

Monti unveils “Save Italy” austerity plan

New Prime Minister Mario Monti has passed a €30 billion reform plan to shore up public finances and stave off the massive debt crisis facing Italy. He has also allocated a further €10bn to boost economic growth. Both measures will take effect immediately

SAVINGS

PROPERTY TAX

Abolished under former Prime Minister **Silvio Berlusconi**. New assessment mechanism will increase revenue

ASSET SALES

Sale of real estate and some utilities

CUTS

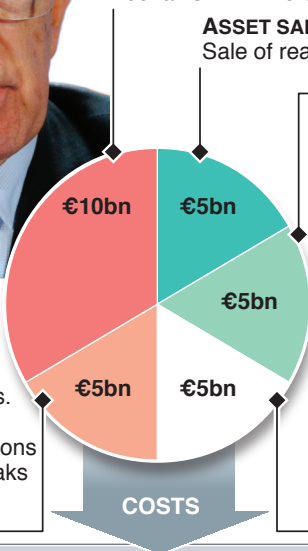
Health service budgets. Series of public agencies abolished. Provincial government politicians to receive no salary, council staff halved

PENSIONS

End to final salary schemes and annual inflation adjustment for pensions over €936. Reform to “seniority pensions” – calculated on age and contributions. Retirement age raised to 66 by 2018

TAX AND EVASION

Luxury asset tax (boats, sports cars). VAT up 2%. Tax on bank accounts, stocks. 1.5% tax on capital. Ban on cash transactions over €1,000. Tax breaks for small firms who declare income



STIMULUS

€10bn

New antitrust powers. Remove regional business tax, provide tax incentives to boost employment. Flexible opening for shops, and liberalisation of non-prescription drug sales