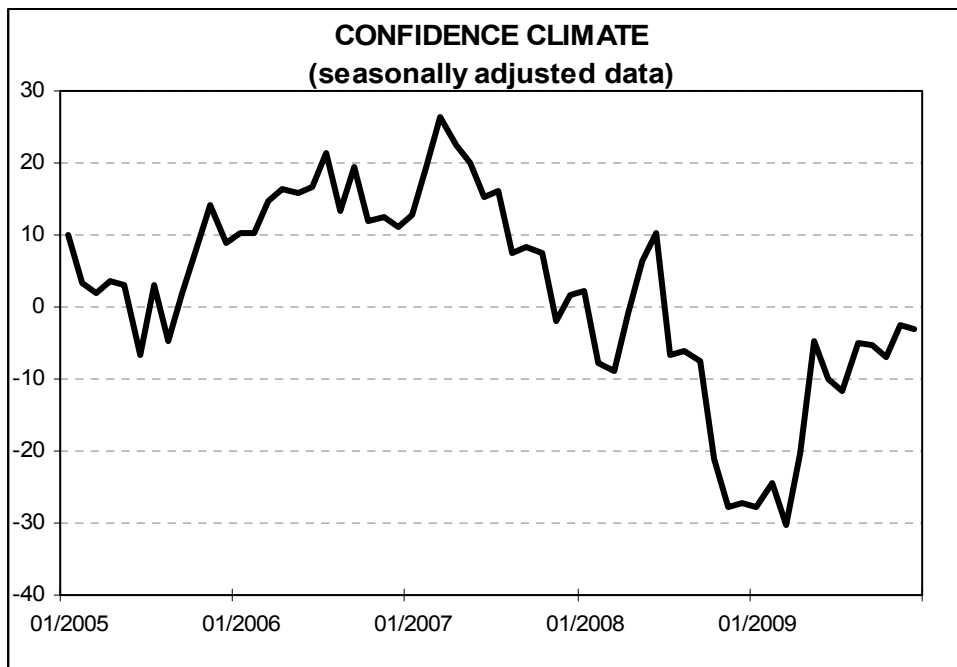




Date: 29 December 2009

SLIGHT DROP IN MARKET SERVICES' CONFIDENCE IN DECEMBER

- The confidence climate, considered net of seasonal factors, dropped to -3 (from -2 in the last month)
- Among the index-building variables, expectations deteriorated on both order books and economy as a whole; on the contrary, improvements were observed in the judgments on orders
- Some differences arose at sector and regional level: confidence in household services recovered to -6 (from -8) and jumped to 8 (from -3) in financial services but a fall was reported in business services (from 2 to -1)
- At regional level, confidence bettered in the North West (from -9 to -5) and dropped in the North East (from 2 to -2), the Centre (from -4 to -5) and the South (from 9 to 1)
- Among the variables non composing the index, a slight reduction affected both the balance for the ongoing employment trend (from -7 to -8) and that for expected employment (from 1 to -1)



Data on January shall be released on 28 January 2009

The next ISAE surveys are scheduled as follows:

26 January: ISAE Monthly Consumer Survey (Reference period: January)

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

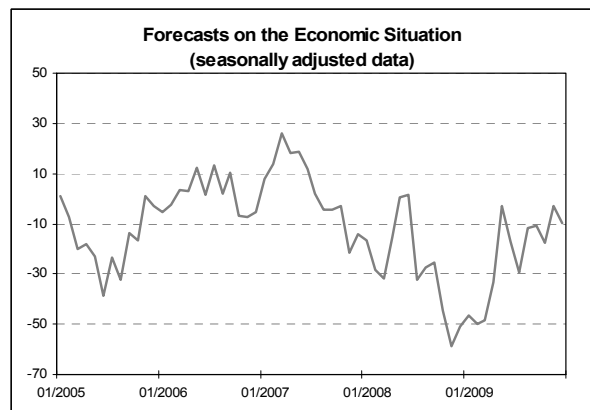
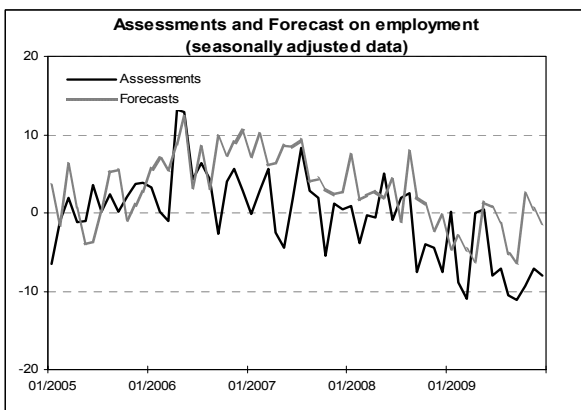
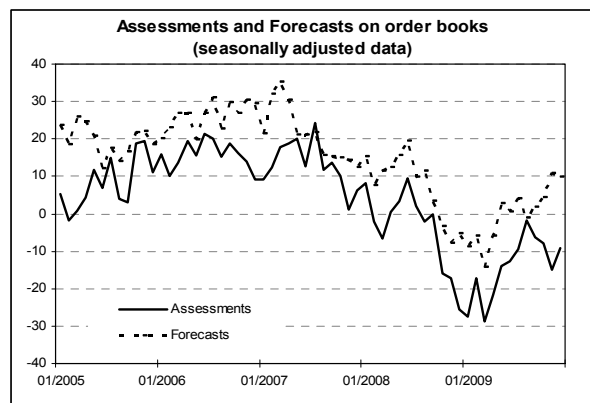
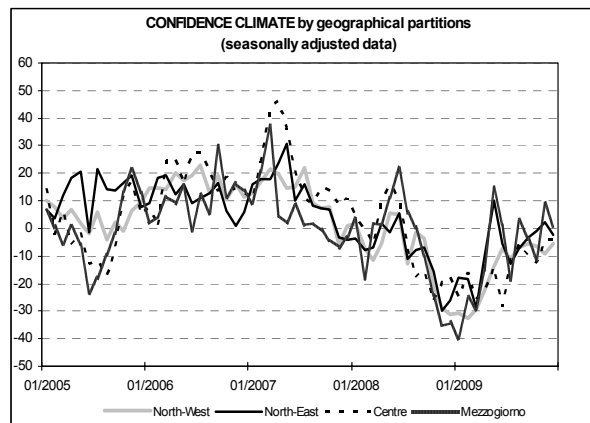
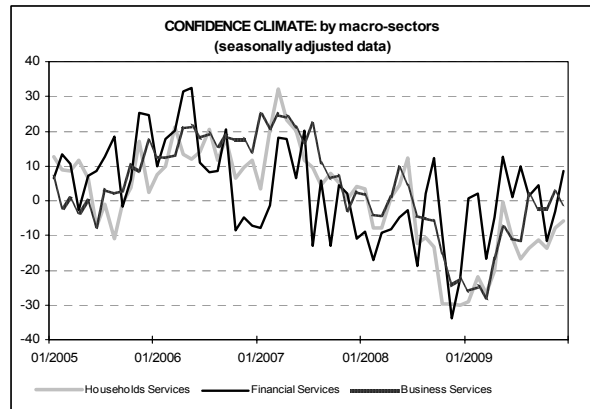
General results

According to the ISAE survey carried out between 1 and 21 January, on a panel of 2,000 firms, confidence in market services dropped in December. The confidence climate, considered net of seasonal factors, fell from to -3 (from -2 in the previous month).

Among the index-building variables, expectations deteriorated on both order books and economy as a whole; on the contrary, improvements were observed in order assessments.

Some differences arose at sector and regional level: confidence recovered in household services to -6 (from -8) and jumped to 8 (from -3) in financial services but fell in business services (from 2 to -1).

At regional level, confidence bettered in the North West (from -9 to -5) and dropped in the North East (from 2 to -2), the Centre (from -4 to -5) and the South (from 9 to 1).



Situation in the reference period

The current situation of book orders showed slight signs of recovery in December (seasonally adjusted balance from -15 to -9); but employment assessments were in decline (from -7 to -8).

Slight differences arose at sector level. The balance for orders in household services recovered (respectively to -7 and -5 from -17 and -11), though holding steady to negative values. A deterioration was observed in the employment balance (to -11 and -5 in the two macro-sectors, from -10 and -4). The balances for orders and employment in the financial services fell from -9 to -21 and from -2 to -3, respectively.

At regional level, less unfavourable assessments on orders were evenly expressed across areas. The balance recovered to -16 (from -23) in the North West, to 7 (from -3) in the North East, to -7 (from -12) in the Centre and to -7 (from -18) in the South. Employment assessments showed signs of recovery in the North West (to -3, from -5), the North East (to -1, from -2) and the South (to -5, from -11); on the contrary, the balance dropped in the Centre hitting back the lowest levels of 2009 (to -21, from -13).

Forecasts for the following three months

According to the respondent firms, expectations on the trend of corporate variables and general economy deteriorated in December. In detail, the balance for orders dropped to 10 (from 11), for labour to -1 (from 1) and for the general economic trend to -10 (from -3).

As to expectations, differences were also reported in the sector and regional analyses. The balance for orders in the household services held steady to slightly positive values (1), the balance for employment recovered (from -1 to 1) and the balance for the Italian economy dropped (from -8 to -12). As to the financial services, operators sent optimistic signals on all variables. In detail, the balance for orders climbed from 16 to 21, for employment from -6 to 1 and that for Italian economy from -17 to 25. On the other hand, as to business services, operators seemed more pessimistic than in November with regard to both orders (balance from 12 to 10), employment (from 0 to -2) and the Italian economy (from 4 to -9).

At regional level, the balance for orders (from 14 to 17) and the general economic trend (from -19 to -17) improved in the North West but the balance for employment decreased from 5 to 4. In the North East, a drop was observed in both the balances for corporate variables (orders down from 6 to 2; employment from 5 to 4), and for general economy (from 3 to -15). In the Centre, a decrease was recorded in the balance for orders (from -4 to -6) and that for general economy (from 3 to -2); on the other hand, a recovery was observed in the balance for employment (from -16 to -12). In the South, a drop was recorded in the balance for orders (from 21 to 5), employment (from 0 to -1), and Italian economy (from 24 to 4).