

**June 30, 2010****CONFIDENCE AMONG MARKET SERVICES RECOVERS IN JUNE**

Data on July shall be released  
on July 29, 2010

The next ISAE surveys are scheduled as  
follows:

**July 23, 2010:** ISAE Monthly Consumer  
Survey (reference period: July)

The full text of ISAE Surveys (either hardcopy  
or electronic format) is available for sale (for  
further information see the website  
[www.isae.it](http://www.isae.it))

- **The seasonally adjusted confidence indicator (2005=100) reached 95.1 (from 94.1 in May)**

- **Both the recovery for the opinions on orders and better prospects for the Italian economy contributed to the improvement. Expectations for demand declined instead**

- **At sector level some differences emerged for the trend in confidence: the index diminished for Transportation and storage (to 90.7 from 91.9) and for Information and communication (to 90.7 from 98.6). The climate improved instead for Tourism services (to 93.5 from 93.3), and especially for Business services and other services (to 102.5 from 96)**

- **On a regional basis, the analysis showed that confidence worsened only for operators in the North West (the indicator, adjusted for seasonal and irregular factors, dropped to 96.7 from 102.4) mainly because of sharp deterioration in opinions and expectations for orders. The climate improved instead in the North East (to 90.3 from 85.8), the Centre (to 95.4 from 90.5), and the South (to 107.9 from 101.5)**

- **With regard to the variables excluded from the calculation of the confidence index, evaluation of current employment moderately recovered, while assessments on business activity remained stable, at a slightly negative value, and the balance for employment prospects worsened**

**CONFIDENCE CLIMATE** (index 2005=100, seasonally adjusted)

## Market services firms' confidence

The ISAE Survey, carried out on a panel of about 2,000 firms between June 3 and June 21, showed that market services firms' confidence recovered in June. The seasonally adjusted indicator (2005=100) actually increased to 95.1 (from 94.1 in May).

The trend in confidence was mixed across sectors and regions. The index deteriorated in Transportation and storage and in Information and communication. It improved instead in Tourism services and especially in Business services and other services.

On a regional basis, the indicator worsened only for operators in the North West, for whom negative expectations and forecasts for orders prevailed.

## Situation in the reference month (June 2010)

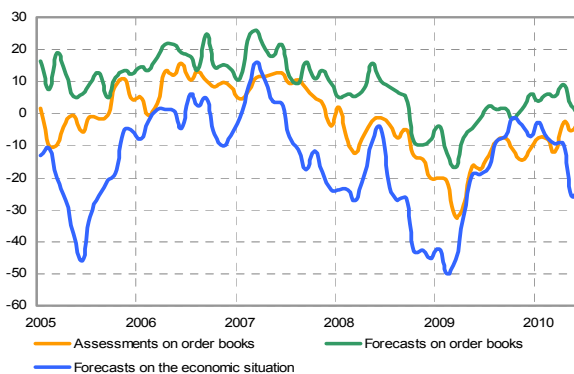
In June, opinions on orders and employment recuperated: the related seasonally adjusted balances stood respectively at -2 and -1, compared to -5 and -3 in May. The balance for business activity remained unchanged at slightly negative value (it expresses the difference between the percentages of favourable and unfavourable responses to questions related to assessments on the trend of companies' business activity over the past three months).

## Outlook for the following months

In June, surveyed firms staged deterioration in orders and employment prospects. The related balances declined to 0 and -2 (from 2 and -1 in the previous month). The balance for the overall economic trend recovered instead (rising to -23 from -26 in May).

As for prices, the percentage of operators declaring they intended to raise services selling prices was offset by the share of those who stated they planned to cut them (the balance stood at 0, compared to -3 in the previous month).

### THE BALANCES FOR CURRENT ORDERS AND THE ECONOMIC TREND IMPROVE; EXPECTED ORDERS WORSEN



### FOR EMPLOYMENT, OPINIONS ON THE CURRENT SITUATION RECOVER AND FORECASTS SLIGHTLY DETERIORATE



### THE BALANCE FOR THE TREND IN BUSINESS ACTIVITY REMAINS STABLE, IN NEGATIVE TERRITORY



### Firms' confidence at sector level

The trend in confidence was heterogeneous across sectors. The climate deteriorated in Transportation and in Information and communication services, whereas it improved instead in Tourism services and in Business services and other services.

In the **Transportation and Storage** sectors, the worsening of the indicator (to 90.7 from 91.9) came along with the fall in the balance for expected orders (to -2 from 2) and the overall economy (to -47 from -40). In contrast, the balance for current orders bettered (rising to 1 from -6 in May).

In **Tourism services**, the confidence climate remained practically unchanged, coming in at 93.5 (from 93.3). In this macro-sector, prospects for orders and the economy improved (to 8 from 2 and to -9 from -15, respectively) and the balance for current orders worsened instead (to -22 from -12).

The confidence climate deteriorated also in **Information and Communication**. The indicator stood at 90.7, compared to 98.6 in the previous month. The fall in the indicator derived from the decline in all its underlying components. In detail, the related balances decreased to -1 (from 2) for current orders, to -1 (from 16) for expected orders, and to -16 (from -13) for the general economic trend.

In **Business services and other services**, the indicator clearly improved instead, moving up to 102.5 (from 96). Both assessments on orders and prospects for the Italian economy recovered (the balances rose to -3 from -8 and to -5 from -18, respectively). The balance for expected orders remained instead stable in negative territory (-2).

### Confidence on a regional basis

Confidence declined only for operators in the North West, for whom negative assessments and prospects for orders prevailed.

In the **North West**, the indicator decreased to 96.7 (from 102.4). The balance for current orders diminished to -9 (from 1) and the one for expected orders fell to 0 (from 10). In contrast, the balance for the overall economy recovered, reaching -8 (from -11).

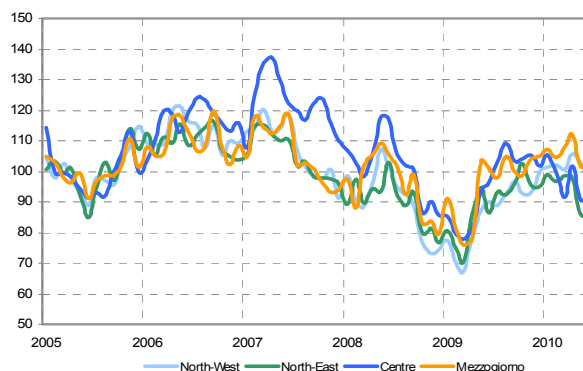
In the **North East** the confidence index rose to 90.3 (from 85.8 in May). The improvement reflected the recovery in all its components. In detail, the related balances moved up to -9 (from

-10) for current orders, to -8 (from -10 for expected orders, and to -19 (from -28) for the overall economic trend.

In the **Centre**, the confidence climate grew to 95.4 (from 90.5 in the previous month) thanks to markedly favourable opinions on orders (the balance rose to 10 from -13) and to the recovery in demand expectations (to -2 from -3). In contrast, the balance for the overall economic trend worsened (to -38 from -27).

Lastly, for firms in the **South**, both assessments and forecasts for orders bettered (to -10 from -16 and to 7 from 5). Improvement also characterized prospects for the Italian economy (to -5 from -14) and opinions on the overall climate (to 107.9 from 101.5 in May).

#### CONFIDENCE LOWERS IN THE NORTH WEST AND RISES ELSEWHERE IN ITALY



#### CONFIDENCE DECLINES IN TRANSPORTATION AND IN INFORMATION SERVICES

