Varese: industrial production slows down

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Fears and signs of an **economic slowdown that rose at the end of June came true at the return from the summer break:** this is the conclusion of the economic inquiry of the **Studies Department of the Employers' Association of the Province of Varese** related to the 2012's third quarter.

THE BACKGROUND. The hard European situation and the international recession have had repercussions on the economic situation of the manufacturing system of Varese. The fears of a slowdown rose in the forecasts of the past survey closing at the end of June have progressively materialized: the third quarter of the year, already less dynamic for its nature in comparison with the others for seasonal factors typical of the summer time, had registered a progressive performance deterioration of Varese firms. On this economic worsening bother, in particular, the lower dynamism of the international trade, whose tendency is expected to settle down in 2012 with an average augmentation of 2.5% against the more considerable +6.3% registered in 2011. Till now the export had represented the only sound economic variable in front of the weakness of internal consumptions and investments. Therefore a slowdown of the growth's rhythm in the global trade have had inevitable consequences also on the industrial production in the local levels. The provincial data of the export trade, belonging to the third quarter of the year, are not yet available, but the effects of the lower dynamism are already visible in part in those of the second quarter of the year, characterized from an export of Varese that is still growing, but with lower percentage compared to the first three months of 2012. With the possibility of a slow recovery expected from the end of the year thanks to the waited restarting and the acceleration of the international trade.

THE INTERNATIONAL PRODUCTION IN THE PROVINCE OF VARESE– the more evident signals of this economic worsening are visible in the survey on the production tendency: after the first two quarters of the years steered to a stability, the third quarter had been characterized by a dip of the productive levels compared to the previous surveying. Most of the firms interviewed (70%) have, in fact, pointed out a worsening in production in comparison with the second quarter of the year, against the 24% that have registered a situation of stability and just the 6% that have declared a growth. Those suffering the most are the productions oriented to the final consumption trade and those with short-term orders that are more exposed at the economic decline of the regulating both internal and overseas.

Companies' expectations

The forecasts for the next months are characterized by a high grade of volatility and suffer from the general climate of uncertainty of the Italian and the European economy. However, already partially including the anticipations of an international trade acceleration and the potential needs of the stock reconstructions by a part of customers, appears to be less appalling with respect to the last revelation and oriented to a scenery stabilization. The greater part of a companies sample (64%) are infact expecting a maintenance of the actual production levels, 14% an improvement and 22% a worsening.

The orders – the dynamic of the orders portfolio indicate a cyclical worsening. During the last months it has been considered fundamental for the keeping of the orders, the contribution of foreign demand that have compensated so far the weakness of the orders coming from the national market. In the third quarter of 2012 the international commerce slow-down has led also to a decline of foreign orders apart from the internal ones with a repercussion on the global date: the 67% of those interviewed have registered a decline of orders compared to the previous quarter, the 16% an increase and the 17% their stabilization.

The labour market – the redundancy ordinary fund (Cigo) hours authorized for the industrial sector in the third quarter of 2012 were 4,960,385 , reduced by a 7% compared to the second quarter of the same year, but increasing compared to the same period of 2011. Infact there is a progressive worsening of the economic picture also with repercussions on the labour market. Looking at the entire January – September 2012 period were authorized, with the reference to the industrial sector 14,971,376 hours of Cigo, which is 47% more compared to the same period of 2011. The registered increase of the first nine months of 2012 is generalized in all main sectors with the exception of the chemical and pharmaceutical ones which saw a reduction of the numbers of authorized Cigo hours instead, even though with different intensity. Analyzing also the trend of other social safety nets in the first nine months of 2012 compared to the same period of 2011, always with reference to the industrial sector, we can instead underline a decrease of the authorized hours of Extraordinary redundancy found (Cigs) equivalent to -13.6% and the departure equivalent to -38.4%. Generally (considering Cigo, Cigs, departure) since January until September 2012 there were 23,214,685 authorized hours, which is 15.1% more than the same period of last year.

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