
Coronavirus Covid-19: Gentiloni (EU Commission), “solidarity with Italy”. An unfavourable impact on economy is to be expected

(Brussels) “We express our sympathy with the families of the victims of coronavirus and solidarity with all the populations that over these days are experiencing restrictions and inconveniences” due to the initiatives taken in response to Covid-19. The EU institutions’ support to Italy, especially in connection with the virus that is affecting the country, comes from Brussels – through the voice of Economy Commissioner Paolo Gentiloni. “The EU Commission is being completely cooperative” with the Italian authorities, as also proven by Health Commissioner Stella Kyriakides being in Italy right now. Questioned by the press in the newsroom of the Berlaymont palace, the premises of the EU Executive, Gentiloni explains: “There will certainly be an impact” from the epidemic “on the global and European economic outlook. But it’s still too early to quantify what the repercussions will be on our economies. There will definitely be an impact”. “There are no certainties at the moment”, even as far as the future developments of Covid-19 are concerned, and the positions taken by the international organisations, including the Monetary Fund, are equally prudential. On the day the EU Commission publishes, as part of the European Semester, the reports by country in which it looks at the socioeconomic challenges of each member states – with Italy under the lens due to its excessive macroeconomic imbalances, along with Cyprus and Greece – one wonders if the unfavourable impact of coronavirus will be reflected in the budget policies. Gentiloni replies: “The Stability and Growth Pact already provides some flexibility for exceptional circumstances”, which the EU Commission will have to consider in the future.

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