



# ITALY

## State of Play – Winter 2017



### MACROECONOMIC SITUATION

- Stable, modest economic growth in 2016

#### Excessive imbalances

- High level of public debt
- Low productivity growth
- Weak external competitiveness
- Pockets of vulnerability in financial sector, non-performing loans stabilising, but remain high
- Improvements on the labour market, but high long-term and youth unemployment with social consequences



### PROGRESS ON COUNTRY-SPECIFIC RECOMMENDATIONS

#### Some progress

- in reforming the budgetary process, privatisation and taxation reform
- in reforming the banking sector
- in reforming the labour market and addressing poverty

#### Limited progress

- in modernising the public administration, enhancing efficiency of civil justice and stepping up the fight against corruption
- in enhancing competition



### FISCAL SITUATION

- No excessive deficit
- Structural balance below the medium-term budgetary objective in 2016
- Public debt well above the 60% of GDP reference value, required to be put on an appropriate downward path
- Draft Budgetary Plan 2017 assessed as at risk of non-compliance with the rules of the Stability and Growth Pact for 2017

More info at

<https://ec.europa.eu/info/strategy/european-semester/european-semester-timeline/analysis-phase>