

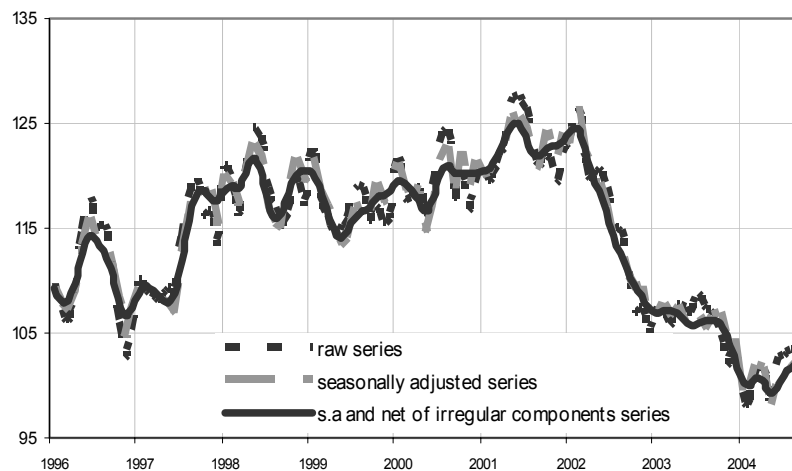


Date: September 22, 2004
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THE CONSUMERS' CONFIDENCE GROWS AGAIN IN SEPTEMBER

- The seasonally adjusted indicator rises in September for the fourth month in a row, passing from 101.8 to 102.8, which is the highest figure ever reached in 2004. The indicator adjusted for the seasonal and irregular component grows from 101.8 to 102.4, while the raw index slightly decreases from 103.4 to 103
- The disaggregated index of assessments on the respondents' own situations increases from 109 to 109.8, particularly thanks to rosier evaluations on the saving convenience; the index referring to the country's general economic framework shows a smaller rise passing from 89.5 to 89.6
- Consumers are more optimistic in their assessments on the current situation: the index (seasonally adjusted) passes from 103.9 to 104.4. Forecasts for the next months remain substantially stable and the indicator goes from 100 in August to 100.1 in September
- After the negative performance registered in August (probably affected by seasonal components), assessments and forecasts on the price trend fall again
- In the USA, the early data published by the Michigan University for September provide a signal of stability: indeed, after the August contraction, the index passes from 95.9 to 95.8

CONSUMERS' CONFIDENCE CLIMATE
(1980=100)



Data referring to October shall be diffused on **October 21, 2004**.

Next ISAE surveys are scheduled as follows:

September 27: ISAE Monthly Survey on Traditional Retail Trade and Large Distribution (Reference months: July-August) and ISAE Monthly Business Service Survey (Reference months: August-September)

September 30: ISAE Monthly Business Survey on Manufacturing and Extractive Firms (Reference month: September)

October 1: Comparative Business Surveys for Italy, Germany and France (Reference Month: September)

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

I – ISAE CONSUMER SURVEY FOR ITALY

September 2004

According to the Consumer Survey carried out by ISAE between September 1 and 14 on a sample of 2,000 respondents, the Italian consumers' indicator grows again in September for the fourth month in a row, passing from 101.8 to 102.8 (seasonally adjusted figure), which is the highest level ever reached in 2004. The indicator adjusted for the seasonal and irregular component increases from 101.8 to 102.4, while the raw index slightly decreases from 103.4 to 103.

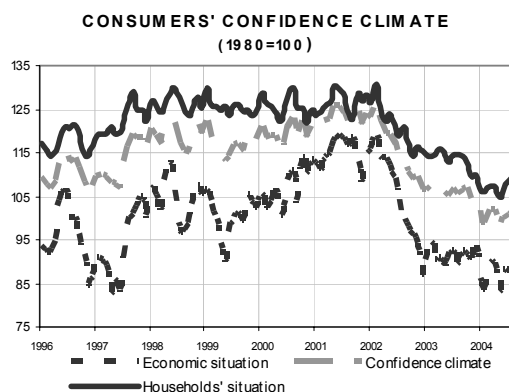
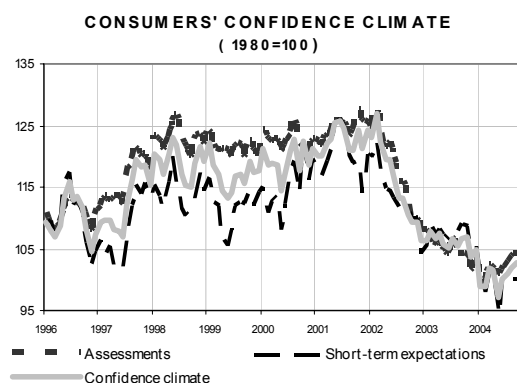
The improvement concerns all variables, but it is even more evident in the opinions on the respondents' own situations and in those on the current situation: the sub-indexes pass from 109 and 103.9 to 109.8 and 104.4 respectively, which mark the maximum figures ever reached since November and July 2003. Conversely, evaluations on the general economic framework and on short-term prospects are stable, as the seasonally adjusted indices rise from 89.5 and 100 to 89.6 and 100.1 respectively.

Among non confidence-building variables, concerns on both the perceived and the expected inflations diminish in September and the prospects of purchases of durables – in particular expenditure for home maintenance and car purchases – grow.

General economic situation

In September, the seasonally adjusted confidence index on the general economic situation alone increases from 89.5 to 89.6. Rosier evaluations on the country's general economic situation go alongside with new concerns on the labour market evolution. Both the balance of the country's current economic situation (from -98 to -94 in seasonally adjusted terms) and the one referring to the corresponding short-term forecasts (from -36 to -31) markedly recover, while the one referring to unemployment growth expectations passes from 32 to 40.

After the summer pause, consumers expect an inflation dynamics slowdown: indeed the balance of assessments falls from 96 to 80 (raw data), which is close to the minimum figures reached since July 2002. In particular, the share of respondents considering prices rose "very much" in the past twelve months diminishes from 27 to 24%, while the number of those deeming prices rose "enough" over the past year falls from 51 to 48%. Quite the reverse, the percentage of respondents feeling prices remained stable grows from 9 to 14%, which is close to the maximum figures since February-March 2002 (immediately after the euro introduction). Also inflationary expectations for the next twelve months are slowing down: the percentage of those expecting a substantial price stability increases from 48 to 49%, while the share of respondents forecasting smaller rises compared to the past increases from 23 to 25%: thus the raw weighted balance decreases from -23 to -25.



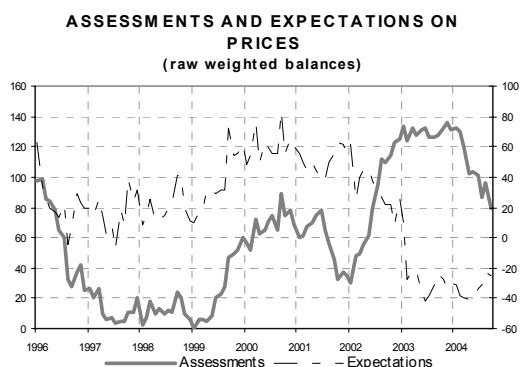
Households' situations

In September, the seasonally adjusted confidence index referring to the respondents' own situations alone increases from 109 to 109.8, which is close to the highest figures ever reached since October 2003.

In particular, that outcome is due to forecasts on the households' economic situations (the balance recovers from -11 to -8) and to a renewed strong perception of the current convenience to save (the balance rising from 62 to 81, which is near the maximum levels since October 2003).

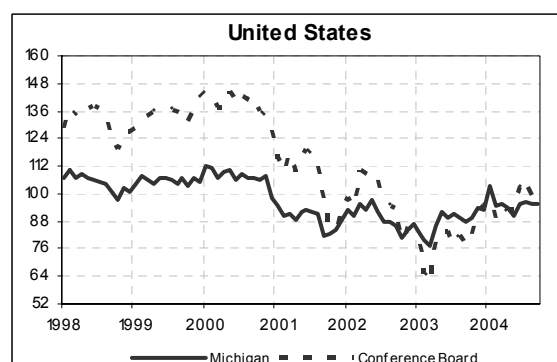
A smaller improvement is observed in opinions on the present households' own situations (the balance slightly recovering from -46 to -45) and in a stabilisation of assessments on future saving opportunities ((the balance equalling -74, as in August). However, consumers perceive a worsening in their personal financial situation (the seasonally adjusted balance passing from 12 to 8) and feel the present situation is not favourable to major purchases (the seasonally adjusted balance falling from -100 to -103 in September).

Purchasing intentions for the next twelve months seem rosier. As a matter of fact, the share of those intending to make no purchases at all in the next twelve months decreases from 74 to 63%, while the prospects of major purchases slightly improve. Indeed, the number of consumers excluding they will buy either a new car (from 81 to 79%) or a house (from 93 to 89%) falls down, as does the share of respondents convinced they will have no extraordinary expenditure for home maintenance (from 86 to 83%).



II - THE MICHIGAN UNIVERSITY SURVEY ON AMERICAN CONSUMERS¹

In the United States, the early data published by the Michigan University on the September confidence indicator of American consumers provide a signal of stability. Indeed, after the August contraction, the index passes from 95.9 to 95.8. Short-term prospects improve (the index passing from 89.4 to 88.2), alongside with a deterioration of the consumers' assessments on the current situation (from 107.9 to 105.8). The index stability is however accompanied by a moderate fall in the American households' expenditure: according to the Department of Commerce data, retail sales diminish in August by 0.3% compared to the previous month.



¹ The European Commission does not publish its Consumer Survey data on the EU countries in August.