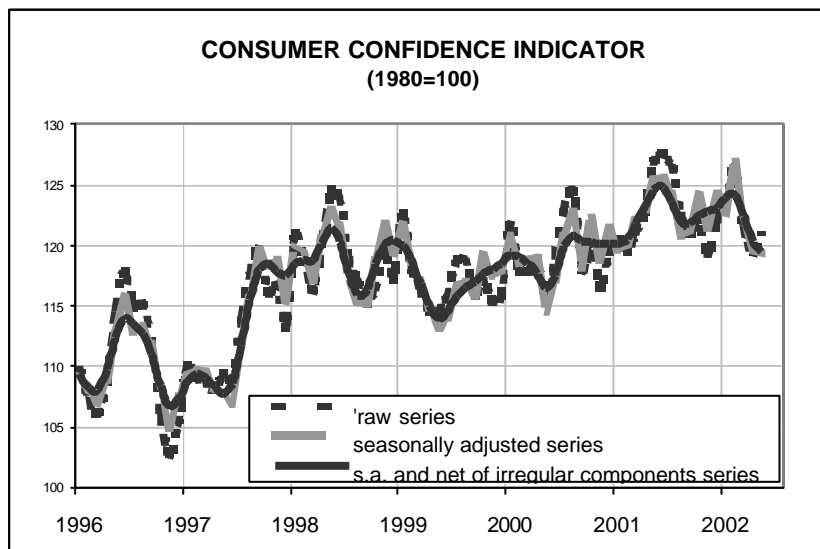




ISAE CONSUMER SURVEY

Reference month: May

- The confidence climate of Italian consumers (seasonally adjusted data) slightly decreases in May, reaching 119.3 (119.7 in April); the indicator adjusted for seasonal and irregular factors goes down from 120.4 to 119.5. The raw index rises from 119.4 in April to 120.8
- Consumers are more optimistic on their own situations, thanks to the improvement in their opportunity and convenience to save. Conversely, their assessments and forecasts on the general economic situation are more cautious, in particular, the number of those expecting a sustained final price rise is growing
- While breaking the confidence indicator according to the respondents' professional categories (employees, self-employed and non-working population), self-employed appear to be much more optimistic over the past few months, getting close in May to their 1990 peak
- Less favourable opinions emerge from the non-working population and, particularly, from employees. However, the May confidence climate (raw index) rises for these category too



Data referring to the next Consumer Survey shall be diffused on June 19, 2002.

Next ISAE surveys are scheduled as follows:

May 23: ISAE Monthly Business Survey on Manufacturing and Extractive Firms

The full text of ISAE Surveys (either hardcopy or electronic) is available on sale (for further information see website www.isae.it)

I – ISAE CONSUMER SURVEY FOR ITALY

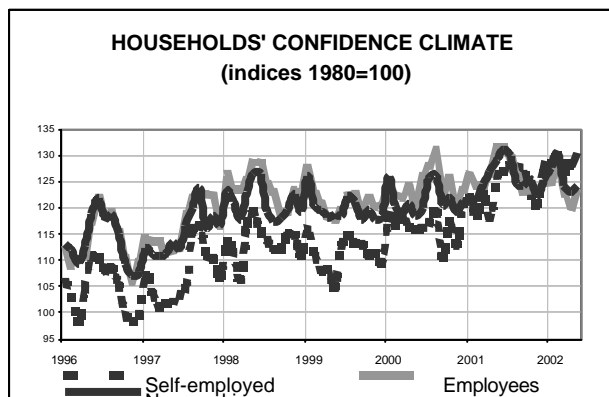
May 2002

General results

The survey carried out by ISAE between May 1 and 14 on a sample of 2,000 respondents shows a further, slight weakening in the Italian consumers' confidence climate after the April fall. The May seasonally adjusted index falls down to 119.3 (119.7 in April); the one adjusted for seasonal and irregular factors decreases from 120.4 to 119.5. Conversely, the raw index rises again, reaching 120.8 from the April figure of 119.4.

Among the indicator-building series, opinions on the current households' own situations are improving, as are forecasts on the short-term labour market trend and on the opportunity and convenience to save. Conversely, evaluations on the economic situation and expectations on the households' own situations are unfavourable.

Breaking the confidence indicator according to the respondents' professional categories (employees, self-employed and non-working population), in the last few months self-employed are rather optimistic, getting close in May to their 1990 peak. Employees and non-working people (namely the unemployed and the population non belonging to the labour force, such as pensioners, students, etc.) are



more cautious, even though raw data give signals of recovery in May.

Overall situation

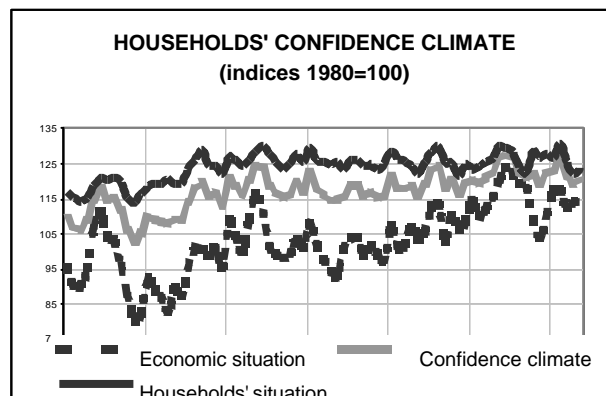
The confidence climate raw index on the general economic framework signals a moderate improvement, passing from 113.9 to 114.8, following upon expectations for a further unemployment reduction. The share of those expecting an unemployment fall rises in May to 24% (21% in April), getting close to the early-2002 figures.

Evaluations on the general economic situation are however worsening (the May balance equalling -32, as against -29 in April) and expectations remain unchanged (-1).

Furthermore, consumers perceive a price dynamics upturn: the number of those deeming prices rose "enough" grows to 48 (44 in April). Indeed, the share of those expecting the same price rise in 2003 is also increasing (47% of respondents as against 44% in April).

Households' situation

The raw index referring to respondents' own situations rises in May from 122.1 to 123.9, particularly thanks to better evaluations on the opportunity and convenience to save. The number of those deeming they will (surely or probably) save in the next twelve months grows from 36 to 39.



While assessments on the households' situations improve (the balance passing from -14 to -12), expectations for the next year slightly worsen (the balance being 1 compared to 2 in the previous survey).

The present convenience to purchase durables remains unchanged: the share of respondents deeming the present period is unfavourable to make major purchases equals 44% (as in April) and also the number of those forecasting purchases in the next twelve months is stable.

With regard to major purchases, figures remain stable: the share of those declaring their intentions to purchase a car or a house in the next two years equals 18% (17% in April) and 4% (as in April) respectively. Finally, the number of households forecasting to make purchases in the next twelve months for home maintenance and improvement slightly increases (12% in May compared to 11% in April).

II - THE EUROPEAN COMMISSION CONSUMER SURVEY² AND AMERICAN CONSUMER SURVEYS

April 2002

In April, the consumers' confidence climate registers a slight contraction both in the euro area average and in the United States.

According to the European Commission Consumer Survey, the consumers' confidence climate in the euro area equals -10, which is slightly smaller than in April (-9). The figure mirrors the more wide-spread pessimism on the short-term evolution of the households' own situations: the balance passing from 0 in March to -1, reaching a negative value for the first time since September 1997. Also expectations on the

general economic situation - the balance of which falls from -9 in March to -10 in April - are more cautious. Assessments on the households' own situations and on the general economic situation are worsening: the balances decrease from -8 in March to -10 in April (the lowest level since November 1997) and from -27 to -28 (slightly over the lowest figure of the last five years, namely -29 reached in September 1997). With regard to prices, the share of those expecting a rise in the next three months is also increasing: the balance passing from 17 in March to 23 in April. Within this framework, according to the European households, the opportunity to save is decreasing: the balance considerably deteriorates and equals -5 as against -1 in March (a lower figure, -6, was attained as back as in August 1997). Indeed, purchasing plans on durables remain stable. Only short-term labour market prospects are improving, the balance of which falls down to 22 (25 in March), which means consumers expect the unemployment rate to diminish in the next few months.

The April trend observed in the euro area reflects a substantial confidence stability in Germany, France and Portugal and a contraction in Italy, Belgium, Ireland, the Netherlands, Austria and - to a larger extent compared to the euro area average - Greece. Conversely, the consumers' confidence climate is improving in Spain, Denmark and, more sensibly, in Finland.

Among the major countries, the confidence climate of German consumers remains unchanged at -11. Prospects on the general economic situations slightly recover (from -17 to -16), while expectations on the labour market trend are improving (from 29 to 26), as are those on prices. The other index-building series components show a slight deterioration. The confidence climate shows no variation in France too (-15). With the exception of rosier expectations on the medium-term unemployment rate evolution (the balance passing from 35 to 29 between March and

² Since September 2001, the European Union has been diffusing a confidence climate indicator computed on data series different from the past. For further details, see the Note to the Survey.

April), almost all other components show a slight deterioration. Indeed, strong concerns emerge on inflationary thrusts: the balance of replies on price dynamics passes from 0 in March to 27 in April. A confidence improvement is registered in Spain, where the climate rises from -12 to -10 between March and April, particularly following upon the growth in assessments and forecasts on respondents' own situations.

In the United States, the April Conference Board indicator falls from 110.7 in March to 108.8. This is due to more cautious opinions on the current economic situation, while short-term expectations seem to remain optimistic. This analysis is shared by the University of Michigan, whose index falls from 95.7 in March to 93.0 in April.

