

Snap | 28 August 2026

ITALY

Italian confidence data improves further in August

The improvement is widespread, affecting consumers and businesses alike, highlighting the resilience of the Italian economy and lending further support to our forecast of 0.9% GDP growth in 2026



Consumer confidence in Italy rose for a third consecutive month

In the second quarter of 2026, the Italian economy managed to post a surprising 0.2% quarterly GDP growth, proving more resilient than expected.

July's rise in consumer confidence and the aggregate economic sentiment indicator pointed to continued resilience in the third quarter. Today's August data strengthens that view, with further gains in consumer confidence and across all components of business sentiment.

Consumed confidence posted another modest gain

The first encouraging signal comes from consumer confidence, which rose for a third consecutive month. At 94.5, up from 94.2 in July, it has recovered to its highest level since the US strike on Iran, though it remains three points below its pre-conflict level.

The details are also reassuring: households reported a more favourable view of both the general economy and their own financial situation, concerns about future unemployment

eased, and confidence in their ability to save improved. That said, a decline in willingness to purchase durable goods suggests consumers remain cautious, preferring to postpone major purchases until inflation cools further.

Retailers' confidence remained stable at relatively elevated levels, suggesting consumers may still be favouring non-durable goods over larger purchases. The business outlook also continues to improve, with the composite confidence index rising for a fourth consecutive month to 96.9, its highest level since April.

Manufacturing confidence continues to point to a slow bottoming-out

Notwithstanding a modest monthly gain in August, confidence in manufacturing reached 89.9, the highest level since June 2023. The improvement was driven by accelerating production expectations, which compensated for cooling orders and rising stocks of finished products.

The improvement was driven by accelerating production expectations, which compensated for cooling orders and rising stocks of finished products. Sector-wise, it was the investment goods domain to shine, whilst intermediate goods set back. Overall, the manufacturing front continues to move along the slow-bottoming-out path which started in mid-2024, irrespective of tariff and geopolitical threats.

The fairly volatile construction sector data recorded a rebound in August, which more than compensated the sharp July fall. The rebound was led by the specialised construction works component, where both orders and expected employment improved substantially. The civil engineering component, which incorporates infrastructural works linked to the now expired recovery fund, unsurprisingly cooled down, driven both by the order and employment expectations components.

Tourism gains the main driver of service confidence improvement

Another relatively bright spot relates to the service sector component. Confidence in market services came in at 99.5 (from 98.2 in July), reaching the highest level since March, driven by gains in transport and storage and, even more markedly, in tourism.

The gain in the tourism component reflected improvements in current business activity, current orders and expected orders. It seems that the long-lasting heatwave, which hit many Italian seaside spots, had no negative impact whatsoever on tourism activity, a relevant value-added generator for the Italian economy.

GDP growth of 0.9% in 2026 looks increasingly within reach

All in all, August confidence data supports previous evidence of economic resilience to external shocks. We were surprised by the 0.2% quarterly GDP growth preliminary reading for the second quarter, and we would not be surprised if it was confirmed in the third quarter.

After today's batch of data, we are sticking with our forecast for average 2026 GDP growth at 0.9% for the Italian economy.

Author

Paolo Pizzoli

Senior Economist, Italy, Greece

paolo.pizzoli@ing.com

Disclaimer

This publication has been prepared by the Economic and Financial Analysis Division of ING Bank N.V. ("ING") solely for information purposes without regard to any particular user's investment objectives, financial situation, or means. *ING forms part of ING Group (being for this purpose ING Group N.V. and its subsidiary and affiliated companies)*. The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but ING does not represent that it is accurate or complete. ING does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of ING. All rights are reserved. ING Bank N.V. is authorised by the Dutch Central Bank and supervised by the European Central Bank (ECB), the Dutch Central Bank (DNB) and the Dutch Authority for the Financial Markets (AFM). ING Bank N.V. is incorporated in the Netherlands (Trade Register no. 33031431 Amsterdam). In the United Kingdom this information is approved and/or communicated by ING Bank N.V., London Branch. ING Bank N.V., London Branch is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. ING Bank N.V., London branch is registered in England (Registration number BR000341) at 8-10 Moorgate, London EC2 6DA. For US Investors: Any person wishing to discuss this report or effect transactions in any security discussed herein should contact ING Financial Markets LLC, which is a member of the NYSE, FINRA and SIPC and part of ING, and which has accepted responsibility for the distribution of this report in the United States under applicable requirements.

Additional information is available on request. For more information about ING Group, please visit www.ing.com.