

Rome, 10 October 2014

To the Minister,

Law 243/2012 requires that the Parliamentary Budget Office (PBO) perform analyses, checks and assessments of the macroeconomic forecasts, following an annual schedule that also incorporates the performance of the functions assigned to it in a manner consistent with European Union legislation. Regulation (EU) 473/2013 requires that the macroeconomic forecasts used in preparing the budget planning documents be validated by an independent national institution.

The Memorandum of Understanding between the PBO and the Ministry for the Economy and Finance (MEF) of 15 September 2014 governs the process of validating macroeconomic forecasts.

Taking due consideration of the uncertainty inherent in macroeconomic forecasts, the PBO believes that an assessment of the plausibility of the estimates should be conducted on the basis of a range of acceptable values for each macroeconomic aggregate to be validated.

On 2 October 2014, the MEF transmitted to the PBO, as required under the Memorandum of Understanding, the details of the macroeconomic policy scenario published in the Update of the 2014 EFD. Subsequent contacts provided further information on the public finance assumptions used in the Update to construct the macroeconomic policy scenario.

The PBO hereby notifies that it has validated the macroeconomic policy forecasts for the years 2014 and 2015 since they fall within the range deemed acceptable based upon currently available information.

A more detailed analysis of the reasons for the validation of the forecasts in the Update of the EFD for 2014-2015 and for the validation of the macroeconomic projections for 2016-2018 is forthcoming.

Sincerely,