



Valdis DOMBROVSKIS
Executive Vice-President

Paolo GENTILONI
Commissioner for the Economy

Mr Roberto Gualtieri
Minister of Finance
Rome, Italy

Brussels, 12 March 2020

Ares(2020)1734591

Dear Minister,

Thank you for your letter of 10 March informing the European Commission of the latest developments concerning Italy's fiscal response to the COVID-19 pandemic.

First of all let us again express our condolences for the increasing number of victims of the virus in Italy. The Commission commends the extraordinary efforts that the Italian government and the Italian people are making to contain the contagion.

We would like to reassure you that the Commission is working relentlessly and using all the tools at its disposal to ensure an effective European response to the emergency. Commission President Ursula von der Leyen has just announced a "Corona Response Investment Initiative", with expected investments of up to EUR 25 billion, to support the healthcare systems, small and medium-sized enterprises, workers and vulnerable sectors of our economies. We agree that, to be most effective, the fiscal policy response to the pandemic will need to be decided and implemented in a coordinated fashion. It is important that the Commission and the Member States work together in these difficult circumstances to achieve the common goal of making sure that the European economy weathers this storm.

In this context, we acknowledge the Italian government's intention to further revise its fiscal targets in 2020 in order to issue a package of support measures of EUR 10 billion overall, leading to Italy's general government deficit target being revised upwards from 2.2% of GDP to 2.7% of GDP, before taking into account changes in the macroeconomic scenario.

We also acknowledge that the Italian government intends to ask the Parliament's authorisation for additional contingent financing of up to EUR 10 billion, in the framework of a coordinated EU-wide response

We look forward to receiving the details of these measures and additional contingent financing in time for the assessment of Italy's 2020 Stability Programme. In this context, we would like to reiterate that any one-off budgetary spending, incurred in relation to the response to the pandemic, would be excluded by definition from the computation of the structural balance and not taken into account when assessing compliance with the required fiscal effort under the existing rules. Moreover, the Commission will assess possible requests for allowances under the "unusual events clause", using to the maximum the flexibility of the EU fiscal framework.

We take this opportunity also to recall that, following the 10 March videoconference of the European Council on the response to COVID-19, the Eurogroup on 16 March will reassess the situation in the EU and further steps, commensurate with the developments as they unfold.

Yours sincerely,



Valdis Dombrovskis



Paolo Gentiloni