

Brussels, 4 July 2019

Dear Minister,

We write further to the letter of 2 July from Prime Minister Conte and you, informing the Commission of Italy's latest fiscal decisions, notably the mid-year budget and new spending-freezing clause regarding 2019, and reiterating the government's commitment to achieving a structural improvement in line with the requirements of the Stability and Growth Pact in 2020.

The Commission is of the view that this package is material enough to conclude that the opening of an Excessive Deficit Procedure is no longer warranted at this stage. This conclusion is set out in a Communication from the Commission to the Council and in greater detail in an accompanying staff working document which have been published on the Commission website.¹ The Commission will keep under surveillance the effective implementation of this package. It will monitor closely the execution of the 2019 budget and will assess the compliance of the 2020 draft budgetary plan with the Stability and Growth Pact.

*Mr Giovanni Tria
Minister of Economy and Finance
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¹ https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/eu-economic-governance-monitoring-prevention-correction/stability-and-growth-pact/corrective-arm-excessive-deficit-procedure/closed-excessive-deficit-procedures/italy_en

As you know, progress with structural reforms included in the country-specific recommendations will be key to ensure higher growth and thereby contribute to a decrease in the debt-to-GDP ratio. The Commission will assess the implementation of these reforms within the context of the European Semester.

We welcome the government's commitment to an ongoing and constructive dialogue with the Commission in order to present a Draft Budgetary Plan for 2020 in line with the preventive arm of the Stability and Growth Pact. We too look forward to pursuing our discussions with you in a constructive spirit over the coming months.

Yours sincerely, *imminent,*



Valdis Dombrovskis



Pierre Moscovici