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INFLATION AND COUNTER-INFLATIONARY POLICY MEASURES:

THE CASE OF ITALY

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ABSTRACT

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Abstract

Italian inflation has risen to 9.4% in September 2022. Energy goods have been the primary driver of the inflation surge since the fall of 2021, but price increases are now spreading to the whole economy, with 'core' inflation at 5.3%. Since Italy's industries heavily rely on gas as an energy source, many energy-intensive sectors experienced greater producer price increases. The gap between nominal wages and inflation have started to widen; in the first nine months of 2022 real wages lost 6.6 percentage points. Inflationary pressures affect Italian households unevenly; price increases have a much higher impact on the poorest groups of the population, due to their large share of expenditures on energy and food. From the end of 2021 to November 2022, the Italian government spent 62.8 billion euros on measures compensating firms and households for the surge in prices caused by inflation. The resources amount to 0,3% of the Italian GDP in 2021 and 3% in 2022. These measures benefited households to the tune of 16.9 billion euros, firms 23.5 billion, while 22.4 billion went to supporting the overall economy. Mario Draghi's government measures mainly focused on tax credits, social and energy bonuses, along with reductions in excise taxes and VAT on electricity and gas. The right-wing government led by Giorgia Meloni elected in September 2022 has generally extended previous measures.

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Recent price developments in Italy

The surge of inflation in 2022 has been a novel development with widespread – and still uncertain -effects on Italy's economy, imports of energy sources, production activities, real wages, consumption levels, and distributional outcomes. In this report, the Harmonised Index of Consumer Prices (HICP) is used to measure consumer price inflation in the euro area and in Italy. Annual inflation is measured as the change in the price level of consumer goods and services between the current month and the same month of the previous year.[4]

Inflation in Italy and in the Euro Area

In 2019 and 2020, inflation across European countries and Italy had levels well below the ECB target of 2%; in 2021, consumer prices increased on average by 2.6% in EU-19 and by 1.9% in Italy. With the easing of lockdown measures in the summer of 2021 and the revival of economic activity across countries, consumption prices increased due to supply-side bottlenecks and the fragmentation of global value chains resulting from Covid's past restrictions. As shown in Figure 1, the annual rate of change of the HICP of EU-19 countries (the blue line) increased from 1.6% in April to 3.0% in August 2021. Italy (depicted by the red line) had a more moderate growth of consumer prices, rising from 1.0% to 2.5% during the same period. In Autumn 2021, the rise in global demand for consumer goods led to a further climb of input costs, primarily of raw materials and energy, driving up inflation.

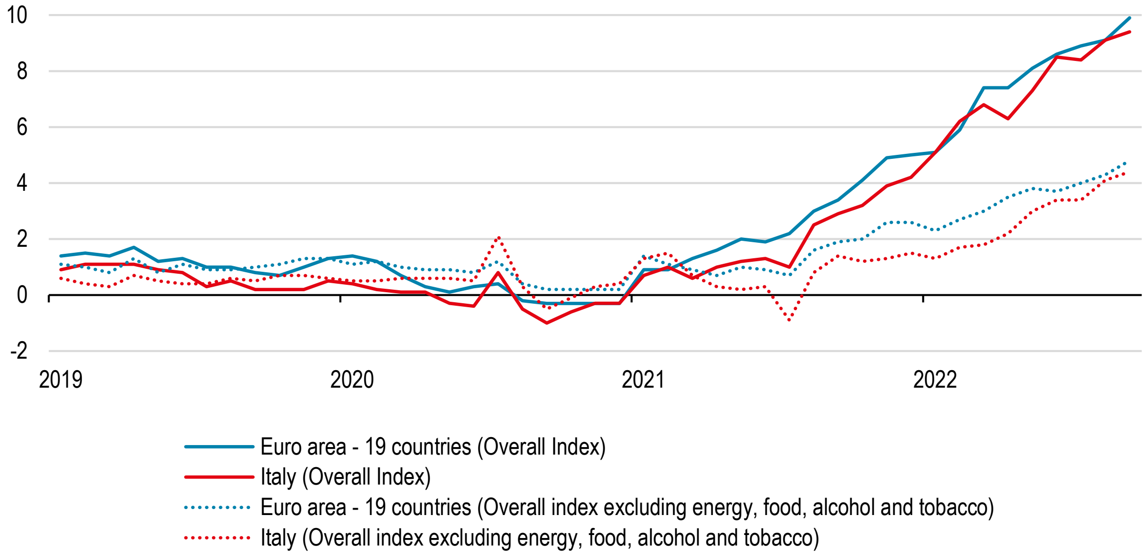
At the end of 2021 and in early 2022, the growing tensions between Russia and Ukraine led to further energy price rises. In February 2022, Russia launched its military invasion of Ukraine, and between February and May 2022, the inflation rate showed a sharp increase both in the EU-19 and in Italy. The military escalation, the economic sanctions, the restrictions on the import of Russian gas, and the fall of key Ukrainian exports, notably fertilizer and cereals, led to further price increases, bringing overall inflation in September 2022 to 9.9% in the Euro Area and 9.4% in Italy.[5]

The dotted lines of figure 1 highlight the crucial role of energy price dynamics in the inflation trajectory of 2022; non-energy-and-food inflation has risen more sluggishly. However, it is now well over the 4%. In Italy the rate of inflation excluding energy and food has lagged behind the rises in the rest of Europe, but it is now rapidly approaching the Euro Area average.

[4] The HICP is used to assess the convergence of the economies of EU member countries and to monitor price stability by the ECB. https://www.ecb.europa.eu/stats/macroeconomic_and_sectoral/hicp/html/index.en.html.

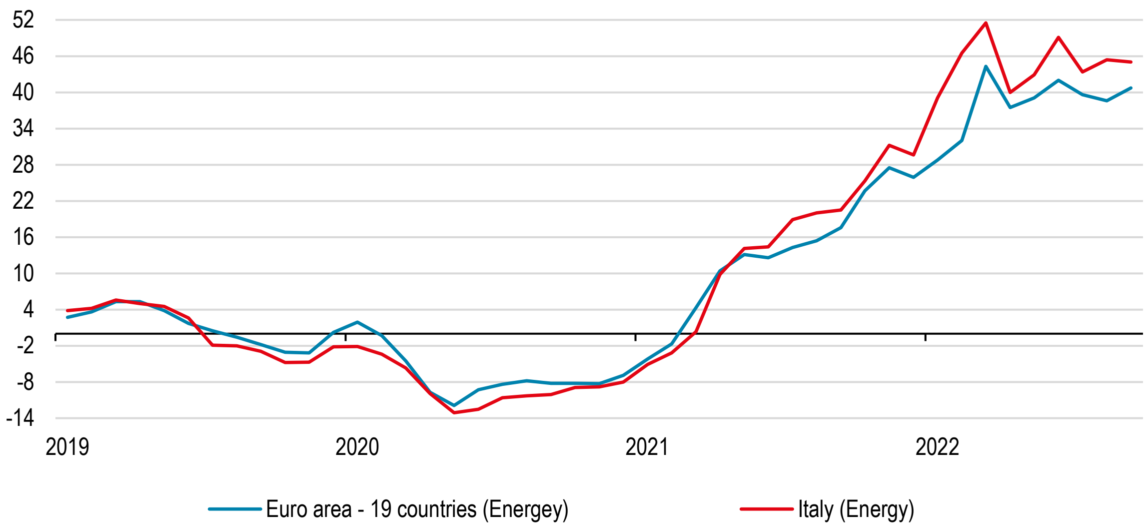
[5] https://www.istat.it/en/archivio/276003 (Consumer prices - September 2022, English version). Provisional data for October are here: https://www.istat.it/en/archivio/276686 (Consumer prices - October 2022, English version).

Figure 1: Annual rate of change of HICP - Overall index and index excluding energy, food, alcohol and tobacco (monthly data), January 2019-September 2022



Source: Eurostat, Harmonised Indices of Consumer Prices (HICP)

Figure 2: Annual rate of change of HICP - Energy (monthly data), January 2019-September 2022



Source: Eurostat, Harmonised Indices of Consumer Prices (HICP)

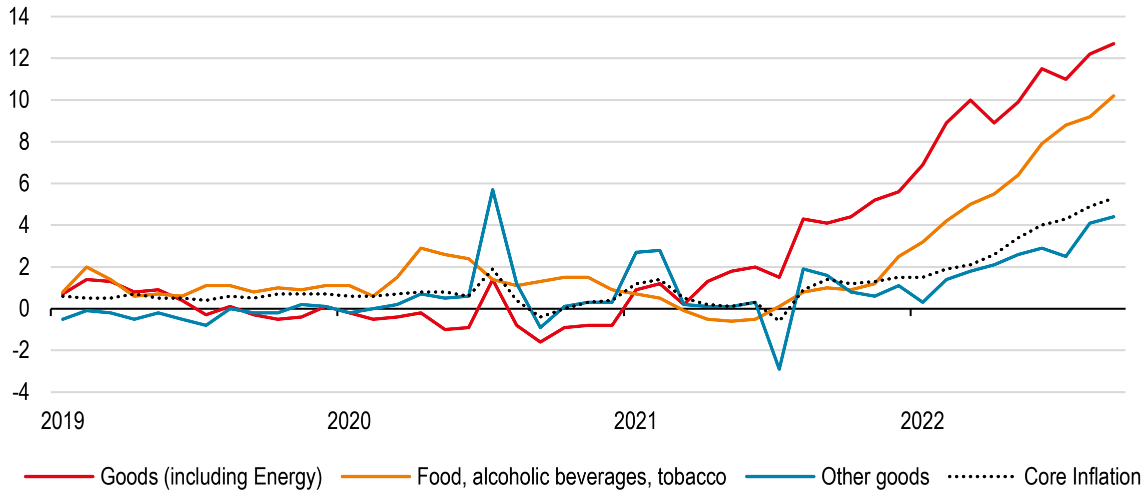
Focusing on energy prices (Figure 2), after a period of stability and low inflation between 2019 and 2020, in 2021 the average energy price increase was 13% for EU-19 and 14.3% for Italy. The dynamics of energy price further increased in 2022, due to the Ukraine war and the increasing volatility of energy markets, with inflation peaking in March 2022 at 44.3% for the Euro Area, but even higher, at 51.5%, for Italy. In the subsequent quarter, energy prices maintained these levels, with a modest decline in later months. In September 2022, according to the latest available data of Eurostat, energy-HICP rose in Italy by 45.0% compared to the same period in the previous year, while in

EU-19, it increased by 40.7%. Faster energy-price inflation in Italy reflects the country's heavy dependency on gas imports, especially from Russia.

Figure 3 decomposes the general HICP index into commodities' main aggregates. While core inflation, measured excluding imported goods, increased slightly from 0.9% in August 2021 to 4.9% in August 2022 (5,3% in September), the HICP of goods including energy rose to 4.3% in August 2021 and to 5.6% at the end of the year, reaching 12.7% in September 2022. Similar patterns can be seen for the HICP index of food, alcoholic beverages, and tobacco commodities. This index increased at the end of 2021 by 2.5% and continued to rise for all the following year, reaching a peak of 10.2% in September 2022. Conversely, the HICP index of Other goods showed increases slower than those of core inflation.

These patterns suggest two complementary dynamics. First, the foreign energy shock drove the rise of energy prices and, later, that of food-related goods. Second, from the start of 2022, inflationary pressures have extended to core inflation, with the spreading of price increases to other goods and services as higher input costs are passed on.

Figure 3: Italy, annual rate of change of HICP - Goods (monthly data), January 2019-September 2022

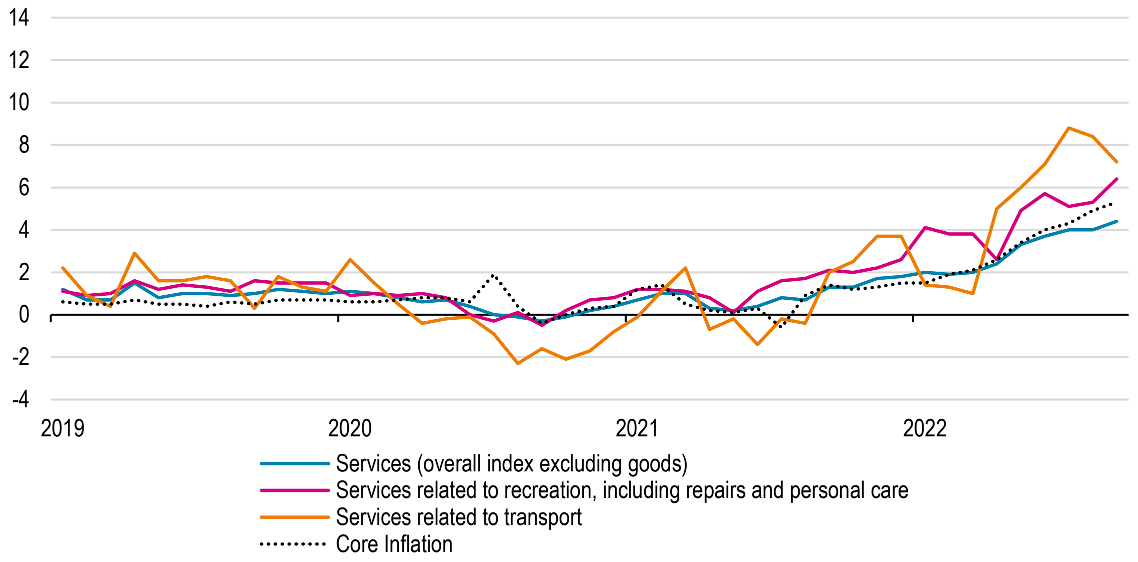


Source: Eurostat, Harmonised Indices of Consumer Prices (HICP)

These dynamics are emphasized in Figure 4, which shows the HICP dynamics concerning services. The price index for total services more than doubled from 0.7% in August 2021 to 2% in January 2022. Then it increased constantly during 2022, following the dynamic of core inflation, up to the spike of 4% in August 2022 and 4.4% in September. More volatility can be seen for the HICP index of transport services, which rose sharply to 5.0% in April 2022 and to 8.4% in August.

The HICP recreation index, including repairs and personal care, package holidays, and accommodation services, had a similar trajectory. The HICP of these services grew moderately during the second half of 2021 as a result of the vanishing of Covid-19 restrictions. However, it started to increase in 2022, reaching 6.4% in September.

Figure 4: Italy, annual rate of change of HICP - Services (monthly data), January 2019-September 2022



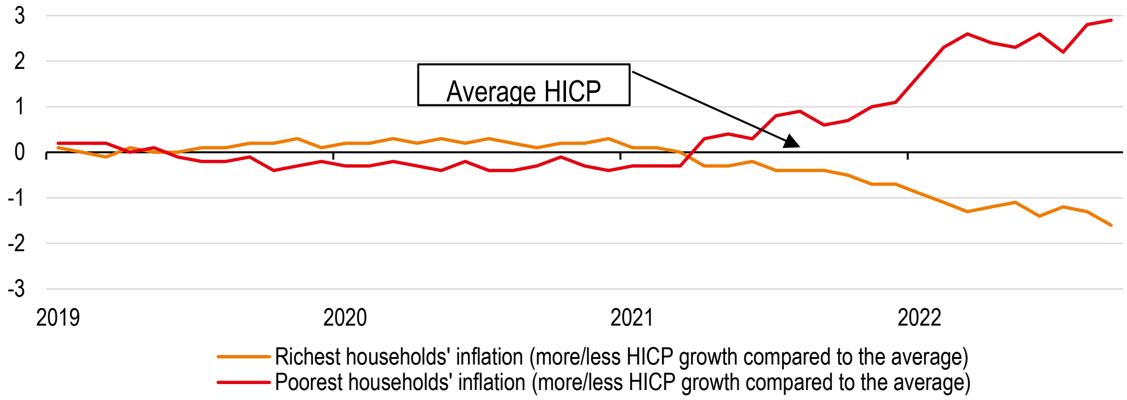
Source: Eurostat, Harmonised Indices of Consumer Prices (HICP)

The different impact on households

Inflationary pressures affect Italian households unevenly, with very substantial distributional effects in terms of household consumption patterns (Figure 5). The Italian national institute of statistics (ISTAT, 2022)[6] examined how the different components of the HICP affect household groups sorted into five quintiles on the basis of income and total expenditures. The simulation shows that recent price increases have a much higher impact on the poorest group of the population, due to their large share of expenditures on energy and food, compared to the richest quintile, where such expenses have considerably less weight. In the third quarter of 2022, for the poorest 20% of the population, prices grew by 11.6% (year-on-year), while they grew by 7.6% for the richest quintile. All the three poorest quintiles of the population are affected by an increase in prices that is higher than the 8.9% average.

[6] ISTAT (Consumer prices - June 2022, English version: https://www.istat.it/it/files//2022/07/Consumer-Price_June2022.pdf)

Figure 5: Italy, annual rate of change of HICP for expenditure classes for 1st vs 5th quintile, monthly data), January 2019-September 2022

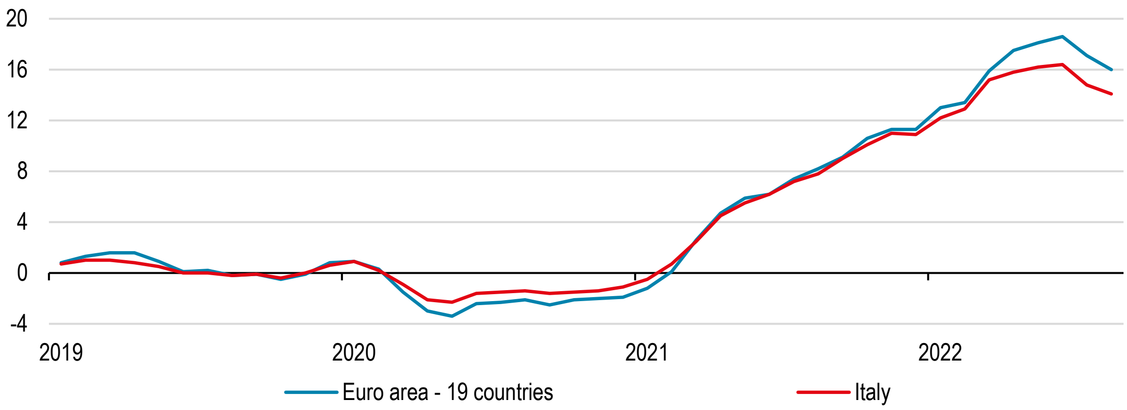


Source: The Italian National Institute of Statistics

The producer price index

The sharp rise in energy prices had a direct impact on producer prices.[7] The annual rate of change of producer prices in manufacturing – shown in Figure 6 – grew rapidly in 2022, reaching in June 2022 18.6% and 16.4% in EU-19 and Italy, respectively, followed by a modest decline. Figure 7 depicts the effect of inflationary pressures on output prices by looking more closely at manufacturing. Energy-intensive industries such as the manufacture of basic metals, paper and paper products, chemicals and chemical products, other non-metallic mineral products experienced an increase of more than 20% in the producer price index in June 2022, compared to the same period in the previous year.

Figure 6: Annual rate of change of producer prices in Manufacturing (Total output price index, monthly data), January 2019-August 2022

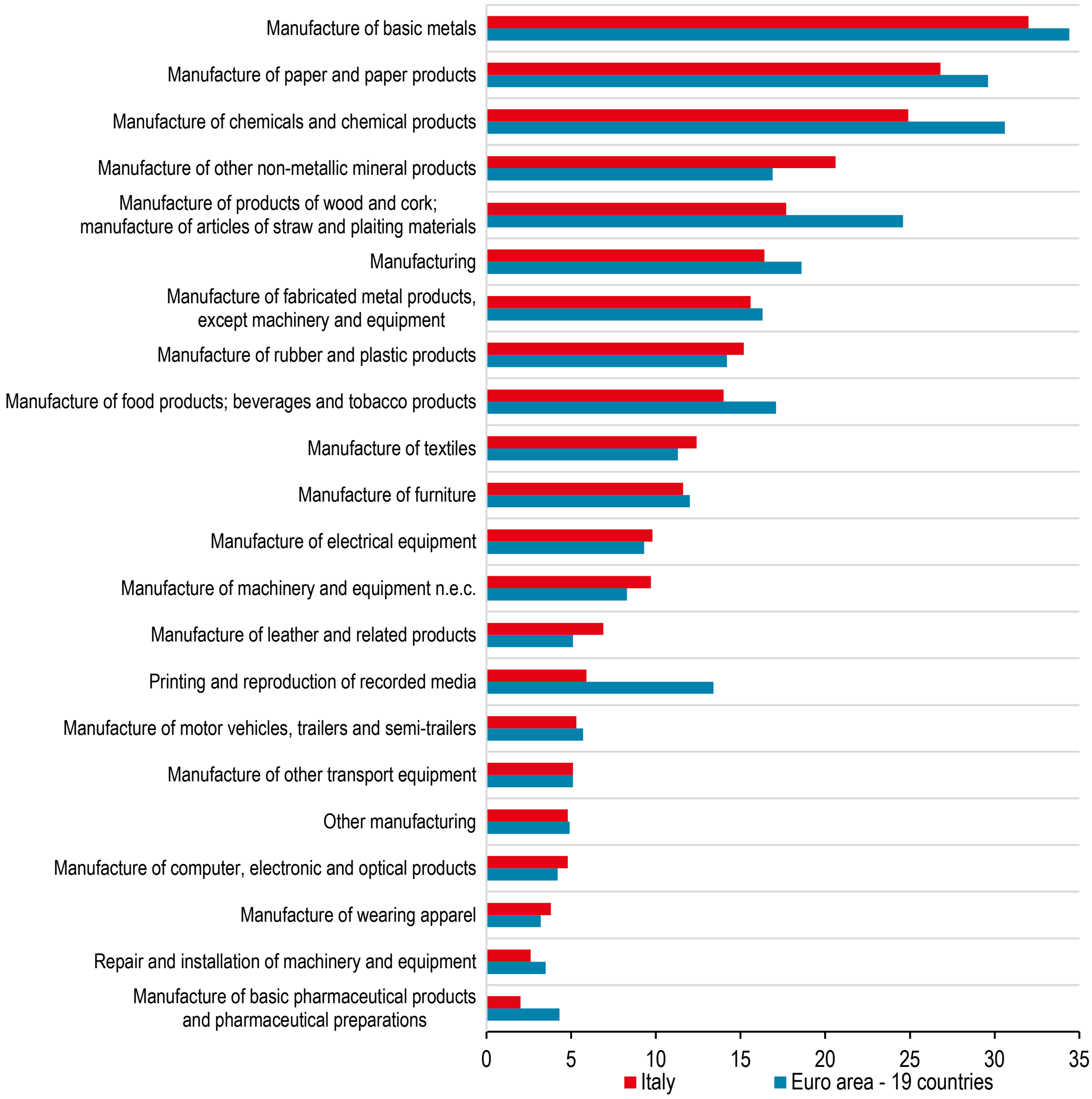


Source: Eurostat, Short-term business statistics

[7] The industrial producer price index ("output price index") measures the price trend of goods and services produced or supplied by firms. In this report we refer to industrial producer prices for the total market (both domestic and non-domestic). https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Industrial_producer_price_index_overview.

Since Italy's industries heavily rely on gas as an energy source, industries such as the manufacturing of non-metallic mineral products, of rubber and plastic products, leather and related products and machinery and equipment, along with the textile industry experienced greater price increases compared to EU-19 countries. Price increases are thus transmitted throughout the economy due to imported input-price spikes.

Figure 7: Annual rate of change of producer prices in manufacturing at 2-digit sectoral NACE level (Total output price index, monthly data), from June 2021 to June 2022



Source: Eurostat, Short-term business statistics

As already highlighted, the Italian economy heavily depends on Russian gas and foreign agricultural inputs, such as fertilizer and cereals, of which Russia and Ukraine are leading exporters. In particular, according to ISTAT (2022)[8], the sectors with direct and indirect

[8] ISTAT. 2022 Annual Report - The state of the nation. Available at https://www.istat.it/it/files//2022/09/Annual-Report-2022_Summary.pdf

relations with agricultural products account for about 17% of Italian value added and for more than 20% of exports in 2020, considering the whole value chain. Thus, inflation driven by agricultural and energy price shocks affects around one-third of the Italian industrial system in terms of value added.

Recent nominal wage developments

In 2020 and 2021, the index of nominal wages per employee in the private sector based on collective labour agreements increased by 0.5% and 0.7% respectively. In the second half of 2022 the increase reached 1.1%, with a value of 1% for the whole of 2022. This nominal stability contrasts with the major rise in HICP since mid-2021 and with that of core inflation from the start of 2022.

Figure 8: Annual rate of change of HICP (All-items HICP, monthly data) and of the Index of wages according to collective labour agreements per employee (base December 2015, monthly data), January 2019-September 2022

Source: The Italian National Institute of Statistics

As in 2020 HICP inflation was slightly negative (-0.1%), real wages experienced a modest increase in real terms. However, in 2021 and – at a faster rate – in 2022, the HICP index accelerated and the gap between nominal wage adjustments and inflation started to widen, harming real wages. In 2022, considering the average of the first nine months of the year, the gap between the dynamics of HICP and that of contractual wages reached 6.6 percentage points.[9]

Bargaining between employers and unions in Italy is regulated by a 2009 agreement. Italian nominal wages follow a price adjustment system based on an inflation index (HICP-NEI) measured excluding imported energy goods and considering the three previous years. During 2019-2020 this index closely followed Italian core inflation. Due to the spike in imported energy prices in 2022, ISTAT's estimation of HICP-NEI to be used in future labour contracts is at 4.7% for 2022 well below the average of the overall HICP index of 7.5% observed in the first nine months of the 2022 (and assuming that the index remains at the same level of the last monthly data available in the remainder of the year).

[9] https://www.istat.it/en/archivio/276751 (English version).

For Italian workers the effect of linking nominal wages to HICP-NEI could be substantial, with major losses in real wages and consumption levels.

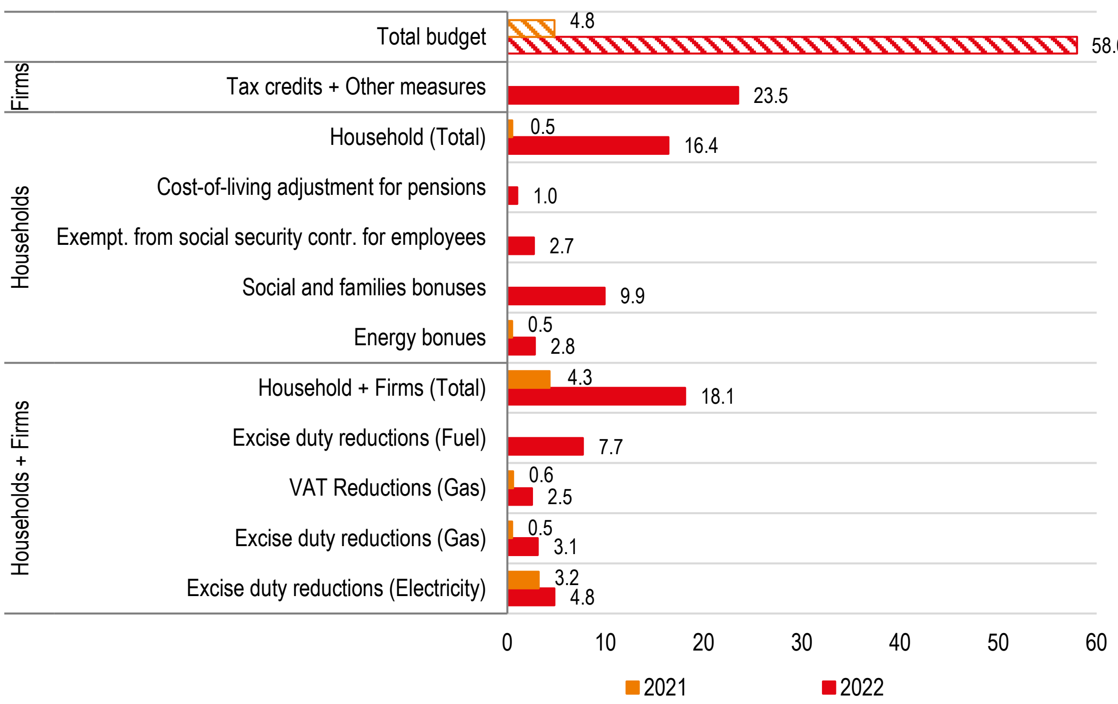
These prospects are complicated by the recent proliferation of precarious jobs, not covered by proper collective contracts, and by the current lack of a discussion between employers and unions on ways to protect real wages. So far, real wages have been supported by a government-funded '*bonus*' only (see below).

A description and evaluation of government measures taken

From the end of 2021 to November 2022, the Italian government spent 62.8 billion euros on measures compensating firms and households for the surge in prices caused by inflation. The resources amount to 0,3% of the Italian GDP in 2021 and 3% in 2022. The policies adopted have been financed out of the rise in fiscal revenues due to the increase in VAT and energy taxes, without increasing the public budget deficit.

These measures devoted 16.9 billion euros to households, 23.5 billion to firms, and 22.4 billion to supporting the overall economy. Figure 9 details the measures and the financial resources devoted to households and firms according to the latest estimates of "Ufficio parlamentare di Bilancio"(UPB, 2022). [10]

Figure 9: UPB estimates of the government's measures taken to contrast inflation in 2021-2022
Billions of euros



Source: Our elaboration on UPB (2022).

[10] UPB (2022) Parliamentary audition available at https://www.upbilancio.it/wp-content/uploads/2022/10/Flash_2_2022.pdf

Policies targeting firms

A first group of policies, based on tax credits for vulnerable firms, aims to offset the increasing cost of intermediate goods and inputs of production. Specific policies were implemented to support gas-intensive and electricity-intensive industrial sectors, along with fishing, transport, and agriculture. The energy-intensive sector benefited from a specific tax credit for 2022. In particular, for the first quarter of 2022, a tax credit equal to 10% of energy costs for gas-intensive productions and to 20% of the costs for electricity-intensive firms was implemented and subsequently incremented with the latest government's measure to up to 40% for both energy-intensive productions until December 2022. Regarding the transportation sector, a tax credit of 28% is provided for the expenses in gas sustained for all of 2022 compared to the same period in 2019. In addition, for the fishing and agricultural sector, a specific credit of 20% is provided to compensate for expenditures in fuel and gas up to December 2022. The eligibility criterion for obtaining these tax credits is an increase of average energy costs (electricity and gas) above 30% in the second quarter of 2022 compared to the same period in 2019.

A further group of policies aims to support firms facing liquidity constraints due to the energy price increase. These measures focus on extending the public guarantees on the credits offered by banks and financial institutions to firms and SMEs that document revenue losses due to the Ukraine war. Firms can obtain a publicly guaranteed credit of up to 100% of the investment required to improve the energy efficiency of their production systems.

Overall, firms' support follows the European Temporary Crisis Framework in targeting the sectors most afflicted by the energy price hike; the total amount of funds devoted to firms is 23.3 billion.

Policies targeting households

When considering policies supporting households, we can distinguish measures targeting different groups. The government spent 0.5 billion euros in 2021 and 2.8 billion euros in 2022 to introduce an energy "bonus" for vulnerable households. Eligibility for this bonus includes households with a total annual equivalised income (ISEE) below 20,000 euros and with a high number of components - at least four members. Moreover, the energy bonus is assigned to people receiving basic income, social pensions, and people with precarious health conditions.

A more general measure was introduced to help workers facing price increases. In June 2022 government financed a bonus of 200 euros for low and medium-income employees. The transfer was received by workers with a monthly taxable pay below 2,700 euros or with an annual personal income below 35,000 euros, as well as by people receiving unemployment benefits, minimum wages, and social pensions.

In November 2022, the new government provided an additional social bonus of 150 euros, targeting employees with an annual taxable income of up to 20,000 euros. Overall social and family bonuses amounted to 9.9 billion euros in 2022 to support low-income employees struggling with the rise in energy prices.

In January 2022 social security contributions have been reduced by 0.8 percentage points for employees with a taxable monthly income below 2,692 euros; the reduction was later expanded to 2 percentage points and extended to the whole of 2022. The government funded this tax relief with 2.7 billion euros.

Finally, the cost-of-living adjustment of pensions of 2% expected for 2023 was anticipated in the last quarter of 2022 in the latest Draghi government policy decisions of October 2022, at a cost of 1 million euros.

Policies targeting firms and households

An additional group of policies has addressed gas, fuel, and electricity price increases. These include the reduction to 5% of the VAT rate on gas for civil and industrial use from the last quarter of 2021 until the last quarter of 2022, at a cost of 3.1 billion euros.

The government decided the reduction and then the elimination of general system charges – costs for supporting renewable energies, phasing out nuclear power, etc. - and the reduction of excise duty on electricity and gas from October 2021 to December 2022 for an amount of 8 billion for electricity and 3.6 billion for gas.

Moreover, a cut of excise taxes on fuel, gasoline, and gas for cars for about 0.25 euros per litre from March to November 2022 for an amount of 7.7 billion euros partially offset the increase in imported energy goods. As they limit the general hike in gas and electricity prices, these measures benefit firms and households alike.

The windfall profits of energy companies

In January 2022, the Italian government introduced an increase in corporate taxes on energy companies that have benefited from the increase in energy prices, with legislative decree number 21/2022. The policy establishes an additional tax rate of 10% for companies that import, distribute and sell gas or electric energy and for ones that produce, extract, distribute and sell petroleum products and which enlarged their profits by at least 10% or by at least 5 million euro, from October 2021 to March 2022 compared to the same months a year earlier.

According to the Parliamentary accounting office (UPB 2022)[11], even if there are no reliable indicators of the amount of "extra-profits" in the energy sector, after July 2021, there has been a substantial increase in the monthly e-invoicing revenues of energy companies compared to other industries. As reported by the office, this policy could produce a tax increase of 10.5-11 billion in 2022 due to the oligopolistic nature of the Italian energy market. With law decree 50/2022, this measure was modified, raising the tax rate from 10% to 25% and was extend up to April 2022. However, up to November 2022, the revenues derived from the taxation of energy-sector firms are well below the estimates, and the new government may change this policy.

[11] UPB (2022) Parliamentary audition, available at: https://www.upbilancio.it/wp-content/uploads/2022/05/Audizione-UPB-DL-50-2022.pdf

The evaluation of policy measures for households according to household consumption patterns

Inflationary pressures do not affect Italian households in an even way, as shown above. According to a study by UPB (2022)[12], by dividing Italian households into deciles on the basis of their expenditures, government measures have been able to compensate the poorest decile of households for the substantial spike in prices between June 2021 and September 2022. Indeed, the measures adopted by the government limited of the cost-of-living increase to 1.3% for the (poorer) first decile of the population, compared to an average increase of 3.7% and to a 3.8% rise of the expenses of the (richer) tenth decile. In other words, thanks to government measures, the burden on the poorest household has been limited to around one-third of that faced by richer households.

The simulation suggests that the adopted policies compensate Italian households in a progressive way. Among the measures targeting the poorest part of the population, social and energy bonuses and the cost-of-living adjustment of pensions of 2% mostly affect the poorest households and have the most redistributive effects. In contrast, measures aiming to decrease utility-bills tariffs, such as the reduction of VAT, of the excise on gas and electricity, and the elimination of general system charges, have small progressive effects, since they are related to the consumption of these goods, which is higher for the richer population groups.

However, the inflationary pressures of summer 2022 for energy goods and the rise of core inflation are reducing the effectiveness of the measures taken for the lowest income groups. The simulation showed that between June 2021 and May 2022, government policies fully compensated the poorest decile of the population from the burden derived by the price hike, but in in the last four months - May-September 2022 - expenditure for the first decile of households rose by 1.3%. These patterns suggest the need to continue to deploy measures to limit the impact of inflation on the poorest Italians.

Evaluation of government policies and reactions by social partners

The above list of policy actions shows a substantial action by the government of Mario Draghi in terms of utility-bills cuts and subsidies to support households and firms facing inflation, and particularly the rise of gas and electricity prices. This approach was maintained after the fall of the Draghi government in July 2022, up to the general elections of September 2022. During this period, containing popular discontent with inflation on the eve of the election was a key objective of the measures introduced.

The government has made use of existing budgetary resources for the measures introduced in 2022. No further budget deficit was needed to fund the measures of 2021-2022, due to an increase in government revenues and sustained economic growth. The right-wing election victory of September 2022 opened the way to a new government led by Giorgia Meloni; the government plans to spend a further 10 billion euros to offset price

[12] UPB ("Flash 18/2022"- Available at: https://www.upbilancio.it/wp-content/uploads/2022/10/Flash_2_2022.pdf).

hikes during the last two months of 2022. These measures will be based on same set of subsidies and tax credit instruments introduced by the previous government.

However, the protection of real incomes and consumption levels of the poorest Italians is threatened by the emphasis of right-wing parties on scaling down the programme providing a basic income, which has been a fundamental instrument to defend the incomes of the poorest income groups.

Moreover, the budget resources needed to implement such anti-inflation measures are limited; possibilities for similar action in the future are reduced by the prospect of a recession in 2023 and by the higher interest burden on public debt resulting from the increase in interest rates decided by the ECB.

At the European level, the Italian government led by Mario Draghi had strongly campaigned for a EU-wide price cap on gas, limiting the room for speculative price increases in the Amsterdam market, with modest success so far. Greater EU-level control over price setting for gas and electricity would be a necessary tool for bringing inflation under control.

Overall, the policies so far introduced have not changed the structure and ways of operation of the energy and electricity markets in Europe and in Italy. In Italy, they are the outcome of the privatisation policies of the 1990s, with some public enterprises operating alongside private ones in a market regulated by a weak public authority. No serious discussion of re-nationalising key energy companies has emerged so far, and this is not taken into consideration by the newly elected government. The energy strategy pursued since 2000 relied on huge gas imports from Russia, an approach that has seriously exposed the Italian economy to the effects of international uncertainties and the war in Ukraine.

Even for companies where the Italian State is the majority shareholder – such as ENI and ENEL – public ownership has not led the company to implement business strategies different from the private ones aiming at capturing substantial extra-profits. There was no attempt to cap prices for consumers or firms, no reform of the current forms of weak regulations over firms is envisaged, and no industrial policy envisaging direct interventions in the energy and electricity sectors is planned. This lack of 'supply side' market regulation and industrial policy is a major weakness in current Italian policies.

Responses by social partners

The question of wage increases in labour contracts as a way to protect real wages is only now emerging in trade union demands. In recent months, demands focused on the proposal of an 'extra monthly wage for all in 2022' paid by government subsidies, that was advanced by both trade unions and by the Democratic Party during the election campaign. This approach is intrinsically inegalitarian, as it ignores that the poorer groups of workers and the population are those hardest hit by inflation, offering instead larger support to higher earners. It also ignores that wages are set in firms and that firms are responding to input price hikes by transferring price increases to their customers, leading to a rise in the country 'core inflation' and to generalised losses in real wages.

The question of reconsidering the system of indexation of wages to prices, that at present does not protect wages from energy and imported inflation, has not yet been raised, but is likely to become crucial once public resources for compensation are exhausted. Trade union demands for increasing nominal wages are already under way in the bargaining for national labour contracts in major industries. In the case of the auto industry and Stellantis, unions are demanding a nominal wage rise of about 6.5% in 2022.[13]

In Italy wage indexation is a delicate issue, after the long struggles over the automatic link of wages to prices in the 1970s and 1980s, which ended in 1985, when a referendum confirmed the government decision to abolish the automatic wage adjustment system that had protected workers from high inflation for decades. In recent years, the proliferation of precarious and non-standard jobs, which are not covered by collective bargaining agreements, has left many workers without any protection from inflation and led to the rise of work-in-poverty.

In this context, the decline in real wages is likely to stimulate a new need for more effective national wage bargaining agreements and for more effective wage indexation systems. A tripartite approach to price increases and protection of real wages would be essential for avoiding major distress for wage earners and the poorer social groups. However, business employers are concentrating their demands on further tax cuts on firms and labour costs, while the government of Giorgia Meloni has no intention to fully engage in a tripartite dialogue.

Employers' associations appreciated the strong support received by Draghi's government in terms of tax credits and guaranteed loans to ease the liquidity constraints of enterprises. They are now asking the Meloni government to offer a reduction of the 'tax wedge' between gross labour costs for firms and take-home pay by workers, reducing taxes and social security contributions by about 4 to 5 percentage points, from the current level of 45%. This is a long-standing demand by employers, which would have a major impact on the government budget and on workers' pensions.[14] Employers have also supported Italy's demand for a Europe-wide price cap on energy goods[15].

The prospects in Italy are for a continuation of the government policy offering public subsidies to firms and households, without considering the possibility of tripartite negotiations on how real wages could be protected and on how energy price hikes could be brought under control. The ad-hoc approach of such policies is likely to leave unprotected the more vulnerable groups of workers, in particular those with lower wages, without a national contract, with fixed-term or part-time jobs. The Meloni government's plan to scale down Italy's basic income is also likely to leave the unemployed more exposed to a reduction in real consumption.

As such challenges are common to all EU countries, EU-level coordination in introducing changes for protecting real wages in the context of high inflation would be an important factor, contributing to overcome resistance by some national governments and to reduce national disparities in real incomes.

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[13] https://www.corriere.it/economia/opinioni/22_ottobre_10/salari-inflazione-test-stellantis-piattaforma-sindacati-il-rinnovo-contratto-1769b970-4873-11ed-9137-2a999573b4c6.shtml

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Table 1: Summary of measures by category

Measure		Period
Energy tax cut		fall 2021, all 2022
Gasoline tax cut		fall 2021, all 2022
Vat tax cut		fall 2021, all 2022
Retail price control		expected in 2023
Wholesale price control		
State-owned companies		
Transfer to vulnerable households		only in 2022
Windfall profit tax		only in 2022, but with limited impact
Transfers to vulnerable firms		
Unilateral wage policy/guideline		
Bi-tripartite agreement social pact		
Tax credit to vulnerable firms		only in 2022
Guaranteed loan to vulnerable firms		only in 2022

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