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## **EU Commission: Dombrovskis, “Greece, Italy, and Cyprus continue to experience excessive imbalances”**

“We must stay on track in equipping our economies for the future – by making them more resilient, and by making the green and digital transitions happen”, said EU Commission Vice-President Valdis Dombrovskis, as he outlined the key elements of the European Semester. “One key lesson we have learned from this war is that we urgently need to end the EU’s reliance on Russian fossil fuels. Our response is the REPowerEU plan”, presented by President Ursula von der Leyen last week. “It will diversify the EU’s energy mix, moving away from Russian natural gas. It will help to accelerate the substitution of fossil fuels with renewable energy”. “We are facing heightened uncertainty and strong downside risks to the outlook - he went on to add -, so we propose maintaining the general escape clause in 2023, and deactivating it as of 2024”, that is to say, a temporary suspension of Stability Pact rules. The Commission does not intend to open new excessive deficit procedures at this stage, the Commissioner pointed out, before moving on to macroeconomic imbalances which, he said, “are gradually falling back. Private and public debt levels are declining from high levels. But the impact of COVID-19 is not yet fully absorbed. And new risks are increasing”. Finally, “Greece, Italy, and Cyprus continue to experience excessive imbalances. Germany, Spain, France, the Netherlands, Portugal, Romania and Sweden continue to experience imbalances. I am pleased to announce that Ireland and Croatia are no longer experiencing imbalances”.

Gianni Borsa