

# PBO endorsement of the 2024 MTFSP trend macroeconomic scenario

## Press release

- **Trend forecast falls within an acceptable range but on the upper limit**
- **Estimates assume full implementation of NRRP and no further geopolitical tensions**
- **The large horizon of the MTFSP and the fragile global scenario call for caution in forecasting**
- **The PBO's assessment on the policy scenario, will be communicated in a hearing in the Parliament**

28 September 2024 | On 25 September, the **Board of the Parliamentary Budget Office (PBO) endorsed the trend macroeconomic forecasts of the 2024 Structural Budgetary Plan (MTFSP) at the end of a procedure with the Ministry of Economy and Finance (MEF)** over the past weeks.

In a first step, the PBO endorsed the trend macroeconomic forecasts prepared by the MEF on 9 September. The MEF later revised the forecasts to take into account new historical data published by Istat on 23 September, following the revision of the national accounts. Then the PBO reviewed again the Plan's trend macroeconomic scenario and confirmed the validation. [Endorsement letters sent to the MEF are posted on the PBO website.](#)

**According to the PBO, the trend macroeconomic scenario of MTFSP for 2024 is within an acceptable range** with respect to the main economic variables, **although in several cases the forecasts are on the upper end of the PBO panel estimates.**

The forecasts are **endorsed assuming full and timely implementation** of the projects included in the **National Recovery and Resilience Plan (NRRP)** and that there is no deterioration in the international scenario, with particular reference to **geopolitical tensions**: with such an unstable and uncertain international environment, the outlook could change abruptly over the forecast horizon. As the PBO has already pointed out on several occasions, the **risks** seem to be **balanced in the short term** but are **downward overall for the coming years.**

**Since the MTFSP has a horizon extending to 2029**, the forecasts cover five years beyond the current one, more than previous policy documents; this breadth of the time perspective **calls for greater caution, as it increases the risks** to the forecasts.

In detail, the MTFSP's **trend macroeconomic scenario** (quadro macroeconomico tendenziale, QMT) foresees a growth of the Italian economy for **this year at 1.0 percent**,

higher than in 2023, followed by a marginal weakening to **0.9 percent in 2025** and a strengthening to **1.1 percent in 2026**; in the final three years of the endorsement horizon (2027-29) GDP growth would show more moderate rates of **0.7 percent on average**.

**The MEF's trend macroeconomic scenario GDP growth profile is close to the PBO's projections, except in 2026, when it will be two-tenths of a percentage point stronger. Compared with the expectations of the PBO panel, the forecasts for the rates of change of the main macroeconomic variables do not deviate significantly from the median and do not exceed the upper extremes. The MTFSP's trend macroeconomic scenario end-of-period GDP levels are similar to those estimated by the PBO.**

The Parliamentary Budget Office will also **proceed to assess the MTFSP's policy macroeconomic scenario**, a scenario that incorporates the effects of budgetary adjustment. **The outcome will be announced at the parliamentary hearing on the MTFSP** in the Budget Committees of the Parliament.