

---

## Italian central bank slashes growth forecasts

**By Editor**

Published: 07/15/2008 - 05:59

MILAN, July 15, 2008 (AFP) - The Italian central bank on Tuesday slashed its 2008 and 2009 growth forecasts to 0.4 percent in the face of a global economic slowdown and high oil prices.

The bank had previously put growth at 1.0 percent this year and 1.1 percent next after 1.4 percent in 2007. The government has predicted growth of 0.5 percent this year.

The central bank attributed its downward revision primarily to an increase in commodity prices, especially for oil.

'Internal demand should stagnate this year and barely increase next year,' it added.

Exports, constrained by intense price competition, are expected to slow considerably but are still seen increasing by about 2.0 percent this year and slightly less in 2009.

Inflation, according to the bank, should come to 3.8 percent in 2008, rather than a previously estimated 2.6 percent, and 2.8 percent in 2009.

The bank added that its forecasts could be lowered further for growth and raised for inflation 'given possible new increases in energy prices and a deterioration in the international macroeconomic and financial climate.'

Average rating

(0 votes)

Rate this:

---Excellent!Great!GoodQuite goodNot so great