

Italy Market Report, March 2022

This quarterly digest aims to provide a brief overview of the key indices of Italy's construction industry. Please refer to additional Reports for further information, available [News & Insight | Gleeds](#).

4Q 2021 in Italy closed with very optimistic figures showing a full GDP recovery from the impacts of previous years and the Consumer Price Index at just slightly below the average across European Union member states. Further to this, 1Q 2022 data showed a Confidence Climate in Construction nearly 30 points above that seen in 4Q 2019.

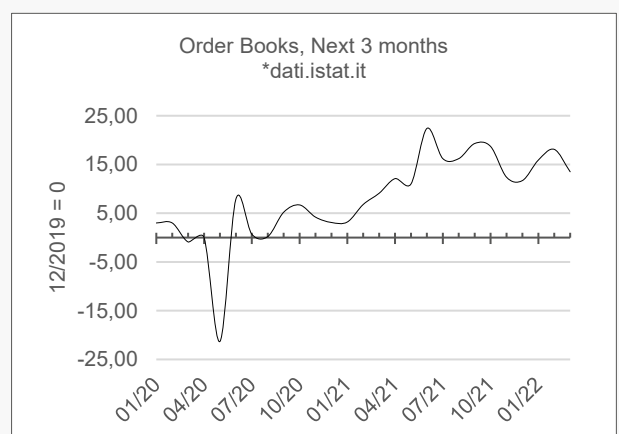
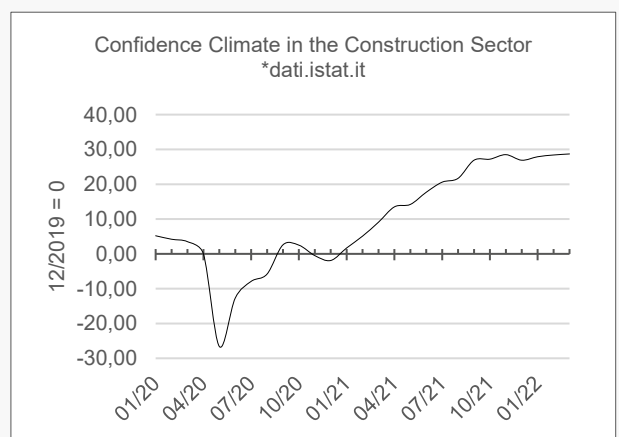
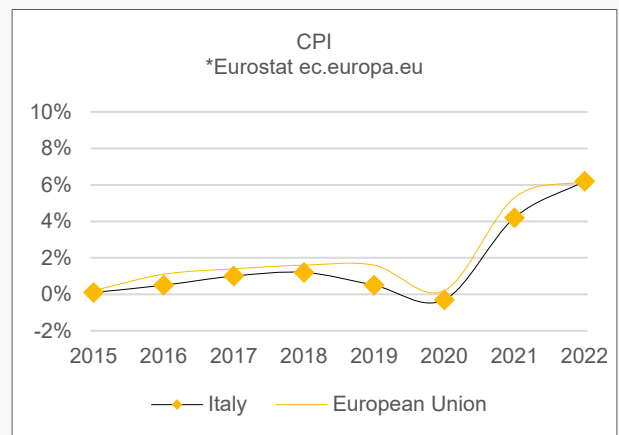
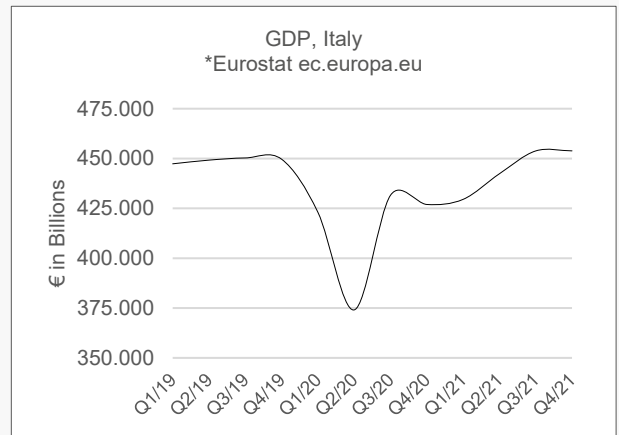
Not since the 1980s has the Confidence Climate in the Construction Sector been as high as it is now (raw data from [dati.istat.it](#)). As seen in other EU countries, the increasing challenges in the construction sector have not stopped projects from progressing despite the elevated Construction Cost Index now between 10-17% and new high figures reported in labour and materials shortages. And although the projection of Order Books over the next 3 months has dropped in March to 15.3 from 19.9 in February, it is higher than seen last year in March of 2021 before supply chain issues became a growing concern and even higher still than reported figures in 2019, before the word "pandemic" became part of everyday vocabulary.

The unrelenting boom in the global raw materials market, led by gas, oil, steel and aluminium, which remain under enormous demands from the world's largest economies has resulted in never-before-seen price increases. Also worth noting is the rise in energy costs increasing production costs in every industry compounded with the added uncertainty of war in Ukraine, potentially worsening energy supply and costs. The hopes for a swift slowdown in the upward trend of building materials still seems to be practically impossible to meet in the foreseeable future.

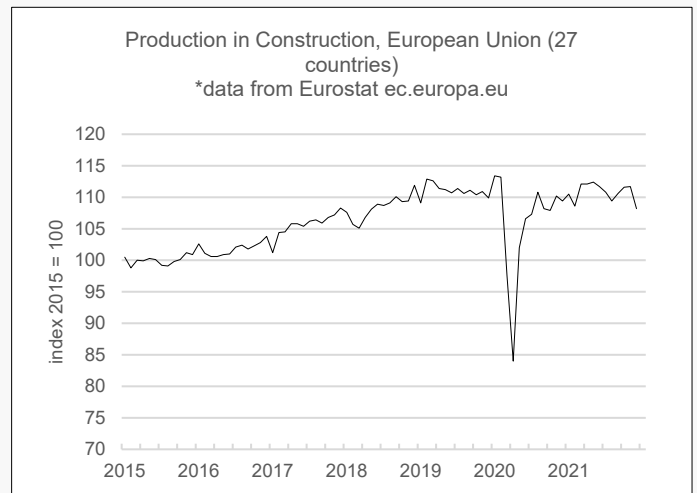
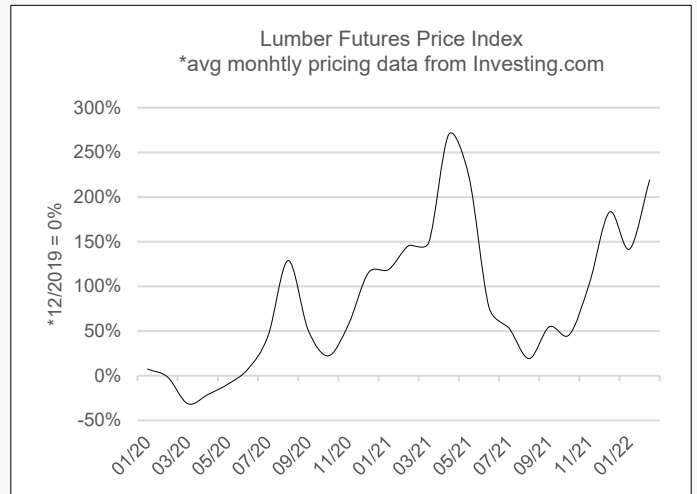
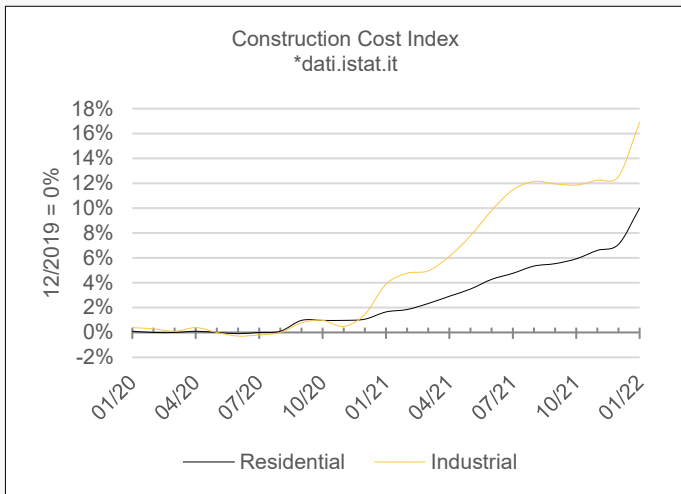
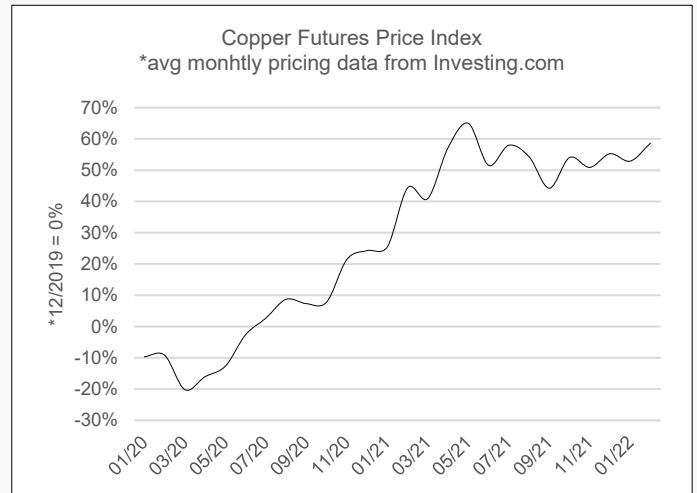
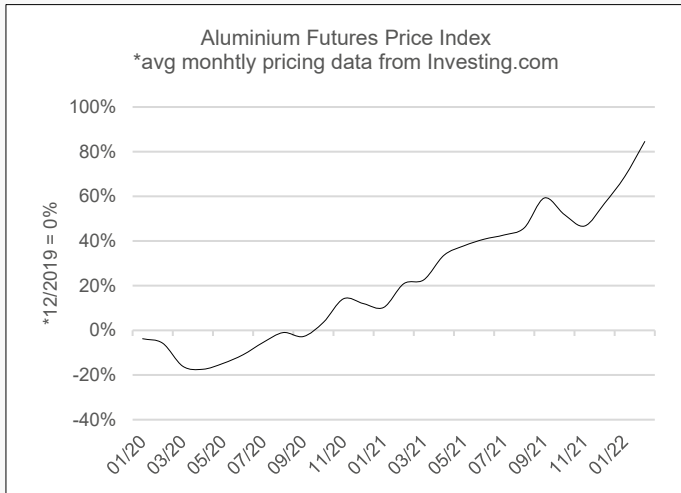
In keeping with the current state of the market in Italy, Gleeds strongly recommends revising project budgets set in 2021 (or earlier) to present day figures based on local statistical information, our own internal data and early 2022 forecasts. Additionally, we are advising Investors to consider inflation contingencies in their budgets as materials and labour shortages persist.

The situation constantly evolves and should be regularly monitored. Early engagement, partnership and collaboration with the supply chain is critical as well as cashflow forecasting.

We welcome all feedback, particularly if there is something you feel should be included in the next edition, please forward suggestions to insightsEMEA@gleeds.com



Global Market Indexes



For additional information, contact:
 EMEA Insights and Analytics
insightsEMEA@gleeds.com
gleeds.com

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