

Rome, 4 November 2022

Dear 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 Stability Programme be endorsed 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 endorsing macroeconomic forecasts.

On 23 September 2022, the Board of the PBO endorsed the trend macroeconomic forecasts of the Update to the 2022 Economic and Financial Document, confirming its endorsement on 27 September following a revision by the MEF.

**The MEF has recently revised its trend macroeconomic forecasts to take account of more recent information and developments in exogenous variables. The Board of the PBO has examined and endorsed these new forecasts, as the trend projection for the Italian economy falls within an acceptable range for the period covered by the endorsement exercise (2022-2023). However, the forecasts for 2024, a year not addressed by the endorsement exercise, diverge from this range.**

As already noted in September, the forecasts are exposed to considerable uncertainty, primarily associated with the developments in and repercussions of the conflict in Ukraine.

A more detailed analysis of the rationale for the endorsement will be provided at the upcoming hearing before the competent Parliamentary committees.

Sincerely,

Lilia Cavallari