



ITALY: PRIOR GUIDANCE TABLES

This document contains three tables. Table 1 provides the net nominal expenditure growth and the corresponding change in the structural primary balance ratio in case of a 4-year adjustment period. It also indicates the impact, if any, of the benchmark and safeguards described in Art. 7, 8 and 6(d) of Regulation (EU) 2024/1263 on top of the requirements based on the Debt Sustainability Analysis (DSA)-based criteria described in Art. 6(a) and (b) of the same Regulation ⁽¹⁾. Table 2 provides the same information as Table 1 in case of a 7-year adjustment period. Finally, Table 3 summarises the main initial conditions and underlying assumptions.

Table 1: Reference trajectory for a plan without extension, Italy

For a plan without extension (4 years) Italy	Average 2025-2028	2025	2026	2027	2028
Net expenditure growth (%)	0.5	0.6	0.5	0.5	0.5
Structural primary balance (% of GDP)	1.7	0.0	1.1	2.2	3.3
Annual change in the structural primary balance (pp. of GDP)	1.10	1.10	1.10	1.10	1.10
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DSA-based criteria	1.10	1.10	1.10	1.10	1.10
Impact of the benchmark and safeguards	0.00	0.00	0.00	0.00	0.00

Note: The colour code for the annual change in SPB is as follows:

- Black normal: requirements complying with the DSA-based criteria;
- Red bold: the deficit benchmark as measured in terms of change in the structural primary balance is binding;
- Yellow background: the deficit benchmark as measured in terms of change in the structural balance is binding;
- Black bold: the debt sustainability safeguard is binding;
- Blue italics: the deficit resilience safeguard is binding.

⁽¹⁾ By construction, the reference trajectory is in line with the no-backloading principle as described in Art. 6(c) of Regulation (EU) 2024/1263.

Table 2: Reference trajectory for a plan with extension, Italy

For a plan with extension (7 years) Italy	Average 2025-2028	Average 2025-2031	2025	2026	2027	2028	2029	2030	2031
Net expenditure growth (%)	1.5	1.5	1.6	1.6	1.5	1.4	1.3	1.3	1.4
Structural primary balance (% of GDP)	0.5	1.4	-0.5	0.1	0.7	1.4	2.1	2.7	3.3
Annual change in the structural primary balance (pp. of GDP) of which	0.62	0.62	0.60	0.60	0.60	0.67	0.66	0.64	0.60
<i>DSA-based criteria</i>	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
<i>Impact of the benchmark and safeguards</i>	0.02	0.02	0.00	0.00	0.00	0.07	0.06	0.04	0.00

Note: The colour code for the annual change in SPB is as follows:

- Black normal: requirements complying with the DSA-based criteria;
- Red bold: the deficit benchmark as measured in terms of change in the structural primary balance is binding;
- Yellow background: the deficit benchmark as measured in terms of change in the structural balance is binding;
- Black bold: the debt sustainability safeguard is binding;
- Blue italics: the deficit resilience safeguard is binding.

Table 3: Main budgetary, macroeconomic and financial variables, Italy

Budgetary variables: initial conditions	2023	2024
Government budget balance (% of GDP)	-7.4	-4.4
Government debt (% of GDP)	137.3	138.6
Net expenditure growth (%)	5.7	-2.8
Structural primary balance (% of GDP)	-4.5	-1.1

Main assumptions for a plan without extension (4 years)	Assumption	Period
Change in the cost of ageing (pp. of GDP)	0.8	2028-2038
Stock-flow adjustment (% of GDP)	0.2	2025-2038 average
Real GDP growth (%)	0.6	2025-2038 average
Inflation (change in the GDP deflator, %)	2.3	2025-2038 average
Nominal implicit interest rate (%)	3.7	2025-2038 average

Main assumptions for a plan with extension (7 years)	Assumption	Period
Change in the cost of ageing (pp. of GDP)	0.5	2031-2041
Stock-flow adjustment (% of GDP)	0.1	2025-2041 average
Real GDP growth (%)	0.7	2025-2041 average
Inflation (change in the GDP deflator, %)	2.3	2025-2041 average
Nominal implicit interest rate (%)	3.8	2025-2041 average