

**Dear Reviewer,**

We would like to thank you for the suggestions, recommendations and comments in relation with the scientific approach in our paper. We considered carefully each one of your suggestions. All of them are very relevant for us and represented a reliable guide and strong support in our efforts to increase the quality of our paper (both for the first and for the second version of the paper).

Starting from your specific suggestions (in bold), the changes introduced in paper are as follows. All the changes are highlighted with yellow in the second revised version of the paper.

**The authors have made a noticeable effort to improve the study, but still remain some details that should be clarified.**

- **In section 3 is offered a misleading information about fiscal multipliers. A fiscal multiplier (revenue or expenditure multiplier) measures the change in output due to the use of the fiscal policy instrument (taxation or government expenditure). However, is not the way in which the fiscal authorities implement stabilization policies, but the way in which the achievement of the government's goal can be measured.**

We reformulate as follows:

*Regarding fiscal policy, in the theoretical and empirical literature there is a consensus about its role to the stabilisation of economic activity affected by recession (OECD, 2009); (Arestis, 2012); (Coenen, Kilponen, & Trabandt, When Does Fiscal Stimulus Work?, 2016); (Mehrotra, 2018); (Fuss, Whalen, & Hill, 2020), which represents the main concern of this paper. The fiscal policy exercises the stabilization function through its instruments (taxation or government expenditure) and its effectiveness, reflected by the change in output, can be measured by fiscal multipliers, namely spending and tax multipliers.*

- **The citation of Coenen et al. 2016 is misleading to compare the fiscal measures taken to deal with the financial crisis, and those taken to deal with Covid-19 crisis. The sentence should be rewritten.**

The placement of the citation in text was wrong and we reformulate the sentence as follows:

*Compared to global financial crisis from 2008 when fiscal packages were expansionary in most OECD countries, but also restrictive in few countries (Hungary, Iceland and Ireland), (OECD, 2009), in the context of COVID-19 governments applied only expansionary fiscal packages, considering the impact of expansionary fiscal measures on economic activity, as was highlighted in the literature (Coenen & et, Effects of Fiscal Stimulus in Structural Models, 2010); (Crespo Cuaresma, Reitschuler, & Silgoner, 2011); (In't Veld, Larch, & Vandeweyer, 2013); (Coenen, Kilponen, & Trabandt, When Does Fiscal Stimulus Work?, 2016); (Fuss, Whalen, & Hill, 2020); (Bouabdallah, et al., 2020).*

- In Figures 1, 2 and 3 it has little sense to show a grey line for each country. It is impossible to distinguish them; and, for that reason, the authors do not offer the legend of the Figure to indicate which (grey) colour correspond to which country. The authors should consider a different way to offer the information they intend to exhibit in those figures.

We reconsider Figures 1, 2 and 3. Now, we consider the EU27 average, the maximum and minimum values for the analysed indicators recorded in EU countries. Also, we added explanation in the text accordingly.

- In section 5, the highlighted sentence "In this context, in Q3-2020 it can be observed a significant increase of GDP, which continues also in Q4, at a lower level (Figure 7) and it can be said that the taken measures were efficient", should be rewritten in a softer style. It is too strong to affirm that the fiscal measures were the cause of the increase of GDP. Notice that in Q3-2020 the strict confinement measures were relaxed, allowing for a light economic activity, which also contributed to increase growth figures.

We reformulate the sentence as follows:

*In this context, in Q3-2020 it can be observed a significant increase of GDP, which continues also in Q4, at a lower level (Figure 7) and it can be said that the taken measures might had a contribution in this direction.*

- In the Conclusions, the sentence "The return to pre-pandemic GDP is expected to occur in early 2022, almost everywhere in the EU, but there will be big differences across economic sectors", perhaps should be rewritten given the current forecasts available.

We reformulated the sentence, in accordance with the European Economic Forecast. Autumn 2021 ([https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/autumn-2021-economic-forecast\\_en](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/autumn-2021-economic-forecast_en)) as follows:

*The return to pre-pandemic GDP occurred in most EU member states at the end of 2021, while in a few others, the fully recover is expected in 2022 (European Commission, Autumn 2021 Economic Forecast: From recovery to expansion, amid headwinds, 2021) because those countries suffered more during the pandemic or considering the contribution of tourism, one of the sectors most affected by the COVID-19 pandemic, to the economy of these countries.*

Sincerely yours,

The authors