



Economic growth and development of the construction market

The outlook for 2023

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UNICMI Economic Studies Office

Milan, 13 December 2022

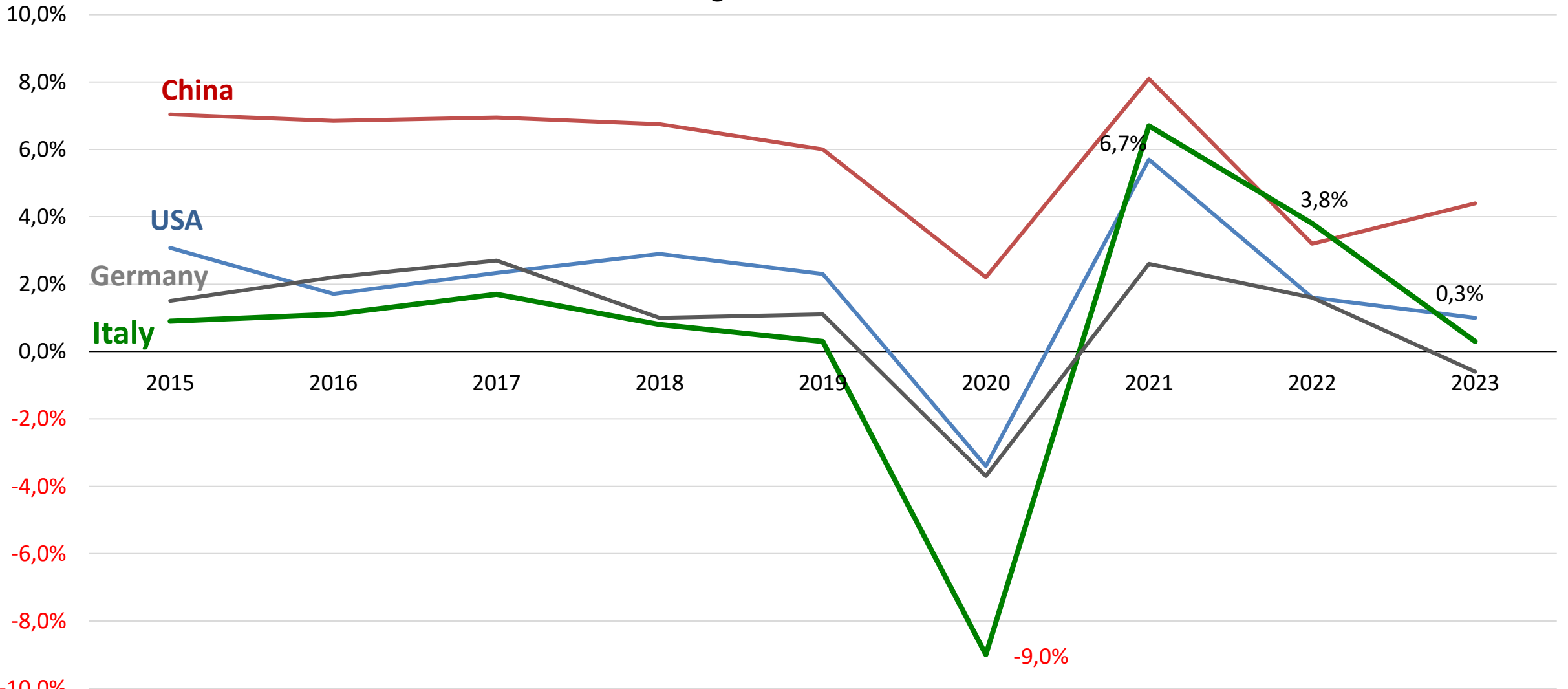


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2. Investments in the construction sector
3. The market for windows and doors and curtain walls
4. The metal carpentry sector

Economic scenario. Growth

GDP growth rate



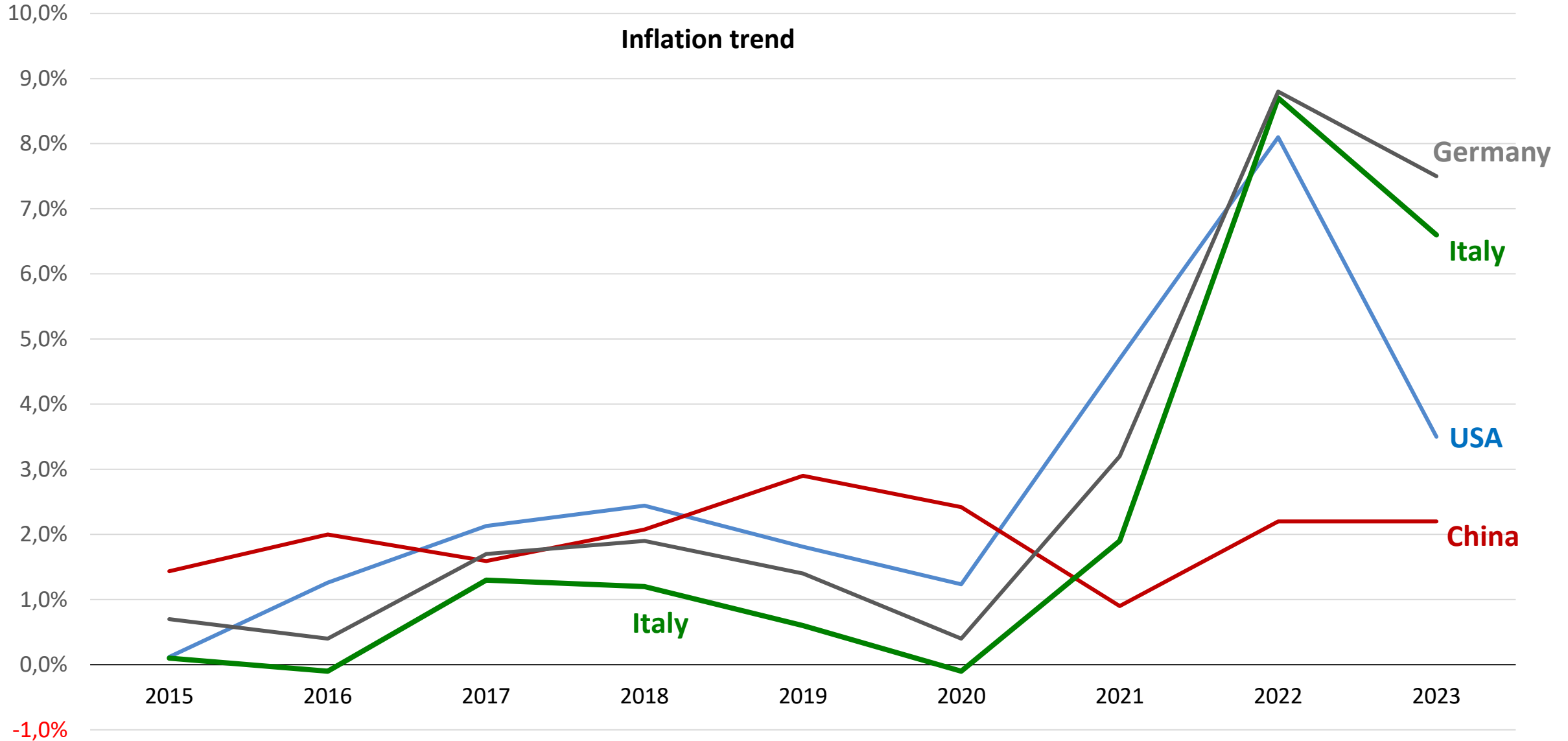
-10,0%

Source: EU Commission and World bank
2022, 2023: forecasts



Economic scenario. Inflation

Inflation trend

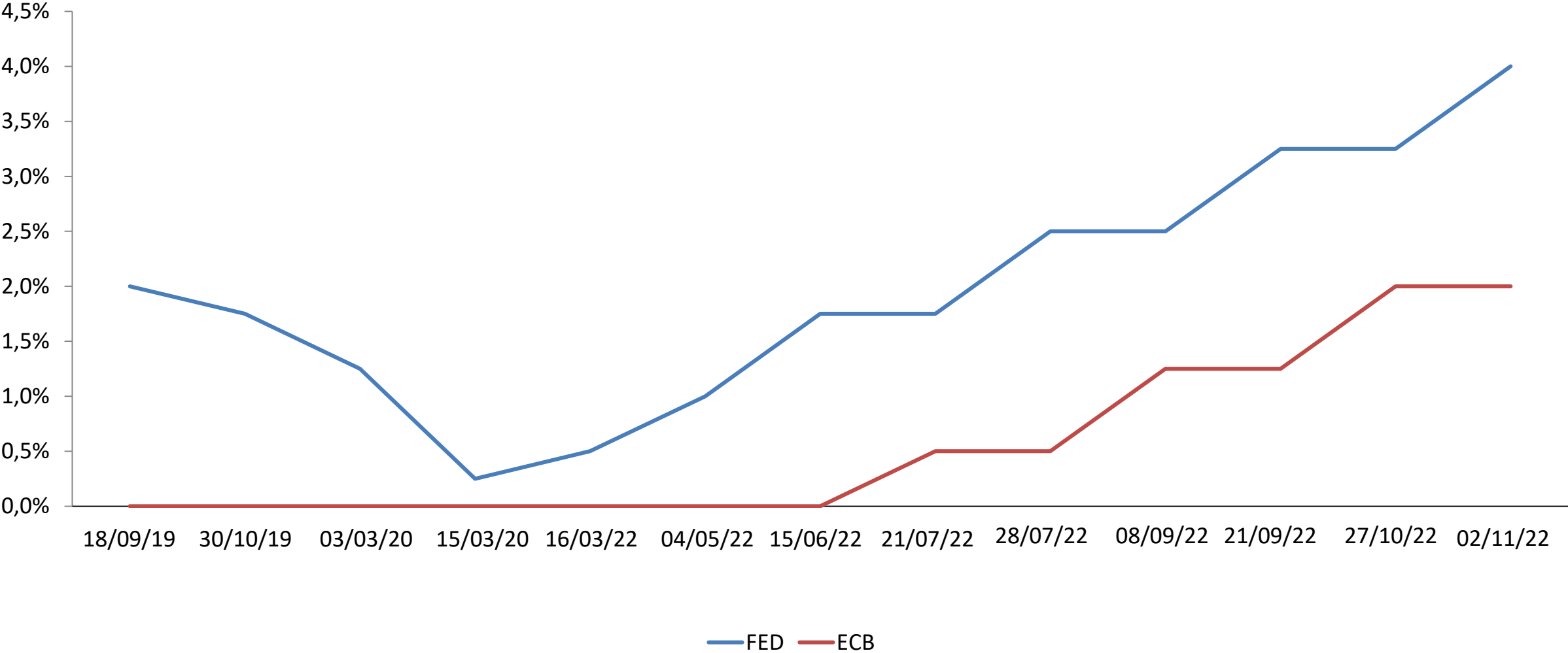


-1,0%

Source: EU Commission and World bank
2022, 2023: forecasts

Economic scenario. Interest rates

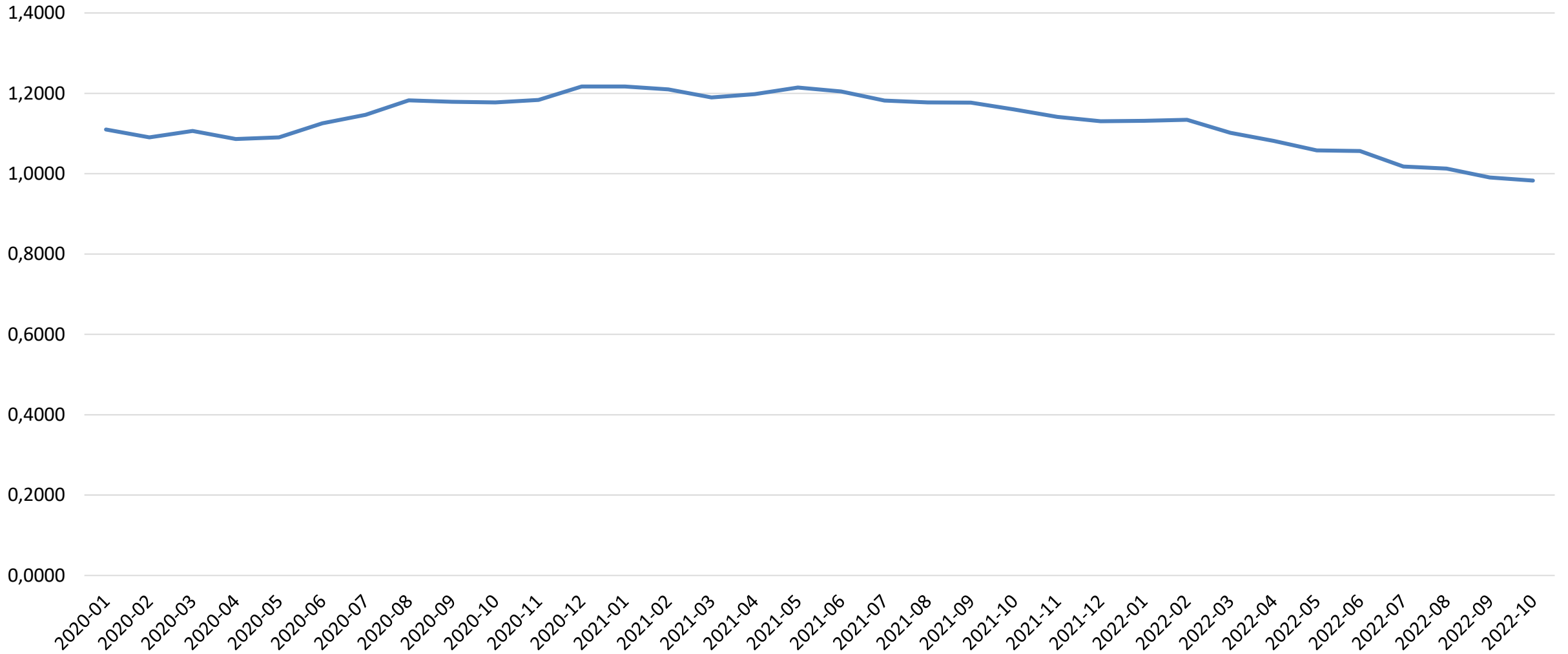
Reference interest rates



Source: FED, ECB

Economic scenario. Euro/Dollar exchange rate

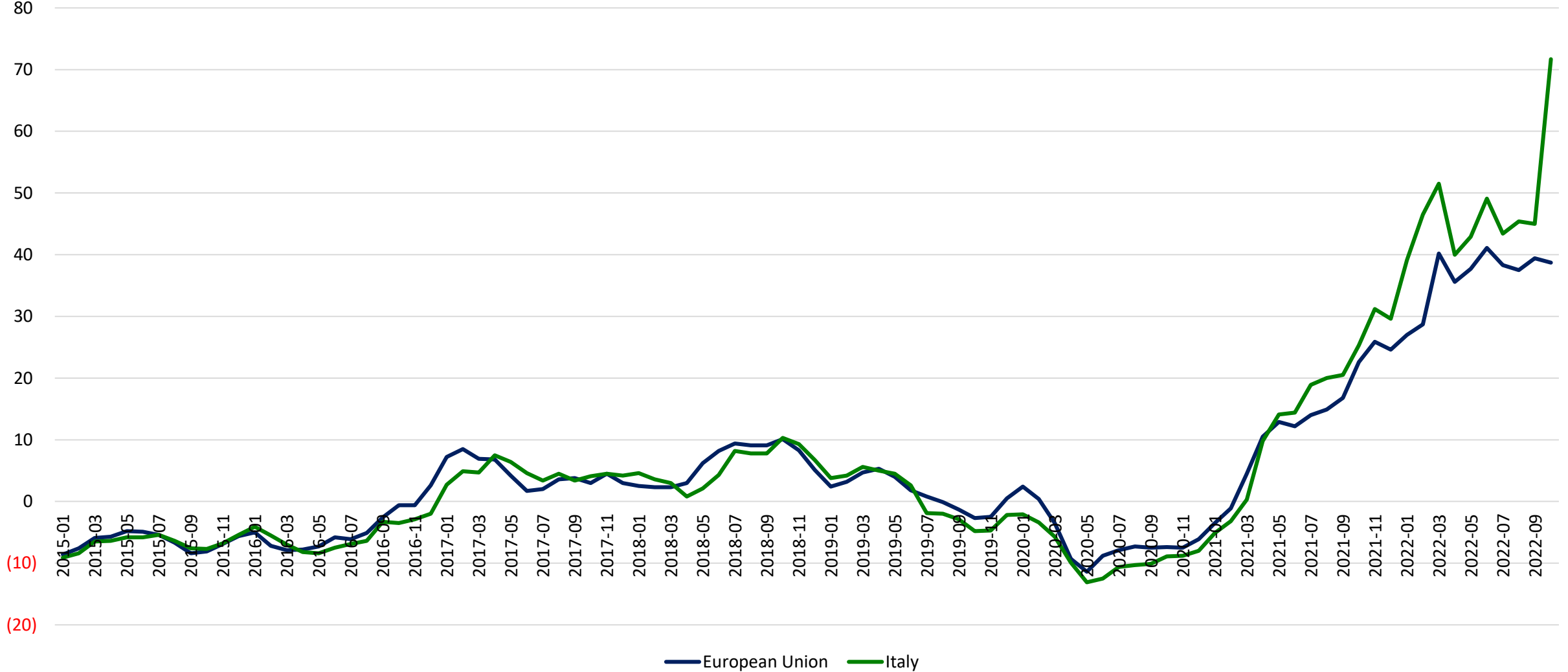
Monthly Euro/Dollar exchange rate



Source: Bank of Italy

Economic Scenario. Energy inflation

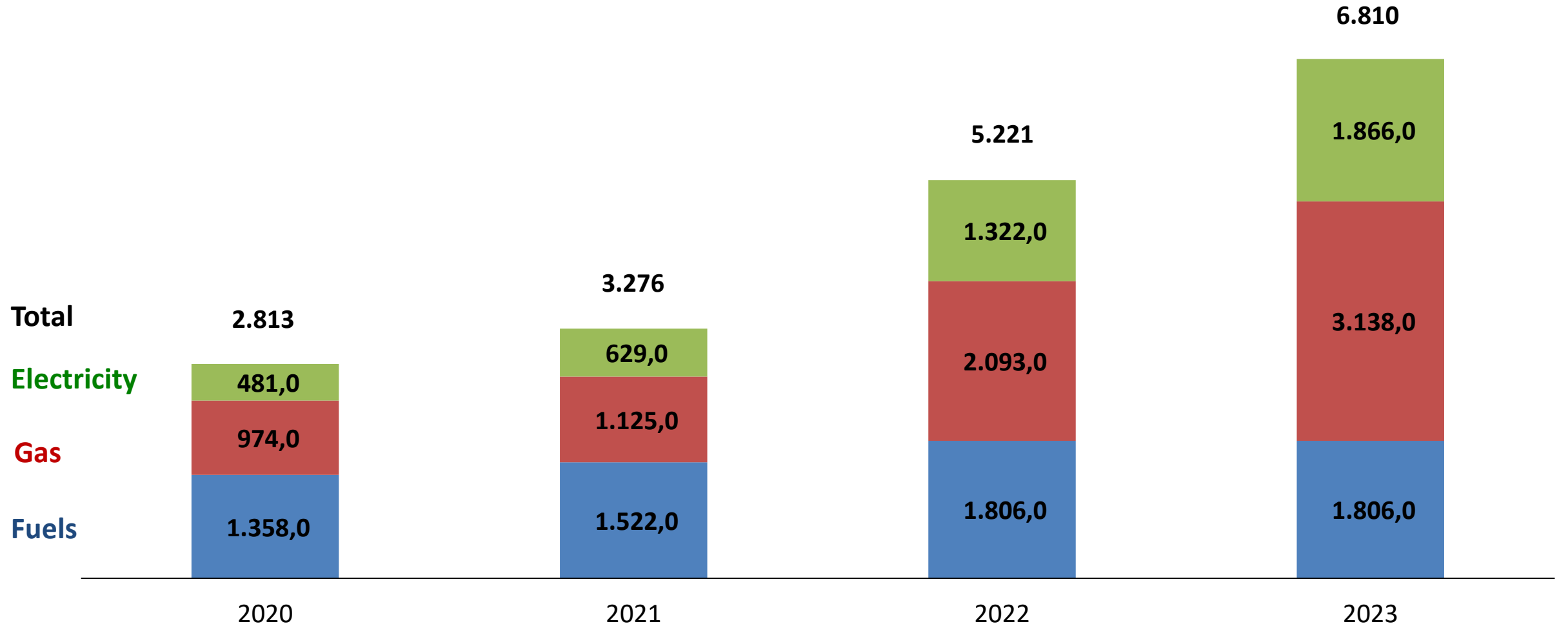
Harmonised consumer price index - energy component (% change)



Source: Eurostat

Economic scenario. Energy and gas market

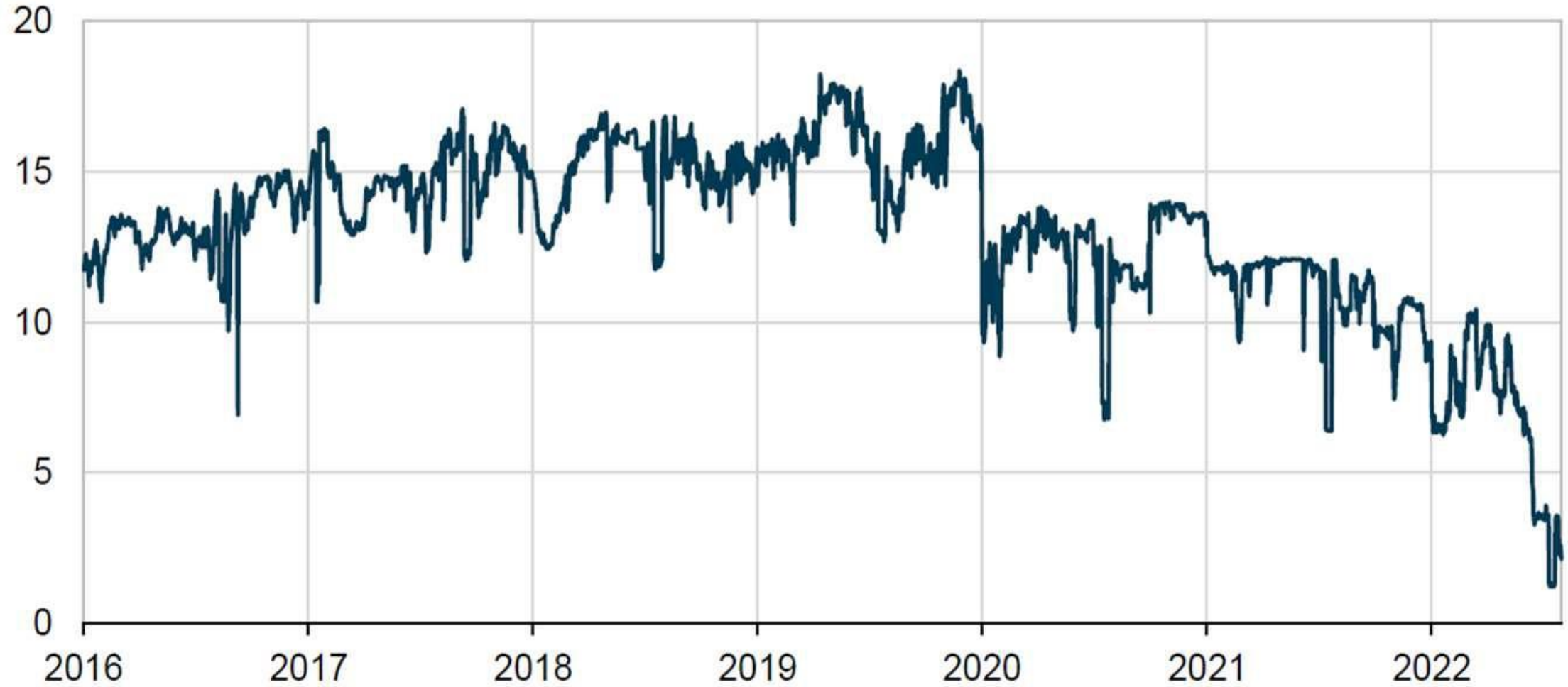
Average expenditure of Italian households on energy (Euro per year)



Source: REF Ricerche elaborations on data

Economic scenario. Energy and gas market

Daily gas exports from Russia to Europe (mcm)



Source: US EIA

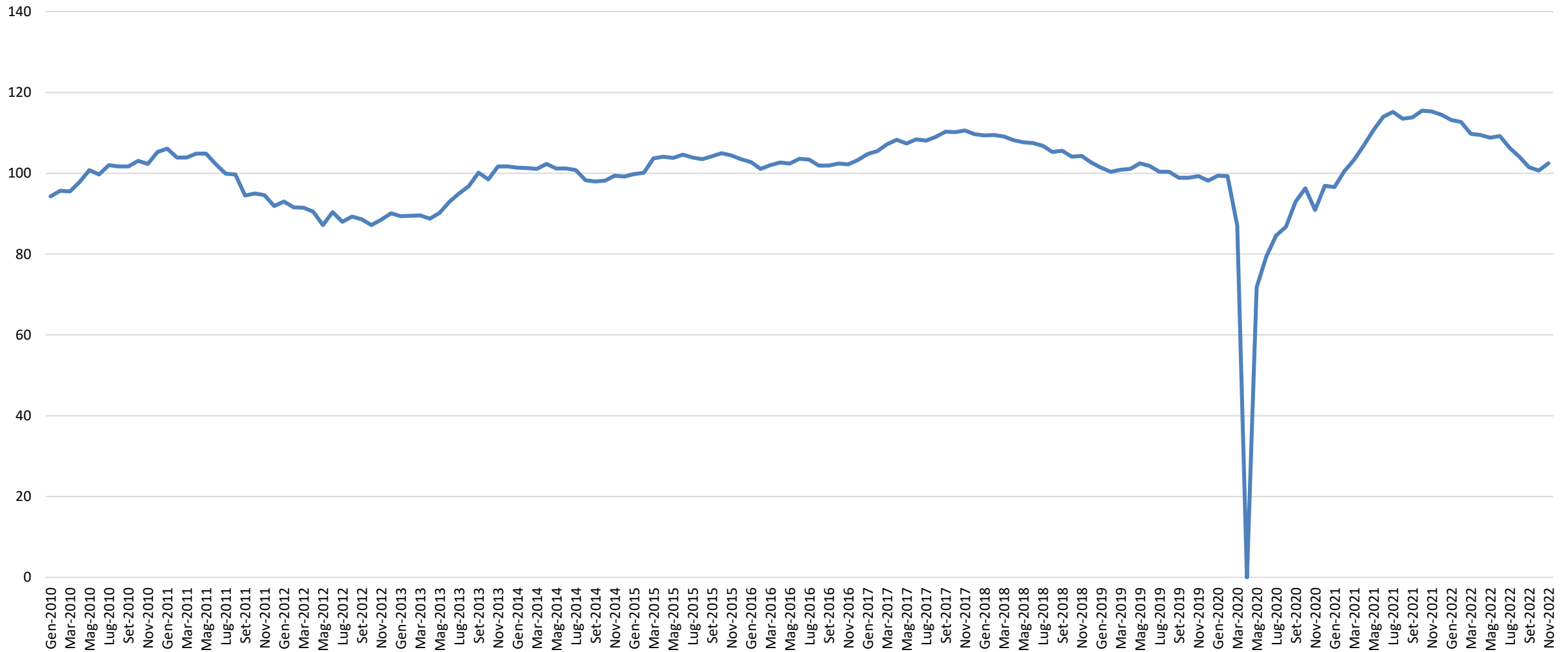
Economic scenario. Energy and gas market

Russian gas % of total gas import, 2021

Poland	55,02
Germany	48,79
Italy	47,07
Netherlands	31,73
France	19,6
Spain	5,51
UK	6,71
Portugal	1,6
Euro-area	33,45
EU 27	38,35

Economic scenario. Climate of confidence in the manufacturing industry

Climate of confidence in the Italian manufacturing industry



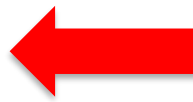
Source: ISTAT

Economic scenario. Exports

	Values 2021 (million Euro)	2021	2022	2023	2024
Manufacturing industry	478.612	12,9	5,7	1,7	2,8
Food and Beverage	42.309	11,3	5,1	2,4	2,9
Wide consumption	7.084	12,5	7,1	3	3,5
Pharmaceuticals	33.271	-2,2	20,1	3	2,9
Fashion system	54.806	17	7,9	0,8	3,2
Furniture	10.831	25,4	3,8	1,3	3
Appliances	6.679	20,6	0,9	2,3	3,4
Vehicles and motorcycles	39.599	14,3	1,6	1,9	3,7
Mechanics	85.276	14,1	1,9	0,9	2,5
Electrotechnics	19.897	19,1	7,1	1,8	2,4
Electronics	9.726	9,5	9,2	1,5	3,2
Metallurgy	39.715	-0,2	0,8	1,5	3,4
Metal products	20.337	14,1	4,6	2,2	2,1
Chemical intermediates	28.234	14,2	2,8	0,3	1,4
Other intermediates	27.877	12,7	4,7	1,8	2,8
Construction products and materials	11.548	17,3	5,2	1,2	2

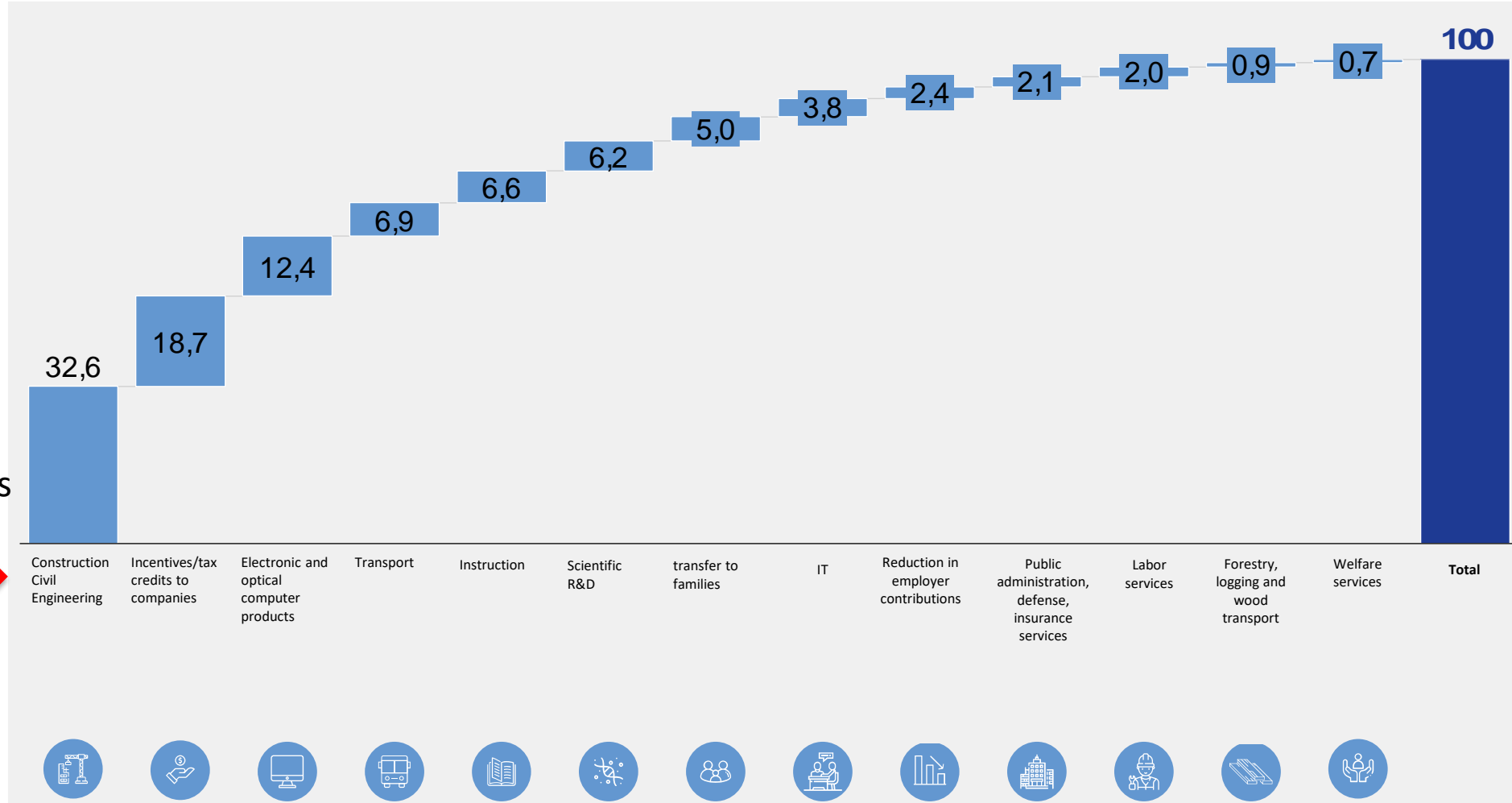
Economic Scenario. NRP

Total PNNR resources (bn Euro), time horizon: 2021-2026

Grants	68,9	
Lending for new projects	77,5	
Lending for on going projects	45,1	
Total	191,5	
Supplementary Fund	30,6	
REACT-EU	13,0	
Total additive resources for impact assessment	182,7*	

Economic Scenario. NRP

Percentage allocation of NRP resources



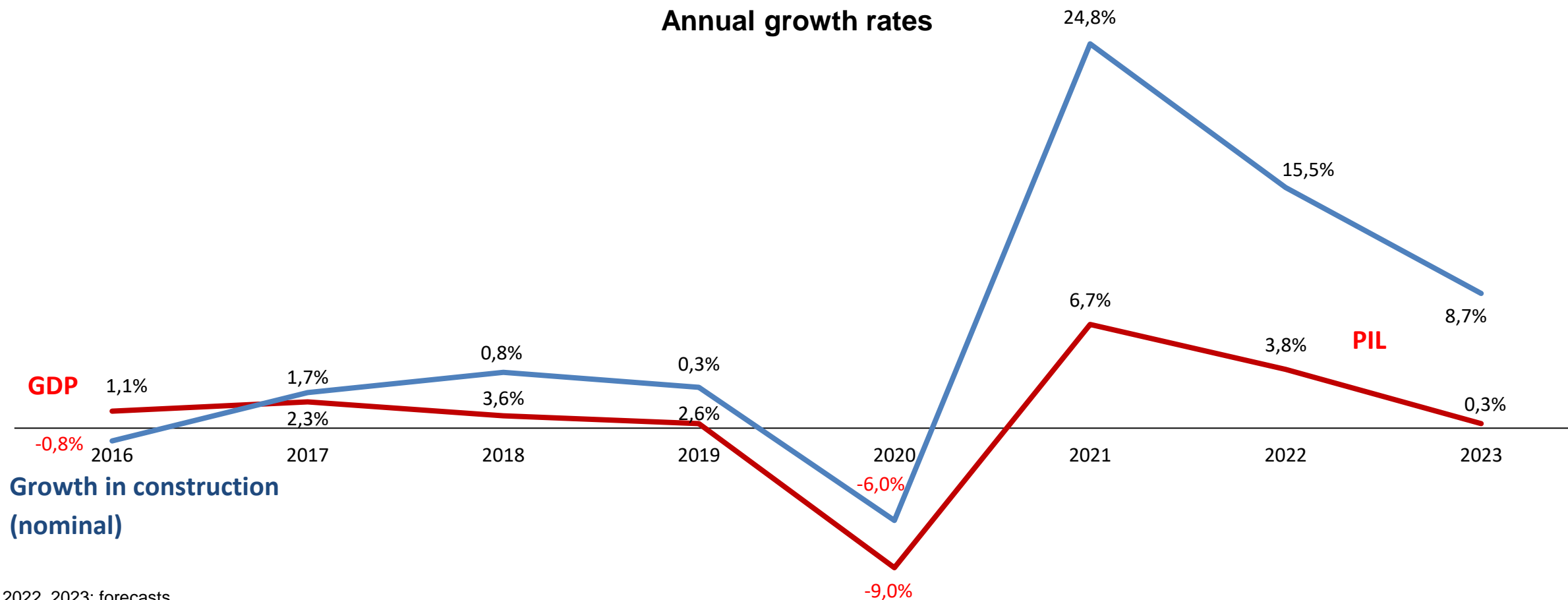
60 billion Euro on constructions by 2026

Economic Scenario. NRP

PNRR Macroeconomic Impact (percentage deviations from the baseline scenario)

	2021	2022	2023	2024	2025	2026
GDP	0,5	1,2	1,9	2,4	3,1	3,6
Private consumption	-0,2	-0,6	-0,6	0,0	1,0	1,9
Total Investments	2,8	7,6	11,6	12,5	11,8	10,4
Import	0,2	1,0	1,9	2,7	3,4	4,0
Export	-0,2	-0,5	-0,2	0,6	1,6	2,7

Investment trends in the construction sector



**Growth in construction
(nominal)**

2022, 2023: forecasts
Independent variable: Italian GDP Forecast UE Commission

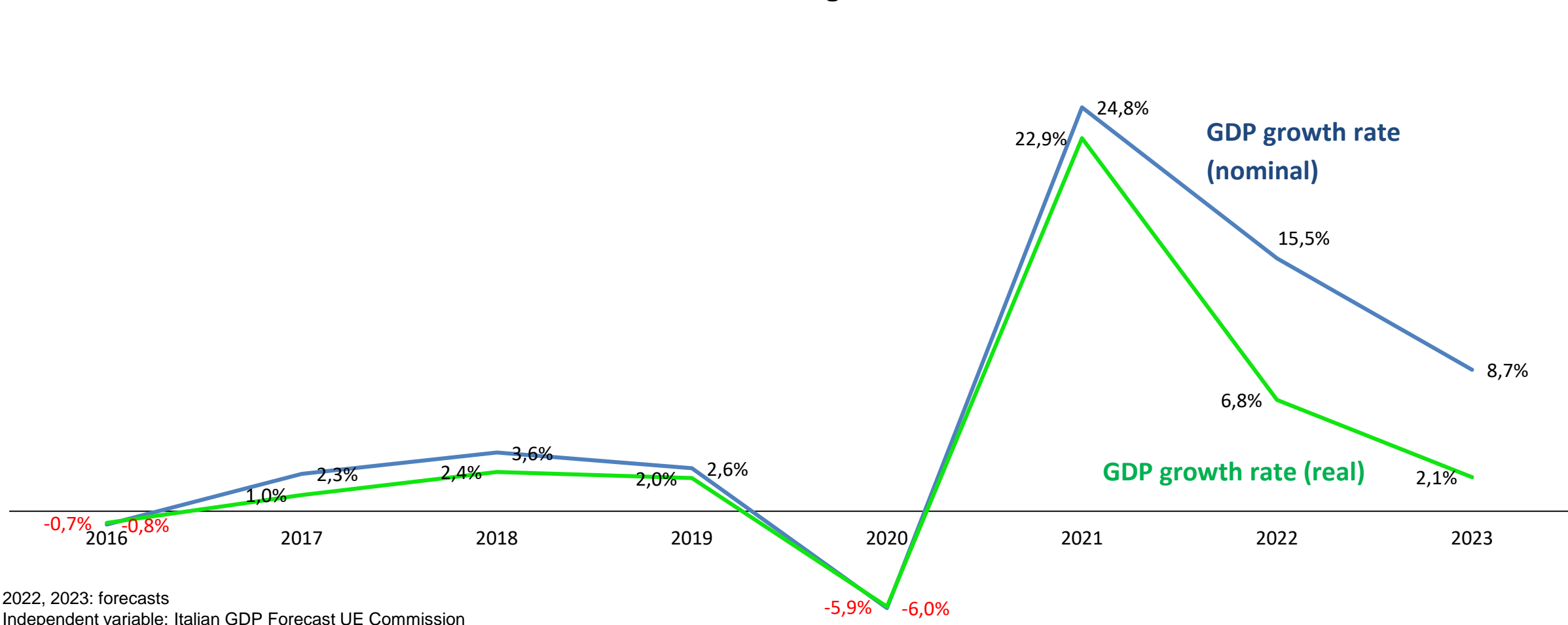
The statistics on the construction market are updated with each new release of ISTAT data, this involves changes that also affect data from years prior to the publication of this report

The forecasts presented in the document are subject to quarterly revision. The forecasts for the year 2022 have a margin of error of +/- 10%, for those for the year 2023 the margin of error is +/- 30%.

Elaborations on European Commission and ISTAT data

Investment trends in the construction sector

Nominal vs. real growth rate



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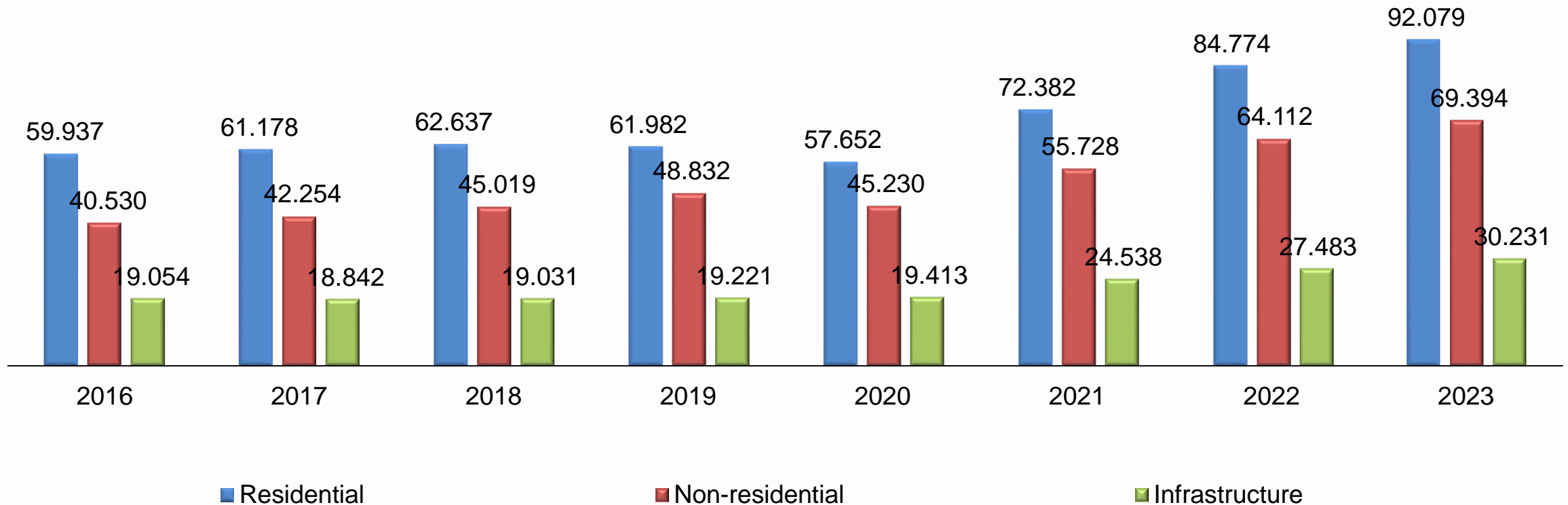
Elaborations on European Commission and ISTAT data

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Investment trends in the construction sector

Investments in construction (millions of Euro)

2021-2023: + 70 billion Euro in construction



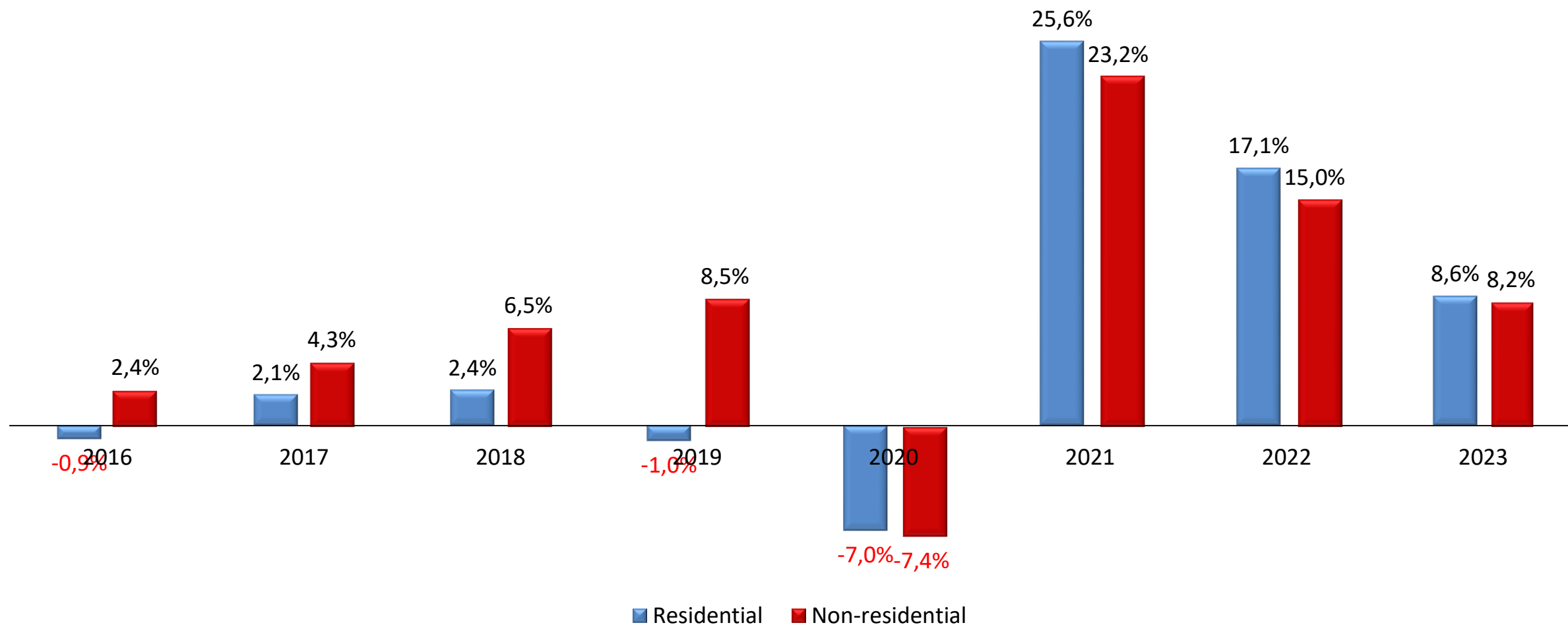
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Elaborations on ISTAT data; 2022, 2023 estimated

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Investment trends in the construction sector

Investment in residential and non-residential construction



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Elaborations on ISTAT data; 2022, 2023 estimated

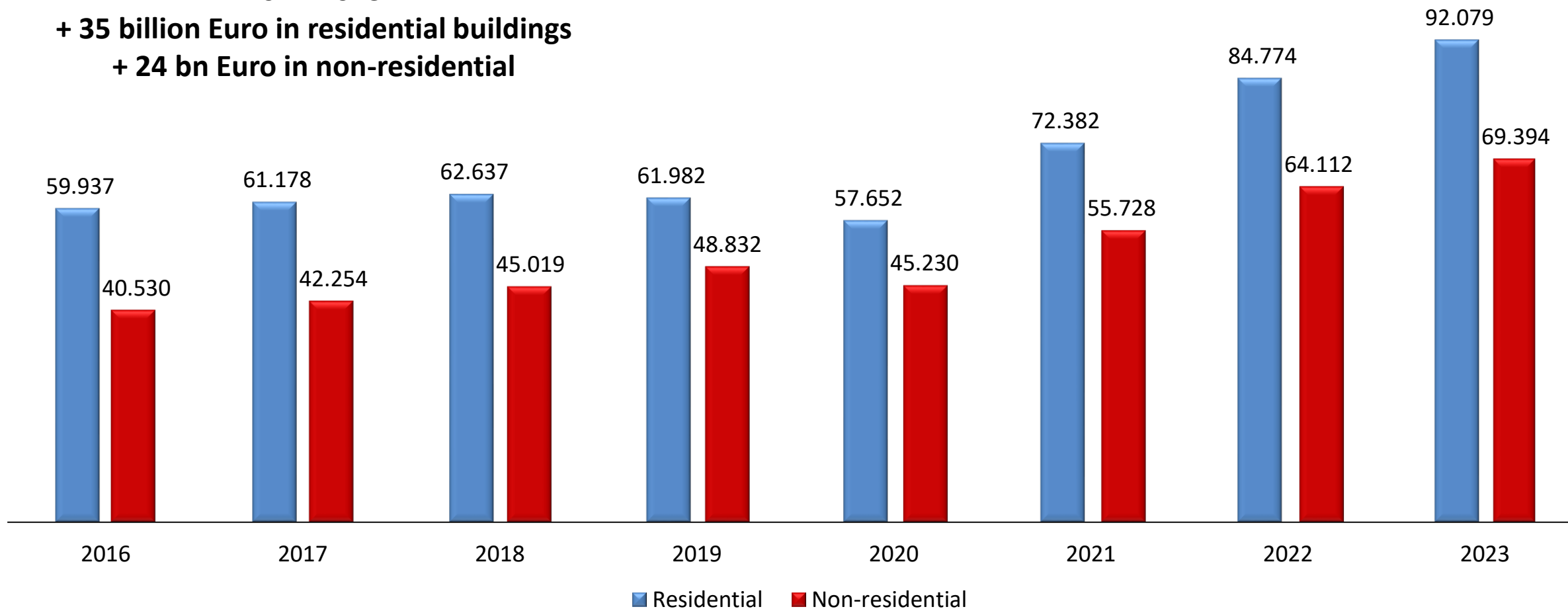
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Investment trends in the construction sector

Investment in residential and non-residential construction (Millions of Euro)

2021-2023

**+ 35 billion Euro in residential buildings
+ 24 bn Euro in non-residential**



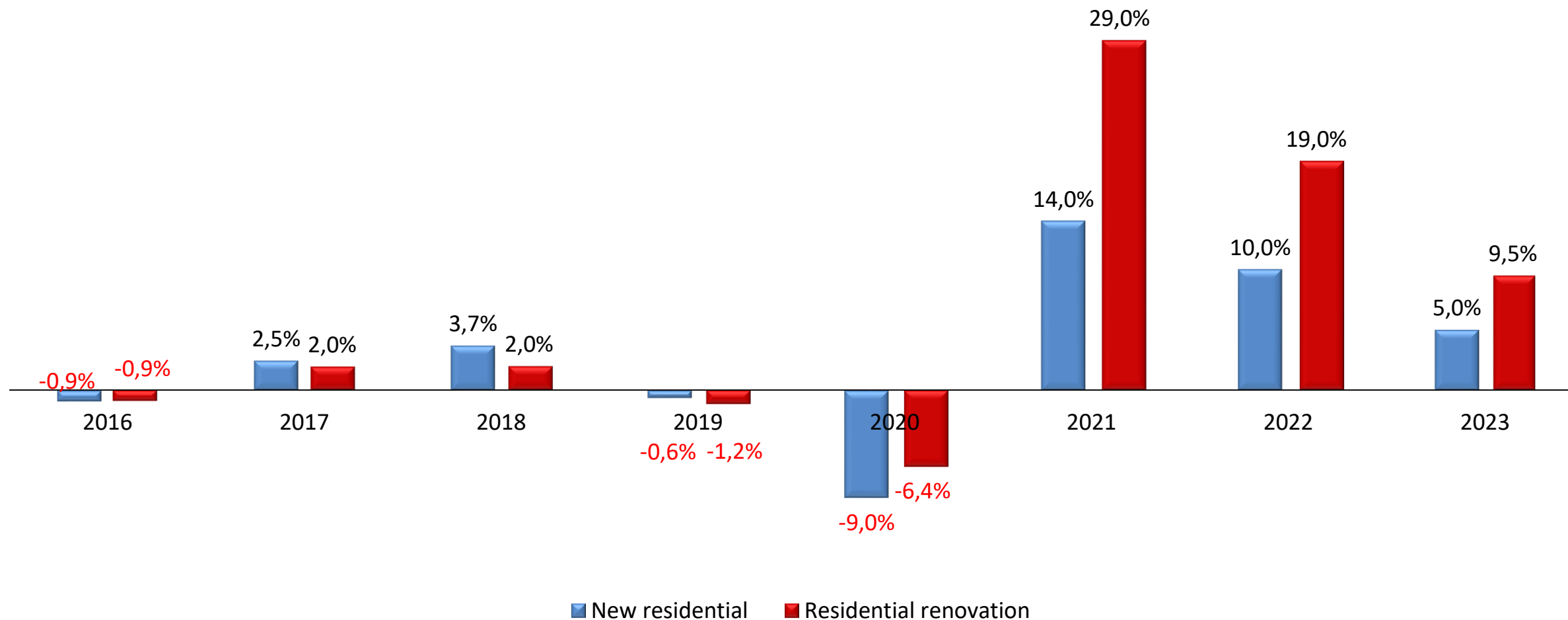
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Investment trends in the construction sector

Investment in residential construction



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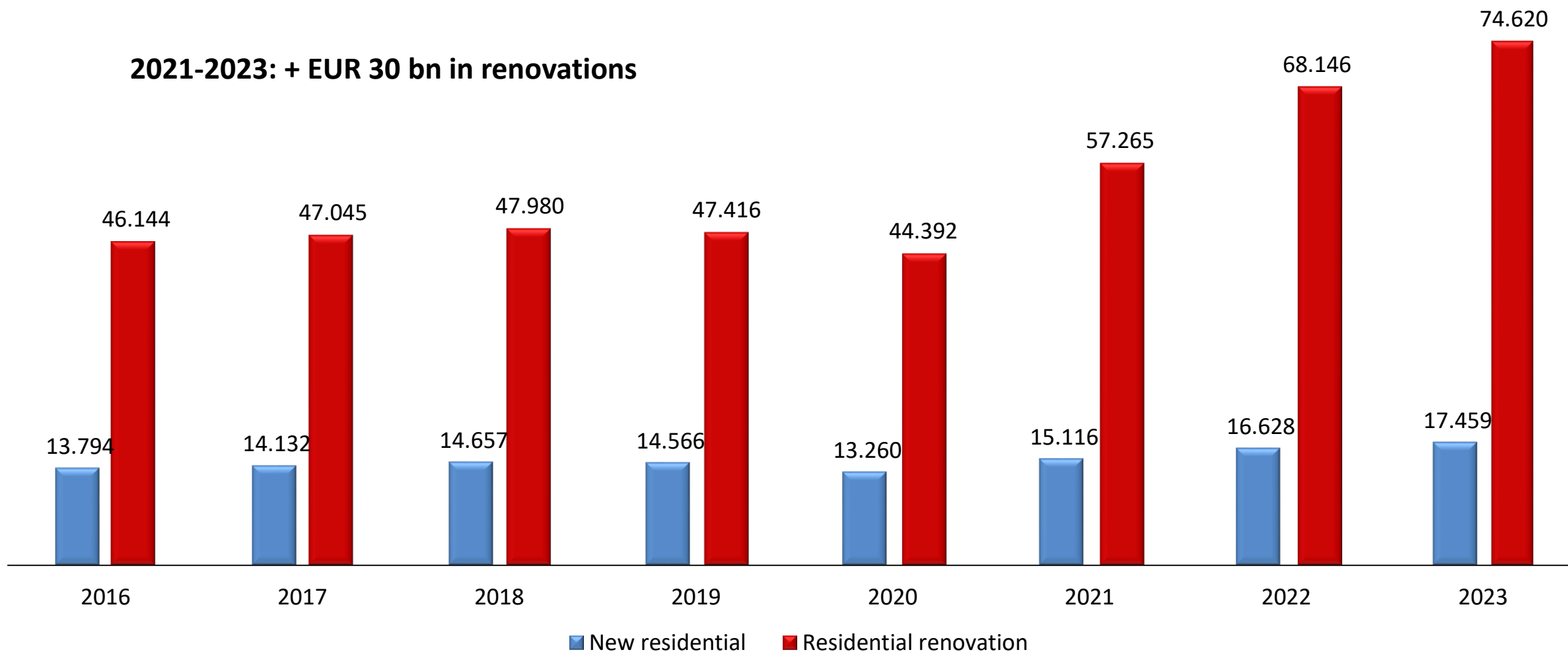
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Investment trends in the construction sector

Investments in residential construction (millions of Euro)

2021-2023: + EUR 30 bn in renovations



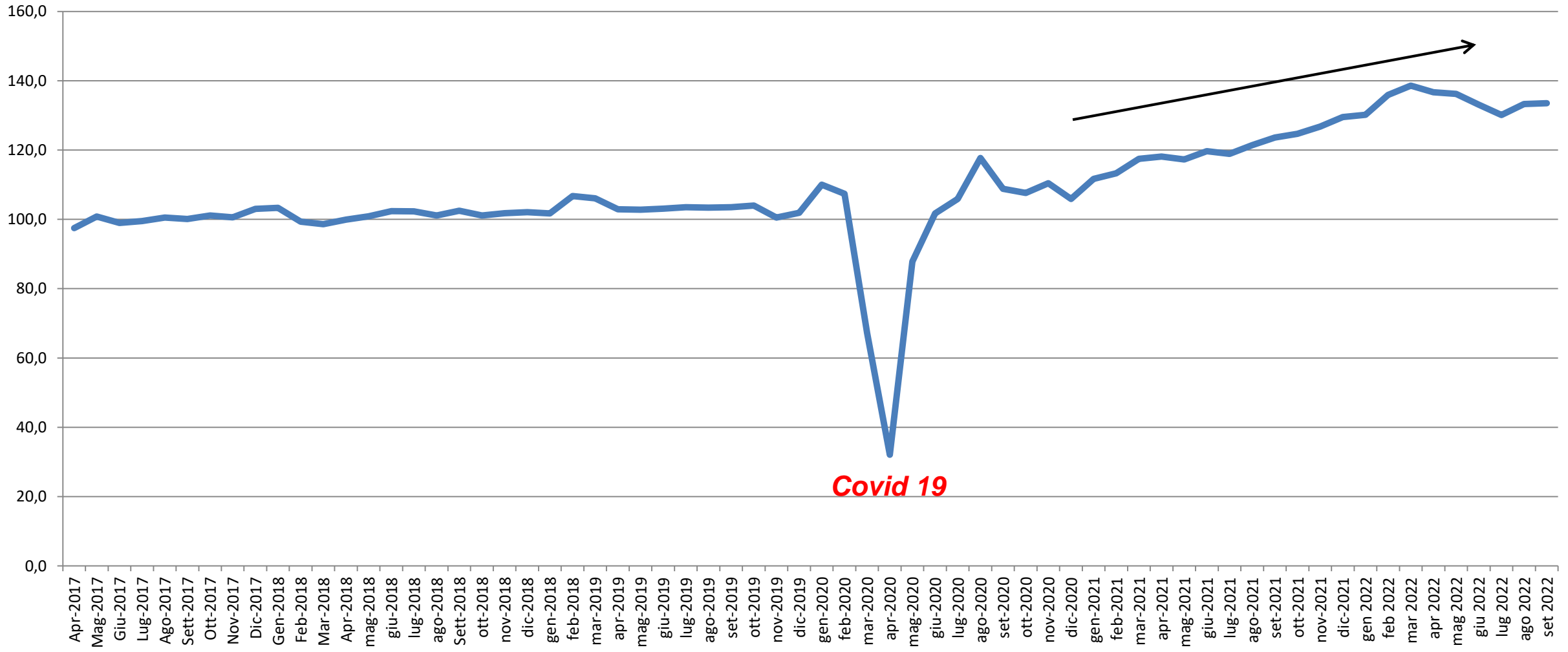
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Investment trends in the construction sector

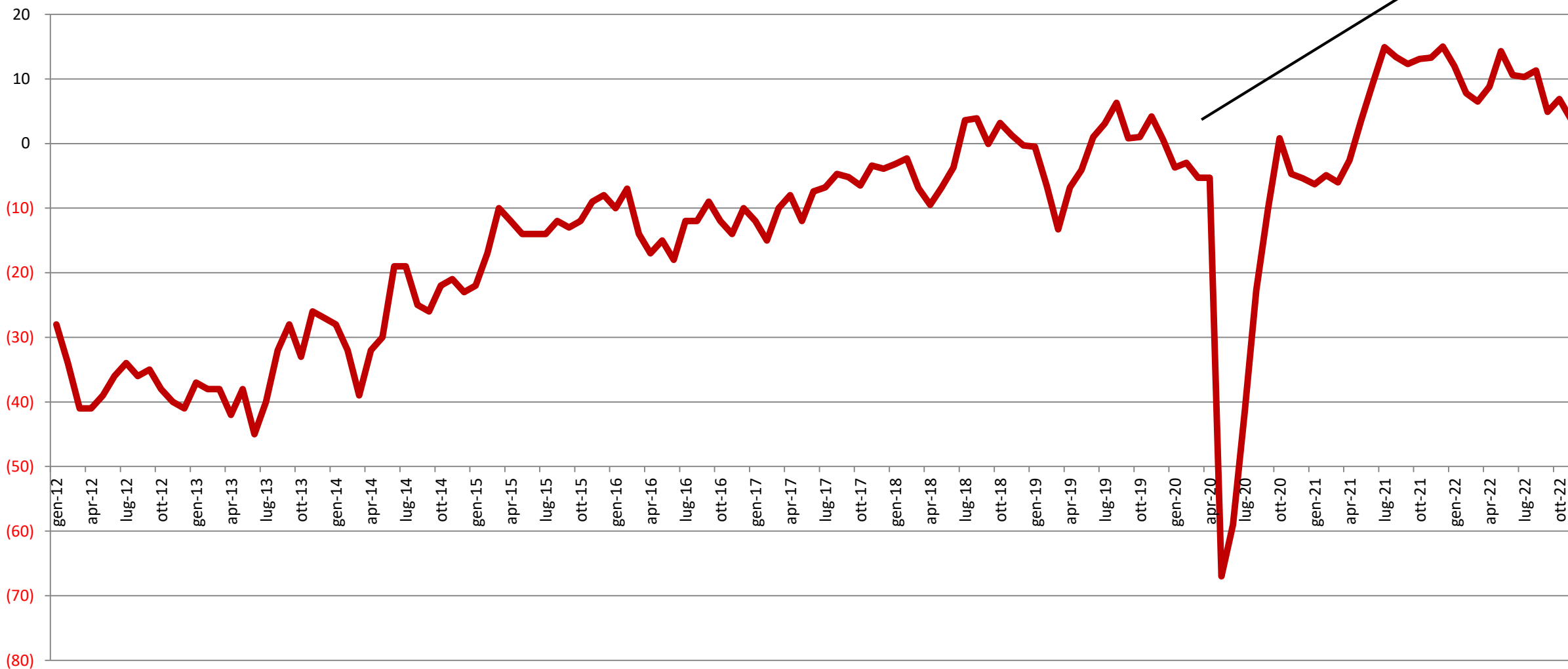
CONSTRUCTION OUTPUT INDEX (seasonally adjusted)



Covid 19

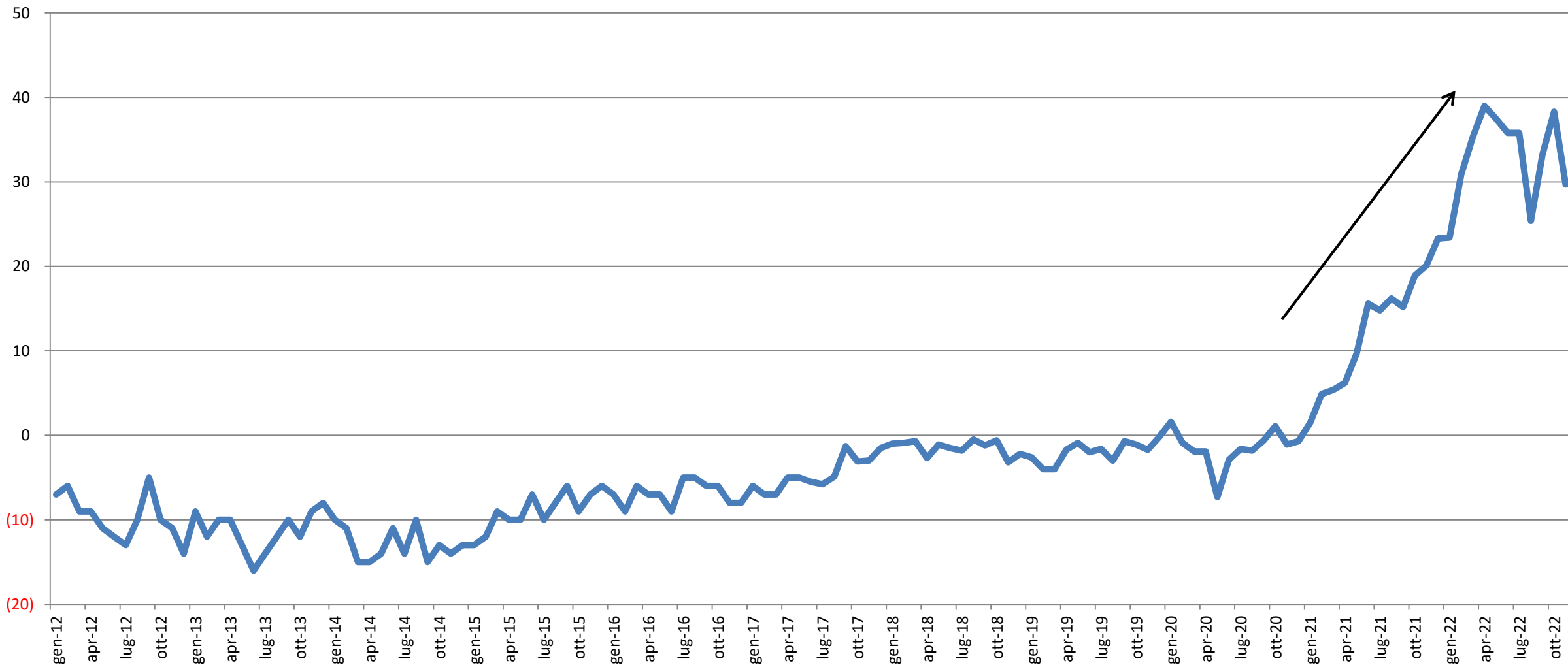
Investment trends in the construction sector

Assessment of the company's construction activity in the last 3 months - balance



Investment trends in the construction sector

Company's price trend over the next three months - balance

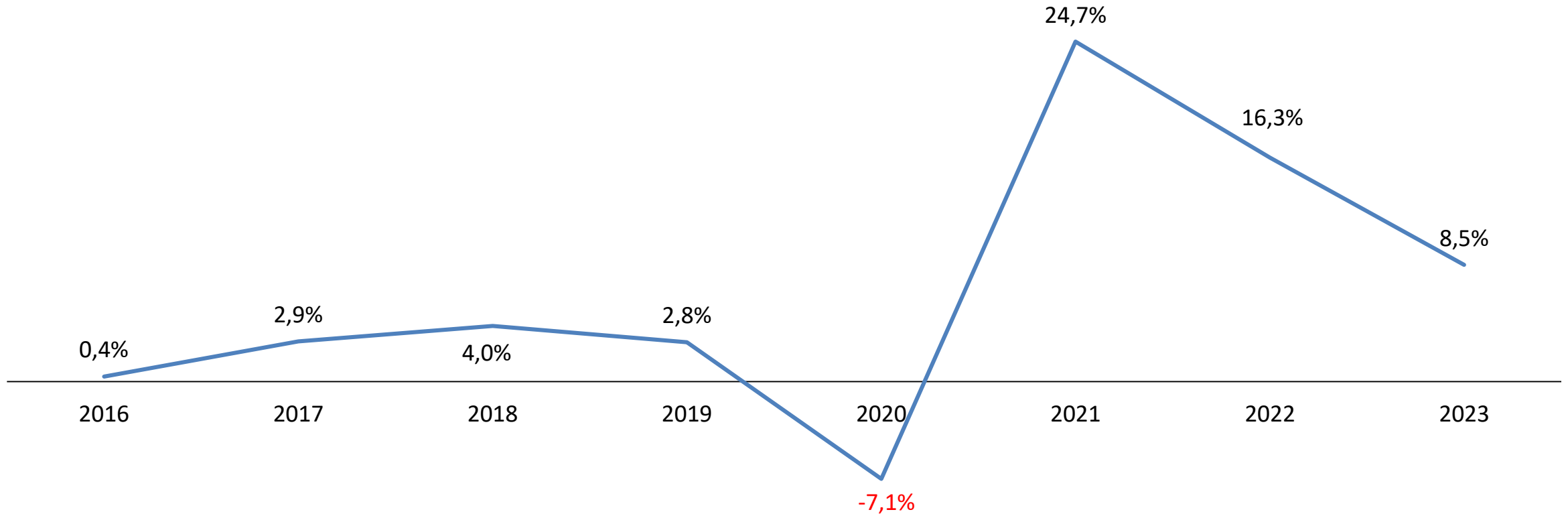


*dated April 2020 estimated

Elaborations on ISTAT data

Demand for windows and facades

TOTAL growth rate of windows, doors and facades sector



The statistics on the construction market are updated with each new release of ISTAT data, this involves changes that also affect data from years prior to the publication of this report

Elaborations on ISTAT data; 2022, 2023 estimated

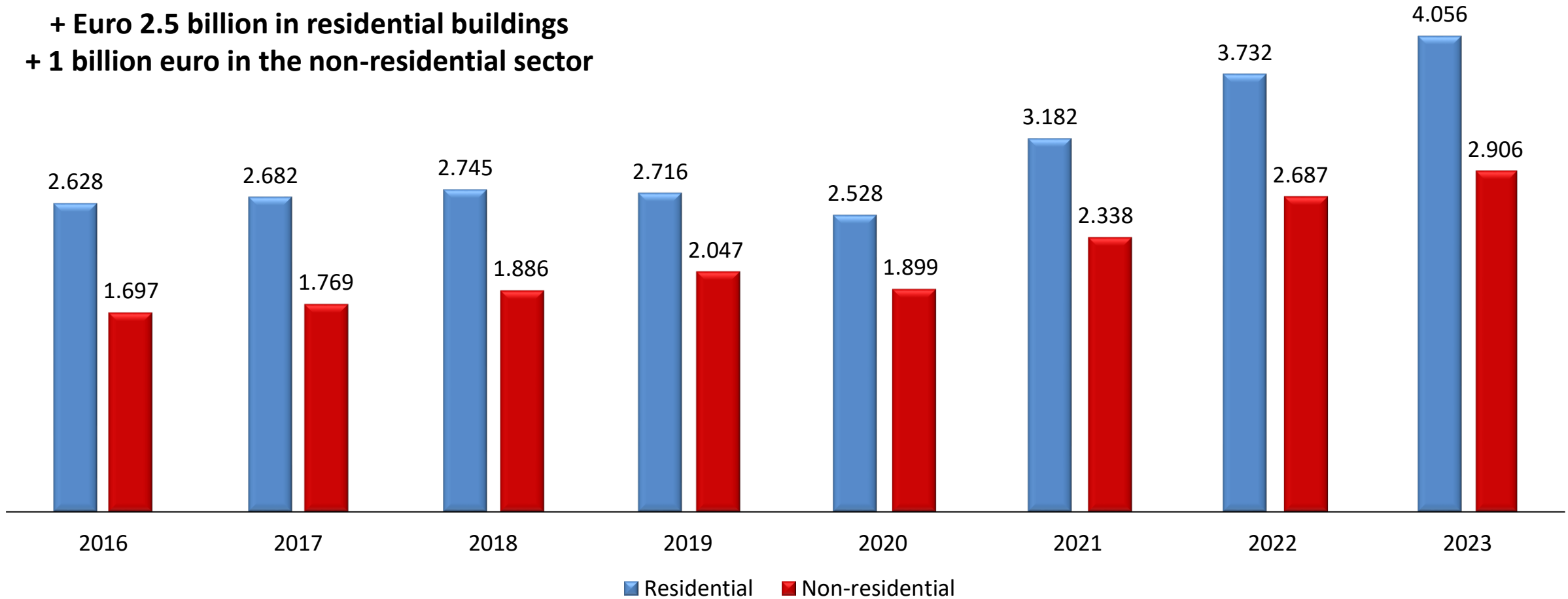
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Demand for windows and facades

Demand for windows and facades (million Euro)

2021-2023

**+ Euro 2.5 billion in residential buildings
+ 1 billion euro in the non-residential sector**



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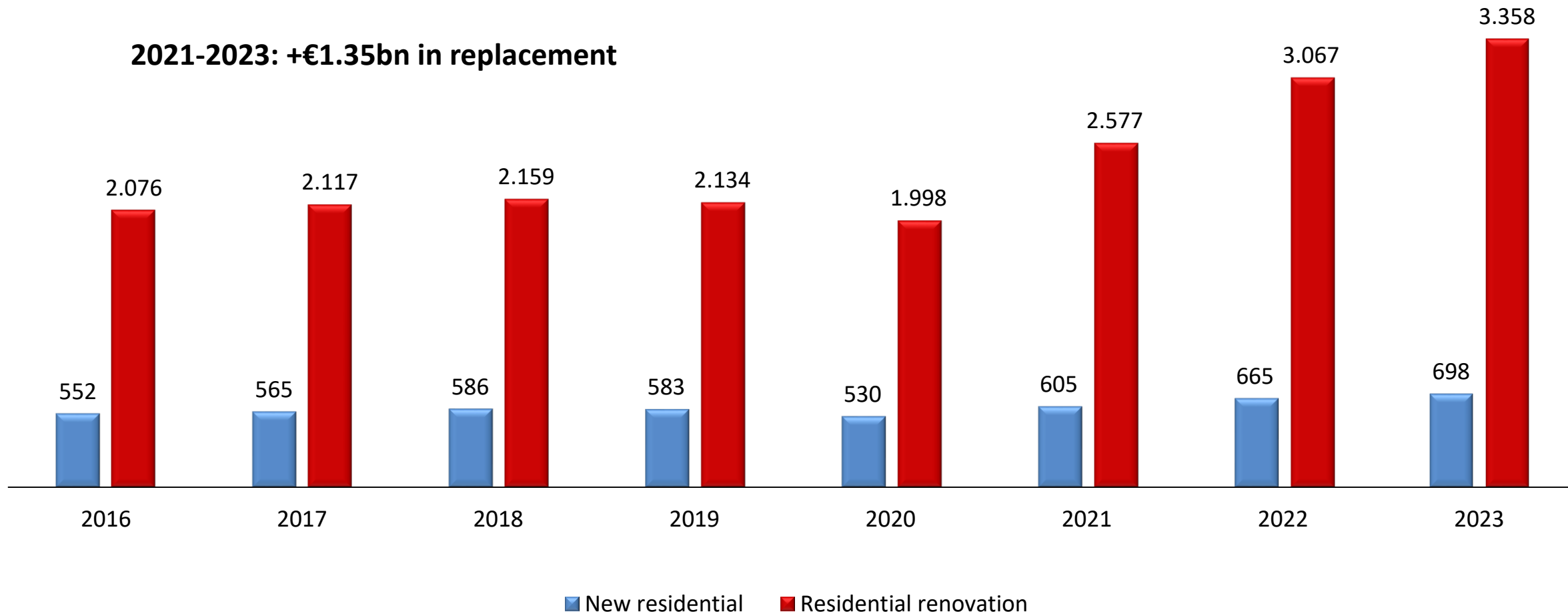
Elaborations on ISTAT data; 2022, 2023 estimated

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Demand for windows and facades

Residential window demand New vs. renovation (million Euro)

2021-2023: +€1.35bn in replacement



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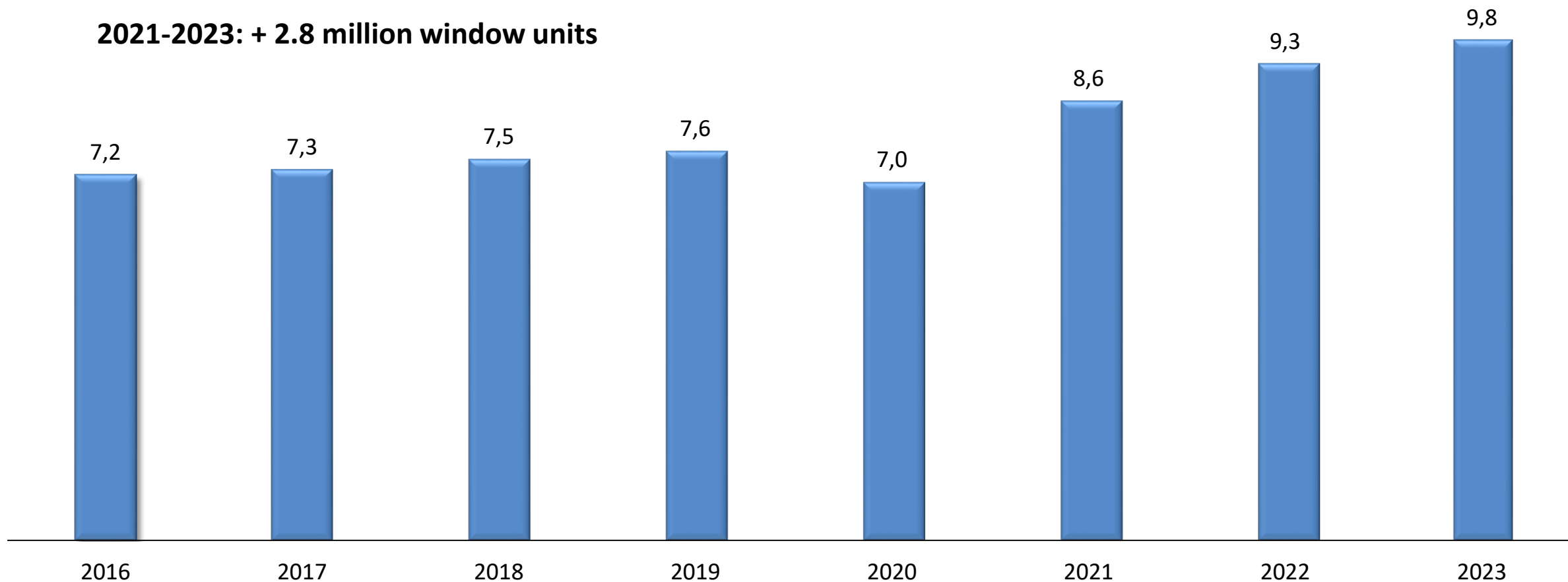
Elaborations on ISTAT data; 2022, 2023 estimated

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Demand for windows and facades. Volumes sold

Total windows sold (UNITS, millions)

2021-2023: + 2.8 million window units



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Elaborations on ISTAT data; 2022, 2023 estimated
Window unit: 1,300mm X 900mm, one casement

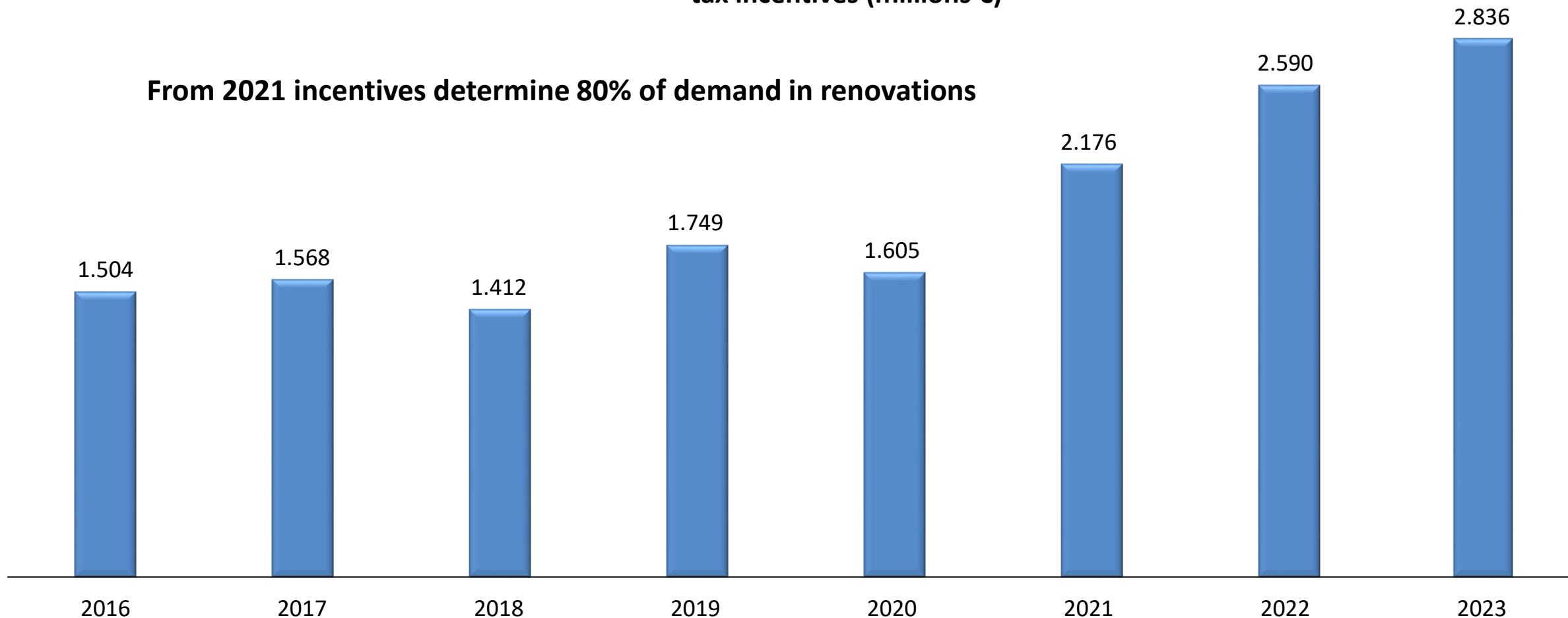
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Demand for windows and facades. Impact of tax incentives

Demand for windows and doors generated by tax incentives (millions €)

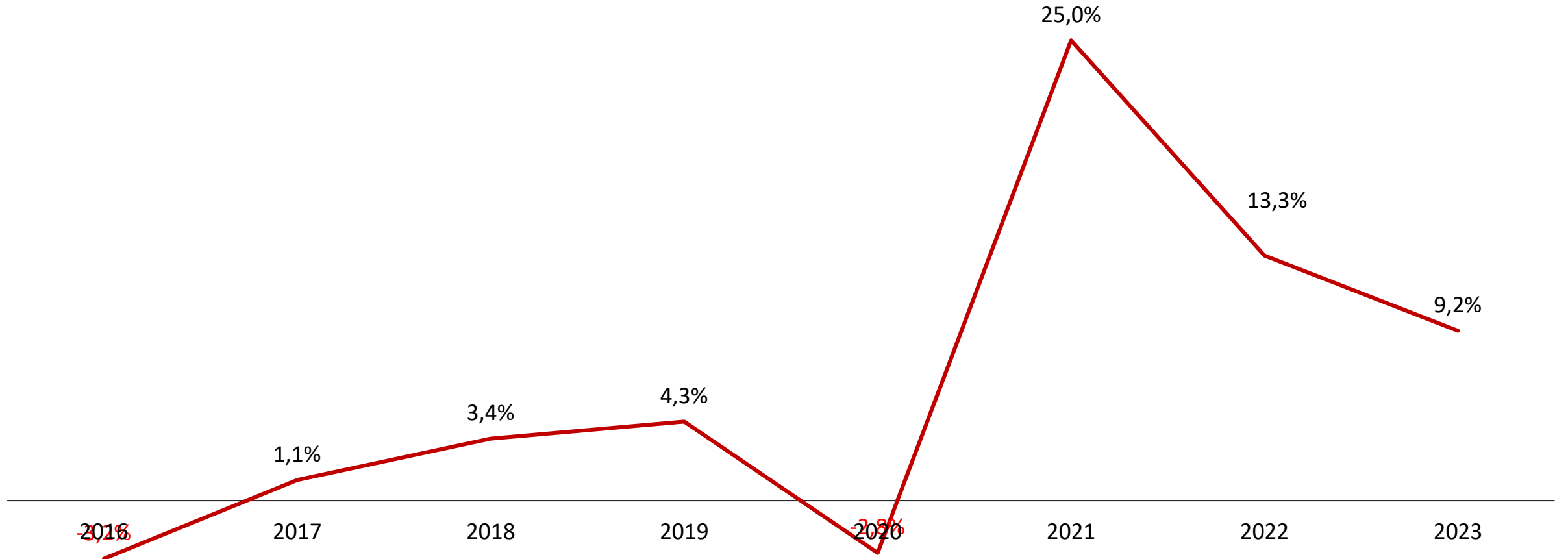
The 2021, 2022, 2023 figures include an estimate of the interventions made with the home bonus and with superbonus

From 2021 incentives determine 80% of demand in renovations



Evolution of demand for metal constructions

Metal construction market growth rate



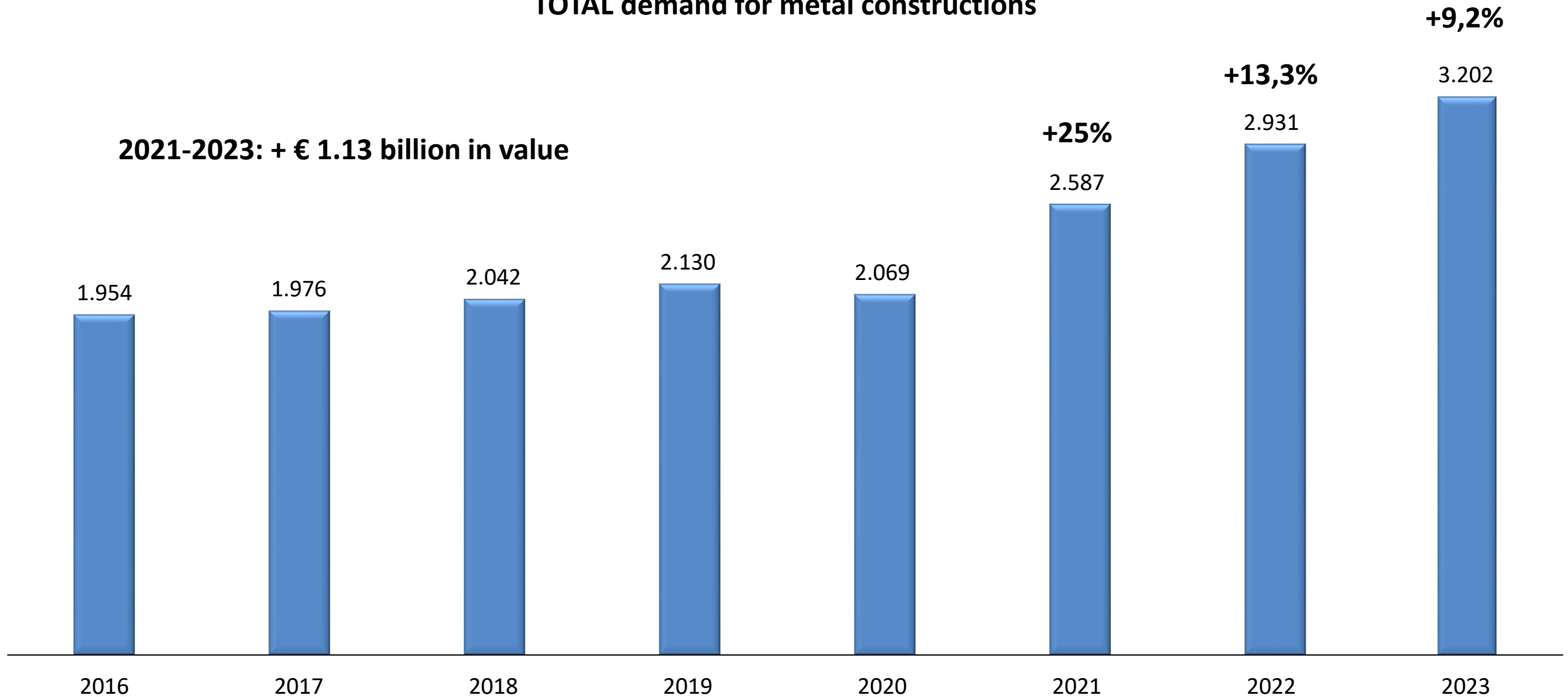
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Elaborations on ISTAT data. 2022, 2023 estimated data

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Evolution of demand for metal constructions

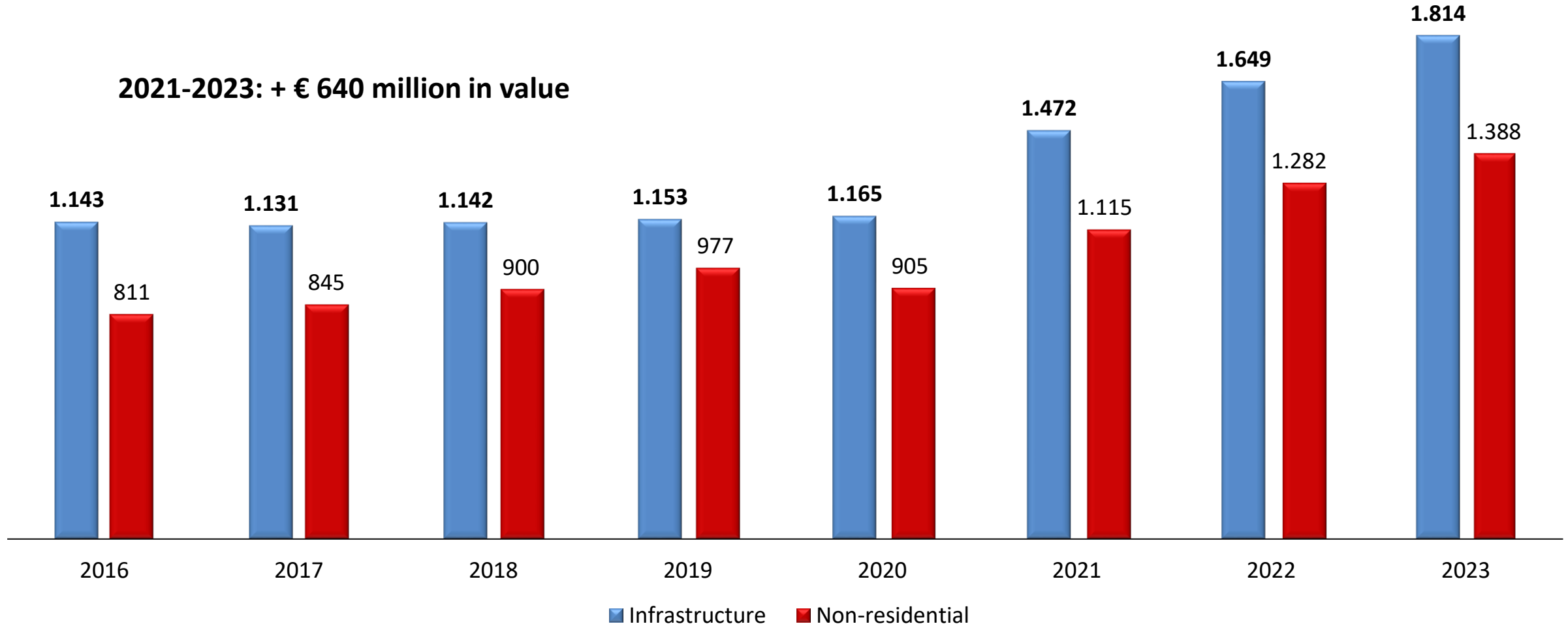
TOTAL demand for metal constructions



Evolution of demand for metal constructions

Demand metal constructions

2021-2023: + € 640 million in value



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Elaborations on ISTAT data. 2022, 2023 estimated data

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Relevant topics for 2023

1. Possible impact of inflation on household consumption
2. Evolution of interest rates and impact on investments
3. Evolution of raw material prices and energy costs
4. The challenge of productivity and management development

Legal notes

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More data on the window and door industry can be found at www.windowmarket.it

