

Republic of Italy

This annex refers to the rating action release of 15 May 2020

Annex I: Summary of core variable scorecard (CVS) and qualitative scorecard (QS)¹

Implied rating of core variable scorecard (CVS)		bbb
Weight	Qualitative scorecard (QS)	
35%	Growth potential of the economy	Weak
	Economic policy framework	Strong
	Macro-economic stability and sustainability	Neutral
30%	Fiscal policy framework	Neutral
	Debt sustainability	Weak
	Market access and funding sources	Strong
15%	Current account vulnerability	Strong
	External debt sustainability	Strong
	Vulnerability to short-term external shocks	Strong
10%	Perceived willingness to pay	Neutral
	Recent events and policy decisions	Strong
	Geopolitical risk	Neutral
10%	Banking sector performance	Neutral
	Banking sector oversight and governance	Neutral
	Financial imbalances and financial fragility	Neutral
QS adjustment (notches)		1
Additional considerations (notches)		0
Final rating		BBB+ NEG

Annex II: Selected indicators

	2016	2017	2018	2019E	2020F	2021F
GDP per capita (EUR, '000s)	28.0	28.7	29.2	29.6	-	-
Real GDP, % change	1.3	1.7	0.8	0.3	-7.5	4.5
CPI, % change	-0.1	1.3	1.2	0.6	0.2	0.7
General government balance, % of GDP	-2.4	-2.4	-2.2	-1.6	-10.2	-5.4
General government debt, % of GDP	134.8	134.1	134.8	134.8	156.0	154.2
Current account balance, % of GDP	2.6	2.6	2.5	3.0	3.1	3.1
Gross external debt, % of GDP	122.9	122.1	120.8	124.7	-	-

Source: EC, IMF, ISTAT, Haver, Scope Ratings GmbH

Annex III: Economic development and default indicators

IMF Development Classification ²	AE
5y CDS spread (bps) as of 15 May 2020	235

¹ The weighting and explanation of all rating factors are described in Scope's 'Public Finance Sovereign Ratings' methodology, available on www.scooperatings.com

² AE = advanced economy; EMDE = emerging market and developing economy