Il Ministro dell'Economia e delle Finanze

Prot. 482/RIS.

Rome, 15 October 2015

Dear Commissioner, dear Pierre,

Please find attached a copy (in Italian and in English) of Italy's Draft Budgetary Plan (DPB) 2016, following today approval of the Stability Law by the Cabinet of Ministers.

In order to provide further support to the economic recovery, in 2016 the Italian Government would like to use the flexibility afforded by EU fiscal rules, i.e. the structural reform clause and the investment clause.

Within this Draft Budgetary Plan, the Italian Government asks for a further 0.1 percentage point deviation from the convergence path towards the MTO in 2016, on the basis of both planned and already implemented structural reforms. For instance, relevant changes have recently been implemented in bankruptcy law and in the tax treatment of banks' nonperforming loans, with the aim to extend new credit to the economy and to enhance the growth potential especially in the medium term. A major institutional reform has just been approved by the Senate.

Furthermore, the Italian Government wishes to make use of the public investment clause, in consideration of the amount of national expenditure on projects co-financed by the EU and of the measures included into the 2016 Stability Law in order to accelerate such co-financed investments.

Finally, I draw your attention to the question of how the Stability and Growth Pact can cater for public expenditures prompted by the refugee crisis. Our Draft Budgetary Plan provides detailed analysis and data on refugees and the financial resources needed to cope with the extraordinary inflow of immigrants on Italian territory.

If you need further information, I stand ready to provide additional details. I am looking forward to an assessment by the Commission which is commensurate to the political, social and economic problem of refugees in Europe.

Best

Pier Carlo Padoan

Pier Padoan

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