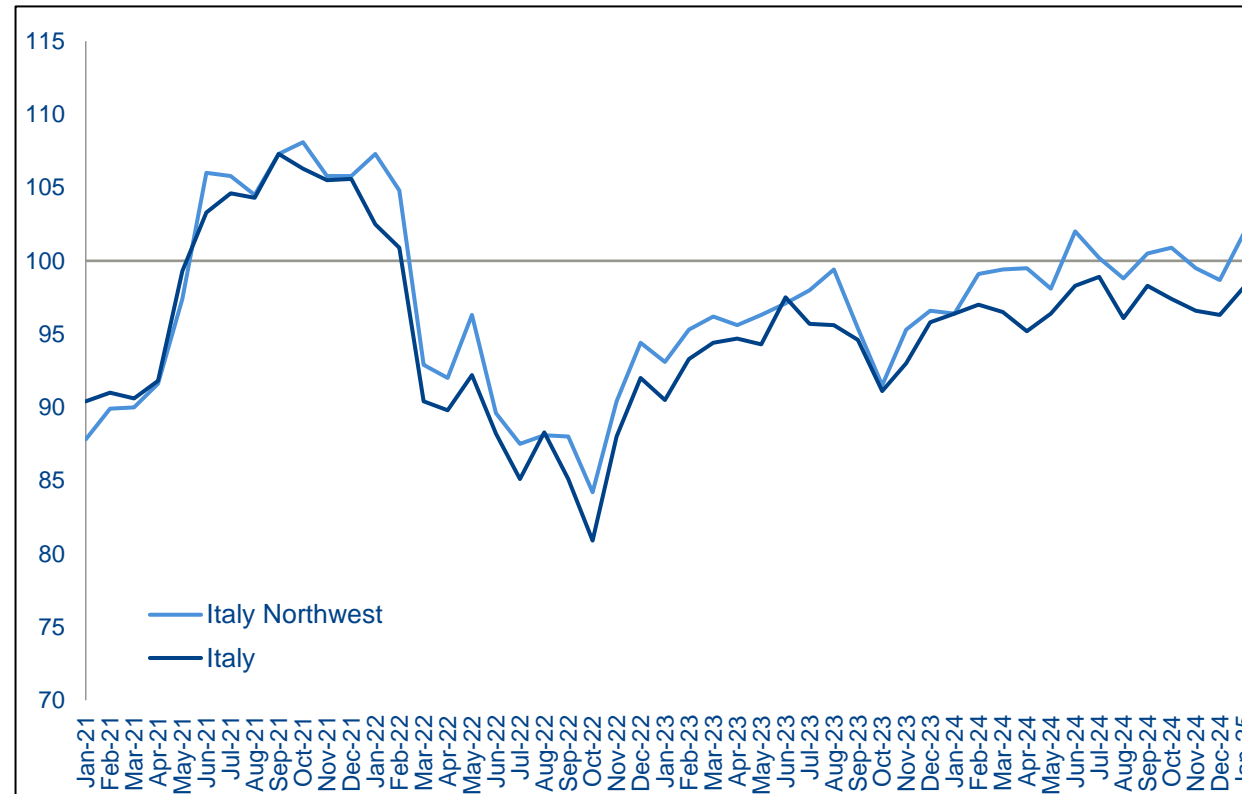
*Lombardy in the national and European
comparison*

Consumers confidence climate

Confidence climate

CONSUMERS CONFIDENCE CLIMATE / January 2025

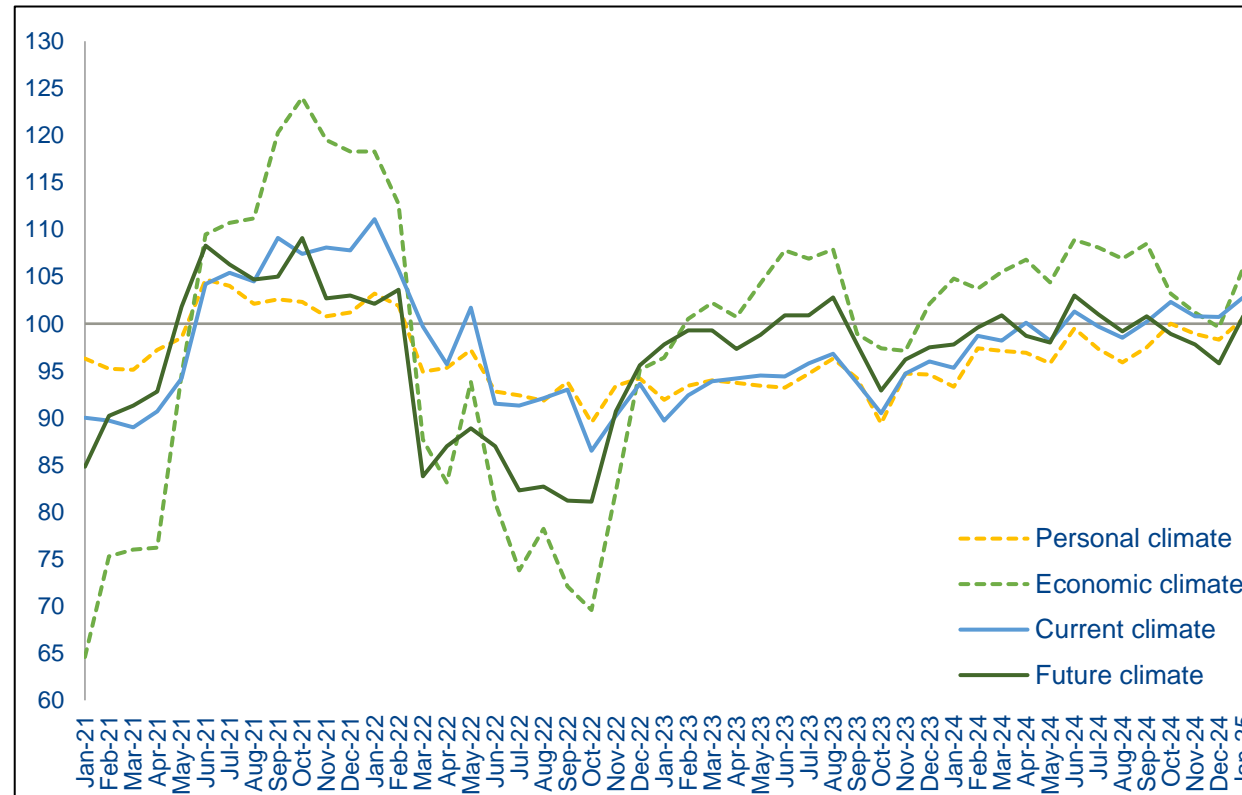
Consumers confidence climate
(monthly index, 2021=100)



Confidence climate

CONSUMERS CONFIDENCE CLIMATE – COMPONENTS / January 2025

Consumers confidence climate in the Northwest – components
(monthly index, 2021=100)



BOOKLET ECONOMIA

Sentiment and raw materials

*Lombardy in the national and European
comparison*

FOCUS – Difficulties in recruitment

FOCUS – Difficulties in recruitment

SHARE OF DIFFICULT HIRINGS / 4° quarter 2024



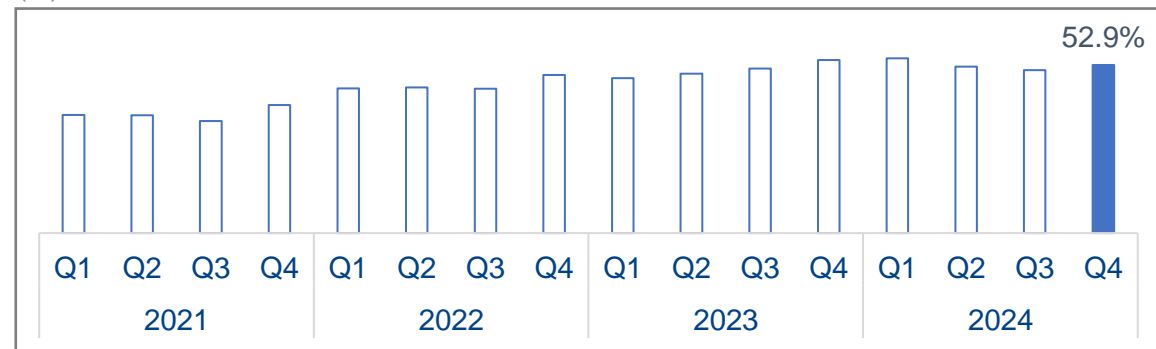
FOCUS – Difficulties in recruitment

SHARE OF DIFFICULT HIRINGS / 4° quarter 2024

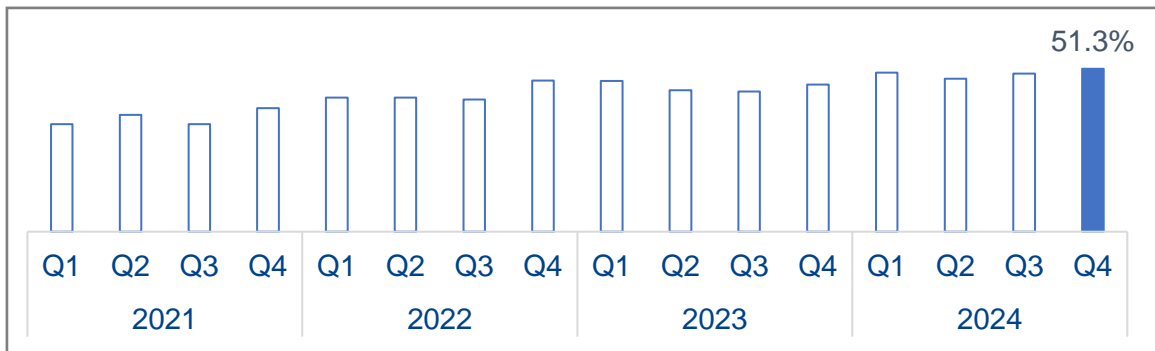
Share of difficult hirings - Milano (%)



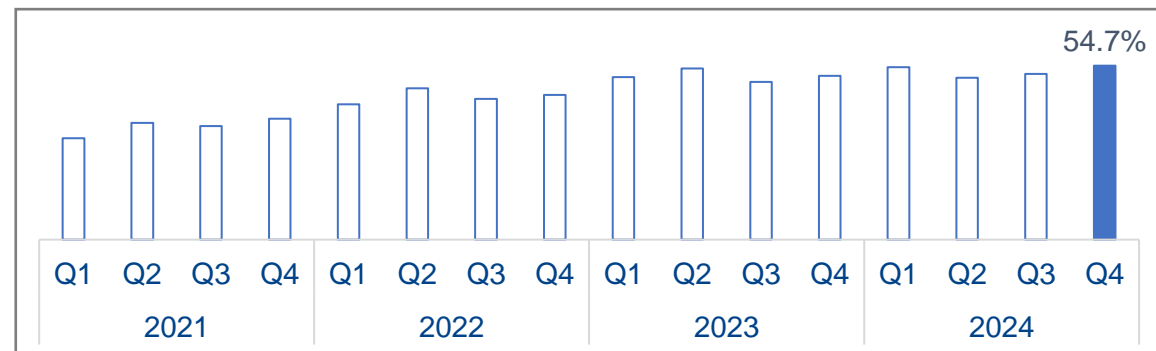
Share of difficult hirings - Monza e Brianza (%)



Share of difficult hirings - Lodi (%)



Share of difficult hirings - Pavia (%)



Source: Assolombarda Research Department on data from «Excelsior – Indagine permanente sui fabbisogni occupazionali delle imprese»

NOTE: The Excelsior survey measures the proportion of profiles sought by companies that are difficult to find on the market. This data is not directly comparable with the Istat survey on production obstacles contained in the confidence climate.

BOOKLET ECONOMIA

Sentiment and raw materials

*Lombardy in the national and European
comparison*

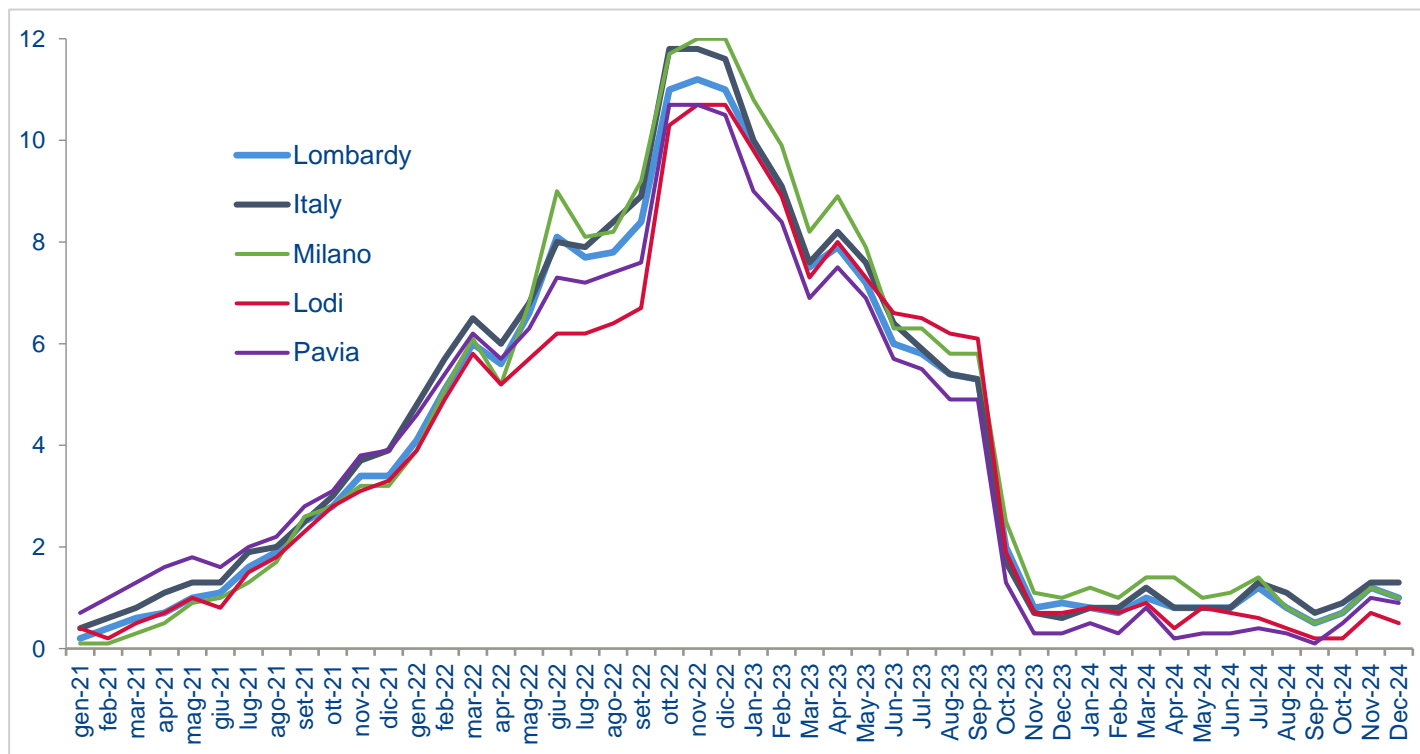
FOCUS – Prices and raw materials

Prices and raw materials

INFLATION / December 2024

Inflation

(Year-on-year monthly var. in the NIC index, %)



Consumer prices (NIC) (year-on-year % var.)	2024 (average)	December 2024
ITALY	+1.0	+0.8
LOMBARDY	+0.8	+1.0
Milano	+1.1	+1.0
Lodi	+0.6	+0.5
Pavia	+0.5	+0.9

Prices and raw materials

INFLATION / December 2024

Inflation
(December 2024
year-on-year variation, %)

	LOMBARDY	Milano	Lodi	Pavia
Overall index	+1.0	+1.0	+0.5	+0.9
Food and non-alcoholic beverages	+1.3	+1.0	+1.6	+1.2
Alcoholic beverages and tobacco	+1.3	+0.9	+1.5	+1.3
Clothing and footwear	+0.8	+1.3	-4.6	+0.8
Housing, water, electricity, gas and other fuels	-0.2	+0.3	-1.6	-0.3
Furnishings, household equipment and routine household maintenance	-0.3	-0.7	-1.3	+0.4
Health	+1.6	+1.6	+1.3	+1.5
Transport	+0.8	+1.0	+1.0	+0.1
Communication	-6.6	-6.8	-6.8	-6.6
Recreation and culture	+1.3	+1.2	+0.9	+1.0
Education	+2.9	+3.3	+2.4	+3.2
Restaurants and hotels	+2.3	+1.4	+3.6	+2.6
Miscellaneous goods and services	+2.5	+2.8	+1.0	+2.1

Prices and raw materials

RAW MATERIALS / January 2025

	Unit of measure	Average price jan-25	Δ vs pre-Covid (jan-25 - 2019)	Δ last month (jan-25 - dec-24)	Δ last quarter (jan-25 - oct-24)	Δ last year (jan-25 - jan-24)
Brent	\$/Barrel	78.3	+22%	+7.1%	+3.8%	-1.0%
Natura gas (EU)	€/MWh	48.3	+230%	+7.0%	+19.6%	+61.6%
Electricity (Italy)	€/MWh	143.2	+174%	+5.4%	+23.3%	+44.7%
Wheat	€/Bushel	5.26	+19%	+2.0%	-1.9%	-4.4%
Corn	€/Bushel	4.59	+34%	+9.4%	+20.3%	+10.8%
Palm oil	€/Ton	926	+92%	-11.3%	+1.0%	+24.9%
Soybean oil	€/Pound	0.42	+62%	+8.5%	+6.8%	-2.3%
Cocoa	€/Ton	10,778	+406%	+4.3%	+61.6%	+164.0%
Arabica coffee	€/Ton	7,152	+258%	+5.7%	+40.0%	+89.9%
Robusta coffee	€/Ton	5,047	+307%	+4.2%	+16.1%	+70.2%
Iron ore	€/Ton	96.9	+17%	-3.1%	+0.1%	-23.2%
Steel	€/Short Ton	676	+26%	+3.5%	+4.2%	-31.5%
Nickel	€/Ton	14,854	+19%	+0.7%	-3.6%	+0.7%
Aluminum	€/Ton	2,487	+55%	+2.7%	+4.4%	+23.6%
Copper	€/Ton	8,671	+62%	+1.9%	-0.9%	+13.3%
Zinc	€/Ton	2,729	+20%	-6.0%	-4.1%	+18.0%
Cobalt	€/Ton	22,941	-22%	+0.0%	+4.3%	-12.0%
Molybdenum	€/Ton	44,606	+96%	-1.4%	+0.7%	+10.3%
Silver	€/Troy Ounce	29.8	+106%	+2.0%	+0.1%	+42.0%
Gold	€/Troy Ounce	2,629	+111%	+4.2%	+6.6%	+41.4%
Cotton	€/Pound	0.65	+9%	-2.1%	-0.6%	-13.8%
Lumber	€/Th. Board Feet	547	+60%	+1.5%	+12.5%	+7.7%
World Container Index	€/40-ft Container	3,561	+179%	+0.0%	+19.4%	+11.6%
Shanghai-Genoa Index	€/40-ft Container	4,706	+219%	-9.7%	+43.3%	-8.8%

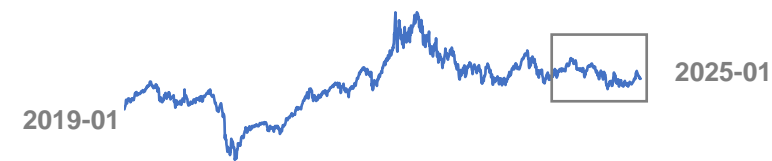
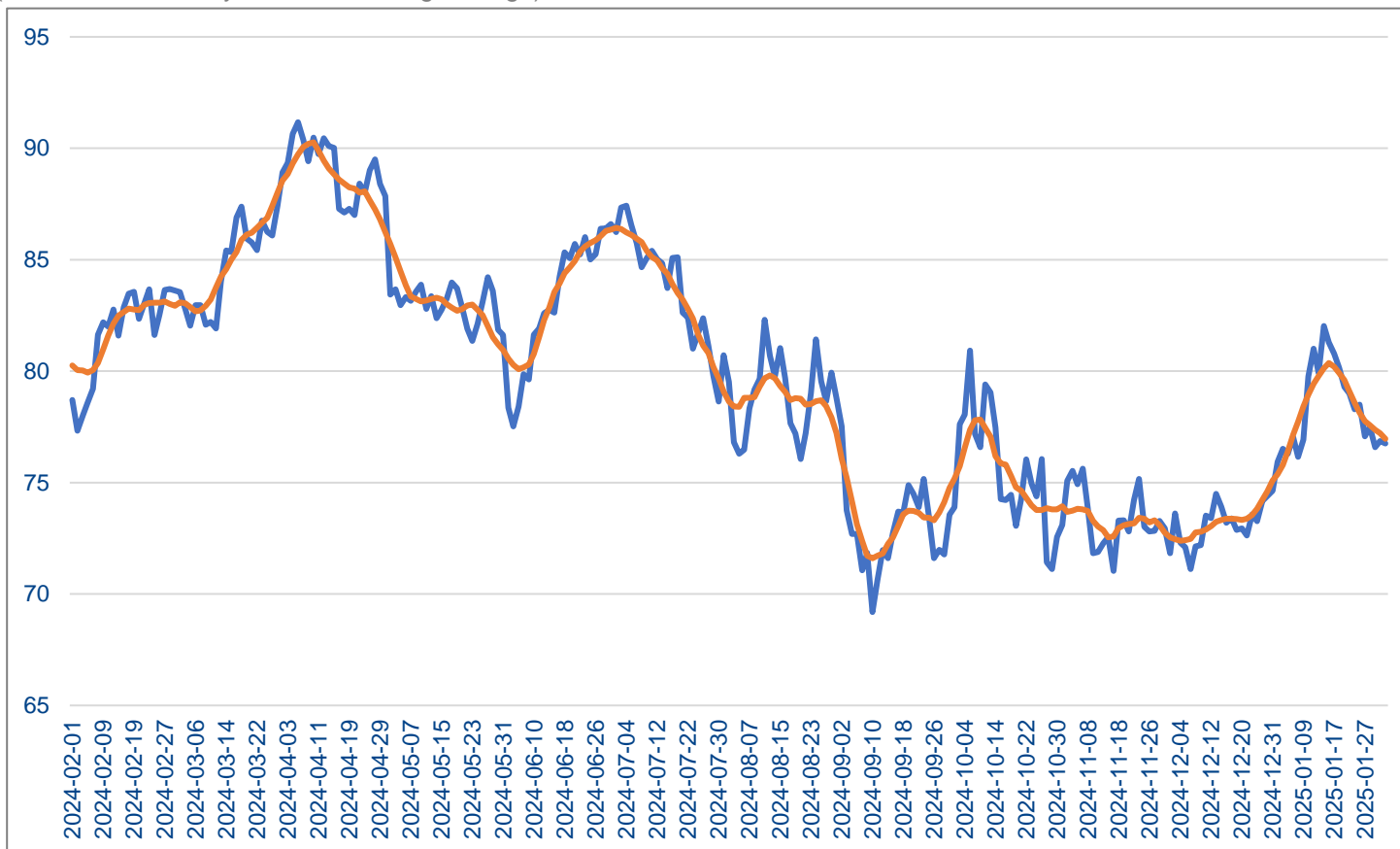
Source: Assolombarda Research Department on PricePedia data.

NOTE: The data considered here and in the following slides are as of January 31st 2025.

Prices and raw materials

RAW MATERIALS / Oil

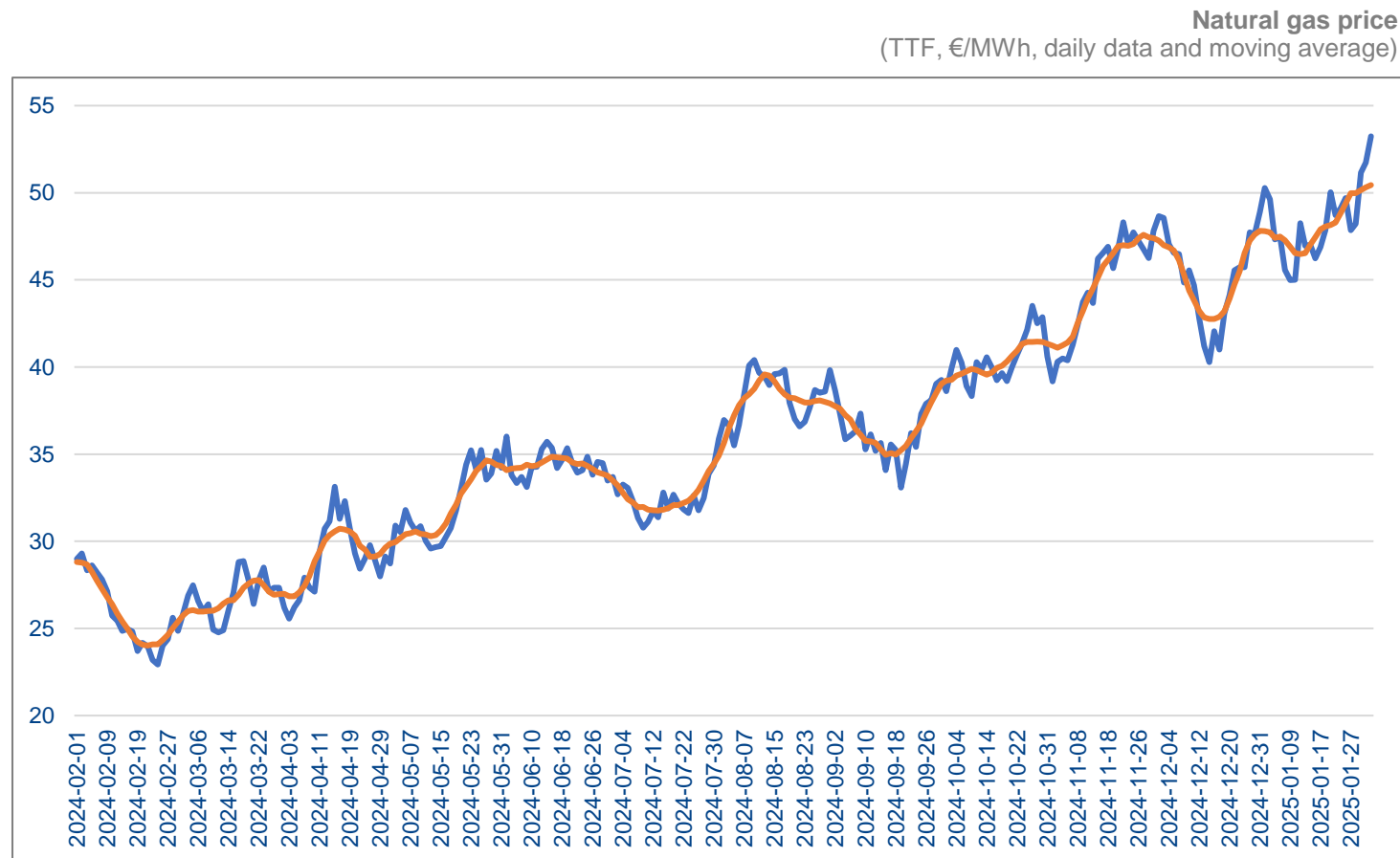
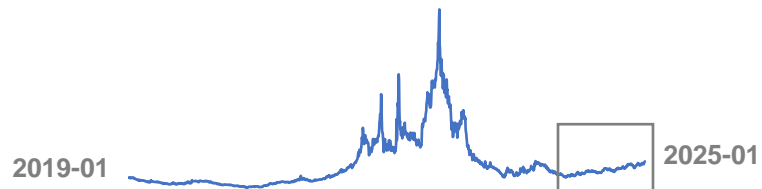
Oil price
(Brent, \$/Barrel, daily data and moving average)



Source: Assolombarda Research Department on PricePedia data.

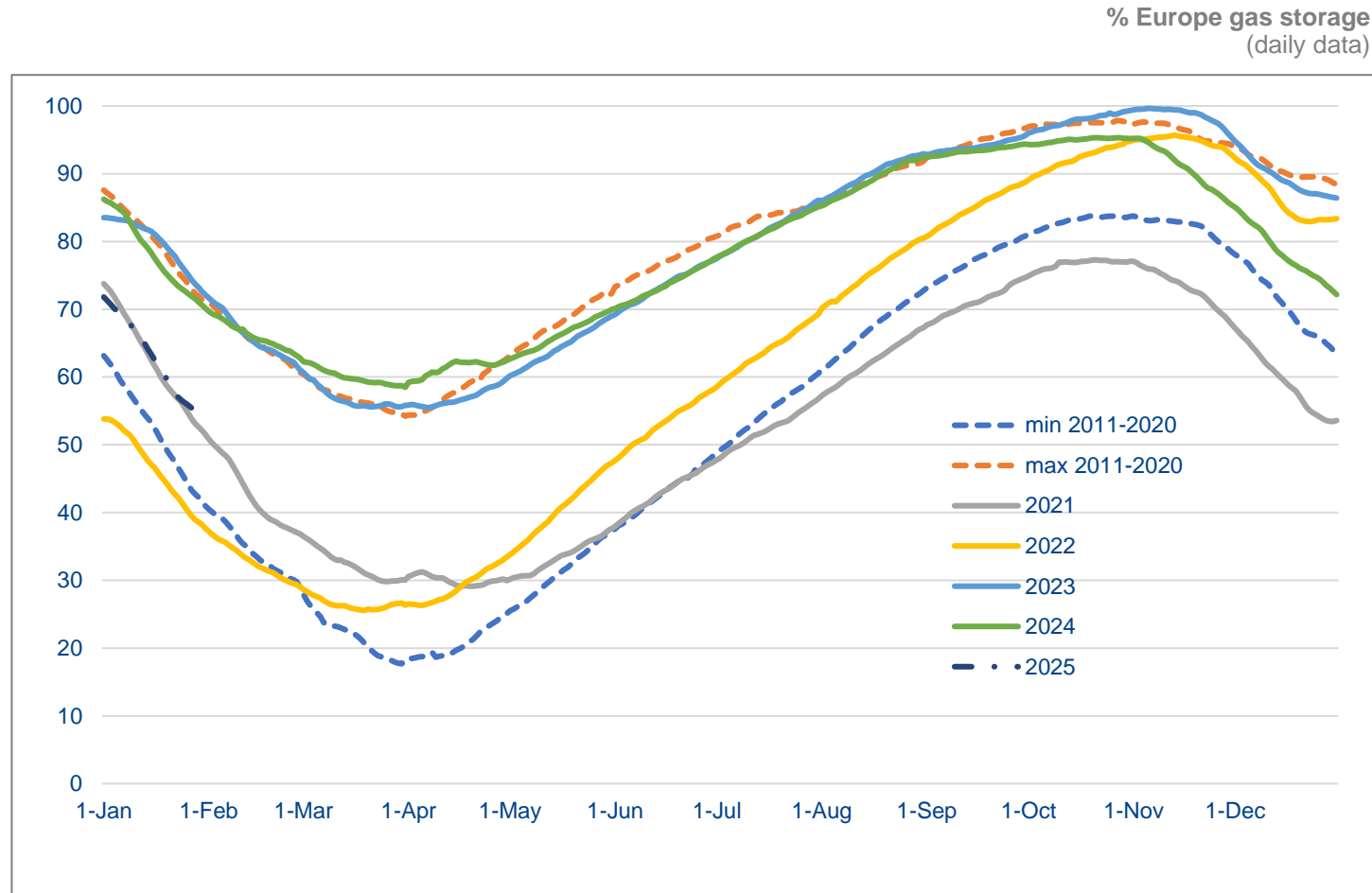
Prices and raw materials

RAW MATERIALS / Gas



Prices and raw materials

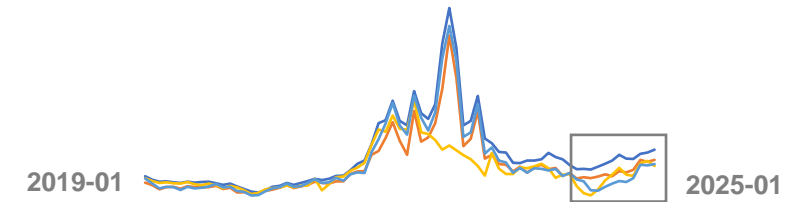
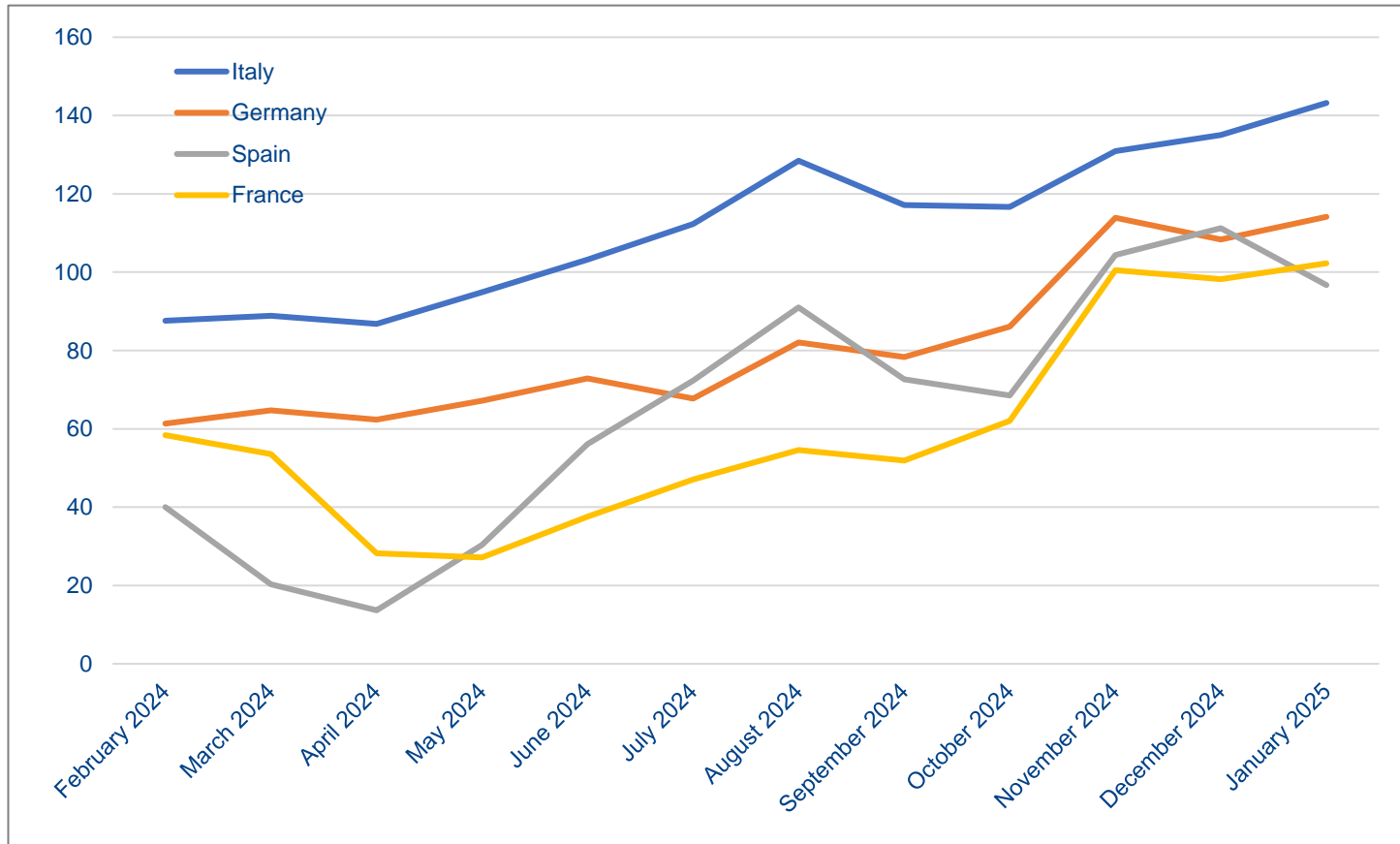
RAW MATERIALS / Gas



Prices and raw materials

RAW MATERIALS / Electricity

Electricity price
(€/MWh, monthly data)

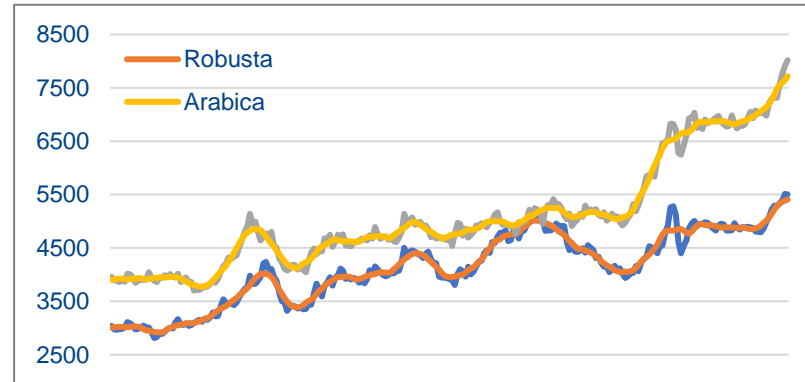


Source: Assolombarda Research Department on PricePedia and GME data.

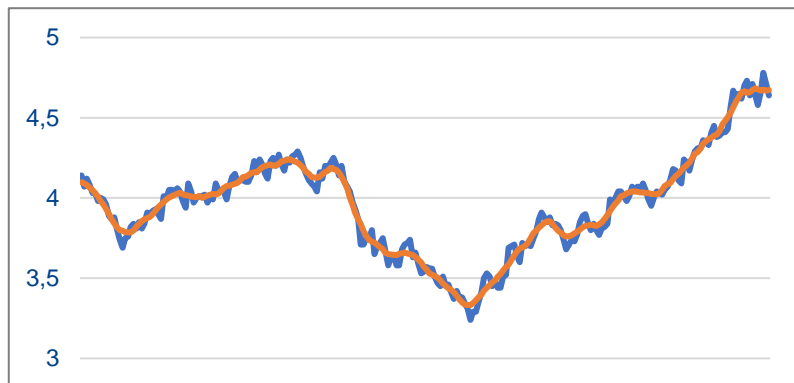
Prices and raw materials

RAW MATERIALS / Food

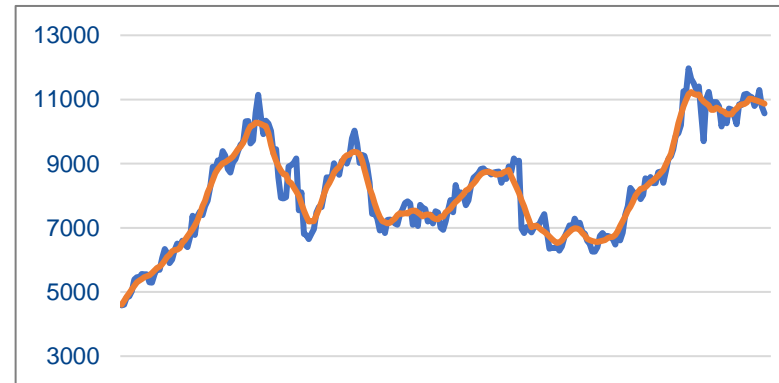
Coffee price (last 12 months)
(CME, €/Ton, daily data and moving average)



Corn price (last 12 months)
(CME, €/Bushel, daily data and moving average)



Cocoa price (last 12 months)
(ICE, €/Ton, daily data and moving average)

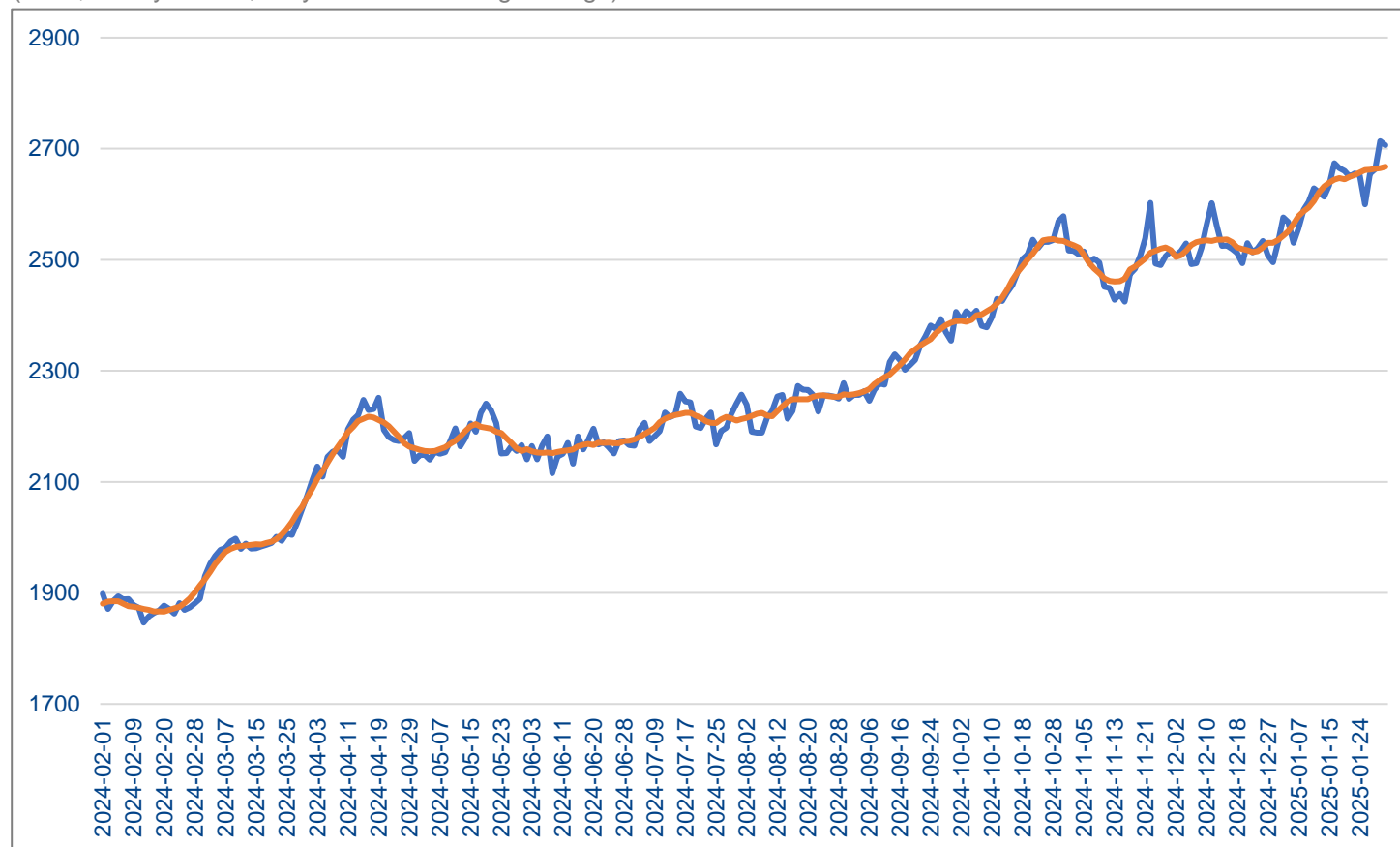


Prices and raw materials

RAW MATERIALS / Gold

Gold price

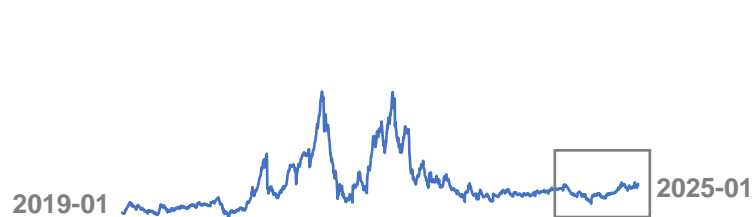
(CME, €/Troy Ounce, daily data and moving average)



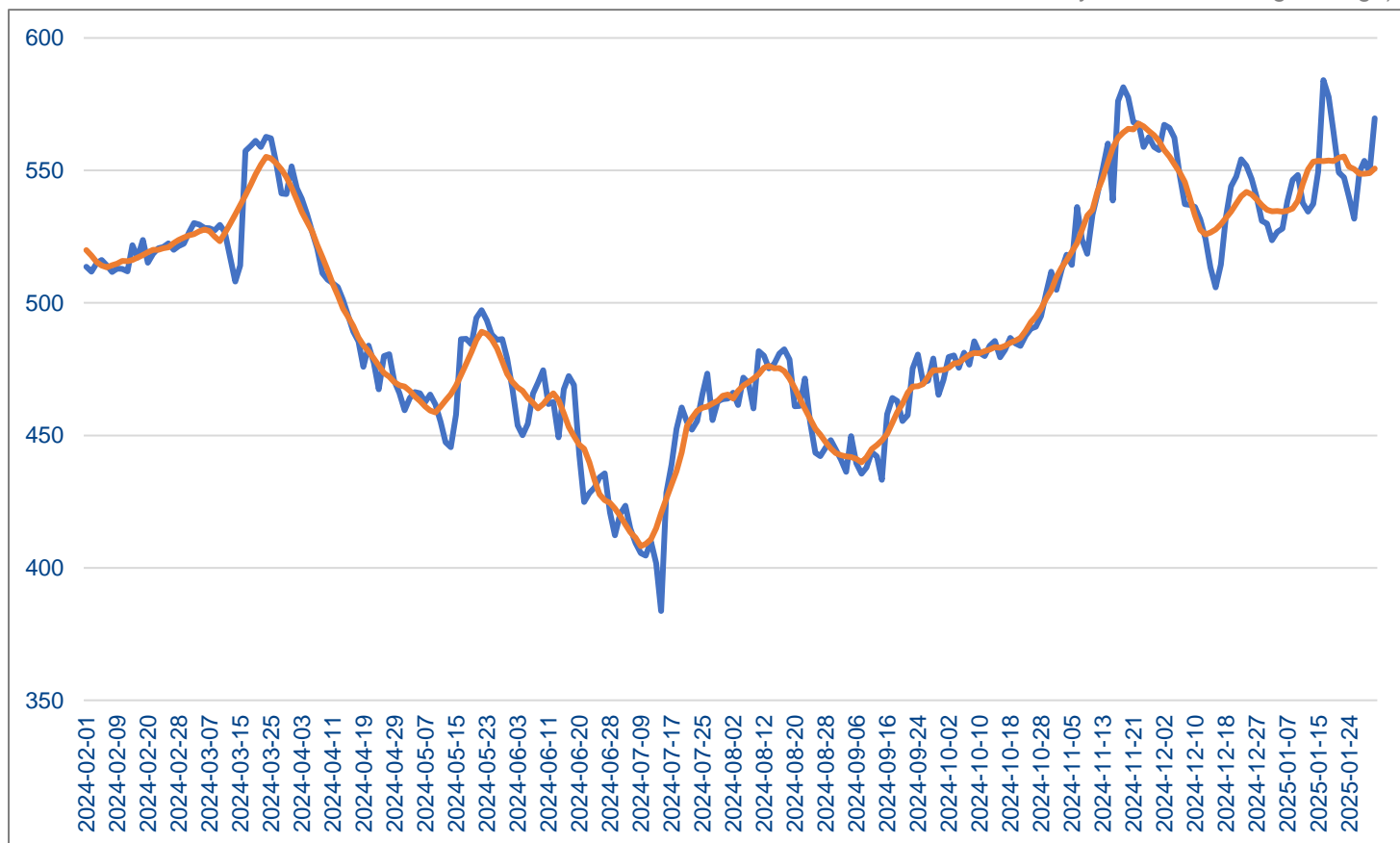
Source: Assolombarda Research Department on PricePedia data.

Prices and raw materials

RAW MATERIALS / Lumber



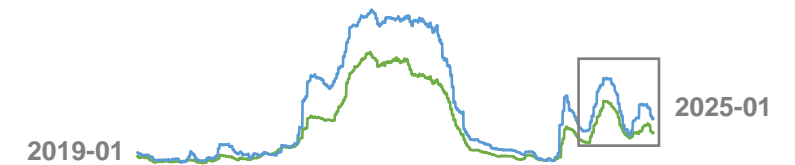
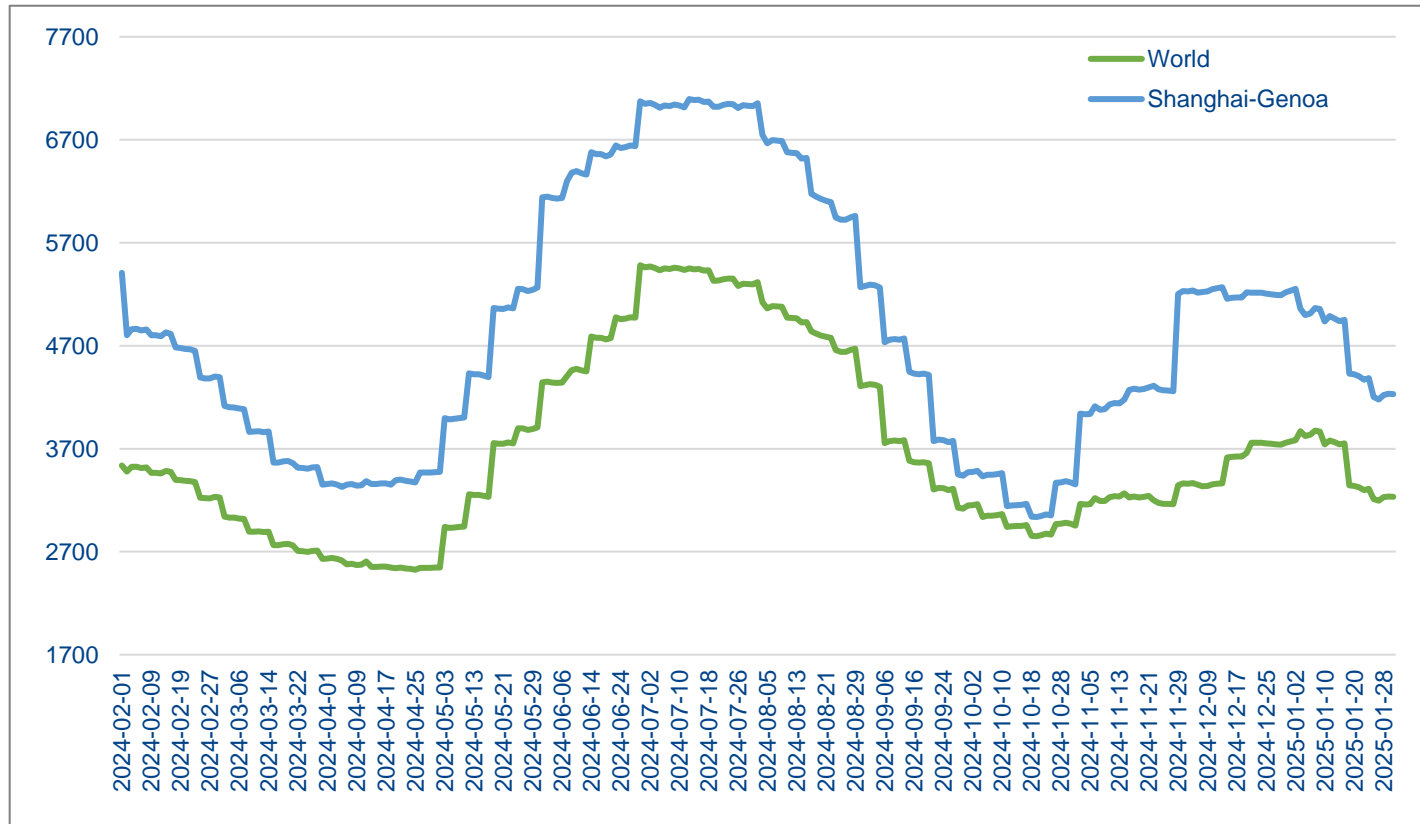
Lumber price
(Lumber USA, CME,
€/Th. Board Feet, daily data and moving average)



Prices and raw materials

RAW MATERIALS / Shipping costs

Shipping costs index
(Drewry, €/40-ft Container, daily data)



Methodology note

Flash survey sample

418
BUSINESSES

SIZE

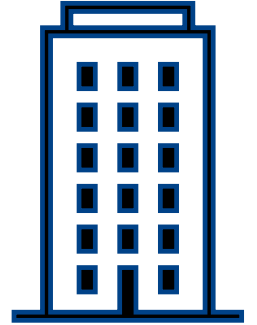


70
MICRO

145
SMALL

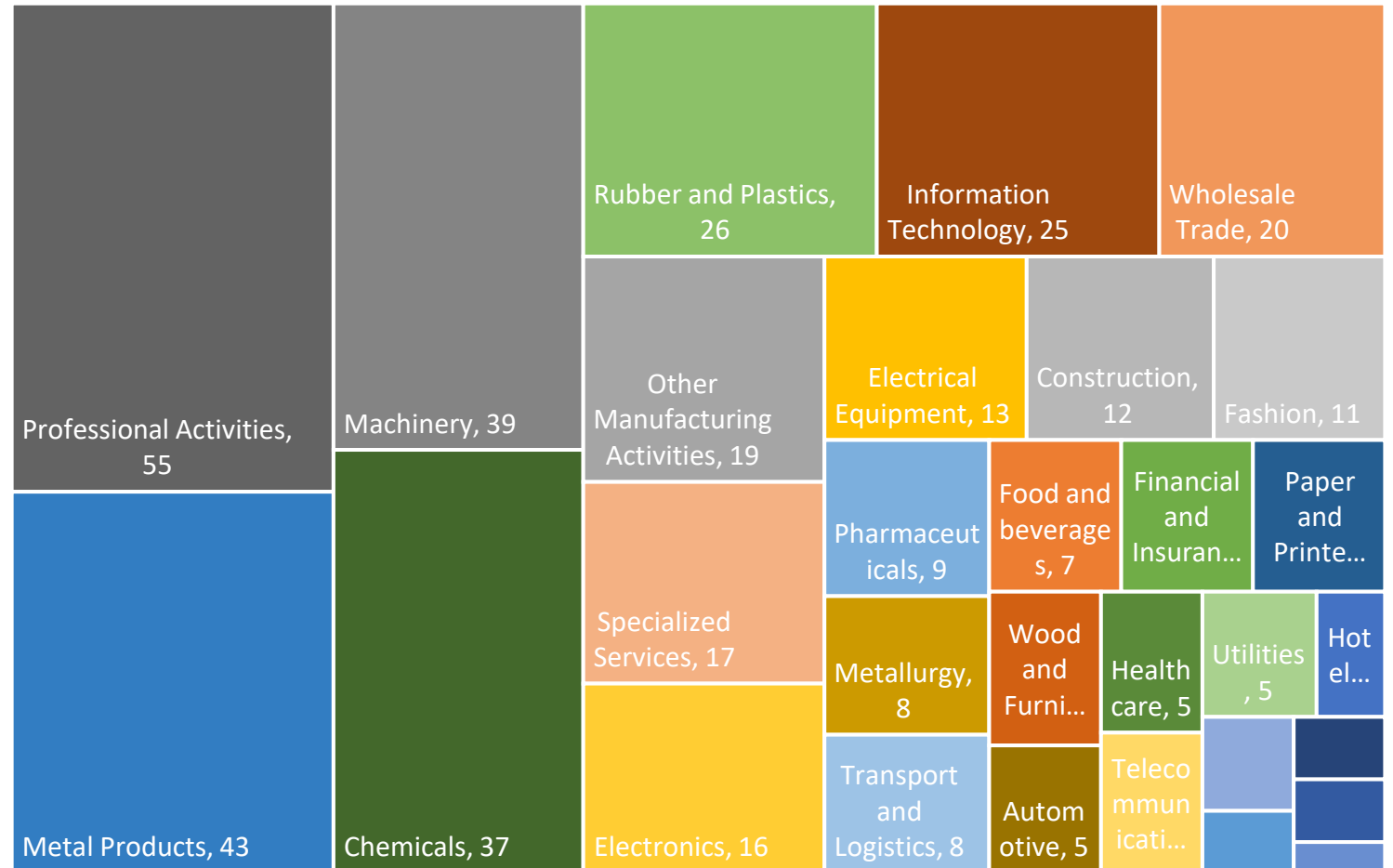
121
MEDIUM

82
LARGE*



** Classified according to the most recent European Commission criteria.*

SECTORS





ASSOLOMBARDA

www.assolombarda.it
www.genioimpresa.it

