



# CONGIUNTURA *flash*

Short-term economic prospect

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World **economic growth** and **global trade** proceed at high speed. Soft data on **confidence** and **orders** are still pointing to a widespread and synchronized increase in the **advanced economies**, and leading indicators suggest considerable momentum also in **emerging countries** in 2018. In 2017 the **Eurozone** registers the best annual performance since ten years, **US** unemployment rate is at its lowest since 2000, in **Japan** the economic recovery is strong and includes all component of demand. **BRICs'** GDP growth is benefitting from export performance and increases in international commodity prices, in **China** growth is also supported by domestic demand. Two **risks** may affect this very positive global framework. First, the increasing **political uncertainty** both in Europe and in the US: the tax reform in the US is not well defined in size yet and the timing of approval is uncertain; May's government in the UK shows weaknesses; Germany (the flagship of stability so far) is involved in a political impasse, trying to avoid a political election before March. Second, the risk of **turbulence** on financial markets may be triggered by the ECB and FED monetary policy **normalization** (prevented by Central banks at the moment) and **high** public and private **debts**. In **Italy**, preliminary indicators predict annual **GDP** growth at 1,5% in 2017, in spite of the weakness of the latest data on services turnover. Nevertheless, upward revisions for 2018 are likely to happen. **Export** is expanding, driven by extra-EU markets. **Industrial production** signals a positive trend in 4Q17 and **investments** show strong momentum as well. However, **bank loans** are still a constraint: loans to firm dynamics weakened on annual basis. **Employment** continue to strengthen households confidence and wages, supporting households expenditure, in line with the positive dynamics of real disposable income. The leading indicator by OECD shows a positive Italian trend in 1Q18. Given the favorable global economic outlook and firms' responsiveness to this solid internal and external stimulus, Italian **political election** will be crucial to close the gap between Italian and Eurozone growth rate.