

WRITTEN QUESTION E-5645/07  
by Renato Brunetta (PPE-DE)  
to the Council

Subject: Possible deterioration in Italian government finance balances

In the Berlin Agreement of 20 April 2007 the Eurogroup ministers unanimously acknowledged the need to take advantage of the favourable cyclical conditions in order to speed up deficit and debt reduction so as to attain the goal of an annual adjustment not less than 0.5% of GDP in structural terms.

– The budget package as initially approved by the Italian Government, consisting of the Finance Bill 2008 (Bill No 1817), providing for a total of EUR 10 900 m, and the Fiscal Decree Law 2007-2008 (Decree Law No 159 of 1 October 2007), providing for a total of EUR 7 500 m, makes for a worse ratio of deficit to GDP, increasing it from 1.5%-1.8% (the trend figure for 2008) to 2.4%.

– In view of the amendments now being made in one of the two houses of the Italian Parliament (the Senate), both to the decree law and to the bill, the government finance balances will be worsened still further (in the vote on the fiscal decree law, additional expenditure of EUR 3 200 m has already been earmarked – EUR 1 300 m for various adjustments, plus EUR 1 900 m to double the bonus for the poorest non-taxpayers ('incapienti'); as far as the finance bill is concerned, EUR 830 m is already accounted for, to write off unpaid prescription charges and finance a spending spree covering everything from the rescue of interministerial committees to funds for shipbuilding, bee-keeping, the fisheries sector, and many more driblets and drabs besides).

– Will the Council study the progress of the debate on the budget package (Finance Bill 2008 and the decree law) now under way in Italy with a view to assessing the individual provisions that even at this stage are likely to seriously jeopardise the Italian budgetary consolidation efforts, which the Government has, moreover, already put back to 2011?

– How will it intervene to avert further deterioration in the Italian government finance balances before the final decisions have been taken on the budget package and the Government formally notifies the Commission to that effect?