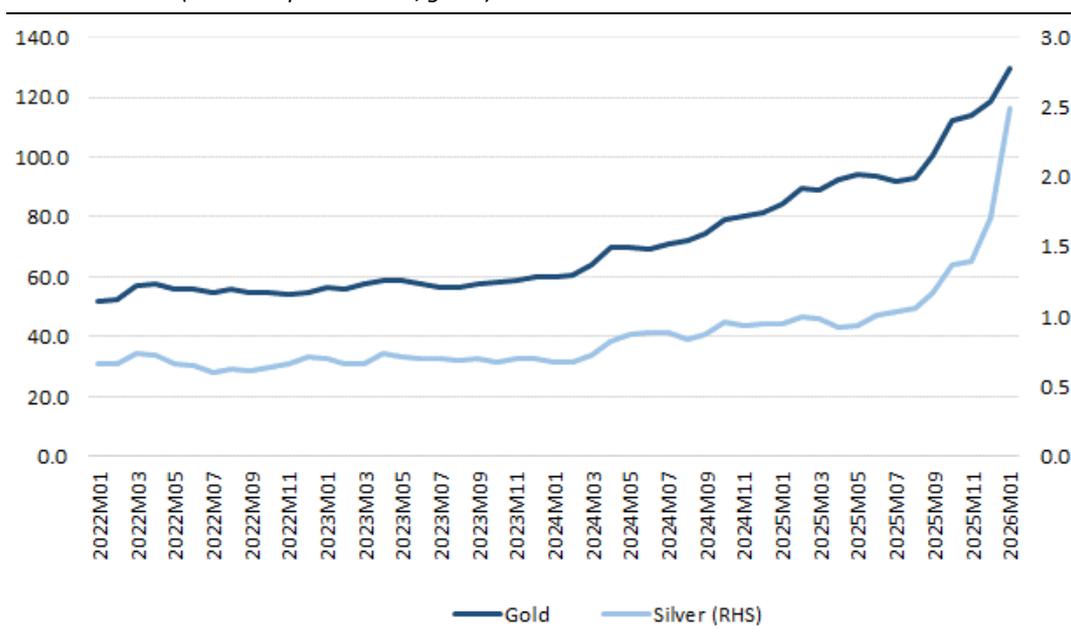


Report on Recent Economic Development of February 2026

Summary

4 February 2026 | The international environment still appears dominated by high geopolitical uncertainty, which mainly affects energy prices, trade flows, and financial market expectations. In this context, investors are showing growing interest in safe-haven assets, whose prices (Figure 1) have accelerated in recent months and displayed greater volatility in recent days. Global growth remains fragmented. In 2025, economic activity in the United States remained relatively solid, while in China exports continued to be very dynamic despite protectionism. In the euro area, production continues at generally moderate rates, differing across countries, with stronger performance in those driven by domestic demand. In its latest forecasts, the International Monetary Fund (IMF) expects global growth to continue at a rate slightly above 3 per cent, while in the euro area it would not exceed 1.5 per cent. Despite expectations of stable global GDP growth this year, a sharp slowdown in world trade is projected (from 4.1 per cent in 2025 to 2.6 per cent).

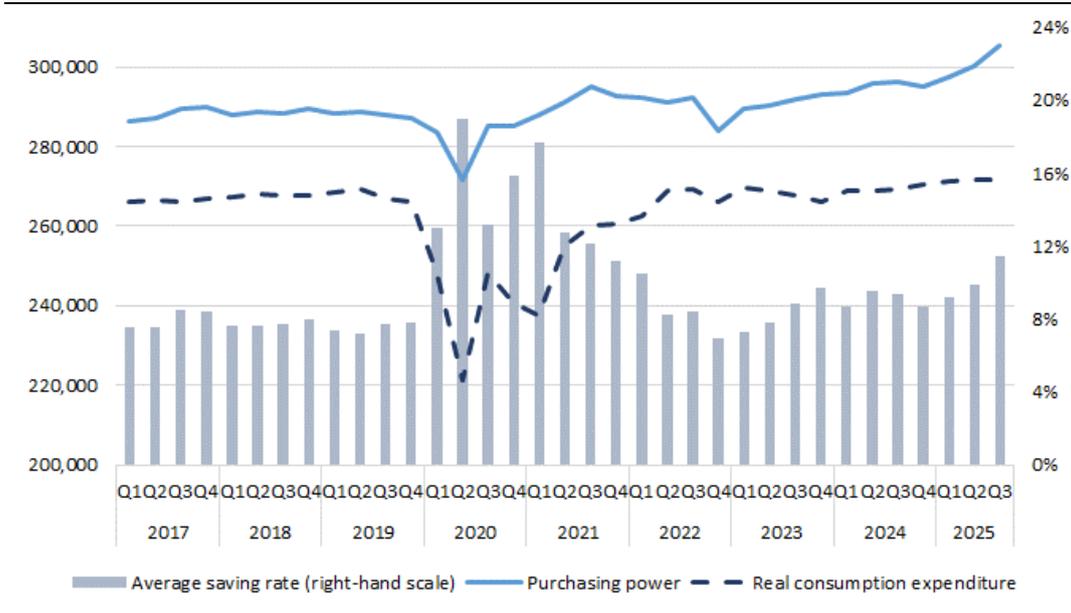
Figure 1 – Gold and Silver Prices
(values expressed in €/gram)



Source: calculations based on World Bank data.

In Italy, economic activity was moderate in the middle quarters of 2025, when the saving rate increased again, reflecting caution in household spending decisions (Figure 2). The cyclical phase strengthened in the final part of the year, when domestic demand picked up and GDP accelerated to 0.3 per cent. Overall, in 2025 GDP increased by 0.7 per cent based on quarterly data adjusted for working days, while according to annual data (to be released by Istat on 2 March) the change should be lower by a couple of tenths of a percentage point due to calendar effects.

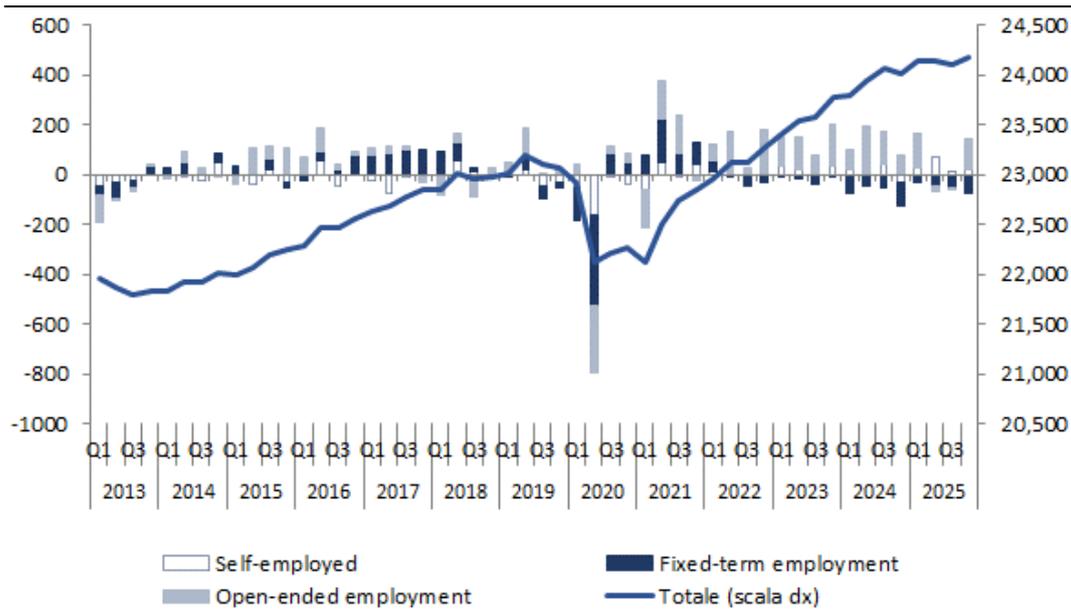
Figure 2 – Household purchasing power, consumption and savings
(millions of euros, chain-linked values, 2020 base year, and percentage shares)



Source: Calculations based on Istat data.

During the summer, labour input increased (Figure 3), supported by a recovery in hours worked per employee, particularly in manufacturing and services. Wage growth remains moderate; therefore, the negative gap in real wages compared with the pre-pandemic period remains wide. Italian inflation continues to be modest and lower than the European average; household and business expectations remain oriented toward stability.

Figure 3 – Employed and self-employed workers (1)
(changes quarter on quarter; levels)



Source: Istat.

(1) Data for the fourth quarter of 2025 are estimated using preliminary monthly series.

The update of the Parliamentary Budget Office (PBO) macroeconomic forecasts for Italy indicates that GDP would strengthen gradually, accelerating from 0.5 per cent in 2025 to 0.7 per cent in 2026–27 (Table 1). Compared with the autumn projections, prepared during the endorsement exercise of the Ministry of Economy and Finance (MEF) forecasts, the estimates have been revised upward for 2026 and slightly trimmed for 2027. The update of international assumptions points this year to less unfavourable external demand dynamics and lower consumer prices. The Italian macroeconomic outlook remains exposed to downside risks, largely attributable to the global environment, as well as to financial market conditions and climate change.

Table 1 – Italian economic forecasts (1)

	2024	2025	2026	2027
INTERNATIONAL EXOGENOUS VARIABLES				
World trade	3.3	4.4	1.8	2.2
Oil price (Brent, dollars per barrel)	80.6	69.1	63.4	62.8
Dollar/Euro exchange rate	1.08	1.13	1.18	1.19
Natural gas price (TTF, euro/MWh)	34.4	36.4	30.3	25.8
ITALIAN SCENARIO				
GDP	0.7	0.5	0.7	0.7
Imports of goods and services	-0.4	2.9	1.7	2.5
Final domestic consumption	0.6	0.5	0.7	0.8
- Household consumption and non-profit institutions	0.5	0.6	0.9	1.1
- General government expenditure	1.0	0.3	0.4	-0.1
Investments	0.5	2.8	1.2	1.6
Exports of goods and services	0.0	1.4	1.2	1.8
CONTRIBUTIONS TO GDP GROWTH				
Net exports	0.1	-0.4	-0.1	-0.2
Inventories	0.0	0.0	0.0	0.0
Domestic demand net of inventories	0.6	1.0	0.8	0.9
PRICES AND NOMINAL GROWTH				
Import deflator	-1.7	-0.5	-0.6	0.2
Export deflator	0.1	0.9	1.1	1.5
Consumption deflator	1.5	1.6	1.7	1.5
GDP deflator	2.0	1.9	1.8	2.0
Nominal GDP	2.7	2.4	2.5	2.7
LABOUR MARKET				
Labour cost per employee	2.8	3.0	2.9	2.8
Employment (FTEs)	2.2	1.1	0.7	0.6
Unemployment rate	6.6	6.1	6.0	5.8

(1) Percentage changes, except for contributions to GDP growth (percentage points), the unemployment rate (percentage), the exchange rate and the price of oil (levels). Due to rounding of growth rates to the first decimal place, the sum of changes in volume and their corresponding deflators may not coincide with the nominal dynamics.