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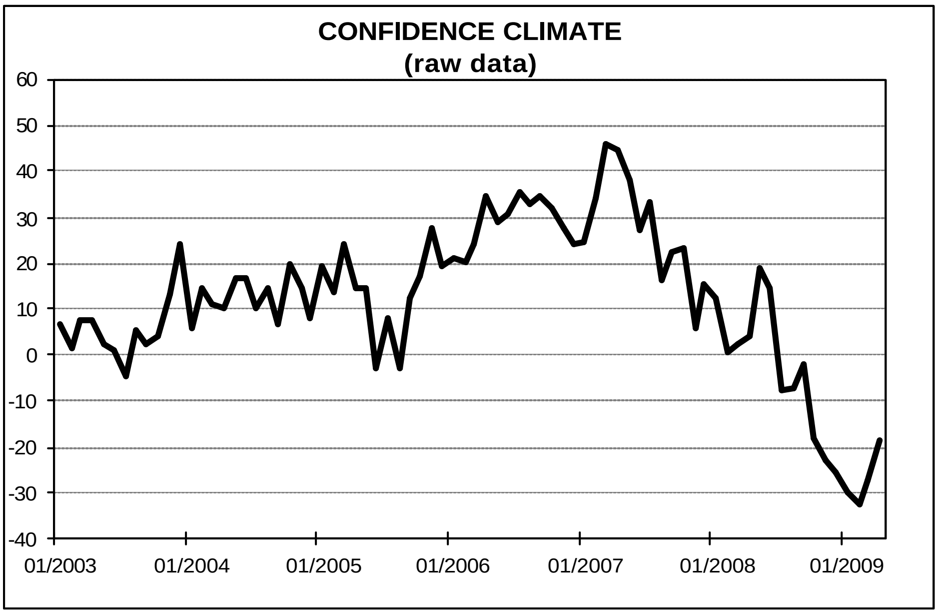
Date: **April 28, 2009**

CONFIDENCE AMONG MARKET SERVICES RECOVERS FURTHER IN APRIL

- **The confidence climate hit -19 (from -27 in March), thanks to better opinions on current orders and to the improvement in expectations for the overall economy. On the contrary, prospects for orders worsened slightly**
- **The trend was uniformly positive across main macro-sectors and fairly widespread on the national territory, even though some differences emerged. At sector level, recovery in confidence distinguished only household and business services (to -29 from -30 and to -9 from -25, respectively). In contrast, in financial services confidence posted another moderate decrease (to -29 from -28)**
- **At the regional level, confidence recovered noticeably in the northern areas – reaching -12 (from -28) in the North West and -12 (from -32) in the North East – and in the Centre (to -22 from -23). The index worsened instead in the South (to -47 from -31)**
- **Among the variables excluded from the calculation of the confidence indicator, the balance for expected employment continued to recover**

IN THE FIRST QUARTER 2009, THE PERCENTAGE OF FIRMS PERCEIVING THE EXISTENCE OF FACTORS LIMITING BUSINESS ACTIVITY INCREASES

- **According to the traditional ISAE quarterly survey, however, the share of operators perceiving the existence of obstacles limiting business activity climbed to 75% from 59%**
- **In this quarter as well, insufficient demand was the main obstacle (92% of the sample, compared to 75% in the previous quarter). Financial constraints had a less relevant role than in the past (5% from 23%), while the importance of "other unspecified factors" increased (to 21% from 5%)**



Data on May shall be released on May 28, 2009
The next ISAE surveys are scheduled as follows:
May 27, 2009: *ISAE Monthly Consumer Survey (reference period: May)*

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

The ISAE Survey, carried out on a panel of about 2,000 firms between April 1 and April 21, showed that confidence among market services firms continued to recover in April.

The confidence climate actually reached -19 (from -27 in March), thanks to more favourable opinions on current orders and to the improvement in forecasts for the economy as a whole. On the contrary, the balance for expected orders decreased slightly.

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At the regional level, confidence recovered in the northern areas – reaching -12 (from -28) in the North West and -12 (from -32) in the North East – and in the Centre (to -22 from -23). The climate worsened instead in the South (to -47 from -31).

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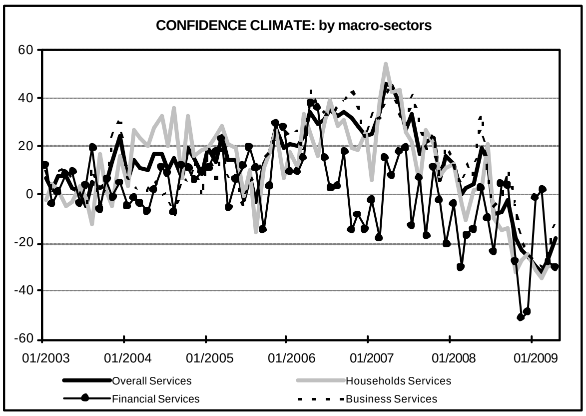
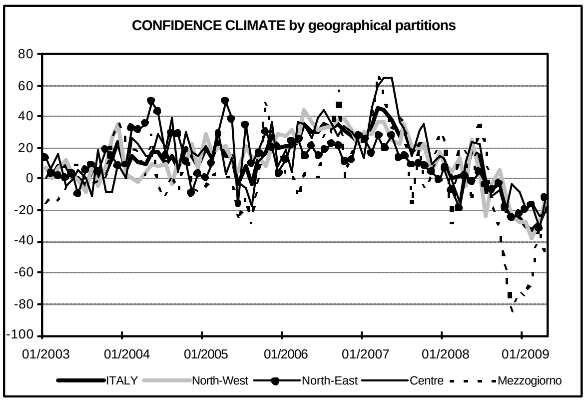
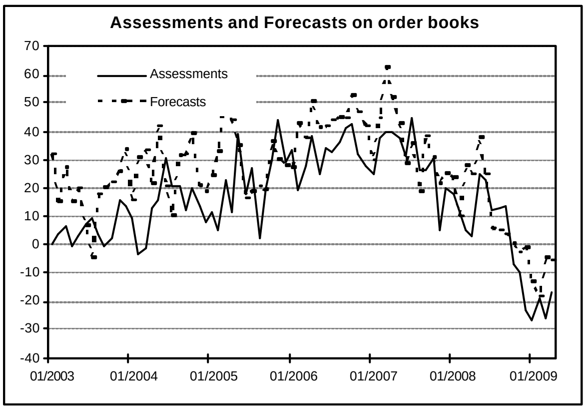
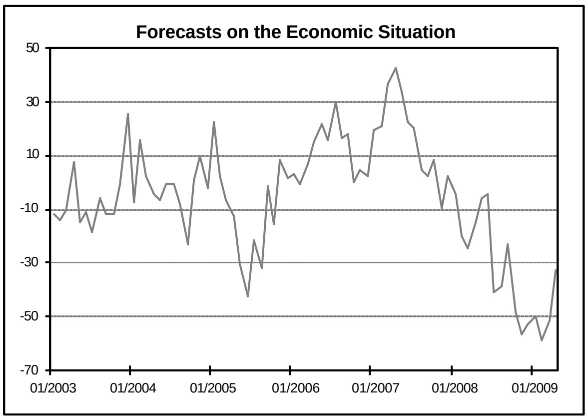
Situation in the reference period

In April, the situation for market services firms improved slightly. In detail, the opinions on both employment and orders recovered, retracing in the latter case the March downturn. The related balances rose to -8 from -24 and to -17 from -26, respectively.



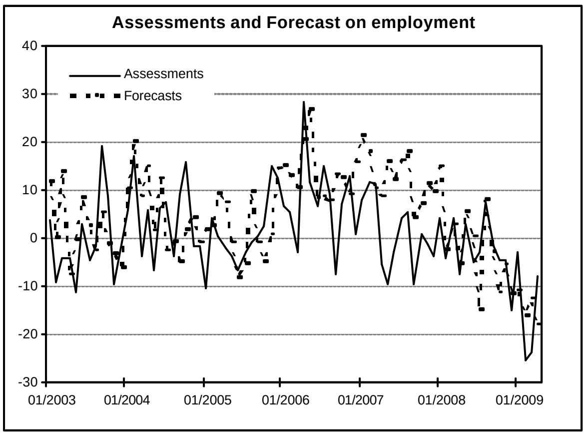






The recovery in the opinions on orders was widespread across sectors and came in particularly sharp for business services. Instead, assessments on employment clearly bettered in household services (over 35 percentage points), but worsened in financial and business services.

The improvement in the current situation was homogenously extended across the country. Opinions on orders and employment actually rose in all areas.



Outlook for the next three months

The analysis of expectations for the following quarter gave instead contrasting indications. Firms were indeed more pessimistic than in March about orders and employment (the balance worsened from -4 to -6 and from -13 to -17, respectively). However, the balance for the country's overall situation recovered (from -52 to -33). As for prices, the decline in the balance (from 9 to -15) reflected the rise in the share of firms which planned to cut selling prices.

Unlike the results for the current situation, at sector level predictions were rather heterogeneous. In household services, operators made more favourable forecasts, with respect to March, for company variables; nevertheless, the balance for the overall economy worsened. In financial services, the balance for orders clearly diminished, but those for employment and the economic trend recuperated. Lastly, in business services, expectations for the Italian economy and, in contrast with the data at the aggregate level, those for orders bettered, but the balance for employment markedly deteriorated.

At the regional level, in line with the national figure, in the North West and the Centre the balances for company variables worsened, whereas the one for the economic trend recovered. In the North East, instead, operators expressed more favourable expectations than in the March with regard to all surveyed variables. Finally, in the South, the balance for orders went back in positive territory and the balances for employment and the economic trend declined.

Quarterly survey results (first quarter 2009)

According to the traditional ISAE quarterly survey conducted on the same panel of firms interviewed monthly, in the first quarter of 2009 the share of firms perceiving the existence of factors limiting business activity rose. The percentage climbed indeed to 75% (from 59% in the previous quarter).

Among the considered obstacles, an increase characterized the role of insufficient demand (mentioned by 92% of the sample firms, compared to 75% in the previous survey) and of "other unspecified factors" (21% from 5%). On the contrary, the importance of financial constraints lowered (to 5% from 23%).