

WRITTEN QUESTION P-1489/08  
by Renato Brunetta (PPE-DE)  
to the Commission

Subject: Statistical veracity of public finance balances in Italy

Will the Commission, in its surveillance role under the Treaty title on economic and monetary union and the relevant secondary legislation – in particular the Stability and Growth Pact – launch an investigation into what amounts to outright false accounting by the Prodi government in respect of its budgets for the years 2006 and 2007? We refer to the revision of the data on net indebtedness for the year 2006, issued by ISTAT on 29 February 2008. Based on that new data, the accounts no longer show the extraordinary charge to the state of VAT reimbursements on company cars (arising from the judgment of the European Court of Justice). The Prodi government and its finance minister, Padoa-Schioppa, had deliberately and wrongly entered that charge in the 2006 budget, in contempt of the principles of sound public finance accounting, for an amount of some 17.2 billion euros, when the reimbursements actually made amounted to less than 2 billion euros! In fact, on the basis of ISTAT's new estimate, the deficit for 2006 has been adjusted downwards significantly, from 4.4% to 3.4%.

Can the Commission therefore:

- state what has prevented its services from conducting a proper inspection (as stipulated in the Treaty) into this matter, which has been roundly condemned in Italy and which has now turned out to be a case of outright false accounting;
- check another item unduly entered in the budget expenditure for 2006 under Article 1364 of the 2007 finance law (adopted on 27 December 2006), but which, under Article 969 of the same finance law, was made operational subsequently by way of a 2007 implementing decree, and which relates to the cancellation of amounts owed to the state by the company TAV for the financing of the high-speed train, as a result of the direct assumption of the debts of the company Infrastrutture SpA (ISPA) for an amount of 12 950 million euros which, in this instance too, should have been entered in the budget (and therefore added to the deficit) for the year 2007, which is the one in which the expenditure was actually borne;
- rectify the public finance statistics for 2006 and 2007 in order to factor in, as a reduction in 2006 and an addition in 2007, this other budget item representing almost 1% of GDP, which would reduce the budget deficit/GDP ratio still further to 2.4-2.5 %, while for 2007 the deficit should no longer be 1.9%, but 2.7-2.8%;
- state what its surveillance role consists of, if it is not to check these aspects of national accounting?