

Italy: liquidity decree by which the Italian government will guarantee "all" liquidity necessary for the Italian productive fabric, with 100% of the State guarantee.

With the decree of 6 April, the Government announced several measures for Small and Medium Enterprises and large Italian companies:

- 400 billion loans for Italian companies up to 25% of turnover;
- deferral of tax deadlines with a turnover-related mechanism;
- suspension of corporate taxes in April and May;
- extension of the central guarantee fund with the state which will be able to guarantee up to 90% by the state for loans of up to EUR 5 million;

For small businesses up to €25,000 of loans the State will guarantee 100% of the loan.

Altogether mobilised up to 750 billion of resources guaranteed by the State.

In addition to the liquidity decree, the 2020 school decree and the golden power extension measure have been approved. Golden Power strengthened.

The Minister of Economy, Roberto Gualtieri, has guaranteed in his speech that for the whole 2020 companies that will have received State aid for the Coronavirus will not be able to pay dividends.

Access to credit and deferral of obligations are only the first stage of a business support operation that will have its second phase in the so-called "April decree", a maneuver with new measures for companies, workers and families (after the first tranche prepared with the decree Cura Italia). This second measure is expected on 15 or 16 April.

In the measure of the decree of 6 April, there is also an instrument to protect all companies that carry out some activity of strategic importance, namely the strengthening of the so-called Golden Power. "We will be able to control corporate operations and hostile climbs not only in traditional sectors, but also in the insurance, credit, financial, water, health, safety and security sectors. It is a tool that will allow us to intervene in case there are acquisitions of shareholdings just over 10% within the EU," said Giuseppe Conte.

After Easter there will be a new April Decree that will provide over 35 billion in support of workers and families. But now, starting with the injection of liquidity, we are thinking about how to restart the economic engine of the country.

In the meantime, the Italian government is waiting for today's Eurogroup to see how Italy's battle on Eurobonds will turn out given the opposition of some to the coronabonds and their wish for a "light" ESM.

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