Market Publishers

+357 96 030922
info@marketpublishers.com

Italy Business Forecast Report Q1 2015

https://marketpublishers.com/r/I6188E96A19EN.html
Date: December 2014
Pages: 46
Price: US$ 1,195.00 (Single User License)
ID: I6188E96A19EN

Abstracts

Core Views

After another full-year contraction of real GDP in 2014, Italy will return to modest growth of 0.4% in 2015. Real GDP will remain below pre-2008 levels for the foreseeable future and growth will be insufficient to drive a rapid improvement in Italy's labour market conditions, with youth unemployment remaining a major problem facing policymakers.

We view positively the urgent structural reform agenda of new Prime Minister Matteo Renzi, and note that promising progress has been made so far. However, we are sceptical he will be able to avoid the same pitfalls that have impeded past efforts and watered down previous reform packages.

Lack of significant structural reform in previous years seriously jeopardises Italy's long-term growth trajectory and raises the risks that the public sector debt burden will become unsustainable. Even if reforms aimed at addressing Italy's decline in productivity growth and external competitiveness are passed, an ageing demographic profile will make debt consolidation efforts over the long term exceedingly difficult.

Major Forecast Changes

We have revised down our real GDP growth forecast in 2015 to 0.4% year-on-year (y-o-y), from 0.6% previously.

+357 96 030922
info@marketpublishers.com

Contents

Balance Of Payments
Sub-Optimal Rebalancing Continuing
A weak economic recovery will push Italy's current account surplus wider in 2015 as import demand remains subdued. However, weak global demand and relatively high labour costs will limit export growth in the coming years and the current account will begin gradually narrowing beyond 2015.
Table: Balance Of Payment s
Fiscal Policy
Low Growth Puts Debt Reduction Out Of Reach
Italy's budget deficit will remain within the EU's 3.0% of GDP threshold in the coming years, but the government will resist demands for further austerity in light of a stalled economic recovery. Whether it can avoid EU sanctions will likely depend on more progress in its structural reform agenda in the coming quarters. Either way, substantial long-term debt reduction will prove elusive due to a low nominal growth trajectory.
Table: Fiscal Policy
Regional Outlook
Storing Up Fiscal Problems For The Future
Member by member, the eurozone is abandoning fiscal targets amid political pressure. The main exception is Germany, which further illustrates the profound schisms within the euro area. We expect the European Central Bank (ECB) to become increasingly interventionist as official policy relies heavily on monetary stimulus.

CHAPTER 3: 10-YEAR FORECAST

The Italian Economy To 2023
Major Macroeconomic Challenges Ahead
We believe the Italian economy will continue to face a very modest rate of growth over the longer term, weighed down by lower credit availability, a weaker external environment, and waning global competitiveness. We also warn that major challenges, such as the government debt load, a deteriorating demographic profile, structural decline in productivity and potential political instability, pose threats to longer-term economic prosperity.
Table: Long -Term Macroeconomic Foreca sts

CHAPTER 4: OPERATIONAL RISK

Operational Risk Index
Operational Risk
Table: Developed State s – Labour Mar ket Risk

+357 96 030922
info@marketpublishers.com

I would like to order

Product name: Italy Business Forecast Report Q1 2015

Product link: https://marketpublishers.com/r/I6188E96A19EN.html

Price: US$ 1,195.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page https://marketpublishers.com/r/I6188E96A19EN.html