Letter to the Editor of Frankfurter Allgemeine Zeitung

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Press releases
ESM
On the articles “Deficits in Rome” (F.A.Z. of 29 September) and “League boss Salvini: I don’t care about Europe at all” (F.A.Z. of 1 October): In the article in the Saturday edition about the budgetary plans of the Italian government, the claim is made that “Europe has taken over guarantees for Italy’s state debt via the state rescue fund ESM”. This claim is repeated in the other article published on Monday. The claim that the ESM is guaranteeing Italy’s state debt is wrong. Italy has never lost access to international financial markets. Therefore, Italy has never had a rescue programme with the ESM or its temporary predecessor institution, the EFSF. For the same reason, the ESM has neither guaranteed Italy’s state debt nor has it granted Italy any emergency loans.

The ESM and EFSF have so far granted rescue loans to five euro countries: Ireland, Portugal, Greece, Spain and Cyprus. As a matter of principle, the loans are always tied to strict reform conditions. Since the ESM issues bonds to finance its rescue loans, no tax money is being spent and there are no transfers. Italy does guarantee ESM bonds via the paid-in and the callable capital, as does Germany and all other euro member states.

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