Il quadro economico e finanziario
DEF 2017 e futura Legge di Bilancio

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Un DEF più complesso rispetto agli anni scorsi

- Nel 2016 l'economia italiana è andata lievemente meglio del previsto, la finanza pubblica in linea con gli obiettivi

- Tuttavia, il 17 gennaio la Commissione Europea ha inoltrato una richiesta di manovra aggiuntiva pari a 0,2 punti di PIL strutturali.

- La Commissione ha inoltre richiesto un Programma di Riforma ambizioso onde evitare escalation della procedura MIP

- Il Governo ha pertanto deciso di varare una manovra aggiuntiva all'interno di un ampio intervento di politica economica (D.L. 50)
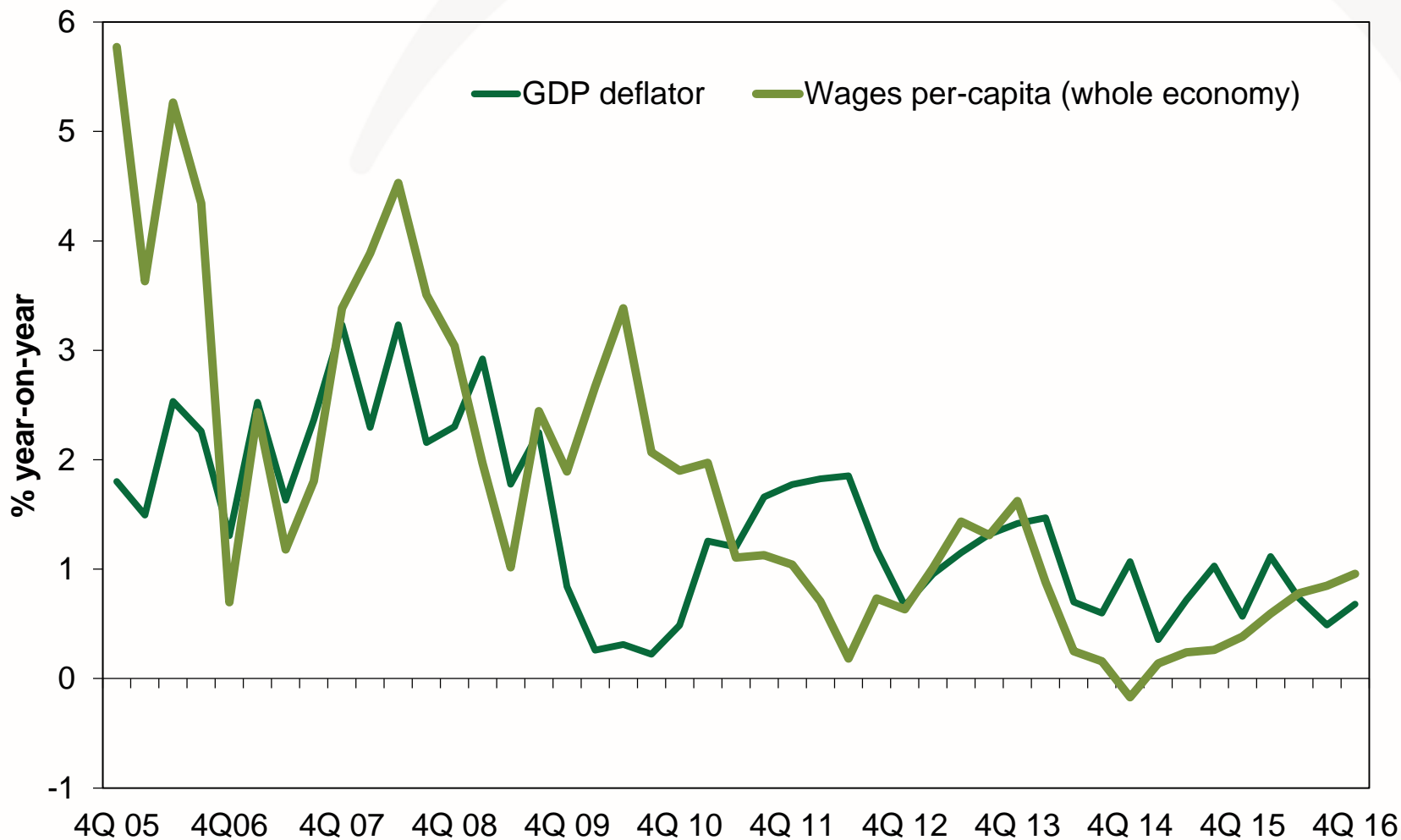
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La ripresa dell'economia sembra procedere a ritmo moderato

%

Legend:
- GDP (quarter-on-quarter annualised)
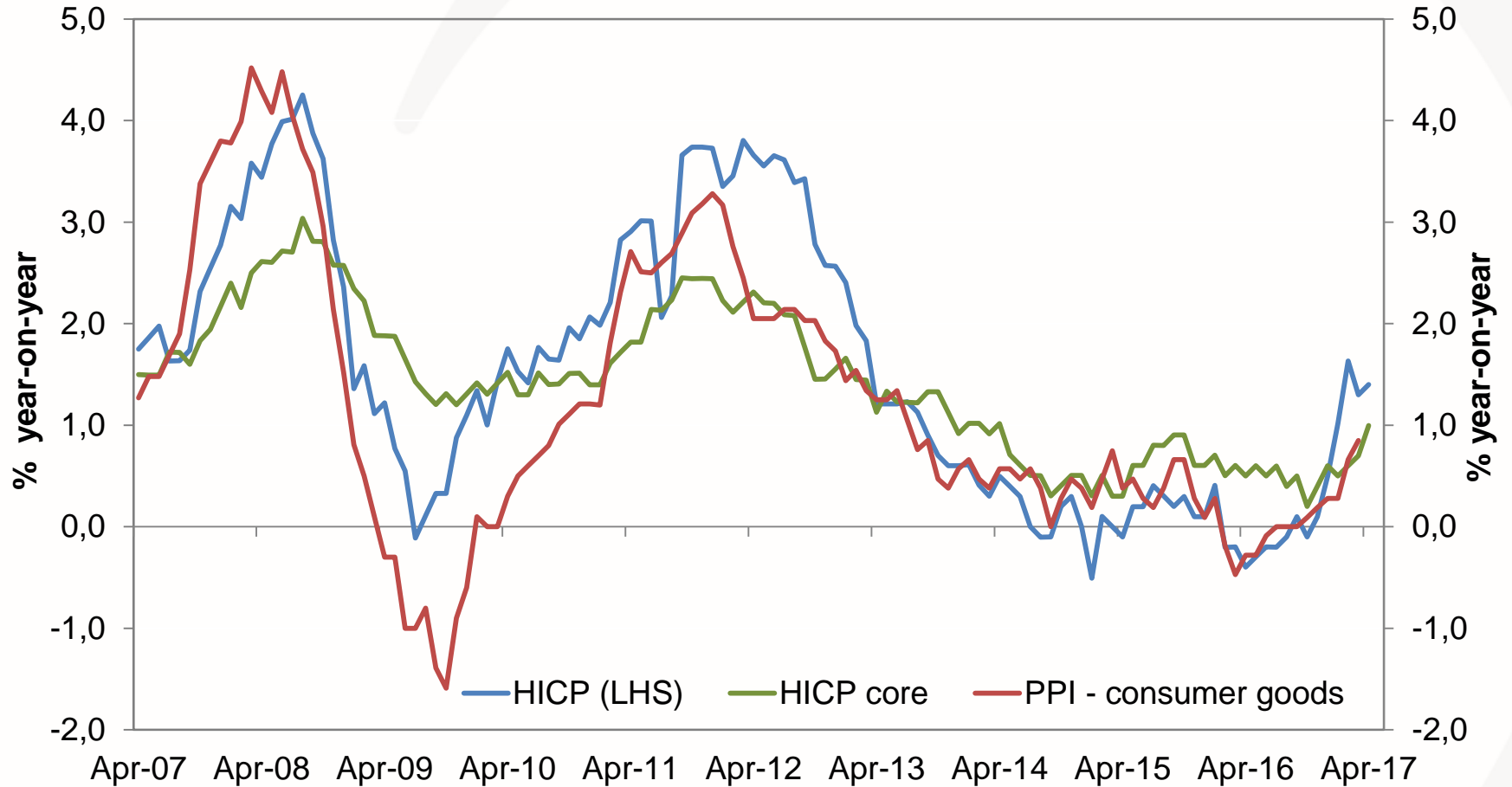- GDP (year-on-year)
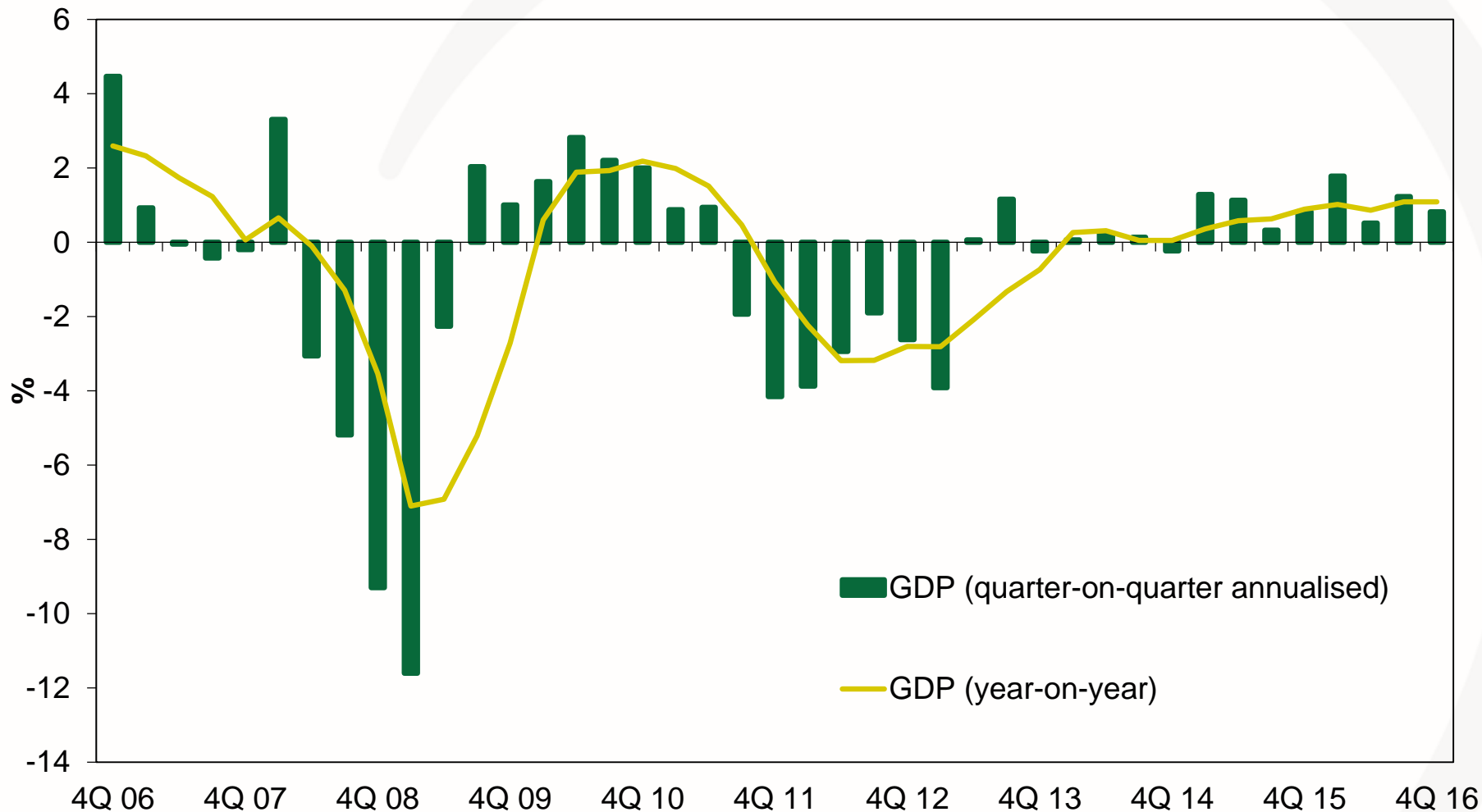
Source: ISTAT

Prezzi e salari in crescita lenta
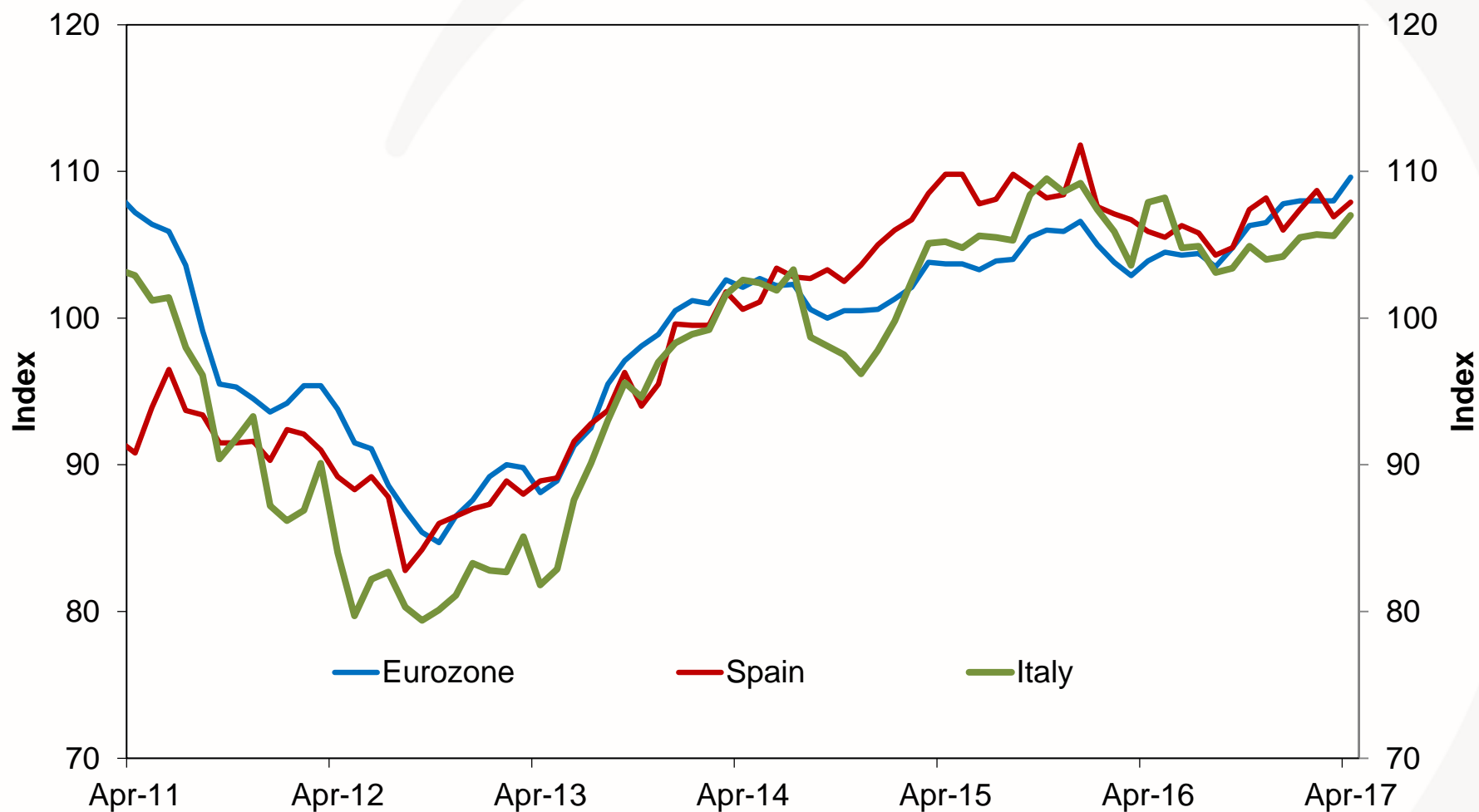

Source: ISTAT

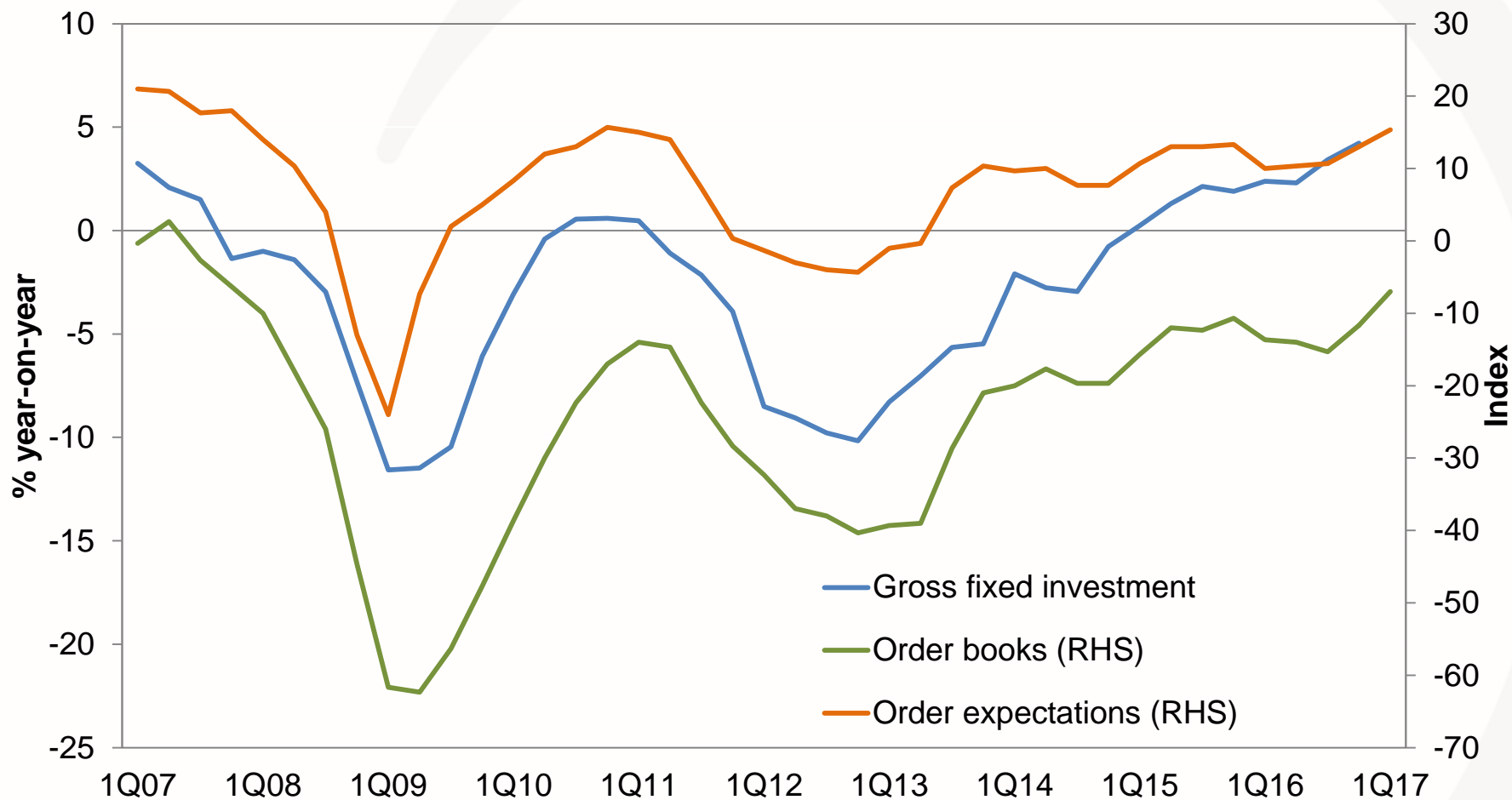# Inflazione bassa al netto dell'energia

Source: ISTAT

Fiducia in aumento, soprattutto fra le imprese

Source: European Commission

Segnali positivi da investimenti…

Note: For order books and expectations data refer to April 2017.
Source: ISTAT

…ed esportazioni

Legend:
- Exports of goods, real
- Trade weighted international PMI (RHS)
- PMI Manufacturing - New export orders (RHS)

Y-axis (left): % year-on-year, 3-months moving avarage
Y-axis (right): Index

X-axis: Apr-10, Apr-11, Apr-12, Apr-13, Apr-14, Apr-15, Apr-16, Apr-17
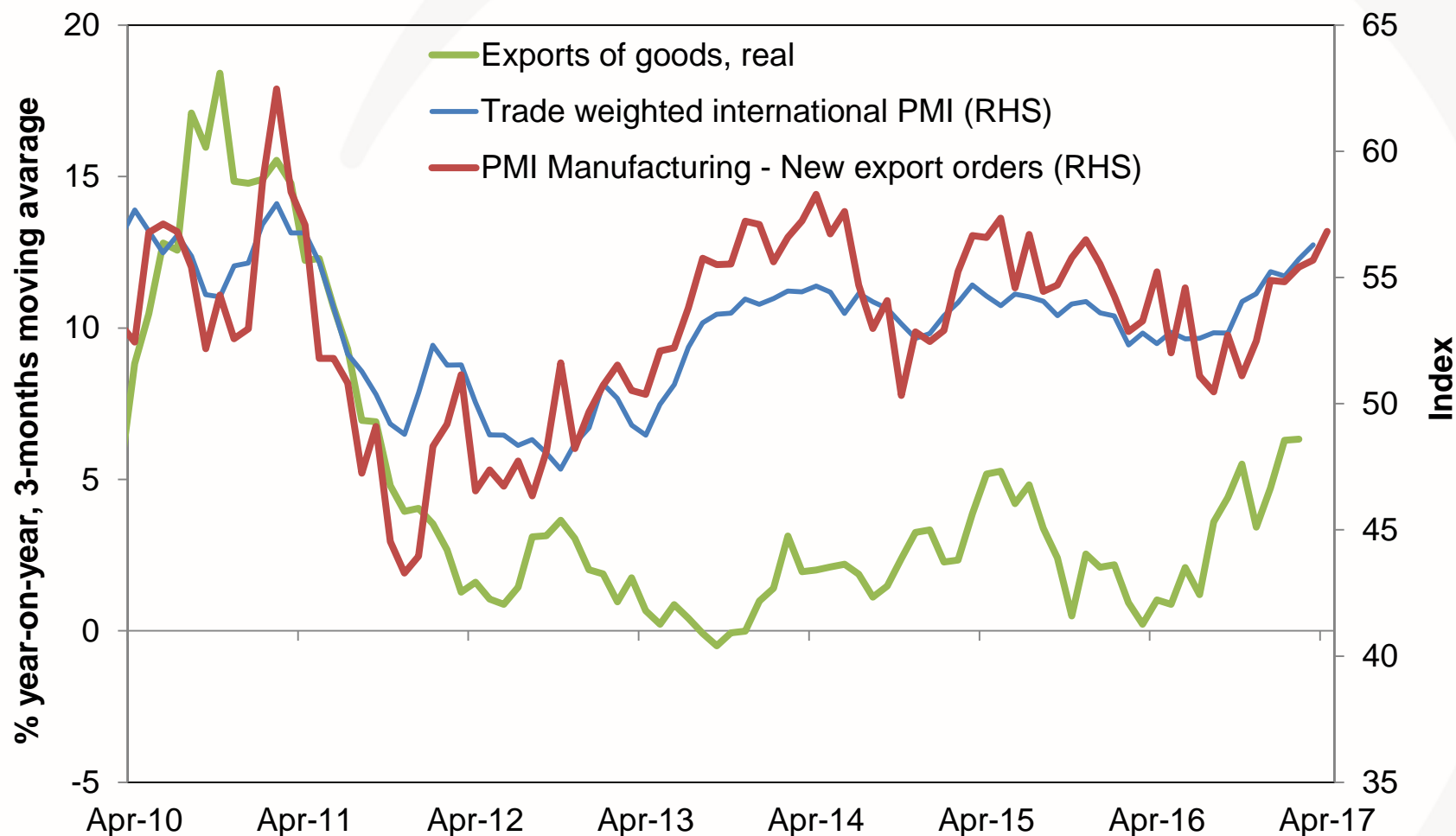
Source: MEF calculation based on ISTAT and MARKIT data

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UE e USA le aree di maggior crescita per le esportazioni
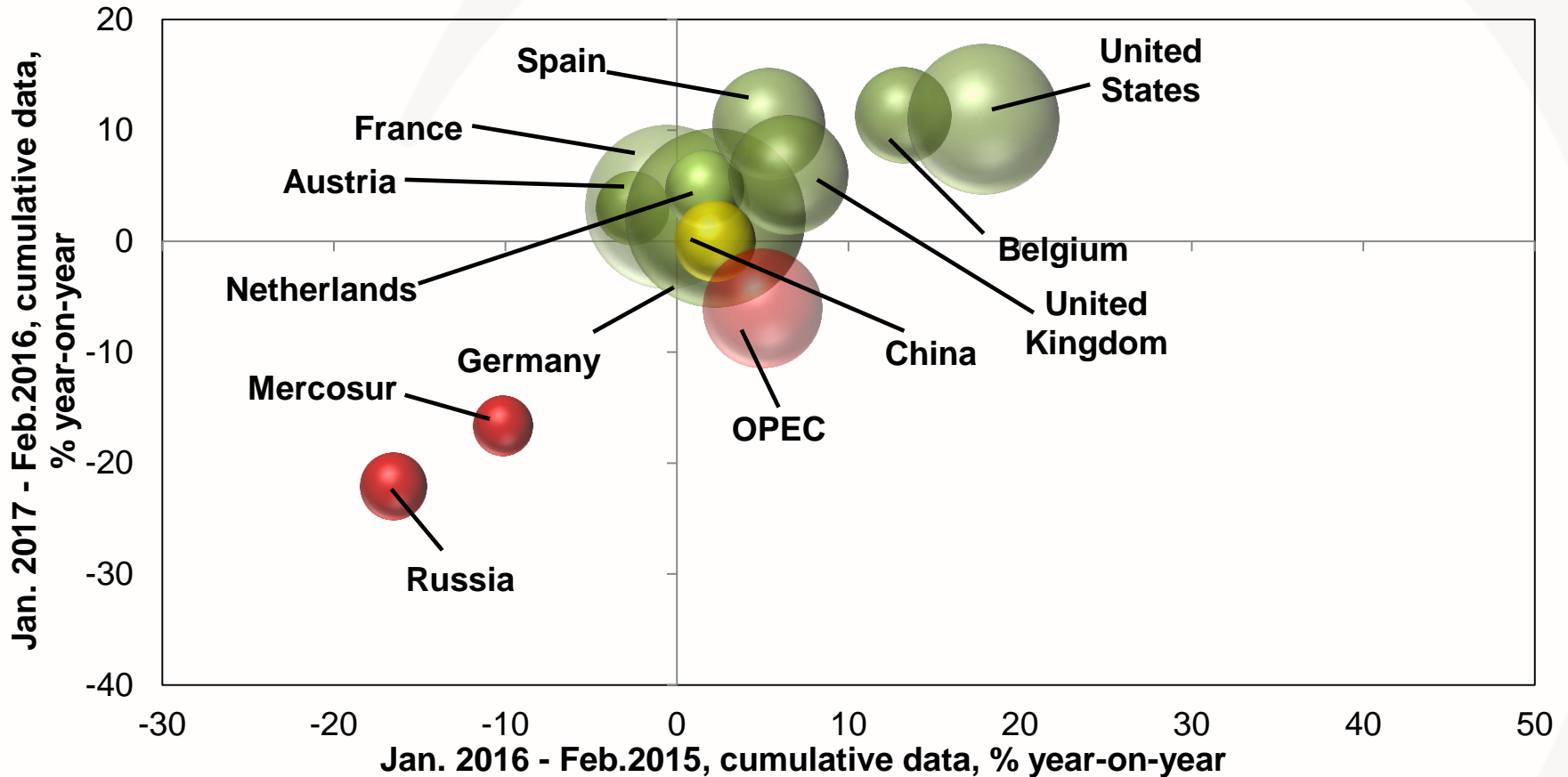
Note: The green bubbles represent countries towards Italian exports rose 1/9.4 per cent over the 12 months until January 2017; the yellow ones indicate countries where exports growth is around 0.3/0.6 per cent; for the red ones, the decrease is included in the interval --11.3/-2.1 per cent. The size of globes represents the share of a country on Italian exports.
Source: ISTAT

Riprende lievemente il credito bancario
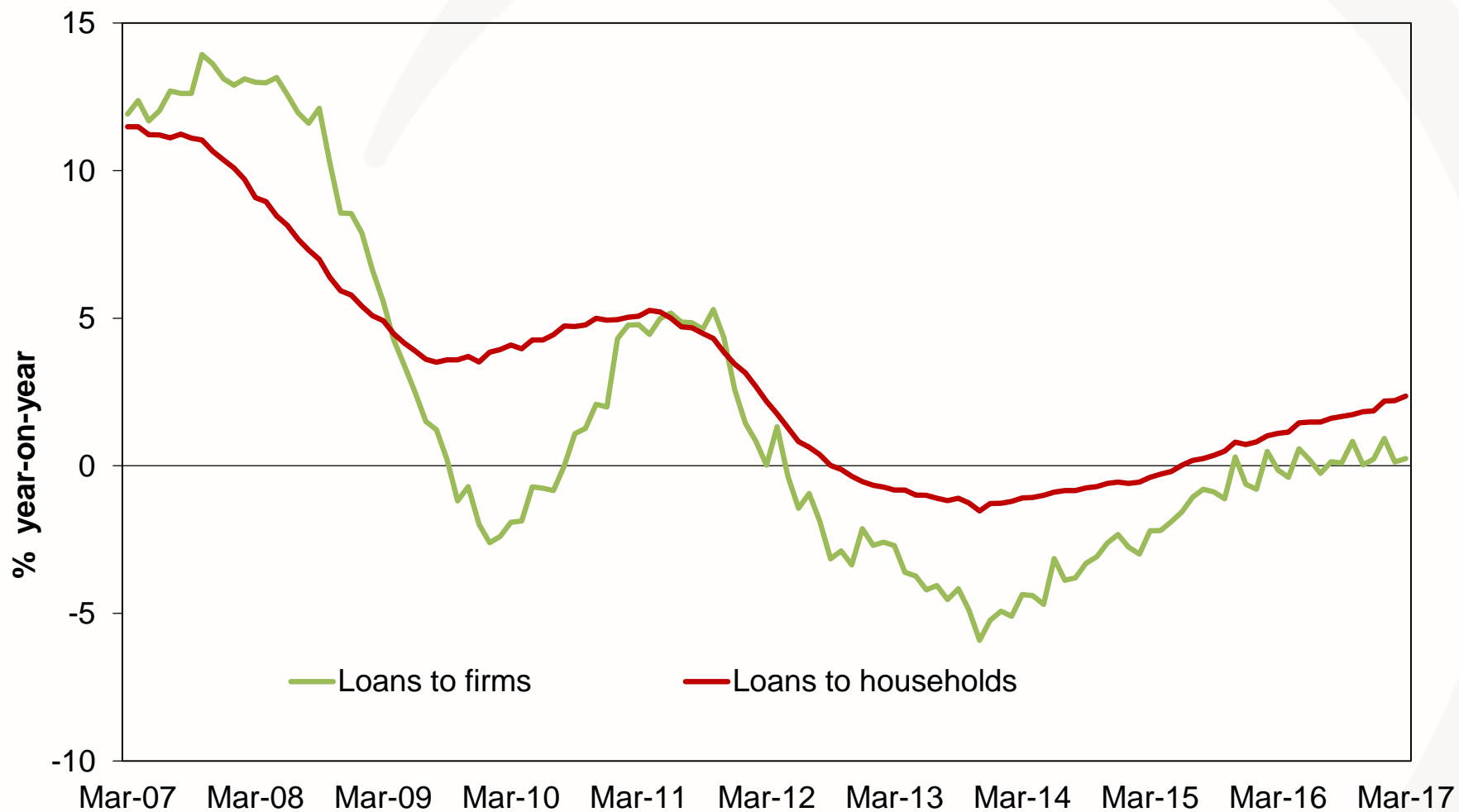
Source: Bank of Italy

Tassi bancari ai minimi storici

Germany — Spain --- Italy — Euro area — France ---

Source: ECB

Le sofferenze tendono a stabilizzarsi

Source: Bank of Italy
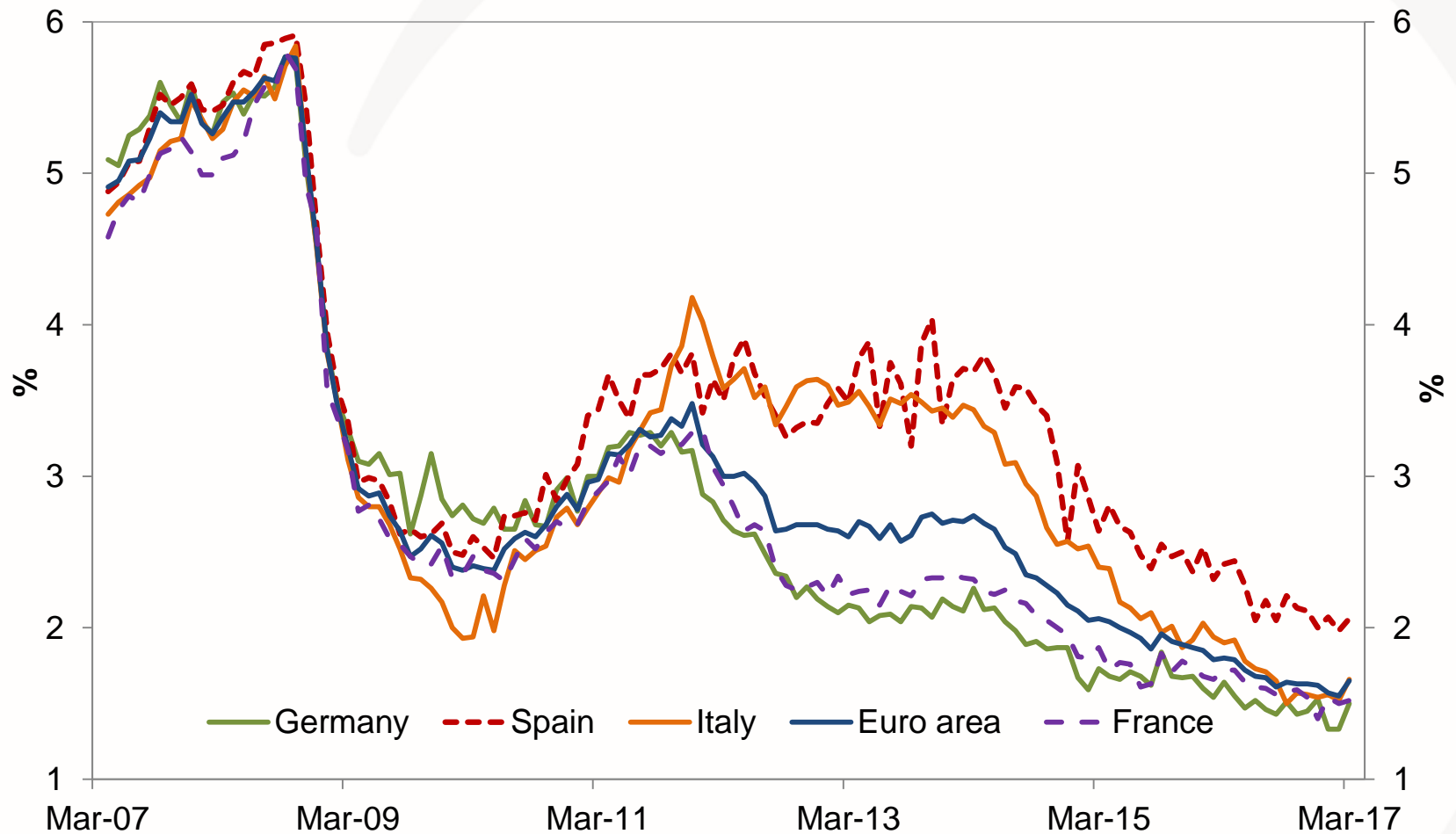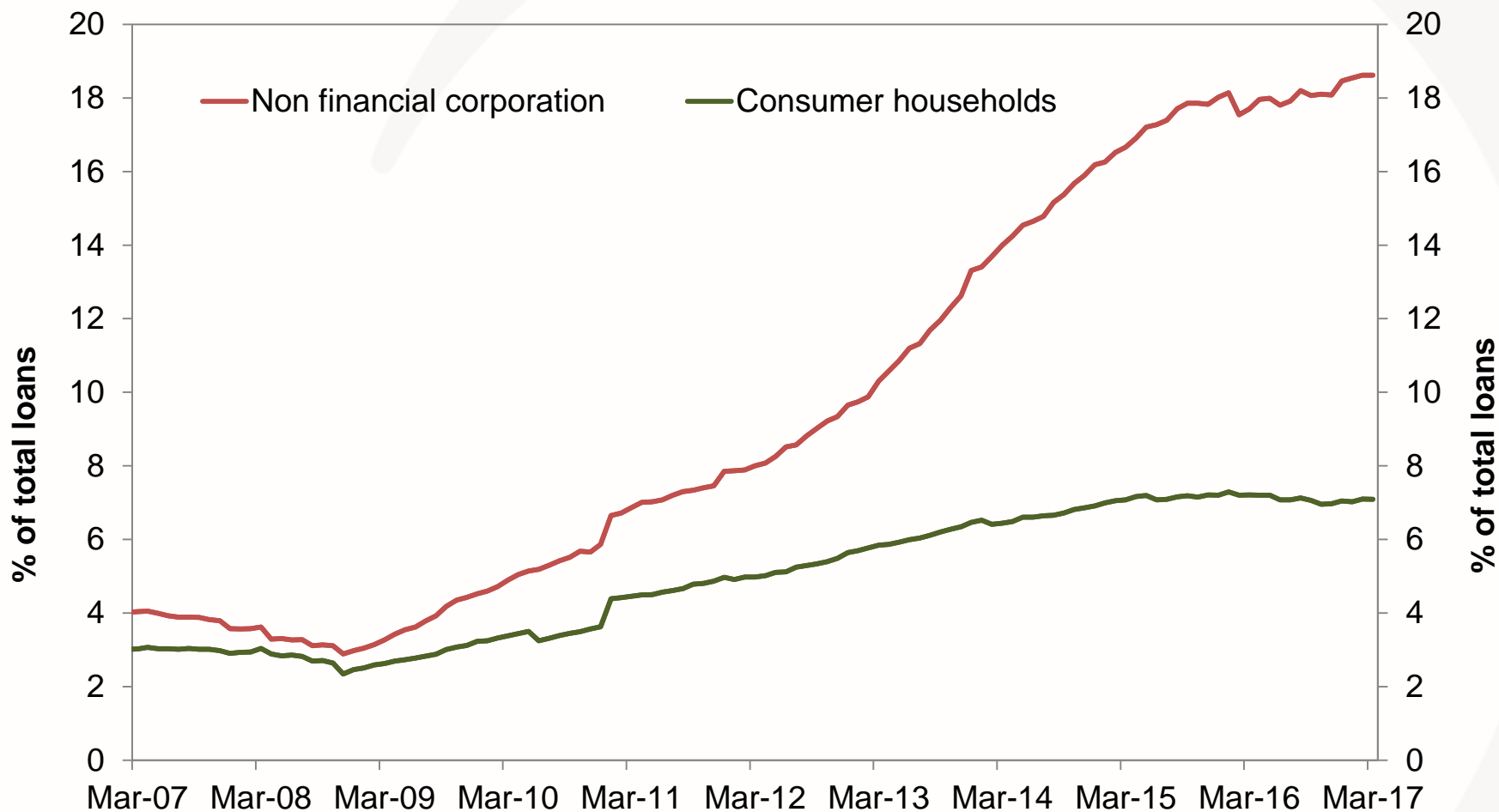
Previsioni di medio termine

April 2017 macroeconomic forecast

Policy scenario					
(% change yoy)	**2016**	**2017**	**2018**	**2019**	**2020**
Real GDP	**0.9**	**1.1**	**1.0**	**1.0**	**1.1**
Domestic demand net of inventories	*1.4*	*1.2*	*0.9*	*1.0*	*1.1*
Inventories	*-0.5*	*0.0*	*0.0*	*0.0*	*0.1*
Net export	*1.4*	*1.2*	*0.9*	*1.0*	*1.1*
Nominal GDP	**1.6**	**2.3**	**2.7**	**3.0**	**2.8**
GDP deflator	**0.8**	**1.2**	**1.7**	**1.9**	**1.7**
Compensation per employee	**0.3**	**1.0**	**1.2**	**1.5**	**1.5**
Productivity (on GDP)	**-0.5**	**0.3**	**0.2**	**0.1**	**0.4**
Unit labour cost (on GDP)	**0.8**	**0.7**	**1.0**	**1.4**	**1.1**
Employment (FTE)	**1.4**	**0.8**	**0.9**	**0.9**	**0.7**
Unemployment rate	**11.7**	**11.5**	**11.1**	**10.5**	**10.0**
Current account balance	**2.6**	**2.3**	**2.6**	**2.8**	**2.8**

Source: Economic and Financial Document 2017, April 11, 2017

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Previsioni di medio termine

April 2017 forecast: GDP components

Policy scenario					
	2016	**2017**	**2018**	**2019**	**2020**
GDP	**0.9**	**1.1**	**1.0**	**1.0**	**1.1**
Imports	2.9	4.4	2.9	3.4	4.1
Final national consumption	1.2	0.7	0.5	0.6	0.7
Household consumption and NPISH	1.4	0.9	0.6	0.7	0.7
Government expenditure	0.6	0.2	0.1	0.1	0.7
Investment	1.3	1.9	3.2	3.6	3.8
- machinery, equipment and other	2.9	3.6	3.0	2.7	3.2
- construction	1.1	2.5	2.7	2.3	2.8
Exports	2.4	3.7	3.2	3.5	3.5

Source: Economic and Financial Document 2017, April 11, 2017

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Risultati e obiettivi di finanza pubblica

Economic and Financial Document 2017

| % of GDP	2015	2016	2017	2018	2019	2020
General government balance	**-2.7**	**-2.4**	**-2.1**	**-1.2**	**-0.2**	**0.0**
Structural balance (1)	*-0.5*	*-1.2*	*-1.5*	*-0.7*	*0.1*	*0.0*
Change in the structural balance	*0.3*	*-0.7*	*-0.3*	*0.8*	*0.8*	*-0.1*
Primary balance	**1.5**	**1.5**	**1.7**	**2.5**	**3.5**	**3.8**
Interest expenditure	**4.1**	**4.0**	**3.9**	**3.7**	**3.7**	**3.8**
Public debt (2)	**132.1**	**132.6**	**132.5**	**131.0**	**128.2**	**125.7**
Public debt ex support EZ (3)	**128.5**	**129.1**	**129.1**	**127.7**	**125.0**	**122.6**

(1) Net of one-off measures and cyclically adjusted. Discrepancies, if any, are due to rounding.
(2) Gross of financial support to Eurozone countries. In 2015 and 2016 the revisions made by Bank of Italy on the nominal value of the stock of debt of the Public Administrations published in March, have led to a increase in the debt-to-GDP ratio.
(3) Net of financial support given to other Euro area countries.
Source: Economic and Financial Document 2017.

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Saldi di bilancio e andamento del rapporto debito/PIL
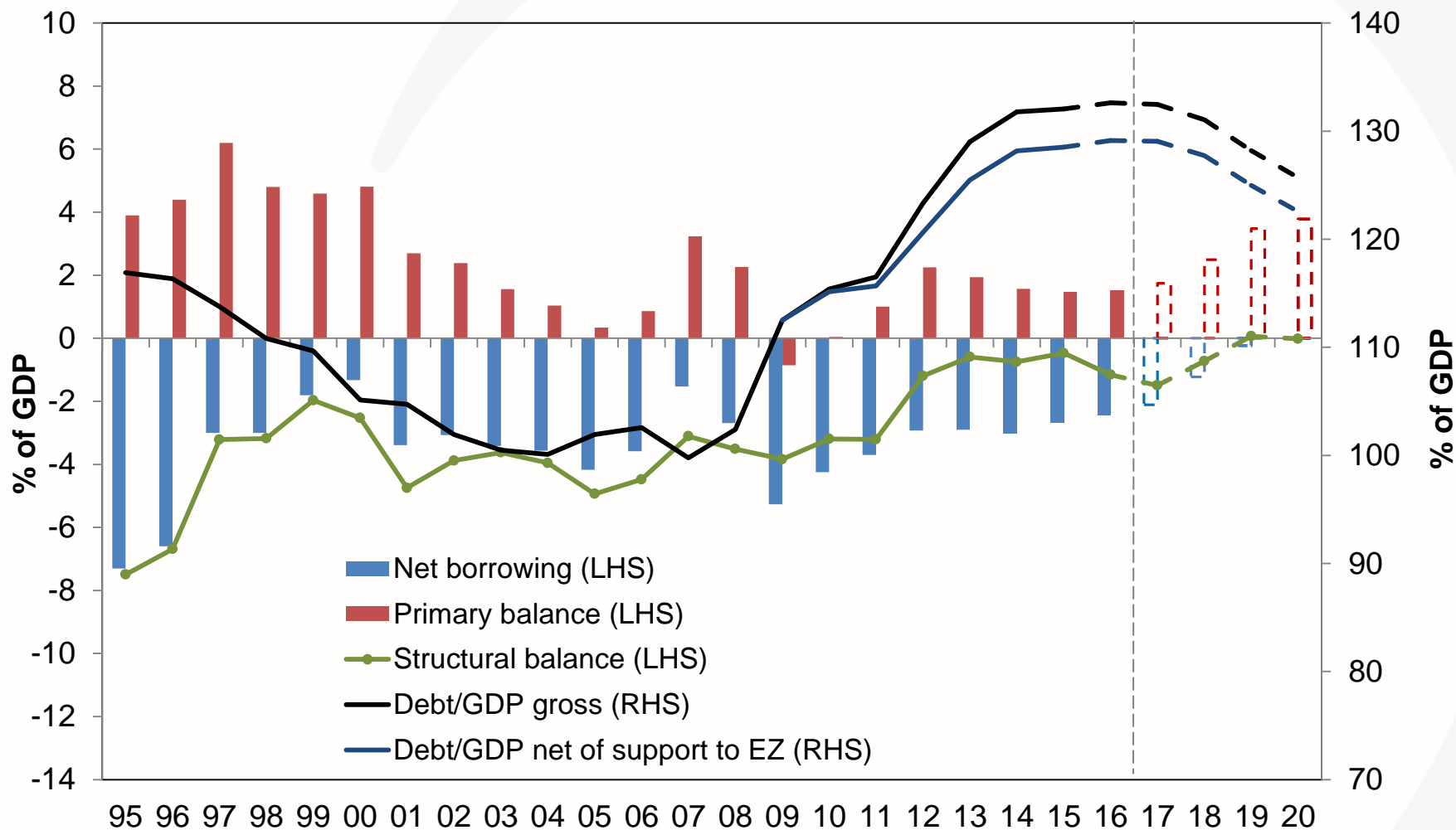
Source: ISTAT, ESA 2010.

La questione del saldo strutturale

	Output Gaps		Structural Deficit	
	DEF 2017	Enhanced methodology	DEF 2017	Enhanced methodology
2015	-3.8	-4.5	-0.5	-0.1
2016	-2.7	-3.4	-1.2	-0.8
2017	-1.8	-2.5	-1.5	-1.1
2018	-1.1	-1.9	-0.7	-0.3
2019	-0.5	-1.4	0.1	0.5
2020	-0.0	-1.0	0.0	0.5

Source: 2016, NDA and MEF elaborations

- On the basis of an enhanced potential output estimation, Italian public finances would have reached MTO already in 2015 and could deviate from it, thanks to Stability Pact Flexibility until 2018 attaining the MTO in 2019.
- In 2019 and 2020 there would be a structural surplus of 0.5% of GDP.

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Proiezioni del debito pubblico nel medio termine
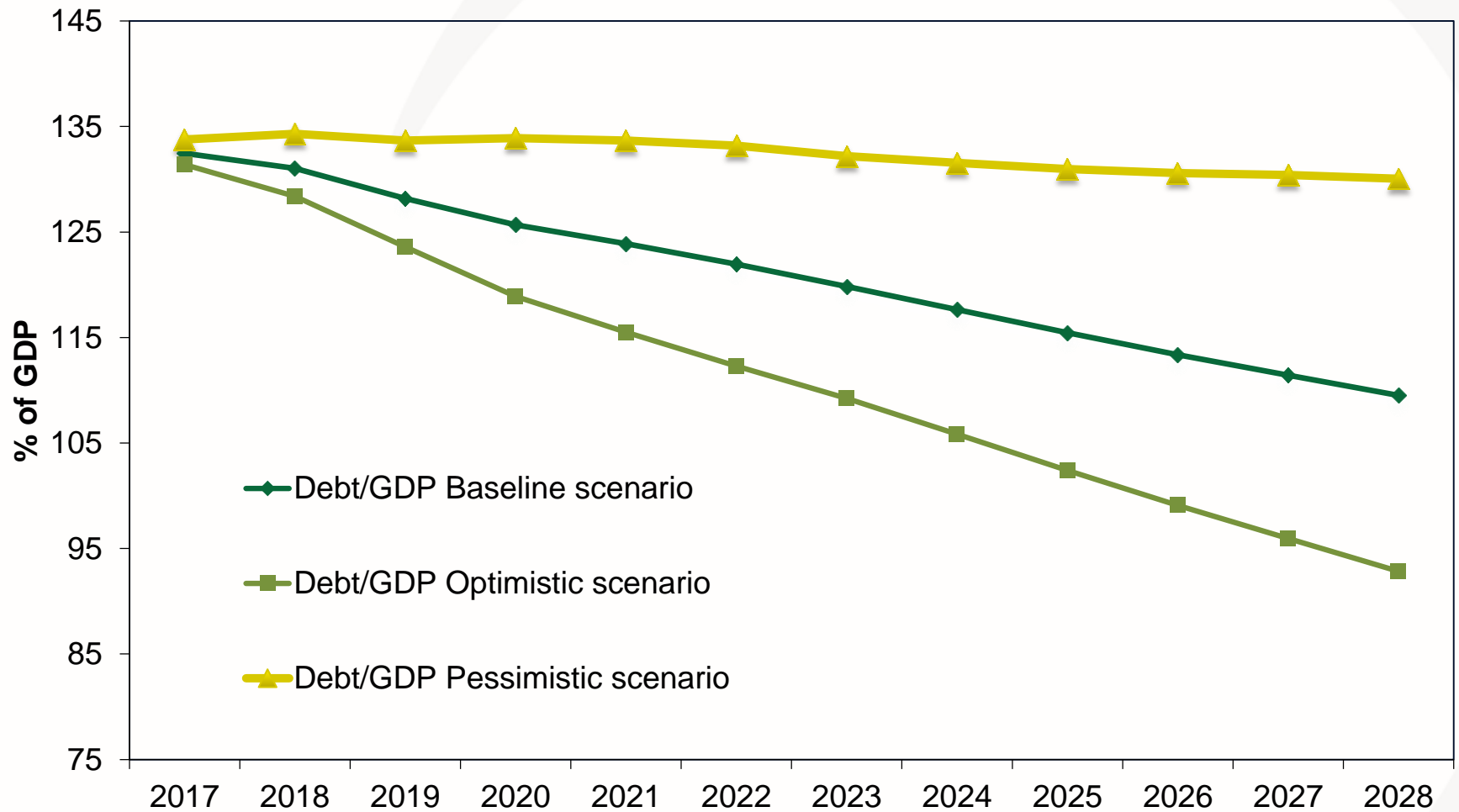
Programma di bilancio per il 2017-2020

- For 2017, the deficit is reduced by 0.2 percentage points of GDP, to 2.1% of GDP. The adjustment consists of measures to combat tax evasion, higher duties on tobacco and lotteries, and spending cuts.

- The policy scenario then targets a drop in the deficit to 1.2% of GDP in 2018, 0.2% in 2019 and a balanced budget in 2020.

- Structural deficit (net of extraordinary outlays) fully compliant with the MTO in 2019 and close to a structural balance in 2020.

- Debt-to-GDP ratio already expected to slightly decline in 2017 and reach a level below 126% in 2020.

MEF Dipartimento del Tesoro

Decreto Legge 50 ('manovrina')

- Extension of the split-payment

- Measures to increase VAT compliance (stricter rules on VAT deductions and compensations)

- Flat tax rate of 21% on income from short term rental agreements

- Increase in excise duties on tobacco to be implemented by decree of the Minister of Economy and Finance

- Revision of the tax base for ACE

- Increase in taxation of lotteries, betting and tobacco

- Stricter rules on foreclosure procedures.

Decreto Legge 50 ('manovrina')

- Spending cuts on missions and programmes of Ministries in 2017 (about €500 million of savings of which €300 million deriving from selective spending cuts based on the three-year framework set by the 2016 reform of public finance and accounting law)

- Measures to reduce tax litigation (including broader application of mediation)

Manovrina: utilizzo risorse (1)

- Reduction of the VAT hike scheduled for 2018

- Excise duties hike scheduled for 2018 is repealed

- Additional measures for territories hit by seismic events: i) new fund to speed up reconstruction (€1 bn from 2017 to 2019) and refinancing of the existing reconstruction fund; ii) extension of current fiscal incentives; iii) setting up of urban free zones

- Investment in railways and public transports

- Financial leeway and additional resources for regions and local entities (labour turnover increase, investments and public infrastructure development)

Manovrina: utilizzo risorse (2)

- Further measures for development:

- ✓ Application of the Equity crowdfunding to limited liability SMEs (previously reserved to innovative SMEs and then extended to SMEs by the Budget Law for 2017)

- ✓ Temporal extension of incentives to innovative Start-up (from four to five years)

- ✓ Performance-related pay regime ('*premi di produttività*'): social contributions allowances instead of favouring tax regime.
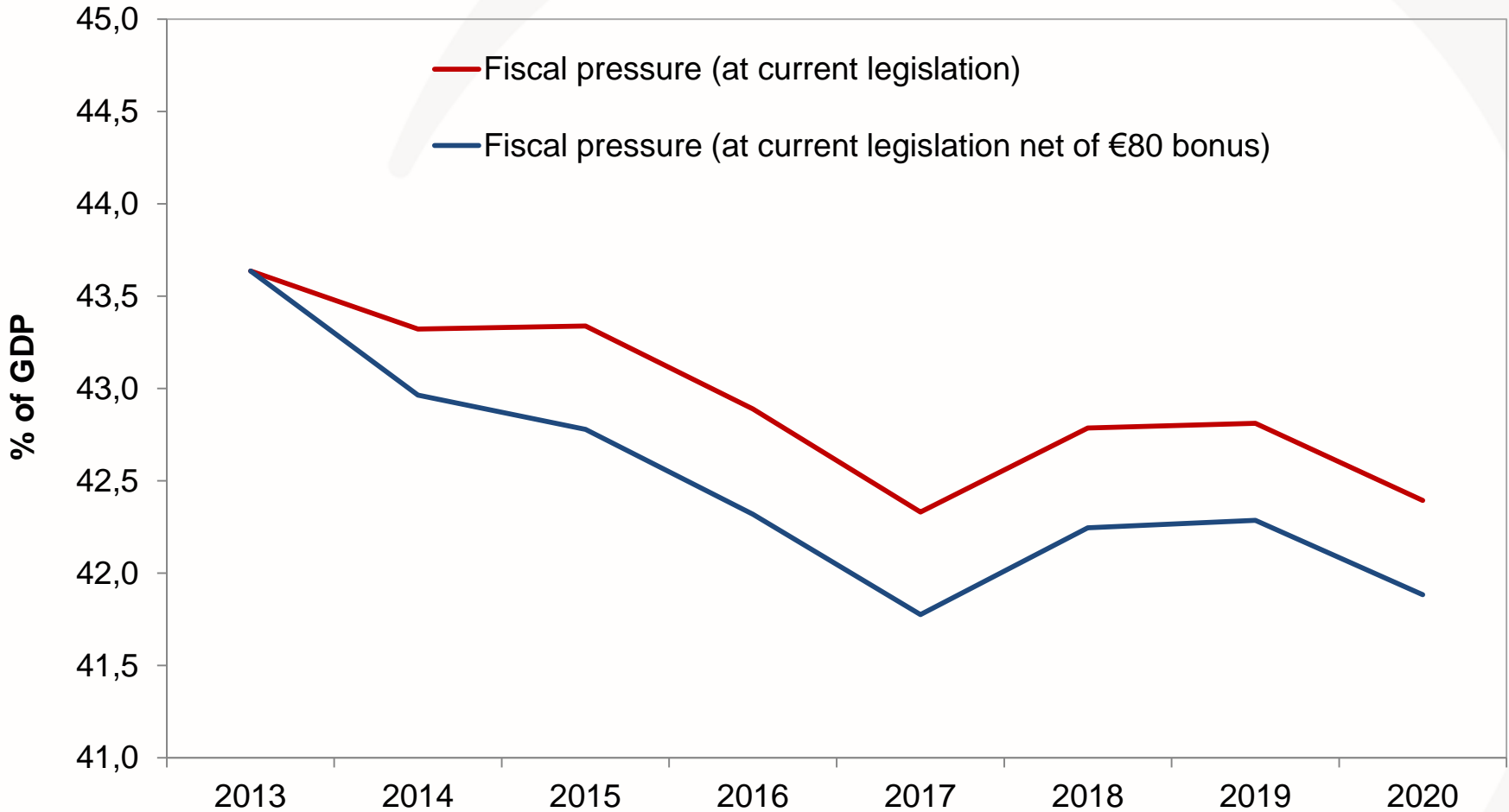
Contenimento della spesa corrente

Current expenditure excluding interest payments (1999=100)

Legend:
- Belgium
- Spain
- Germany
- France
- Netherlands
- Italy (net of €80 bonus)
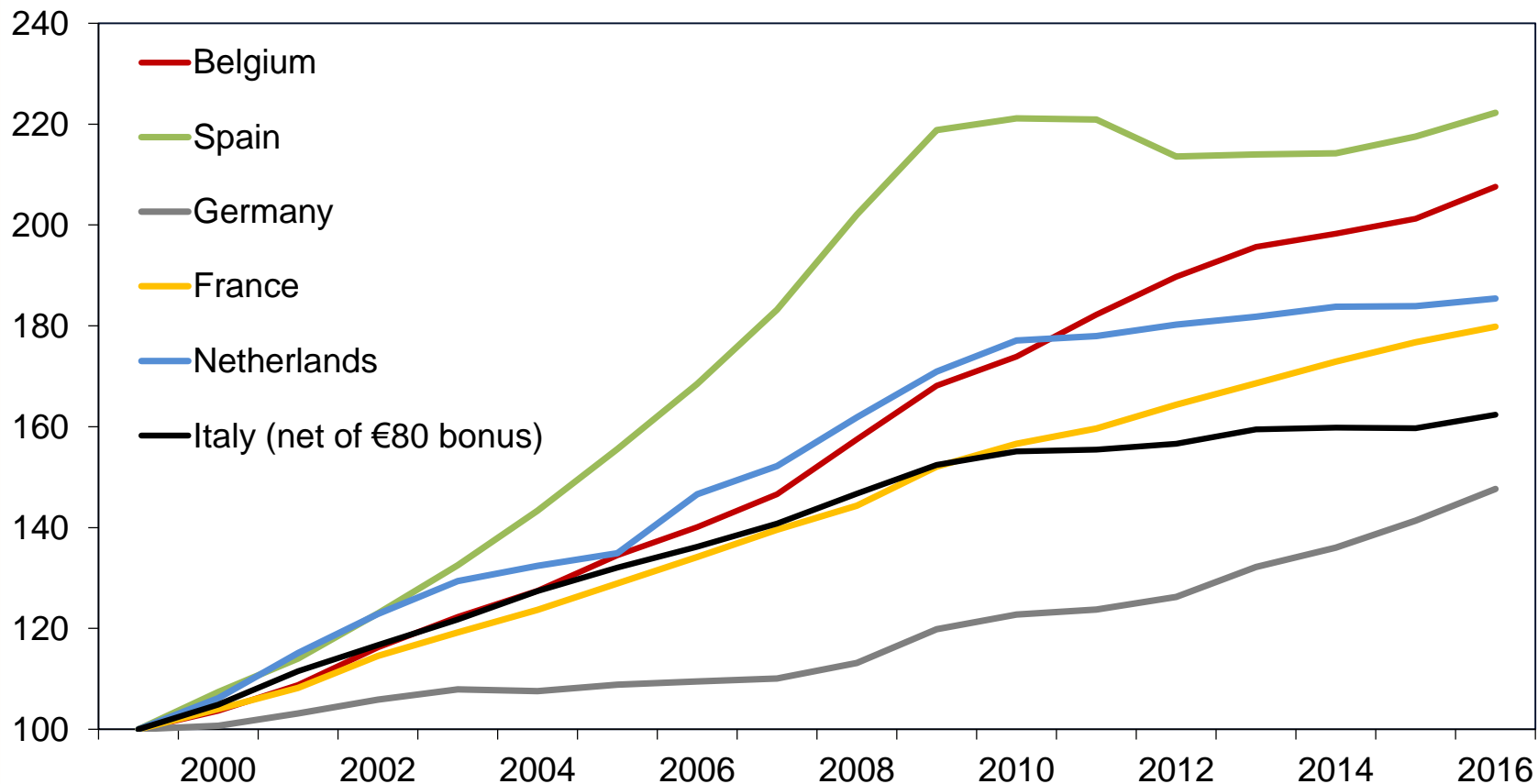
Source: MEF elaborations on European Commission AMECO data and ISTAT

Riduzione della pressione fiscale

Fiscal pressure (at current legislation)

Fiscal pressure (at current legislation net of €80 bonus)
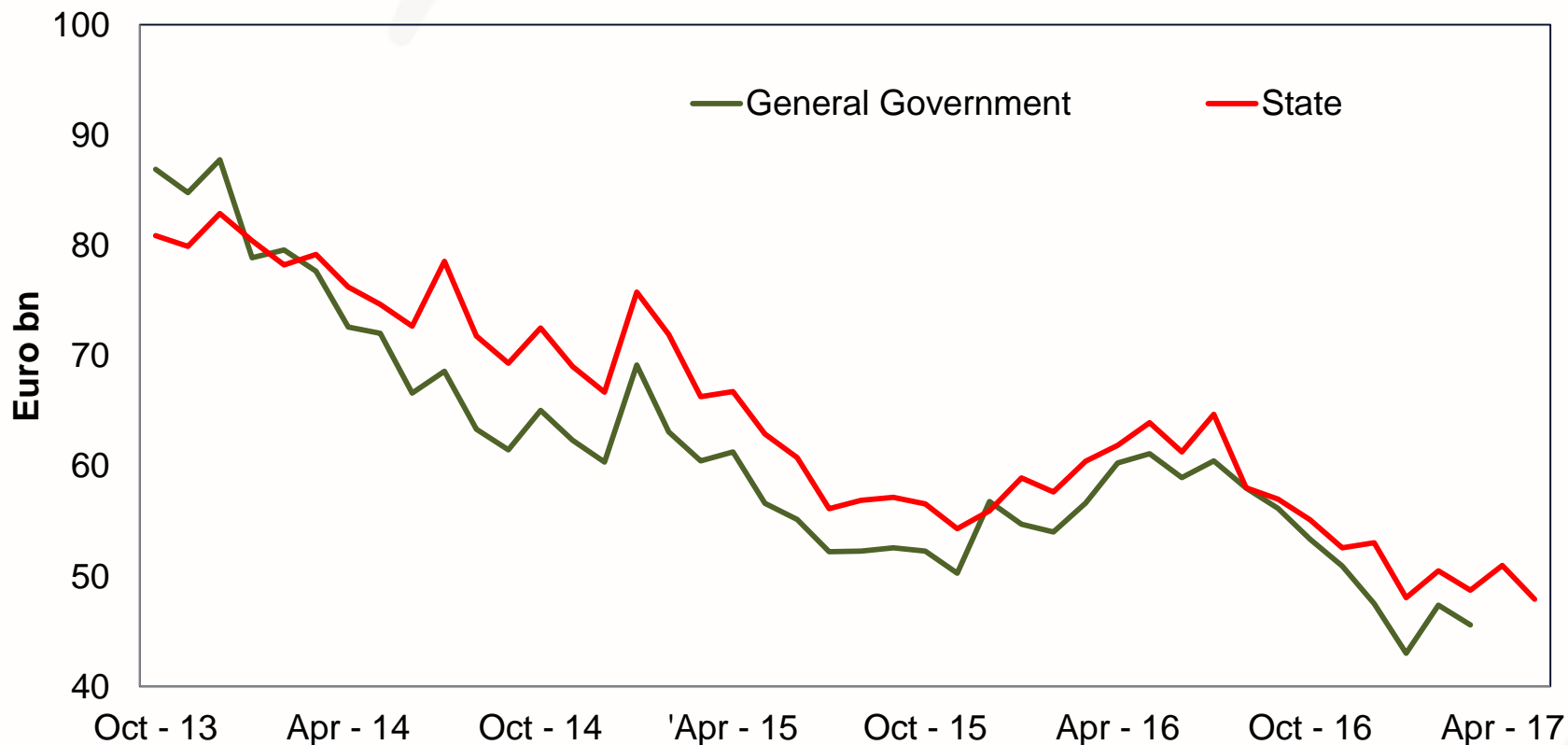
% of GDP

Source: Up to 2016 ISTAT database. As from 2017 MEF elaboration on projections of 2017 EFD

Andamento del fabbisogno di cassa

Borrowing requirements
(cumulated values over the last 12 months)

Source: MEF elaboration on State General Accounting Department data for State; Bank of Italy for General Government.

Le sfide della manovra per il 2018

- L'obiettivo annunciato nel DEF richiede una manovra di circa l'un percento del PIL al netto di nuove iniziative

- Tendenziale = 1,3% del PIL

- Tendenziale+pol.vigenti+disatt.clausole+manovrina = 2,2 %

- Obiettivo = 1,2%

- DEF 2017: "Il governo intende anche trovare spazi per misure espansive e di riduzione della pressione fiscale"…

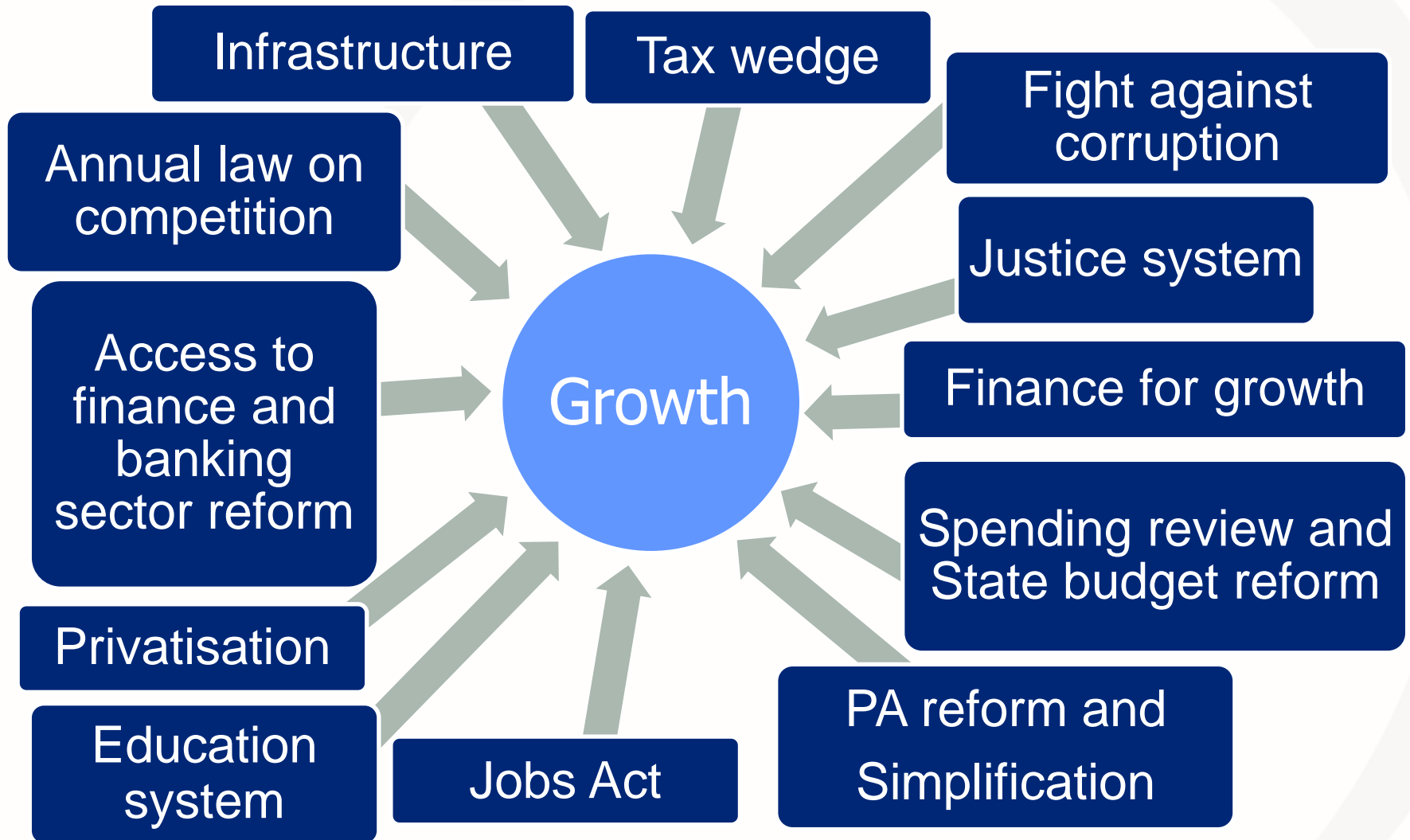- …ad esempio riduzione del cuneo fiscale sul lavoro.

Programma di Privatizzazioni

PRIVATISATION PROCEEDS BASED ON UNCHANGED LEGISLATION				
	2015		2016	
	Level (1)	% of GDP	Level (1)	% of GDP
Direct shareholdings, and other financial income realised	3.0	0.2	6.9	0.4
Indirect shareholdings	3.3	0.2		
Total proceeds realised	6.3	0.4	6.9	0.4
Target		0.4		0.1

(1) Values in € billion

- **Key 2016 initiatives:** ENAV (46.6%)
- **Revenue** from privatisation: 0.1% of GDP
- **Future targets**: 0.3% annually in 2017-2020

La strategia di riforma