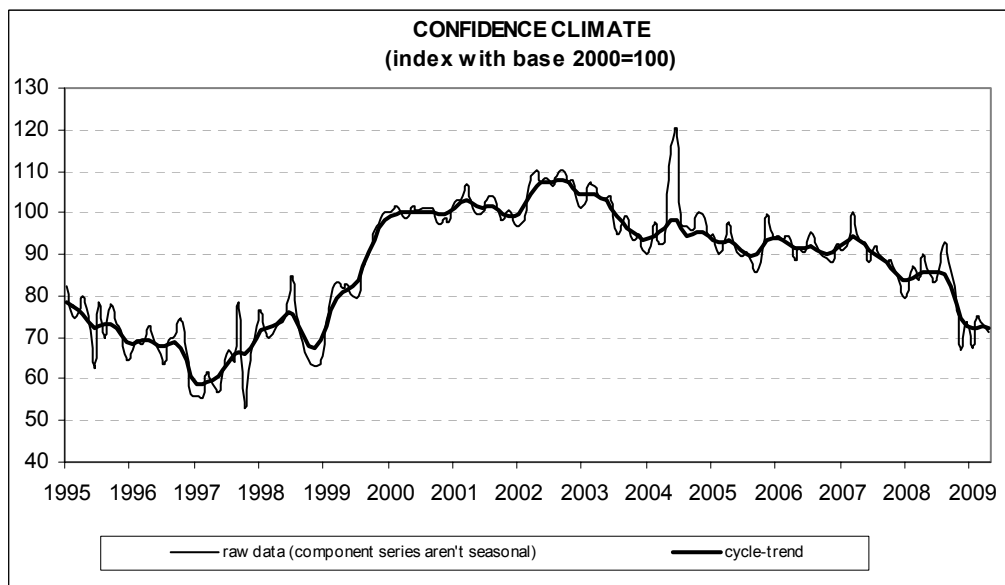




Date: May 28, 2009

THE CONSTRUCTION FIRMS' CONFIDENCE CLIMATE WORSENS IN APRIL

- According to the ISAE Survey carried out on a panel of approximately 500 firms, in April the seasonally adjusted confidence index (2000=100) declined to 71.3 (73.1 in March), remaining however above the low reached at the start of the year
- The fall in confidence was mainly prompted by the worsening in employment prospects, whereas assessments on construction plans remained virtually unchanged
- Surveyed entrepreneurs became pessimistic once more also about forecasts for construction plans: after the sharp improvement posted in March, the related balance started to decline moderately
- The balance related to forecasts for prices charged in the sector slightly recovered, reaching its October 2008 level
- Only the opinions on construction activity sent positive signals: the balance increased, though remaining at record low level
- The number of entrepreneurs stating they did find obstacles limiting their construction activity increased. Among declared obstacles, insufficient demand was again considered the main constraint
- Deterioration in the overall confidence indicator was homogenous across sectors: confidence worsened markedly in civil engineering and more moderately in residential and non-residential building



Data on May shall be released on June 25, 2009

The next ISAE surveys are scheduled as follows:

June 24, 2009: ISAE Monthly Consumer Survey (reference period: June)

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

General results

According to the ISAE Survey carried out on a panel of approximately 500 firms, in April the seasonally adjusted confidence index (2000=100) declined to 71.3 (73.1 in March), remaining however above the low reached last January.

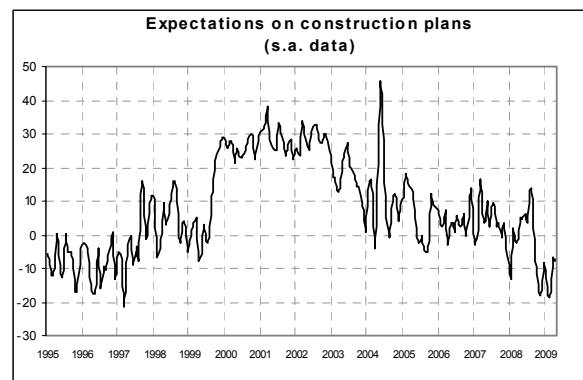
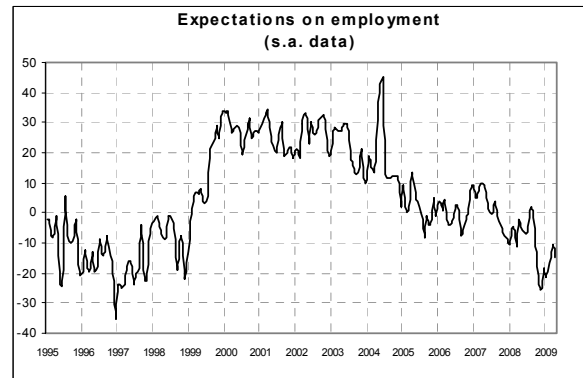
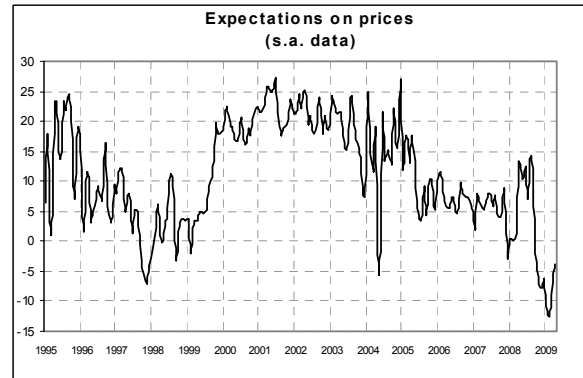
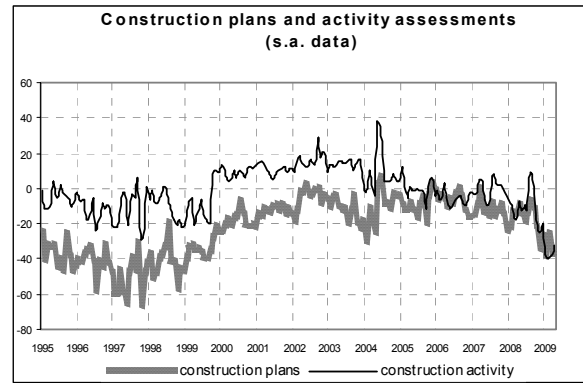
The fall in confidence was mainly prompted by the worsening in employment prospects, whereas assessments on construction plans remained virtually unchanged. Surveyed entrepreneurs became pessimistic once more also about predictions for construction plans: after the sharp improvement posted in March, the related balance started to decline moderately. Instead, the balance related to forecasts for prices charged in the sector slightly recovered, reaching its October 2008 level. Only the opinions on construction activity sent positive signals: the balance increased, though remaining at record low level.

The number of entrepreneurs stating they did find obstacles limiting their construction activity increased. Among declared obstacles, insufficient demand was again considered the main constraint.

Deterioration in the overall confidence indicator was homogenous across sectors: confidence worsened markedly in civil engineering and more moderately in residential and non-residential building.

Situation in the reference period (April 2009)

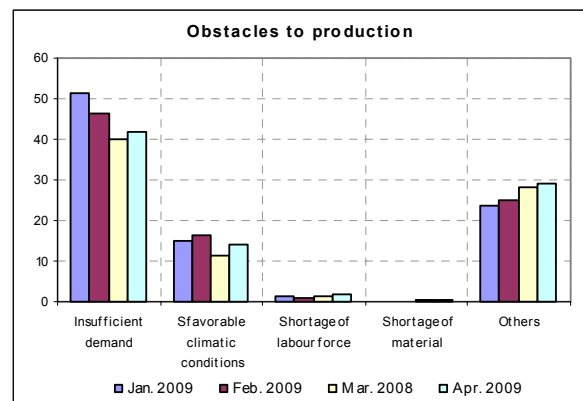
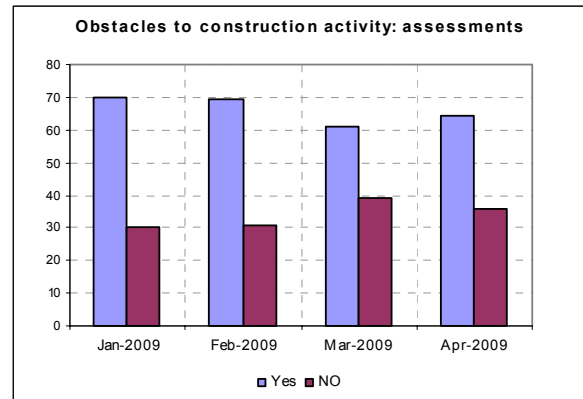
After the sharp deterioration posted in March, in April opinions on construction plans remained stable: the related balance held steady at -36, nearing its lowest level since January 2000. In accordance with surveyed firms' negative prospects for construction plans, the number of entrepreneurs who did find obstacles limiting their construction activity increased (the percentage rose from 61% in March to 64% in April). Moreover, among declared obstacles, insufficient demand was the main constraint, followed by the shortage of labour force and adverse weather conditions.



Only the opinions on construction activity gave positive indications: the seasonally adjusted balance improved once more, hitting the best result since January 2009.

Forecasts for the following three months

Short-term prospects confirmed the rather non-optimistic picture emerged from entrepreneurs' opinions on the current situation. In April, forecasts for construction plans gave unfavourable indications: the balance recorded a moderate decline (from -7 to -8), remaining negative and reaching the value posted in December 2008. As for prices charged in the sector, the balance inched up (moving from -5 to -4), attaining the highest level since October 2008. The trend for employment, a variable included in the calculation of the confidence climate, started to worsen once more: the related balance moved from -11 to -15, reverting to the value hit in October 2008.



Confidence climate and balances of the component series index (s.a. data)

	Confidence climate (index base 2000=100)	Assessments on construction plans	Expectations on employment
Jan. 2009	67.2	-38	-21
Feb. 2009	75.0	-26	-17
Mar. 2009	73.1	-36	-11
Apr. 2009	71.3	-36	-15