

Rome, 29 September 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. In it, the parties also agreed to validate the macroeconomic trend scenario published in the Update to the Economic and Financial Document (EFD).

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.

The PBO Board has validated the trend forecasts for the years 2014 and 2015 transmitted by the MEF to the PBO on 25 September 2014 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,