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Back to Work
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The following symbols have been used throughout this publication:

. . .	to indicate that data are not available
—	to indicate that the figure is zero or less than half the final digit shown, or that the item does not exist
–	between years or months (for example, 2008–09 or January–June) to indicate the years or months covered, including the beginning and ending years or months
/	between years (for example, 2008/09) to indicate a fiscal or financial year

"Billion" means a thousand million; "trillion" means a thousand billion.

"Basis points" refer to hundredths of 1 percentage point (for example, 25 basis points are equivalent to ¼ of 1 percentage point).

"n.a." means "not applicable."

Minor discrepancies between sums of constituent figures and totals are due to rounding.

As used in this publication, the term "country" does not in all cases refer to a territorial entity that is a state as understood by international law and practice. As used here, the term also covers some territorial entities that are not states but for which statistical data are maintained on a separate and independent basis.

PREFACE

The projections included in this issue of the *Fiscal Monitor* are based on the same database used for the October 2014 *World Economic Outlook* and *Global Financial Stability Report* (and are referred to as "IMF staff projections"). Fiscal projections refer to the general government unless otherwise indicated. Short-term projections are based on officially announced budgets, adjusted for differences between the national authorities and the IMF staff regarding macroeconomic assumptions. The medium-term fiscal projections incorporate policy measures that are judged by the IMF staff as likely to be implemented. For countries supported by an IMF arrangement, the medium-term projections are those under the arrangement. In cases in which the IMF staff has insufficient information to assess the authorities' budget intentions and prospects for policy implementation, an unchanged cyclically adjusted primary balance is assumed, unless indicated otherwise. The coverage of country groups has been broadened in this issue, compared to previous ones. Details on the composition of the groups, as well as country-specific assumptions, can be found in the Methodological and Statistical Appendix.

The *Fiscal Monitor* is prepared by the IMF Fiscal Affairs Department under the supervision of Vitor Gaspar, Director of the Department, and Martine Guerguil, Deputy Director. The team is led by Julio Escolano and Marta Ruiz-Arranz. Principal contributors include Ethan Alt, Elva Bova, Nathalie Carcenac, João Tovar Jalles, Aiko Mineshima, and Anna Shabunina. In addition, contributions were provided by Xavier Debrun, Ruud De Mooij, Csaba Feher, Takuji Komatsuzaki, Victor Duarte Lledo, Tafadzwa Mahlanganise, Priscilla Muthoora, Sampawende J.-A. Tapsoba, and Philippe Wingender. Nadia Malikyar and Jeffrey Pichocki provided excellent administrative and editorial assistance. From the IMF Communications Department, Nancy Morrison, Susan Graham, and Cathy Gagnet edited the issue, and Cathy Gagnet managed its production.

Inputs, comments, and suggestions were received from other departments in the IMF, including area departments—namely, the African Department, Asia and Pacific Department, European Department, Middle East and Central Asia Department, and Western Hemisphere Department—as well as the Institute for Capacity Development, Monetary and Capital Markets Department, Research Department, Statistics Department, and Strategy, Policy, and Review Department. Both projections and policy considerations are those of the IMF staff and should not be attributed to Executive Directors or to their national authorities.

EXECUTIVE SUMMARY

Recent Fiscal Developments and Outlook

In the last six months, low interest rates and subdued volatility in bond markets have led to declining pressures on public finances in most countries. However, underlying fiscal vulnerabilities persist, while new risks are emerging.

In advanced economies, the envisaged slowdown in structural deficit reduction will provide welcome support to economic activity. Fiscal efforts in the last five years have stabilized the average debt-to-GDP ratio. Nevertheless, it is still expected to exceed 100 percent of GDP at the end of the decade. It is important to continue to reduce debt to safer levels and rebuild fiscal buffers. Hesitant recovery and persistent risks of lowflation and reform fatigue call for fiscal policy that carefully balances support for growth and employment creation with fiscal sustainability.

In emerging market and middle-income economies, debt ratios and deficits remain generally moderate, although, on average, above precrisis levels. Prospects of tighter financing conditions and possibly lower potential growth, coupled with rising contingent liabilities, call for rebuilding the policy room for maneuver that was used during the last few years; and for strengthening the fiscal frameworks to manage risks from government activities not currently covered by budgets. Countries facing difficult financing conditions would benefit from taking early fiscal action.

In low-income developing countries (LIDCs), fiscal risks are generally modest, although debt ratios have increased significantly in a few cases. The recent Ebola outbreak is producing severe strains and disruptions to the budgets of the affected countries. The challenge for LIDCs remains to scale up the provision of essential public services and growth-enhancing investment in a manner compatible with a sustainable fiscal path. To this end, revenue mobilization through tax policy and administration reforms, and careful expenditure prioritization, are key policy priorities—as is strengthening fiscal governance, especially for the growing number of LIDCs that are gaining access to global financial markets.

Can Fiscal Policies Do More for Jobs?

Job creation is at the top of the policy agenda globally. High and persistent levels of unemployment call for a broad policy response, generally encompassing labor market reform and other economic policies. While fiscal policy cannot substitute for comprehensive reforms, it can support job creation in a number of ways.

First, the design of fiscal consolidation matters for labor market outcomes. The debate on the growth and employment impact of spending-based versus revenue-based consolidations is not settled in the literature. Some studies find that short-term spending multipliers are larger than revenue multipliers, while others have found the opposite. Our analysis, which should be seen as suggestive rather than definitive, suggests that in advanced economies, tax-based consolidations appear to be associated with a more adverse effect on jobs in normal times. However the situation differs if the starting point of the adjustment is a protracted recession, when expenditure adjustment is found to have a larger short-term adverse effect on employment. In emerging and developing economies, expenditure-based adjustments tend to have a more adverse effect on jobs, possibly due to cuts to already low levels of public investment and public services. Ultimately, what may matter most is the nature of the specific revenue or expenditure measures implemented.

Second, under certain conditions, the fiscal stance can buy time for labor market reforms. Labor market reforms can and often do have sizeable fiscal costs—either directly, such as labor tax cuts, or indirectly, through measures adopted to mitigate the undesired short-term redistributive effects of some reforms. A higher deficit or a slower pace of consolidation can absorb these, and offset the adverse short-term impact of reforms on output or employment. When appropriate, this could make space for increased public investment, further enhancing the long-term growth potential of the economy (as discussed in Chapter 3 of the October 2014 *World Economic Outlook*). A looser fiscal stance in support of the reforms could be considered if it does not raise debt sustainability risks;

if the reforms' costs and benefits are well identified and constrained in size and duration; and if there is sufficient certainty that reforms will be carried to their end.

Third, reducing labor taxes can have a significant positive impact on employment in advanced economies, but often comes at a high fiscal cost. The cost can be reduced by targeting tax cuts to specific groups, such as low-skilled workers or youth, where the unemployment problem may be more severe. These targeted measures have proven quite effective because employment of these groups is relatively sensitive to tax cuts. The success of these measures, however, depends crucially on minimizing new distortions, as well as on the scope for employment substitution effects. In emerging market and developing economies, removing tax barriers and providing basic public services and greater access to finance and training could help address the challenges of informality and low growth in labor productivity.

Finally, some countries may choose to address declining old-age labor force participation with targeted pension reform measures. The evidence shows that increases in the statutory retirement age do not, by themselves, necessarily lead to an increase in labor force participation for older workers. Complementary reforms could include tightening rules for early retirement, rationalizing benefits, and adopting other financial incentives, together with policies that boost labor demand for those who postpone retirement.

CHAPTER 1

RECENT FISCAL DEVELOPMENTS AND OUTLOOK

Advanced Economies: Proceeding with Consolidation while Supporting Employment and Growth

Fiscal efforts over the last five years have stabilized the average government debt-to-GDP ratio, albeit at a high level. Immediate pressures on public finances have eased with lower interest rates, but historically high debt ratios and a vacillating recovery, combined with looming pension and health costs, keep risks elevated.

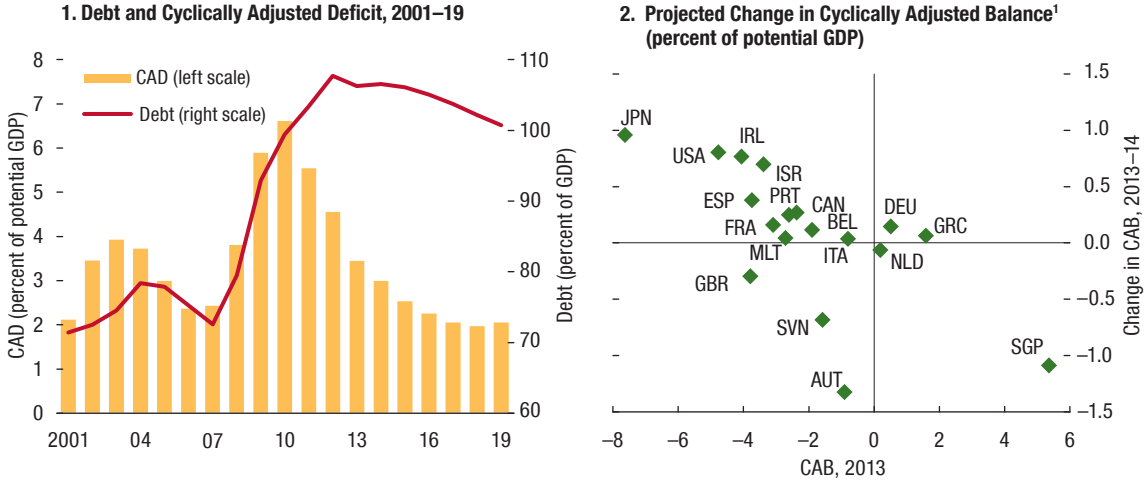
Fiscal Consolidation Is Proceeding According to Plans

The pace of fiscal consolidation in advanced economies is slowing in 2014, as expected, as many countries seek to balance deficit reduction objectives and support to a still uneven recovery. The average fiscal effort, measured by the change in the cyclically adjusted balance, is projected at 0.4 percentage point of potential GDP, compared to an annual average effort of about 1 percentage point over 2011–13 (Figure 1.1, panel 1; Tables 1.1a, 1.1b, and 1.2). Overall, revisions to the 2014–15 fiscal projections from the April 2014 *Fiscal Monitor* are relatively small and, in most cases, reflect changes in growth and inflation projections rather than discretionary policy changes.

Across high-debt countries, the adjustment effort is broadly proportional to the current level of the cyclically adjusted deficit (Figure 1.1, panel 2).

- *Ireland*, *Japan*, and the *United States* will see sizeable adjustment in 2014 (between ¾ and 1 percentage point of potential GDP). In Japan, the increase in the consumption tax rate should reduce the budget deficit by about 0.6 percentage point of GDP and contribute to a reduction in fiscal risks. In the United States, most of the adjustment reflects the expiration of exceptional unemployment benefits and depreciation allowances in early 2014. In Ireland, deficit reduction is driven by revenue buoyancy and reduced demand

Figure 1.1. Fiscal Trends in Advanced Economies



Source: IMF staff estimates and projections.
Note: For country-specific details, see Data and Conventions and Table A in the Statistical and Methodological Appendix. CAB = cyclically adjusted balance; CAD = cyclically adjusted deficit.
[1] For cross-country comparability, expenditure and fiscal balances of the United States are adjusted to exclude the imputed interest on unfunded pension liabilities and the imputed compensation of employees, which is counted as expenditure under the 2008 System of National Accounts (2008 SNA) recently adopted by the United States, but not so in countries that have not yet adopted the 2008 SNA. Data for the United States may thus differ from data published by the U.S. Bureau of Economic Analysis. See Box 1.1 in the April 2014 *Fiscal Monitor* for details.

Table 1.1a. Fiscal Balances, 2008–15: Overall Balance

(Percent of GDP)

							Projections		Difference from April 2014 *Fiscal Monitor*		
	2008	2009	2010	2011	2012	2013	2014	2015	2013	2014	2015
World[1,3]	–2.2	–7.3	–6.0	–4.3	–3.9	–3.2	–3.2	–2.7	. . .	. . .	. . .
Advanced Economies[1]	–3.6	–9.0	–7.8	–6.5	–5.8	–4.3	–3.9	–3.1	. . .	. . .	. . .
United States[1]	–7.0	–13.5	–11.3	–9.9	–8.6	–5.8	–5.5	–4.3	. . .	. . .	. . .
Euro Area	–2.1	–6.3	–6.2	–4.1	–3.7	–3.0	–2.9	–2.5	–0.1	–0.3	–0.4
France	–3.2	–7.2	–6.8	–5.1	–4.9	–4.2	–4.4	–4.3	0.0	–0.7	–1.3
Germany	–0.1	–3.1	–4.2	–0.8	0.1	0.2	0.3	0.2	0.2	0.3	0.3
Greece	–9.9	–15.6	–11.0	–9.6	–6.4	–3.2	–2.7	–1.9	–0.6	0.0	0.0
Ireland[2]	–7.1	–13.2	–29.3	–12.5	–7.8	–6.7	–4.2	–2.8	0.7	0.9	0.2
Italy	–2.7	–5.4	–4.4	–3.6	–2.9	–3.0	–3.0	–2.3	0.0	–0.3	–0.5
Portugal	–3.7	–10.2	–9.9	–4.3	–6.5	–5.0	–4.0	–2.5	–0.1	0.0	0.0
Spain[2]	–4.5	–11.1	–9.6	–9.6	–10.6	–7.1	–5.7	–4.7	0.1	0.2	0.2
Japan	–4.1	–10.4	–9.3	–9.8	–8.7	–8.2	–7.1	–5.8	0.2	0.1	0.6
United Kingdom	–5.0	–11.3	–10.0	–7.8	–8.0	–5.8	–5.3	–4.1	0.0	0.0	0.0
Canada	–0.3	–4.5	–4.9	–3.7	–3.4	–3.0	–2.6	–2.1	0.0	–0.1	–0.1
Others	2.5	–0.9	–0.2	0.4	0.4	0.1	0.1	0.4	–0.1	–0.3	–0.2
Emerging Market and Middle-Income Economies[3]	0.9	–3.7	–2.4	–0.6	–0.7	–1.5	–1.9	–1.9	. . .	. . .	. . .
Excluding China	1.2	–4.5	–2.9	–1.1	–1.1	–1.8	–2.5	–2.6	0.2	–0.2	–0.2
Excluding MENAP oil producers[3]	–1.1	–4.1	–3.2	–1.5	–1.9	–2.4	–2.6	–2.4	. . .	. . .	. . .
Asia[3]	–1.9	–3.4	–2.7	–1.2	–1.3	–1.9	–2.1	–1.8	. . .	. . .	. . .
China[3]	0.0	–1.8	–1.2	0.6	0.2	–0.9	–1.0	–0.8	. . .	. . .	. . .
India	–10.0	–9.8	–8.4	–8.0	–7.4	–7.2	–7.2	–6.7	0.0	0.0	0.3
Europe	0.8	–5.9	–3.8	0.3	–0.6	–1.6	–1.5	–1.4	0.0	–0.2	–0.1
Russia	4.9	–6.3	–3.4	1.5	0.4	–1.3	–0.9	–1.1	0.0	–0.3	–0.3
Turkey	–2.7	–6.1	–3.4	–0.6	–1.4	–1.5	–2.0	–1.9	0.0	0.4	0.4
Latin America	–1.0	–3.9	–3.2	–2.9	–3.2	–3.4	–4.0	–3.7	0.4	–0.1	–0.5
Brazil	–1.6	–3.3	–2.8	–2.6	–2.8	–3.3	–3.9	–3.1	0.0	–0.5	–0.6
Mexico	–1.0	–5.1	–4.3	–3.3	–3.7	–3.8	–4.2	–4.0	0.0	–0.1	–0.5
MENAP	13.8	–0.4	2.9	5.1	7.2	4.6	2.2	1.0	0.5	–0.6	–0.1
South Africa	–0.5	–4.9	–4.9	–4.0	–4.3	–4.4	–4.9	–5.1	–0.1	–0.5	–0.6
Low-Income Developing Countries	0.6	–4.4	–2.7	–1.1	–2.1	–3.2	–3.1	–3.1	1.0	0.4	0.1
Oil Producers	7.3	–2.5	–0.1	3.0	2.8	1.1	0.2	–0.3	0.5	–0.2	–0.3
Memorandum Items:											
World Output (percent)	3.0	0.0	5.4	4.1	3.4	3.3	3.3	3.8	0.1	–0.4	–0.2

Source: IMF staff estimates and projections.

Note: All fiscal data country averages are weighted by nominal GDP converted to U.S. dollars at average market exchange rates in the years indicated and based on data availability. Projections are based on IMF staff assessments of current policies. For country-specific details, see Data and Conventions and Tables A, B, and C in the Statistical and Methodological Appendix. MENAP = Middle East and North Africa and Pakistan.

[1] For cross-country comparability, expenditure and fiscal balances of the United States are adjusted to exclude the imputed interest on unfunded pension liabilities and the imputed compensation of employees, which is counted as expenditure under the 2008 System of National Accounts (2008 SNA) recently adopted by the United States, but not so in countries that have not yet adopted the 2008 SNA. Data for the United States in this table may thus differ from data published by the U.S. Bureau of Economic Analysis. See Box 1.1 in the April 2014 *Fiscal Monitor* for details. Because of the change in methodology, the data are not comparable with those in the April 2014 *Fiscal Monitor*.

[2] Including financial sector support.

[3] China's deficit numbers have been revised to include, in addition to official authorities' estimate: (1) transfers to and from stabilization funds; (2) state-administered state-owned enterprise funds and social security contributions and expenses (about 1¼–1½ percent of GDP per year after 2008); and (3) off-budget spending by local governments—estimated by net local government bonds issued by the central government on their behalf. The fiscal balances in this table are not consistent with debt reported in Table 1.2 because of the absence of official time series data in line with the National Audit Office debt definition. Because of the change in methodology, the data are not comparable with those in the April 2014 *Fiscal Monitor*.

for unemployment benefits under improved labor market conditions, as well as spending cuts affecting public wages and some social benefits.

- Most other advanced economies (including *Canada, France, Greece, Portugal*, *Spain,* and the *United Kingdom*) are undertaking moderate fiscal adjustments (between 0.1 and 0.5 percentage point of potential GDP). In France, the bulk of the multi-year adjustment is coming this year from expenditure containment (with simultaneous tax cuts). Nonetheless, the authorities revised the deficit target from 3.8 percent of GDP to 4.4 percent of GDP due to lower than expected growth and inflation. Portugal is set to reach a primary surplus in 2014 for the first time in 20 years. In Spain, after a large adjustment, a stronger than expected recovery is now helping the consolidation efforts. In the United Kingdom, the adjustment is driven by cuts in current spending,

Table 1.1b. Fiscal Balances, 2008–15: Cyclically Adjusted Balance
(Percent of potential GDP)

							Projections		Difference from April 2014 *Fiscal Monitor*		
	2008	2009	2010	2011	2012	2013	2014	2015	2013	2014	2015
Advanced Economies[1]	–3.8	–5.9	–6.6	–5.5	–4.5	–3.4	–3.0	–2.5	. . .	. . .	. . .
United States[1, 2]	–5.3	–7.2	–9.1	–7.8	–6.3	–4.8	–4.0	–3.3	. . .	. . .	. . .
Euro Area	–3.3	–4.7	–4.9	–3.7	–2.7	–1.3	–1.2	–1.0	0.2	0.2	0.1
France	–3.7	–5.4	–5.6	–4.6	–4.1	–3.1	–2.9	–2.8	–0.1	–0.4	–0.7
Germany	–1.4	–1.2	–3.5	–1.3	–0.1	0.5	0.7	0.4	0.2	0.5	0.6
Greece	–14.3	–19.1	–12.3	–8.3	–2.3	1.6	1.6	1.2	–0.6	0.1	0.1
Ireland[2]	–12.1	–9.5	–7.9	–6.5	–5.1	–4.1	–3.3	–2.2	0.9	0.7	0.0
Italy	–3.7	–3.6	–3.6	–3.0	–1.5	–0.8	–0.8	–0.5	0.0	0.1	0.0
Portugal	–4.2	–9.3	–9.6	–3.5	–4.5	–2.6	–2.4	–1.5	0.2	0.3	0.2
Spain[2]	–5.3	–9.5	–7.8	–7.3	–4.4	–3.7	–3.4	–2.9	1.0	1.0	0.8
Japan	–3.5	–7.4	–7.8	–8.3	–7.6	–7.6	–6.7	–5.5	0.2	0.2	0.6
United Kingdom[2]	–6.7	–10.3	–8.4	–6.0	–5.8	–3.8	–4.1	–3.6	–0.1	–0.3	–0.5
Canada	–0.7	–2.9	–4.0	–3.1	–2.7	–2.4	–2.1	–1.8	0.0	0.0	–0.1
Others	–0.1	–1.8	–1.6	–1.3	–1.1	–1.1	–1.1	–0.9	0.0	–0.2	–0.2
Emerging Market and Middle-Income Economies[3]	–1.5	–3.5	–3.1	–1.7	–1.7	–2.2	–2.2	–2.0	. . .	. . .	. . .
Excluding China	–2.0	–4.4	–4.1	–3.0	–3.0	–3.4	–3.5	–3.2	0.3	0.0	0.0
Asia[3]	–2.1	–3.3	–2.8	–1.2	–1.1	–1.6	–1.7	–1.6	. . .	. . .	. . .
China[3]	–0.3	–1.8	–1.3	0.6	0.4	–0.5	–0.6	–0.5	. . .	. . .	. . .
India	–9.5	–9.5	–8.9	–8.4	–7.5	–7.2	–7.1	–6.6	0.0	0.0	0.3
Europe	–0.1	–4.9	–3.8	–0.8	–1.1	–2.0	–1.6	–1.4	0.0	–0.2	0.1
Russia	4.5	–5.0	–2.9	1.6	0.1	–1.5	–0.8	–0.8	–0.1	–0.3	0.0
Turkey	–3.1	–3.6	–2.8	–1.4	–1.6	–1.8	–2.1	–1.8	0.1	0.2	0.3
Latin America	–1.5	–2.8	–3.0	–2.8	–2.6	–3.1	–3.4	–3.0	0.6	0.2	–0.1
Brazil	–2.2	–2.4	–3.3	–3.0	–2.7	–3.5	–3.6	–2.8	–0.2	–0.4	–0.4
Mexico	–1.2	–4.4	–4.0	–3.3	–3.8	–3.7	–4.0	–4.0	0.0	–0.1	–0.5
South Africa	–0.8	–3.2	–3.6	–3.8	–4.2	–4.3	–4.6	–4.8	–0.3	–0.4	–0.6
MENAP	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .

Source: IMF staff estimates and projections.
Note: All fiscal data country averages are weighted by nominal GDP converted to U.S. dollars at average market exchange rates in the years indicated and based on data availability. Projections are based on IMF staff assessments of current policies. For country-specific details, see Data and Conventions and Tables A, B, and C in the Statistical and Methodological Appendix. MENAP = Middle East and North Africa and Pakistan.
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[2] Excluding financial sector support.
[3] China's deficit numbers have been revised to include, in addition to official authorities' estimate: (1) transfers to and from stabilization funds; (2) state-administered state-owned enterprise funds and social security contributions and expenses (about 1¼–1½ percent of GDP per year after 2008); and (3) off-budget spending by local governments—estimated by net local government bonds issued by the central government on their behalf. The fiscal balances in this table are not consistent with debt reported in Table 1.2 because of the absence of official time series data in line with the National Audit Office debt definition. Because of the change in methodology, the data are not comparable with those in the April 2014 *Fiscal Monitor.*

while public investment is moderately increasing. Overall, the *euro area*'s headline deficit is expected to fall below 3 percent of GDP (1.2 percent of potential GDP in cyclically adjusted terms).

- With a broadly neutral stance, the deficit in *Italy* is expected to reach 3 percent of GDP, but fall short of the zero structural balance target under Italy's new fiscal rule.
- *Germany* is expected to have a moderately expansionary fiscal stance in 2014 in terms of the cyclically adjusted primary balance. Additional government spending (0.2 percent of GDP) will go to pensions, infrastructure, education, childcare, and other priorities. Lower debt servicing costs, however, will result in a higher cyclically adjusted overall balance. In *Austria*, the projected large fiscal deterioration (1¼ percent of potential GDP) reflects largely one-off support to the banking sector.

In most advanced economies, improvements in fiscal balances in 2015 are expected to remain moderate. Exceptions include Ireland and Portugal, both expected to continue adjustment efforts to reach headline deficits of 3 percent of GDP or less in 2015 and exit the excessive deficit procedure of the *European Union* (EU); and *Australia*, as the government is committed to return to budget surplus over the medium term. In Austria, after the 2014 banking sector support ends, the cyclically adjusted balance should improve by 1¼ percentage points. In Japan, the second stage of the

Table 1.2. General Government Debt, 2008–15

(Percent of GDP)

							Projections		Difference from April 2014 *Fiscal Monitor*		
	2008	2009	2010	2011	2012	2013	2014	2015	2013	2014	2015
Gross Debt											
World[1]	65.5	75.9	78.3	79.2	81.1	79.7	80.0	79.4	. . .	. . .	. . .
Advanced Economies	79.4	92.8	99.3	103.3	107.6	106.2	106.5	106.0	–0.8	–0.6	–0.7
United States[2]	72.8	86.1	94.8	99.0	102.5	104.2	105.6	105.1	–0.3	–0.1	–0.6
Euro Area	70.3	80.2	85.9	88.3	92.9	95.2	96.4	96.1	0.0	0.9	1.7
France	67.0	78.0	80.8	84.4	88.7	91.8	95.2	97.7	–2.1	–0.6	1.6
Germany	66.8	74.6	82.5	80.0	81.0	78.4	75.5	72.5	0.4	0.9	1.8
Greece	112.9	129.7	148.3	170.3	157.2	175.1	174.2	171.0	1.3	–0.4	–0.3
Ireland	42.6	62.2	87.4	98.9	111.4	116.1	112.4	111.7	–6.7	–11.2	–11.1
Italy	106.1	116.4	119.3	120.7	127.0	132.5	136.7	136.4	0.0	2.2	3.3
Portugal	71.7	83.7	94.0	108.2	124.1	128.9	131.3	128.7	0.1	4.6	3.9
Spain	40.2	54.0	61.7	70.5	85.9	93.9	98.6	101.1	0.0	–0.2	–0.9
Japan	191.8	210.2	216.0	229.8	237.3	243.2	245.1	245.5	0.0	1.5	0.4
United Kingdom	51.9	67.1	78.5	84.3	89.1	90.6	92.0	93.1	0.5	0.5	0.4
Canada[2]	70.8	83.0	84.6	85.9	88.1	88.8	88.1	86.8	–0.3	0.7	0.2
Emerging Market and Middle-Income Economies[1]	35.5	40.1	39.7	38.7	39.0	39.7	40.5	41.2	. . .	. . .	. . .
Excluding China	36.9	41.9	41.0	39.7	39.7	39.9	40.4	40.7	–0.3	0.2	0.3
Excluding MENAP oil producers[1]	38.3	42.5	42.2	41.6	41.7	42.5	43.5	44.1	. . .	. . .	. . .
Asia[1]	40.4	43.0	42.6	41.7	41.9	42.4	43.3	43.9	. . .	. . .	. . .
China[1]	31.7	35.8	36.6	36.5	37.4	39.4	40.7	41.8	. . .	. . .	. . .
India	74.5	72.5	67.5	66.8	66.6	61.5	60.5	59.5	–5.2	–4.8	–4.5
Europe	23.8	29.5	29.4	28.0	27.2	28.3	28.9	29.6	0.3	2.4	2.7
Russia	8.0	10.6	11.3	11.6	12.7	13.9	15.7	16.5	0.5	2.7	3.8
Turkey	40.0	46.1	42.3	39.1	36.2	36.3	33.6	33.1	0.4	–2.3	–2.8
Latin America	47.0	49.8	49.1	49.2	49.7	50.4	51.3	51.8	–0.3	–0.5	–0.2
Brazil[3]	63.5	66.8	65.0	64.7	68.2	66.2	65.8	65.6	–0.1	–0.8	–0.8
Mexico	42.8	43.9	42.2	43.2	43.2	46.4	48.0	49.0	–0.1	–0.2	0.6
MENAP	20.0	26.1	24.5	22.0	23.1	23.5	23.6	24.2	0.1	0.4	0.4
South Africa	27.2	31.6	35.3	38.8	42.1	45.2	47.9	50.8	0.0	0.6	1.1
Low-Income Developing Countries	30.0	33.4	30.7	30.4	30.8	31.0	31.4	31.2	–6.9	–6.9	–7.3
Oil Producers	22.0	25.0	23.2	21.2	21.4	22.2	22.6	23.0	–0.8	–0.1	0.1
Net Debt											
World	44.4	53.2	56.8	60.0	62.1	61.9	63.1	63.3	–1.1	–1.0	–1.1
Advanced Economies	50.3	59.7	64.8	69.6	72.6	72.5	73.6	74.1	–1.0	–1.1	–1.0
United States[2]	50.4	62.1	69.7	76.1	79.4	80.4	80.8	80.9	–1.0	–1.6	–1.8
Euro Area	54.0	60.0	64.1	66.4	70.1	72.3	73.9	74.0	–0.1	0.6	1.4
France	60.3	70.1	73.7	76.4	81.6	84.7	88.1	90.6	–2.9	–1.4	0.8
Germany	50.0	56.5	58.3	56.6	58.2	56.1	53.9	51.6	0.4	0.9	1.7
Greece	112.9	129.7	148.3	170.3	153.5	169.7	168.8	166.6	1.3	–0.5	–0.3
Ireland	20.4	37.2	67.5	80.8	88.0	92.2	93.0	93.1	–8.1	–10.5	–10.4
Italy	89.3	97.5	99.7	102.0	106.1	110.8	114.3	114.0	0.1	1.9	2.8
Portugal	67.5	79.7	89.6	97.8	114.0	118.5	123.8	123.6	0.1	3.9	4.3
Spain	30.8	24.7	33.2	39.8	52.6	60.5	65.6	68.8	0.0	–0.1	–0.7
Japan	95.3	106.2	113.1	127.3	129.5	134.0	137.8	140.0	–0.1	0.7	–0.1
United Kingdom	47.5	61.9	71.6	76.2	80.9	82.5	83.9	85.0	–0.5	–0.5	–0.6
Canada[2]	24.3	29.9	32.9	35.1	36.7	37.6	38.6	39.1	–0.9	–0.9	–0.9
Emerging Market and Middle-Income Economies	14.6	19.2	20.2	18.8	16.8	17.0	17.0	18.0	0.0	1.5	2.0
Asia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Europe	23.4	29.4	30.2	28.7	26.4	27.0	24.7	24.5	0.4	2.5	2.0
Latin America	31.0	34.5	33.7	32.2	30.8	30.9	31.5	31.6	–0.2	0.0	0.2
MENAP	–22.4	–16.4	–14.5	–14.3	–16.6	–17.2	–15.3	–11.9	0.1	3.0	4.9
Low-Income Developing Countries	15.4	21.6	22.2	21.1	21.2	23.2	30.8	25.2	–9.6	–3.8	–9.2

Source: IMF staff estimates and projections.

Note: All fiscal data country averages are weighted by nominal GDP converted to U.S. dollars at average market exchange rates in the years indicated and based on data availability. Projections are based on IMF staff assessments of current policies. For country-specific details, see Data and Conventions and Tables A, B, and C in the Statistical and Methodological Appendix. MENAP = Middle East and North Africa and Pakistan.

[1] China's debt numbers have been revised to include the explicit local governments' debt and fractions (ranging from 14–19 percent, according to the National Audit Office estimate) of the government guaranteed debt and liabilities that the government may incur. Staff estimates exclude the central government debt issued for China Railway Corporation. Because of the change in methodology, the data are not comparable with those in the April 2014 *Fiscal Monitor.*

[2] For cross-country comparability, gross and net debt levels reported by national statistical agencies for countries that have adopted the 2008 System of National Accounts (Australia, Canada, Hong Kong SAR, and the United States) are adjusted to exclude unfunded pension liabilities of government employees' defined benefit pension plans.

[3] Gross debt refers to the nonfinancial public sector, excluding Eletrobras and Petrobras, and includes sovereign debt held on the balance sheet of the central bank.

consumption tax rate increase is planned for October 2015, which combined with expenditure measures, is expected to improve the cyclically adjusted balance by 1.2 percentage points of potential GDP.

With continued uncertainties regarding the strength of the recovery, fiscal policies now often incorporate measures aimed at increasing competitiveness, employment, and long- term growth. The challenge is how to absorb the ensuing costs in a budget-neutral manner, through tax shifts or compensatory spending cuts.

- In the euro area, the adjustment is relying more on expenditure cuts than in earlier years, and in some cases, it is accompanied by tax cuts.
- A number of countries are undertaking (or are planning) tax reforms to reduce the tax burden on labor and corporations with a view to boosting employment and competitiveness. This year, Greece and the *Netherlands* implemented targeted cuts in employers' social security contributions;[1] Italy and *Norway* lowered the personal income tax rate; and *Finland* and the United Kingdom reduced the corporate income tax rate. Italy and France plan additional labor tax cuts in 2015, and Japan has announced plans to cut the corporate income tax rate while minimizing the impact on revenue through a broadening of the tax base and other reforms.[2] Spain has also announced tax cuts.
- Some countries are scaling up public investment (Canada, Germany, Italy, and the United Kingdom, among others). Most are pushing structural reforms to increase potential GDP, with often non-trivial budgetary costs. Reforms are broad based, generally aimed at increasing the flexibility of labor markets; improving the business environment by reducing administrative burdens, increasing the flexibility of retail hours, and improving the efficiency of the judicial system; liberalizing product markets, particularly the energy and transportation sectors; and strengthening the financial sector by modernizing insolvency regimes and easing access to bank financing for small and medium enterprises.

Notwithstanding continued budgetary effort, debt ratios and gross financing needs remain high for many advanced economies (Table 1.3). The average overall deficit in advanced economies has declined by about 5 percentage points of GDP since its peak in 2009 (3 percentage points of potential GDP in cyclically adjusted terms), with spending reductions contributing about 2½ percentage points, and the discontinuation of the financial sector support that took place at the peak of the financial crisis another percentage point. The average debt ratio is expected to stabilize in 2014 and start declining in 2015, but would still remain high—over 100 percent of GDP—by the end of the decade. By then, only three out of ten countries where debt peaked above 100 percent of GDP during the crisis will have debt ratios below that level.

Adjustment Fatigue and Low Inflation Pose Risks to the Fiscal Outlook

In most advanced economies, immediate pressures on public finances have receded in recent months, but historically high debt ratios and a hesitant recovery, combined with lowflation in the euro area, keep risks elevated.

Record-low borrowing costs and the gradual strengthening of banks' balance sheets have relaxed immediate budget constraints in many advanced economies. Market conditions have eased markedly, with bond spreads falling in many countries to historic lows, particularly in Europe. Other things equal, these lower borrowing costs have improved the debt outlook for many economies, and markedly so for some. For example, in Ireland and Spain, the debt-to-GDP ratio is now projected to be, by 2018, about 8 and 4 percentage points, respectively, below the October 2013 forecast. Record low sovereign yields have thus given many countries useful breathing space. However, they are still exposed to risks of sudden reversals, as the current yield levels are, in some cases, arguably below the levels warranted by fundamentals (see the October 2014 *Global Financial Stability Report*). At the same time, banking-sector-related risks are gradually ebbing away, and paybacks from past financial sector support continue to build up in a number of countries, lowering the net fiscal cost of these operations (Table 1.4). But the pace in the recovery of financial sector support varies greatly among countries. In some cases (for example, *Belgium,* the Netherlands, Spain, and the United States), it is faster than the historical average of previous experiences.[3] However, fresh support to the

[1] France also implemented targeted cuts in employers' social security contributions in 2013.

[2] See De Mooij and Saito (2014) for a discussion on how corporate income tax reform can help Japan increase investment and boost potential growth, as well as on the budget implication of the reform.

[3] Historical episodes of financial sector support in advanced economies during the period of 1991–2006 had an average recovery rate, five years later, of 30 percent of the gross support provided (Laeven and Valencia, 2012).

Table 1.3. Selected Advanced Economies: Gross Financing Needs, 2014–16
(Percent of GDP)

	2014			2015			2016		
	Maturing Debt	Budget Deficit	Total Financing Need	Maturing Debt[1]	Budget Deficit	Total Financing Need	Maturing Debt[1]	Budget Deficit	Total Financing Need
Japan	51.0	7.1	58.1	50.2	5.8	56.0	43.5	4.6	48.1
Italy	24.9	3.0	27.9	26.5	2.3	28.8	23.4	1.2	24.6
United States[2]	18.1	5.5	23.6	17.2	4.3	21.6	16.1	4.2	20.3
Portugal	16.7	4.0	20.8	16.3	2.5	18.8	15.4	2.3	17.8
Spain	14.8	5.7	20.5	15.3	4.7	20.0	15.6	3.8	19.4
France	13.0	4.4	17.4	14.5	4.3	18.8	13.7	3.7	17.4
Slovenia	11.1	5.0	16.1	8.8	3.9	12.7	15.7	3.5	19.2
Canada	13.4	2.6	16.0	13.3	2.1	15.4	11.7	1.7	13.4
Belgium	12.7	2.6	15.3	15.6	2.2	17.8	15.0	1.6	16.6
Greece[3]	12.7	1.8	14.5	8.8	1.2	10.0	3.7	0.6	4.3
Netherlands	10.6	2.5	13.1	13.7	2.0	15.8	9.5	1.8	11.3
Austria	8.6	3.0	11.7	5.3	1.5	6.8	5.2	0.8	6.1
United Kingdom	6.4	5.3	11.6	6.2	4.1	10.3	5.9	2.9	8.8
Malta	8.0	2.7	10.7	6.1	2.4	8.5	8.2	1.8	10.0
Sweden	6.9	2.0	9.0	5.9	0.8	6.7	4.2	0.1	4.3
Denmark	6.3	1.4	7.7	7.3	3.0	10.3	4.5	2.3	6.9
Czech Republic	6.5	1.2	7.7	6.4	1.4	7.8	6.8	1.2	8.0
Finland	5.2	2.4	7.6	5.4	1.4	6.7	6.2	0.9	7.1
Ireland[4]	3.1	4.6	7.6	1.9	3.2	5.1	5.8	1.1	6.9
Slovak Republic	3.8	2.9	6.7	3.8	2.3	6.1	5.9	1.3	7.2
Germany	6.9	–0.3	6.6	6.9	–0.2	6.8	5.6	–0.3	5.2
Australia	2.1	3.3	5.5	2.4	1.8	4.2	1.7	1.0	2.7
Korea	3.4	–0.3	3.1	3.4	–0.8	2.6	3.0	–1.0	2.0
Switzerland	3.2	–0.5	2.7	2.8	–0.7	2.1	3.6	–1.0	2.7
New Zealand	1.8	0.7	2.5	6.6	0.4	7.0	2.2	–0.2	2.1
Iceland	3.9	–1.9	2.1	2.4	0.5	2.9	9.7	1.3	11.0
Average	17.5	4.2	21.7	17.2	3.4	20.6	15.5	2.9	18.3

Sources: Bloomberg L.P.; and IMF staff estimates and projections.
Note: For most countries, data on maturing debt refer to central government securities. For some countries, general government deficits are reported on an accrual basis. For country-specific details, see Data and Conventions and Table A in the Statistical and Methodological Appendix.
[1] Assumes that short-term debt outstanding in 2014 and 2015 will be refinanced with new short-term debt that will mature in 2015 and 2016, respectively. Countries that are projected to have budget deficits in 2014 or 2015 are assumed to issue new debt based on the maturity structure of debt outstanding at the end of 2013.
[2] For cross-country comparability, expenditure and fiscal balances of the United States are adjusted to exclude the imputed interest on unfunded pension liabilities and the imputed compensation of employees, which are counted as expenditure under the 2008 System of National Accounts (2008 SNA) recently adopted by the United States, but not so in countries that have not yet adopted the 2008 SNA. Data for the United States in this table may thus differ from data published by the U.S. Bureau of Economic Analysis. See Box 1.1 in the April 2014 *Fiscal Monitor* for details. Because of the change in methodology, the data are not comparable with those in the April 2014 *Fiscal Monitor.*
[3] Maturing debt and budget deficit refer to state government. The deficit is on a cash basis while figures in Table 1.1 and Statistical Table 1 are on an accrual basis and for general government.
[4] Ireland's cash deficit includes exchequer deficit and other government cash needs and may differ from official numbers because of a different treatment of short-term debt in the forecast.

banking system has recently been necessary in Austria and Portugal.[4]

Geopolitical tensions in Eastern Europe and the Middle East raise difficult-to-assess fiscal risks. They have so far had limited fiscal spillovers beyond the affected countries and close trading partners. Further unrest, however, could trigger wider spillovers—including from adverse financial market reactions and oil price volatility—with associated negative fiscal consequences (October 2014 *World Economic Outlook*).

Looming increases in health and pension expenditures, and historically high debt ratios, continue to raise considerable medium- and long-term challenges for many advanced economies, calling for a lasting period of adjustment. Maintaining deficit reduction efforts over a prolonged period can be a daunting task. Historical experience shows that advanced economies were generally able to keep their cyclically adjusted primary balance in positive territory for a number of

[4] In Austria, the restructuring of Hypo Alpe Adria and KA Finanz AG is expected to increase the government's debt by over 7 percentage points of GDP in the second half of 2014.

Table 1.4. Selected Advanced Economies: Financial Sector Support
(Percent of 2013 GDP, except where otherwise indicated)

	Impact on Gross Public Debt and Other Support	Recovery to Date	Impact on Gross Public Debt and Other Support after Recovery
Austria[1]	4.7	1.5	3.2
Belgium	7.6	3.4	4.2
Cyprus	21.2	0.0	21.2
Germany[2]	12.5	3.8	8.7
Greece[3]	33.6	7.9	25.7
Ireland[4]	41.1	7.6	33.4
Netherlands	18.7	14.5	4.2
Slovenia[5]	12.0	0.0	12.0
Spain[6]	7.7	3.2	4.5
United Kingdom	10.5	2.6	8.0
United States	4.5	4.9	–0.5
Average	7.4	4.8	2.7
US$ billions	1,967	1,252	716

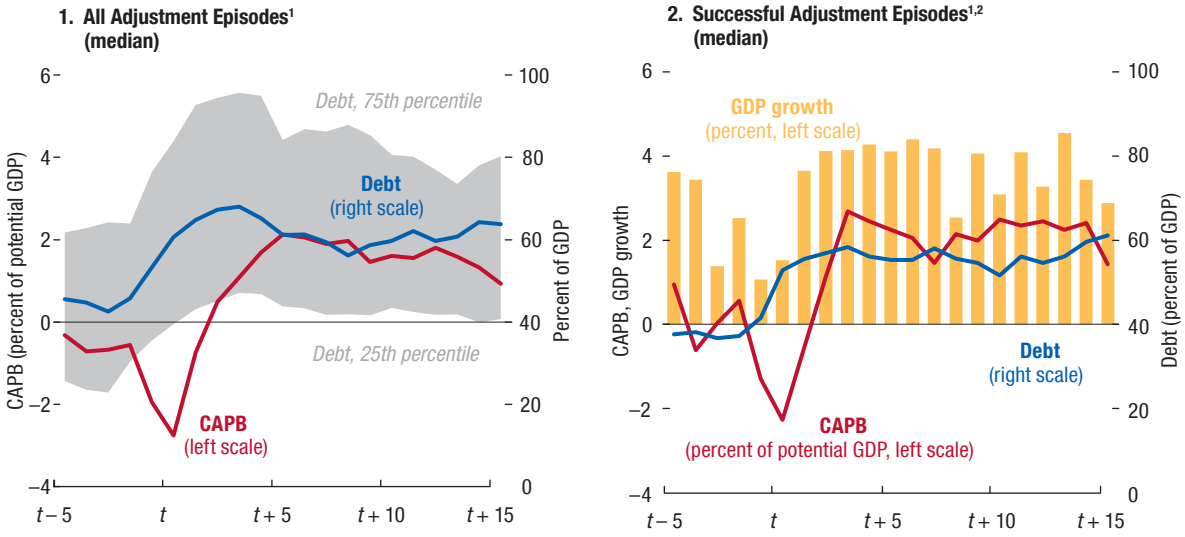
Sources: National authorities; and IMF staff estimates.
Note: The table shows fiscal outlays of the central government, except in the cases of Germany and Belgium, for which financial sector support by subnational governments is also included. Data are cumulative since the beginning of the global financial crisis in 2007—latest available data up to June 2014. Data do not include forthcoming support.
[1] In the second half of 2014, the creation of a defeasance structure for Hypo Alpe Adria Bank will lead to a further increase in the government's debt by around 5½ percent of GDP. An additional debt increase, estimated by staff at below 1¾ percent of GDP, arises from the inclusion of an already existing "bad bank" (KA Finanz) into general government, because of the new European System of National Accounts rules.
[2] Support includes here the estimated impact on public debt of liabilities transferred to newly created government sector entities (about 11 percent of GDP), taking into account operations from the central and subnational governments. As public debt is a gross concept, this neglects the simultaneous increase in government assets. With this effect taken into account, the net debt effect up to 2012 amounted to just 1.6 percent of GDP, which was recorded as a deficit.
[3] Support includes the disbursements from the Hellenic Financial Stability Fund, but excludes the undisbursed amount of the financial sector envelope.
[4] The impact of the direct support measures is mainly on net debt, as significant recapitalization expenses were met from public assets. Direct support does not include asset purchases by the National Asset Management Agency, as these are not financed directly through the general government but with government-guaranteed bonds.
[5] Support provided by the general government.
[6] Direct support includes total capital injections by the Fondo de Reestructuración Ordenada Bancaria and liquidity support.

years in the context of adjustment episodes, but on average they did not sustain it for long enough or at a level high enough to generate substantial declines in their debt ratios.[5] In the majority of cases, debt ratios stabilized, but remained above the pre-adjustment episode levels (by 20 percentage points of GDP for the median country). Some countries (about one-third of the sample) did manage to reduce debt to or below pre-adjustment episode levels through a combination of higher primary balances maintained for a longer period, and growth slightly above the pre-adjustment episode average. This contributed to falling interest-rate–growth differentials (Figure 1.2). Conversely, in unsuccessful episodes—those whose debt did not fall to or below pre-adjustment episode levels—primary balances declined relatively soon after debt ratios stabilized.

Persistently low inflation could further complicate the task, particularly in the euro area. Box 1.1 shows that during the last 100 years, there have been very few episodes of low inflation (with prices increasing by 1 percent or less annually over three years or more). These few episodes, however, were systematically accompanied by increases in the government debt ratio. Simulations for the euro area show that if inflation were to remain very low over a period of five years, the debt-to-GDP ratio would increase by 5¾ percentage points of GDP by the end of 2019 (relative to baseline projections which incorporate currently planned adjustment efforts). These results, however, consider only the impact of low inflation on debt dynamics and seigniorage through higher real effective interest rates. The effect on debt ratios would be significantly larger should persistently low inflation hamper the expected economic recovery. Stagnant growth would then result in a sustained deterioration of primary balances, compounding the adverse debt dynamics.

[5] Based on 48 episodes identified by Escolano and others (2014), covering the time period between 1945 and 2012 across 30 advanced economies. Fiscal adjustment episodes are identified by the existence of a significant primary balance gap (Blanchard, 1993) and intention to undertake a fiscal adjustment. For further discussion on the determinants of successful fiscal adjustments in advanced economies, see for example Afonso and Jalles (2012) and Eichengreen and Panizza (2014).

Figure 1.2. Historical Fiscal Adjustment Episodes in Advanced Economies



Sources: Escolano and others (2014); and IMF staff estimates.
Note: CAPB = cyclically adjusted primary balance.
[1] The chart shows the median from an event-study analysis of 30 advanced economies using data for 48 fiscal consolidation episodes during 1945–2012, as detailed in Escolano and others (2014). The episodes are selected based on adjustment episodes where countries needed and wanted to adjust in order to stabilize their debt-to-GDP ratio. The shaded area represents the 25th to the 75th percentiles of the debt-to-GDP ratio.
[2] Economies that managed to reduce debt to or below pre-adjustment episodes levels.

Fiscal Policies Including Measures Supporting Long-Term Growth and Employment Can Help Avert Adjustment Fatigue

Further fiscal adjustment is needed in most advanced economies to bring down debt ratios to safer levels, but issues of pace and composition should increasingly take center stage. In particular, as disappointing growth outcomes fuel risks of persistent low inflation and adjustment fatigue, policies should strive to include elements supportive of a faster rebound in growth and employment within the constraints often imposed by limited fiscal space (Chapter 2 elaborates on the scope for fiscal policy to support labor market reform).

- Well-designed tax reform can help boost growth and employment, but countries with little fiscal space must be aware of its budgetary impact.[6]
- Scaling up public investment can help boost potential output and may provide positive spillovers to the rest of the world (see the October 2014 *World Economic Outlook*). But here again, caution must be used to avoid negative market reactions and elusive output returns.
- Some (but not all) structural reforms can entail near-term fiscal costs. Whether or not these costs should be absorbed through a slower pace of consolidation depends on the existing fiscal space, prospective vulnerabilities, and the commitment to carry the reforms to their end. As a general rule, the fiscal costs should be contained, both in size and in duration.
- In the case of negative growth surprises, countries should let automatic stabilizers operate, unless they face binding financing constraints.

Credible medium-term fiscal plans are needed as part of sound fiscal policy frameworks. This is particularly important in higher-debt countries facing large projected increases in health care and pension spending. Notably, in Japan, the implementation of the second consumption tax increase and the identification of fiscal measures beyond 2015 would help stabilize and bring down the debt-to-GDP ratio. In the United States, a medium-term plan could combine steps to lower the growth of health care costs, reform social security, and increase revenue through comprehensive tax reform. In other countries, reining in age-related

[6] The October 2013 *Fiscal Monitor* discusses the impact of different taxes on growth and equity. Chapter 2 in this issue considers the impact of payroll tax cuts on employment.

spending could reduce longer-term fiscal risks while supporting growth.[7]

Emerging Market and Middle-Income Economies: Contingent Risks on the Rise

Although budget deficits and debt ratios remain moderate on average, fiscal positions and risks vary widely across emerging market and middle-income economies. While immediate pressures on public finances have eased, lower potential growth, prospects of tighter financing conditions, and rising contingent liabilities are looming risks. In many cases, the time has come to rebuild the fiscal buffers used during the crisis, and to strengthen the institutional fiscal policy framework.

A Broad Range of Fiscal Stances

The fiscal stance for the group of emerging market and middle-income economies as a whole is projected to remain broadly neutral in 2014 and 2015, with the cyclically adjusted deficit hovering around 2 percent of potential GDP and the debt ratio slightly above 40 percent of GDP (Tables 1.1b and 1.2; Figure 1.3). But these averages mask important differences across countries and regions.

At one end of the spectrum, oil exporters will generally experience a decline of their fiscal balances. With falling revenues (due to declines in oil output and price) and rising fiscal breakeven oil prices,[8] the average headline fiscal balance is expected to shift from surplus to deficit in 2015. In addition, in a number of countries (*Iran, Kazakhstan*, and *Oman*) recent wage bill increases raise fiscal vulnerabilities. Further increases in the wage bill are envisaged in several oil-exporting countries.

Idiosyncratic shocks are expected to contribute to higher fiscal deficits in a number of emerging market economies. In *Thailand*, political turbulence has made a major dent in growth and government revenues, contributing to a widening of the overall deficit by 2.3 percentage points of GDP. In the *Philippines*, a higher deficit is expected, due to additional post-hurricane reconstruction spending. In *South Africa*, strikes in the mining and engineering sectors, electricity shortages, and tighter financing conditions put downward pressure on real GDP growth in the first half of the year, leading to lower than budgeted revenues.

Little change in the fiscal stance is expected this year in the largest emerging market and middle-income economies, including *China*, *India*, *Mexico,* and *Turkey*. China is expected to maintain a neutral fiscal position, excluding off-budget operations. In India, some decline in the cyclically adjusted deficit is forecast for 2014. In Mexico, the government's slightly expansionary target for 2014 is expected to be met, and deficit reduction is set to start in 2015. In Indonesia, rising energy subsidies and lagging revenue growth point to a moderate increase in the structural deficit in 2014. In Brazil, the primary surplus is expected to fall short of the authorities' target of 1.9 percent of GDP, largely due to a lower than expected pace of economic activity in the year.

At the other end of the spectrum, some countries are starting or resuming fiscal adjustment efforts in 2014. In Egypt, *Malaysia*, and Morocco, the consolidation strategy includes important subsidy reform. In *Russia*, the general government non-oil balance is envisaged to improve by about ½ percent of GDP due to reductions in value-added tax (VAT) refunds and implementation of the federal fiscal rule, which caps spending. However, weakness in the economy from the ongoing geopolitical conflict may undermine these efforts. *Poland* is on track to reduce its deficit by more than 1 percent of GDP by 2016. Starting in 2014, *Croatia,* under the Excessive Deficit Procedure of the European Union, aims to bring the deficit down below 3 percent of GDP by 2016, with significant revenue measures in the first year.

Old and New Risks

As in advanced economies, immediate pressures on emerging markets' public finances have eased in recent months, as sovereign-bond yields and volatility have declined. Nonetheless, fiscal risks are on the rise in most countries.

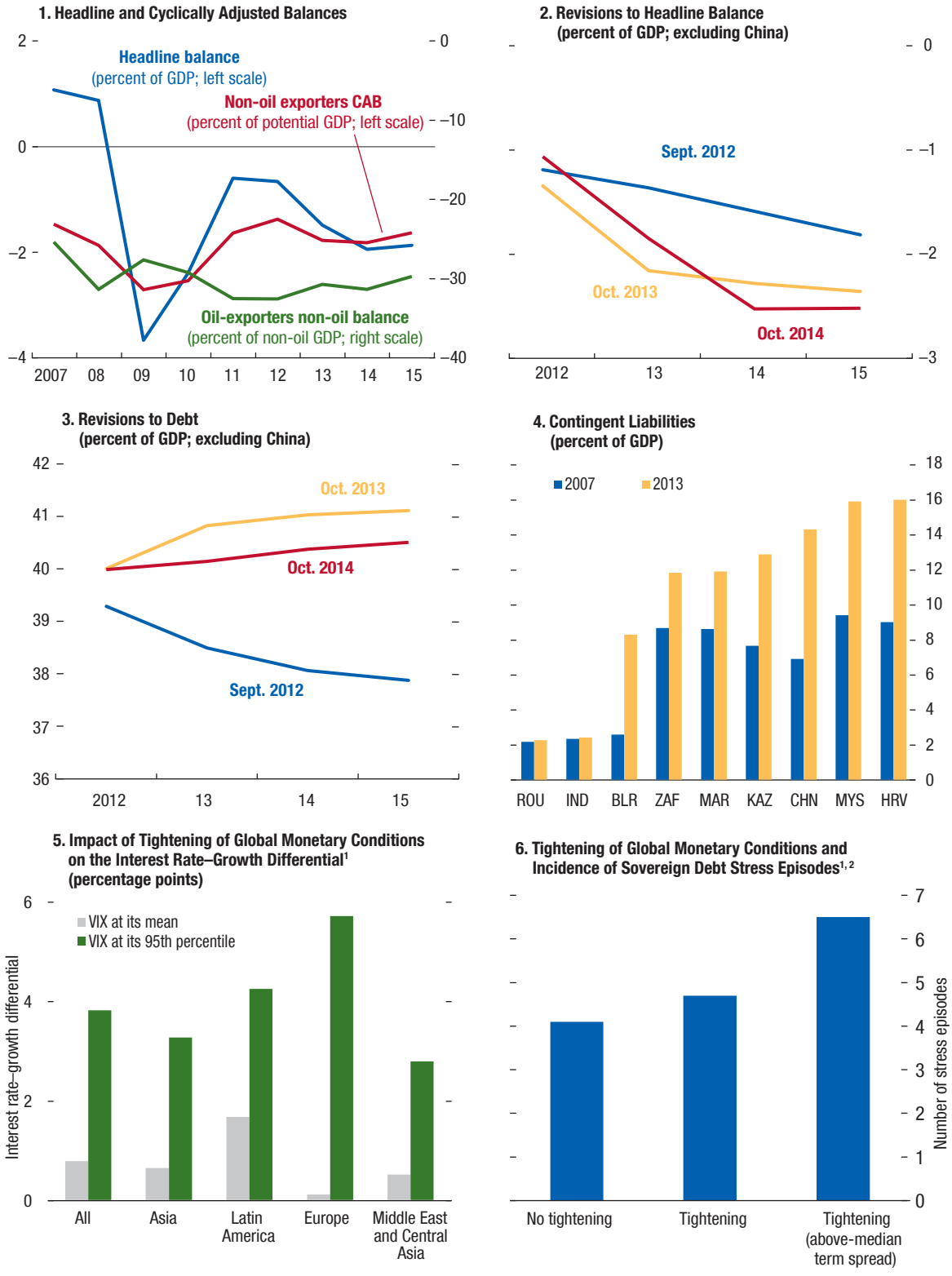
The first risk relates to a possible reversal in investors' sentiment when U.S. interest rates begin to rise. This could have large fiscal implications in emerging markets with high gross financing needs (Table 1.5), large holdings by nonresidents, or limited budget space to absorb higher financing costs (see IMF, 2014a).

The historical record indicates that the unwinding of monetary policy support in advanced economies can have a material impact on emerging market public debt costs and on the incidence of fiscal stress episodes (Figure 1.3, panels 5 and 6). Estimations based on a panel of 30 emerging

[7] See IMF (2010, and 2011) and Karam and others (2010) for a discussion of health and pension reforms and their growth impact.

[8] The fiscal breakeven oil price is the average oil price that is needed for an oil exporting country to balance its budget in a particular year.

Figure 1.3. Fiscal Trends in Emerging Market and Middle-Income Economies



Sources: Escolano, Kolerus, and Lonkeng Ngouana (forthcoming); CEIC; Haver Analytics; national sources; and IMF staff estimates and projections.
Note: For country-specific details, see Data and Conventions and Table B in the Statistical and Methodological Appendix.
CAB = cyclically adjusted balance; VIX = Chicago Board Options Exchange Volatility Index.
[1] Tightening is defined as a 1 percent increase in the United States 10-year real government bond yield.
[2] Term spread is defined as the difference between the 10-year government bond yield and the United States federal funds rate.

Table 1.5. Selected Emerging Market and Middle-Income Economies: Gross Financing Needs, 2014–15
(Percent of GDP)

	2014			2015		
	Maturing Debt	Budget Deficit	Total Financing Need	Maturing Debt	Budget Deficit	Total Financing Need
Egypt	33.3	12.2	45.5	33.6	11.5	45.1
Pakistan	24.5	4.7	29.2	26.2	4.4	30.6
Hungary	20.9	2.9	23.8	16.7	2.8	19.6
Croatia	15.0	4.7	19.7	16.4	2.9	19.3
Sri Lanka	14.2	5.2	19.4	13.8	4.7	18.5
Ukraine	10.6	5.8	16.4	12.4	3.9	16.3
Brazil	12.1	3.9	16.0	12.1	3.1	15.2
Uruguay	11.5	3.5	15.0	14.9	3.4	18.3
South Africa	7.7	4.9	12.6	7.2	5.1	12.4
Mexico	8.2	4.2	12.4	4.9	4.0	9.0
Argentina	7.8	4.5	12.3	6.7	5.5	12.2
India	4.4	7.2	11.6	4.6	6.7	11.3
Morocco	5.7	5.0	10.7	5.6	4.3	9.9
Poland	7.2	3.2	10.4	6.0	2.5	8.5
Malaysia	6.0	3.6	9.6	6.6	2.7	9.3
Romania	7.2	2.2	9.4	7.9	1.8	9.7
Turkey	6.8	2.0	8.8	5.1	1.9	7.0
Thailand	6.2	2.5	8.7	5.8	2.6	8.5
Philippines	6.4	0.3	6.8	5.6	1.0	6.6
Dominican Republic	3.5	2.9	6.4	2.9	3.2	6.1
Ecuador	1.8	4.3	6.0	2.3	4.6	6.9
Colombia	2.9	1.5	4.3	2.7	1.3	4.1
Indonesia	1.6	2.5	4.1	1.5	2.3	3.8
Chile	0.8	1.8	2.5	0.9	1.2	2.0
Peru	2.4	0.1	2.5	2.0	0.1	2.1
Russia	1.2	0.9	2.2	1.5	1.1	2.6
Average	7.1	3.7	10.8	6.7	3.5	10.2

Source: IMF staff estimates and projections.
Note: Data in the table refer to general government. For some countries, general government deficits are reported on an accrual basis. For country-specific details, see Data and Conventions and Table B in the Statistical and Methodological Appendix.

markets over 1993–2013 suggest that a rise in real bond yields of 100 basis points in the United States translates into an average increase of about 50 basis points in the average real effective interest rate paid by emerging market economies on their sovereign debt.[9] Countries with deeper integration in global financial markets and where non-residents own a higher share of debt are likely to be more affected. This spillover is also more pronounced if monetary tightening is accompanied by a rise in risk aversion (Figure 1.3, panel 5)—as witnessed during recent episodes of market turmoil in response to prospects of rate hikes in the United States. Also, the incidence of fiscal stress episodes appears to be higher during monetary policy tightening cycles in key advanced economies. This is particularly so when these changes are accompanied by rising expectations of sustained future rate hikes, as reflected in widening term spreads (Figure 1.3, panel 6).

[9] See IMF (2014a), Chapter 2, Box 4.

Second, there is increasing evidence that public contingent liabilities are on the rise in emerging market economies and in many cases already account for several percentage points of GDP. Contingent liabilities are, by definition, difficult to track. Only a few countries follow basic reporting practices or conduct regular monitoring of fiscal risks stemming from them. In China, contingent liabilities amount to more than 14 percent of GDP, and they are also substantial in other countries, including India, Malaysia, and South Africa. Sources of contingent liabilities vary and include off-budget local government borrowing in China, bank recapitalization needs and liabilities of the electricity distribution companies in India, and public enterprise borrowing in South Africa (Figure 1.3, panel 4). In *Bulgaria*, banking sector support could increase government debt.

Lower growth prospects (see the October 2014 *World Economic Outlook*) further complicate the picture. With deteriorating cyclical conditions, the pressure to support the economy is likely to build. The risk is that this support

is channeled through off-budget measures in a non-transparent manner. Indeed, a number of economies are already implementing quasi-fiscal stimulus via off-budget items, higher public banks lending, and an expansion of government guarantees. For example, in China, the broadly neutral stance suggested by central government budget data underestimates the significant fiscal stimulus provided off-budget. In Russia, fiscal projections may overstate the fiscal tightening in the economy, as the government is issuing guarantees for multi-year projects and financing infrastructure projects through the National Wealth Fund. India's public banks are encouraged to expand lending for infrastructure spending. The Philippines has more than doubled the number of public-private partnership (PPP) projects, with a total identified cost of 9 percent of GDP over the last year. While some of these off-budget operations, such as PPPs, can play a positive role in mobilizing resources to foster growth, they create budgetary risks, which require strict monitoring, transparent reporting, and prudent management. When fiscal support to activity is warranted, it is preferable to channel it through the budget. If other public agencies are to be involved, the risks should be acknowledged and integrated into a comprehensive macroeconomic policy framework.

Geopolitical conflicts in *Ukraine* and the Middle East could also raise fiscal risks, but these are difficult to estimate at this point. The budget impact on the countries directly affected has been severe. An escalation of tensions could have significant adverse spillovers on the budgets of neighboring countries and trading partners.

Time to Rebuild Fiscal Buffers

Although the urgency and specifics vary across countries, the buildup of risks calls, in most cases, for prompt policy action to restore fiscal buffers and the scope for fiscal policy action if these risks were to materialize. When revenue ratios are low (a frequent occurrence in this group), further revenue mobilization efforts, including tax reform, would be warranted. Only a few countries have embarked on important tax reforms this year, notably Chile, Egypt, and Mexico. Stepped-up efforts in the reform of fuel subsidies are also needed, although some countries (including Egypt, Iran, Malaysia, Mexico, and Morocco) are making meaningful progress in this area. Reining in off-budget spending and quasi-fiscal operations is also called for, particularly where they have surged in recent years, given the increases in fiscal risks they entail.

Improved monitoring and reporting of contingent liabilities is essential to prudent fiscal policies, as these liabilities tend to be significantly underestimated in good times. It is crucial at this juncture for emerging market economies to strengthen their legal, institutional, and reporting budgetary processes so as to better manage long-term fiscal risks and risks arising from contingent liabilities.

Low-Income Developing Countries: Time to Seize the Positive Momentum

With a few important exceptions, immediate fiscal risks are generally moderate in low-income developing countries (LIDCs). Looking forward, efforts should focus on improving fiscal outcomes through revenue mobilization, budget prioritization, and improvements in public spending efficiency.

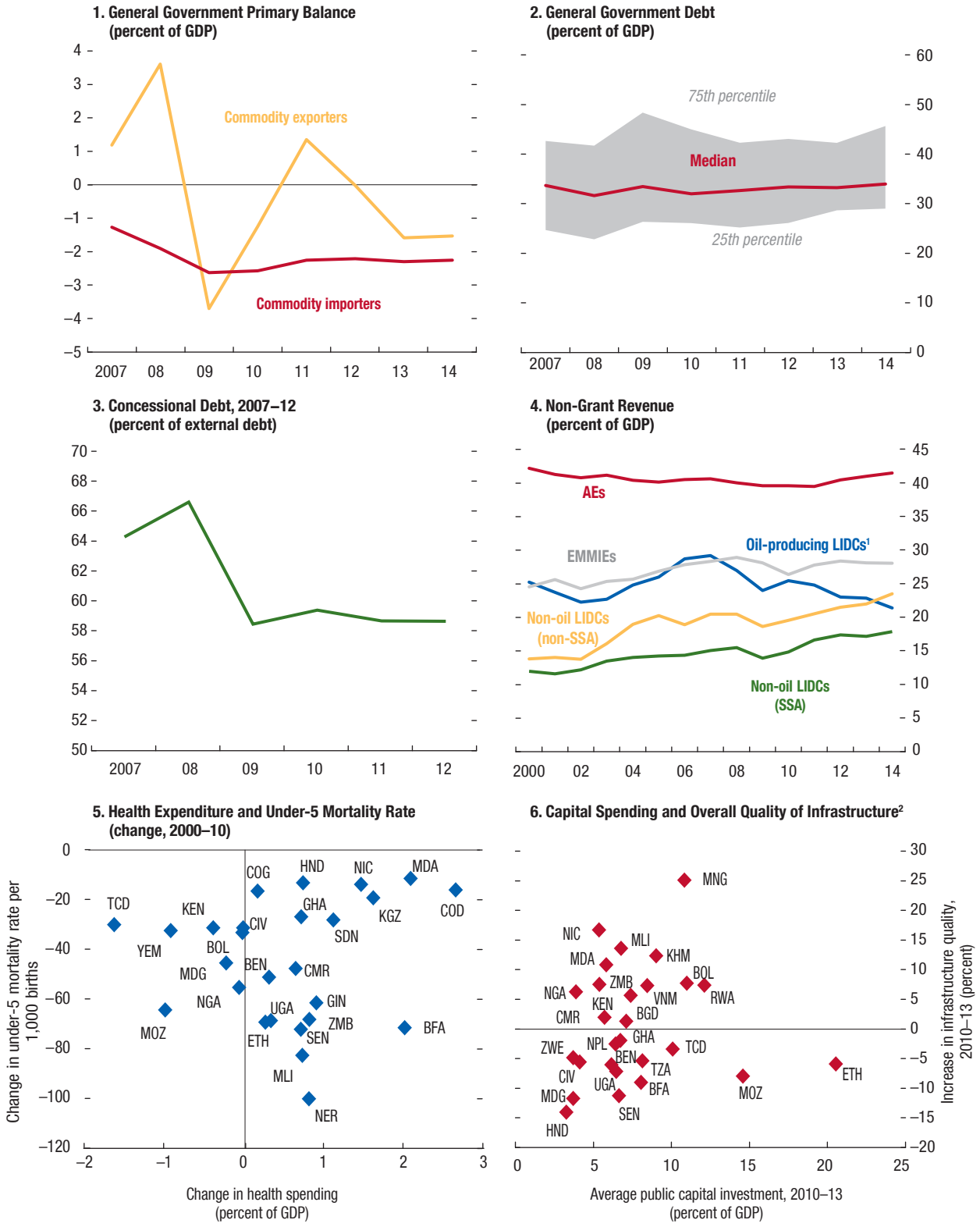
Efforts to Improve Fiscal Buffers Have Been Uneven

Spending restraint in 2014 has halted the deficit expansion that LIDCs experienced in 2013 (April 2014 *Fiscal Monitor*). The average overall deficit is expected to remain broadly unchanged at 3.1 percent of GDP in 2014 (Figure 1.4), but here again, the path differs across countries.

In about half of LIDCs, the overall fiscal deficit will decline or stabilize in 2014, mostly because of spending restraint. Delays or cuts in public investment are forecast in *Haiti* and *Zambia*, coupled with wage bill freezes in *Lao P.D.R.* In *Chad,* improvements come from higher oil revenues as new oil projects are coming on stream and from efforts in expenditure rationalization; in *Burkina Faso* and *Honduras*, they reflect dividends from revenue administration and tax policy reforms. In the largest economy of this group, *Nigeria*, the overall balance is expected to improve slightly, after a sharp deterioration in 2013, because of reduced current spending and higher non-oil revenues; however, oil revenues have so far been below expectations owing to lower production. In *Ghana*, fiscal adjustment is proceeding at a slower pace than budgeted, due to delays in broadening VAT coverage, in adjusting utility tariffs, and in implementing an ad valorem tax on petroleum products.

In contrast, fiscal deficits are expected to widen in about half of LIDCs. Lower growth and commodity prices in *Mongolia* and tax policy reforms in *Vietnam* have reduced revenues. Higher capital spending is the main factor behind higher deficits in *Mali*, following the resumption of donors' project financing, and in *Niger* because of frontloading of infrastructure projects. In *Uganda*, the deficit is envisaged to widen in calendar year

Figure 1.4. Fiscal Trends in Low-Income Developing Countries



Sources: United Nations; World Bank, *World Development Indicators,* 2014; World Economic Forum, *Global Competitiveness Report,* 2014; World Health Organization; and IMF staff estimates.
Note: For country-specific details, see Data and Conventions and Table C in the Statistical and Methodological Appendix. The shaded area in panel 2 represents the 25th to the 75th percentiles of the debt-to-GDP ratio. AEs = advanced economies; EMMIEs = emerging market and middle-income economies; LIDCs = low-income developing countries; SSA = Sub-Saharan Africa.
[1] Includes Bolivia, Cameroon, Chad, Republic of Congo, Côte d'Ivoire, Nigeria, Papua New Guinea, Uzbekistan, Vietnam, and Yemen.
[2] The overall quality of infrastructure index compounds indicators and survey data on the efficiency of transport, electricity, and telephony infrastructure in a country.

2014 owing to increased capital spending and reduced growth. In *Mozambique*, the deficit is projected to expand by more than 6 percent of GDP, reflecting steady increases in the wage bill and public investment, and also the regularization of quasi-fiscal operations associated with a public sector company. Exceptional increases in current spending are also expected in some countries, such as higher military spending (Uganda and *Rwanda*) and election-related spending (*Moldova* and Mozambique). In addition, with weak budgetary control, some countries are recording a substantial accumulation of arrears (*Tanzania*, *Guinea*, Zambia, and *Yemen*).

The average nominal debt ratio for the LIDC group is expected to increase slightly to almost 31½ percent of GDP in 2014. However, debt ratios have increased significantly in a few countries. In Niger, the debt-to-GDP ratio is expected to increase by almost 15 percentage points in 2014 largely because of the assumption by the government of a publicly guaranteed private loan. Since 2012, debt-to-GDP ratios have increased by 15 percentage points in Ghana, 12 percentage points in Honduras and *Papua New-Guinea*, around 8 percentage points in Haiti, and around 7 percentage points in Zambia. In some countries, the rising share of nonconcessional loans pushes up debt servicing costs (Figure 1.4, panel 3). This is particularly the case in LIDCs that have newly accessed international bond markets (Box 1.2).

Short-Term Risks Look Manageable, with a Few Exceptions

LIDCs face generally moderate immediate fiscal risks. As mentioned, their public debt ratios and borrowing costs are, in most cases, relatively low (with a few exceptions). Their integration into international capital markets, although growing, remains modest, limiting their exposure to capital flow reversals. And they have generally benefited from the commodity super cycle through higher production and revenues.

However, rapid spending growth has raised fiscal vulnerabilities in some countries (IMF, 2014b). Lower growth in emerging market economies, particularly China, would dampen fiscal prospects in many LIDCs through weaker foreign direct investment, less favorable terms of trade, and lower commodity prices. There are also a number of country-specific risks, including protracted fiscal imbalances in Ghana and Zambia, political instability in Yemen, and uncertainty regarding the Petrocaribe arrangement with Venezuela in Haiti and *Nicaragua*. The Ebola outbreak could substantially lower growth in the affected West African countries, causing revenue shortfalls and requiring larger public outlays.

Improving Revenue Mobilization and Prioritizing Spending Remain Key Challenges

A key policy challenge in LIDCs is to ensure increased provision of public services in response to rising social demand and growth-enhancing infrastructure, health, and education. These objectives, however, are often stymied by low tax ratios, limited fiscal space, and poor spending efficiency. Thus, efforts should focus on improving fiscal outcomes through revenue mobilization, and a better prioritization and efficiency of expenditure.

- Tax revenue remains at very low levels in LIDCs compared to middle- and high- income countries, though it is gradually increasing in non-oil exporting countries (Figure 1.4, panel 4). Tax policy reforms should aim at expanding the tax base, reducing and streamlining exemptions, and strengthening real estate taxes. There is also scope to improve revenue administration. Simplifying procedures for taxpayer registration, filing, and payment would improve revenue collection and reduce taxpayer costs. Moreover, adopting IT-supported systems, segmenting the taxpayer population, and using third-party information on taxpayers would reduce compliance risk. Finally, improving audit and enforcement procedures would result in higher collections and limit incentives for rent seeking.
- Channeling spending to investment, health, and education away from non-priority spending remains a key policy priority in many countries. Improving the effectiveness of investment and social spending is another important challenge. Higher public capital spending is not always associated with improvements in the quality of infrastructure (Figure 1.4, panel 6), suggesting, in some cases, that inefficiencies can be significant (see October 2014 *World Economic Outlook* and April 2014 *Fiscal Monitor)*. Better procurement practices together with strengthened processes to select, execute, and monitor public investment projects are needed. Similarly, while social spending has increased substantially over the past few decades, social indicators have improved only slowly (Figure 1.4, panel 5). Efforts should also focus on consolidating and improving the targeting of social assistance programs. More generally, strengthening fiscal institutions through, among others, the adoption of medium-term fiscal frameworks, would improve budget planning and execution.

Box 1.1. Lowflation and Debt in the Euro Area

Low inflation has been pervasive in the euro area since 2013. Both headline and underlying inflation rates are less than 1 percent. Surveys suggest that the risk of persistent deflation—of widespread, self-feeding, price declines—is relatively limited. However, should low inflation persist, it could complicate governments' debt reduction efforts.

In theory, low inflation increases the public debt ratio through three main channels.

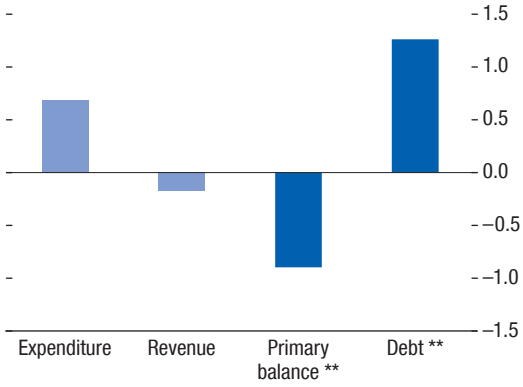
- First, governments would capture fewer real resources through base money creation (seigniorage).
- Second, low inflation could increase the debt-to-GDP ratio through worsening debt dynamics. The impact of this channel depends on the maturity structure and currency denomination of the debt, as well as on the interest rate response to lower inflation. The impact of low inflation is lowest on short-term and floating-rate debt. Foreign currency-denominated debt ratios would not be affected if the exchange rate fully reflects inflation differentials.
- Third, low inflation can affect the primary balance both from the revenue and the expenditure sides. The direction and degree of these effects depend on institutional settings. For example, tax collection lags may increase tax-to-GDP ratios in the short run, since income taxes are based on income generated in the previous year. Therefore, the nominal value of income tax collections may temporarily increase faster than current prices. In contrast, in countries with imperfect or no inflation indexation of tax brackets, lower inflation reduces revenue ratios through less bracket creeping (as slow-growing nominal incomes reduce the shift of taxpayers into higher tax brackets). On the expenditure side, the wage-bill-to-GDP ratio could increase if it is determined by past multi-year settlements or if inflation expectations are slow to come down.

From an empirical standpoint, evidence on the impact of low inflation on debt ratios is limited. Over the past 100 years, in advanced economies, only in four cases did inflation move from the 1–4 percent range to the 0–1 percent range in a persistent manner (i.e., a period of three years).[1] During those episodes, public debt ratios increased on average by 1¼ percentage points of GDP per year, driven both by a worsening of the primary balance and less favorable interest–growth differentials (Figures 1.1.1 and 1.1.2).

[1] Those cases include Italy (1912), Switzerland (1996 and 2001), and Japan (1986). The years in the parentheses indicate the years when the low inflation started. In addition, over the past 100 years, there were 24 episodes of deflation that continued for three years or more in advanced economies (21 of them before World War II).

Figure 1.1.1. Annual Impact of Persistent Low Inflation on Fiscal Variables

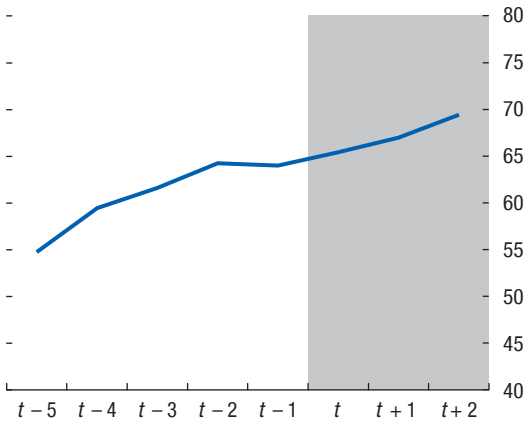
(Percentage points of GDP)



Source: IMF staff estimates.
Note: The figure is based on the four historical cases where inflation moved from the 1–4 percent range to the 0–1 percent range in a persistent manner. It shows the degree of deviation of the main fiscal variables under the four historical cases from overall sample means, after controlling for growth and interest rates. ** indicates statistically significant at the 5 percent level.

Figure 1.1.2. Government Debt under Persistent Low Inflation

(Percent of GDP; sample mean)



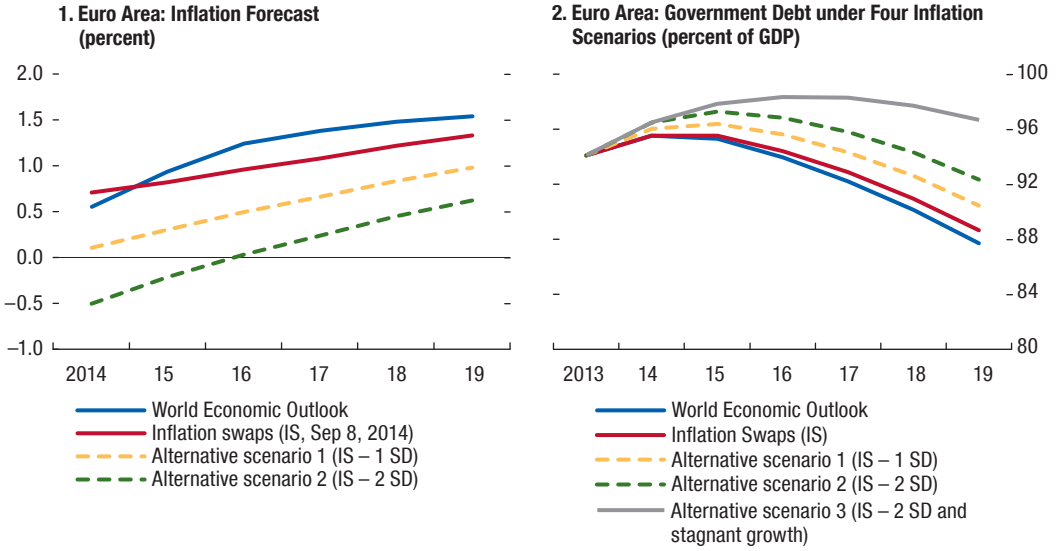
Source: IMF staff estimates.
Note: The figure is based on the four historical cases where inflation moved from the 1–4 percent range to the 0–1 percent range in a persistent manner. The variable *t* indicates the year when inflation moved to the 0–1 range, and inflation stayed in the 0–1 range for three years through *t* + 2.

Box 1.1 *(concluded)*

Using the analytical framework of Akitoby, Komatsuzaki, and Binder (2014), simulations are used to estimate the potential impact of low inflation through seigniorage and debt dynamics on the euro area's debt ratio.[2] Interest rates on newly issued debt are assumed to adjust one for one to lower inflation (a full Fisher effect). Under that assumption, a lower inflation path would delay the peak of government debt by one year from the baseline forecast, through the debt dynamics channel, and also raise the average gross debt-to-GDP ratio by about 4¾ percentage points above baseline projections by 2019 (Figure 1.1.3). The effect of less seigniorage (not included in the figure) is more modest—an increase in the debt ratio of about 1 percentage point by 2019. In addition, if low inflation were associated with stagnant growth, primary balances would deteriorate due to depressed revenue and expenditure pressures, further worsening debt dynamics. In a scenario combining low inflation and stagnant growth—annual growth at the 2014 level through 2019—the increase in the average gross debt-to-GDP ratio goes up to 9 percentage points over the baseline.

[2] Euro area excluding Cyprus and Malta. The growth path is assumed to remain unchanged from the WEO projection. The simulations do not take into account the impact of lower inflation on government debt through the primary-balance channel. The simulations consider two alternative inflation scenarios (1 and 2) which respectively assume the inflation path is below the baseline forecasts by one and two standard deviations (based on inflation swaps as of September).

Figure 1.1.3. Simulation of Low Inflation on Euro Area Debt



Source: IMF staff estimates.
Note: IS = inflation swaps; SD = standard deviation.

Box 1.2. The Fiscal Implications of International Bond Issuance by Low-Income Developing Countries

International sovereign bond issuances by low-income developing countries (LIDCs) in Africa and Asia have grown significantly, particularly since 2010. Most of these were first-time issuances that attracted considerable investor interest against the backdrop of generally low market volatility (Figure 1.2.1). In many cases, sovereign governments have been able to tap the international bond market at least a second time after their debut issuance.

This unprecedented surge in LIDCs issuance responded to both "push" and "pull" factors, namely the search for yield amid ultra-low interest rates in most advanced economies, and improved fundamentals in LIDCs (see Box 1.2 in the October 2013 GFSR; Gueye and Sy, 2010; and Sy, 2013). Interestingly, most recent international bond issuances were destined primarily to finance public infrastructure projects (Figure 1.2.2). This is in sharp contrast to historical experience on bond financing by sovereigns in general, and infrastructure financing by LIDCs in particular (Bordo, Eichengreen, and Irwin, 1999; Eichengreen, 1994).

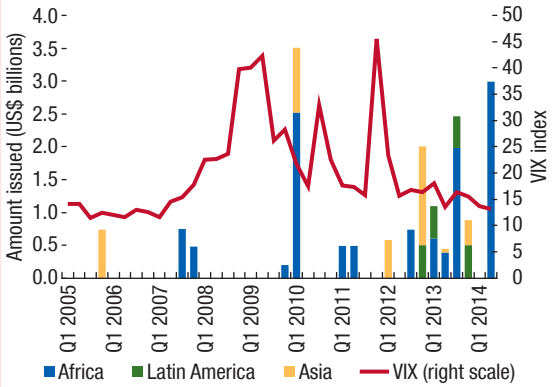
The size and yield of recent bond issues have varied considerably, as issuers are quite a heterogeneous group in terms of the size of their respective economies, growth prospects, and degree of financial stability (Table 1.2.1). Issuances have ranged between 47 million and 1.9 billion of constant U.S. dollars, or between 0.2 percent (Nigeria) and 14.5 percent of GDP (Mongolia). The associated yield to maturity ranged from 1.4 percent to 10.2 percent.

Gaining or expanding access to international capital markets is a welcome development for LIDCs. It is often a crucial step in their financial development and a key component of a sustainable growth strategy (King and Levine, 1993; Levine, 2004). It also reflects improvements in fiscal and financial governance in LIDCs. From a public finance standpoint, international financial integration can provide a broader scope of funding sources, mitigate crowding out of domestic investment, and expand the policy room to respond to shocks. It adds an additional degree of market scrutiny, potentially improving policy discipline and transparency. Also, international access by the sovereign government often facilitates better access conditions for private borrowers.

At the same time, however, sovereign bond issuances can also raise complex fiscal challenges—which have received little attention to date, as most of the policy discussion has focused on capital flows and debt management.[1] There are at least two fiscal dimensions to

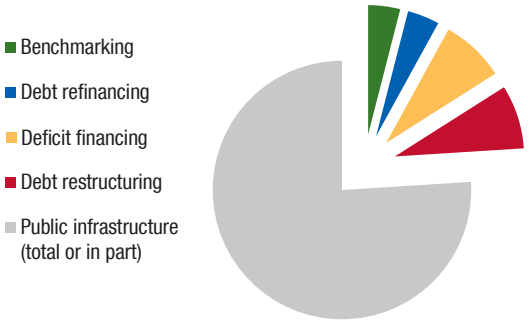
[1] Alleyne and others (2014); Guscina, Pedras, and Presciuttini (2014).

Figure 1.2.1. International Bond Issuance since 2005



Sources: Bloomberg L.P.; Dealogic; and IMF staff estimates.
Note: VIX = Chicago Board Options Exchange Volatility Index.

Figure 1.2.2. Intended Purpose for Proceeds from International Bond Issuance



Sources: IMF staff calculations based on various IMF country reports.
Note: The calculations are based on 25 bond issuances by low-income developing countries from 2005 to 2014, and capture intended rather than actual use of bond proceeds (defined in IMF staff reports and press articles). Benchmarking is defined as pricing information for assessing the yield spread and serving as a reference for other issuance. "Infrastructure (in part)" refers to cases where bond proceeds are intended for allocation between infrastructure financing and other purposes, including benchmarking, refinancing of public debt, and public debt management.

Table 1.2.1. Summary Features of Bond Issuance by Low-Income Developing Countries since 2005

	Deal Total Value (2009 US$)	Yield to Maturity (percent)	Amount (percent of GDP)
Minimum	47,447,693	1.4	0.2
Maximum[1]	1,861,538,748	10.2	14.5

Source: Authors' calculations based on data from Dealogic and Bloomberg L.P.
[1] Excludes bonds issued for debt restructuring purposes by Côte d'Ivoire in 2010.

Box 1.2 *(continued)*

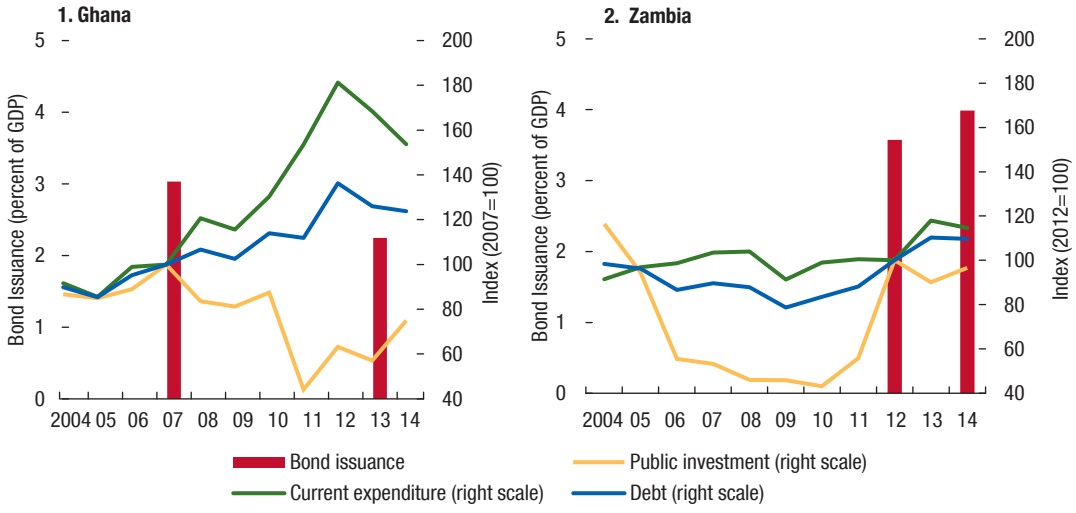
consider—both of which can place significant pressure on LIDCs' often fragile fiscal institutions:

- Bond financing is relatively costly for LIDCs. It is generally more affordable than domestic financing[2] at the margin, but subject to sizeable refinancing and exchange rate risks. It is also considerably more expensive than concessional loans, which tend to constitute the largest part of LIDC financing. Thus, unless bond flows finance projects with sufficiently high returns on government revenue and growth to offset the increased share of nonconcessional debt, they can give rise to fiscal sustainability issues. This underscores the importance of good project selection and execution capacity.
- Given the transaction costs of tapping international bond markets, issuances tend to be large—both in absolute terms (to finance projects that span several budgets) and relative to the size of the economy. Thus, international bond financing can lead to spending pressures (the so-called "voracity effect," also present in small middle-income economies) or come up against absorptive capacity constraints. The recent experiences of Ghana, Zambia, and Mongolia are illustrative. In Ghana, the 2007 bond debut (US$750 million) was followed by a sharp increase in primary spending the following year, driven by current spending, while capital spending declined (Figure 1.2.3). Spending on wages and subsidies increased sharply in Zambia in 2013, financed by part of the Eurobond proceeds that had been intended for investments. In Mongolia, the cumulative size of issuances in 2012 reached close to 15 percent of GDP, putting pressure on an already stretched construction sector and on domestic prices. In addition, a significant share of the bond proceeds was used for off-budget spending not subject to the scrutiny or to the provisions under the newly adopted Fiscal Stability Law (IMF, 2012; World Bank, 2013).

Given these complex fiscal challenges, it is important to ensure disciplined use of external borrowing opportunities. A strong, multi-year budget framework with effective commitment controls and binding institutional oversight is therefore critical.

[2] This is the case when euro bonds are used for debt management, substituting more expensive domestic borrowing and/or the repayment of expensive bank financing (as in Côte d'Ivoire and Senegal).

Figure 1.2.3. Evolution of Key Fiscal Variables after International Sovereign Bond Issuance



Sources: Bloomberg L.P.; Dealogic; and IMF staff estimates.
Note: Fiscal variables are normalized to 100 in the year of the first bond issuance, shown on the right scale. This corresponds to 2007 for Ghana and 2012 for Zambia.

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CHAPTER 2

CAN FISCAL POLICIES DO MORE FOR JOBS?

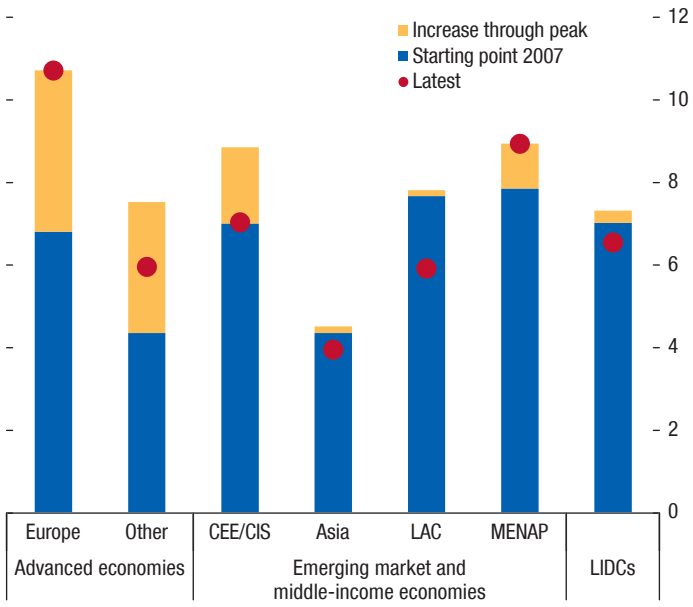
Job creation is at the top of political agendas across the globe. In advanced economies, the employment losses generated by the crisis have been only partially reversed, raising concerns about permanent skills and human capital erosion associated with long-term unemployment and inactivity. In most emerging and low-income developing economies, while crisis-related job losses were relatively contained and largely temporary (Figure 2.1), informality remains high, and job creation insufficient to absorb the large number of young people entering the labor market. Global unemployment exceeds 200 million people, and an additional 13 million people are expected to be unemployed by 2018 (ILO, 2014).

Can fiscal policy do more for jobs? And how can policymakers maximize the "bang for the buck" given that fiscal room for maneuver is constrained in many advanced and developing economies? These are the topics of this chapter, which builds upon previous studies of the broad impact of fiscal policy on employment (including IMF, 2012).

High and persistent levels of unemployment call for a multi-pronged policy response, usually based on labor market reform but also encompassing other economic policies. While fiscal policy cannot substitute for structural labor market reform, the main conclusion of this chapter is that it can help support job creation in a number of ways, both in the short term and over a longer horizon. However, the impact of fiscal policy on labor market outcomes depends on country circumstances, including the state of the economy, the existence of labor market rigidities, and the interplay with other macroeconomic policies. Therefore, its application requires judgment on the specifics of the particular case.

- The design of fiscal consolidation matters for labor market outcomes. The debate on the growth and employment impact of expenditure-based versus revenue-based consolidations is not settled in the literature. Some studies find short-term spending multipliers to be higher than revenue multipliers, while others have concluded the opposite. Many factors can explain these diverging findings, including differences in country samples; in econometric methodologies; the specific nature of the revenue or expenditure measures; country-specific characteristics; and starting conditions, to mention a few. Our analysis pays particular attention to different starting conditions but, given the difficulties, should still be seen as suggestive rather than definitive. We find that in advanced economies, tax-based consolidations appear to be associated with a more adverse effect on jobs in normal times. However, the situation differs if the starting point of the adjustment is a protracted recession, when expenditure adjustment is found to have a larger short-term adverse effect on employment. Ultimately, what may matter most is the nature of the specific revenue or expenditure measures that are being implemented.
- In emerging and developing economies, where the emphasis of fiscal policy is on sustained growth and

Figure 2.1. Average Unemployment Rate by Country Group
(Percent of labor force)



Sources: International Labour Organization; World Bank; and IMF staff estimates.
Note: Averages weighted by population. All groups show 2013 unemployment data, except for low-income developing countries, which refer to 2012 data. CEE/CIS = Central and Eastern Europe and Commonwealth of Independent States; LAC = Latin America and the Caribbean; MENAP = Middle East and North Africa and Pakistan; LIDCs = low-income developing countries.

economic development, one of the most important challenges regarding the labor market is to facilitate the creation of better paying and more productive jobs. Policies should aim at removing administrative and tax barriers to formal employment, and providing growth-enhancing public services and greater access to finance and training. To this end, adjustment based on revenue mobilization efforts could be preferable to expenditure cuts in some instances. However, for those countries where current outlays have grown at a very rapid pace in recent years, spending rationalization may be a priority.

- In some cases, a transitory loosening of the fiscal stance can buy valuable time to implement crucial labor market reforms. A slower pace of consolidation or higher fiscal deficits can absorb the potential costs of labor market reforms (and other structural reforms). Whether and how much fiscal support to provide to facilitate labor market reforms is a decision that needs to be carefully examined, and its potential benefits (in terms of faster potential output growth) weighed against its risks (largely in terms of debt sustainability). Overall, the case for fiscal relaxation in support of reforms is stronger when the costs and benefits of the reforms are well specified and sufficiently certain, there is a strong commitment to carry them to their end, and the ensuing fiscal relaxation does not undermine confidence or endanger debt sustainability.
- Targeted fiscal measures can be part of the toolkit to address localized labor market malfunctions, such as high youth unemployment, low female labor force participation,[1] and falling elderly labor force participation. Measures targeted to specific segments of the labor force have been found to be more cost effective than blanket ones. These measures include targeted cuts in employer's social contributions and targeted pension reforms.

The rest of the chapter starts with an empirical assessment of the impact of fiscal consolidations on labor market outcomes in advanced and developing economies; it then explores the fiscal costs of fostering labor market reforms; discusses the impact of labor taxes on employment; and concludes with an analysis of the impact of two prominent fiscal reforms aimed at enhancing labor market outcomes in specific segments: targeted social security contribution cuts and pension reforms.

[1] Fiscal policies to increase female labor force participation were recently discussed in IMF (2013).

Does the Composition of Fiscal Consolidation Affect Labor Market Outcomes?

Fiscal consolidation is called for in many economies, advanced and emerging, to reduce high public debt ratios and rebuild fiscal buffers used during the crisis. With the economic recovery not yet on a strong footing, concerns remain that these policies may exacerbate crisis-related job losses, delay a jobs recovery, or have long-lasting negative effects on the labor market such as hysteresis. Conversely, protracted weakness in the labor market can undermine the viability of a sustained period of fiscal consolidation.

This section attempts to shed light on the impact of fiscal consolidation on employment in advanced and developing economies—an area that has received relatively little attention to date.[2] A first possible approach, not pursued here, would be to rely on the voluminous literature on the effects of fiscal policy on output (IMF, 2010; Batini, Eyraud, and Weber, 2014) and on the hypothesis that there is a stable relationship between output and unemployment (or employment)—the Okun's Law (Ball, Leigh, and Loungani, 2013). Under this approach, the impact of fiscal consolidation on employment would be derived from its effects on output. A second complementary approach, followed in this section, is to study directly the link between fiscal policies implemented during consolidation episodes and the subsequent evolution of employment and unemployment.

The approach followed here contributes to the policy analysis in several respects. The output-employment relationship embodied in Okun's Law is an empirical regularity reflecting the interaction of many factors (e.g., the state of the economy, policy settings, output composition, or country-specific institutional arrangements). For these reasons, it is found to differ from one country to another. Thus, in principle, changes in these factors could result in a varying output-employment relationship. Recent research suggests that Okun's Law could be fairly stable within each country over time, including during the crisis (Ball, Leigh, and Loungani, 2013), but there is still no consensus on this matter (Gordon, 2010; Cazes, Verick, and Al-Houssami, 2012; Meyer and Tasci, 2012; and Ball, Leigh, and Loungani, 2013)—particularly regarding the stability

[2] Studies on the employment effects of fiscal consolidation include Monacelli, Perotti, and Trigari (2010), Brückner and Pappa (2012), Ramey (2012), Kato and Miyamoto (2013), Tagkalakis (2013), and Dell'Erba, Koloskova, and Poplawski-Ribeiro (2014).

of the output-employment relationship since the crisis. A priori, there are also grounds to question the stability of the output-employment relationship under different fiscal policies—even if these policies have a similar effect on output.[3] Further, the approach followed here extends the analysis by estimating the effects on different segments of the labor force, and in developing economies. Overall, the findings in this section tend to confirm that the impact of fiscal policy instruments on employment broadly parallels their impact on output.

Drawing from the literature, two approaches are used to identify fiscal consolidation episodes. First, the narrative approach (Romer and Romer, 2010) is used for a set of 17 advanced economies over the period 1980–2010 (Devries and others, 2011).[4] Second, in the absence of comparable information for emerging and developing economies, the approach of Afonso (2010), based on changes in the cyclically adjusted primary balance (CAPB) is used for 28 emerging and developing economies over the period 1980–2013 (see Appendix and Jalles, 2014, for a more extensive discussion of the methodology). The impact of fiscal consolidation on labor market variables is examined through a dynamic panel model and presented in the form of impulse response functions (IRFs). These IRFs show the impact on labor market outcomes, over a period of six years, of an increase in the overall balance of 1 percentage point of GDP (actual or potential GDP, respectively, for the narrative and CAPB approaches).[5]

It is worth noting that the debate on the growth and employment impact of expenditure-based versus revenue-based consolidations is not settled in the literature. Some studies find short-term spending multipliers to be higher than revenue multipliers (Gali, Lopez-Salido, and Valles, 2007; Spilimbergo, Symansky, and Schindler, 2009). However, other studies have shown that expenditure-based fiscal consolidations have a more favorable effect on output than revenue-based consolidations (Alesina and Ardagna, 2010; IMF, 2010). As discussed in the April 2012 *Fiscal Monitor,* the size of the short-term multipliers is not the only thing that matters in designing a fiscal adjustment package. Long-term effects on potential output, starting conditions, and other country-specific characteristics are also important. Given these considerations and empirical limitations, the results presented in this section should be seen as suggestive and interpreted with due caution. In particular, some of the IRFs estimates are surrounded with significant uncertainty, as reflected in wide statistical confidence bands around their point estimates, which in some cases do not allow rejection of the hypothesis that these IRFs could be negligible or nil.

For advanced economies, the main finding is that tax-based consolidations are associated with a large adverse effect on jobs in normal times, but that the relation changes in protracted recessions. In that latter situation, the negative employment effect of expenditure adjustment is found to be stronger than in tax-based consolidations, and the employment rebound may be delayed. This finding is largely in line with the literature on state-contingent effects of fiscal policy,[6] and with previous studies that have found the effects of fiscal expenditure to be much larger in downturns than in other periods, and also larger than the effects of tax measures (Batini, Callegari, and Melina, 2012).

- On average, revenue-based consolidations have an adverse and long-lasting impact on employment: six years after the start of the adjustment, the employment rate is ¾ percentage point lower (Figure 2.2). In contrast, expenditure-based consolidations appear to have a small and short-lived negative impact on employment. The relation is, however, barely significant at standard confidence levels. Other empirical studies have also found that in normal times the output effect of tax measures is larger than that of spending measures (Romer and Romer, 2010; Dell' Erba, Koloskova, and Poplawski-Ribeiro, 2014). The analysis of specific labor market segments (youth unemployment and long-term unemployment) corroborates these findings (Figure 2.3).
- When the analysis is conditioned on the state of the economy, in normal times and in short recessions[7] the previous result holds: expenditure-based consolida-

[3] For example, a tax cut and an expenditure increase scaled as necessary to have the same impact on output could have different effects on employment if the typical expenditure increase had a substantial component of public employment in labor-intensive activities, and the tax cut raised activity uniformly across all sectors.

[4] For recent applications of this approach see IMF (2010) and Guajardo, Leigh, and Pescatori (2014).

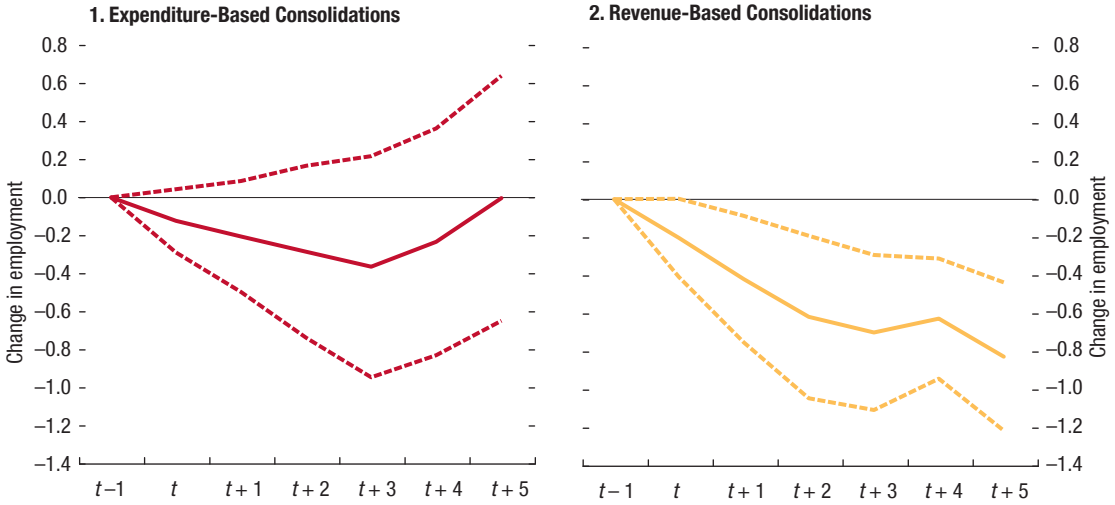
[5] The IRFs are estimated using the local projection method (Jorda, 2005). This estimator is preferred to the VAR alternative, as it can accommodate non-linearities. The estimated dynamic equation contains two lags of the appropriate dependent variable, country and time effects, the output gap, and the relevant consolidation variable (and interaction terms). See Appendix for methodological details.

[6] See for example Auerbach and Gorodnichenko (2012), Baum, Poplawski-Ribeiro, and Weber (2012), and Dell'Erba, Koloskova, and Poplawski-Ribeiro (2014).

[7] Normal times correspond to non-recessionary periods while recessions are considered non-protracted when lasting less than 24 months (Appendix 2.1).

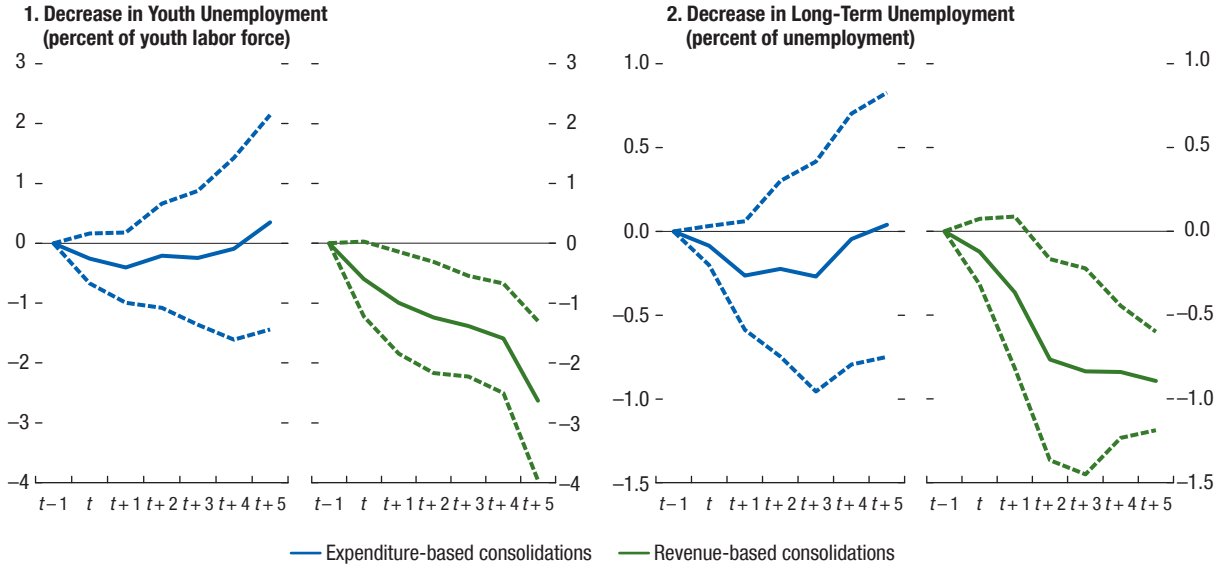
Figure 2.2. Advanced Economies: Impact of Expenditure- and Revenue-Based Consolidations on Employment

(Percent of working-age population)



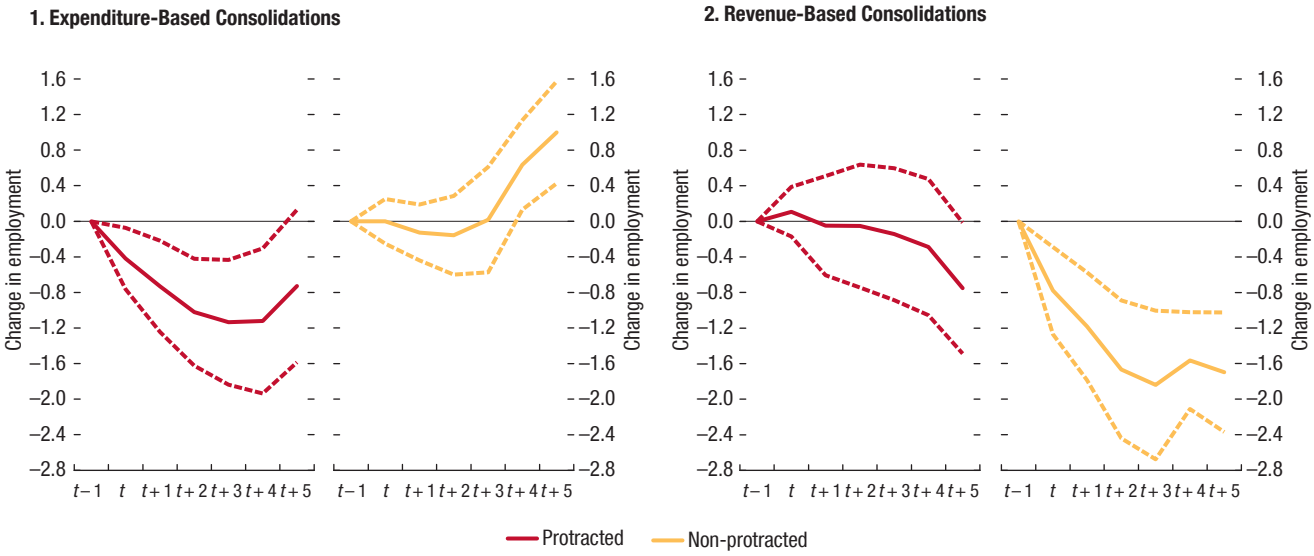
Sources: European Commission; Organisation for Economic Co-operation and Development; World Bank; and IMF staff estimates.
Note: Impulse response functions (solid lines) are computed using a local projection estimator based on Jorda (2005) and plotted together with their 90 percent confidence bands, which are used to represent the uncertainty in a given estimate (dotted lines). See Appendix 2.1 for further details. Interpretation: when both lower and upper confidence bands are above (below) zero, then the corresponding impulse response estimate at time *t* can be inferred to be positive (negative) at a 10 percent significance level, where *t* indicates the first year of consolidation. When the upper (lower) limit is above zero and the lower (upper) limit is below zero, then the impulse response is less precisely estimated, and it is not statistically different from zero at the same significance level.

Figure 2.3. Advanced Economies: Impact of Expenditure- and Revenue-Based Consolidations on Different Unemployment Segments



Sources: European Commission; Organisation for Economic Co-operation and Development; World Bank; and IMF staff estimates.
Note: See the Figure 2.2 note for methodological details. Negative (positive) values indicate an increase (reduction) in the unemployment rate.

Figure 2.4. Advanced Economies: Impact of Expenditure- and Revenue-Based Consolidations Following Protracted Recessions on Employment
(Percent of working-age population)



Sources: European Commission; Organisation for Economic Co-operation and Development; World Bank; and IMF staff estimates.
Note: See the Figure 2.2 note for methodological details.

tions are associated with a smaller impact on employment and a faster rebound in jobs than revenue-based consolidations. But the rebound is much delayed following protracted recessions (i.e., economic contractions lasting at least two consecutive years). Then, expenditure-based fiscal consolidations are found to have a larger short-term negative effect on employment than revenue-based consolidations (Figure 2.4).

The findings differ for emerging and developing economies, suggesting that in their case, fiscal consolidations based on improved revenue mobilization efforts may be preferable for jobs.

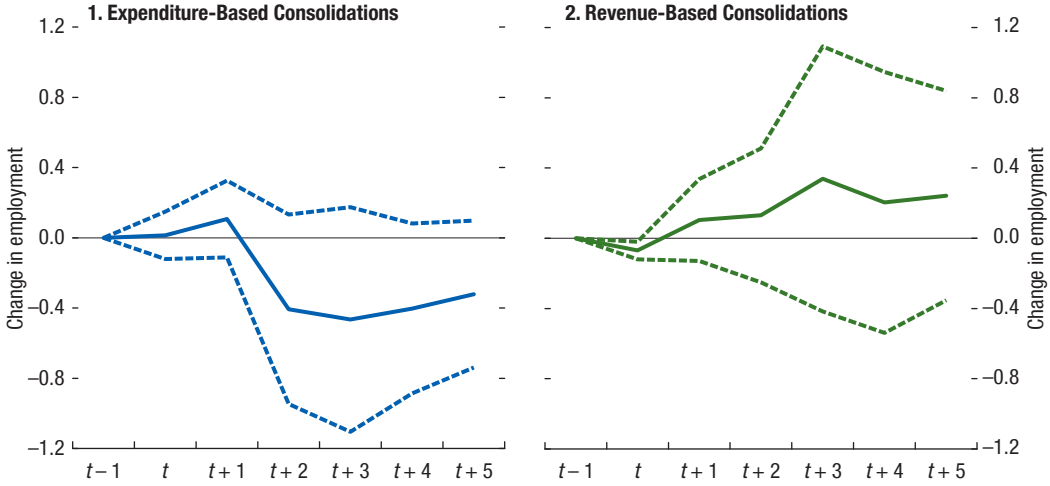
- In emerging and developing economies, expenditure-based consolidations seem more costly in terms of employment than revenue-based consolidations (Figure 2.5). The reason may be that, given spending rigidities and relatively low levels of public outlays, spending-based consolidations in these economies fall disproportionally on capital and other productive public services, having more adverse impacts on employment and growth. Previous studies have also found that fiscal consolidation achieved through revenue increases tends to be more lasting in emerging and developing economies (Gupta and others, 2004, 2005)—particularly if they include some tax reforms such as base broadening, removing exemptions, and combating tax evasion.[8]
- The difference in findings between advanced and emerging and developing economies also holds when the comparison is based on results using the same CAPB approach in both groups of countries, suggesting that it is not due to the use of different methodologies.[9]

In sum, there is evidence that the composition of consolidation matters for labor market outcomes, although the impact also depends on the type of economy, its cyclical position, and other country-specific

[8] For a detailed discussion on revenue reform options, refer to the October 2013 *Fiscal Monitor—Taxing Times.*

[9] As presented, results for advanced and developing economies are not entirely comparable given the different methodologies used. Although results for emerging and developing economies appear to be less statistically significant than those for advanced economies, this is largely the result of the different methodologies used. Results for advanced economies are also less statistically significant when based on the CAPB approach than on the narrative approach. Comparisons based on the same CAPB approach suggest that the main difference between the two groups of countries is on the impact of spending-based consolidations: they seem to be worse for jobs in developing than in advanced economies. Data limitations do not allow us to separate the effects of fiscal policies in normal times and in protracted recessions in the case of emerging and developing economies.

Figure 2.5. Developing Economies: Impact of Expenditure- and Revenue-Based Consolidations on Employment
(Percent of working-age population)



Sources: European Commission; Organisation for Economic Co-operation and Development; World Bank; and IMF staff estimates.
Note: See the Figure 2.2 note for methodological details. Developing economies include emerging market and middle-income economies and low-income developing countries.

characteristics (for example, labor market structure and institutional arrangements).

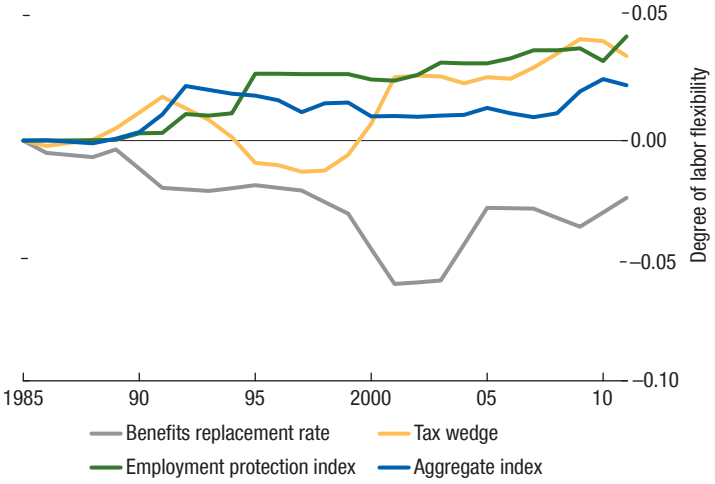
- In advanced economies, a gradual pace of spending cuts would be preferable since the labor market rebound may be delayed following protracted recessions. At the same time, persistent reliance on revenue measures could lead to a long-lasting decline in employment. As economic growth improves, a shift toward spending measures would help minimize adverse labor market outcomes.
- In emerging and developing economies, prioritizing revenue mobilization, rather than spending cuts, may lead to better employment outcomes in the medium term, especially where needs for public services and infrastructure are large. Policies that facilitate the creation of better paying and more productive jobs would help address labor market challenges in these economies.
- Regarding specific tax and expenditure components, the existing evidence (IMF, 2012) finds positive effects on labor force participation from reducing the tax wedge on labor, improving active labor market policies and their administration, reforming pension systems, and enhancing child support (fostering female participation). However, the precise design of consolidation efforts should closely take into account specific country circumstances and initial conditions. Later sections discuss some of these measures in more detail.

Can Fiscal Policy Support Job-Friendly Labor Reforms?

This section explores how fiscal policy can complement job-creating labor market reforms, including by bringing forward their benefits and mitigating their costs. More specifically, how much fiscal space do reform-enabling policies require? Should a country's reform efforts be taken into account when assessing its fiscal stance and medium-term budget plans? These questions are at the forefront of the policy debate in Europe, but their relevance is more general, especially in countries where employment growth is hampered by persistent market rigidities and fiscal firepower is limited.

Labor market reforms have advanced in an overly slow and piecemeal manner in advanced economies, despite empirical evidence that these reforms, if well designed, could significantly foster employment (OECD, 2014; Turrini and others, 2014). The main problem is that effective labor reforms are not only very difficult to get right (see Blanchard, Jaumotte,

Figure 2.6. Labor Reform Trends among OECD Countries, 1985–2011
(Cumulative changes)



Sources: Organisation for Economic Co-operation and Development; and IMF staff calculations.
Note: See footnote 10 in the text for variable definitions.

and Loungani, 2014); they are even more difficult to implement, given their first-order distributive implications and the related political fallouts.

The strong status quo bias is evident from the evolution of labor reform indices.[10] Figure 2.6 captures broad reform trends (a higher index indicates more flexible labor arrangements). The aggregate index essentially moved sideways for most of the 1990s, although it has trended upward in the latest years.

Labor market reforms can give rise to fiscal costs—either directly, through changes in labor taxes or unemployment benefits, or indirectly, through the use of fiscal offsets to mitigate the reform's distributive effects; and more broadly, if the fiscal stance is relaxed to compensate for the adverse impact of the reform on near-term activity. The labor reform index can be used to identify reform episodes and calculate associated fiscal costs. Since the link between labor market reform and a change in the fiscal stance is difficult to quantify precisely, the cost estimation exercise only covers the first two categories of costs, and thus should be seen as a lower bound. In practice, out of 60 episodes of labor reform observed in Organisation for Economic Co-operation and Development (OECD) countries during 1985–2011, 42 were associated with fiscal costs, both direct and indirect, for an average of 0.5 percent of GDP.[11]

Labor Market Reform Can Have Sizeable Direct Fiscal Costs

Some labor reforms affect fiscal instruments and, as such, have direct budgetary repercussions. A clear example is the reduction in the labor tax wedge—the difference between the labor cost paid by employers and the take-home wage of employees due to income tax and social security contributions. Reducing the tax wedge could effectively lower labor costs for firms and boost job creation (see next section), but would lead to a tax revenue loss. Likewise, active labor market policies and changes to unemployment insurance schemes can have direct budgetary effects.

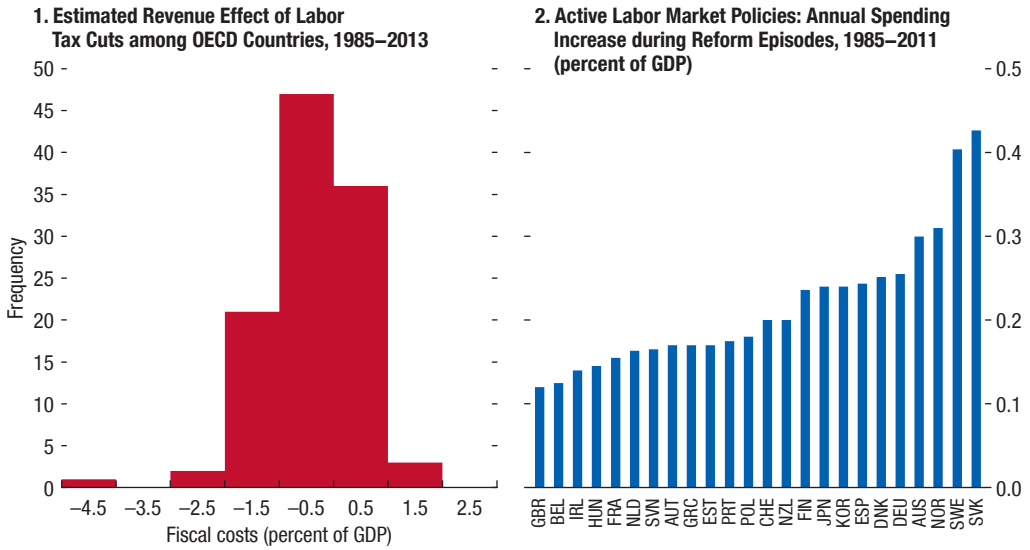
Labor tax cuts can have a sizeable fiscal impact. After accounting for the effect of the business cycle and inflation on nominal labor tax revenues, econometric analysis suggests that, all else equal, cutting the tax wedge by 1 percentage point is, on average, associated with a revenue loss of 0.3 percent of GDP.[12] The effect varies across episodes depending on the state of the business cycle and tax compliance. While it is inherently difficult to obtain precise ex post empirical estimates of revenue losses caused by tax cuts, a proxy for the total impact of labor tax reforms can be derived from "excess" variations in labor tax revenue during

[10] The labor reform index aggregates four indicators (the labor tax wedge, the unemployment benefits replacement rate, spending on active labor market policies, and the labor protection index). Data on two of these components (the employment protection legislation index and spending on active labor market policies) are only available from 1985. The tax wedge measures the difference between labor costs to the employer and the corresponding net take-home pay of the employee. It comprises the sum of personal income tax, employee and employer social security contributions, and any payroll tax less cash transfers. It is expressed as a percentage of labor costs (OECD, 2014). Active labor market policies are aimed to help unemployed people return back to work, including through job placement services, benefit administration, and labor market programs such as training and job creation (OECD, 1994).

[11] A reform episode is defined as a year with an unusually large increase (i.e., one standard deviation or above) in a subcomponent of the labor reform index. The fiscal impact of the reform is calculated on an annual basis, for the year of the reform and the following year. A total of 64 reform episodes have been identified, but the information required to estimate total fiscal costs is only available for 60 of them.

[12] Based on a panel regression of OECD countries over 1985–2013, where labor tax revenues (in percent of GDP) are a function of the labor tax wedge, the output gap, CPI inflation, and country dummies, with country-specific slopes for the output gap and inflation. The labor tax wedge used in this chapter is the tax wedge for a single individual at 100 percent total earnings (OECD, 2014).

Figure 2.7. Direct Fiscal Costs of Labor Market Reforms



Sources: Organisation for Economic Co-operation and Development (OECD); and IMF staff calculations.
Notes: See footnotes 12 and 13 in the text for methodological details.

tax cut episodes.[13] The average loss (negative excess variations) amounts to 0.8 percent of GDP, although in some cases, it exceeds 2 percent of GDP (Figure 2.7, left panel). Interestingly, however, about one-third of tax cut episodes coincided with positive "excess" variations, suggesting either quick positive effects on employment or other offsetting developments (e.g., improved tax compliance).

Well-designed active labor market policies (ALMPs) grease the wheels of the labor market. Most notably, through training and job creation programs as well as effective placement services, well-designed ALMPs can help improve labor market flows, reducing the duration of unemployment spells while achieving social goals (OECD, 2006). But these programs can be costly. Among OECD countries, average public spending on ALMPs amounted to about 1 percent of GDP during reform episodes, with some countries spending more than double that. Over the last three decades, ALMP reforms have left a non-negligible footprint on budgets, with costs ranging between 0.1 percent and 0.4 percent of GDP per year (Figure 2.7, right panel).

Reforms can also have positive effects on the budget. For example, episodes of reductions in unemployment benefit replacement rates since 1985 in OECD countries appear to have produced relatively modest savings (about 0.2 percent of GDP per episode).[14]

Fiscal Offsets Have Often Been Used to Mitigate the Distributive Effects of Labor Market Reform

Distributive concerns can lead governments to complement reforms with measures aimed at mitigating their impact on certain population segments. A typical example is when a reduction in employment protection is bundled with measures aimed at mitigating the financial impact on employees. The relaxation in employment protection is expected to allow smoother reallocations of jobs across sectors and a shorter duration of unemployment spells, but against greater individual risk of unemployment and weaker wage bargaining power. Recent examples include reforms aimed at reducing labor market duality in Europe. Different measures have been used to mitigate the potential adverse effect on labor.

- A number of countries, including France (1987) and Denmark (1995), accompanied the relaxation of employment protection with more generous

[13] The "excess" variation is defined as the change in labor tax revenue that cannot be explained by the output gap or inflation. Technically, it is the residual of the same regression described above, but excluding the tax wedge as an explanatory variable.

[14] These estimates correspond to the unexplained residual of an econometric regression linking the spending on unemployment benefits to the unemployment rate during episodes of reductions in replacement rates.

unemployment benefits (Figure 2.8, panels 1 and 2). The estimated fiscal costs ranged from 0.1 percent of GDP in France to 1 percent of GDP in Denmark.[15]

- Lower employment protection can also be accompanied by higher spending on ALMPs, as looser firing restrictions can initially result in higher unemployment. Offering more job training and matching services can improve labor market flows and reduce the risk of extended unemployment spells. Several countries, including the Netherlands (2009), Finland (1992), and Portugal (1990) have simultaneously lowered employment protection and increased spending on ALMPs, sometimes by a large amount; e.g., 0.8 percent of GDP in Finland (Figure 2.8, panels 3 and 4).
- In some countries, labor tax cuts were enacted simultaneously or soon after reductions in employment protection, notably in Finland (2002), the Netherlands (1994–95), Slovenia (2006–08), and Sweden (2002)—see Figure 2.8, panels 5 and 6. In a few instances, tax cuts coincided with a reduction in unemployment benefits. To the extent that the latter measure weakens workers' bargaining power in collective wage negotiations, the tax cuts can be interpreted as a compensating measure motivated by distributive concerns. Alternatively, it may also reflect a "making work pay" approach (Figure 2.8, panels 7 and 8).

Whether the use of fiscal offsets is justified empirically remains an open question. For instance, Buti, Röger, and Turrini (2009), and Buti, Turrini, and van den Noord (2014) find that, contrary to popular perceptions, reformist governments do not face lower re-election chances than others. Yet, they observe that reformists are more likely to be re-elected when mechanisms to soften potentially adverse consequences of the reforms exist, including ample social safety nets and an effective and well-regulated financial sector.

Can a Relaxation of the Fiscal Stance Help Bring Forward the Macroeconomic Benefits of Labor Market Reform?

A broader type of fiscal offset would aim at bringing forward the macroeconomic benefits of labor market reform through a temporary boost to domestic demand. The rationale is that the reform would have an immediate adverse impact on output and employment, while its benefits would often materialize only over the medium term (Bouis and Duval, 2011). This demand expansion could include, where appropriate, increased public investment, which would additionally enhance long-term growth and employment potential (April 2014 WEO, Chapter 3). The combination of immediately observable costs of reforms with more diffuse and uncertain benefits is likely to fuel resistance to implementation of the reform, particularly in periods of low employment growth. A relaxation of the fiscal stance could be used to edge it off. This is parallel to the idea, often mentioned in the context of policy discussions in Europe, that countries undertaking growth-enhancing structural reforms could slow down the pace of fiscal consolidation to account for their near-term effects on output.

The literature has shown that, in principle, expansionary macroeconomic policies could be used to boost aggregate demand and supply and quickly unlock employment gains (Blanchard and others, 1985; and Blanchard and Summers, 1986). It is difficult to identify empirical cases of such "two-handed" strategies. However, simulations can be used to illustrate their potential impact on output and public debt. The results, shown in Figure 2.9, are based on a highly stylized model with two essential parameters: the short-term cost of reform[16] on output (with a high-cost assumption of 2.8 percent of GDP three years after the reform, and a low-cost variant of 1 percent of GDP four years after the reform);[17] and hysteresis, or the persistence over time of responses to temporary shocks (with a high hysteresis coefficient of 0.2 and a low hysteresis coefficient of 0.05).[18] In all scenarios, the fiscal multiplier is set at 1.25 and it is assumed to fall gradually to zero after four years;[19] the initial public debt is 100 percent of GDP, falling to about 70 percent after 20 years without reform; and the fiscal stimulus is

[15] These numbers reflect the unexplained part of an econometric regression linking the spending on unemployment benefits to the unemployment rate. Beetsma and Debrun (2004) estimate the fiscal cost of the same French reform at 0.25 percent of GDP.

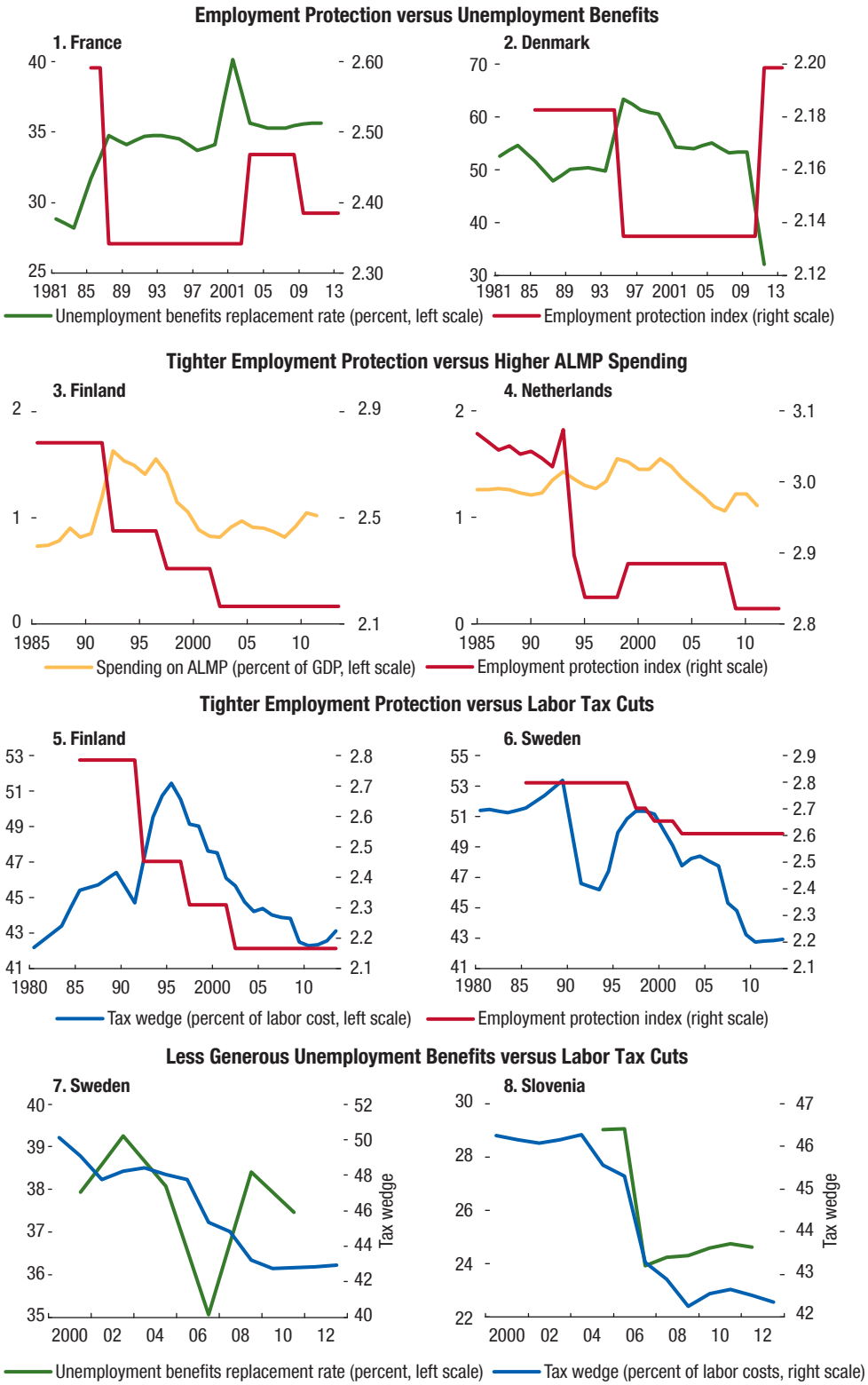
[16] Reform is defined here as a change in the aggregate labor market reform index described above.

[17] The high-cost assumption is taken from the April 2004 *World Economic Outlook* and the low-cost one from Bouis and Duval, 2011. The output loss is measured relative to the baseline (no reform) scenario.

[18] The hysteresis coefficient measures the permanent effect of a 1 percent temporary shock on output. See DeLong and Summers, 2012.

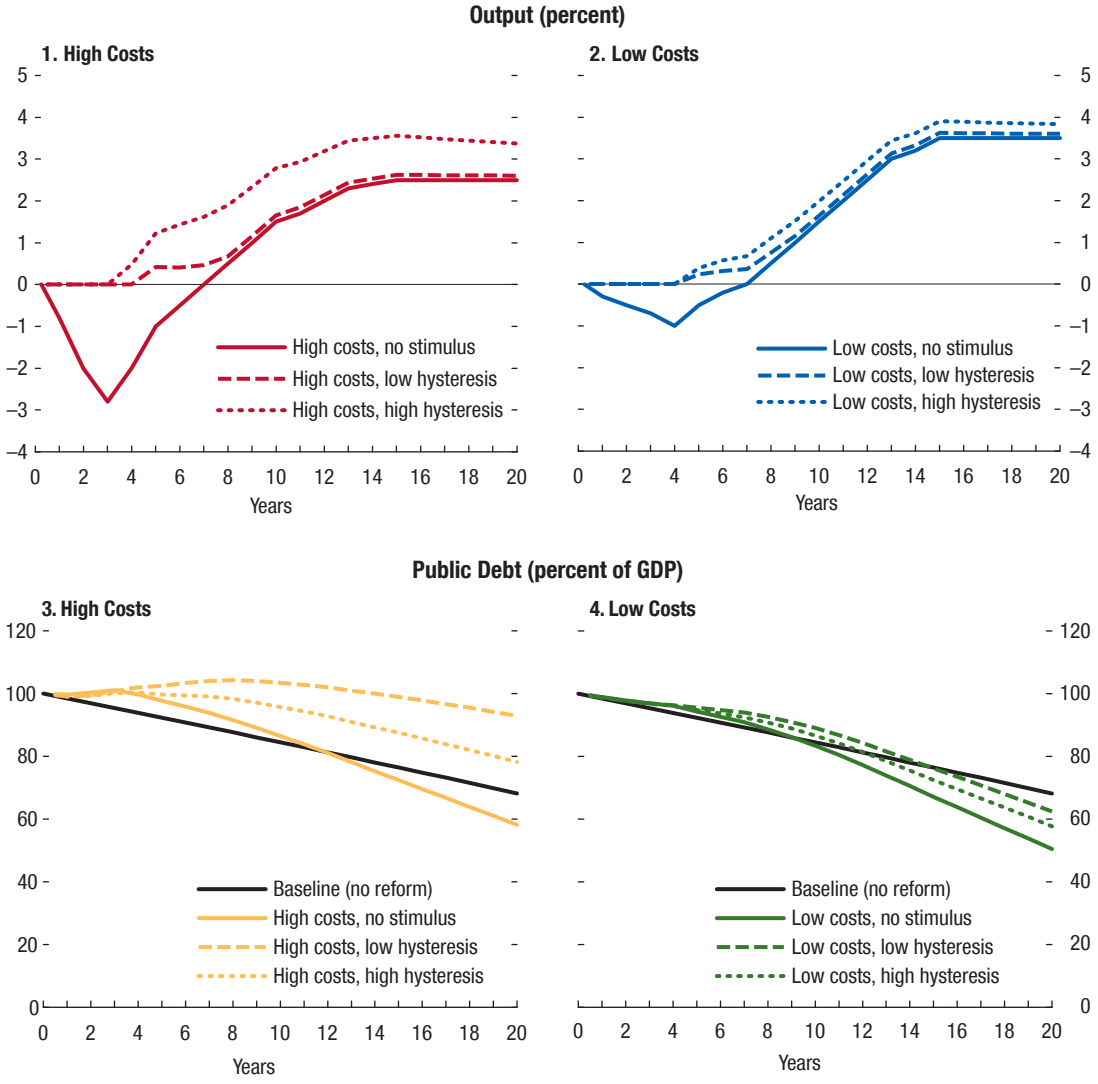
[19] Recent literature has found that during periods of weak activity and when monetary policy is constrained by the zero lower bound, fiscal multipliers are likely to be above 1 (Coenen and others, 2012).

Figure 2.8. Fiscal Costs of Measures Compensating Redistributive Effects of Labor Reforms



Source: Organisation for Economic Co-operation and Development.
Note: For variable definitions, see footnote 10 in the text. ALMP = active labor market policies.

Figure 2.9. Implications of a Two-Handed Approach to Reforms



Sources: Organisation for Economic Co-operation and Development; and IMF staff estimates.

calibrated to fully offset the short-term output costs of the reform. Simulation results are sensitive to the size of the fiscal multiplier. Should the multiplier be lower than the assumed 1.25, the resulting fiscal costs would be higher, and conversely if the multiplier were higher than assumed. The exercise is highly simplified, and thus the results are only indicative.

The simulations suggest that the fiscal stimulus would help bring forward net output gains by several years. These output gains are particularly large and persistent when hysteresis is assumed to be high. However, the two-handed approach would also raise public debt. The debt impact is closely related to the estimated output cost of the reform (and relatedly, to the size of the fiscal stimulus). The debt buildup would be relatively manageable in the low-cost scenario, but in the high-cost scenario, it is too large to be recouped after 20 years.

In sum, in the near term, labor market reforms are likely to entail fiscal costs, including those necessary to elicit consensus for the reform, as well as transitory output costs, particularly if implemented in depressed economic conditions. Implementation will be more difficult if the costs, however transitory, must be covered by offsets elsewhere in the budget, rather than by higher deficits. Whether and how much fiscal support to provide to facilitate labor market reforms is a decision that needs to be carefully examined, and its

potential benefits (in terms of faster potential output growth) weighed against its risks (largely in terms of debt sustainability). A number of considerations have a bearing on this decision:

- First and foremost, fiscal space must be available to absorb the higher deficit. That implies access to financing at a reasonable cost, but also sufficient credibility to ensure that the widening of the deficit is perceived as temporary and does not undermine confidence.
- The authorities must be committed to carry the reform to its end without reversal. This is particularly relevant when considering mitigating policies, which often entail permanent costs. It would be preferable to include explicit "sunset clauses" in targeted fiscal offsets. An alternative would be to strengthen social support schemes that protect against the near-term adverse impact of reforms as well as of other shocks.
- Estimates of benefits from labor market reforms should err on the conservative side. These estimates are subject to large margins of uncertainty. As reflected in the empirical literature, the size and timing of their impact on output or employment differ significantly across countries because of historical and institutional factors as well as societal preferences that are hard to predict.

Overall, the case for fiscal relaxation in support of reforms is stronger when the costs are well identified and limited in size and in time. The gains are likely to be more elusive when the reforms are not well specified and the fiscal outlays less closely linked to specific goals. The gains are also likely to be smaller where fiscal credibility is weaker. In these cases, the demand multiplier could be lower due to confidence effects, and higher risk premiums could partially offset the demand impulse. In extreme cases, fiscal relaxation could even have a perverse effect on growth.

Targeted Fiscal Measures I: Cutting Labor Taxes

Reforms to support employment often rely on targeted fiscal instruments—including, most prominently, labor taxes.[20] In recent years, cuts in labor taxes have been introduced (or considered) with certain frequency, particularly in Europe. Indeed, reducing the tax burden on labor is a clear policy priority in the European Union (EU) growth agenda.[21] This section investigates the link between some labor taxes and employment, as well as recent experiences with targeted cuts in social security contributions.[22]

Employment and the Tax Wedge

Labor taxes and social security contributions (SSC) affect both the demand and the supply sides of the labor market. They discourage labor demand (by raising labor costs to employers) and labor supply (by lowering the real consumption wage of workers and discouraging participation). The extent to which a tax cut will boost employment depends on the degree of competition in labor and product markets and on the elasticities of demand and supply in these markets. In general, the impact of a cut in employer SSC on employment will be larger if the elasticity of labor supply is higher (as is typically found for unskilled labor).

The employment effects of cuts in labor taxes also depend on labor market institutions. Theoretically, the positive effects on employment will be stronger if labor market rigidities limit wage flexibility. In economies with a large proportion of informality, labor taxes also raise the cost of formal employment relative to informal (untaxed) employment, and changes in labor taxes will shift labor from one segment to the other.

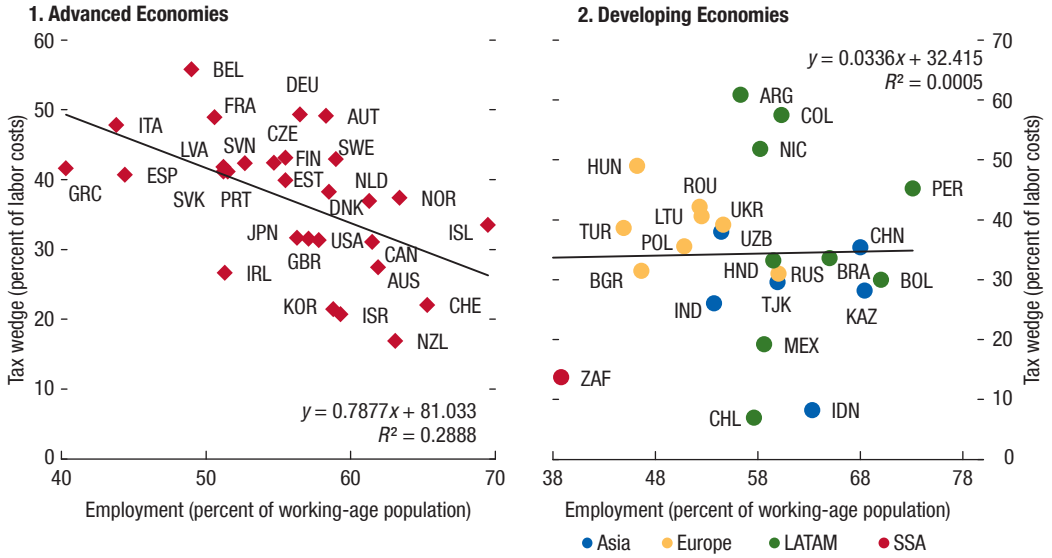
There is ample evidence that a large tax wedge has a negative effect on employment in advanced economies. However, the precise effects differ across countries, depending on complex interactions with labor market institutions (Nickell, 2003; Bassanini and Duval, 2006; IMF, 2012). The literature for emerging and developing economies is more limited and provides mixed results (Lora and Fajardo, 2012). For example, Heckman and Pagés (2004) find that the employment impact of increases in social contributions is less than half in Latin America than in OECD countries. Other studies find small or negligible effects on employment of labor tax changes in Turkey (Betcherman, Daysal, and Pagés, 2010), Chile (Gruber, 1997), and Argentina (Cruces, Galiani, and Kidyba, 2010). By contrast, a number of

[20] Following the *GFSM* (2014), taxes on labor include payroll taxes, taxes on income paid by employees, social security contributions, other social contributions, and other levies on labor income, whether paid by the employer or the employee.

[21] See Eurogroup statement of July 8, 2014.

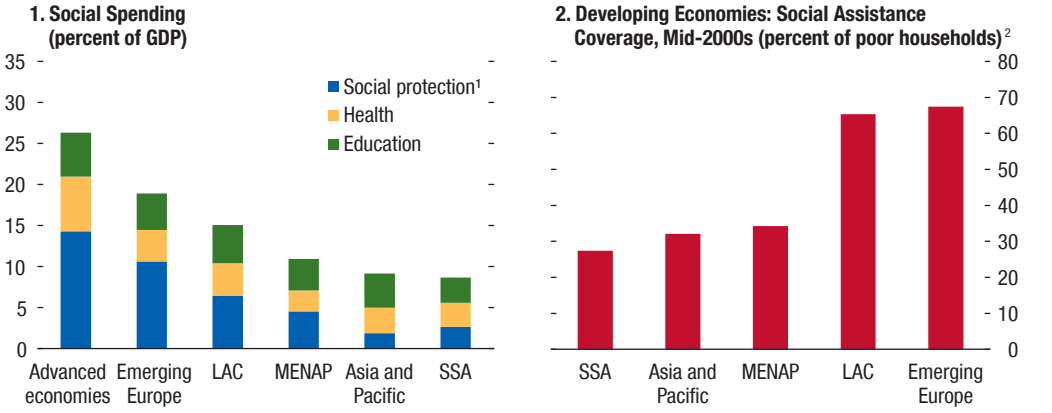
[22] Some countries have sought to achieve similar employment objectives by the use of other (sometimes country-specific) tax-benefit system instruments. These include the personal income tax, unemployment insurance and benefits, hiring subsidies, in-job tax credits, personal allowances, specific active labor market policies, and other policy levers. A comprehensive study of this broader set of policy instruments is beyond the scope of this chapter.

Figure 2.10. Relationship between the Tax Wedge and the Employment Rate



Sources: Institute for the Study of Labor; Organisation for Economic Co-operation and Development; World Bank; and IMF staff estimates.
Note: The black line shows an ordinary least squares (OLS) regression line. LATAM = Latin America; SSA = Sub-Saharan Africa. Developing economies include emerging market and middle-income economies and low-income developing countries.

Figure 2.11. Social Assistance Coverage and Social Spending



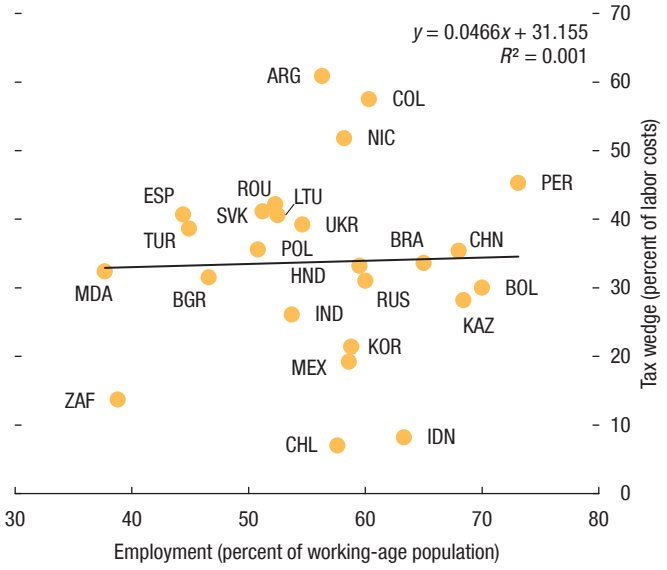
Sources: World Bank; and IMF staff estimates.
Note: LAC = Latin America and the Caribbean; MENAP = Middle East and North Africa and Pakistan; SSA = Sub-Saharan Africa. Developing economies include emerging market and middle-income economies and low-income developing countries.
[1] Social protection spending includes spending on pensions and transfers.
[2] Coverage indicates the share of the poorest 40 percent of households that receive a social protection transfer.

studies have found larger effects in emerging Europe and Central Asia (Lehman and Muravyev, 2012; World Bank, 2007) and in some Latin American countries, such as Colombia (Kugler and Kugler, 2009).

Figure 2.10 illustrates the findings in the literature. It indicates that in advanced economies, the tax wedge is negatively associated with employment. Strikingly, this relationship is not significant for emerging and developing economies.

A number of factors can explain this lack of correlation in emerging and developing countries. First, the social safety net is significantly smaller in emerging and developing economies than in advanced economies (Figure 2.11). This often makes unemployment

Figure 2.12. Low Social Security Coverage: Tax Wedge and Employment



Sources: Institute for the Study of Labor; Organisation for Economic Co-operation and Development; World Bank; and IMF staff estimates.
Note: The black line shows an ordinary least squares (OLS) regression line. The figure reports only those countries for which social security coverage is below the median of a panel of 51 advanced and developing economies.

unaffordable and the labor supply relatively insensitive to changes in labor taxes. Relatedly, informality is higher in these countries (on average 45 percent of the working-age population is covered by social security, compared to 90 percent in advanced economies). When coverage is low (informality high), changes in the tax wedge would result in shifts between formal and informal employment, with possibly little impact on total employment.[23] Figure 2.12 shows that there is no significant relation between employment and the tax wedge where social security coverage is low (below the median of a sample of 51 advanced and developing economies). These countries are mostly emerging and developing economies.

This suggests that even more than in advanced economies, a pressing challenge for fiscal policy in developing economies is to facilitate the creation of not only more jobs, but better paying and more productive jobs. A reduction in the tax wedge, and more broadly the removal of tax and other disincentives to enter the formal economy, may facilitate shifts from informal to formal employment, but may need to be complemented by other policies such as education, health, and social spending that can boost labor productivity, and thus access to better-paying jobs. Increasing productivity in traditional sectors, including agriculture, is a particularly crucial goal in countries where, given current demographic trends, these sectors can be expected to remain the main source of jobs over the medium-term (Fox and others, 2013). Efforts to raise labor productivity should be paired with policies to support the business environment, such as the provision of much needed public services (e.g., security, sanitation, and transport) and access to finance and training.

[23] This would be consistent with the findings of Lora and Fajardo (2012) and of Antón, Hernández, and Levy (2012) for Mexico.

Targeted Cuts to Employer Social Security Contributions Are Cost-Effective

Cuts in employer SSC are likely to result in higher labor demand and employment. Partly, this is because employer SSC represent the largest component of the labor tax wedge. But also these cuts are more likely to reduce labor costs because they take time to pass through into higher take-home wages. The effect of other taxes on labor, in particular income taxes, were discussed in the October 2013 issue of the *Fiscal Monitor* and will not be covered in this section.

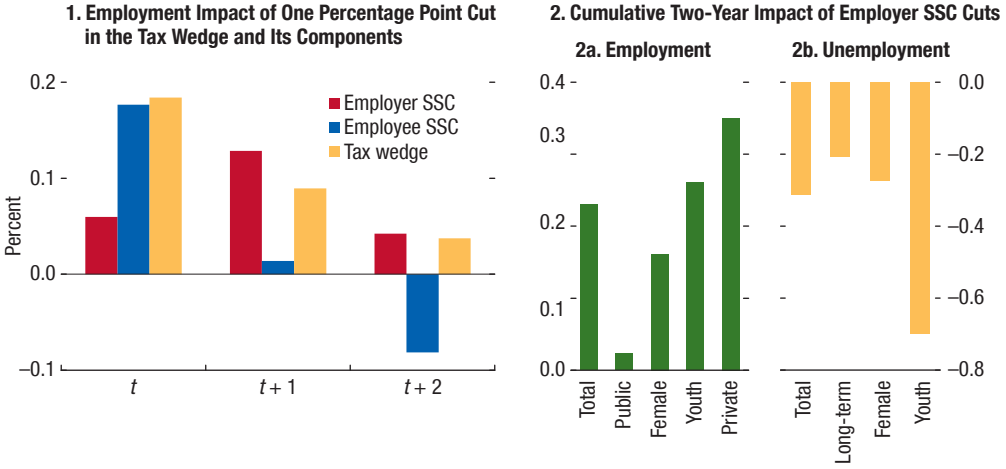
An econometric analysis for 34 OECD countries over the 2003–12 period corroborates this view and suggests that, on average, cuts in employer SSC have a longer-lasting positive impact on employment than cuts in employee SSC (Figure 2.13).[24] Considering different segments of the labor market, employer SSC cuts appear to be especially effective in reducing youth unemployment and generating youth employment.

Reducing employer SSC seems to be particularly effective in more rigid labor markets, where institutional arrangements prevent market-clearing wage levels and fast wage adjustments. Indeed, in countries with stronger hiring and firing regulations (above the OECD median), the employment impact of a cut in employer SSC is on average two times larger than in countries with more flexible labor markets (Figure 2.14).

Cutting social contributions can be more challenging where revenue feeds funds earmarked to social spending, or when they are, or are perceived to be, linked with the entitlement to subsequent benefits.

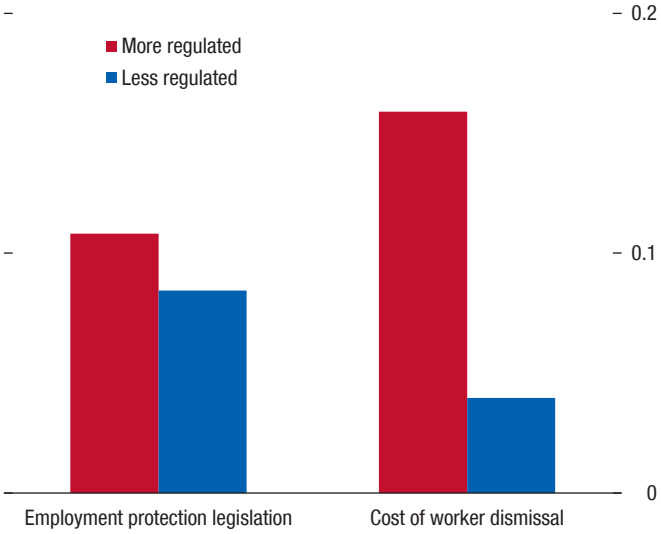
[24] The impact of changes in social security contribution rates, including leads and lags, on changes in employment are obtained by panel fixed-effects regressions. The regressions also control for GDP, the output gap, and year fixed effects. Standard errors are clustered at the country level.

Figure 2.13. OECD Countries: Impact of Cuts in Employer Social Security Contributions



Sources: Organisation for Economic Co-operation and Development (OECD); World Bank; and IMF staff estimates.
Note: Employment variables are expressed as a percentage of the relevant working-age population, and unemployment variables are expressed as a share of the relevant labor force. The variable *t* represents the year of the cut. SSC = social security contributions.

Figure 2.14. OECD Countries: Employment Impact of One Percentage Point Employer SSC Cut across Different Degrees of Labor Market Regulation
(Percent of working-age population)



Sources: Organisation for Economic Co-operation and Development; World Bank; and IMF staff estimates.
Note: Cost of worker dismissal is defined as the severance pay for redundancy dismissal after five years of continuous employment. SSC = social security contributions.

These problems, however, can be addressed. Compensatory transfers can be made from general revenue to preserve the sustainability of the pension funds, if needed; alternatively, statutory contributions could be left unchanged, but tax credits or rebates could be offered to lower labor costs.

On the financing side, as mentioned above, the fiscal costs from lower SSC rates can be significant. They may require offsetting measures, which can be hard to find, particularly in those countries with little fiscal space. The fiscal cost, however, can be reduced by targeting SSC relief to specific groups, such as low-skilled or youth, where the unemployment problem is generally more severe. Indeed, regression estimates suggest that employer SSC cuts targeted to the low-paid typically have a lower cost. A 1 percentage point cut in the employer SSC rate would reduce labor taxes and social security revenues by 0.5 percentage point of GDP if applied to high-wage earners (133 percent of average income) and by about 0.35 percentage point if applied to low-wage earners (67 percent of average income).

Although, in general, a broad-based uniform approach to taxation is preferable to avoid creating rent-seeking incentives and avoidance opportunities, targeted action can be justified under certain conditions (IMF, 2012): (1) proposed targeted groups, in particular, low-wage earners and youth, account for the bulk of the non-employed; (2) labor supply and labor

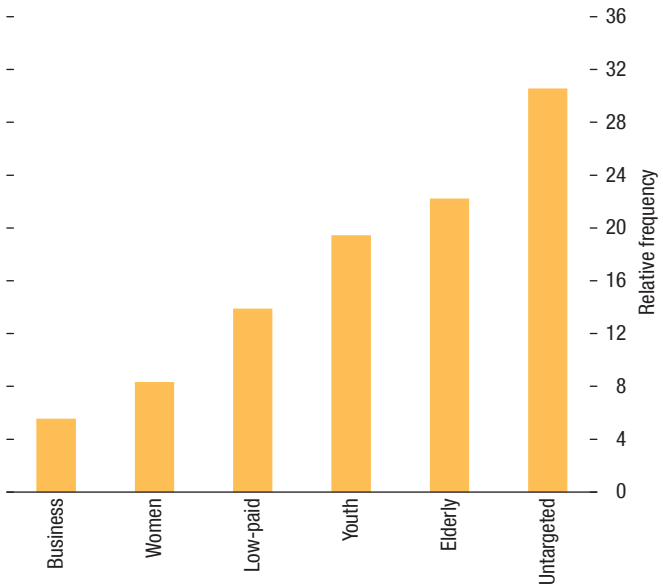
demand of targeted groups are relatively more elastic than those of non-targeted groups, therefore minimizing distortions and other leakages; and (3) fiscal cost is significantly lower relative to broad-based approaches. Appropriate design and implementation are however critical to ensure targeted interventions are cost-effective, as discussed below.

In practice, targeting to specific groups, such as low-wage earners and the young, has proved to increase the employment impact per dollar of relief given. This is because elasticities of labor supply are higher for these groups, and the pass-through effect—whereby lower contributions are passed through to higher wages, resulting in less reduction in labor costs and employment creation—is more limited for low-skilled workers (Betcherman and Pagés, 2007).

There is also evidence that targeted cuts are effective. A number of countries in the EU have implemented cuts in employer SSC targeted to young, low-paid, elderly, and female workers over the period 2000–13 (Figure 2.15). These targeted policies provide conditions close to that of a natural experiment, whereby one can observe the impact of the policy on the targeted group and compare it to the outcome for non-targeted groups. In the case of the tax cut, the comparison is between employment of the targeted group (for example, the young), and that of the non-targeted group, before and after the year of introduction of the cut (a differences-in-differences estimator). Figure 2.16 shows that in Sweden, a cut in employer SSC targeted to the young led to faster growth in youth employment than non-youth employment (while before the introduction of the reform, both segments displayed a similar trend). Targeted cuts for the elderly also seem to have been effective in Germany (2003) and in Italy (2001).

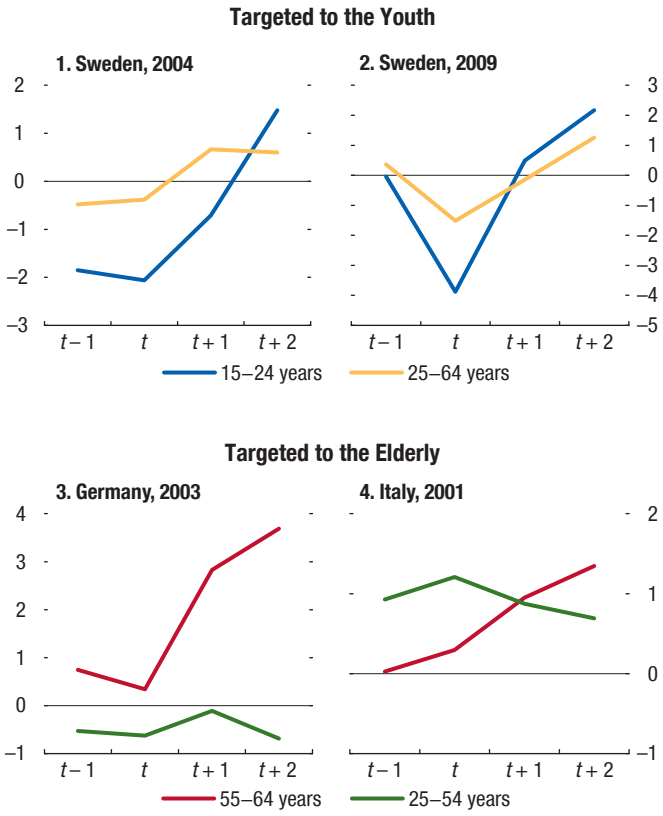
Targeted SSC relief must be designed so as to minimize new distortions. If badly designed, targeted cuts can lead to substitution and displacement effects. Substitution effects occur where targeted workers replace non-targeted workers with no net effect on employment. For instance, in the case of Italy, following the reduction of employer SSC for older workers, the growth rate of employment of younger workers (ages 25–54) decelerated significantly—although this may have been

Figure 2.15. European Union: Frequency of Employer Social Security Contribution Cuts by Group, 2000–13
(Percent of total)



Sources: European Commission; and IMF staff calculations.

Figure 2.16. Impact on Employment Growth of a Cut in Employer Social Security Contributions
(Percent of working-age population)



Sources: European Commission; Organisation for Economic Co-operation and Development; and IMF staff estimates.

partly the result of severe skill mismatches. In general, ill-designed targeted cuts may also increase revenue collection costs, and facilitate tax evasion and fraud.

A number of design lessons can be learned from country experiences of employer SSC cuts (Box 2.1). In particular, targeting based on broad characteristics (the low paid, the young) rather than on specific employment status (new hires, employer size) avoids stigmatizing certain job seekers and minimizes the scope for substitution effects. Calibrating the reductions in employer SSC according to wage levels (rather than capping them to a given threshold) avoids creating a low-paid trap.

Finally, targeted cuts are more effective the better they are known and the easier they are to comply with. Ex-post assessments suggest that targeted cuts may not be effective as envisaged by ex-ante simulation studies if information about the measure is not easily available (Marx, 2005), or if the administrative reporting costs necessary to prove eligibility are so high that only large firms benefit from these measures (Katz, 1998; Couch, Besharov, and Neumark, 2013).

Budget-Neutral Financing Options

Countries with limited fiscal space have often used revenue-neutral shifts from employer social contributions toward other taxes to finance SSC cuts.

- *A shift toward indirect taxes ("fiscal devaluation")* would in principle both boost employment and increase external competitiveness (September 2011 *Fiscal Monitor*). Despite its theoretical appeal, examples of fiscal devaluation are not abundant. Implementation has been hindered by its potentially regressive impact, although compensatory measures can be identified to overcome the adverse effect of higher indirect taxes on equity. A few countries have, however, carried out fiscal devaluations with some success. The best known examples are Denmark (1987), Germany (2007), and Hungary (2009–10), where value-added tax (VAT) hikes compensated, at least in part, the reduction in SSC. Empirical evidence suggests that to generate a significant employment effect, the tax shift needs to be sizeable (De Mooij and Keen, 2012).
- *Other revenue-neutral tax shifts*. Less distortionary taxes, such as property and environmental taxes, are usually preferred to finance SSC cuts. In addition, Ireland recently imposed a temporary levy on private pension funds. In Estonia, cuts in employer SSC in 2013 were offset by increases in excise taxes (tobacco and alcohol) and in pollution and navigation fees. Environmental taxation was increased in Croatia in conjunction with employer SSC cuts in 2012, but the two measures were part of a more comprehensive set of reforms. In Hungary, the reduction of SSC was financed by an increase in corporate income tax for companies operating in the energy sector, and increases in VAT and excise rates on energy products.
- *Expansion of the revenue base.* While claims that labor tax cuts are self-financing are hard to justify, labor tax cuts and, importantly, streamlining of administrative processes can contribute to increase formal employment in emerging and developing economies, with important fiscal implications. Larger formal employment means higher tax revenues and positive economic growth effects. For example, in Croatia and Georgia, reductions in the contribution rates were financed by the widening of the contribution base and improved compliance.

Spending cuts are the other way to ensure budget neutrality. In practice, they have been used less often. Improving the targeting of public transfers, for example, through better use of means-testing, can create the space to lower SSC (April 2014 *Fiscal Monitor*). Other areas where significant savings are possible are early retirement, disability benefits, and sickness benefits.[25] There may also be scope for cuts on nonsocial spending. For example, the Netherlands financed many of its 1996 labor market reforms through a variety of spending cuts, mostly affecting social transfers, the wage bill, and state transfers to firms. In Croatia, reforms including SSC cuts also involved cuts in the wage bill, subsidies, and health spending. Public expenditure reviews can be used to inform the decisions on financing the reforms (IMF, 2010).

Targeted Fiscal Measures II: Pension Reform to Increase Old-Age Employment

Besides high youth unemployment, two additional localized labor market malfunctions include low female labor force participation (FLFP) and falling old-age employment. Recent studies, including IMF

[25] For example, Góra and others (2006) estimates that if there were no early retirement schemes in Poland, social security contributions could be reduced by one-third, and if expenditures on disability pensions were reduced to the average OECD level, the rate could be reduced by an additional percentage point.

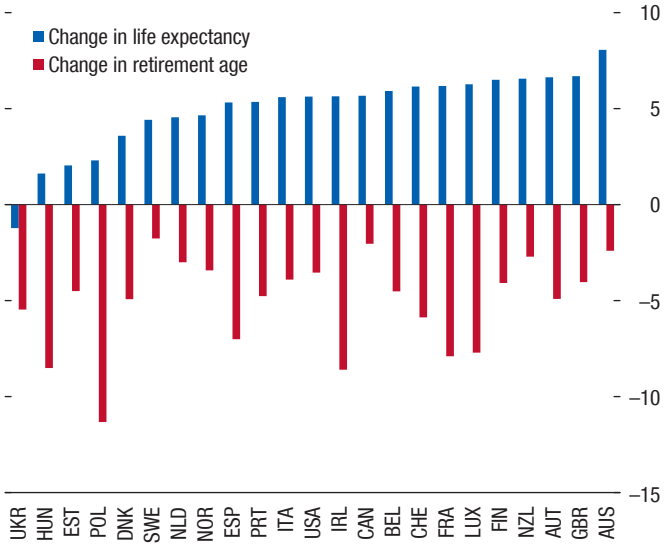
2013, have concluded that there is significant scope for increasing FLFP through fiscal policies. In particular, replacing family income taxation with individual income taxation and tax credits or benefits for low-wage earners can boost FLFP. On the expenditure side, properly designed family benefits (e.g., parental leave), reform of child support, reforms of the pension system, and expenditure on the education of women can also increase the incentives of women to work.

Less attention has been paid to measures to enhance employment rates among the older segments of the population. This is in part because whether to follow that route is a matter of social choice, as different countries have different preferences between employment and retirement over the life cycle. This section discusses options for those countries where increasing old-age employment has been adopted as a policy objective.

Male labor force participation has declined in many countries over the past decades, largely because of declines in employment of older segments of the population. Figure 2.17 shows that despite improved health conditions and higher life expectancy, people in advanced and emerging economies are working less, resulting in spending now, on average, about 10 years longer in retirement (the sum of the two bars) than in 1970.

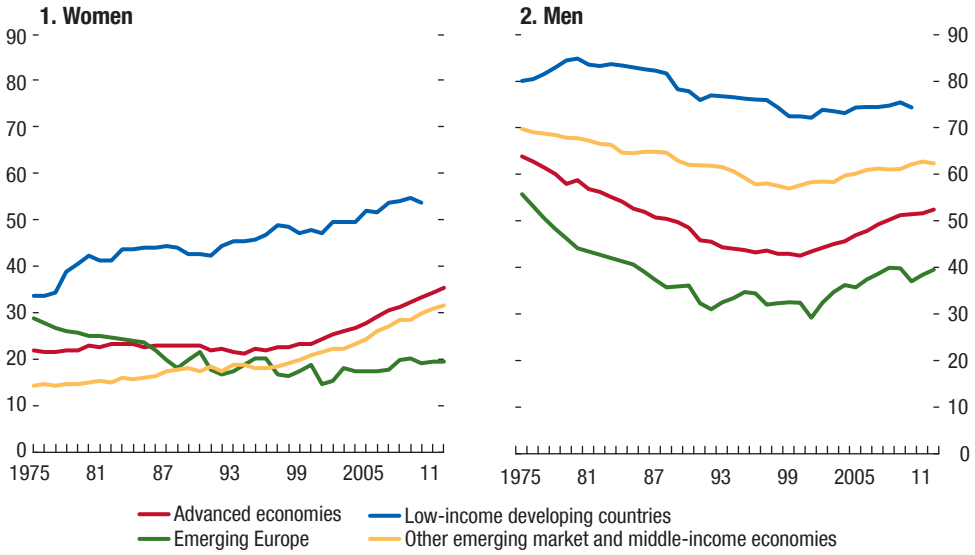
All country groups saw a decline in male old-age labor force participation between the mid-1970s and the late 1990s (Figure 2.18). This was due in good part to non-fiscal factors, such as growing average lifetime incomes and the increasing proportion of two-earner households, which made early withdrawal from the labor market affordable in advanced economies. But

Figure 2.17. Change in Life Expectancy at Age 60 and Effective Retirement Ages for Men
(Years)



Sources: University of California, Berkeley and Max Planck Institute for Demographic Research; Organisation for Economic Co-operation and Development; and IMF staff calculations.
Note: The blue bars show the change in life expectancy from 1970 to 2010, and the red bars show the change in retirement age from 1970 to 2012.

Figure 2.18. Labor Force Participation Rates by Gender, Ages 60–64
(Percent of working-age population)



Sources: International Labour Organization; and United Nations (2012).

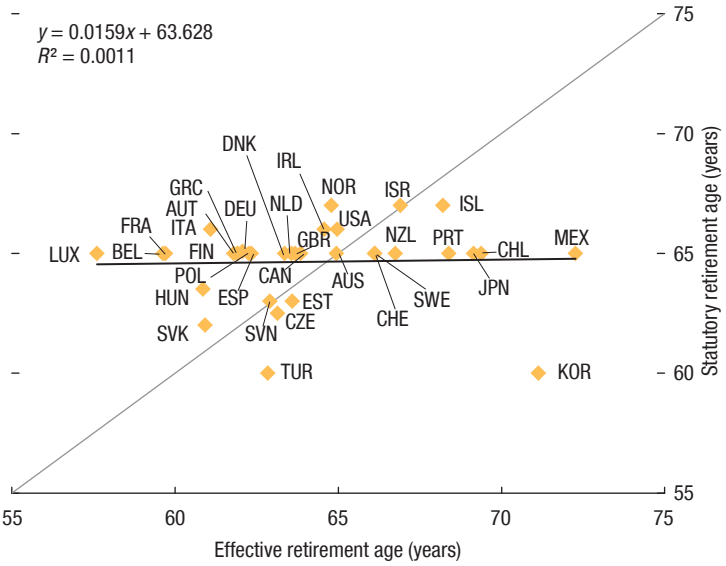
public policies also had a role, including through generous public pensions, unadjusted for improving life expectancy at retirement. In addition, many governments promoted early retirement in the 1970s and 1980s as a means of combating youth unemployment (Box 2.2). These developments had two adverse effects on public finances: public pension liabilities increased, and falling old-age employment curtailed both output and tax revenues. In the mid-2000s, male labor force participation rebounded in advanced economies and emerging Europe, partly due to various pension reforms. However, old-age labor force participation remains low in many countries.

Female labor force participation rates developed differently than male rates, starting from a lower base but increasing throughout the period with the exception of emerging Europe, where early retirement rules incentivized women to accelerate their exit from the labor market. In developing economies, the rising female labor force participation is due to a combination of pull and push factors, including improved education, expansion of the market economy, and expanded female employment opportunities. However, female participation remains well below its potential in most countries (Elborgh-Woytek and others, 2013).

Strikingly, the evidence shows that the statutory retirement age is not a key determinant of retirement decisions. Figure 2.19 shows no significant relation between these two variables. Increases in the statutory retirement age do not necessarily lead to an increase in labor force participation for older workers. Reforms will have to tackle other features of pension systems, including (unsurprisingly) financial considerations.

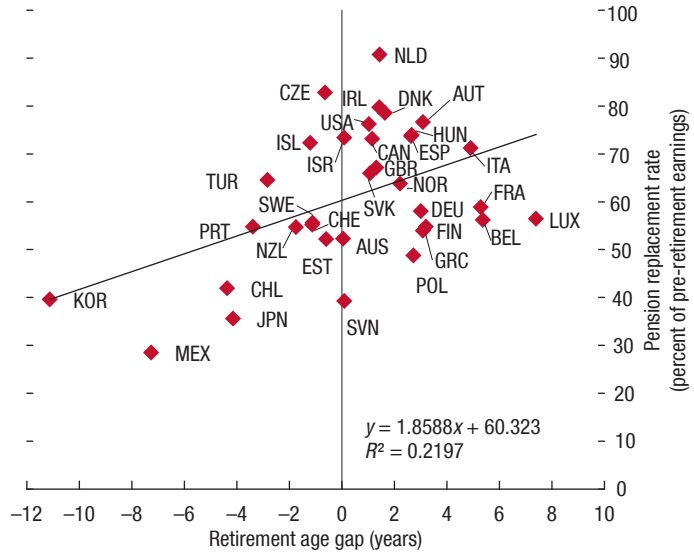
- *Affordability of retirement.* Replacement rates (benefit levels relative to wages) of pension schemes influence retirement decisions: countries with higher replacement rates tend to experience effective retirement ages below the statutory retirement ages (Figure 2.20). Public pension schemes are not the only sources of retirement income (Figure 2.21): mandatory and voluntary private pension schemes augment public pension entitlements and influence retirement decisions, too. The larger the share of public pension benefits in total old-age income, the greater the impact public pension policy can have on labor participation. At the same time, in countries where private pension schemes play an important role, the regulation and taxation of these schemes may also play a role in promoting old-age labor force participation.

Figure 2.19. Statutory versus Effective Retirement Ages for Men, 2012



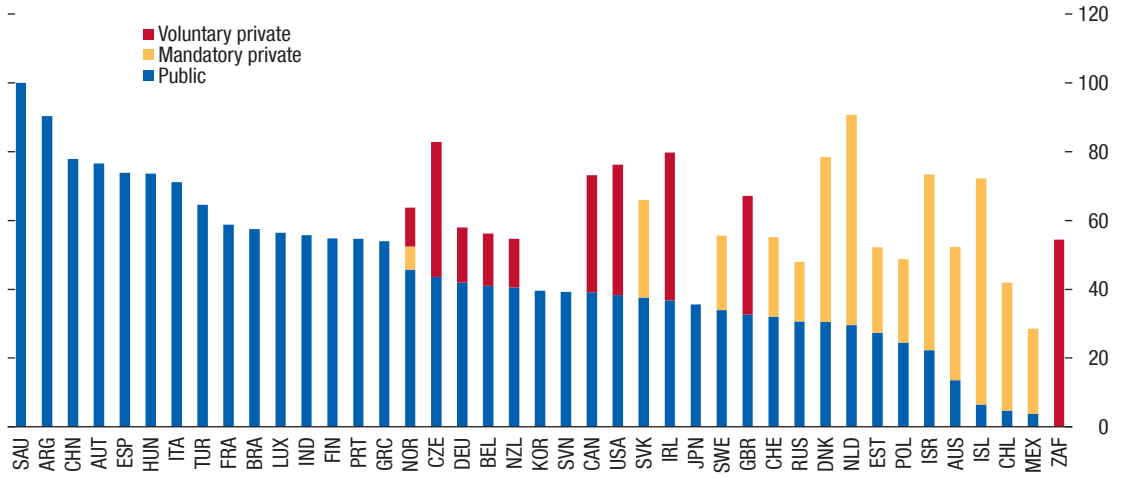
Source: Organisation for Economic Co-operation and Development.
Note: The black line shows an ordinary least squares (OLS) regression line, and the grey line is the 45 degree line. People who retire under disability pensions awarded after age 40 are also represented in effective retirement ages.

Figure 2.20. Pension Replacement Rates for Average Workers versus Retirement Age Gap for Men, 2012



Source: Organisation for Economic Co-operation and Development.
Note: The retirement age gap is defined as the statutory retirement age less the effective retirement age. Pension replacement rates include public and private replacement rates. The black line shows an ordinary least squares (OLS) regression line.

Figure 2.21. Average Wage Earners: Replacement Rates for Mandatory and Voluntary Public and Private Pension Schemes
(Percent of pre-retirement earnings)

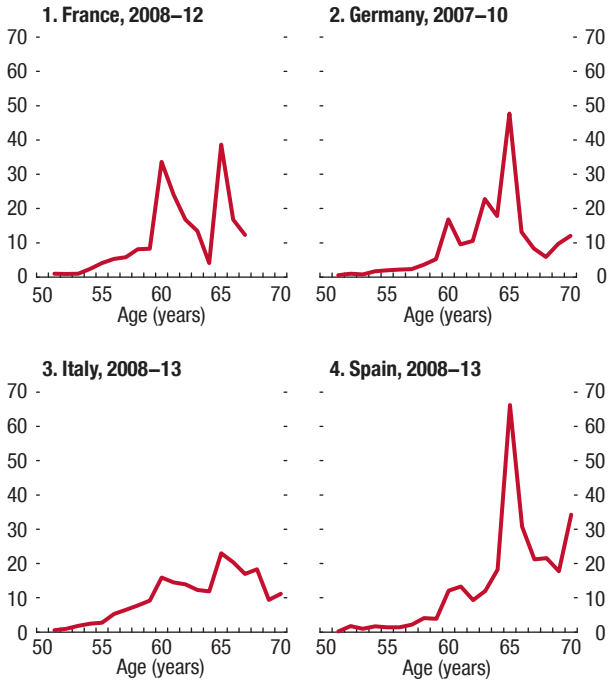


Source: Organisation for Economic Co-operation and Development (2013a).
Note: Data on voluntary private pensions are unavailable for some countries, including Japan.

- *Legal possibility to retire.* Public pension systems typically include long-service provisions that allow retirement on the basis of the number of years worked, rather than age. In addition, disability benefits equal to or higher than old age pensions reduced by early retirement penalties often offer an alternative to early retirement. In practice, many people retire as soon as the system allows them to do so (with or without deductions in benefits). This is referred to as the age of first eligibility. Figure 2.22 shows that the likelihood of retirement is highest at the age of first eligibility and at the statutory retirement age.
- *Implicit tax rates.* The implicit tax on continuing work (or the net effect of wage taxes, contributions, and foregone pension benefits) also influences the decision to stay or exit the labor market (Figure 2.23). An actuarially neutral[26] early or late retirement would impose no implicit tax. In practice, most public pension schemes impose positive implicit tax rates: early retirement deductions and late retirement increments are usually below actuarially neutral levels.[27]

A number of reforms can be introduced to encourage higher old-age labor force participation—some

Figure 2.22. Select Advanced Economies: Probability of Exiting the Labor Market
(Percent)

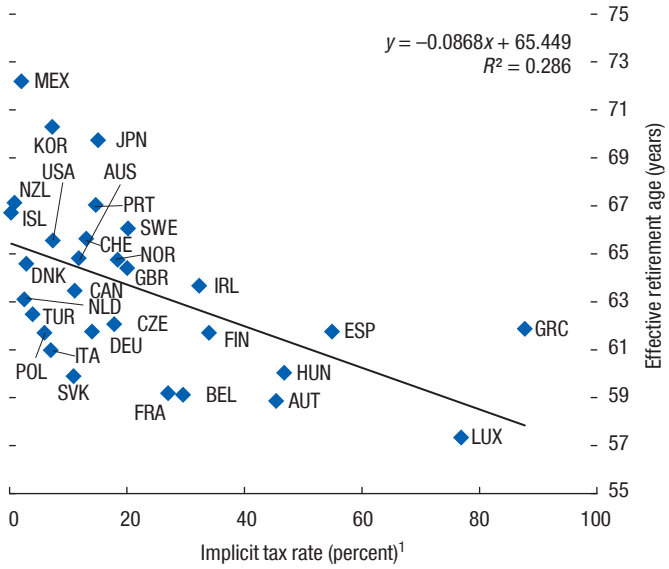


Source: Eurostat, European Union Labour Force Survey.
Note: Figures show the average probability of exiting the labor market during the indicated period, which varies by country due to data availability. Probabilities include both males and females.

[26] An increment or deduction is actuarially neutral if the present value of additional contributions and the present value of the pension benefits earned through these additional contributions are equal (see Duval, 2003).

[27] See, for example, Queisser and Whitehouse (2006) and Bisciari and others (2009).

Figure 2.23. Implicit Tax Rate and Men's Effective Retirement Age, 2009



Source: Organisation for Economic Co-operation and Development.
Note: The black line shows an ordinary least squares (OLS) regression line. The most recent data available are from 2009.
[1]Implicit tax rate is a weighted average of implicit tax rates for early retirement pathways (ages 55–60, 75 percent) and for old-age pension schemes (ages 60–65, 25 percent).

of them already in place in a number of advanced economies.[28] Revisiting long-service provisions and early retirement rules would tighten the link between statutory and effective retirement ages. On the benefit side, lower accrual rates, longer averaging periods for pension calculations, less generous benefit indexation, and benefit taxation in line with standard income tax rules could restore incentives to stay in the labor force. Reducing the implicit tax on continuing work would call for higher early retirement penalties and higher deferred retirement increments than observed in most public pension schemes.[29] In addition, lowering tax wedges for older workers could also be an effective way to encourage participation, given evidence that participation is more tax sensitive than among other groups (see for example Blundell, 2014). The impact of such reforms would vary across countries, but could be significant: a simple simulation suggests that a combination of measures could increase employment of the 55–64 age group by 1 to 11 percentage points.[30]

Accompanying policies would be needed, however, to ensure that those that postpone retirement do find employment.[31] Without job creation, delaying retirement may increase old-age unemployment, especially in the case of low-income workers, and consequently raise old-age poverty or non-pension welfare transfers. Enhancing the provision of training to the elderly through active labor market policies (e.g., Austria, Belgium, Germany) could help them acquire job-related skills, increasing their employment prospects.[32] Efforts should be targeted to lower-skilled workers, as old-age employment rates are very sensitive to education levels.[33] Reductions in labor taxes and provision of wage subsidies can also help (e.g., Italy, Netherlands, Serbia, Spain). Governments may also consider protecting elderly employment through anti-discrimination legislation, although the literature indicates that the effectiveness of such legislation could be mixed: it

[28] Several advanced and emerging economies (including Australia, France, Germany, Greece, Hungary, Poland, Spain, Turkey, and the United Kingdom) have enacted legislation raising statutory retirement ages, which will take effect gradually, and other reforms. In addition, several countries have implemented automatic revaluation mechanisms with a sustainability factor in the pension system, with the goal of achieving financial sustainability and providing incentives to delay retirement.

[29] Other options include flexible work arrangements (Austria, Norway), partial retirement (part-time combined with partial pension), allowing access to pension benefits while working after reaching the eligibility age (Austria, Spain).

[30] Based on the coefficients from Bassanini and Duval (2006) and actual data as of 2009 for selected advanced economies. Among the reforms, the implicit tax rate is lowered to zero, the retirement age increases by two years above the official retirement ages, unemployment benefits are merged at the median-OECD level, and the labor tax wedge also merged at the median-OECD level. As many countries have already started implementing various pension reforms, the impact could be smaller than the above estimates.

[31] In addition, pension reforms would have to be introduced in a manner that gives sufficient time to participants to adjust their consumption and savings in a non-disruptive manner.

[32] The potential mismatch between productivity and wage caused by seniority-based wages system and lack of up-to-date skills is often presented as a reason for employers' reluctance to retain the elderly. The literature is, however, inconclusive about the relationship between age and productivity (Lallemand and Rycx, 2009; Eichhorst and others, 2013).

[33] People with higher education tend to have higher employment rates at older ages: higher-skilled people tend to work longer than less-educated ones. This may be due to the slower amortization of their skills, more opportunities to update their skills, better health status resulting from less strenuous jobs, and a stronger bargaining position. Providing training to the low-skilled through active labor market policies may help employment retention and hiring prospects—even if it is not a substitute for improving education (see, for example, Eichhorst and others, 2013, for a discussion of the benefits of training for older workers). Given a strong correlation between education levels and lifetime earnings, higher-skilled people have the highest likelihood to continue working after the age of first eligibility and even the statutory retirement age. Conversely, lower-skilled people, who receive lower absolute pension levels, find it difficult to hold down a job even though their welfare would benefit from continued work.

may protect the elderly already employed, but may act against new hiring of the elderly.

Measures may also be needed to mitigate distributional consequences. For example, increasing retirement ages shortens low-income earners' beneficiary period disproportionately given their typically shorter life expectancy, and thus reduces the progressivity of public pension systems in terms of total benefits received. Pension reforms should be designed to strike a right balance between actuarial fairness and adequacy at the lower part of the income distribution. Gradually reducing the size of mandatory schemes and making them actuarially both fair and neutral, while introducing non-contributory, targeted basic (social) pensions could help improve fiscal sustainability, provide incentive for late-career labor supply, and protect against old age poverty.

Appendix 2.1. Methodology for Estimating the Impact of Fiscal Consolidation on Employment

The literature addressing the identification of fiscal episodes is vast and has, for a long time, relied on ad-hoc rules or thresholds based on changes in the cyclically adjusted primary balance (CAPB). Some caveats surrounding this approach have been highlighted recently. In particular, the CAPB approach could bias empirical estimates toward finding evidence of non-Keynesian effects.[34] Many non-policy factors, such as price fluctuations, influence the CAPB and can lead to erroneous conclusions regarding the presence of fiscal policy changes.[35] In addition, even when the CAPB accurately measures fiscal actions, these include discretionary responses to economic developments, such as fiscal tightening to restrain rapid domestic demand growth. With these considerations in mind, an alternative "narrative approach" has been developed, relying on the identification of fiscal episodes on the basis of concrete policy decisions. Proponents of this approach argue that the estimated size of the fiscal measures during the episodes identified have the advantage of not being affected by the cycle (since their construction is "bottom-up"), can minimize identification problems,[36] and are unlikely to imply risks of reserve causation. That said, the narrative approach could also have some drawbacks: it largely relies on judgment calls, and it may not eliminate endogeneity problems entirely if policies are themselves endogenous.

The empirical analysis in the chapter relies on both the narrative and CAPB-based approaches (the latter being employed largely because of the lack of sufficient information to construct a narrative dataset for countries others than some advanced economies). Specifically, the analysis uses the publicly available dataset compiled by Devries and others (2011) based on the policy-action based method for advanced economies;[37] and it relies on Afonso's (2010) approach based on the changes in the CAPB, for other advanced economies and, more importantly, emerging and developing economies. In this latter case, a fiscal episode occurs when either the change in the CAPB (as a percentage of potential GDP) is at least one and one-half times the standard deviation (from the reference country panel) in one year, or when the change in the CAPB is at least one standard deviation on average in the last two years. The time span is 1980–2013. Other CAPB-based approaches, including Giavazzi and Pagano (1996)[38] and Alesina and Ardagna (1998),[39] were used to assess robustness.

The dynamic impact of fiscal consolidation variables on labor outcomes is estimated following the approach proposed by Jorda (2005) and Teulings and Zubanov (2010),[40] which allows the impulse response functions (IRFs) to be estimated directly from local projections.[41] For each future year k, the estimation equation has the following form:

$$L_{i,t+k} - L_{i,t} = \alpha_i^k + \phi_t^k + \sum_{j=1}^{2} \gamma_j^k L_{i,t-j-1} + \beta_1^k(\Delta CAPB_{i,t} * FC_{i,t}) + \beta_2^k gap_{i,t-1} + \varepsilon_{i,t}^k \quad (1)$$

[34] See Afonso and Jalles (2014) for a recent study.

[35] For example, a stock price boom raises the CAPB by increasing capital gains tax revenue, and also tends to coincide with an expansion in private domestic demand (Morris and Schuknecht, 2007).

[36] However, as Hernandez de Cos and Moral-Benito (2011) and Jorda and Taylor (2013) argue, fiscal shocks may not be exogenous and can be predicted.

[37] The episodes are identified by examining historical policy documents, such as national budget laws, budget speeches, central bank reports, Convergence and Stability Programs submitted by authorities to the European Commission, and IMF and OECD reports.

[38] A fiscal episode consists of a change in the CAPB of at least 2 percent of GDP in one year or at least 1.5 percent on average in the last two years.

[39] This approach considers a limit of 3 percentage points (p.p.) of GDP for a single year consolidation, and cumulative changes in the CAPB that are at least 5, 4, 3 p.p. of GDP in 4, 3, or 2 years respectively, or 3 p.p. in one year.

[40] This method has one important advantage: it can easily accommodate non-linearities better than a traditional VAR approach, which is of particular relevance when evaluating state-dependent impulse responses.

[41] See Duval, Eris, and Furceri (2011) and Bernal-Verdugo, Furceri, and Guillaume (2012) for a similar approach.

where L_{it} is a labor-market variable in country i in period $t+k$, $FC_{i,t}$ is a fiscal-consolidation dummy (that takes value 1 for consolidation in period t in country i and zero otherwise); α_i^k and ϕ_t^k represent country and time effects; $gap_{i,t}$ is the (initial) output gap in the period prior to the fiscal shock; $\varepsilon_{i,t}^k$ is an i.i.d. error term satisfying standard assumptions. The coefficient γ_j captures the persistence in changes in labor-market variables; and β_1^k measures—for emerging and developing economies—the impact of 1 percentage point of potential GDP improvement in the CAPB on the change in labor market outcomes for each future period k.[42] Equation (1) is estimated by panel fixed effects (least-squares dummy variable). IRFs are then obtained by plotting the estimated β_1^k for k =0,…,5 (in years), with confidence bands (at a 90 percent level) being computed using the standard deviations associated with the estimated coefficients.[43]

Equation (1) is then re-estimated for the decomposition exercise in which fiscal adjustments are split into expenditure and tax-based episodes, where the term ($\Delta CAPB_{i,t+1} * FC_{i,t+1}$) is replaced by two terms, namely ($\Delta pEXP_{i,t+1} * FC_{i,t+1}$) and ($\Delta REV_{i,t+1} * FC_{i,t+1}$) with $pEXP_{i,t}$ denoting primary expenditure and $REV_{i,t}$ denoting total revenues, which are jointly estimated.[44] Similarly, when accounting for the possibility of asymmetry of the impact in different phases of the economy (Baum, Poplawski-Ribeiro, and Weber, 2012), equation (1) is re-estimated allowing all coefficients in the regression to be state-dependent. That is, right-hand-side variables are interacted with an indicator function (that takes the value one in periods of protracted recession and zero otherwise, i.e., in periods of shorter recessions or no recessions) and also its complement (Ramey and Zubairy, 2013).[45] Jalles' (2014) technical note provides further insights, results, and discussions.

[42] Note that in the case of the narrative approach, the term $\Delta CAPB_{i,t+1} * FC_{i,t+1}$ is replaced by the overall size of the fiscal consolidation in a given year directly from Devries and others' (2011) dataset. Hence, β_1^k measures the impact of 1 percentage point of GDP improvement in the overall balance on the change in labor market outcomes for each future period k.

[43] While the presence of a lagged dependent variable and country fixed effects may in principal bias the estimation of γ_j and β_k in small samples (Nickell, 1981), the length of the time dimension mitigates this concern. The finite sample bias is in the order of 1/T, where T in the sample is 33 (1980–2012).

[44] There are inherent methodological difficulties in testing the hypothesis regarding which of the two types of consolidation is preferred. First, the distinction between revenue and expenditure measures is often more semantic than economic; second, labor market effects are unlikely to be uniform within the categories of expenditure and revenue measures.

[45] Protracted recessions are defined by an annual dummy equal to one for periods of at least 24 months of economic contraction, and zero otherwise, using the Recession Indicators Series by the Federal Reserve Bank of St. Louis.

Box 2.1. Targeted Employer Social Security Contribution Cuts: Lessons from Experiences in Advanced Economies

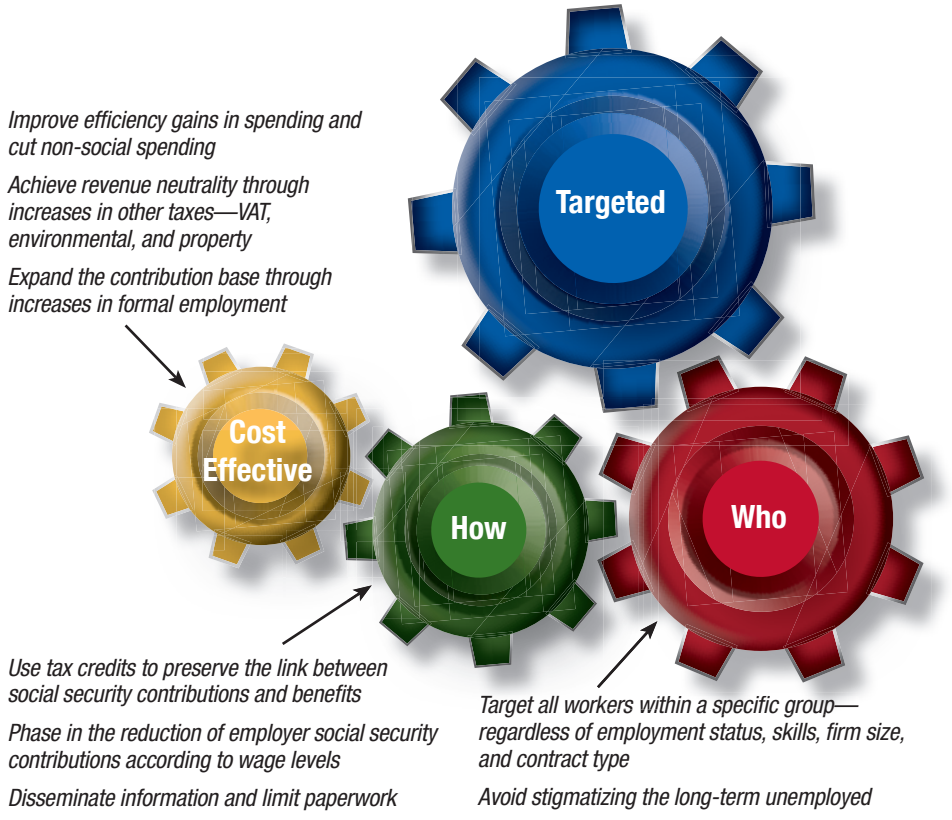
A number of design lessons can be learned from the experiences of countries that have cut employer social security contributions (SSC) in the past (Figure 2.1.1).

Targeting the low-paid and youth has been associated with better labor market outcomes than targeting very specific disadvantaged socioeconomic groups. Ex-post evaluations of cuts targeting low-wage/low-skilled individuals during the 1990s have found employment elasticities above one in France (Crepon and Desplatz, 2001 and Kramarz and Philippon, 2001) and in the Netherlands among the youth (Nelissen, Fontein, and Van Soest, 2005). Targeting other socioeconomic groups such as the long-term unemployed and other disadvantaged groups from specific regions, as shown by a number of U.S. employer subsidies, have delivered more mixed results, as they may serve to stigmatize participating job-seekers and limit employer interest in the program (Burtless, 1985; Katz, 1998; and Marx, 2008).[1] Active labor market policies providing training and placement services to these groups have shown to be a more effective instrument (IMF, 2012).

Targeting all workers within a specific group—regardless of employment status, employer size, and contract type—creates fewer distortions. Cuts targeted at "new" jobs only are notoriously complex to monitor, and end up in low take-up, small employment effects and large substitution effects (Neumark, 2011, Chirinko and Wilson, 2010). Targeting small firms per se may not be effective either (Haltiwanger, Jarmin, and Miranda, 2010). Employer SSC cuts conditioned to new hires under permanent contracts, particularly prevalent in Spain, have been shown to lead employers to substitute workers under the unsubsidized temporary contract for those under subsidized permanent contracts

[1] For instance, the success of U.S. New Job Tax Credit program implemented in the late 1970s is partly attributed to the fact that it did not target any particular disadvantaged socioeconomic group directly, but rather low-wage individuals indirectly by only applying tax credits to the first $4,200 of wages per employee (Katz, 1998).

Figure 2.1.1. Elements of Successful Employer Social Security Reforms



Box 2.1 *(concluded)*

with little or no impact on total employment (Arranz, Serrano, and Hernanz, 2013; Mendez, 2008).

A phased reduction of employer SSC within a well-defined range has been shown as an effective scheme when targeting the low-paid. Attempts to heavily restrict coverage by restricting the cut up to a given threshold may backfire, as it will lead firms to over-report the number of eligible low-paid workers under their payroll so as to maximize the relief intake. It will also make it expensive for employers to provide future pay increases for low-paid workers creating a "low-pay trap." Schemes where the relief is gradually reduced as wages move further from the least paid has been shown to dampen firms' over-reporting and under-paying incentives by allowing employers' implicit marginal contribution rates to increase more smoothly (Phelps, 1997).

This has been the preferred option of most schemes targeting low-wage workers in advanced economies with the SSC cut phased gradually up to about 1½ times the minimum wage (OECD, 2011b).

Targeted tax credits[2] *have been used in some countries that want to preserve the link between social security contributions and benefits*. The payment of social contributions is generally linked—albeit, in many cases, very weakly—to benefits. Uncompensated cuts in rates or exemption thresholds for employer SSC will, therefore, either lead to cuts in benefits with negative implications for labor supply or unfunded mandates compromising the fiscal sustainability of the social security system. To avoid that, some countries have effected reductions in social security contributions by narrowing social contribution bases through the provision of tax credits (Denmark, France, Netherlands, Sweden) and social security rebates (Spain).

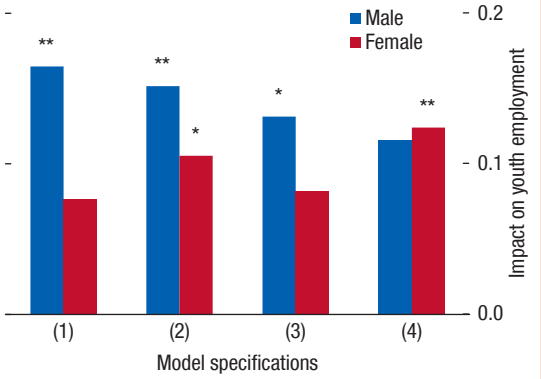
[2] For more details on tax credit schemes see Chirinko and Wilson (2010), Neumark (2011), Couch, Besharov, and Neumark (2013).

Box 2.2. Do Old Workers Crowd Out the Youth?

Promoting elderly labor force participation often raises the question of whether older workers crowd out younger people from the labor market. This was a popular argument in the 1970s and 1980s, and indeed based on this, many countries, including Belgium, France, Denmark, and the United Kingdom introduced generous early retirement schemes with the intention to reduce youth unemployment.

In theory, such crowding out might take place in the short run, in an environment where there is a fixed labor demand ("lump of labor hypothesis"), and young and old workers are substitutable in terms of skills and cost of hiring. Recent empirical studies for advanced and OECD economies (e.g., Jousten and others, 2008; Gruber, Milligan, and Wise, 2009; Eichhorst and others, 2013; Munnell and Wu, 2012), however, do not find such crowding-out effects—instead, they find a statistically insignificant, or in some cases a positive, correlation between youth and old employment rates. Eichhorst and others point out that young and old workers are not perfect substitutes given the introduction of new technologies. Gruber and others argue that the results are in line with the fact that increased female labor force participation in the past few decades had little impact on male employment: the economies grew and absorbed increased labor force. Analysis for emerging market and developing economies does not find evidence of crowding-out either. In fact, there may be some evidence of crowding-in effects, suggesting that old and young employment can increase simultaneously with more favorable labor market conditions (Figure 2.2.1).[1]

Figure 2.2.1. Developing Countries: Elderly Labor Force Participation and Youth Employment
(Percent of youth population)



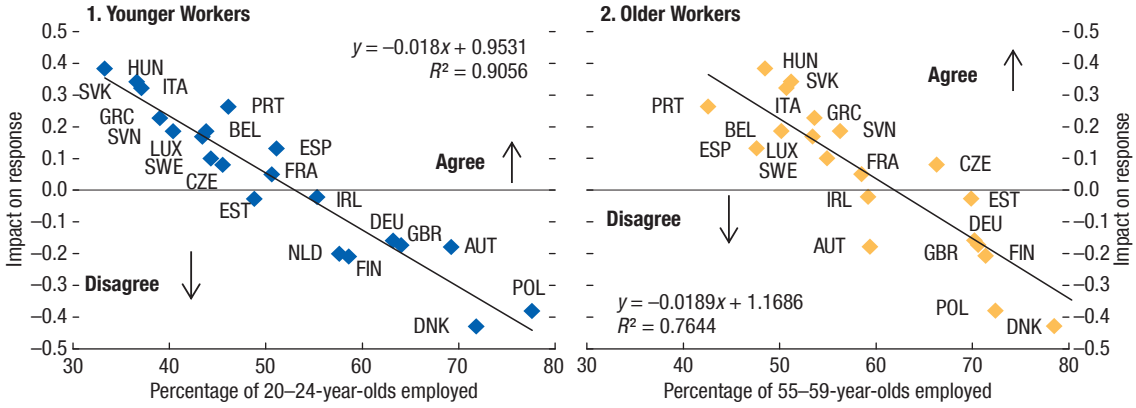
Sources: International Labour Organization; World Bank; and IMF staff estimates.
Note: * (**) indicate significance at the 10 (5) percent levels. See footnote 1 in this box for details on model specifications.

An Eurobarometer survey indicates that people who have lower education or live in countries with less favorable general labor market conditions tend to perceive such crowding out as real (Figure 2.2.2), which may influence the policy discourse in these countries.

[1] The figure shows coefficients estimated with country-fixed effect panel regressions applied to unbalanced panel data for 102–134 developing economies, depending on data availability, for the period of 1980–2011. The * (**) indicates significance at the 10 (5) percent level; while no * indicates no statistical significance. Model specifications (1)–(4) control for the following variables: (1) real GDP growth rate; (2) real GDP growth rate and share of agriculture (percent of total GDP); (3) real GDP growth rate and share of manufacturing (percent of total GDP); and (4) real GDP growth rate and urbanization (urban population in percent of total population). Panel unit-root tests do not indicate the existence of a unit root for any variables included in this analysis. Data on youth (ages 15–24) employment and elderly (ages 55–64) labor force participation are from ILO, which cover both formal and informal sectors. Data on elderly employment is not available; therefore labor force participation is used as a proxy. One-year lagged variables are used for all the independent variables, except elderly labor force participation rates, for which contemporaneous variables are used, to avoid possible endogeneity problems. Addressing multicollinearity, when two independent variables are correlated, the following two steps are taken: first, regress a variable with the other variable and generate residual series; and second, use the residual series, instead of the regressed variable at the first step, for the regressions for youth employment rate. When using residual series, bootstrapping methods are used to estimate standard errors.

Box 2.2 *(concluded)*

Figure 2.2.2. Survey Results on Crowding Out of the Youth by the Elderly



Sources: Organisation for Economic Co-operation and Development (OECD) analysis of Eurobarometer survey of 27,113 people in the European Union, of which 21,133 are in OECD member countries; OECD Employment database for employment rates; and IMF staff estimates.
Note: The black lines show the ordinary least squares (OLS) regression line. Estimation is based on an index of whether respondents strongly disagree (–2), somewhat disagree (–1), somewhat agree (1), or strongly agree (2) with the view that fewer jobs will be available to the youth due to older workers remaining in the labor force. In addition to the variables shown, the analysis controlled for region (metropolitan, other urban, and rural) and economic activity (retired, other not working, employed, and self-employed). The results shown are predicted values taking all these factors into account at once. All variables included in the econometric model were significant at the 1 percent level.

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METHODOLOGICAL AND STATISTICAL APPENDIX

This appendix comprises five sections: Data and Conventions provides a general description of the data and of the conventions used for calculating economy group composites. Fiscal Policy Assumptions summarizes the country-specific assumptions underlying the estimates and projections for 2014–19. Definition and Coverage of Fiscal Data provides details on the coverage and accounting practices underlying each country's *Fiscal Monitor* data. Economy Groupings summarizes the classification of countries in the various groups presented in the *Fiscal Monitor.* Statistical Tables on key fiscal variables complete the appendix. Data in these tables have been compiled on the basis of information available through September 2014.

Data and Conventions

Country-specific data and projections for key fiscal variables are based on the October 2014 World Economic Outlook database, unless indicated otherwise, and compiled by the IMF staff. Historical data and projections are based on the information gathered by IMF country desk officers in the context of their missions and through their ongoing analysis of the evolving situation in each country. They are updated on a continual basis as more information becomes available. Structural breaks in data may be adjusted to produce smooth series through splicing and other techniques. IMF staff estimates serve as proxies when complete information is unavailable. As a result, *Fiscal Monitor* data can differ from official data in other sources, including the IMF's *International Financial Statistics.*

Sources for fiscal data and projections not covered by the *World Economic Outlook* database are listed in the respective tables and figures.

The country classification in the *Fiscal Monitor* divides the world into three major groups: 34 advanced economies, 40 emerging market and middle-income economies, and 40 low-income developing countries (LIDCs). Country groupings have been revised for the October 2014 issue to broaden country coverage. The seven largest advanced economies in terms of GDP—the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada—constitute the subgroup of *major advanced economies* often referred to as the Group of Seven (G7). The members of the euro area are also distinguished as a subgroup. Composite data shown in the tables for the euro area cover the current members for all years, even though the membership has increased over time. The LIDCs are countries that were designated Poverty Reduction and Growth Trust (PRGT)—eligible in the 2013 PRGT eligible review and had a level of per capita gross national income less than the PRGT income graduation threshold for non-small states—that is, twice the International Development Association operational threshold, or $2,390 in 2011, as measured by the World Bank's Atlas method—plus Zimbabwe. The emerging market and middle-income economies includes those that are not classified as advanced economies or LIDCs. See "Economy Groupings" for more details.

All fiscal data refer to the general government where available and to calendar years, except for Bangladesh, Côte d'Ivoire, Egypt, Haiti, Hong Kong Special Administrative Region, India, Lao P.D.R., Pakistan, Qatar, Singapore, and Thailand, for which they refer to the fiscal year.

Composite data for country groups are weighted averages of individual-country data, unless otherwise specified. Data are weighted by annual nominal GDP converted to U.S. dollars at average market exchange rates as a share of the group GDP.

For the purpose of data reporting in the *Fiscal Monitor,* the G20 member aggregate refers to the 19 country members and does not include the European Union (EU).

For most countries, fiscal data follow the IMF's *Government Finance Statistics Manual (GFSM) 2001.* The overall fiscal balance refers to net lending (+)/borrowing (–) of the general government. In some cases, however, the overall balance refers to total revenue and grants minus total expenditure and net lending.

As used in the *Fiscal Monitor,* the term "country" does not in all cases refer to a territorial entity that is a state as understood by international law and practice. As used here, the term also covers some territorial entities that are not states but for which statistical data are maintained on a separate and independent basis.

Argentina. Total expenditure and the overall balance account for cash interest and the IMF staff's estimate of accrued interest payments. The GDP data for Argentina are officially reported data as revised in May 2014. On February 1, 2013, the IMF issued a declaration of censure, and in December 2013 called on Argentina to implement specified actions to address the quality of its official GDP data according to a specified timetable. Consumer price data from January 2014 onwards reflect the new national CPI (IPCNu), which differs substantively from the preceding CPI (the CPI for the Greater Buenos Aires Area, CPI-GBA). Because of the differences in geographical coverage, weights, sampling, and methodology, the IPCNu data cannot be directly compared to the earlier CPI-GBA data. Because of this structural break in the data, staff forecasts for CPI inflation are not reported in the October 2014 *Fiscal Monitor.* The public release of a new national CPI by end-March 2014 was one of the specified actions in the IMF Executive Board's December 2013 decision calling on Argentina to address the quality of its official CPI data. On June 6, 2014, the Executive Board recognized the implementation of the specified actions it had called for by end-March 2014 and the initial steps taken by the Argentine authorities to remedy the inaccurate provision of data. The Executive Board will review this issue again as per the calendar specified in December 2013, and in line with the procedures set forth in the Fund's legal framework.

Bangladesh. Data are on a fiscal year basis.

Brazil. General Government (GG) data refers to the non-financial public sector, which includes the federal, state, and local governments as well as public enterprises (excluding Petrobras and Eletrobras), and is consolidated with the Sovereign Wealth Fund (SWF). Revenue and expenditures of federal public enterprises are added in full to the respective aggregates. Transfers or withdrawals from the SWF do not impact the primary balance. Disaggregated data on gross interest payments and interest receipts are available from 2007 onward only. Prior to 2007, Total Revenue of the GG excludes interest receipts, while Total Expenditure of the GG includes net interest payments. Gross public debt includes the treasury bills at the central bank's balance sheet, including those not used under repurchase agreements. Net public debt consolidates GG, as defined above, with the Central Bank. The national definition of nonfinancial public sector gross debt excludes government securities held by the Central Bank, with the exception of the stock of Treasury securities used for monetary policy purposes by the Central Bank (those pledged as security reverse repos operations). According to this national definition, gross debt amounted to 57.2 percent of GDP at end-2013.

Chile. Cyclically adjusted balances include adjustments for commodity price developments.

China. Public debt data include central government debt as reported by the Ministry of Finance, explicit local government debt and fractions (ranging from 14 percent to 19 percent, according to the National Audit Office (NAO) estimate) of the government guaranteed debt and liabilities that the government may incur. Staff estimates exclude the central government debt issued for China Railway Corporation. Relative to the authorities' definition, the consolidated general government net borrowing includes: (1) transfers to and from stabilization funds; (2) state-administered state-owned enterprise funds and social security contributions and expenses (about 1¼–½ percent of GDP per year after 2008); and (3) off-budget spending by local governments—estimated by net local government bonds issued by the central government on their behalf. Deficit numbers do not include some expenditure items, mostly infrastructure investment financed off-budget through land sales and local government financing vehicles. The fiscal balances are not consistent with reported debt because of the absence of official publication of a time series of data in line with the NAO debt definition.

Colombia. Gross public debt refers to the combined public sector, including Ecopetrol and excluding Banco de la República's outstanding external debt.

Côte d'Ivoire. Data are on a fiscal year basis.

Egypt. Data are on a fiscal year basis.

Greece. General government gross debt includes short-term debt and loans of state-owned enterprises.

Haiti. Data are on a fiscal year basis.

Hong Kong SAR. Data are on a fiscal year basis. Cyclically adjusted balances include adjustments for land revenue and investment income.

Hungary. The cyclically adjusted and cyclically adjusted primary balances for 2011 exclude one-time revenues from asset transfers to the general government resulting from changes to the pension system.

India. Data are on a fiscal year basis.

Ireland. The general government balances between 2009 and 2016 reflect the impact of banking sector support. The fiscal balance estimates excluding these measures are –10.8 percent of GDP for 2009; –10.2 percent of GDP for 2010; –8.5 percent of GDP for 2011; –7.8

percent of GDP for 2012; –6.7 percent of GDP for 2013 (including exchequer outlays for guarantees paid out under the Eligibility Liabilities Guarantee scheme in the context of the liquidation of the Irish Bank Resolution Corporation); –4.6 percent of GDP for 2014; –2.6 percent of GDP for 2015; and –1.7 percent of GDP for 2016. Cyclically adjusted balances reported in Statistical Tables 3 and 4 exclude financial sector support, and correct for real output, equity, house prices, and unemployment.

Japan. Gross debt is equal to total unconsolidated financial liabilities for the general government. Net debt is calculated by subtracting financial assets from financial liabilities for the general government.

Lao P.D.R. Data are on a fiscal year basis.

Latvia. The fiscal deficit includes bank restructuring costs and thus is higher than the deficit in official statistics.

Mexico. General government refers to central government, social security, public enterprises, development banks, the national insurance corporation, and the National Infrastructure Fund, but excludes subnational governments.

Norway. Cyclically adjusted balances correspond to the cyclically adjusted non-oil overall or primary balance. These variables are in percent of non-oil potential GDP.

Pakistan. Data are on a fiscal year basis.

Peru. Cyclically adjusted balances include adjustments for commodity price developments.

Qatar. Data are on a fiscal year basis.

Singapore. Data are on a fiscal year basis. Historical fiscal data have been revised to reflect the migration to *GFSM 2001,* which entailed some classification changes.

Spain. Overall and primary balances include financial sector support measures estimated to be 0.04 percent of GDP for 2010; 0.5 percent of GDP for 2011; 3.8 percent of GDP for 2012; and 0.5 percent of GDP for 2013.

Sudan. Data for 2011 exclude South Sudan after July 9. Data for 2012 and onward pertain to the current Sudan.

Sweden. Cyclically adjusted balances take into account output and employment gaps.

Switzerland. Data submissions at the cantonal and commune level are received with a long and variable lag and are subject to sizeable revisions. Cyclically adjusted balances include adjustments for extraordinary operations related to the banking sector.

Thailand. Data are on a fiscal year basis.

Turkey. Information on the general government balance, primary balance, and cyclically adjusted primary balance differs from that in the authorities' official statistics or country reports, which include net lending and privatization receipts.

United States. Cyclically adjusted balances exclude financial sector support estimated at 2.4 percent of GDP for 2009; 0.3 percent of GDP for 2010; 0.2 percent of GDP for 2011; 0.1 percent of GDP for 2012; and nil for 2013. For cross-country comparability, expenditure and fiscal balances of the United States are adjusted to exclude the imputed interest on unfunded pension liabilities and the imputed compensation of employees, which is counted as expenditure under the 2008 System of National Accounts (2008 SNA) recently adopted by the United States, but not so in countries that have not yet adopted the 2008 SNA. Data for the United States may thus differ from data published by the U. S. Bureau of Economic Analysis. In addition, gross and net debt levels reported by the BEA and national statistical agencies for other countries that have adopted the 2008 SNA (Australia, Canada, and Hong Kong SAR) are adjusted to exclude unfunded pension liabilities of government employees' defined-benefit pension plans. See Box 1.1 in the April 2014 *Fiscal Monitor* for more details.

Fiscal Policy Assumptions

Historical data and projections of key fiscal aggregates are in line with those of the October 2014 *World Economic Outlook,* unless highlighted. For underlying assumptions other than on fiscal policy, see the October 2014 *World Economic Outlook.*

Short-term fiscal policy assumptions are based on officially announced budgets, adjusted for differences between the national authorities and the IMF staff regarding macroeconomic assumptions and projected fiscal outturns. Medium-term fiscal projections incorporate policy measures that are judged likely to be implemented. When the IMF staff has insufficient information to assess the authorities' budget intentions and prospects for policy implementation, an unchanged structural primary balance is assumed, unless indicated otherwise.

Argentina. The fiscal forecast is based on the projections for GDP growth, exports and imports, and the nominal exchange rate.

Australia. Fiscal projections are based on the 2014–15 Budget, Australian Bureau of Statistics, and IMF staff projections.

Austria. Projections take into account the authorities' medium-term fiscal framework, as well as associated further implementation needs and risks. For 2014, the creation of a defeasance structure for Hypo Alpe Adria Bank is assumed to increase the general government debt-to-GDP ratio by 5½ percentage points and the deficit by 1.2 percentage points.

Belgium. Projections reflect the authorities' 2014 budget and the 2014–17 Stability Programme objectives adjusted for differences in the IMF staff's macroeconomic framework and assumptions about fiscal developments in the federal, regional, and local governments.

Brazil. For 2013, preliminary outturn estimates are based on the information available as of May 2014. Projections for 2014 take into account the Third Bimonthly Report adjustments to the original budget, as per Presidential Decree of February 2014. In outer years, the IMF staff assumes adherence to the announced primary target.

Burkina Faso. Estimates are based on discussions with the authorities, past trends, and the impact of ongoing structural reforms.

Cambodia. Historical data are from the Cambodian authorities. Projections are based on the IMF staff's assumptions following discussions with the authorities.

Canada. Projections use the baseline forecasts in the Economic Action Plan 2014 (the fiscal year 2014/15 budget) and 2014 provincial budgets, as available. The IMF staff makes adjustments to this forecast for differences in macroeconomic projections. IMF staff forecasts also incorporate the most recent data releases from Statistics Canada's Canadian System of National Economic Accounts, including federal, provincial, and territorial budgetary outturns through the end of the fourth quarter of 2013.

Chile. Projections are based on the authorities' budget projections and include adjustments to reflect the IMF staff's projections for GDP and copper prices. It also includes the official yield estimate of the tax reform submitted to Congress in April 2014.

China. The pace of fiscal consolidation is likely to be more gradual, reflecting reforms to strengthen social safety nets and the social security system announced at the Third Plenum reform agenda.

Croatia. Projections are based on the macro framework and authorities' medium-term fiscal guidelines.

Cyprus. Projections are on a cash basis based on the latest budget information.

Czech Republic. Projections are based on the authorities' budget forecast for 2013–14, with adjustments for the IMF staff's macroeconomic projections. Projections for 2014 onward are based on unchanged policies.

Denmark. Projections for 2013–15 are aligned with the latest official budget estimates and the underlying economic projections, adjusted where appropriate for the IMF staff's macroeconomic assumptions. For 2016–19, the projections incorporate key features of the medium-term fiscal plan as embodied in the authorities' 2013 Convergence Program submitted to the European Union.

Egypt. Fiscal projections are based mainly on budget sector operations.

Estonia. Projections, which are cash and not accrual based, incorporate the authorities' 2014 budget, adjusted for newly available information and for the IMF staff's macroeconomic scenario.

Finland. Projections are based on announced policies by the authorities, adjusted for the IMF staff's macroeconomic scenario.

France. Projections for 2014 reflect the budget law and measures announced in the 2014 Stability Programme. For 2015–17, they are based on the 2013–17 multiyear budget and the April 2014 stability plan, adjusted for differences in assumptions on macro and financial variables, and revenue projections. Historical data were revised following a May 15, 2014, revision by the statistical institute of both national accounts and fiscal accounts. Fiscal data for 2013 reflect preliminary outturns published by the statistical institute in May 2014.

Germany. The IMF staff's projections for 2014 and beyond reflect the authorities' adopted core federal government budget plan adjusted for the differences in the IMF staff's macroeconomic framework and assumptions about fiscal developments in state and local governments, the social insurance system, and special funds. The estimate of gross debt includes portfolios of impaired assets and noncore business transferred to institutions that are winding up, as well as other financial sector and EU support operations.

Greece. Fiscal projections for 2014 and the medium term are consistent with the policies discussed between the IMF staff and the authorities in the context of the Extended Fund Facility.

Hong Kong SAR. Projections are based on the authorities' medium-term fiscal projections.

Hungary. Fiscal projections include IMF staff projections of the macroeconomic framework and of the

impact of existing legislated measures, as well as fiscal policy plans in the 2014 budget.

India. Historical data are based on budgetary execution data. Projections are based on available information on the authorities' fiscal plans, with adjustments for IMF staff assumptions. Subnational data are incorporated with a lag of up to two years; general government data are thus finalized well after central government data. IMF and Indian presentations differ, particularly regarding divestment and license auction proceeds, net versus gross recording of revenues in certain minor categories, and some public sector lending.

Indonesia. IMF staff projections for 2014–18 are based on a gradual increase in administrative fuel prices from 2015, the introduction in 2014 of new social protections, and moderate tax policy and administration reforms.

Ireland. Fiscal projections are based on the 2014 budget, adjusted for differences between the IMF staff's macroeconomic projections and those of the Irish authorities.

Israel. Historical data are based on government finance statistics submitted by the Central Bureau of Statistics. The historical data, together with the announced fiscal consolidation plan by the authorities, form the basis for the IMF staff's medium-term fiscal projections.

Italy. Fiscal projections incorporate the government's announced fiscal policy as outlined in the 2014 budget plan, adjusted for different growth outlooks and estimated impact of measures. The fiscal impact of the personal income tax credit is also included. Estimates of the cyclically adjusted balance include the expenditure to clear capital arrears in 2013, which are excluded from the structural balance. After 2014, the IMF staff projects convergence to a structural balance in line with Italy's fiscal rule, which implies corrective measures in some years, as yet unidentified.

Japan. The projections include fiscal measures already announced by the government, including consumption tax increases, earthquake reconstruction spending, and the stimulus package.

Kazakhstan. Fiscal projections are based on budget numbers, discussions with the authorities, and IMF staff projections.

Korea. The medium-term forecast reflects the government's announced medium-term consolidation path.

Malaysia. Fiscal year 2013 data are based on actual outturn. Fiscal year 2014 projections are based on preliminary outturn for 2014: H1 and IMF staff projections taking into account the budget numbers. For the remainder of the projection period, the IMF staff assumes that the authorities undertake a subsidy reform starting in 2015 and the introduction of a goods and services tax in 2015.

Mali. Estimates reflect approved budget and agreed-upon program budget for the current year, authorities' medium-term fiscal framework, and IMF staff estimates for outer years.

Malta. Projections are based on the latest Stability Programme Update by the authorities and budget documents, adjusted for staff's macroeconomic and other assumptions.

Mexico. Fiscal projections for 2014 are in line with the approved budget; projections for 2014 onward assume compliance with the rules established in the Fiscal Responsibility Law.

Moldova. Fiscal projections are based on the 2014 budget, discussions with the authorities, and IMF staff projections.

Mozambique. Fiscal projections assume a moderate increase in revenue as a percentage of GDP and a commensurate increase in domestic primary spending. They account for a lower aid flow, with the grants contribution declining.

Myanmar. Fiscal projections are based on budget numbers, discussions with the authorities, and IMF staff adjustments.

Netherlands. Fiscal projections for 2014–19 are based on the authorities' Bureau for Economic Policy Analysis budget projections, after adjustments for differences in macroeconomic assumptions. Historical data were revised following the June 2014 Central Bureau of Statistics release of revised macro data because of the adoption of the European system of National and Regional Accounts (ESA 2010) and the revisions of data sources.

New Zealand. Fiscal projections are based on the authorities' 2014 Budget Economic and Fiscal Update and on IMF staff estimates.

Nigeria. Estimates reflect historical data series, the annual budget, and the medium-term expenditure framework at the general government level, and additional data from the authorities.

Norway. Fiscal projections are based on the authorities' 2014 amended budget.

Philippines. Fiscal projections assume that the authorities' fiscal deficit target will not be achieved in 2014, but

will be achieved in 2015 and beyond. Revenue projections reflect the IMF staff's macroeconomic assumptions and incorporate anticipated improvements in tax administration. Expenditure projections are based on budgeted figures, institutional arrangements, and fiscal space in each year.

Poland. Fiscal accounts are shown in accordance with the *GFSM 2001* methodology. Projections are based on the 2014 budget. The projections also take into account the effects of the 2014 pension changes.

Portugal. For 2014, the general government fiscal balance projection does not include one-off transactions arising from banking support and other operations related to government-owned enterprises, pending decisions on their statistical classification by the Instituto Nacional de Estatística (INE)/Eurostat. Projections for 2014–15 remain consistent with the authorities' EU budgetary commitments, subject to additional measures to be approved in the forthcoming 2015 budget; projections thereafter are based on IMF staff estimates, under the assumption of unchanged policies.

Romania. The 2014 cash deficit projection is based on the promulgated budget for 2014. The 2015 cash deficit assumes an adjustment effort of 0.7 percent of GDP to reach the medium-term budgetary objective deficit target of 1.0 percent in the European System of Accounts terms. It does not reflect the potential budget cost of proposed tax cuts and tax changes as well as possible spending increases of about 1.3 percent, as the legal basis for these changes remains uncertain.

Russia. Projections for 2014–19 are based on the oil-price-based fiscal rule introduced in December 2012, with adjustments by the IMF staff.

Saudi Arabia. The authorities base their budget on a conservative assumption for oil prices, with adjustments to expenditure allocations considered in the event that revenues exceed budgeted amounts. IMF staff projections of oil revenues are based on *World Economic Outlook* baseline oil prices. On the expenditure side, wage bill estimates incorporate the 13th-month pay awards every three years in accordance with the lunar calendar; capital spending estimates over the medium term are in line with the authorities' priorities established in the National Development Plans.

Senegal. Estimates are based on program targets for 2014–15, and mostly debt sustainability analysis considerations thereafter. Fiscal accounts are shown in accordance with the *GFSM* 2001 methodology.

Singapore. Projections are based on budget numbers for fiscal year 2014/15, and unchanged policies thereafter.

Slovak Republic. Projections are based on revenue and expenditure from the authorities' Stability Programme for 2014–17 and IMF staff estimates, taking into account implementation of the domestic Fiscal Responsibility Act (3 percent cut of some expenditure in 2014 and a partial spending freeze in 2015–16).

South Africa. Fiscal projections are based on the authorities' 2014 Budget Review.

Spain. For 2013 and beyond, fiscal projections are based on the measures specified in the Stability Programme Update 2014–17, the revised fiscal policy recommendations by the European Council in June 2013, the 2014 budget plan issued in October 2013, and the 2014 budget approved in December 2013.

Sri Lanka. Projections are based on the authorities' medium-term fiscal framework and the revenue measures proposed.

Sweden. Fiscal projections are broadly in line with the authorities' projections based on the 2014 Spring Fiscal Policy Bill. The impact of cyclical developments on the fiscal accounts is calculated using the Organisation for Economic Co-operation and Development's latest semi-elasticity.

Switzerland. Projections for 2012–19 are based on IMF staff calculations, which incorporate measures to restore balance in the federal accounts and strengthen social security finances.

Thailand. IMF staff projections assume a 60 percent implementation ratio of the planned infrastructure investment programs.

Turkey. Fiscal projections assume that both current expenditures and capital spending will be above the authorities' 2013–15 Medium-Term Programme, based on current trends and policies.

United Kingdom. Fiscal projections are based on the U.K. Treasury's 2014 budget, published in March 2014. However, on the revenue side, the authorities' projections are adjusted for differences between IMF staff forecasts of macroeconomic variables (such as GDP growth) and the forecasts of these variables assumed in the authorities' fiscal projections. In addition, IMF staff's projections exclude the temporary effects of financial sector interventions and the effect on public sector net investment during 2012–13 of transferring assets from the Royal Mail Pension Plan to the public sector. Real government consumption

and investment are part of the real GDP path, which, according to the IMF staff, may or may not be the same as projected by the U.K. Office for Budget Responsibility. Transfers of profits from the Bank of England's Asset Purchase Facility affect general government net interest payments. The timing of these payments can create differences between fiscal year primary balances published by the authorities and calendar year balances shown in the *Fiscal Monitor.*

United States. Fiscal projections are based on the August 2014 Congressional Budget Office baseline adjusted for the IMF staff's policy and macroeconomic assumptions. The baseline incorporates the key provisions of the Bipartisan Budget Act of 2013, including a partial rollback of the sequester spending cuts in fiscal years 2014 and 2015. The rollback is fully offset by savings elsewhere in the budget. In fiscal years 2016 through 2021, the IMF staff assumes that the sequester cuts will continue to be partially replaced, in portions similar to those in fiscal years 2014 and 2015, with back-loaded measures generating savings in mandatory programs and additional revenues. Over the medium term, the IMF staff assumes that Congress will continue to make regular adjustments to Medicare payments (DocFix) and will extend certain traditional programs (such as the research and development tax credit). Fiscal projections are adjusted to reflect the IMF staff's forecasts of key macroeconomic and financial variables and different accounting treatment of financial sector support, and are converted to a general government basis. Historical data start at 2001 for most series, as data compiled according to *GFSM 2001* may not be available for the earlier years.

Vietnam. Revenues and financing projections reflect the information and measures in the approved budget and the IMF staff's macro framework assumptions.

Yemen. Hydrocarbon revenue projections are based on IMF staff assumptions for oil and gas prices and authorities' projections of production of oil and gas. Non-hydrocarbon revenues largely reflect authorities' projections, as well as most of the expenditure categories, with the exception of fuel subsidies, which are projected based at price consistent with revenues.

Definition and Coverage of Fiscal Data

Economy Groupings

The following groupings of economies are used in the *Fiscal Monitor*.

Advanced Economies	Emerging Market and Middle-Income Economies	Low-Income Developing Countries	G7	G20[1]	Advanced G20[1]	Emerging G20
Australia	Algeria	Bangladesh	Canada	Argentina	Australia	Argentina
Austria	Angola	Benin	France	Australia	Canada	Brazil
Belgium	Argentina	Bolivia	Germany	Brazil	France	China
Canada	Azerbaijan	Burkina Faso	Italy	Canada	Germany	India
Cyprus	Belarus	Cambodia	Japan	China	Italy	Indonesia
Czech Republic	Brazil	Cameroon	United Kingdom	France	Japan	Mexico
Denmark	Chile	Chad	United States	Germany	Korea	Russia
Estonia	China	Congo, Dem.		India	United Kingdom	Saudi Arabia
Finland	Colombia	Rep. of the		Indonesia	United States	South Africa
France	Croatia	Congo, Rep. of		Italy		Turkey
Germany	Dominican Republic	Côte d'Ivoire		Japan		
Greece	Ecuador	Ethiopia		Korea		
Hong Kong SAR	Egypt	Ghana		Mexico		
Iceland	Hungary	Guinea		Russia		
Ireland	India	Haiti		Saudi Arabia		
Israel	Indonesia	Honduras		South Africa		
Italy	Iran	Kenya		Turkey		
Japan	Kazakhstan	Kyrgyz Republic		United Kingdom		
Korea	Kuwait	Lao P.D.R.		United States		
Latvia	Libya	Madagascar				
Luxembourg	Malaysia	Mali				
Malta	Mexico	Moldova				
Netherlands	Morocco	Mongolia				
New Zealand	Oman	Mozambique				
Norway	Pakistan	Myanmar				
Portugal	Peru	Nepal				
Singapore	Philippines	Nicaragua				
Slovak Republic	Poland	Niger				
Slovenia	Qatar	Nigeria				
Spain	Romania	Papua New Guinea				
Sweden	Russia	Rwanda				
Switzerland	Saudi Arabia	Senegal				
United Kingdom	South Africa	Sudan				
United States	Sri Lanka	Tajikistan				
	Thailand	Tanzania				
	Turkey	Uganda				
	Ukraine	Uzbekistan				
	United Arab Emirates	Vietnam				
	Uruguay	Yemen				
	Venezuela	Zambia				
		Zimbabwe				

[1]Does not include European Union aggregate.

Economy groupings *(continued)*

Euro Area	Emerging Market and Middle-Income Asia	Emerging Market and Middle-Income Europe	Emerging Market and Middle-Income Latin America	Emerging Market and Middle-Income Middle East and North Africa and Pakistan	Emerging Market and Middle-Income Africa
Austria	China	Azerbaijan	Argentina	Algeria	Angola
Belgium	India	Belarus	Brazil	Egypt	South Africa
Cyprus	Indonesia	Croatia	Chile	Iran	
Estonia	Malaysia	Hungary	Colombia	Kuwait	
Finland	Philippines	Kazakhstan	Dominican Republic	Libya	
France	Sri Lanka	Poland	Ecuador	Morocco	
Germany	Thailand	Romania	Mexico	Oman	
Greece		Russia	Peru	Pakistan	
Ireland		Turkey	Uruguay	Qatar	
Italy		Ukraine	Venezuela	Saudi Arabia	
Latvia				United Arab Emirates	
Luxembourg					
Malta					
Netherlands					
Portugal					
Slovak Rep.					
Slovenia					
Spain					

Low-Income Developing Asia	Low-Income Developing Latin America	Low-Income Developing Sub-Saharan Africa	Low-Income Developing Others	Low-Income Oil Producers	Oil Producers
Bangladesh	Bolivia	Benin	Kyrgyz Republic	Cameroon	Algeria
Cambodia	Haiti	Burkina Faso	Moldova	Chad	Angola
Lao P.D.R.	Honduras	Cameroon	Sudan	Congo, Rep of.	Azerbaijan
Mongolia	Nicaragua	Chad	Tajikistan	Côte d'Ivoire	Bahrain
Myanmar		Congo, Dem. Rep. of the	Uzbekistan	Nigeria	Brunei Darussalam
Nepal		Congo, Rep. of	Yemen	Sudan	Cameroon
Papua New Guinea		Côte d'Ivoire		Vietnam	Chad
Vietnam		Ethiopia		Yemen	Congo, Dem. Rep. of the
		Ghana			Congo, Rep. of
		Guinea			Côte d'Ivoire
		Kenya			Ecuador
		Madagascar			Equatorial Guinea
		Mali			Gabon
		Mozambique			Indonesia
		Niger			Iran
		Nigeria			Iraq
		Rwanda			Kazakhstan
		Senegal			Kuwait
		Tanzania			Libya
		Uganda			Mexico
		Zambia			Nigeria
		Zimbabwe			Norway
					Oman
					Qatar
					Russia
					Saudi Arabia
					Sudan
					Syria
					Timor-Leste
					Turkmenistan
					United Arab Emirates
					Venezuela
					Vietnam
					Yemen

Table A. Advanced Economies: Definition and Coverage of *Fiscal Monitor* Data

	Overall Fiscal Balance[1]			Cyclically Adjusted Balance			Gross Debt		
	Coverage		Accounting Practice	Coverage		Accounting Practice	Coverage		Accounting Practice
Country	Aggregate	Subsectors		Aggregate	Subsectors		Aggregate	Subsectors	
Australia	GG	CG, LG, SG, TG	A	GG	CG, LG, SG, TG	A	GG	CG, LG, SG, TG	A
Austria	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Belgium	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Canada	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Cyprus	GG	CG, LG, SS, EA	C	–	–	–	GG	CG, LG, SS, EA	C
Czech Republic	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
Denmark	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Estonia	GG	CG, LG, SS	C	–	–	–	GG	CG, LG, SS	C
Finland	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
France	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
Germany	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Greece	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
Hong Kong SAR	CG	CG	C	CG	CG	C	CG	CG	C
Iceland	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
Ireland	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
Israel	GG	CG, SS	A	GG	CG, SS	A	GG	CG, SS	A
Italy	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Japan	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
Korea	CG	CG	C	CG	CG	C	GG	CG, LG	C
Latvia	GG	CG, LG, SS, NFPC	C	GG	CG, LG, SS, NFPC	C	GG	CG, LG, SS, NFPC	C
Luxembourg	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
Malta	GG	CG, SG, SS	A	GG	CG, SG, SS	A	GG	CG, SG, SS	A
Netherlands	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
New Zealand	CG	CG	A	CG	CG	A	CG	CG	A
Norway	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Portugal	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Singapore	CG	CG	C	CG	CG	C	CG	CG	C
Slovak Republic	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
Slovenia	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C
Spain	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Sweden	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Switzerland	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
United Kingdom	GG	CG, LG	A	GG	CG, LG	A	GG	CG, LG	A
United States	GG	CG, LG, SG	A	GG	CG, LG, SG	A	GG	CG, LG, SG	A

Note: Coverage: BA = budgetary central government; CG = central government; EA = extrabudgetary units; FC = financial public corporations; GG = general government; LG = local governments; NFPC = nonfinancial public corporations; NFPS = nonfinancial public sector; PS = public sector; SG = state governments; SS = social security funds; TG = Territory Governments. Accounting standard: A = accrual; C = cash.

[1] For most countries, fiscal data follow the IMF's *Government Finance Statistics Manual* (*GFSM*) 2001. The concept of overall fiscal balance refers to net lending (+) / borrowing (–) of the general government. In some cases, however, the overall balance refers to total revenue and grants minus total expenditure and net lending.

Table B. Emerging Market and Middle-Income Economies: Definition and Coverage of *Fiscal Monitor* Data

Country	Overall Fiscal Balance[1]			Cyclically Adjusted Balance			Gross Debt		
	Coverage		Accounting Practice	Coverage		Accounting Practice	Coverage		Accounting Practice
	Aggregate	Subsectors		Aggregate	Subsectors		Aggregate	Subsectors	
Algeria	CG	CG	C	–	–	–	CG	CG	C
Angola	GG	CG, SS	Other	–	–	–	GG	CG, SS	Other
Argentina[2]	GG	CG, SG, LG, SS	C	CG	CG	C	GG	CG, SG, LG, SS	C
Azerbaijan	CG	CG	C	–	–	–	CG	CG	C
Belarus	GG	CG, SG, LG, SS	C	–	–	–	GG	CG, SG, LG, SS	C
Brazil[3]	NFPS	CG, SG, LG, SS, MPC, NFPC	C	NFPS	CG, SG, LG, SS, MPC, NFPC	C	NFPS	CG, SG, LG, SS, MPC, NFPC	C
Chile	GG	CG, SG, LG, SS	A	CG	CG	A	GG	CG, SG, LG, SS	A
China	GG	CG, SG, LG	C	GG	CG, SG, LG	C	GG	CG, SG, LG	C
Colombia[4]	NFPS	CG, SG, LG, NFPC	C/A	NFPS	CG, SG, LG, NFPC	C/A	NFPS	CG, SG, LG, NFPC	C/A
Croatia	GG	CG, LG	C	GG	CG, LG	C	GG	CG, LG	C
Dominican Republic	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Ecuador	GG	SG, LG, SS, NFPC	C	GG	SG, LG, SS, NFPC	C	GG	SG, LG, SS, NFPC	C
Egypt	CG	CG	C	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C
Hungary	NFPS	CG, LG, SS, NMPC	A	NFPS	CG, LG, SS, NMPC	A	NFPS	CG, LG, SS, NMPC	A
India	GG	CG, SG	A	GG	CG, SG	A	GG	CG, SG	A
Indonesia	GG	CG, LG	C	GG	CG, LG	C	GG	CG, LG	C
Iran	CG	CG	C	–	–	–	CG	CG	C
Kazakhstan	GG	CG, LG	A	–	–	–	GG	CG, LG	A
Kuwait	CG	CG	C/A	–	–	–	CG	CG	C/A
Libya	GG	CG, SG, LG	C	–	–	–	GG	CG, SG, LG	C
Malaysia	GG	CG, SG, LG	C	GG	CG	C	GG	CG, SG, LG	C
Mexico	PS	CG, SS, NFPC, FPC	C	CG	CG	C	PS	CG, SS, NFPC, FPC	C
Morocco	CG	CG	A	–	–	–	CG	CG	A
Oman	CG	CG	C	–	–	–	CG	CG	C
Pakistan	GG	CG, LG, SG	C	–	–	–	GG	CG, LG, SG	C
Peru	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C
Philippines	GG	CG, LG, SS	C	CG	CG	C	GG	CG, LG, SS	C
Poland	GG	CG, LG, SS	A	GG	CG, LG, SS	A	GG	CG, LG, SS	A
Qatar	CG	CG	C	–	–	–	CG	CG	C
Romania	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C
Russia	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C
Saudi Arabia	GG	CG, SS	C	–	–	–	GG	CG, SS	C
South Africa	GG	CG, SG, SS	C	GG	CG, SG, SS	C	GG	CG, SG, SS	C
Sri Lanka	GG	CG, SG, LG, SS	C	–	–	–	GG	CG, SG, LG, SS	C
Thailand[5]	GG	CG, LG, SS, EA	A	GG	CG, LG, SS, EA	A	PS	CG, LG, EA, NFPC, NMPC	A
Turkey	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A	GG	CG, SG, LG, SS	A
Ukraine	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C
United Arab Emirates[6]	GG	CG, SG	C	–	–	–	GG	CG, SG	C
Uruguay	GG	CG, LG, SS, MPC, NFPC	A	–	–	–	GG	CG, LG, SS, MPC, NFPC	A
Venezuela	GG	CG, LG, SS, NFPC	C	GG	CG, LG, SS, NFPC	C	GG	CG, LG, SS, NFPC	C

Note: Coverage: BA = budgetary central government; CG = central government; EA = extrabudgetary units; FPC = financial public corporations; GG = general government; LG = local governments; MPC = monetary public corporations, including central bank; NFPC = nonfinancial public corporations; NFPS = nonfinancial public sector; NMPC = nonmonetary financial public corporations; PS = public sector; SG = state governments; SS = social security funds. Accounting standard: A = accrual; C = cash.

[1] For most countries, fiscal data follow the IMF's *Government Finance Statistics Manual* (*GFSM*) 2001. The concept of overall fiscal balance refers to net lending (+) / borrowing (–) of the general government. In some cases, however, the overall balance refers to total revenue and grants minus total expenditure and net lending.

[2] Total expenditure and the overall balance account for cash interest and the IMF staff's estimate of accrued interest payments.

[3] Gross debt refers to the nonfinancial public sector, excluding Eletrobras and Petrobras, and includes sovereign debt held on the balance sheet of the central bank.

[4] Revenue is recorded on a cash basis and expenditure on an accrual basis.

[5] Debt of Specialized Financial Institutions (SFIs–NMPC) without government guarantee is not included.

[6] Gross debt covers banking system claims only.

Table C. Low-Income Developing Countries: Definition and Coverage of *Fiscal Monitor* Data

	Overall Fiscal Balance[1]			Cyclically Adjusted Balance			Gross Debt		
	Coverage		Accounting practice	Coverage		Accounting practice	Coverage		Accounting practice
Country	Aggregate	Subsectors		Aggregate	Subsectors		Aggregate	Subsectors	
Bangladesh	CG	CG	C	CG	CG	C	CG	CG	C
Benin	CG	CG	C	–	–	–	CG	CG	C
Bolivia	NFPS	CG, LG, SS, MPC, NMPC, NFPC	C	NFPS	CG, LG, SS, MPC, NMPC, NFPC	C	NFPS	CG, LG, SS, MPC, NMPC, NFPC	C
Burkina Faso	CG	CG	C	–	–	–	CG	CG	C
Cambodia	GG	CG, LG	C	GG	CG, LG	C	GG	CG, LG	C
Cameroon	NFPS	CG, NFPC	C	–	–	–	NFPS	CG, NFPC	C
Chad	NFPS	CG, NFPC	C	–	–	–	NFPS	CG, NFPC	C
Congo, Dem. Rep. of the	GG	CG, SG, LG	A	–	–	–	GG	CG, SG, LG	A
Congo, Rep. of	CG	CG	A	–	–	–	CG	CG	A
Côte d'Ivoire	CG	CG	A	–	–	–	CG	CG	A
Ethiopia	CG	CG	C	–	–	–	CG	CG	C
Ghana	CG	CG	C	–	–	–	CG	CG	C
Guinea	CG	CG	Other	–	–	–	CG	CG	Other
Haiti	CG	CG	C	CG	CG	C	CG	CG	C
Honduras	NFPS	CG, LG, SS, NFPC	A	NFPS	CG, LG, SS, NFPC	A	NFPS	CG, LG, SS, NFPC	A
Kenya	CG	CG	A	–	–	–	CG	CG	A
Kyrgyz Republic	GG	CG, LG, SS	C	–	–	–	GG	CG, LG, SS	C
Lao P.D.R.[2]	CG	CG	C	CG	CG	C	CG	CG	C
Madagascar	CG	CG	C	–	–	–	CG	CG	C
Mali	CG	CG	C/A	–	–	–	CG	CG	C/A
Moldova	GG	CG, LG, SS	C	GG	CG, LG, SS	C	GG	CG, LG, SS	C
Mongolia	GG	CG, SG, LG, SS	C	–	–	–	GG	CG, SG, LG, SS	C
Mozambique	CG	CG	C	CG	CG	C	CG	CG	C
Myanmar[3]	NFPS	CG, NFPC	C	–	–	–	NFPS	CG, NFPC	C
Nepal	CG	CG	C	CG	CG	C	CG	CG	C
Nicaragua	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C	GG	CG, SG, LG, SS	C
Niger	CG	CG	A	–	–	–	CG	CG	A
Nigeria	GG	CG, LG, SS, EA	C	–	–	–	GG	CG, LG, SS, EA	C
Papua New Guinea	CG	CG	C	–	–	–	CG	CG	C
Rwanda	GG	CG, SG, LG	C/A	–	–	–	GG	CG, SG, LG	C/A
Senegal	CG	CG	C	CG	CG	C	CG	CG	C
Sudan	CG	CG	A	–	–	–	CG	CG	A
Tajikistan	GG	CG, LG, SS	C	–	–	–	GG	CG, LG, SS	C
Tanzania	CG	CG	C	–	–	–	CG	CG	C
Uganda	CG	CG	C	–	–	–	CG	CG	C
Uzbekistan[4]	GG	CG, SG, LG, SS, FC	C	–	–	–	GG	CG, SG, LG, SS, FC	C
Vietnam	GG	CG, SG, LG, FC	C	GG	CG, SG, LG, FC	C	GG	CG, SG, LG, FC	C
Yemen	GG	CG, LG	C	–	–	–	GG	CG, LG	C
Zambia	CG	CG	C	–	–	–	CG	CG	C
Zimbabwe	CG	CG	C	–	–	–	CG	CG	C

Note: Coverage: BA = budgetary central government; CG = central government; EA = extrabudgetary units; FC = financial public corporations; GG = general government; LG = local governments; MPC = monetary public corporations, including central bank; NFPC = nonfinancial public corporations; NFPS = nonfinancial public sector; NMPC = nonmonetary financial public corporations; PS = public sector; SG = state governments; SS = social security funds. Accounting standard: A = accrual; C = cash.

[1] For most countries, fiscal data follow the IMF's *Government Finance Statistics Manual* (*GFSM*) 2001. The concept of overall fiscal balance refers to net lending (+) / borrowing (–) of the general government. In some cases, however, the overall balance refers to total revenue and grants minus total expenditure and net lending.

[2] Lao P.D.R.'s fiscal spending includes capital spending by local governments financed by loans provided by the central bank.

[3] Overall and primary balances in 2012 are based on the monetary statistics, and different from the balances calculated from expenditure and revenue data.

[4] Includes the Fund for Reconstruction and Development.

Statistical Table 1. Advanced Economies: General Government Overall Balance
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	1.7	1.4	–1.1	–4.6	–5.1	–4.5	–3.5	–3.5	–3.3	–1.8	–1.0	–0.5	–0.2	0.2
Austria	–1.7	–1.0	–1.0	–4.1	–4.5	–2.4	–2.6	–1.5	–3.0	–1.5	–0.8	–0.7	–0.6	–0.5
Belgium	0.3	–0.1	–1.1	–5.6	–4.0	–4.0	–4.1	–2.7	–2.6	–2.2	–1.6	–0.9	–0.4	0.1
Canada	1.8	1.5	–0.3	–4.5	–4.9	–3.7	–3.4	–3.0	–2.6	–2.1	–1.7	–1.3	–1.1	–0.8
Cyprus	–1.2	3.5	0.9	–6.1	–5.3	–6.3	–6.4	–4.9	–4.4	–3.9	–1.3	–0.8	0.6	0.2
Czech Republic	–2.4	–0.7	–2.2	–5.8	–4.8	–3.3	–4.2	–1.5	–1.2	–1.4	–1.2	–1.1	–1.1	–1.0
Denmark	5.0	4.8	3.3	–2.8	–2.7	–2.0	–3.9	–0.9	–1.4	–3.0	–2.3	–1.6	–1.1	–0.8
Estonia	2.4	2.4	–2.9	–1.9	0.2	1.2	–0.2	–0.2	–0.3	–0.3	–0.1	0.3	0.4	0.6
Finland	3.9	5.1	4.2	–2.6	–2.7	–1.0	–2.2	–2.3	–2.4	–1.4	–0.9	–0.4	–0.1	0.1
France	–2.3	–2.5	–3.2	–7.2	–6.8	–5.1	–4.9	–4.2	–4.4	–4.3	–3.7	–2.9	–2.0	–1.0
Germany	–1.7	0.2	–0.1	–3.1	–4.2	–0.8	0.1	0.2	0.3	0.2	0.3	0.4	0.4	0.4
Greece	–6.2	–6.8	–9.9	–15.6	–11.0	–9.6	–6.4	–3.2	–2.7	–1.9	–0.6	–0.7	–0.9	–0.6
Hong Kong SAR	3.9	7.7	0.1	1.5	4.2	3.9	3.2	0.8	2.6	0.5	2.3	2.4	2.9	2.3
Iceland	6.3	5.4	–13.5	–9.9	–10.1	–5.6	–3.8	–2.1	1.9	–0.5	–1.3	–0.7	–0.4	–0.3
Ireland[1]	2.8	0.2	–7.1	–13.2	–29.3	–12.5	–7.8	–6.7	–4.2	–2.8	–1.7	–0.6	0.5	0.7
Israel	–2.2	–1.2	–3.3	–6.2	–4.6	–3.9	–5.1	–3.2	–2.9	–2.9	–2.5	–2.2	–2.0	–1.8
Italy	–3.4	–1.6	–2.7	–5.4	–4.4	–3.6	–2.9	–3.0	–3.0	–2.3	–1.2	–0.8	–0.6	–0.4
Japan	–3.7	–2.1	–4.1	–10.4	–9.3	–9.8	–8.7	–8.2	–7.1	–5.8	–4.6	–4.5	–4.6	–4.7
Korea	1.1	2.2	1.5	0.0	1.5	1.7	1.6	0.7	0.3	0.8	1.0	1.3	1.5	1.7
Latvia	–0.5	0.6	–7.5	–7.8	–7.3	–3.2	0.1	–1.1	–0.8	–0.7	–1.2	–1.3	–0.7	–0.6
Luxembourg	1.4	3.7	3.2	–0.7	–0.8	0.2	0.0	0.1	0.4	–1.5	–1.3	–1.7	–1.7	–2.0
Malta	–2.7	–2.3	–4.6	–3.7	–3.5	–2.7	–3.2	–2.8	–2.7	–2.4	–1.8	–1.8	–1.8	–1.8
Netherlands	0.5	0.2	0.5	–5.2	–4.7	–4.0	–3.7	–2.3	–2.5	–2.0	–1.8	–1.5	–1.1	–0.8
New Zealand	4.3	3.4	1.5	–1.5	–5.1	–4.9	–1.6	–0.7	–0.7	–0.4	0.2	0.8	1.1	1.1
Norway	18.3	17.3	18.8	10.5	11.1	13.4	13.8	11.0	10.8	9.9	9.1	8.3	7.6	6.9
Portugal	–3.8	–3.2	–3.7	–10.2	–9.9	–4.3	–6.5	–5.0	–4.0	–2.5	–2.3	–2.1	–1.9	–1.7
Singapore	7.0	11.8	6.4	–0.6	6.6	8.5	7.9	5.7	4.3	4.2	4.0	3.9	3.7	3.4
Slovak Republic	–3.2	–1.8	–2.1	–8.0	–7.5	–4.8	–4.5	–2.8	–2.9	–2.3	–1.3	–0.8	–0.7	–0.7
Slovenia	–0.8	0.3	–0.3	–5.4	–5.2	–5.5	–3.1	–13.8	–5.0	–3.9	–3.5	–3.4	–3.2	–3.0
Spain[1]	2.4	2.0	–4.5	–11.1	–9.6	–9.6	–10.6	–7.1	–5.7	–4.7	–3.8	–2.9	–2.2	–1.8
Sweden	2.2	3.5	2.2	–1.0	0.0	0.0	–0.7	–1.3	–2.0	–0.8	–0.1	0.4	1.1	1.5
Switzerland	0.9	1.3	1.8	0.5	0.2	0.3	0.3	0.2	0.5	0.7	1.0	1.0	1.0	0.9
United Kingdom	–2.8	–2.9	–5.0	–11.3	–10.0	–7.8	–8.0	–5.8	–5.3	–4.1	–2.9	–1.6	–0.5	–0.2
United States[2]	–2.4	–3.2	–7.0	–13.5	–11.3	–9.9	–8.6	–5.8	–5.5	–4.3	–4.2	–3.7	–3.7	–4.0
Average	–1.5	–1.3	–3.6	–9.0	–7.8	–6.5	–5.8	–4.3	–3.9	–3.1	–2.6	–2.2	–2.0	–1.9
Euro Area	–1.3	–0.7	–2.1	–6.3	–6.2	–4.1	–3.7	–3.0	–2.9	–2.5	–1.9	–1.4	–1.0	–0.7
G7	–2.4	–2.3	–4.7	–10.3	–9.0	–7.7	–6.8	–5.1	–4.7	–3.8	–3.3	–2.9	–2.7	–2.7
G20 advanced	–2.2	–2.0	–4.4	–9.8	–8.5	–7.2	–6.4	–4.8	–4.5	–3.6	–3.1	–2.6	–2.4	–2.4

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: For country-specific details, see Data and Conventions in text, and Table A.

[1] Including financial sector support, estimated for Spain at 0.04 percent of GDP for 2010, 0.5 percent of GDP for 2011, 3.8 percent of GDP for 2012, and 0.5 percent of GDP in 2013.

[2] For cross-country comparability, expenditure and fiscal balances of the United States are adjusted to exclude the imputed interest on unfunded pension liabilities and the imputed compensation of employees, which is counted as expenditure under the 2008 System of National Accounts (2008 SNA) recently adopted by the United States, but not so in countries that have not yet adopted the 2008 SNA. Data for the United States in this table may thus differ from data published by the U. S. Bureau of Economic Analysis. See Box 1.1 in the April 2014 *Fiscal Monitor* for details.

Statistical Table 2. Advanced Economies: General Government Primary Balance

(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	1.4	1.2	–1.2	–4.5	–4.8	–4.0	–2.8	–2.8	–2.6	–1.0	–0.2	0.3	0.6	1.0
Austria	0.5	1.0	1.1	–1.9	–2.3	–0.3	–0.4	0.6	–0.9	0.6	1.3	1.5	1.6	1.7
Belgium	4.1	3.6	2.5	–2.2	–0.7	–0.7	–0.9	0.4	0.3	0.5	1.1	1.6	2.2	2.8
Canada	2.4	2.0	–0.2	–3.7	–4.3	–3.3	–2.8	–2.7	–2.1	–1.6	–1.1	–0.8	–0.6	–0.5
Cyprus	1.5	5.9	3.4	–3.9	–3.6	–4.5	–3.6	–1.9	–1.0	–1.0	1.7	2.5	4.0	4.0
Czech Republic	–1.7	0.0	–1.5	–4.8	–3.6	–2.0	–2.9	–0.2	0.0	–0.2	0.0	0.1	0.0	0.1
Denmark	5.8	5.3	3.4	–2.4	–2.2	–1.5	–3.5	–0.5	–0.8	–2.5	–1.8	–1.2	–0.7	–0.4
Estonia	2.2	2.0	–3.3	–2.2	0.1	1.1	–0.2	–0.2	–0.3	–0.3	–0.1	0.3	0.5	0.6
Finland	3.6	4.5	3.3	–3.2	–2.8	–1.2	–2.2	–2.4	–2.5	–1.6	–1.2	–0.7	–0.6	–0.4
France	0.0	–0.1	–0.5	–4.9	–4.5	–2.6	–2.4	–2.1	–2.3	–2.2	–1.7	–0.9	0.0	1.0
Germany	0.8	2.7	2.3	–0.8	–2.0	1.1	1.9	1.8	1.5	1.5	1.6	1.7	1.8	1.6
Greece	–1.6	–2.0	–4.8	–10.5	–5.1	–2.4	–1.3	0.8	1.5	3.0	4.5	4.5	4.2	4.2
Hong Kong SAR	3.6	7.4	–0.3	1.3	4.0	3.7	3.0	0.6	2.4	0.3	2.2	2.3	2.8	2.2
Iceland	6.7	5.7	–13.5	–6.5	–6.6	–1.9	0.3	1.6	5.1	2.2	1.6	1.9	2.0	2.2
Ireland[1]	3.5	0.8	–6.4	–11.8	–26.8	–9.9	–4.7	–2.9	–0.3	1.2	2.3	3.3	4.3	4.4
Israel	2.9	3.5	0.8	–2.2	–0.7	–0.2	–1.4	–0.3	0.0	–0.6	–0.4	–0.3	–0.1	0.0
Italy	1.0	3.1	2.2	–1.0	–0.1	1.0	2.3	2.0	1.9	2.9	4.2	4.5	4.9	5.0
Japan	–3.7	–2.1	–3.8	–9.9	–8.6	–9.0	–7.8	–7.4	–6.3	–5.0	–3.7	–3.4	–3.1	–2.9
Korea	2.3	1.4	1.2	–0.7	0.8	0.9	0.8	–0.2	–0.4	0.1	0.5	1.1	1.3	1.4
Latvia	–0.1	0.9	–7.4	–7.2	–6.3	–2.2	1.3	0.0	0.7	0.5	0.0	–0.2	0.4	0.7
Luxembourg	0.6	2.7	2.0	–1.2	–1.0	–0.1	–0.1	–0.1	0.2	–1.5	–1.3	–1.6	–1.6	–1.8
Malta	0.7	0.9	–1.5	–0.6	–0.6	0.3	–0.2	0.2	0.4	0.7	1.3	1.3	1.3	1.3
Netherlands	2.0	1.7	2.0	–3.7	–3.4	–2.7	–2.6	–1.2	–1.4	–1.1	–0.9	–0.6	–0.2	0.1
New Zealand	3.9	3.1	1.2	–2.0	–5.4	–4.8	–1.4	–0.6	–0.6	–0.3	0.2	0.8	1.1	1.1
Norway	16.1	14.4	15.8	8.1	9.0	11.3	11.9	9.2	9.0	8.1	7.3	6.5	5.8	5.2
Portugal	–1.3	–0.6	–1.0	–7.5	–7.2	–0.6	–2.5	–0.6	0.3	1.8	2.1	2.5	2.7	3.0
Singapore	5.6	10.4	5.0	–2.0	5.1	7.1	6.5	4.2	2.9	2.7	2.6	2.5	2.3	2.0
Slovak Republic	–2.3	–0.8	–1.2	–6.9	–6.4	–3.4	–2.9	–1.0	–1.2	–0.7	0.3	0.9	0.9	0.9
Slovenia	0.3	1.2	0.5	–4.6	–4.0	–4.2	–1.4	–11.6	–1.6	–0.1	0.3	0.6	0.9	1.1
Spain[1]	3.7	3.1	–3.4	–9.7	–8.0	–7.5	–8.0	–4.1	–2.7	–1.6	–0.7	0.2	0.9	1.3
Sweden	3.0	4.2	2.7	–0.7	0.2	0.3	–0.7	–1.4	–2.0	–0.7	–0.1	0.4	1.0	1.4
Switzerland	1.9	2.1	2.4	1.1	0.8	1.0	1.0	0.9	1.1	1.4	1.6	1.5	1.5	1.5
United Kingdom	–1.3	–1.3	–3.5	–9.8	–7.4	–5.0	–5.6	–4.5	–3.5	–1.9	–0.3	1.3	2.5	2.9
United States	–0.4	–1.1	–5.0	–11.6	–9.2	–7.6	–6.3	–3.6	–3.4	–2.2	–2.0	–1.5	–1.2	–1.2
Average	0.2	0.4	–2.0	–7.4	–6.1	–4.6	–3.9	–2.6	–2.2	–1.4	–0.8	–0.3	0.0	0.2
Euro Area	1.2	1.9	0.5	–3.8	–3.7	–1.5	–1.0	–0.5	–0.4	0.0	0.7	1.1	1.5	1.9
G7	–0.6	–0.3	–2.7	–8.4	–7.1	–5.6	–4.7	–3.1	–2.8	–1.8	–1.3	–0.7	–0.4	–0.2
G20 advanced	–0.5	–0.2	–2.6	–8.1	–6.7	–5.3	–4.5	–3.0	–2.7	–1.7	–1.2	–0.6	–0.3	–0.1

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: Primary balance is defined as the overall balance excluding net interest payments. For country-specific details, see Data and Conventions in text, and Table A.

[1] Including financial sector support, estimated for Spain at 0.04 percent of GDP for 2010, 0.5 percent of GDP for 2011, 3.8 percent of GDP for 2012, and 0.5 percent of GDP in 2013.

Statistical Table 3. Advanced Economies: General Government Cyclically Adjusted Balance

(Percent of potential GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	1.7	1.2	–1.4	–4.5	–4.9	–4.4	–3.5	–3.3	–3.0	–1.8	–1.0	–0.5	–0.2	0.2
Austria	–2.4	–2.7	–2.7	–3.2	–3.8	–2.5	–2.4	–0.9	–2.2	–1.0	–0.5	–0.5	–0.5	–0.5
Belgium	–0.3	–1.4	–2.1	–4.8	–3.7	–4.1	–3.8	–1.9	–1.8	–1.5	–1.0	–0.4	0.1	0.5
Canada	0.9	0.6	–0.7	–2.9	–4.0	–3.1	–2.7	–2.4	–2.1	–1.8	–1.5	–1.2	–1.1	–0.9
Cyprus	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Czech Republic	–4.0	–2.6	–4.1	–4.8	–4.3	–3.3	–3.7	–0.5	–0.5	–1.3	–1.1	–1.1	0.0	0.0
Denmark	4.2	3.8	2.2	–1.9	–1.4	–0.8	–2.6	0.2	–0.5	–2.3	–1.9	–1.5	–1.1	–0.9
Estonia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Finland	2.2	2.1	1.6	0.1	–1.3	–0.9	–1.1	–0.2	–0.1	0.3	0.3	0.4	0.4	0.3
France	–3.1	–3.7	–3.7	–5.4	–5.6	–4.6	–4.1	–3.1	–2.9	–2.8	–2.4	–1.9	–1.2	–0.5
Germany	–2.2	–1.1	–1.4	–1.2	–3.5	–1.3	–0.1	0.5	0.7	0.4	0.4	0.4	0.4	0.4
Greece	–8.7	–10.8	–14.3	–19.1	–12.3	–8.3	–2.3	1.6	1.6	1.2	1.2	0.4	–0.5	–0.9
Hong Kong SAR[1]	1.7	4.0	–0.5	–0.9	0.9	1.2	0.7	–1.0	0.3	–1.0	0.9	1.2	1.6	0.9
Iceland	4.8	3.3	–17.9	–9.7	–7.3	–4.3	–2.7	–1.8	1.9	–0.8	–1.6	–0.7	–0.4	–0.3
Ireland[1]	–5.2	–9.3	–12.1	–9.5	–7.9	–6.5	–5.1	–4.1	–3.3	–2.2	–1.3	–0.5	0.5	0.7
Israel	–2.1	–2.0	–3.9	–5.9	–5.0	–4.5	–5.5	–3.4	–2.7	–2.5	–2.2	–2.0	–1.8	–1.6
Italy	–4.9	–3.5	–3.7	–3.6	–3.6	–3.0	–1.5	–0.8	–0.8	–0.5	0.0	0.0	0.0	0.0
Japan	–3.5	–2.2	–3.5	–7.4	–7.8	–8.3	–7.6	–7.6	–6.7	–5.5	–4.4	–4.5	–4.6	–4.7
Korea	0.9	1.7	1.3	0.5	1.4	1.6	1.7	0.9	0.6	0.7	1.0	1.3	1.5	1.7
Latvia	. . .	–1.0	–8.9	–3.3	–3.2	–1.3	0.8	–0.9	–0.7	–0.7	–1.3	–0.6	–0.7	–0.6
Luxembourg	1.1	1.9	2.1	0.9	–0.4	0.3	0.9	0.6	0.4	–1.3	–1.2	–1.6	–1.7	–2.0
Malta	–2.2	–2.8	–6.1	–2.8	–3.7	–2.7	–2.8	–2.7	–2.7	–2.5	–1.9	–1.9	–1.9	–1.8
Netherlands	0.2	–1.1	–0.8	–4.5	–3.9	–3.6	–2.2	0.2	0.1	0.0	–0.1	–0.1	–0.2	–0.1
New Zealand	3.1	2.6	1.3	–1.0	–4.5	–4.4	–1.4	–0.7	–0.9	–0.6	0.1	0.8	1.2	1.3
Norway[1]	–3.6	–3.5	–3.5	–5.9	–5.7	–4.8	–5.2	–5.4	–6.1	–6.5	–6.6	–6.6	–6.7	–6.7
Portugal	–3.8	–4.0	–4.2	–9.3	–9.6	–3.5	–4.5	–2.6	–2.4	–1.5	–1.8	–1.9	–1.9	–1.8
Singapore	7.0	11.5	6.6	0.9	6.1	8.0	7.9	5.4	4.3	4.1	4.0	3.9	3.7	3.3
Slovak Republic	–3.9	–4.1	–4.7	–7.5	–7.6	–4.7	–4.1	–1.8	–2.0	–1.5	–0.7	–0.4	–0.5	–0.7
Slovenia	–1.9	–2.4	–3.2	–4.3	–4.5	–3.6	–1.7	–1.6	–2.3	–2.7	–2.9	–3.0	–3.0	–3.0
Spain[1]	1.6	0.8	–5.3	–9.5	–7.8	–7.3	–4.4	–3.7	–3.4	–2.9	–2.4	–2.0	–1.6	–1.6
Sweden[1]	0.4	1.4	1.5	1.7	0.3	–0.2	–0.4	–0.9	–1.5	–0.6	–0.2	0.3	0.9	1.4
Switzerland[1]	0.9	0.8	1.4	1.1	0.2	0.3	0.6	0.4	0.8	1.1	1.3	1.2	1.2	1.1
United Kingdom[1]	–4.7	–5.3	–6.7	–10.3	–8.4	–6.0	–5.8	–3.8	–4.1	–3.6	–2.7	–1.4	–0.4	–0.2
United States[1,2]	–2.8	–3.5	–5.3	–7.2	–9.1	–7.8	–6.3	–4.8	–4.0	–3.3	–3.4	–3.3	–3.5	–4.0
Average	–2.4	–2.4	–3.8	–5.9	–6.6	–5.5	–4.5	–3.4	–3.0	–2.5	–2.2	–2.0	–2.0	–2.0
Euro Area	–2.3	–2.2	–3.3	–4.7	–4.9	–3.7	–2.7	–1.3	–1.2	–1.0	–0.8	–0.6	–0.4	–0.2
G7	–3.0	–3.1	–4.3	–6.2	–7.4	–6.3	–5.3	–4.0	–3.5	–3.0	–2.7	–2.5	–2.5	–2.6
G20 advanced	–2.8	–2.8	–4.0	–6.0	–7.1	–6.0	–5.0	–3.8	–3.3	–2.8	–2.5	–2.3	–2.2	–2.3

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

[1] Including adjustments beyond the output cycle. For country-specific details, see Data and Conventions in text, and Table A.

[2] For cross-country comparability, expenditure and fiscal balances of the United States are adjusted to exclude the imputed interest on unfunded pension liabilities and the imputed compensation of employees, which is counted as expenditure under the 2008 System of National Accounts (2008 SNA) recently adopted by the United States, but not so in countries that have not yet adopted the 2008 SNA. Data for the United States in this table may thus differ from data published by the U. S. Bureau of Economic Analysis. See Box 1.1 in the April 2014 *Fiscal Monitor* for details.

Statistical Table 4. Advanced Economies: General Government Cyclically Adjusted Primary Balance

(Percent of potential GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	1.4	1.0	–1.4	–4.4	–4.6	–3.9	–2.8	–2.5	–2.2	–1.0	–0.2	0.3	0.6	1.0
Austria	–0.2	–0.6	–0.6	–1.0	–1.6	–0.3	–0.2	1.2	–0.1	1.1	1.6	1.7	1.7	1.7
Belgium	3.5	2.4	1.5	–1.4	–0.4	–0.8	–0.5	1.1	1.0	1.2	1.7	2.2	2.6	3.2
Canada	1.5	1.2	–0.6	–2.0	–3.4	–2.7	–2.1	–2.0	–1.6	–1.3	–1.0	–0.7	–0.6	–0.5
Cyprus	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Czech Republic	–3.2	–1.9	–3.3	–3.8	–3.2	–2.1	–2.5	0.7	0.7	–0.1	0.1	0.1	1.1	1.1
Denmark	5.0	4.3	2.3	–1.6	–0.9	–0.3	–2.1	0.5	0.1	–1.8	–1.4	–1.1	–0.7	–0.5
Estonia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Finland	1.9	1.5	0.7	–0.5	–1.5	–1.1	–1.2	–0.4	–0.2	0.1	0.1	0.1	–0.1	–0.1
France	–0.7	–1.2	–1.0	–3.2	–3.4	–2.1	–1.7	–1.0	–0.9	–0.8	–0.4	0.1	0.8	1.5
Germany	0.3	1.4	1.1	1.0	–1.4	0.7	1.7	2.1	1.9	1.7	1.7	1.7	1.8	1.6
Greece	–3.7	–5.6	–8.6	–13.6	–6.2	–1.3	2.3	5.1	5.4	5.7	6.1	5.5	4.6	4.0
Hong Kong SAR[1]	1.3	3.7	–0.9	–1.0	0.8	1.0	0.5	–1.1	0.2	–1.2	0.8	1.1	1.4	0.8
Iceland	5.2	3.7	–17.9	–6.4	–4.0	–0.7	1.3	1.8	5.1	1.9	1.4	1.9	2.0	2.2
Ireland[1]	–4.4	–8.6	–11.4	–8.2	–5.5	–4.0	–2.1	–0.4	0.5	1.8	2.7	3.4	4.3	4.4
Israel	3.0	2.7	0.3	–1.9	–1.1	–0.8	–1.7	–0.5	0.2	–0.3	–0.1	0.0	0.1	0.2
Italy	–0.3	1.4	1.2	0.6	0.6	1.5	3.6	4.0	4.0	4.6	5.3	5.3	5.4	5.4
Japan	–3.6	–2.2	–3.2	–6.9	–7.2	–7.5	–6.7	–6.8	–5.9	–4.7	–3.5	–3.3	–3.1	–2.9
Korea	2.2	1.0	0.9	–0.2	0.7	0.8	0.9	0.1	–0.2	0.1	0.5	1.1	1.3	1.4
Latvia	. . .	–0.7	–8.8	–2.7	–2.3	–0.5	2.0	0.2	0.7	0.4	–0.1	0.5	0.4	0.7
Luxembourg	0.3	0.9	0.9	0.4	–0.6	0.0	0.7	0.4	0.3	–1.4	–1.2	–1.6	–1.6	–1.8
Malta	1.3	0.5	–2.9	0.2	–0.8	0.3	0.3	0.3	0.4	0.6	1.2	1.2	1.2	1.3
Netherlands	1.7	0.5	0.7	–3.0	–2.6	–2.3	–1.1	1.2	1.1	0.9	0.8	0.8	0.7	0.8
New Zealand	2.7	2.3	1.0	–1.4	–4.8	–4.3	–1.2	–0.6	–0.8	–0.5	0.2	0.8	1.2	1.2
Norway[1]	–6.7	–7.6	–7.7	–9.1	–8.6	–7.6	–7.7	–7.8	–8.5	–8.8	–8.9	–8.9	–8.9	–8.9
Portugal	–1.3	–1.3	–1.5	–6.7	–6.9	0.1	–0.8	1.5	1.9	2.8	2.6	2.7	2.8	2.9
Singapore	5.5	10.0	5.1	–0.5	4.6	6.5	6.4	3.9	2.8	2.6	2.5	2.4	2.2	1.8
Slovak Republic	–3.0	–3.1	–3.8	–6.5	–6.4	–3.3	–2.5	–0.1	–0.3	0.1	1.0	1.3	1.1	0.9
Slovenia	–0.8	–1.4	–2.4	–3.4	–3.3	–2.3	–0.1	0.6	1.0	1.0	0.9	0.9	1.1	1.1
Spain[1]	2.9	1.9	–4.2	–8.2	–6.3	–5.3	–2.0	–1.0	–0.5	0.1	0.6	1.1	1.4	1.5
Sweden[1]	1.2	2.1	1.9	1.9	0.5	0.1	–0.4	–1.0	–1.5	–0.6	–0.2	0.2	0.9	1.3
Switzerland[1]	1.9	1.6	2.0	1.8	0.9	1.0	1.3	1.2	1.6	1.8	2.0	1.8	1.8	1.7
United Kingdom[1]	–3.1	–3.7	–5.1	–8.9	–6.0	–3.2	–3.5	–2.4	–2.3	–1.5	–0.1	1.4	2.6	2.8
United States[1]	–0.8	–1.4	–3.3	–5.4	–7.2	–5.6	–4.1	–2.7	–1.9	–1.3	–1.3	–1.1	–1.1	–1.2
Average	–0.7	–0.7	–2.1	–4.3	–4.9	–3.7	–2.7	–1.8	–1.3	–0.8	–0.5	–0.2	0.0	0.1
Euro Area	0.4	0.5	–0.6	–2.3	–2.5	–1.1	–0.1	1.2	1.2	1.4	1.7	1.9	2.1	2.3
G7	–1.2	–1.1	–2.3	–4.5	–5.5	–4.2	–3.2	–2.2	–1.6	–1.0	–0.7	–0.4	–0.2	–0.2
G20 advanced	–1.0	–1.0	–2.2	–4.4	–5.3	–4.1	–3.1	–2.1	–1.6	–1.0	–0.6	–0.3	–0.1	–0.1

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: Cyclically adjusted primary balance is defined as the cyclically adjusted balance excluding net interest payments.

[1] Including adjustments beyond the output cycle. For country-specific details, see Data and Conventions in text, and Table A.

Statistical Table 5. Advanced Economies: General Government Revenue

(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	36.4	35.8	33.9	33.4	32.0	32.1	33.3	33.9	34.3	34.7	35.0	35.3	35.9	36.4
Austria	47.5	47.6	48.3	48.5	48.3	48.3	49.1	49.7	49.7	49.6	49.6	49.6	49.6	49.6
Belgium	48.8	48.1	48.7	48.1	48.7	49.6	51.0	51.8	51.5	51.5	51.6	51.7	51.7	51.8
Canada	44.0	43.6	42.4	42.7	42.4	42.1	41.5	41.4	41.5	41.7	41.9	42.0	42.1	42.3
Cyprus	42.1	45.0	43.1	40.1	40.9	39.9	39.4	41.5	42.3	41.8	42.1	41.5	41.7	41.9
Czech Republic	39.6	40.3	38.9	38.9	39.1	40.0	40.3	40.9	41.3	40.8	40.0	39.9	39.8	39.9
Denmark	56.8	55.7	54.9	55.2	54.8	55.5	55.3	56.0	54.3	51.9	51.9	51.8	51.8	51.8
Estonia	35.7	36.0	36.1	42.3	39.8	38.4	38.7	37.5	38.3	38.4	38.5	38.6	38.6	38.5
Finland	51.2	50.8	51.3	50.8	50.6	51.9	52.6	53.8	54.2	54.8	54.9	55.1	55.0	55.0
France	50.2	49.7	49.8	49.6	49.6	50.8	51.8	52.9	52.7	52.2	52.1	51.9	51.9	51.9
Germany	43.7	43.7	44.0	45.2	43.7	44.3	44.8	44.7	44.4	44.2	44.1	44.1	44.0	44.0
Greece	39.2	40.7	40.7	38.3	40.4	42.2	43.8	44.0	44.6	43.2	42.4	42.2	42.2	42.2
Hong Kong SAR	19.0	22.2	17.8	18.0	21.1	23.0	21.7	20.9	20.8	21.1	20.8	20.7	20.9	21.0
Iceland	48.0	47.7	44.1	41.0	41.5	41.8	43.6	44.2	48.7	46.0	45.0	44.8	43.7	43.6
Ireland	36.1	35.5	34.1	33.3	33.4	32.3	32.8	33.7	33.8	33.9	33.6	33.2	33.3	33.3
Israel	42.9	42.1	39.5	36.5	37.3	37.8	36.5	37.3	37.4	37.4	37.5	37.8	37.8	37.9
Italy	48.4	49.5	49.4	50.2	49.9	49.8	51.5	51.5	51.9	51.9	52.1	52.2	52.2	52.1
Japan	30.8	31.2	31.6	29.6	29.6	30.8	31.2	31.8	32.7	33.6	34.7	35.0	35.4	35.8
Korea	21.3	22.6	22.3	21.3	21.0	21.6	22.1	21.6	21.6	21.6	21.6	21.7	21.8	21.8
Latvia	36.1	36.3	35.6	36.2	36.0	35.6	37.0	35.9	35.4	34.7	32.6	31.6	31.5	31.3
Luxembourg	39.9	39.9	42.3	44.5	42.8	42.7	44.0	43.6	43.9	43.0	42.8	42.6	42.7	42.4
Malta	40.4	39.5	38.7	38.8	37.7	38.6	39.7	40.6	41.1	40.9	40.6	40.6	40.6	40.6
Netherlands	43.4	42.7	43.7	42.5	43.0	42.5	43.4	44.4	43.8	43.2	43.2	43.1	43.0	42.9
New Zealand	38.8	37.3	36.9	35.5	34.9	34.9	34.8	34.7	34.2	34.5	34.6	34.8	34.9	34.9
Norway	58.3	57.5	58.4	56.5	56.0	57.0	56.9	55.2	55.1	54.7	54.5	54.2	54.0	53.9
Portugal	40.6	41.1	41.1	39.6	41.6	45.0	40.9	43.7	43.6	43.6	43.5	43.1	42.6	42.1
Singapore	19.8	23.8	24.0	17.3	21.2	23.4	22.5	22.3	21.9	22.0	22.1	22.3	22.5	22.7
Slovak Republic	33.3	32.4	32.8	33.5	32.3	34.1	33.7	35.9	35.4	34.2	33.2	33.1	32.9	32.8
Slovenia	41.1	39.8	40.4	39.8	40.8	40.6	41.7	40.7	42.7	42.1	42.1	42.0	42.0	42.0
Spain	40.7	41.1	36.9	35.1	36.7	36.2	37.2	37.8	38.2	38.2	38.5	38.7	38.8	38.5
Sweden	54.9	54.5	53.9	54.0	52.3	51.5	51.4	51.7	50.3	50.9	51.2	51.2	51.2	51.2
Switzerland	35.4	34.7	33.1	33.7	32.9	33.5	33.1	33.2	33.5	33.9	33.9	33.9	33.9	33.0
United Kingdom	37.3	37.0	37.4	35.6	36.2	36.9	37.0	38.0	37.2	37.3	37.4	37.5	37.6	37.6
United States	31.5	31.7	30.2	28.4	28.8	29.1	29.2	30.9	31.4	32.0	31.9	31.8	31.6	31.5
Average	37.0	37.4	36.9	35.5	35.4	36.0	36.0	37.0	37.2	37.4	37.4	37.4	37.3	37.3
Euro Area	46.1	46.1	45.9	45.9	45.9	46.3	47.2	47.7	47.6	47.4	47.3	47.3	47.3	47.2
G7	36.3	36.7	36.2	34.8	34.7	35.4	35.4	36.6	36.9	37.2	37.2	37.2	37.1	37.1
G20 advanced	35.8	36.2	35.8	34.4	34.2	34.8	34.8	35.9	36.2	36.5	36.5	36.5	36.4	36.4

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: For country-specific details, see Data and Conventions in text, and Table A.

Statistical Table 6. Advanced Economies: General Government Expenditure

(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	34.7	34.4	35.1	38.0	37.1	36.6	36.8	37.4	37.6	36.6	36.0	35.9	36.0	36.2
Austria	49.1	48.6	49.3	52.6	52.8	50.8	51.6	51.2	52.7	51.1	50.4	50.3	50.1	50.2
Belgium	48.5	48.2	49.8	53.7	52.6	53.6	55.1	54.5	54.1	53.7	53.2	52.6	52.1	51.7
Canada	42.2	42.1	42.7	47.2	47.3	45.8	44.8	44.5	44.0	43.8	43.6	43.3	43.2	43.1
Cyprus	43.3	41.5	42.1	46.2	46.2	46.3	45.8	46.4	46.7	45.7	43.3	42.3	41.1	41.7
Czech Republic	42.0	41.0	41.1	44.7	43.8	43.2	44.5	42.3	42.5	42.2	41.1	41.0	41.0	41.0
Denmark	51.7	50.9	51.6	58.0	57.5	57.5	59.2	56.9	55.7	54.9	54.2	53.4	52.9	52.6
Estonia	33.3	33.6	39.0	44.3	39.6	37.2	39.0	37.7	38.7	38.7	38.6	38.4	38.1	37.9
Finland	47.2	45.7	47.2	53.4	53.3	52.9	54.8	56.1	56.6	56.1	55.8	55.5	55.1	54.9
France	52.5	52.2	53.0	56.8	56.4	55.9	56.7	57.2	57.1	56.5	55.8	54.8	53.9	53.0
Germany	45.3	43.5	44.1	48.3	47.9	45.2	44.7	44.5	44.2	44.0	43.8	43.7	43.6	43.6
Greece	45.4	47.5	50.6	54.0	51.4	51.9	50.2	47.2	47.3	45.1	43.0	42.9	43.0	42.8
Hong Kong SAR	15.1	14.6	17.7	16.5	16.9	19.1	18.5	20.2	18.2	20.6	18.5	18.2	18.0	18.7
Iceland	41.6	42.3	57.7	51.0	51.6	47.4	47.4	46.3	46.9	46.5	46.4	45.5	44.1	43.9
Ireland	33.3	35.4	41.2	46.5	62.8	44.8	40.6	40.4	38.1	36.7	35.3	33.7	32.8	32.6
Israel	45.1	43.3	42.9	42.7	41.9	41.8	41.6	40.5	40.3	40.3	40.0	40.0	39.8	39.7
Italy	51.9	51.0	52.1	55.7	54.3	53.4	54.4	54.5	55.0	54.2	53.4	53.1	52.7	52.4
Japan	34.5	33.3	35.7	40.0	38.9	40.6	39.9	40.0	39.8	39.4	39.3	39.6	40.0	40.5
Korea	20.3	20.5	20.8	21.3	19.5	19.9	20.6	20.9	21.3	20.8	20.6	20.4	20.2	20.0
Latvia	36.6	35.7	43.1	44.1	43.4	38.8	36.9	37.1	36.2	35.4	33.8	32.9	32.2	31.9
Luxembourg	38.6	36.3	39.1	45.2	43.5	42.6	43.9	43.5	43.5	44.5	44.2	44.3	44.4	44.5
Malta	43.2	41.8	43.3	42.5	41.1	41.4	42.9	43.4	43.8	43.3	42.4	42.4	42.4	42.4
Netherlands	42.9	42.5	43.2	47.7	47.7	46.5	47.2	46.7	46.2	45.2	45.0	44.6	44.2	43.7
New Zealand	34.4	33.9	35.4	37.1	40.0	39.7	36.4	35.4	34.8	34.9	34.4	34.0	33.7	33.8
Norway	40.0	40.2	39.6	45.9	44.9	43.7	43.1	44.2	44.3	44.9	45.4	46.0	46.5	46.9
Portugal	44.3	44.4	44.8	49.8	51.5	49.3	47.4	48.7	47.6	46.1	45.9	45.2	44.5	43.8
Singapore	12.8	12.0	17.6	17.9	14.6	14.8	14.6	16.6	17.6	17.9	18.0	18.4	18.8	19.2
Slovak Republic	36.5	34.2	34.9	41.6	39.8	38.9	38.2	38.7	38.3	36.5	34.6	33.9	33.7	33.5
Slovenia	41.9	39.6	40.7	45.3	46.1	46.1	44.8	54.5	47.6	46.0	45.6	45.4	45.2	45.0
Spain	38.3	39.2	41.4	46.2	46.3	45.7	47.8	44.9	43.9	42.9	42.3	41.7	41.0	40.3
Sweden	52.7	51.0	51.7	54.9	52.3	51.5	52.1	53.0	52.4	51.6	51.3	50.8	50.1	49.7
Switzerland	34.4	33.4	31.3	33.2	32.8	33.2	32.8	32.9	33.1	33.2	33.0	33.0	33.0	32.1
United Kingdom	40.1	39.8	42.4	46.8	46.2	44.7	45.0	43.8	42.5	41.5	40.3	39.1	38.1	37.8
United States	33.9	34.9	37.2	41.9	40.1	39.0	37.8	36.6	36.9	36.3	36.0	35.5	35.3	35.5
Average	38.5	38.6	40.5	44.5	43.2	42.4	41.8	41.3	41.2	40.5	40.1	39.6	39.3	39.2
Euro Area	47.4	46.8	48.1	52.3	52.1	50.5	50.9	50.8	50.5	49.8	49.2	48.8	48.3	47.9
G7	38.7	38.9	40.9	45.1	43.7	43.0	42.2	41.6	41.6	41.0	40.5	40.1	39.8	39.8
G20 advanced	38.0	38.2	40.2	44.2	42.7	42.0	41.2	40.7	40.7	40.0	39.6	39.1	38.8	38.8

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: For country-specific details, see Data and Conventions in text, and Table A.

Statistical Table 7. Advanced Economies: General Government Gross Debt

(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia[1]	10.0	9.7	11.7	16.7	20.5	24.3	27.1	28.6	30.6	30.7	30.2	29.4	28.0	26.2
Austria	62.3	60.2	63.8	69.2	72.5	73.1	74.4	74.5	80.1	78.6	76.9	75.0	73.3	71.8
Belgium	87.9	84.0	89.2	96.6	96.6	99.2	101.1	101.2	101.9	101.7	100.5	98.8	96.7	94.2
Canada[1]	70.4	66.7	70.8	83.0	84.6	85.9	88.1	88.8	88.1	86.8	85.4	84.2	83.6	83.1
Cyprus	65.4	58.8	48.9	58.5	61.3	71.5	86.6	111.5	117.4	126.0	122.5	116.4	111.1	106.5
Czech Republic	28.3	27.9	28.7	34.6	38.4	41.4	46.2	46.0	44.4	44.4	44.2	43.6	43.0	42.3
Denmark	32.1	27.1	33.4	40.7	42.8	46.4	45.4	44.5	45.1	46.6	47.3	47.1	46.5	45.6
Estonia	4.4	3.6	4.5	7.0	6.5	6.1	9.7	9.8	10.2	10.4	10.3	9.7	9.1	8.2
Finland	38.1	33.9	32.5	41.5	46.6	47.3	51.8	54.7	57.9	59.3	59.7	59.5	59.2	58.3
France	63.2	63.2	67.0	78.0	80.8	84.4	88.7	91.8	95.2	97.7	98.9	99.0	97.9	95.9
Germany	68.0	65.2	66.8	74.6	82.5	80.0	81.0	78.4	75.5	72.5	69.3	66.2	63.2	60.5
Greece	107.5	107.2	112.9	129.7	148.3	170.3	157.2	175.1	174.2	171.0	160.5	152.0	144.6	135.3
Hong Kong SAR[1]	4.6	4.3	3.8	4.6	5.5	6.1	6.8	6.7	6.5	6.3	6.2	6.0	5.8	5.6
Iceland	30.0	28.5	70.4	87.9	93.0	99.3	96.9	89.9	86.4	88.2	81.4	76.9	72.6	68.7
Ireland	23.8	24.0	42.6	62.2	87.4	98.9	111.4	116.1	112.4	111.7	108.7	105.8	101.7	97.5
Israel	81.0	73.9	72.7	75.0	71.1	69.7	68.3	67.6	67.4	67.1	66.4	65.4	64.3	62.9
Italy	106.3	103.3	106.1	116.4	119.3	120.7	127.0	132.5	136.7	136.4	134.1	131.4	128.7	125.6
Japan	186.0	183.0	191.8	210.2	216.0	229.8	237.3	243.2	245.1	245.5	243.9	243.3	242.1	241.3
Korea	29.3	28.7	28.0	31.2	31.0	31.7	32.3	33.9	35.4	36.2	36.3	36.1	35.6	34.9
Latvia	9.9	7.8	17.2	32.9	39.7	37.5	36.4	35.0	36.0	35.3	34.1	33.6	31.9	30.8
Luxembourg	6.7	6.7	14.4	15.5	19.5	18.7	21.7	23.1	24.2	26.5	28.4	30.7	32.9	35.2
Malta	62.5	60.7	60.9	66.5	65.9	68.8	70.5	72.2	71.9	71.3	70.3	69.6	69.0	68.5
Netherlands	44.6	42.5	54.7	56.4	59.0	61.3	66.5	68.6	69.4	69.6	68.8	67.5	66.7	65.4
New Zealand	19.3	17.2	20.1	25.7	31.9	37.0	37.5	36.1	34.9	34.5	35.0	33.7	30.6	28.1
Norway	53.7	50.5	48.6	43.3	43.3	29.0	29.5	29.5	29.5	29.5	29.5	29.5	29.5	29.5
Portugal	63.7	68.4	71.7	83.7	94.0	108.2	124.1	128.9	131.3	128.7	126.5	124.1	121.8	119.3
Singapore	85.1	84.7	95.3	99.3	97.4	101.8	106.6	103.5	103.1	101.0	99.3	97.6	95.9	97.3
Slovak Republic	30.5	29.4	27.9	35.6	41.0	43.6	52.7	55.4	55.7	55.7	54.5	52.7	50.9	49.3
Slovenia	26.0	22.7	21.6	34.4	37.9	46.2	53.3	70.0	77.4	75.6	77.3	78.7	79.6	80.2
Spain	39.7	36.3	40.2	54.0	61.7	70.5	85.9	93.9	98.6	101.1	102.1	102.1	101.1	99.6
Sweden	45.2	40.2	38.8	42.6	39.4	38.6	38.3	40.5	42.2	41.3	39.3	36.8	33.7	30.4
Switzerland	62.4	55.6	50.5	49.8	48.9	49.1	49.2	48.3	47.2	46.4	44.3	42.1	40.0	38.9
United Kingdom	42.7	43.7	51.9	67.1	78.5	84.3	89.1	90.6	92.0	93.1	92.9	91.1	88.4	84.9
United States[1]	63.6	64.0	72.8	86.1	94.8	99.0	102.5	104.2	105.6	105.1	104.9	104.3	103.7	103.7
Average	75.1	72.5	79.4	92.8	99.3	103.3	107.6	106.2	106.5	106.0	105.0	103.6	102.1	100.7
Euro Area	68.7	66.5	70.3	80.2	85.9	88.3	92.9	95.2	96.4	96.1	94.7	92.9	90.7	88.2
G7	83.6	81.6	89.8	104.8	112.8	117.9	122.2	120.1	120.1	119.5	118.4	117.1	115.5	114.3
G20 advanced	80.0	77.8	85.7	100.1	106.9	111.3	115.3	113.4	113.5	112.9	111.7	110.4	108.9	107.5

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: For country-specific details, see Data and Conventions in text, and Table A.

[1] For cross-country comparability, gross debt levels reported by national statistical agencies for countries that have adopted the 2008 System of National Accounts (Australia, Canada, Hong Kong SAR, and the United States) are adjusted to exclude unfunded pension liabilities of government employees' defined benefit pension plans.

Statistical Table 8. Advanced Economies: General Government Net Debt

(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia[1]	–6.3	–7.3	–5.3	–0.6	3.9	8.1	11.2	13.4	15.8	16.6	16.9	16.8	16.0	14.8
Austria	43.1	40.9	42.0	49.2	53.0	52.5	53.6	53.7	59.3	57.8	56.1	54.3	52.5	51.0
Belgium	77.0	73.1	73.3	78.9	79.4	81.5	82.4	83.8	84.9	85.1	84.3	83.0	81.3	79.2
Canada[1]	27.8	24.3	24.3	29.9	32.9	35.1	36.7	37.6	38.6	39.1	39.0	38.7	38.2	37.5
Cyprus	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Czech Republic	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Denmark	1.9	–3.8	–6.1	–4.6	–1.6	2.6	7.5	5.5	6.9	9.6	11.6	12.8	13.5	13.8
Estonia	–8.7	–8.5	–5.6	–6.8	–5.5	–3.8	–0.3	0.7	1.6	2.5	2.9	2.5	1.8	0.8
Finland	–66.7	–69.9	–50.1	–59.8	–62.6	–52.0	–53.6	–50.7	–47.6	–45.1	–42.7	–40.8	–39.2	–37.8
France	57.8	57.7	60.3	70.1	73.7	76.4	81.6	84.7	88.1	90.6	91.9	91.9	90.9	88.8
Germany	52.8	50.0	50.0	56.5	58.3	56.6	58.2	56.1	53.9	51.6	49.1	46.6	44.2	42.0
Greece	107.5	107.2	112.9	129.7	148.3	170.3	153.5	169.7	168.8	166.6	157.6	149.6	141.3	129.7
Hong Kong SAR	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Iceland	20.9	18.3	55.6	70.3	69.2	64.4	66.8	65.8	60.9	56.5	53.1	50.5	48.0	45.6
Ireland	11.1	10.1	20.4	37.2	67.5	80.8	88.0	92.2	93.0	93.1	91.2	88.9	85.4	81.7
Israel	72.4	66.5	65.3	67.0	64.9	64.1	63.0	61.5	62.0	62.0	61.5	60.7	59.9	58.7
Italy	89.6	87.1	89.3	97.5	99.7	102.0	106.1	110.8	114.3	114.0	112.1	109.8	107.6	105.0
Japan	81.0	80.5	95.3	106.2	113.1	127.3	129.5	134.0	137.8	140.0	140.3	140.9	140.8	140.7
Korea	27.6	26.9	26.8	29.9	29.8	30.6	30.5	33.3	34.9	35.6	35.8	35.6	35.1	34.5
Latvia	7.6	4.8	11.8	21.6	28.4	30.0	29.3	32.1	31.9	31.3	30.3	30.0	29.1	28.1
Luxembourg	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Malta	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Netherlands	23.0	20.3	19.3	21.1	24.3	26.5	30.3	32.5	34.6	35.9	36.9	37.4	37.4	37.0
New Zealand	8.8	6.5	7.4	11.6	16.9	22.1	25.3	26.0	26.6	27.2	26.1	24.7	22.7	20.5
Norway	–137.6	–144.0	–129.4	–159.3	–168.7	–162.9	–172.4	–207.0	–211.6	–214.6	–216.4	–216.9	–216.3	–215.1
Portugal	58.6	63.7	67.5	79.7	89.6	97.8	114.0	118.5	123.8	123.6	121.5	119.2	117.1	114.8
Singapore	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Slovak Republic	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Slovenia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Spain	30.7	26.7	30.8	24.7	33.2	39.8	52.6	60.5	65.6	68.8	70.7	71.6	71.6	71.0
Sweden	–13.5	–17.4	–12.5	–19.6	–21.0	–18.7	–22.2	–20.3	–17.7	–16.3	–15.4	–15.1	–15.5	–16.4
Switzerland	39.7	32.0	29.4	28.7	28.1	28.2	28.3	27.7	27.1	26.7	25.5	24.2	22.9	22.3
United Kingdom	37.9	38.3	47.5	61.9	71.6	76.2	80.9	82.5	83.9	85.0	84.8	83.0	80.3	76.8
United States[1]	44.8	44.5	50.4	62.1	69.7	76.1	79.4	80.4	80.8	80.9	81.0	80.7	80.5	80.8
Average	46.6	44.7	50.3	59.7	64.8	69.6	72.6	72.5	73.6	74.1	73.8	73.1	72.2	71.3
Euro Area	54.2	51.8	54.0	60.0	64.1	66.4	70.1	72.3	73.9	74.0	73.2	71.9	70.2	68.2
G7	53.6	52.6	59.2	70.3	76.4	82.4	85.5	85.5	86.2	86.5	86.2	85.4	84.5	83.7
G20 advanced	51.2	50.0	56.3	67.1	72.3	77.7	80.6	80.8	81.6	81.8	81.5	80.8	79.8	79.0

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: For country-specific details, see Data and Conventions in text, and Table A.

[1] For cross-country comparability, net debt levels reported by national statistical agencies for countries that have adopted the 2008 System of National Accounts (Australia, Canada, and the United States) are adjusted to exclude unfunded pension liabilities of government employees' defined benefit pension plans.

Statistical Table 9. Emerging Market and Middle-Income Economies: General Government Overall Balance
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	13.9	6.1	9.1	–5.5	–0.4	–0.4	–4.1	–0.9	–4.5	–4.6	–3.5	–3.2	–2.8	–2.5
Angola	11.8	4.7	–4.5	–7.4	3.4	8.7	4.6	0.3	–4.1	–4.1	–4.1	–4.1	–3.6	–3.6
Argentina	–0.9	–1.7	–0.7	–2.9	–1.1	–2.8	–3.2	–2.8	–4.5	–5.5	–6.2	–6.8	–7.4	–8.0
Azerbaijan	1.1	2.3	20.0	6.6	14.0	11.6	3.8	1.4	0.3	–1.8	–3.1	–4.8	–5.0	–4.8
Belarus	1.2	1.5	1.9	–0.4	–0.5	4.2	1.7	–0.9	–3.3	–3.6	–4.1	–4.7	–5.4	–6.0
Brazil	–3.6	–2.8	–1.6	–3.3	–2.8	–2.6	–2.8	–3.3	–3.9	–3.1	–3.0	–3.0	–2.9	–2.7
Chile	7.4	7.9	4.1	–4.1	–0.4	1.4	0.7	–0.7	–1.8	–1.2	–0.9	–0.6	–0.4	–0.4
China	–1.1	0.1	0.0	–1.8	–1.2	0.6	0.2	–0.9	–1.0	–0.8	–0.8	–0.8	–0.6	–0.5
Colombia	–1.0	–0.8	–0.3	–2.8	–3.3	–2.0	0.1	–0.9	–1.5	–1.3	–0.9	–0.9	–0.9	–0.9
Croatia	–1.8	–1.0	–0.9	–3.3	–4.5	–4.6	–3.3	–5.5	–4.7	–2.9	–2.7	–2.7	–2.7	–2.7
Dominican Republic	–0.9	0.1	–3.3	–3.0	–2.7	–3.0	–6.6	–3.6	–2.9	–3.2	–3.4	–3.0	–2.9	–2.9
Ecuador	2.9	1.8	0.5	–3.6	–1.3	0.0	–1.1	–4.7	–4.3	–4.6	–3.7	–1.3	–0.9	–1.3
Egypt	–9.2	–7.5	–8.0	–6.9	–8.3	–9.8	–10.5	–14.1	–12.2	–11.5	–12.1	–12.2	–11.7	–11.3
Hungary	–9.4	–5.1	–3.7	–4.6	–4.4	4.2	–2.0	–2.4	–2.9	–2.8	–2.8	–2.7	–2.6	–2.6
India	–6.2	–4.4	–10.0	–9.8	–8.4	–8.0	–7.4	–7.2	–7.2	–6.7	–6.5	–6.4	–6.3	–6.1
Indonesia	0.4	–1.0	0.1	–1.8	–1.3	–0.6	–1.7	–2.1	–2.5	–2.3	–2.0	–1.8	–1.4	–1.3
Iran	2.1	7.4	0.7	0.9	3.0	0.2	–0.3	–1.0	–2.1	–2.2	–2.5	–2.8	–3.1	–3.3
Kazakhstan	7.7	5.1	1.2	–1.3	1.5	6.0	4.5	5.0	3.8	3.2	4.0	4.1	3.3	2.8
Kuwait	35.4	39.1	19.8	26.8	25.5	34.8	36.0	32.2	28.8	26.3	24.1	23.0	21.2	19.3
Libya	31.8	28.6	27.5	–5.3	11.6	–15.9	27.8	–4.0	–52.1	–30.2	–15.3	–11.2	–10.0	–9.5
Malaysia	–2.7	–2.7	–3.6	–6.7	–4.7	–3.7	–3.6	–4.6	–3.6	–2.7	–2.6	–2.6	–2.8	–3.1
Mexico	–1.0	–1.2	–1.0	–5.1	–4.3	–3.3	–3.7	–3.8	–4.2	–4.0	–3.5	–3.0	–2.5	–2.5
Morocco	–2.0	–0.1	0.7	–1.8	–4.4	–6.7	–7.4	–5.5	–5.0	–4.3	–3.5	–3.0	–2.9	–2.5
Oman	14.4	12.4	17.3	–0.3	5.7	9.4	4.6	8.1	3.0	0.2	–1.8	–3.9	–6.9	–8.6
Pakistan	–3.4	–5.1	–7.1	–5.0	–5.9	–6.9	–8.4	–8.1	–4.7	–4.4	–3.5	–3.4	–3.4	–3.4
Peru	2.0	3.3	2.7	–1.6	–0.1	2.0	2.2	0.7	–0.1	–0.1	–0.5	–0.4	–0.1	–0.1
Philippines	0.0	–0.3	0.0	–2.7	–2.4	–0.4	–0.6	–0.1	–0.3	–1.0	–1.0	–1.0	–1.1	–1.2
Poland	–3.6	–1.9	–3.7	–7.5	–7.9	–5.0	–3.9	–4.3	–3.2	–2.5	–2.0	–2.1	–2.0	–1.9
Qatar	7.9	9.9	10.2	12.3	2.5	6.5	9.6	15.4	11.4	9.0	6.6	5.2	3.8	2.9
Romania	–1.4	–3.1	–4.8	–7.3	–6.4	–4.3	–2.5	–2.5	–2.2	–1.8	–1.9	–1.4	–1.3	–1.1
Russia	8.3	6.8	4.9	–6.3	–3.4	1.5	0.4	–1.3	–0.9	–1.1	–0.6	–0.5	–0.7	–1.0
Saudi Arabia	24.4	15.0	31.6	–4.1	5.2	12.0	14.7	8.7	5.2	1.6	0.3	–1.3	–3.5	–3.6
South Africa	0.7	1.3	–0.5	–4.9	–4.9	–4.0	–4.3	–4.4	–4.9	–5.1	–5.0	–5.0	–5.0	–4.9
Sri Lanka	–7.0	–6.9	–7.0	–9.9	–8.0	–6.9	–6.5	–5.9	–5.2	–4.7	–4.3	–4.2	–4.2	–3.8
Thailand	2.2	0.2	0.1	–3.2	–0.8	–0.6	–1.8	–0.2	–2.5	–2.6	–2.5	–2.7	–2.7	–2.5
Turkey	–0.7	–1.9	–2.7	–6.1	–3.4	–0.6	–1.4	–1.5	–2.0	–1.9	–2.1	–2.5	–2.4	–2.1
Ukraine	–1.4	–2.0	–3.2	–6.3	–5.8	–2.8	–4.3	–4.8	–5.8	–3.9	–2.7	–2.1	–1.5	–1.2
United Arab Emirates	20.2	18.4	21.7	–0.4	4.6	11.2	13.7	10.7	10.5	10.3	9.8	8.7	7.8	6.9
Uruguay	–0.5	0.0	–1.6	–1.7	–1.5	–0.9	–2.8	–2.4	–3.5	–3.4	–2.8	–2.5	–2.3	–2.3
Venezuela	–1.6	–2.8	–3.5	–8.7	–10.4	–11.6	–16.5	–14.9	–14.2	–14.9	–15.2	–14.6	–14.4	–13.7
Average	1.2	1.1	0.9	–3.7	–2.4	–0.6	–0.7	–1.5	–1.9	–1.9	–1.8	–1.9	–1.9	–1.8
Asia	–2.0	–1.1	–1.9	–3.4	–2.7	–1.2	–1.3	–1.9	–2.1	–1.8	–1.8	–1.8	–1.6	–1.5
Europe	2.5	1.9	0.8	–5.9	–3.8	0.3	–0.6	–1.6	–1.5	–1.4	–1.1	–1.1	–1.2	–1.3
Latin America	–1.4	–1.3	–1.0	–3.9	–3.2	–2.9	–3.2	–3.4	–4.0	–3.7	–3.6	–3.4	–3.2	–3.1
MENAP	13.5	11.3	13.8	–0.4	2.9	5.1	7.2	4.6	2.2	1.0	0.5	–0.3	–1.2	–1.6
G20 emerging	0.4	0.3	0.5	–3.9	–2.7	–0.8	–0.9	–1.8	–2.1	–2.0	–2.0	–2.0	–1.9	–1.8

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: For country-specific details, see Data and Conventions in text, and Table B. MENAP = Middle East and North Africa and Pakistan.

Statistical Table 10. Emerging Market and Middle-Income Economies: General Government Primary Balance
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	13.8	6.0	8.8	–6.0	–0.8	–1.7	–5.0	–0.9	–5.8	–5.3	–4.2	–3.9	–3.5	–3.1
Angola	13.4	5.8	–2.5	–5.6	4.6	9.6	5.5	1.2	–2.9	–2.6	–2.2	–1.8	–1.4	–1.2
Argentina	3.2	1.9	2.2	0.2	1.3	–0.4	–0.5	–0.7	–1.2	–1.7	–2.2	–2.5	–2.7	–2.9
Azerbaijan	1.2	2.4	20.1	6.7	14.1	12.0	4.0	1.7	0.6	–1.6	–2.7	–4.3	–4.4	–4.2
Belarus	1.6	1.9	2.5	0.4	0.2	5.3	3.1	0.1	–2.2	–2.2	–2.3	–2.6	–2.8	–3.0
Brazil	3.2	3.3	3.9	2.0	2.4	3.1	2.1	1.9	1.3	2.0	2.5	2.5	2.5	2.5
Chile	7.6	7.7	3.8	–4.3	–0.3	1.5	0.8	–0.6	–1.6	–1.0	–0.6	–0.3	–0.1	–0.1
China	–0.7	0.5	0.4	–1.3	–0.8	1.1	0.7	–0.4	–0.5	–0.3	–0.3	–0.4	–0.2	–0.1
Colombia	1.7	1.8	1.9	–1.1	–1.6	–0.1	1.6	1.2	0.8	0.9	1.3	1.3	1.3	1.2
Croatia	0.0	0.7	0.5	–1.7	–2.6	–2.3	–0.7	–2.4	–1.2	0.7	1.0	1.1	1.2	1.2
Dominican Republic	0.4	1.6	–1.7	–1.2	–0.9	–1.0	–4.2	–1.2	–0.3	–0.6	–0.6	–0.1	0.1	0.2
Ecuador	4.8	3.4	1.6	–3.0	–0.8	0.6	–0.3	–3.7	–3.1	–3.2	–2.0	0.5	1.0	0.6
Egypt	–4.2	–3.0	–3.9	–3.7	–3.8	–4.7	–5.1	–6.6	–4.5	–3.5	–3.0	–3.0	–2.5	–2.0
Hungary	–5.7	–1.2	0.0	–0.5	–0.5	8.0	2.0	1.8	1.0	0.9	1.0	1.1	1.1	1.2
India	–1.3	0.4	–5.3	–5.2	–4.2	–3.7	–3.1	–2.6	–2.6	–2.3	–2.2	–2.2	–2.2	–2.1
Indonesia	2.8	1.0	1.8	–0.1	0.0	0.6	–0.4	–0.8	–1.1	–0.9	–0.6	–0.4	0.1	0.2
Iran	2.1	7.5	0.7	0.9	3.0	0.3	–0.3	–0.9	–1.9	–1.9	–2.0	–2.2	–2.4	–2.5
Kazakhstan	7.2	4.2	1.5	–1.4	1.8	5.8	3.9	4.5	3.4	3.0	3.9	4.0	3.2	2.6
Kuwait	19.2	25.5	11.1	18.1	16.9	26.5	27.2	22.9	17.7	13.5	9.1	5.8	3.2	0.8
Libya	31.8	28.6	27.5	–5.3	11.6	–15.9	27.8	–4.0	–52.1	–30.2	–15.3	–11.2	–10.0	–9.5
Malaysia	–1.7	–2.0	–2.1	–5.1	–3.0	–2.1	–1.8	–2.6	–1.6	–0.7	–0.7	–0.7	–0.9	–1.0
Mexico	1.8	1.5	1.5	–2.4	–1.7	–1.0	–1.1	–1.3	–1.5	–1.4	–0.7	0.0	0.8	0.9
Morocco	1.2	3.0	3.3	0.6	–2.1	–4.4	–4.9	–2.9	–2.2	–1.6	–0.8	–0.4	–0.4	0.1
Oman	13.0	10.8	16.0	–1.4	4.8	9.0	3.4	6.8	1.7	–1.4	–3.7	–6.2	–9.4	–11.2
Pakistan	–0.5	–1.1	–2.5	–0.1	–1.6	–3.1	–4.0	–3.7	–0.2	0.3	0.7	0.4	0.3	0.1
Peru	4.0	5.2	4.1	–0.5	1.0	3.1	3.1	1.7	0.6	0.7	0.3	0.4	0.7	0.7
Philippines	4.8	3.4	3.4	0.6	0.7	2.2	2.0	2.3	2.1	1.3	1.1	1.0	0.8	0.6
Poland	–1.0	0.4	–1.5	–4.8	–5.2	–2.3	–1.1	–1.7	–0.9	–0.3	0.2	0.1	0.2	0.2
Qatar	8.8	10.4	10.7	13.4	3.7	8.0	11.0	16.4	12.1	9.7	7.3	5.8	4.4	3.3
Romania	–0.7	–2.6	–4.2	–6.2	–5.1	–2.8	–0.7	–0.8	–0.6	–0.1	–0.2	0.2	0.3	0.5
Russia	8.9	6.8	5.1	–6.0	–3.1	1.9	0.8	–0.9	–0.4	–0.5	0.0	0.2	0.0	–0.2
Saudi Arabia	25.3	14.8	31.0	–3.9	5.6	12.1	14.6	8.3	4.8	1.2	–0.2	–1.8	–4.0	–4.2
South Africa	3.7	3.9	2.1	–2.5	–2.3	–1.3	–1.4	–1.3	–1.6	–1.6	–1.2	–0.9	–0.7	–0.5
Sri Lanka	–1.9	–1.8	–2.2	–3.4	–1.7	–1.4	–1.1	–0.7	–0.4	–0.3	0.0	0.1	0.3	0.3
Thailand	3.5	1.2	1.0	–2.4	0.1	0.3	–0.9	0.6	–1.6	–1.8	–1.6	–1.8	–1.7	–1.5
Turkey	4.4	2.9	1.7	–1.5	0.2	2.1	1.4	1.3	0.4	0.4	0.5	0.2	0.1	0.1
Ukraine	–0.7	–1.5	–2.6	–5.1	–4.1	–0.8	–2.4	–2.4	–2.4	0.6	2.4	2.9	3.1	3.1
United Arab Emirates	19.0	16.6	19.7	–2.7	2.7	9.6	11.9	9.1	8.6	8.3	7.7	6.6	5.5	4.6
Uruguay	3.7	3.6	1.4	1.2	1.6	2.0	–0.2	0.4	–0.4	0.0	0.1	0.1	0.2	0.2
Venezuela	0.5	–1.2	–2.0	–7.2	–8.6	–9.4	–13.8	–11.9	–10.7	–11.8	–12.1	–11.5	–11.3	–10.4
Average	3.3	3.0	2.6	–1.9	–0.6	1.2	0.9	0.1	–0.3	–0.3	–0.2	–0.2	–0.2	–0.2
Asia	–0.3	0.5	–0.5	–2.0	–1.4	0.1	–0.1	–0.7	–0.9	–0.6	–0.6	–0.6	–0.5	–0.4
Europe	4.4	3.5	2.3	–4.0	–2.2	1.6	0.7	–0.2	–0.2	0.0	0.4	0.4	0.3	0.2
Latin America	2.7	2.5	2.4	–0.5	0.2	0.8	0.0	–0.1	–0.4	–0.2	0.2	0.5	0.7	0.7
MENAP	13.2	10.9	13.5	–0.3	3.2	5.3	7.3	4.9	2.3	1.2	0.7	–0.1	–1.0	–1.4
G20 emerging	3.0	2.6	2.5	–1.9	–0.7	1.1	0.8	–0.1	–0.4	–0.3	–0.2	–0.3	–0.2	–0.2

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: Primary balance is defined as the overall balance excluding net interest payments. For country-specific details, see Data and Conventions in text, and Table B. MENAP = Middle East and North Africa and Pakistan.

Statistical Table 11. Emerging Market and Middle-Income Economies: General Government Cyclically Adjusted Balance

(Percent of potential GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Angola	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Argentina	–1.4	–2.5	–0.8	–1.5	–0.8	–3.8	–3.6	–3.6	–4.8	–5.2	–5.9	–6.6	–7.2	–7.8
Azerbaijan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Brazil	–3.2	–3.0	–2.2	–2.4	–3.3	–3.0	–2.7	–3.5	–3.6	–2.8	–2.8	–2.9	–2.9	–2.7
Chile[1]	0.8	0.5	–1.5	–4.3	–2.5	–1.0	–0.6	–1.0	–1.5	–0.7	–0.5	–0.2	0.0	0.0
China	–0.6	–0.1	–0.3	–1.8	–1.3	0.6	0.4	–0.5	–0.6	–0.5	–0.6	–0.7	–0.6	–0.5
Colombia	–1.1	–1.6	–0.7	–2.4	–2.8	–2.1	0.1	–0.9	–1.5	–1.4	–0.9	–0.9	–0.8	–0.9
Croatia	–2.0	–2.4	–2.7	–2.3	–3.4	–3.8	–2.0	–4.4	–3.0	–1.9	–1.8	–2.2	–2.5	–2.7
Dominican Republic	–1.3	–0.4	–4.1	–2.4	–3.2	–2.5	–6.2	–2.8	–3.0	–3.3	–3.4	–3.1	–2.9	–3.0
Ecuador	4.8	3.4	1.7	–3.0	–0.7	0.6	–0.3	–3.7	–3.1	–3.2	–2.0	0.5	1.0	0.6
Egypt	–9.2	–7.6	–8.3	–7.0	–8.2	–9.4	–10.0	–13.4	–11.6	–11.1	–11.9	–12.1	–11.7	–11.3
Hungary[1]	–11.5	–6.7	–5.5	–2.9	–3.3	–6.6	–0.9	–1.3	–2.1	–2.8	–2.8	–2.7	–2.6	–2.6
India	–6.3	–4.9	–9.5	–9.5	–8.9	–8.4	–7.5	–7.2	–7.1	–6.6	–6.4	–6.3	–6.3	–6.1
Indonesia	0.4	–1.1	0.0	–1.7	–1.3	–0.6	–1.7	–2.2	–2.4	–2.2	–1.9	–1.7	–1.3	–1.2
Iran	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Kazakhstan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Kuwait	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Libya	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Malaysia	–3.0	–3.3	–3.7	–5.9	–4.5	–3.2	–3.8	–4.6	–3.9	–3.0	–2.9	–2.9	–3.1	–3.3
Mexico	–1.2	–1.4	–1.2	–4.4	–4.0	–3.3	–3.8	–3.7	–4.0	–4.0	–3.5	–3.0	–2.5	–2.5
Morocco	–2.5	–1.2	–0.3	–1.8	–4.3	–6.8	–7.4	–5.7	–6.2	–5.3	–4.5	–4.0	–3.1	–2.7
Oman	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Pakistan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Peru[1]	0.2	1.6	0.5	–0.4	–0.8	0.1	1.2	0.0	0.3	0.9	0.4	0.0	0.2	0.1
Philippines	–0.2	–0.8	–0.6	–1.8	–2.5	–0.2	–0.7	–0.3	–0.7	–1.5	–1.5	–1.4	–1.5	–1.5
Poland	–3.4	–2.1	–4.1	–6.8	–7.7	–5.4	–3.8	–3.3	–2.6	–2.3	–2.0	–2.2	–2.0	–2.0
Qatar	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Romania	–2.7	–5.5	–9.0	–7.9	–5.8	–3.9	–1.6	–2.1	–1.8	–1.4	–1.5	–1.1	–1.2	–1.1
Russia	8.2	6.1	4.5	–5.0	–2.9	1.6	0.1	–1.5	–0.8	–0.8	–0.5	–0.3	–0.6	–1.0
Saudi Arabia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
South Africa	1.6	1.0	–0.8	–3.2	–3.6	–3.8	–4.2	–4.3	–4.6	–4.8	–4.8	–4.9	–4.9	–4.9
Sri Lanka	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Thailand	2.0	–0.1	–0.6	–2.1	–1.0	–0.7	–1.0	0.0	–1.1	–1.2	–0.9	–1.0	–0.8	–0.4
Turkey	–1.8	–3.2	–3.1	–3.6	–2.8	–1.4	–1.6	–1.8	–2.1	–1.8	–2.1	–2.5	–2.4	–2.1
Ukraine	–2.5	–4.2	–3.9	–2.2	–3.9	–3.2	–4.4	–4.3	–3.8	–2.2	–2.0	–1.8	–1.5	–1.2
United Arab Emirates	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Uruguay	1.1	1.0	–1.2	–0.7	–1.5	–1.8	–3.5	–3.3	–4.1	–3.7	–2.9	–2.5	–2.3	–2.3
Venezuela	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Average	–0.9	–1.0	–1.5	–3.5	–3.1	–1.7	–1.7	–2.2	–2.2	–2.0	–2.0	–2.0	–1.9	–1.9
Asia	–1.7	–1.3	–2.1	–3.3	–2.8	–1.2	–1.1	–1.6	–1.7	–1.6	–1.6	–1.7	–1.6	–1.4
Europe	1.8	0.9	–0.1	–4.9	–3.8	–0.8	–1.1	–2.0	–1.6	–1.4	–1.2	–1.2	–1.3	–1.4
Latin America	–1.7	–1.9	–1.5	–2.8	–3.0	–2.8	–2.6	–3.1	–3.4	–3.0	–2.9	–2.8	–2.6	–2.6
MENAP	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
G20 emerging	–0.6	–0.7	–1.1	–3.4	–2.9	–1.4	–1.5	–2.1	–2.1	–1.9	–1.9	–1.9	–1.8	–1.8

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: MENAP = Middle East and North Africa and Pakistan.

[1] Including adjustments beyond the output cycle. For country-specific details, see Data and Conventions in text, and Table B.

Statistical Table 12. Emerging Market and Middle-Income Economies: General Government Cyclically Adjusted Primary Balance

(Percent of potential GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Angola	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Argentina	2.8	1.2	2.1	1.5	1.5	–1.3	–0.8	–1.6	–1.5	–1.4	–1.9	–2.2	–2.5	–2.7
Azerbaijan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Brazil	3.5	3.2	3.4	2.8	1.9	2.8	2.1	1.7	1.5	2.3	2.7	2.5	2.5	2.5
Chile[1]	1.0	0.3	–1.9	–4.5	–2.4	–0.9	–0.5	–0.9	–1.4	–0.5	–0.3	0.0	0.3	0.3
China	–0.2	0.3	0.1	–1.4	–0.8	1.1	0.9	–0.1	–0.1	0.0	–0.2	–0.3	–0.2	–0.1
Colombia	1.5	1.1	1.5	–0.7	–1.1	–0.3	1.6	1.2	0.8	0.9	1.3	1.3	1.3	1.2
Croatia	–0.2	–0.7	–1.3	–0.7	–1.5	–1.6	0.5	–1.4	0.4	1.6	1.9	1.6	1.4	1.2
Dominican Republic	0.0	1.1	–2.5	–0.6	–1.3	–0.5	–3.9	–0.5	–0.4	–0.7	–0.6	–0.1	0.1	0.2
Ecuador	6.8	5.1	2.8	–2.4	–0.2	1.3	0.4	–2.7	–1.9	–1.8	–0.4	2.4	2.9	2.6
Egypt	–4.2	–3.1	–4.2	–3.8	–3.7	–4.4	–4.8	–6.1	–4.1	–3.2	–2.9	–3.0	–2.4	–2.0
Hungary[1]	–7.7	–2.7	–1.7	1.1	0.5	–2.8	3.0	2.8	1.8	0.9	1.0	1.1	1.2	1.2
India	–1.4	0.0	–4.9	–5.0	–4.6	–4.1	–3.2	–2.6	–2.5	–2.2	–2.1	–2.1	–2.2	–2.1
Indonesia	2.8	1.0	1.8	0.0	0.1	0.6	–0.5	–0.9	–1.1	–0.8	–0.5	–0.3	0.2	0.2
Iran	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Kazakhstan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Kuwait	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Libya	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Malaysia	–2.0	–2.6	–2.3	–4.3	–2.9	–1.6	–2.0	–2.6	–1.9	–1.0	–1.0	–1.0	–1.1	–1.2
Mexico	1.6	1.3	1.3	–1.8	–1.5	–0.9	–1.2	–1.2	–1.4	–1.3	–0.7	0.0	0.8	0.9
Morocco	0.7	2.0	2.4	0.5	–2.1	–4.5	–5.0	–3.1	–3.4	–2.6	–1.8	–1.4	–0.5	0.0
Oman	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Pakistan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Peru[1]	2.1	3.4	1.9	0.7	0.3	1.2	2.1	0.9	1.0	1.7	1.2	0.9	1.0	0.8
Philippines	4.7	3.0	2.8	1.4	0.5	2.4	1.9	2.2	1.8	0.8	0.7	0.7	0.5	0.3
Poland	–1.0	0.3	–1.8	–4.2	–5.1	–2.7	–1.0	–0.7	–0.3	0.0	0.2	0.1	0.2	0.2
Qatar	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Romania	–2.1	–4.9	–8.3	–6.8	–4.6	–2.4	0.1	–0.4	–0.2	0.3	0.2	0.4	0.4	0.5
Russia	8.8	6.1	4.7	–4.7	–2.6	2.0	0.5	–1.1	–0.3	–0.2	0.2	0.3	0.1	–0.2
Saudi Arabia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
South Africa	4.5	3.7	1.8	–0.9	–1.0	–1.0	–1.3	–1.2	–1.2	–1.2	–1.0	–0.8	–0.6	–0.4
Sri Lanka	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Thailand	3.3	0.8	0.3	–1.4	–0.1	0.2	–0.1	0.8	–0.3	–0.4	–0.1	–0.1	0.1	0.5
Turkey	3.5	1.8	1.3	0.6	0.9	1.3	1.2	1.1	0.3	0.5	0.5	0.2	0.1	0.1
Ukraine	–1.9	–3.7	–3.4	–1.2	–2.3	–1.2	–2.5	–1.9	–0.5	2.2	3.0	3.2	3.1	3.1
United Arab Emirates	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Uruguay	5.1	4.5	1.7	2.1	1.5	1.2	–0.8	–0.4	–0.9	–0.3	0.0	0.1	0.2	0.2
Venezuela	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Average	1.6	1.4	0.6	–1.5	–1.1	0.3	0.2	–0.4	–0.4	–0.2	–0.1	–0.1	0.0	0.0
Asia	0.0	0.3	–0.7	–2.0	–1.4	0.1	0.1	–0.5	–0.5	–0.4	–0.5	–0.5	–0.5	–0.4
Europe	3.9	2.6	1.5	–3.0	–2.1	0.6	0.4	–0.5	–0.1	0.2	0.4	0.4	0.3	0.1
Latin America	2.6	2.1	2.2	0.7	0.5	1.0	0.7	0.3	0.1	0.6	0.9	1.1	1.3	1.3
MENAP	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
G20 emerging	2.0	1.7	1.0	–1.3	–0.9	0.6	0.3	–0.4	–0.3	–0.2	–0.1	–0.1	–0.1	0.0

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: Cyclically adjusted primary balance is defined as the cyclically adjusted balance excluding net interest payments. For country-specific details, see Data and Conventions in text, and Table B. MENAP = Middle East and North Africa and Pakistan.

[1] Including adjustments beyond the output cycle. For country-specific details, see Data and Conventions in text, and Table B.

Statistical Table 13. Emerging Market and Middle-Income Economies: General Government Revenue

(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	42.8	39.4	47.0	36.9	36.6	39.9	39.7	35.2	34.4	32.3	31.7	31.3	31.3	31.4
Angola	50.2	45.8	50.9	34.6	43.5	48.8	45.9	41.1	37.5	37.0	36.0	34.3	33.2	32.3
Argentina	24.1	24.9	26.8	27.8	29.6	29.9	31.7	34.1	35.4	34.9	34.4	34.1	33.9	33.7
Azerbaijan	28.0	28.2	51.1	40.4	45.7	45.5	40.5	39.4	40.0	38.1	36.3	34.2	33.7	33.3
Belarus	49.1	49.5	50.7	45.8	41.6	38.8	40.5	42.0	41.8	42.3	42.5	42.7	42.8	43.0
Brazil	34.4	35.6	36.7	34.8	37.1	37.0	38.1	37.9	38.2	37.9	37.7	37.8	38.0	38.0
Chile	26.2	27.3	25.8	20.6	23.5	24.6	24.4	23.1	22.5	23.6	23.9	24.5	25.2	25.2
China	17.0	18.5	22.6	23.8	25.1	27.7	28.4	28.2	27.4	27.4	27.1	26.9	26.7	26.5
Colombia	27.3	27.2	26.4	26.7	26.1	26.7	28.3	28.3	28.1	28.2	28.3	28.5	28.4	28.3
Croatia	38.6	39.8	39.2	39.0	38.2	37.4	38.6	38.1	40.1	40.7	40.5	40.6	40.6	40.8
Dominican Republic	15.1	16.4	15.1	13.3	13.1	12.8	13.6	14.6	14.9	14.5	14.5	14.4	14.4	14.4
Ecuador	24.1	26.4	35.7	29.4	33.3	39.1	39.5	39.6	38.9	38.6	38.3	37.7	38.0	37.5
Egypt	28.6	27.7	28.0	27.7	25.1	22.0	22.1	23.0	26.8	25.7	25.3	24.9	24.4	23.9
Hungary	42.8	45.6	45.5	46.9	45.6	54.3	46.9	47.7	48.3	48.4	46.6	46.9	47.6	48.4
India	20.3	22.0	19.7	18.5	18.8	18.7	19.5	19.8	19.5	19.5	19.5	19.6	19.7	19.8
Indonesia	20.5	19.3	21.3	16.5	16.7	18.0	18.1	18.0	17.6	17.6	17.7	17.7	17.9	18.0
Iran	27.5	29.0	25.4	23.6	24.2	19.7	15.0	14.6	13.1	12.3	11.6	10.9	10.4	9.9
Kazakhstan	27.5	28.8	28.3	22.1	23.9	27.7	26.9	25.3	25.6	23.5	22.6	21.5	20.7	20.0
Kuwait	67.3	69.2	60.2	69.0	70.2	73.8	74.7	73.6	73.6	73.0	73.0	73.2	72.2	70.8
Libya	63.0	62.3	68.4	52.9	64.9	39.1	72.3	65.7	31.3	42.6	46.3	47.0	46.2	45.0
Malaysia	24.1	24.4	24.6	25.6	23.1	24.6	25.9	24.3	24.0	23.7	23.3	23.2	22.9	22.7
Mexico	21.6	21.7	24.7	22.1	22.4	22.9	23.4	23.3	22.2	21.6	22.5	23.0	23.3	23.8
Morocco	27.4	29.9	32.5	29.3	27.5	27.8	28.7	28.3	27.9	28.1	28.2	28.2	27.9	28.0
Oman	49.8	48.8	47.4	39.3	40.6	48.9	49.4	51.7	49.8	48.6	48.1	47.2	45.0	44.1
Pakistan	13.6	14.4	14.4	14.2	14.3	12.6	13.2	13.3	15.1	15.1	15.9	16.1	16.1	16.1
Peru	21.2	21.9	22.2	19.9	20.9	22.0	22.5	22.3	21.5	22.3	22.7	23.0	22.9	22.8
Philippines	19.0	18.7	18.7	17.4	16.8	17.6	18.3	18.5	18.9	18.8	18.8	18.8	18.9	18.9
Poland	40.2	40.3	39.5	37.2	37.5	38.4	38.3	37.5	38.1	38.3	38.5	38.2	38.2	38.2
Qatar	36.0	36.6	35.0	44.5	31.5	35.0	40.5	46.5	42.9	39.6	36.2	33.7	31.4	29.7
Romania	32.3	32.3	32.2	31.2	32.2	32.6	32.9	31.8	33.1	32.5	32.4	32.3	32.3	32.3
Russia	39.5	39.9	39.2	35.0	34.6	37.3	37.7	36.6	36.6	36.6	36.4	35.7	35.3	34.8
Saudi Arabia	53.7	46.6	60.5	36.0	41.6	47.5	50.3	46.5	45.3	43.2	41.4	39.7	38.0	36.4
South Africa	28.9	29.7	29.6	28.1	27.5	27.9	28.3	28.8	28.8	28.8	28.8	28.8	28.8	28.8
Sri Lanka	17.3	16.6	15.6	15.0	14.9	14.5	13.2	12.4	13.4	13.8	14.0	14.2	14.5	14.7
Thailand	22.3	21.5	21.4	20.8	22.4	22.6	23.1	24.1	21.8	22.0	22.0	22.0	22.1	22.6
Turkey	32.8	31.6	31.8	32.6	33.3	34.6	34.9	36.5	35.3	35.0	34.6	34.4	34.4	34.6
Ukraine	43.2	41.8	44.3	42.3	43.2	42.9	44.5	43.6	42.6	42.6	42.7	42.4	42.1	41.8
United Arab Emirates	34.8	33.9	39.1	27.1	29.9	34.6	36.2	34.6	33.3	32.4	31.7	30.4	29.0	27.8
Uruguay	28.6	28.9	27.1	29.2	30.1	28.7	28.5	30.5	30.0	29.7	29.8	30.0	30.1	30.1
Venezuela	37.7	33.1	31.4	24.6	21.2	27.9	23.5	23.1	29.1	27.6	26.9	27.4	27.5	28.3
Average	27.8	28.2	30.2	27.2	28.1	29.6	30.3	30.0	29.3	29.0	28.7	28.4	28.2	27.9
Asia	18.5	19.6	21.9	22.1	22.9	24.9	25.8	25.8	25.2	25.2	25.0	24.8	24.8	24.6
Europe	37.7	37.7	37.9	35.3	35.2	37.2	37.2	36.7	36.6	36.3	36.0	35.5	35.1	34.9
Latin America	27.9	28.7	30.3	28.5	30.0	30.7	31.1	31.1	31.2	30.8	30.9	31.1	31.2	31.3
MENAP	39.8	38.0	42.2	32.5	33.9	34.8	37.8	36.5	34.9	33.6	32.7	31.7	30.6	29.6
G20 emerging	26.0	26.5	28.9	26.4	27.6	29.4	30.1	29.8	29.1	28.8	28.6	28.3	28.1	27.9

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: For country-specific details, see Data and Conventions in text, and Table B. MENAP = Middle East and North Africa and Pakistan.

Statistical Table 14. Emerging Market and Middle-Income Economies: General Government Expenditure
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	28.9	33.3	37.9	42.3	37.0	40.3	43.8	36.1	38.9	36.9	35.2	34.5	34.2	33.8
Angola	38.4	41.2	55.4	41.9	40.0	40.2	41.3	40.7	41.6	41.2	40.1	38.4	36.8	35.9
Argentina	25.0	26.6	27.5	30.8	30.7	32.6	34.9	36.8	39.9	40.3	40.6	41.0	41.3	41.7
Azerbaijan	26.9	25.9	31.1	33.8	31.7	34.0	36.7	38.0	39.7	39.9	39.3	39.0	38.6	38.1
Belarus	47.9	47.9	48.8	46.2	42.1	34.5	38.9	42.9	45.2	45.9	46.6	47.4	48.2	49.0
Brazil	38.0	38.4	38.3	38.1	39.9	39.6	40.9	41.1	42.1	41.0	40.7	40.8	40.8	40.6
Chile	18.7	19.4	21.7	24.7	23.9	23.2	23.7	23.8	24.3	24.8	24.8	25.1	25.6	25.6
China	18.1	18.4	22.7	25.6	26.3	27.1	28.2	29.1	28.4	28.1	27.9	27.7	27.4	27.0
Colombia	28.3	28.0	26.6	29.5	29.4	28.6	28.3	29.2	29.6	29.5	29.2	29.4	29.2	29.2
Croatia	40.3	40.8	40.1	42.2	42.7	42.0	41.9	43.5	44.8	43.6	43.2	43.3	43.4	43.5
Dominican Republic	16.1	16.3	18.3	16.3	15.8	15.9	20.2	18.1	17.8	17.7	17.8	17.5	17.2	17.3
Ecuador	21.2	24.6	35.2	33.0	34.7	39.1	40.5	44.4	43.2	43.2	42.0	39.0	38.9	38.8
Egypt	37.8	35.3	36.0	34.6	33.4	31.8	32.7	37.1	39.0	37.2	37.4	37.1	36.1	35.1
Hungary	52.2	50.6	49.2	51.4	49.9	50.0	48.9	50.0	51.2	51.2	49.4	49.6	50.2	51.0
India	26.5	26.4	29.7	28.3	27.2	26.7	26.9	27.0	26.7	26.2	26.0	26.0	26.0	25.9
Indonesia	20.1	20.4	21.2	18.3	18.0	18.6	19.7	20.1	20.1	19.9	19.7	19.6	19.3	19.3
Iran	25.4	21.6	24.7	22.6	21.2	19.5	15.3	15.6	15.2	14.6	14.1	13.7	13.5	13.2
Kazakhstan	19.8	23.7	27.1	23.5	22.5	21.8	22.4	20.2	21.8	20.3	18.6	17.4	17.4	17.3
Kuwait	31.9	30.1	40.4	42.2	44.8	39.1	38.7	41.4	44.8	46.7	48.9	50.3	51.0	51.5
Libya	31.2	33.7	40.8	58.2	53.4	55.0	44.5	69.8	83.4	72.9	61.6	58.2	56.3	54.5
Malaysia	26.8	27.1	28.2	32.4	27.8	28.3	29.4	28.9	27.6	26.4	25.9	25.8	25.8	25.8
Mexico	22.6	22.8	25.6	27.2	26.7	26.2	27.1	27.1	26.4	25.6	26.0	25.9	25.8	26.3
Morocco	29.4	30.1	31.8	31.1	31.9	34.5	36.1	33.8	32.9	32.4	31.7	31.2	30.8	30.5
Oman	35.4	36.4	30.1	39.6	35.0	39.5	44.8	43.6	46.8	48.4	50.0	51.1	51.9	52.7
Pakistan	17.1	19.5	21.4	19.2	20.2	19.5	21.6	21.4	19.8	19.5	19.5	19.4	19.4	19.5
Peru	19.1	18.6	19.6	21.5	21.0	20.0	20.3	21.5	21.6	22.4	23.2	23.5	23.1	22.9
Philippines	19.1	19.0	18.6	20.1	19.2	18.0	18.9	18.6	19.2	19.7	19.8	19.9	20.0	20.1
Poland	43.9	42.2	43.2	44.6	45.4	43.4	42.2	41.9	41.3	40.9	40.5	40.4	40.2	40.1
Qatar	28.1	26.7	24.8	32.2	29.0	28.5	30.9	31.1	31.5	30.6	29.6	28.5	27.6	26.8
Romania	33.7	35.4	37.0	38.5	38.6	36.8	35.4	34.3	35.3	34.4	34.4	33.7	33.6	33.5
Russia	31.1	33.1	34.3	41.4	38.0	35.7	37.2	37.9	37.6	37.7	37.0	36.2	35.9	35.7
Saudi Arabia	29.3	31.6	29.0	40.0	36.4	35.5	35.5	37.8	40.0	41.6	41.1	41.0	41.5	40.0
South Africa	28.2	28.4	30.1	33.0	32.4	31.9	32.6	33.2	33.7	33.9	33.8	33.9	33.8	33.8
Sri Lanka	24.3	23.5	22.6	24.9	22.8	21.4	19.7	18.3	18.5	18.5	18.3	18.5	18.7	18.6
Thailand	20.1	21.3	21.2	24.0	23.2	23.2	24.9	24.3	24.2	24.6	24.5	24.7	24.8	25.2
Turkey	33.5	33.6	34.5	38.6	36.7	35.2	36.3	38.1	37.3	36.9	36.7	36.9	36.8	36.7
Ukraine	44.6	43.8	47.4	48.6	49.0	45.6	48.7	48.4	48.4	46.6	45.4	44.5	43.6	43.0
United Arab Emirates	14.5	15.4	17.4	27.6	25.3	23.4	22.5	24.0	22.8	22.2	22.0	21.7	21.3	20.9
Uruguay	29.1	28.9	28.7	30.9	31.6	29.6	31.3	32.9	33.5	33.1	32.7	32.5	32.4	32.4
Venezuela	39.3	35.9	34.9	33.3	31.6	39.5	40.0	38.0	43.2	42.5	42.1	42.0	42.0	42.0
Average	26.7	27.1	29.3	30.9	30.5	30.2	31.0	31.5	31.3	30.9	30.5	30.3	30.0	29.8
Asia	20.4	20.7	23.8	25.6	25.6	26.1	27.1	27.8	27.3	27.0	26.8	26.6	26.4	26.1
Europe	35.2	35.8	37.0	41.1	39.0	36.9	37.8	38.3	38.1	37.7	37.1	36.6	36.4	36.2
Latin America	29.3	30.0	31.3	32.4	33.2	33.6	34.3	34.5	35.2	34.6	34.5	34.5	34.4	34.4
MENAP	26.3	26.7	28.4	32.9	31.0	29.6	30.6	32.0	32.7	32.6	32.3	32.0	31.9	31.2
G20 emerging	25.6	26.2	28.4	30.3	30.3	30.2	31.0	31.6	31.2	30.9	30.5	30.3	30.1	29.7

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).
Note: For country-specific details, see Data and Conventions in text, and Table B. MENAP = Middle East and North Africa and Pakistan.

Statistical Table 15. Emerging Market and Middle-Income Economies: General Government Gross Debt
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	26.9	13.9	8.8	10.8	11.7	9.9	10.0	9.3	9.9	8.1	7.4	7.2	7.0	6.5
Angola	18.7	16.4	16.6	49.9	39.8	32.2	29.6	34.6	38.4	37.8	37.4	38.3	40.7	42.6
Argentina	61.8	53.2	47.0	47.6	39.2	35.9	37.6	41.0	48.9	54.2	55.6	58.2	60.0	61.9
Azerbaijan	10.2	8.6	7.3	11.8	11.1	10.1	11.6	13.8	15.9	18.0	19.6	20.9	21.8	22.3
Belarus	11.1	18.3	21.5	34.7	39.5	45.9	38.5	37.0	35.7	35.1	36.5	38.4	40.5	43.0
Brazil[1]	67.0	65.2	63.5	66.8	65.0	64.7	68.2	66.2	65.8	65.6	65.6	65.3	64.5	64.0
Chile	5.0	3.9	4.9	5.8	8.6	11.1	12.0	12.8	13.9	14.6	15.0	15.3	15.3	15.2
China	31.5	34.8	31.7	35.8	36.6	36.5	37.4	39.4	40.7	41.8	42.9	43.8	44.5	44.9
Colombia	35.7	32.3	31.9	35.2	37.0	35.7	32.0	35.8	34.0	33.1	31.6	30.2	28.8	27.3
Croatia	35.4	32.9	29.3	35.8	42.6	47.4	54.2	60.2	66.3	68.5	69.5	69.6	69.3	69.0
Dominican Republic	19.4	17.5	19.6	22.7	23.8	25.1	29.5	33.5	35.5	36.9	38.3	39.3	40.1	40.9
Ecuador	28.8	27.2	22.2	16.4	19.2	18.3	21.3	24.4	27.0	30.0	31.8	30.6	29.5	28.7
Egypt	90.3	80.2	70.2	73.0	73.2	76.6	78.9	89.2	93.8	94.5	94.4	94.6	94.3	93.5
Hungary	65.9	67.0	73.0	79.8	82.1	82.1	79.8	79.3	79.1	79.2	78.9	78.5	78.1	77.7
India	77.1	74.0	74.5	72.5	67.5	66.8	66.6	61.5	60.5	59.5	58.5	57.8	57.0	56.2
Indonesia	39.0	35.1	33.2	28.6	26.1	24.4	24.0	26.1	26.2	26.0	26.0	25.3	24.2	23.2
Iran	13.2	13.1	10.2	11.5	13.5	9.2	11.8	11.3	11.2	11.1	11.7	12.5	13.6	14.7
Kazakhstan	6.7	5.9	6.8	10.2	10.7	10.4	12.4	12.9	13.7	14.5	14.3	13.9	14.2	14.8
Kuwait	10.6	11.8	9.6	11.0	11.3	8.5	6.8	6.2	5.9	5.7	5.5	5.1	4.8	4.5
Libya	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Malaysia	41.5	41.2	41.2	52.8	53.5	54.2	56.2	57.7	56.6	54.9	53.6	52.8	52.2	51.8
Mexico	37.8	37.5	42.8	43.9	42.2	43.2	43.2	46.4	48.0	49.0	49.7	49.6	48.9	48.3
Morocco	59.4	54.6	48.2	48.0	51.3	54.4	60.4	64.6	66.0	66.2	65.5	64.4	63.3	61.8
Oman	8.9	7.1	4.8	6.9	5.7	5.6	6.2	7.3	8.1	9.0	9.7	10.2	10.7	11.0
Pakistan	54.4	52.6	57.9	59.1	61.5	59.5	64.0	64.3	63.7	63.1	61.7	59.7	57.5	56.0
Peru	34.9	31.9	28.0	28.4	25.2	23.2	21.2	20.0	19.3	19.2	18.6	18.0	16.7	14.6
Philippines	51.6	44.6	44.2	44.3	43.5	41.4	40.6	39.1	36.3	33.9	32.0	30.3	28.6	27.2
Poland	47.7	45.0	47.1	50.9	54.9	56.2	55.6	57.1	49.4	49.0	48.5	47.1	45.7	44.2
Qatar	12.5	8.0	10.3	33.6	29.3	32.7	35.8	34.3	25.5	24.8	24.4	21.4	17.6	13.9
Romania	12.6	12.7	13.6	23.8	31.1	34.3	38.2	39.4	39.9	39.6	39.4	38.6	37.6	36.5
Russia	10.5	8.6	8.0	10.6	11.3	11.6	12.7	13.9	15.7	16.5	16.3	16.1	16.1	16.3
Saudi Arabia	25.8	17.1	12.1	14.0	8.4	5.4	3.6	2.7	2.6	2.5	2.4	2.3	2.2	2.1
South Africa	31.0	28.3	27.2	31.6	35.3	38.8	42.1	45.2	47.9	50.8	53.7	55.8	57.5	59.0
Sri Lanka	87.9	85.0	81.4	86.1	81.9	78.5	79.2	78.3	76.5	74.1	71.7	69.7	68.0	66.1
Thailand	42.0	38.3	37.3	45.2	42.6	41.7	45.4	45.9	47.9	48.4	49.1	49.8	50.7	51.8
Turkey	46.5	39.9	40.0	46.1	42.3	39.1	36.2	36.3	33.6	33.1	32.4	31.9	31.1	30.6
Ukraine	14.8	12.3	20.5	35.4	40.5	36.8	37.4	40.9	67.6	73.4	71.1	66.4	58.9	51.1
United Arab Emirates	6.8	7.9	12.5	24.1	22.2	17.6	17.1	11.7	11.4	11.4	11.3	11.2	10.8	10.4
Uruguay	75.7	68.0	67.8	65.6	61.6	59.0	59.5	62.1	66.4	67.3	67.4	67.2	67.1	67.0
Venezuela	34.5	30.8	23.3	28.6	36.3	43.3	46.0	52.1	46.2	41.3	38.9	37.7	37.6	37.7
Average	38.7	37.4	35.5	40.1	39.7	38.7	39.0	39.7	40.5	41.2	41.5	41.7	41.7	41.7
Asia	43.1	44.1	40.4	43.0	42.6	41.7	41.9	42.4	43.3	43.9	44.5	45.0	45.3	45.4
Europe	27.1	23.8	23.8	29.5	29.4	28.0	27.2	28.3	28.9	29.6	29.2	28.6	28.1	27.7
Latin America	48.2	46.9	47.0	49.8	49.1	49.2	49.7	50.4	51.3	51.8	51.8	51.6	51.0	50.5
MENAP	26.8	22.4	20.0	26.1	24.5	22.0	23.1	23.5	23.6	24.2	24.6	24.8	25.0	25.3
G20 emerging	41.2	40.4	38.0	41.7	40.8	39.8	39.7	40.3	41.4	42.2	42.7	43.1	43.3	43.5

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: For country-specific details, see Data and Conventions in text, and Table B. MENAP = Middle East and North Africa and Pakistan.

[1] Gross debt refers to the nonfinancial public sector, excluding Eletrobras and Petrobras, and includes sovereign debt held on the balance sheet of the central bank.

Statistical Table 16. Emerging Market and Middle-Income Economies: General Government Net Debt
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Algeria	–7.6	–20.4	–29.9	–32.5	–28.7	–27.1	–25.0	–23.7	–17.8	–16.3	–14.1	–11.7	–10.3	–9.4
Angola	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Argentina	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Azerbaijan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Brazil	47.3	45.1	38.0	41.5	39.1	36.4	35.3	33.6	33.7	32.9	32.5	32.0	31.3	30.9
Chile	–6.6	–13.0	–19.3	–10.6	–7.0	–8.6	–6.8	–5.7	–4.3	–3.1	–2.3	–1.8	–1.7	–1.5
China	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Colombia	25.2	22.3	22.0	26.1	29.0	27.2	22.8	24.9	23.9	23.7	22.9	22.1	21.2	20.3
Croatia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Dominican Republic	19.4	17.5	19.6	22.7	23.8	25.1	29.5	33.5	35.5	36.9	38.3	39.3	40.1	40.9
Ecuador	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Egypt	71.4	64.5	55.6	58.7	60.0	64.3	67.8	78.2	84.1	86.2	87.2	88.4	88.9	88.9
Hungary	63.3	64.5	64.8	73.9	76.7	75.7	73.5	73.6	73.6	73.8	73.8	73.6	73.4	73.2
India	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Indonesia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Iran	–1.0	–3.0	–3.3	2.8	2.2	–2.7	0.7	2.5	3.4	4.2	5.5	7.0	8.5	10.0
Kazakhstan	–10.9	–13.8	–13.9	–11.0	–10.2	–13.0	–16.2	–17.9	–24.1	–24.9	–26.4	–27.7	–28.2	–27.9
Kuwait	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Libya	–82.2	–86.1	–77.8	–100.7	–96.1	–202.5	–95.4	–114.7	–101.5	–49.4	–23.9	–9.3	1.8	11.2
Malaysia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Mexico	29.8	29.1	33.2	36.2	36.2	37.5	37.7	40.4	42.1	43.2	43.9	43.8	43.2	42.5
Morocco	56.8	53.1	47.5	47.3	50.8	54.0	59.9	64.0	65.5	65.7	64.9	63.9	62.8	61.3
Oman	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Pakistan	50.6	47.9	53.2	55.5	57.9	56.2	60.7	61.5	61.3	61.1	60.0	58.3	56.3	55.0
Peru	24.1	16.7	13.0	12.2	10.3	7.1	4.4	3.3	3.2	3.2	3.5	3.7	3.6	3.4
Philippines	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Poland	15.0	10.2	9.9	14.9	20.9	25.6	26.8	30.6	22.7	23.3	23.7	23.4	22.9	22.4
Qatar	7.8	3.7	6.1	29.3	24.3	23.9	26.2	18.2	10.5	11.1	11.8	9.8	6.9	3.5
Romania	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Russia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Saudi Arabia	1.2	–16.5	–42.4	–45.0	–43.4	–43.2	–52.9	–57.0	–56.2	–52.2	–46.6	–39.7	–30.9	–22.3
South Africa	26.9	23.9	22.8	26.4	29.3	32.3	36.1	39.2	42.8	46.5	50.1	52.9	55.1	57.1
Sri Lanka	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Thailand	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Turkey	39.0	32.7	32.5	37.5	34.7	31.3	27.8	27.4	25.0	24.5	23.8	23.5	22.9	22.5
Ukraine	11.7	10.1	18.3	31.9	38.4	34.5	35.2	38.7	65.3	71.4	69.3	64.9	57.6	49.9
United Arab Emirates	–98.6	–102.1	–101.9	–111.2	–97.4	–85.6	–89.6	–90.4	–94.5	–96.5	–98.6	–98.8	–97.3	–94.3
Uruguay	47.4	37.8	31.6	31.9	31.7	28.7	26.0	24.5	24.7	26.6	28.4	29.2	30.1	30.5
Venezuela	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Average	22.3	18.4	14.6	19.2	20.2	18.8	16.8	17.0	17.0	18.0	18.8	19.4	20.0	20.6
Asia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Europe	28.4	23.5	23.4	29.4	30.2	28.7	26.4	27.0	24.7	24.5	23.7	22.6	21.3	20.1
Latin America	34.6	33.0	31.0	34.5	33.7	32.2	30.8	30.9	31.5	31.6	31.5	31.2	30.5	30.0
MENAP	–5.9	–13.9	–22.4	–16.4	–14.5	–14.3	–16.6	–17.2	–15.3	–11.9	–8.8	–5.6	–1.9	1.9
G20 emerging	33.6	30.1	25.1	28.9	28.1	25.9	22.7	22.1	22.2	23.0	23.9	24.9	25.8	26.8

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).
Note: For country-specific details, see Data and Conventions in text, and Table B. MENAP = Middle East and North Africa and Pakistan.

Statistical Table 17. Low-Income Developing Countries: General Government Overall Balance
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bangladesh	–2.6	–2.3	–4.0	–3.2	–2.7	–3.6	–3.0	–3.4	–2.7	–3.3	–3.3	–3.3	–2.9	–2.6
Benin	–0.2	0.3	–0.1	–3.3	–0.4	–1.4	–0.3	–2.1	–1.4	–1.3	–1.0	–1.0	–0.8	–0.8
Bolivia	4.5	1.7	3.6	0.0	1.7	0.8	1.8	0.7	–0.4	0.1	–0.5	–0.9	–1.0	–1.0
Burkina Faso	16.1	–5.7	–4.1	–4.7	–3.0	–1.4	–3.1	–4.0	–2.9	–3.0	–2.9	–3.4	–3.7	–3.9
Cambodia	–0.2	–0.7	0.3	–4.2	–2.8	–4.1	–3.8	–2.7	–2.8	–2.3	–1.8	–1.3	–1.0	–1.0
Cameroon	32.8	4.7	2.2	0.0	–1.1	–2.6	–1.6	–4.0	–5.0	–5.3	–4.8	–4.7	–4.6	–4.5
Chad	2.2	2.5	3.6	–9.2	–4.2	2.4	0.5	–2.0	0.0	–1.4	0.3	1.3	1.7	0.9
Congo, Dem. Rep. of the	–2.2	–2.3	–1.6	–1.6	3.7	–1.2	0.5	–1.7	–2.1	–1.6	–1.5	–3.0	–3.5	–3.0
Congo, Republic of	16.6	9.4	23.4	4.8	16.1	16.5	6.4	8.5	5.2	5.8	6.7	7.8	7.2	5.1
Côte d'Ivoire	–1.5	–0.5	–0.4	–1.4	–1.8	–5.4	–3.1	–2.2	–2.3	–3.1	–3.1	–3.1	–3.0	–3.0
Ethiopia	–3.9	–3.6	–2.9	–0.9	–1.3	–1.6	–1.2	–2.0	–2.7	–3.0	–2.9	–2.7	–2.6	–2.5
Ghana	–4.7	–5.4	–8.4	–7.0	–9.4	–5.2	–12.1	–10.0	–7.8	–6.5	–7.4	–5.9	–5.9	–2.5
Guinea	–3.1	1.9	0.6	–7.1	–14.0	–1.3	–3.3	–5.2	–5.9	–2.7	–2.8	–2.2	–2.0	–1.8
Haiti	–1.7	0.2	–2.8	–4.6	1.1	–3.6	–4.8	–6.7	–5.6	–4.7	–3.7	–2.5	–2.2	–1.7
Honduras	–2.7	–1.6	–1.7	–4.5	–2.8	–2.8	–4.2	–7.6	–6.0	–5.2	–4.5	–4.4	–4.4	–4.4
Kenya	–2.1	–2.4	–3.3	–4.4	–4.4	–4.0	–5.0	–5.7	–6.0	–5.8	–5.3	–4.8	–4.3	–3.9
Kyrgyz Republic	–2.7	–0.6	1.0	–1.1	–5.8	–4.6	–5.7	–3.8	–4.4	–3.2	–2.8	–2.5	–2.3	–2.1
Lao P.D.R.	–2.9	–2.7	–1.4	–4.1	–3.2	–1.7	–0.5	–5.6	–4.6	–3.7	–4.4	–4.2	–4.2	–4.2
Madagascar	–0.5	–2.7	–2.0	–2.5	–0.9	–2.4	–2.6	–5.1	–2.1	–2.3	–2.8	–3.0	–3.1	–3.3
Mali	31.3	–3.2	–2.2	–4.2	–2.9	–4.1	–1.2	–2.7	–4.3	–3.4	–3.1	–3.1	–2.8	–2.8
Moldova	–0.3	0.3	–0.9	–6.3	–2.5	–2.4	–2.2	–1.8	–1.7	–5.4	–5.5	–5.6	–5.3	–5.2
Mongolia	7.6	2.6	–4.5	–5.2	0.5	–4.8	–11.9	–9.7	–11.1	–7.4	–6.5	–6.4	–8.3	–9.4
Mozambique	–4.1	–2.9	–2.5	–5.5	–4.3	–5.1	–4.0	–2.7	–9.2	–7.4	–6.6	–5.8	–5.4	–5.1
Myanmar	–3.6	–3.3	–2.4	–4.9	–5.4	–4.6	–1.7	–1.6	–4.5	–4.6	–4.8	–4.8	–4.6	–4.4
Nepal	0.3	–0.8	–0.4	–2.6	–0.8	–1.0	–0.6	2.1	2.2	0.9	0.6	0.2	0.0	–0.4
Nicaragua	1.1	1.6	–0.1	–1.6	0.1	0.8	0.2	–0.6	–0.9	–0.9	–1.2	–1.0	–0.8	–0.5
Niger	40.3	–1.0	1.5	–5.3	–2.4	–1.5	–1.2	–2.6	–5.7	–5.5	–4.1	–2.7	–2.7	–2.7
Nigeria	6.1	1.1	4.1	–6.0	–4.2	0.5	0.4	–2.3	–1.7	–2.2	–1.9	–2.6	–2.8	–3.2
Papua New Guinea	6.5	9.0	2.5	–9.6	3.1	1.7	–3.2	–8.0	–7.2	–2.5	–2.1	–1.4	–1.4	–1.3
Rwanda	0.2	–1.8	1.0	0.3	0.4	–1.8	–1.6	–2.5	–2.0	–1.4	–1.4	–1.2	–1.0	–1.7
Senegal	–5.4	–3.8	–4.7	–4.9	–5.2	–6.3	–5.6	–5.5	–5.0	–4.0	–3.6	–3.5	–3.2	–3.0
Sudan	–1.4	–3.5	0.6	–5.1	0.3	0.2	–3.7	–2.3	–1.0	–1.2	–0.9	–0.5	–0.3	0.1
Tajikistan	1.7	–5.5	–5.1	–5.2	–3.0	–2.1	0.6	–0.8	–0.6	–1.3	–1.7	–2.4	–2.6	–2.9
Tanzania	–4.5	–1.9	–2.6	–6.0	–6.5	–5.0	–5.7	–5.9	–5.0	–4.4	–4.0	–4.0	–3.9	–4.0
Uganda	–0.8	–1.1	–2.7	–2.3	–6.7	–3.1	–3.5	–3.5	–4.8	–3.0	–2.6	–2.3	–1.9	–1.9
Uzbekistan	5.4	5.2	10.2	2.8	4.9	8.8	8.5	2.9	0.6	0.5	0.4	0.4	0.4	0.4
Vietnam	0.3	–2.0	–0.5	–6.0	–2.8	–1.1	–6.8	–5.6	–6.6	–6.1	–5.7	–4.9	–4.3	–4.1
Yemen	1.2	–7.2	–4.5	–10.2	–4.1	–4.5	–6.3	–6.9	–5.4	–5.0	–4.7	–4.3	–4.2	–3.9
Zambia	16.9	–1.0	–0.7	–2.1	–2.4	–1.8	–3.2	–6.7	–5.2	–4.1	–3.5	–3.3	–3.2	–3.1
Zimbabwe	–2.5	–3.0	–2.1	–2.1	0.7	–1.3	–0.6	–1.9	–1.7	0.6	1.1	0.8	1.1	1.2
Average	2.9	–0.8	0.6	–4.4	–2.7	–1.1	–2.1	–3.2	–3.1	–3.1	–2.9	–2.9	–2.9	–2.9
Oil producers	5.5	0.3	2.8	–5.3	–3.0	0.0	–1.5	–3.0	–2.8	–3.1	–2.8	–3.0	–3.0	–3.3
Asia	–0.9	–1.7	–1.9	–4.7	–2.8	–2.5	–4.3	–4.1	–4.6	–4.4	–4.3	–3.9	–3.6	–3.4
Latin America	0.6	0.4	0.4	–2.3	–0.1	–0.8	–1.0	–2.6	–2.6	–2.0	–2.0	–2.0	–1.9	–1.8
Sub-Saharan Africa	5.1	–0.2	1.5	–4.5	–3.5	–0.9	–1.4	–3.1	–2.8	–2.8	–2.5	–2.8	–2.9	–3.0
Others	0.8	–2.2	1.4	–3.9	0.2	1.3	–0.4	–1.7	–1.6	–1.8	–1.7	–1.5	–1.3	–1.1

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).
Note: For country-specific details, see Data and Conventions in text, and Table C.

Statistical Table 18. Low-Income Developing Countries: General Government Primary Balance
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bangladesh	–1.0	–0.6	–1.9	–1.0	–0.8	–1.9	–1.1	–1.4	–0.8	–1.5	–1.7	–1.6	–1.2	–1.0
Benin	0.0	1.9	0.3	–2.8	0.1	–1.0	0.3	–1.6	–0.8	–0.7	–0.4	–0.4	–0.2	–0.2
Bolivia	7.0	4.3	5.5	1.7	3.1	2.1	2.8	1.6	0.5	0.9	0.2	–0.3	–0.4	–0.4
Burkina Faso	16.7	–5.3	–3.7	–4.3	–2.6	–0.8	–2.4	–3.4	–2.4	–2.4	–2.3	–2.7	–3.0	–3.2
Cambodia	0.0	–0.5	0.5	–4.0	–2.5	–3.8	–3.2	–2.4	–2.4	–2.0	–1.5	–1.0	–0.8	–0.9
Cameroon	33.8	5.2	2.6	0.2	–0.8	–2.2	–1.2	–3.6	–4.6	–4.8	–4.2	–4.0	–3.9	–3.8
Chad	2.6	2.8	3.8	–8.8	–3.6	3.0	0.9	–1.5	0.7	–0.9	0.7	1.6	2.0	1.1
Congo, Dem. Rep. of the	0.6	0.9	1.3	1.8	5.1	0.6	2.0	–0.4	–1.1	–0.4	–0.5	–2.0	–2.7	–2.2
Congo, Republic of	21.1	11.9	25.8	6.1	17.0	16.5	6.5	8.8	5.3	5.9	6.8	7.9	7.3	5.2
Côte d'Ivoire	0.2	1.2	1.3	0.1	–0.3	–2.9	–1.4	–0.9	–1.1	–2.0	–2.0	–2.0	–1.9	–1.9
Ethiopia	–3.0	–2.9	–2.5	–0.6	–0.9	–1.2	–0.9	–1.6	–2.3	–2.5	–2.3	–2.1	–1.9	–1.8
Ghana	–2.6	–3.5	–6.2	–4.2	–6.2	–2.5	–8.6	–5.3	–1.1	0.1	–0.2	1.6	2.0	5.8
Guinea	0.4	4.3	3.2	–5.0	–12.0	0.7	–1.6	–4.1	–4.8	–1.6	–1.6	–1.1	–1.1	–1.0
Haiti	–1.2	1.3	–2.1	–3.8	1.7	–3.2	–4.4	–6.2	–5.2	–4.2	–3.0	–1.8	–1.5	–1.0
Honduras	–3.1	–2.2	–2.7	–5.4	–3.4	–3.0	–4.3	–7.1	–5.2	–3.9	–3.1	–2.8	–2.7	–2.5
Kenya	–0.5	–0.8	–1.7	–2.7	–2.5	–2.2	–2.9	–3.3	–3.7	–3.6	–3.1	–2.7	–2.2	–1.7
Kyrgyz Republic	–1.8	0.0	1.7	–0.3	–5.0	–3.6	–4.7	–2.9	–3.5	–2.3	–2.0	–1.6	–1.4	–1.3
Lao P.D.R.	–2.2	–2.2	–0.8	–3.8	–2.8	–1.2	0.2	–4.5	–3.7	–2.6	–3.3	–3.0	–3.1	–3.1
Madagascar	2.0	–1.5	–1.2	–1.8	–0.1	–1.5	–1.9	–4.4	–1.3	–1.5	–2.0	–2.2	–2.2	–2.4
Mali	31.8	–2.8	–1.9	–3.9	–2.5	–3.4	–0.5	–2.1	–3.7	–2.7	–2.5	–2.5	–2.2	–2.3
Moldova	0.7	1.4	0.2	–5.0	–1.7	–1.6	–1.4	–1.2	–1.0	–4.8	–4.7	–4.6	–4.2	–4.0
Mongolia	8.0	3.0	–4.2	–4.7	1.0	–4.4	–11.0	–8.2	–7.7	–2.8	–1.1	0.0	–1.3	–1.7
Mozambique	–3.3	–2.3	–2.0	–5.0	–3.5	–4.1	–3.0	–1.9	–7.9	–6.2	–5.2	–4.3	–3.7	–3.3
Myanmar	–3.0	–2.7	–1.9	–4.2	–4.5	–3.5	–0.4	0.0	–2.9	–3.0	–3.2	–3.2	–2.9	–2.7
Nepal	0.9	–0.1	0.3	–1.9	0.0	–0.1	0.2	2.8	2.8	1.9	1.2	0.7	0.5	0.1
Nicaragua	1.8	1.8	–0.2	–1.4	0.0	0.7	0.1	–0.5	–0.8	–0.8	–1.1	–0.8	–0.7	–0.6
Niger	40.6	–0.7	1.7	–5.1	–2.2	–1.1	–0.8	–2.3	–5.1	–4.9	–3.4	–2.0	–2.1	–2.2
Nigeria	6.8	1.7	4.7	–5.2	–3.5	1.3	1.3	–1.2	–0.7	–1.2	–0.9	–1.6	–1.9	–2.1
Papua New Guinea	8.3	10.9	4.3	–7.6	4.4	3.0	–1.8	–6.6	–5.4	–0.5	–0.1	0.8	1.2	1.3
Rwanda	1.0	–1.2	1.5	0.7	0.9	–1.4	–1.1	–1.8	–1.2	–0.7	–0.7	–0.5	–0.3	–1.0
Senegal	–4.5	–3.2	–4.0	–4.2	–4.3	–4.8	–4.1	–4.0	–3.4	–2.4	–1.9	–1.8	–1.5	–1.3
Sudan	–0.2	–2.5	1.5	–4.1	1.4	1.4	–2.3	–0.9	–0.1	0.0	0.3	0.6	0.7	1.0
Tajikistan	2.2	–5.1	–4.8	–4.7	–2.5	–1.6	1.1	0.1	0.0	–0.7	–1.2	–1.9	–2.1	–2.4
Tanzania	–3.3	–0.7	–1.6	–5.1	–5.5	–4.0	–4.3	–4.2	–3.2	–2.8	–2.5	–2.6	–2.5	–2.6
Uganda	0.4	0.1	–1.5	–1.2	–5.7	–2.0	–2.0	–1.9	–3.0	–1.2	–0.6	–0.2	0.2	0.2
Uzbekistan	5.6	5.3	10.3	2.9	5.0	8.9	8.5	2.9	0.7	0.5	0.4	0.4	0.4	0.4
Vietnam	1.0	–1.0	0.5	–4.9	–1.6	0.0	–5.6	–4.2	–5.1	–4.6	–4.2	–3.3	–2.6	–2.4
Yemen	3.5	–4.9	–2.1	–7.7	–1.7	–0.2	–0.9	–1.5	–0.1	0.0	0.2	0.5	0.3	0.4
Zambia	18.5	0.3	0.7	–0.7	–1.0	–0.8	–1.9	–5.1	–3.3	–1.8	–1.5	–1.2	–1.1	–1.0
Zimbabwe	0.0	–1.2	0.3	0.4	1.9	–0.2	0.4	–1.0	–0.6	1.8	2.3	1.9	2.2	2.3
Average	4.0	0.3	1.6	–3.3	–1.7	0.1	–0.8	–1.8	–1.7	–1.7	–1.5	–1.6	–1.5	–1.4
Oil producers	6.5	1.2	3.7	–4.3	–2.1	1.1	–0.2	–1.7	–1.6	–1.8	–1.5	–1.8	–1.8	–2.0
Asia	0.1	–0.6	–0.6	–3.3	–1.5	–1.3	–2.9	–2.6	–3.0	–2.7	–2.6	–2.2	–1.8	–1.7
Latin America	1.6	1.3	0.9	–1.8	0.4	–0.4	–0.6	–2.0	–1.9	–1.2	–1.2	–1.2	–1.1	–1.0
Sub–Saharan Africa	6.3	0.8	2.4	–3.5	–2.6	0.2	–0.2	–1.8	–1.5	–1.5	–1.3	–1.5	–1.6	–1.6
Others	2.0	–1.1	2.4	–2.9	1.2	2.7	1.3	0.1	0.0	–0.1	0.0	0.1	0.1	0.2

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: Primary balance is defined as the overall balance excluding net interest payments. For country-specific details, see Data and Conventions in text, and Table C.

Statistical Table 19. Low-Income Developing Countries: General Government Revenue
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bangladesh	9.7	9.4	9.8	9.5	10.0	10.4	11.2	11.2	10.8	11.3	11.4	12.1	12.7	13.1
Benin	19.2	23.8	21.3	21.7	20.0	20.1	20.7	20.4	20.8	20.8	20.9	21.0	21.1	21.1
Bolivia	34.3	34.4	38.9	35.8	33.2	36.2	37.8	39.2	38.9	38.0	36.8	35.9	34.9	34.4
Burkina Faso	40.8	20.1	16.9	19.6	19.8	21.2	22.7	24.2	24.7	24.6	24.5	24.2	24.0	23.8
Cambodia	12.8	13.7	15.9	15.8	17.0	15.6	16.9	17.6	17.7	18.1	18.5	19.0	19.3	19.4
Cameroon	47.4	20.3	21.2	17.4	16.6	17.9	17.9	18.1	18.2	18.1	17.8	17.7	17.6	17.6
Chad	16.2	19.7	22.5	15.0	20.2	24.8	24.4	20.1	20.6	19.0	20.4	21.2	23.3	23.1
Congo, Dem. Rep. of the	12.0	10.4	13.1	14.9	21.1	18.0	20.1	17.4	17.5	18.3	19.4	19.4	19.2	19.1
Congo, Republic of	44.4	39.3	47.0	29.5	37.5	42.5	42.6	46.9	46.6	44.7	44.5	41.2	40.0	38.6
Côte d'Ivoire	18.6	19.2	19.9	18.5	18.1	19.2	18.9	19.8	20.8	19.3	19.6	20.1	20.4	21.0
Ethiopia	18.6	17.3	16.2	16.5	17.5	16.9	15.7	16.1	15.7	15.9	15.7	15.6	15.6	15.8
Ghana	17.1	17.5	15.9	16.4	16.7	19.1	18.6	16.7	18.5	19.2	18.8	21.7	21.7	21.9
Guinea	15.9	15.1	16.1	16.5	15.7	20.2	22.9	19.8	23.9	21.3	20.8	21.0	21.0	21.0
Haiti	13.5	15.8	15.1	17.8	23.9	21.9	23.4	20.8	19.5	20.4	21.6	22.0	22.1	22.2
Honduras	23.3	24.5	26.4	24.4	24.1	23.1	22.5	22.8	24.3	24.6	25.1	25.2	25.3	25.3
Kenya	19.2	19.5	19.1	18.9	19.7	19.0	19.2	19.7	20.5	21.0	21.0	21.1	21.3	21.4
Kyrgyz Republic	26.4	30.3	29.9	32.3	30.5	31.8	33.8	33.9	30.5	30.1	29.9	29.2	29.3	29.3
Lao P.D.R.	14.5	15.6	15.9	17.1	22.6	22.4	24.1	23.9	23.5	23.7	23.3	22.8	22.5	22.2
Madagascar	21.0	16.0	15.9	11.5	13.2	11.7	10.9	10.9	14.9	15.5	16.2	16.6	16.9	17.4
Mali	56.2	21.3	19.0	21.7	20.1	20.9	17.7	21.4	22.6	23.3	23.4	23.8	24.1	24.2
Moldova	39.9	42.9	40.6	38.9	38.3	36.6	37.9	36.8	39.7	36.7	36.6	36.5	36.5	36.4
Mongolia	33.8	37.9	33.1	30.3	37.1	40.3	35.5	34.1	29.3	28.9	28.7	29.2	28.8	28.7
Mozambique	22.9	25.2	25.3	27.1	28.6	28.6	28.6	32.9	32.7	29.2	29.2	29.1	29.0	28.9
Myanmar	12.8	12.3	11.6	10.7	11.4	12.0	23.3	24.8	24.2	24.0	23.7	23.9	24.2	24.5
Nepal	13.0	14.2	14.9	16.8	18.0	17.7	18.7	19.3	21.0	21.3	21.6	21.7	22.0	22.0
Nicaragua	22.0	22.2	21.0	20.5	21.4	22.6	23.1	22.6	22.7	23.0	23.4	23.5	23.7	23.8
Niger	60.1	22.2	24.1	18.6	18.2	17.9	22.2	25.5	27.1	25.3	27.4	29.1	29.1	28.7
Nigeria	22.0	17.9	20.8	11.3	12.4	17.7	14.3	11.0	10.6	10.4	10.3	9.5	9.1	8.8
Papua New Guinea	37.2	37.3	32.6	27.3	31.3	30.4	29.2	28.2	30.1	25.3	24.6	24.4	24.2	24.7
Rwanda	21.9	21.5	25.9	24.6	26.6	24.6	24.0	24.8	26.3	26.2	24.9	24.4	24.6	24.5
Senegal	21.2	23.6	21.6	21.6	21.9	22.5	23.3	22.7	23.3	23.5	23.9	24.0	24.0	24.3
Sudan	22.4	21.9	24.0	15.5	19.3	18.0	9.8	9.9	11.4	12.0	12.4	12.5	12.7	12.8
Tajikistan	23.6	22.5	22.1	23.4	23.2	24.9	25.1	26.9	25.8	26.5	27.1	26.8	27.3	27.7
Tanzania	18.8	21.2	22.0	21.0	21.0	21.9	21.5	20.9	21.5	22.4	23.0	22.9	23.0	23.0
Uganda	16.7	16.0	15.0	14.8	15.5	16.8	15.6	14.3	15.0	15.3	15.5	15.9	16.2	16.8
Uzbekistan	34.4	35.6	40.7	36.7	37.0	40.2	41.5	36.5	36.2	35.8	35.6	35.5	35.4	35.3
Vietnam	26.3	26.1	26.6	25.6	27.3	25.9	22.6	22.9	20.3	20.1	20.1	20.3	20.4	20.5
Yemen	38.6	33.2	36.7	25.0	26.1	25.3	29.9	23.9	23.9	22.7	22.9	23.0	22.4	22.3
Zambia	36.6	18.9	18.8	15.7	15.6	17.5	19.1	18.9	19.0	19.5	20.6	21.1	21.5	21.9
Zimbabwe	7.3	2.9	2.3	12.0	23.3	26.7	28.0	28.3	29.2	29.1	29.2	29.5	29.4	29.6
Average	22.7	19.8	21.3	17.3	18.2	20.2	19.3	18.0	17.6	17.5	17.5	17.5	17.5	17.6
Oil producers	24.7	20.5	23.0	16.3	17.2	20.4	17.9	15.5	14.7	14.4	14.4	14.0	13.8	13.6
Asia	17.7	17.7	18.0	17.0	18.2	18.4	19.3	19.4	18.1	18.0	17.9	18.3	18.5	18.7
Latin America	25.4	26.1	28.4	27.0	27.1	28.2	29.2	29.8	30.2	30.2	30.0	29.8	29.5	29.4
Sub-Saharan Africa	23.3	18.5	20.2	15.0	15.8	19.0	17.2	15.4	15.3	15.1	15.2	14.9	14.8	14.8
Others	29.7	28.5	31.5	24.9	26.5	27.1	26.2	23.8	24.3	24.7	25.1	25.2	25.2	25.3

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).
Note: For country-specific details, see Data and Conventions in text, and Table C.

Statistical Table 20. Low-Income Developing Countries: General Government Expenditure

(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bangladesh	12.3	11.7	13.9	12.7	12.7	13.9	14.2	14.6	13.5	14.5	14.8	15.4	15.6	15.8
Benin	19.4	23.4	21.4	25.0	20.4	21.6	21.0	22.4	22.2	22.0	21.9	22.0	21.9	21.9
Bolivia	29.8	32.7	35.3	35.8	31.5	35.4	36.1	38.5	39.3	37.9	37.3	36.8	35.9	35.4
Burkina Faso	24.6	25.8	20.9	24.3	22.8	22.6	25.8	28.2	27.5	27.6	27.4	27.6	27.7	27.7
Cambodia	13.0	14.5	15.6	20.0	19.9	19.6	20.7	20.3	20.5	20.4	20.3	20.3	20.3	20.4
Cameroon	14.6	15.6	19.0	17.5	17.7	20.5	19.5	22.1	23.3	23.4	22.5	22.3	22.2	22.1
Chad	14.0	17.1	18.9	24.2	24.4	22.4	23.9	22.1	20.5	20.3	20.0	19.9	21.6	22.2
Congo, Dem. Rep. of the	14.2	12.7	14.7	16.5	17.5	19.1	19.6	19.2	19.6	19.9	20.9	22.4	22.7	22.1
Congo, Republic of	27.8	29.9	23.6	24.7	21.4	26.1	36.2	38.4	41.4	38.9	37.8	33.4	32.8	33.5
Côte d'Ivoire	20.1	19.7	20.3	19.9	20.0	24.6	22.1	22.1	23.1	22.4	22.7	23.2	23.4	24.0
Ethiopia	22.5	20.9	19.1	17.4	18.8	18.6	16.8	18.1	18.4	18.8	18.6	18.3	18.2	18.3
Ghana	21.8	22.9	24.4	23.5	26.1	24.4	30.7	26.7	26.3	25.7	26.2	27.6	27.5	24.5
Guinea	19.0	13.2	15.6	23.7	29.7	21.5	26.1	25.1	29.8	24.0	23.5	23.2	23.0	22.9
Haiti	15.2	15.6	17.9	22.4	22.8	25.5	28.2	27.5	25.2	25.2	25.2	24.5	24.3	23.9
Honduras	26.0	26.1	28.1	28.9	27.0	25.9	26.6	30.3	30.3	29.9	29.6	29.7	29.7	29.7
Kenya	21.4	21.9	22.4	23.2	24.1	23.0	24.2	25.4	26.5	26.7	26.3	26.0	25.6	25.3
Kyrgyz Republic	29.1	31.0	28.9	33.4	36.4	36.4	39.5	37.7	34.9	33.4	32.7	31.7	31.6	31.4
Lao P.D.R.	17.4	18.3	17.3	21.3	25.9	24.1	24.6	29.6	28.1	27.4	27.8	27.0	26.7	26.4
Madagascar	21.5	18.7	17.9	14.1	14.1	14.1	13.5	16.0	17.0	17.8	19.0	19.6	20.0	20.7
Mali	24.9	24.5	21.2	25.9	23.0	24.9	18.9	24.1	27.0	26.6	26.6	26.9	26.8	27.0
Moldova	40.2	42.6	41.6	45.3	40.8	39.0	40.1	38.6	41.3	42.1	42.1	42.1	41.8	41.6
Mongolia	26.2	35.3	37.6	35.5	36.6	45.1	47.4	43.8	40.4	36.2	35.2	35.7	37.1	38.1
Mozambique	27.0	28.1	27.8	32.6	32.9	33.7	32.6	35.6	41.9	36.7	35.9	35.0	34.4	34.0
Myanmar	16.4	15.5	14.0	15.6	16.9	16.6	25.0	26.5	28.7	28.6	28.5	28.7	28.8	28.9
Nepal	12.7	15.0	15.4	19.4	18.8	18.7	19.3	17.2	18.8	20.4	21.0	21.5	22.0	22.4
Nicaragua	20.9	20.6	21.0	22.0	21.3	21.8	22.9	23.2	23.5	23.9	24.6	24.5	24.5	24.4
Niger	19.7	23.2	22.6	23.9	20.6	19.4	23.4	28.1	32.8	30.8	31.6	31.8	31.7	31.5
Nigeria	15.9	16.8	16.7	17.3	16.6	17.3	14.0	13.3	12.3	12.6	12.2	12.0	11.9	12.0
Papua New Guinea	30.7	28.3	30.1	36.9	28.2	28.7	32.4	36.1	37.3	27.8	26.7	25.8	25.6	26.0
Rwanda	21.7	23.3	24.9	24.3	26.2	26.5	25.6	27.3	28.3	27.6	26.3	25.6	25.6	26.2
Senegal	26.6	27.5	26.3	26.5	27.1	28.8	28.9	28.2	28.3	27.5	27.5	27.5	27.3	27.3
Sudan	23.8	25.4	23.5	20.6	19.0	17.8	13.5	12.1	12.4	13.3	13.2	13.0	13.0	12.7
Tajikistan	21.9	28.0	27.2	28.6	26.1	27.0	24.6	27.7	26.5	27.7	28.8	29.2	29.9	30.6
Tanzania	23.2	23.1	24.6	27.0	27.5	26.9	27.2	26.8	26.5	26.8	26.9	26.9	26.9	27.0
Uganda	17.5	17.1	17.7	17.1	22.2	19.9	19.1	17.8	19.8	18.4	18.1	18.2	18.1	18.7
Uzbekistan	29.0	30.4	30.5	33.9	32.1	31.4	33.0	33.6	35.6	35.2	35.1	35.0	34.9	34.9
Vietnam	26.1	28.1	27.1	31.6	30.0	26.9	29.4	28.5	26.9	26.2	25.8	25.3	24.7	24.6
Yemen	37.4	40.3	41.2	35.2	30.2	29.8	36.2	30.8	29.3	27.7	27.6	27.3	26.6	26.1
Zambia	19.7	19.9	19.5	17.8	18.1	19.3	22.3	25.5	24.2	23.6	24.1	24.4	24.8	25.0
Zimbabwe	9.8	5.9	4.3	14.0	22.6	27.9	28.6	30.3	30.9	28.5	28.1	28.7	28.3	28.4
Average	19.8	20.6	20.8	21.7	21.0	21.3	21.3	21.2	20.7	20.5	20.4	20.4	20.4	20.5
Oil producers	19.2	20.3	20.2	21.6	20.2	20.5	19.4	18.6	17.6	17.4	17.1	17.0	16.8	16.9
Asia	18.7	19.4	20.0	21.7	21.1	20.9	23.6	23.5	22.7	22.3	22.2	22.2	22.1	22.1
Latin America	24.8	25.7	28.0	29.3	27.2	29.0	30.2	32.5	32.7	32.1	32.0	31.8	31.4	31.2
Sub-Saharan Africa	18.1	18.7	18.7	19.5	19.3	19.9	18.6	18.5	18.0	17.9	17.7	17.7	17.7	17.8
Others	28.9	30.7	30.1	28.9	26.3	25.9	26.7	25.5	25.9	26.5	26.7	26.6	26.5	26.4

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).

Note: For country-specific details, see Data and Conventions in text, and Table C.

Statistical Table 21. Low-Income Developing Countries: General Government Gross Debt
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bangladesh	42.8	42.5	40.7	39.5	35.3	36.1	35.1	35.2	33.9	32.9	32.4	31.8	30.9	29.9
Benin	12.5	21.2	26.9	27.3	30.2	31.9	29.2	29.8	29.5	29.0	28.3	27.7	26.9	26.1
Bolivia	55.2	40.5	37.2	40.0	38.5	34.7	33.4	32.6	29.8	27.1	25.4	24.1	22.9	21.8
Burkina Faso	22.6	25.4	25.2	28.6	29.3	30.5	28.7	29.1	31.2	31.6	31.8	33.5	34.5	35.7
Cambodia	32.7	30.6	27.5	28.9	29.1	28.5	28.7	28.4	28.9	28.9	28.5	27.9	27.4	27.1
Cameroon	15.9	12.0	9.7	10.1	11.5	13.2	15.4	19.0	24.4	28.6	31.6	34.4	36.8	39.1
Chad	27.4	23.4	18.7	23.9	25.6	29.1	28.5	31.0	31.9	28.0	24.0	21.2	19.7	19.7
Congo, Dem. Rep. of the	100.0	83.4	87.0	89.8	27.2	23.0	19.9	20.0	20.7	21.7	22.1	23.7	24.9	25.5
Congo, Republic of	98.8	98.0	68.1	61.6	22.9	33.1	34.1	38.2	38.2	35.5	33.9	29.6	29.3	30.1
Côte d'Ivoire	79.4	74.0	70.8	64.2	63.0	93.3	44.8	39.9	36.5	34.3	33.1	32.1	31.1	30.5
Ethiopia	39.4	37.2	30.8	25.4	27.9	26.2	21.2	21.9	22.8	23.4	23.9	24.2	24.5	24.8
Ghana	26.2	31.0	33.4	36.2	46.5	42.6	49.8	55.6	65.3	71.1	70.8	68.3	66.3	66.9
Guinea	137.1	92.4	90.2	89.3	99.6	77.8	35.4	39.5	36.5	31.4	27.4	23.6	20.5	17.8
Haiti	39.0	34.8	38.3	28.0	17.5	12.0	16.4	21.3	24.5	29.9	33.7	36.9	39.8	42.3
Honduras	40.3	24.7	23.0	24.7	29.8	32.5	34.8	43.5	46.6	49.4	51.5	53.3	55.5	57.6
Kenya	43.8	38.0	40.7	41.2	44.2	42.0	40.8	41.0	44.7	46.6	46.6	46.6	46.1	45.8
Kyrgyz Republic	72.5	56.8	48.5	58.1	59.7	49.4	49.0	47.7	51.1	50.0	49.8	47.3	45.7	46.5
Lao P.D.R.	71.9	64.2	60.3	63.2	62.1	56.9	62.2	61.3	61.2	60.1	59.4	58.6	55.4	53.7
Madagascar	37.4	32.8	31.8	33.4	32.0	32.6	33.8	34.2	34.0	34.0	34.7	35.7	36.6	37.8
Mali	20.4	21.1	22.6	24.7	28.7	29.1	29.9	32.1	32.4	33.8	34.8	36.0	36.4	37.0
Moldova	30.9	24.6	19.3	29.1	26.9	24.1	24.5	23.8	25.4	28.0	31.1	34.2	37.6	40.6
Mongolia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Mozambique	53.6	41.9	42.1	45.6	45.8	39.6	42.7	47.8	51.3	53.6	54.3	54.2	53.5	52.9
Myanmar	90.4	62.4	53.1	55.1	49.6	49.4	48.0	39.8	39.5	39.8	40.3	40.5	40.6	40.6
Nepal	49.5	42.8	41.2	39.3	35.4	33.2	34.3	31.2	26.3	24.3	23.2	22.7	22.8	23.3
Nicaragua	54.9	32.4	28.7	32.9	33.7	32.7	31.5	30.9	29.9	29.0	28.4	27.5	26.7	25.7
Niger	27.1	25.1	21.1	27.7	23.9	27.1	27.4	27.0	41.8	44.2	45.1	41.9	39.5	37.4
Nigeria	8.1	8.5	7.5	9.6	9.6	10.2	10.4	10.4	10.6	11.1	11.2	11.6	12.2	13.6
Papua New Guinea	39.6	33.7	31.6	31.3	25.3	22.3	26.8	34.8	38.3	32.2	32.8	32.4	31.8	30.9
Rwanda	26.6	27.2	21.4	23.1	23.1	23.7	23.5	28.7	29.1	29.7	30.8	32.3	32.6	29.7
Senegal	21.8	23.5	23.9	34.0	35.5	40.7	43.4	46.8	50.3	51.0	51.0	50.9	50.5	49.9
Sudan	75.0	70.7	68.8	72.1	73.1	70.5	94.3	90.3	90.8	87.6	85.0	81.7	78.3	74.9
Tajikistan	35.3	34.6	30.0	36.2	36.3	35.4	32.3	29.2	28.8	28.4	29.1	30.4	31.2	30.9
Tanzania	42.6	27.6	28.6	32.6	37.1	40.2	40.4	40.5	42.1	42.8	42.8	43.0	43.1	42.3
Uganda	35.5	21.9	21.4	21.4	26.8	29.3	31.1	33.3	35.4	38.7	41.2	42.5	42.9	45.7
Uzbekistan	21.3	15.8	12.7	11.0	10.0	9.1	8.6	8.5	8.6	8.6	8.7	8.8	9.0	9.2
Vietnam	38.4	40.9	39.4	46.9	48.4	46.7	48.5	51.6	54.8	57.1	59.5	60.3	60.7	60.7
Yemen	40.8	40.4	36.4	49.8	42.4	45.7	47.3	48.2	48.2	47.4	48.0	47.8	47.4	47.1
Zambia	25.0	21.9	19.2	20.5	18.9	20.6	25.5	28.7	32.4	31.4	31.2	31.5	31.9	32.2
Zimbabwe	45.1	50.5	69.4	68.3	63.2	51.8	56.7	55.2	58.5	58.5	55.6	54.9	53.5	52.2
Average	35.1	32.1	30.0	33.4	30.7	30.4	30.8	31.0	31.4	31.2	31.3	31.5	31.6	32.1
Oil producers	25.3	24.4	22.0	26.8	21.8	22.7	22.3	22.9	23.5	24.2	24.7	25.3	26.0	27.1
Asia	46.0	43.8	41.5	44.2	42.2	41.6	42.1	42.3	42.9	43.0	43.6	43.6	43.3	42.7
Latin America	48.1	33.1	31.4	32.3	32.3	30.8	31.4	33.8	33.6	33.4	33.3	33.1	32.9	32.6
Sub-Saharan Africa	26.4	24.1	22.3	25.1	21.9	22.2	21.5	22.2	22.6	23.0	23.2	23.7	24.2	25.2
Others	52.3	48.4	44.5	47.8	47.1	44.5	51.5	49.3	48.9	45.7	44.2	42.9	41.6	40.5

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).
Note: For country-specific details, see Data and Conventions in text, and Table C.

Statistical Table 22. Low-Income Developing Countries: General Government Net Debt
(Percent of GDP)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Bangladesh	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Benin	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Bolivia	41.9	27.3	20.6	23.1	18.4	14.4	11.0	10.4	9.2	7.5	7.2	8.0	9.1	10.4
Burkina Faso	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Cambodia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Cameroon	15.9	12.0	9.7	10.1	11.5	13.2	15.4	19.0	24.4	28.6	31.6	34.4	36.8	39.1
Chad	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Congo, Dem. Rep. of the	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Congo, Republic of	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Côte d'Ivoire	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Ethiopia	29.6	29.2	25.9	21.3	23.7	20.7	17.9	19.1	20.5	21.5	22.2	22.8	23.3	23.7
Ghana	21.9	23.2	29.9	32.7	43.2	38.7	47.7	53.2	63.3	69.3	69.2	65.4	62.2	61.6
Guinea	137.1	92.4	90.2	89.3	99.6	77.8	35.4	39.5	36.5	31.4	27.4	23.6	20.5	17.8
Haiti	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Honduras	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Kenya	39.7	34.3	37.6	39.2	41.9	38.7	37.0	38.7	41.5	41.9	42.4	42.6	42.3	42.0
Kyrgyz Republic	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Lao P.D.R.	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Madagascar	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Mali	14.9	15.2	16.7	15.5	18.5	20.4	24.8	25.5	28.8	31.1	32.7	33.7	34.4	35.0
Moldova	30.9	24.6	19.3	29.1	26.9	24.1	24.5	23.8	25.4	28.0	31.1	34.2	37.6	40.6
Mongolia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Mozambique	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Myanmar	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Nepal	49.5	42.8	41.2	39.3	35.4	33.2	34.3	31.2	26.3	24.3	23.2	22.7	22.8	23.3
Nicaragua	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Niger	–37.0	2.1	1.1	1.5	1.6	3.0	1.9	2.7	14.8	3.4	3.5	3.3	3.3	3.2
Nigeria	3.6	3.4	0.6	6.7	9.2	8.2	7.3	9.2	22.3	11.1	10.4	11.3	11.2	12.6
Papua New Guinea	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Rwanda	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Senegal	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Sudan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Tajikistan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Tanzania	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Uganda	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Uzbekistan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Vietnam	38.4	40.9	39.4	46.9	48.4	46.7	48.5	51.6	54.8	57.1	59.5	60.3	60.7	60.7
Yemen	33.0	35.2	31.4	43.6	38.3	42.3	45.3	46.7	46.9	46.3	47.0	46.9	46.6	46.4
Zambia	21.6	17.6	16.3	16.5	15.9	16.2	20.0	24.9	28.6	29.3	29.4	29.7	30.2	30.5
Zimbabwe	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Average	18.1	17.5	15.4	21.6	22.2	21.1	21.2	23.2	30.8	25.2	25.4	26.2	26.5	27.5
Oil producers	13.4	13.5	11.0	18.8	19.1	18.7	18.9	21.0	30.8	23.6	23.7	24.8	25.1	26.5
Asia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Latin America	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Sub-Saharan Africa	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Others	32.7	33.4	29.2	41.1	36.5	39.1	41.7	42.9	43.7	43.7	44.7	45.1	45.3	45.5

Source: IMF staff estimates and projections. Projections are based on staff assessment of current policies (see Fiscal Policy Assumptions in text).
Note: For country-specific details, see Data and Conventions in text, and Table C.

Statistical Table 23a. Advanced Economies: Structural Fiscal Indicators

(Percent of GDP, except where otherwise indicated)

	Pension Spending Change, 2014–30[1]	Net Present Value of Pension Spending Change, 2014–50[1, 2]	Health Care Spending Change, 2014–30	Net Present Value of Health Care Spending Change, 2014–50[2]	Gross Financing Needs, 2014[3]	AverageTerm to Maturity, 2014 (years)[4]	Debt-to-Average Maturity, 2014	Projected Interest Rate–Growth Differential, 2014–19 (percent)	Precrisis Overall Balance, 2000–07	Projected Overall Balance, 2014–19	Nonresident Holding of General Government Debt, 2014 (percent of total)[5]
Australia	0.7	22.1	1.9	64.1	5.5	6.1	5.0	–0.2	1.1	–1.1	47.2
Austria	2.2	47.2	1.4	48.2	11.7	7.9	10.1	0.3	–1.7	–1.2	76.8
Belgium	3.8	99.4	2.5	83.0	15.3	7.4	13.7	0.5	–0.3	–1.3	63.0
Canada	1.1	27.1	1.9	59.7	16.0	6.1	14.5	–0.6	1.2	–1.6	20.6
Cyprus	. . .	. . .	. . .	. . .	. . .	3.7	31.7	1.0	–2.5	–1.6	58.8
Czech Republic	0.0	12.3	0.5	14.9	7.7	5.3	8.3	–0.9	–3.9	–1.2	35.9
Denmark	0.3	1.8	1.2	34.1	7.7	7.9	5.7	–0.2	2.5	–1.7	39.5
Estonia	–0.2	–11.8	0.3	11.1	. . .	11.1	0.9	–3.7	1.2	0.1	80.6
Finland	2.9	61.2	1.5	43.9	7.6	5.7	10.2	–0.4	4.0	–0.8	84.1
France	0.4	9.7	0.6	22.6	17.4	6.8	14.0	–0.3	–2.7	–3.1	62.9
Germany	1.2	35.4	0.8	26.4	6.6	6.4	11.7	–0.7	–2.3	0.3	62.4
Greece	0.5	20.8	0.8	38.4	14.5	20.0	8.7	–0.6	–5.6	–1.2	85.9
Hong Kong SAR	. . .	. . .	. . .	. . .	. . .	. . .	. . .	–6.1	0.2	2.2	7.4
Iceland	0.3	5.7	1.1	39.8	2.1	14.2	6.1	–0.7	1.5	–0.2	32.6
Ireland	0.7	34.8	0.6	20.1	7.6	12.2	9.2	0.4	1.4	–1.3	63.5
Israel	. . .	. . .	0.3	10.1	. . .	5.6	12.0	–0.4	–4.9	–2.4	14.2
Italy	–0.5	0.0	0.6	20.5	27.9	6.3	21.9	1.9	–3.0	–1.4	35.6
Japan	–0.3	3.2	1.8	45.2	58.1	6.6	37.2	–1.2	–5.7	–5.2	7.9
Korea	1.8	62.9	2.9	106.8	3.1	6.2	5.7	–2.1	2.0	1.1	12.2
Latvia	–2.3	–59.8	0.7	22.6	. . .	5.4	6.7	–1.2	–1.4	–0.9	78.7
Luxembourg	4.1	124.1	0.6	29.7	–0.4	9.2	2.6	–1.6	2.3	–1.3	42.1
Malta	. . .	. . .	. . .	. . .	10.7	8.3	8.7	0.7	–4.9	–2.0	11.3
Netherlands	2.3	65.7	3.9	137.9	13.1	6.8	10.3	–0.2	–0.6	–1.6	57.5
New Zealand	2.2	63.1	3.3	109.6	2.5	5.9	5.9	–0.3	3.0	0.4	58.9
Norway	2.3	64.2	1.8	55.7	–8.7	4.1	7.2	–1.0	13.4	8.8	45.2
Portugal	0.3	10.4	0.8	42.2	20.8	5.6	23.4	0.5	–4.1	–2.4	71.4
Singapore[6]	. . .	. . .	. . .	. . .	9.6	3.3	31.1	–4.2	7.0	3.9	. . .
Slovak Republic	1.3	47.4	0.7	23.0	6.7	6.7	8.3	–0.8	–5.0	–1.5	66.5
Slovenia	1.7	75.7	0.7	22.3	16.1	5.2	14.9	2.1	–1.0	–3.7	69.1
Spain	0.0	26.3	1.0	47.0	20.5	5.8	16.9	1.0	0.4	–3.5	43.4
Sweden	0.5	10.8	0.2	4.4	9.0	5.2	8.2	–1.8	1.3	0.0	45.6
Switzerland	1.6	42.4	2.8	98.6	2.7	8.5	5.6	–0.2	0.2	0.8	11.7
United Kingdom	0.3	8.2	1.6	58.1	11.6	14.8	6.2	–0.5	–1.8	–2.4	27.9
United States	1.6	36.6	4.8	160.8	23.6	5.6	19.0	–1.6	–3.4	–4.2	32.7
Average	1.1	29.1	2.8	92.8	21.3	6.7	17.0	–1.0	–2.2	–2.6	36.0
G7	1.0	25.3	3.0	100.3	24.8	6.7	19.2	–1.0	–3.1	–3.4	34.2
G20 advanced	1.0	26.9	3.0	99.3	23.3	6.7	18.1	–1.0	–2.8	–3.1	33.9

Sources: Bloomberg L.P.; Joint External Debt Hub, Quarterly External Debt Statistics; national authorities; and IMF staff estimates and projections.

Note: All country averages are weighted by nominal GDP converted to U.S. dollars at average market exchange rates in the years indicated and based on data availability.

[1] Pension projections are based on Clements, Eich, and Gupta (2014). Projections rely on authorities' estimates when these are available.

[2] For net present value calculations, a discount rate of 1 percent a year is used in excess of GDP growth for each country.

[3] *Gross financing needs* are defined as the projected overall deficit and maturing government debt in 2014; for more details on the assumptions, see note 1 in Table 1.3. Data are from Bloomberg L.P. and IMF staff projections.

[4] For most countries, *average term to maturity* data refer to central government securities; the source is Bloomberg L.P.

[5] Nonresident holding of general government debt data are for 2014:Q1 or latest available from the Joint External Debt Hub (JEDH), Quarterly External Debt Statistics, which include marketable and nonmarketable debt. For some countries, tradable instruments in the JEDH are reported at market value. External debt in U.S. dollars is converted to local currency, then taken as a percentage of 2014 gross general government debt .

[6] Singapore's general government debt is covered by financial assets and issued to develop the bond market.

Statistical Table 23b. Emerging Market and Middle-Income Economies: Structural Fiscal Indicators

(Percent of GDP, except where otherwise indicated)

	Pension Spending Change, 2014–30[1]	Net Present Value of Pension Spending Change, 2014–50[1,2]	Health Care Spending Change, 2014–30	Net Present Value of Health Care Spending Change, 2014–50[2]	Gross Financing Needs, 2014[3]	Average Term to Maturity, 2014 (years)[4]	Debt-to-Average Maturity, 2014	Projected Interest Rate–Growth Differential, 2014–19 (percent)	Precrisis Overall Balance, 2000–07	Projected Overall Balance, 2014–19	Nonresident Holding of General Government Debt, 2014 (percent of total)[5]
Algeria	. . .	. . .	. . .	. . .	. . .	. . .	. . .	–4.8	7.3	–3.5	5.2
Angola	. . .	. . .	. . .	. . .	. . .	2.1	18.4	–3.8	3.0	–3.9	. . .
Argentina	0.9	40.4	1.6	57.2	12.3	12.6	3.9	–20.0	–3.9	–6.4	26.5
Azerbaijan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	–4.5	0.6	–3.2	. . .
Belarus	. . .	. . .	. . .	. . .	. . .	1.9	18.8	–12.1	1.0	–4.5	46.1
Brazil	1.3	75.2	1.8	64.2	16.0	7.3	9.1	4.0	–3.6	–3.1	21.9
Chile	–1.5	–33.6	1.4	49.7	2.5	8.6	1.6	4.0	2.4	–0.9	15.8
China	2.4	72.5	1.3	43.3	. . .	7.6	5.4	–7.5	–1.8	–0.7	. . .
Colombia	–0.7	–29.9	2.0	71.3	4.3	7.2	4.7	1.2	–1.9	–1.1	27.5
Croatia	. . .	. . .	. . .	. . .	19.7	4.6	14.3	3.1	–2.9	–3.1	36.5
Dominican Republic	. . .	. . .	. . .	. . .	6.4	8.5	4.2	0.2	–1.9	–3.1	66.1
Ecuador	. . .	. . .	. . .	. . .	6.0	4.8	5.6	–1.1	1.4	–2.7	45.7
Egypt	3.3	63.9	0.5	18.4	45.5	2.0	47.8	–3.7	–9.0	–11.8	10.9
Hungary	–0.6	2.4	1.2	42.4	23.8	4.3	18.4	1.1	–6.6	–2.7	65.1
India	0.0	–2.0	0.4	14.6	11.6	9.1	6.7	–3.9	–7.9	–6.5	6.6
Indonesia	0.4	11.6	0.4	15.3	4.1	10.4	2.5	–4.9	–0.8	–1.9	54.6
Iran	. . .	. . .	. . .	. . .	. . .	. . .	. . .	–13.0	3.3	–2.7	. . .
Kazakhstan	. . .	. . .	0.6	22.0	. . .	7.7	1.8	–5.8	4.5	3.5	16.1
Kuwait	. . .	. . .	. . .	. . .	. . .	0.6	9.2	–0.7	29.6	23.8	. . .
Libya	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	16.4	–21.4	. . .
Malaysia	1.3	48.1	0.8	29.8	9.6	5.8	9.8	–3.5	–4.1	–2.9	25.8
Mexico	1.1	10.8	1.1	41.7	12.4	8.5	5.6	–0.2	–2.0	–3.3	34.4
Morocco	. . .	. . .	0.8	26.6	10.7	5.6	11.8	–2.5	–3.5	–3.5	21.5
Oman	. . .	. . .	. . .	. . .	. . .	3.3	2.5	0.5	10.4	–3.0	. . .
Pakistan	0.1	5.0	0.3	9.7	29.2	2.8	22.8	–3.9	–2.9	–3.8	. . .
Peru	. . .	. . .	1.1	39.1	2.5	11.3	1.7	–1.3	–0.4	–0.2	42.3
Philippines	0.6	20.7	0.5	17.3	6.8	10.1	3.6	–2.7	–2.4	–1.0	30.5
Poland	–0.8	–36.4	1.7	55.5	10.4	4.9	10.0	–1.0	–4.3	–2.3	56.6
Qatar	. . .	. . .	. . .	. . .	. . .	4.6	5.5	–3.7	8.3	6.5	. . .
Romania	0.7	31.2	1.1	41.3	9.4	4.3	9.2	–1.1	–2.6	–1.6	49.7
Russia	2.0	70.6	1.0	32.7	2.2	7.0	2.2	–1.4	4.6	–0.8	16.6
Saudi Arabia	1.2	56.7	0.9	35.0	. . .	7.8	0.3	0.7	10.7	–0.2	. . .
South Africa	0.3	10.5	1.1	37.7	12.6	11.0	4.4	0.0	–0.7	–5.0	31.3
Sri Lanka	. . .	. . .	. . .	. . .	19.4	4.3	17.7	–4.7	–7.9	–4.4	. . .
Thailand	0.7	21.2	1.5	52.8	8.7	8.7	5.5	–2.9	–0.4	–2.6	11.0
Turkey	4.4	100.3	1.8	65.2	8.8	6.0	5.6	–0.9	–5.5	–2.2	32.9
Ukraine	–0.2	21.0	1.0	33.4	16.4	3.5	19.5	–2.7	–2.4	–2.9	29.5
United Arab Emirates	. . .	. . .	. . .	. . .	. . .	. . .	. . .	–2.4	9.3	9.0	. . .
Uruguay	. . .	. . .	. . .	. . .	15.0	12.7	5.2	–5.3	–2.0	–2.8	37.9
Venezuela	. . .	. . .	. . .	. . .	...	7.9	5.8	–21.3	0.1	–14.5	. . .
Average	1.6	51.1	1.2	40.4	10.8	7.6	6.3	–4.4	–1.0	–1.9	25.6
G20 emerging	1.8	57.8	1.2	40.9	10.0	7.9	5.3	–4.6	–1.7	–2.0	23.5

Sources: Bloomberg L.P.; Joint External Debt Hub, Quarterly External Debt Statistics; national authorities; and IMF staff estimates and projections.

Note: All country averages are weighted by nominal GDP converted to U.S. dollars at average market exchange rates in the years indicated and based on data availability.

[1] Pension projections are based on Clements, Eich, and Gupta (2014). Projections rely on authorities' estimates when these are available.

[2] For net present value calculations, a discount rate of 1 percent a year is used in excess of GDP growth for each country.

[3] *Gross financing needs* are defined as the projected overall balance and maturing government debt in 2014. Data are from IMF staff projections. See Table 1.5.

[4] *Average term to maturity* data refer to government securities; the source is Bloomberg L.P.

[5] *Nonresident holding of general government debt* data are 2014:Q1 or latest available from the Joint External Debt Hub (JEDH), Quarterly External Debt Statistics, which include marketable and nonmarketable debt. For some countries, tradable instruments in the JEDH are reported at market value. External debt in U.S. dollars is converted to local currency, then taken as a percentage of 2014 gross general government debt.

Statistical Table 24a. Advanced Economies: Illustrative Adjustment Needs Based on Long-Term Debt Targets
(Percent of GDP)

	2014		Age-Related Spending, 2014–30[3]	Illustrative Fiscal Adjustment Strategy to Achieve Debt Target in 2030		
	Gross Debt[1]	CAPB[2]		CAPB in 2020–30[4]	Required Adjustment between 2014 and 2020	Required Adjustment and Age-Related Spending, 2014–30
	(1)	(2)	(3)	(4)	(4) – (2)	(4) + (3) – (2)
Australia	15.8	–2.2	2.6	0.7	2.9	5.6
Austria	80.1	0.3	3.7	2.1	1.8	5.5
Belgium	101.9	1.2	6.2	3.9	2.7	8.9
Canada	38.6	–1.7	3.0	0.6	2.2	5.3
Czech Republic	44.4	0.8	0.5	–0.1	–0.9	–0.4
Denmark	45.1	1.1	1.5	0.1	–1.0	0.5
Finland	57.9	1.2	4.4	0.5	–0.7	3.7
France	95.2	–0.8	1.0	3.4	4.2	5.2
Germany	75.5	2.4	2.0	1.0	–1.4	0.6
Iceland	86.4	6.4	1.4	0.8	–5.5	–4.1
Ireland	112.4	1.0	1.4	4.7	3.7	5.1
Israel	67.4	0.9	. . .	0.6	–0.3	. . .
Italy	136.7	4.3	0.1	7.3	3.0	3.1
Japan	137.8	–6.0	1.5	5.6	11.6	13.1
Korea	35.4	1.6	4.7	–0.3	–1.9	2.7
Netherlands	69.4	1.7	6.2	1.1	–0.6	5.5
New Zealand	26.6	–0.8	5.4	0.4	1.1	6.6
Portugal	131.3	1.9	1.1	6.1	4.1	5.2
Slovak Republic	55.7	–0.2	2.0	0.2	0.5	2.5
Slovenia	77.4	1.1	2.4	2.5	1.4	3.9
Spain	98.6	0.0	1.1	4.2	4.2	5.3
Sweden	42.2	–0.6	0.7	0.1	0.7	1.4
Switzerland	47.2	1.8	4.5	–0.2	–2.0	2.5
United Kingdom	92.0	–1.1	1.9	3.2	4.3	6.1
United States	105.6	–1.4	6.4	3.3	4.7	11.1
Average	94.0	–0.9	3.8	3.1	3.9	7.7
G20 advanced	97.3	–1.1	3.9	3.2	4.4	8.3

Source: IMF staff estimates and projections.

Note: The cyclically adjusted primary balance (CAPB) required to reduce debt and its comparison to the 2014 CAPB is a standardized calculation, and policy recommendations for individual countries would require a case-by-case assessment. The adjustment is calculated with respect to the projected 2014 levels for countries' fiscal deficits, age-related spending, and debt. As such, announced or legislated policies that are expected to come into effect after 2014 are not taken into account in the calculations.

[1] Gross general government debt, except in the cases of Australia, Canada, Japan, and New Zealand, for which net debt ratios are used.

[2] CAPB is reported in percent of nominal GDP (in contrast to the conventional definition in percent of potential GDP). CAPB is defined as cyclically adjusted balance (CAB) plus gross interest expenditure (this differs from the definition in Statistical Table 4), except in the cases of Australia, Canada, Japan, and New Zealand, for which CAPB is defined as CAB plus net interest payments (as in Statistical Table 4). Structural balances are used instead of CAB for Sweden and the United States. In countries where the 2008 System of National Accounts (SNA) has been adopted (Australia, Canada, and United States), the CAPB may be partially capturing the age-related spending pressure from defined-benefit pension plans for government employees that are accounted on an accrual basis. Thus, the projected increase in health care and pension spending may be overestimated by the component of liabilities corresponding to these plans–this component is typically small relative to total pension liabilities. For details, see Data and Conventions in text.

[3] See Statistical Table 23a.

[4] Indicates the CAPB needed to bring the debt ratio down to 60 percent in 2030, or to stabilize debt at the end-2014 level by 2030, if the respective debt-to-GDP ratio is less than 60 percent. For Japan, a net debt target of 80 percent of GDP is assumed, which corresponds to a target of 200 percent of GDP for gross debt. The CAPB is assumed to change in line with *Fiscal Monitor* projections until 2015 and adjust gradually from 2016 until 2020. Thereafter it is maintained constant until 2030. These calculations assume that the initial country-specific interest rate–growth differentials (based on *Fiscal Monitor* projections) converge over time to model-based country-specific levels.

Statistical Table 24b. Advanced Economies: Illustrative Adjustment Needs Based on Medium-Term Structural Balance Targets

(Percent of GDP)

	2014			Illustrative Fiscal Adjustment Strategy		2030
	Gross Debt	Structural Balance	Structural Balance Target	Primary Balance Adjustment 2014–20	Average Primary Balance 2021–30	Gross Debt
	(1)	(2)	(3)	(4)	(5)	(6)
Australia	15.8	–3.0	0.5	2.9	0.4	4.1
Austria	80.1	–1.0	–0.5	0.6	2.3	53.2
Belgium	101.9	–2.1	0.8	3.0	4.1	56.4
Canada	38.6	–2.0	0.0	0.3	–1.2	21.9
Czech Republic	44.4	–0.7	1.0	1.6	2.2	14.5
Denmark	45.1	–0.6	0.0	0.3	1.4	25.0
Finland	57.9	–0.1	–0.5	0.0	1.4	39.8
France	95.2	–2.7	0.0	3.1	3.4	60.5
Germany	75.5	0.6	–0.5	–0.9	1.9	49.0
Iceland	86.4	–0.9	0.0	0.6	3.7	33.3
Ireland	112.4	–3.4	0.0	3.4	4.5	60.6
Israel	67.4	–2.7	0.0	1.7	2.7	33.4
Italy	136.7	–0.8	0.0	1.0	4.3	90.8
Japan	137.8	–6.8	–2.0	5.8	1.9	119.9
Korea	35.4	0.6	0.0	–0.3	1.3	13.3
Netherlands	69.4	0.1	–0.5	–0.5	1.8	47.9
New Zealand	26.6	–0.4	0.5	0.3	–0.2	7.8
Portugal	131.3	–2.4	–0.5	2.2	4.1	80.5
Slovak Republic	55.7	–2.4	–0.5	2.0	1.6	34.0
Slovenia	77.4	–2.3	0.3	2.8	3.0	44.1
Spain	98.6	–3.5	0.0	3.6	3.5	65.3
Sweden	42.2	–1.6	–1.0	0.8	0.7	31.7
Switzerland	47.2	0.8	0.0	–0.7	1.5	26.3
United Kingdom	92.0	–4.1	0.0	5.1	3.8	51.0
United States	105.6	–4.1	–3.5	1.2	1.2	93.7
Average	94.0	–3.1	–1.6	1.9	1.8	72.5
G20 advanced	97.3	–3.4	–1.9	2.0	1.7	76.9

Sources: European Commission (2013); and IMF staff estimates and projections.

Note: Structural balance targets are country-specific and based on medium-term budgetary objectives. For countries with no clearly defined medium-term objectives, a structural balance target consistent with the IMF's policy advice is assumed. In many cases, this corresponds to a target of 0. Thus, targets range from a surplus of 1 percent of GDP to a deficit of 3.5 percent of GDP.

Figures reported in column (1) and (6) refer to general government gross debt except in the cases of Australia, Canada, Japan and New Zealand, for which net debt is reported. Figures reported in columns (4) and (5) refer to primary balances based on gross interest expenditure, except in the cases of Australia, Canada, Japan, and New Zealand, which are based on net interest payments.

Statistical Table 25. Emerging Market Economies: Illustrative Adjustment Needs Based on Long-Term Debt Targets
(Percent of GDP)

	2014		Age-Related Spending, 2014–30[2]	Illustrative Fiscal Adjustment Strategy to Achieve Debt Target in 2030		
	Gross Debt	CAPB[1]		CAPB in 2020–30[3]	Required Adjustment between 2014 and 2020	Required Adjustment and Age-Related Spending, 2014–30
	(1)	(2)	(3)	(4)	(4) – (2)	(4) + (3) – (2)
Argentina	48.9	–1.4	2.5	–1.4	0.0	2.5
Brazil[4]	65.8	3.3	3.1	2.7	–0.6	2.5
Chile	13.9	–0.9	–0.1	0.3	1.2	1.1
China	40.7	–0.1	3.7	–0.8	–0.7	3.0
Colombia	34.0	1.3	1.3	0.1	–1.2	0.1
Egypt	93.8	–3.8	3.8	4.8	8.6	12.5
Hungary	79.1	2.0	0.6	3.6	1.6	2.2
India	60.5	–2.3	0.4	1.8	4.1	4.5
Indonesia	26.2	–1.1	0.8	0.2	1.3	2.1
Malaysia	56.6	–1.6	2.1	1.2	2.8	4.9
Mexico	48.0	–1.4	2.2	1.4	2.8	5.1
Morocco	66.0	–3.4	. . .	2.7	6.1	. . .
Pakistan	63.7	–0.2	0.4	1.8	1.9	2.3
Peru	19.3	1.1	. . .	0.0	–1.1	. . .
Philippines	36.3	1.8	1.1	–0.2	–2.0	–0.8
Poland	49.4	–0.3	0.9	1.2	1.5	2.3
Romania	39.9	–0.1	1.8	0.3	0.5	2.3
Russia	15.7	0.0	3.0	0.2	0.2	3.2
South Africa	47.9	–1.3	1.3	1.5	2.8	4.1
Thailand	47.9	0.0	2.2	1.6	1.6	3.8
Turkey	33.6	0.8	6.2	0.0	–0.9	5.3
Ukraine	67.6	–0.5	0.7	3.6	4.1	4.8
Average	43.7	–0.1	2.9	0.3	0.5	3.2
G20 emerging	43.3	–0.1	3.0	0.2	0.3	3.3

Source: IMF staff estimates and projections.

Note: CAPB = cyclically adjusted primary balance. The CAPB required to reduce debt and its comparison to the 2014 CAPB is a standardized calculation, and policy recommendations for individual countries would require a case-by-case assessment. The adjustment is calculated with respect to the projected 2014 levels for countries' fiscal deficits, age-related spending, and debt. As such, announced or legislated policies which are expected to come into effect after 2014 are not taken into account in the calculations.

[1] CAPB is reported in percent of nominal GDP (in contrast to the conventional definition in percent of potential GDP). CAPB is defined as cyclically adjusted balance (CAB) plus gross interest expenditure (this differs from the definition in Statistical Table 12). Structural balances are used instead of CAB for Chile and Peru. For countries not reporting CAB in Statistical Table 12, a Hodrick-Prescott filter is used to estimate potential output, and the CAB is estimated assuming growth elasticities of one and zero for revenues and expenditure, respectively. For details, see Data and Conventions in text.

[2] See Statistical Table 23b.

[3] Indicates the CAPB needed to bring the debt ratio down to 40 percent in 2030, or to stabilize debt at the end-2014 level by 2030 if the respective debt-to-GDP ratio is less than 40 percent. The CAPB is assumed to change in line with *Fiscal Monitor* projections until 2015 and adjust gradually from 2016 until 2020; thereafter it is maintained constant until 2030. The analysis makes some simplifying assumptions: in particular, country-specific interest rate–growth differentials are assumed to increase linearly from their 2014 level (from *Fiscal Monitor* projections) to 1 by 2028. Thereafter, the differential is maintained at 1 percentage point, regardless of country-specific circumstances. The speed of convergence to 1 is determined by the gap between the 2014 level and this long-run differential. For large commodity-producing countries, even larger fiscal balances might be called for in the medium term than shown in the illustrative scenario, given the high volatility of revenues and the exhaustibility of natural resources.

[4] Gross public debt refers to the nonfinancial public sector, excluding Eletrobras and Petrobras, and include sovereign debt held on the balance sheet of the central bank.

IMF EXECUTIVE BOARD DISCUSSION SUMMARY

The following remarks were made by the Chair at the conclusion of the Executive Board's discussion of the World Economic Outlook, Global Financial Stability Report, *and* Fiscal Monitor *on September 25, 2014.*

Executive Directors noted that an uneven global recovery continues, notwithstanding setbacks in the first half of the year. However, the pace of recovery remains weak as the legacies of the crisis continue to cast a shadow. Investment has not picked up solidly in many advanced economies, and emerging market economies are adjusting to lower rates of economic growth than those reached during the immediate postcrisis recovery. Moreover, activity in some regions is being negatively affected by ongoing geopolitical tensions. Directors also observed that some problems that predate the global financial crisis—including the effects of an aging population on labor force growth, weak productivity growth, and infrastructure gaps—are coming back to the fore and affecting the pace of recovery through lower potential growth in a number of economies.

Directors noted that global growth should increase as growth in major advanced economies picks up on accommodative monetary policies, supportive financial market conditions, and the more gradual pace of fiscal consolidation (except in a few countries, including Japan). Growth in emerging market and developing economies should also increase with a gradual improvement in structural factors affecting activity in some economies and further strengthening in external demand as advanced economies' growth recovers.

Notwithstanding this expected pickup in growth, Directors underscored that the recovery remains fragile and subject to significant downside risks. If geopolitical tensions persist it could have negative effects on confidence and contribute to increases in oil prices and declines in asset prices. In some advanced economies, risks also arise from the effects of protracted low inflation or deflation on activity or on public debt dynamics.

Directors underscored concerns about increased financial risk taking arising from the prolonged period of low interest rates, resulting in asset price appreciation, spread compression, and record-low volatility across a broad range of asset classes. They also noted that asset holdings are now concentrated in a small number of large managers. These increased market and liquidity risks could spill over to global markets, potentially triggered by heightened geopolitical risks or volatility associated with monetary policy normalization. Directors noted that the largest banks have strengthened their balance sheets in response to tighter regulation, but low profitability at some banks has created the need for an overhaul of business models, potentially creating headwinds for the economic recovery. Moreover, credit intermediation has been migrating to the shadow banking sector, creating new challenges for supervision and regulation. Against this backdrop, Directors observed that a tighter financing environment could adversely affect the sovereign debt dynamics of many emerging market and developing economies, particularly if coupled with lower growth.

Directors also remained concerned about medium-term risks to the global recovery. Growth in advanced economies could continue to disappoint over a longer period because of lower potential growth or because of a sustained weakness in demand. Directors noted that absent structural reforms, potential growth may be lower than currently projected.

Directors called for greater efforts in most economies to restore growth. They considered that premature normalization in monetary policy should be avoided, given the absence of robust demand growth in advanced economies. Some Directors also saw a need for additional actions by the European Central Bank, while a few Directors cautioned that more time is needed to gauge the effectiveness of policies already introduced. A few other Directors

saw little or no scope for further unconventional monetary accommodation in the euro area, as it may not be effective in promoting demand and sustainable growth, and cautioned against maintaining such accommodation longer than necessary, in view of the financial stability risks.

Directors highlighted the need to restructure weak banks and resolve nonviable institutions and to enhance the transmission of monetary policy through balance sheet repair. Moreover, adequate data to monitor the buildup of risks and a mandate for authorities to limit these risks, particularly in the shadow banking sector, are required. Directors broadly supported the use of macroprudential policies to improve the trade-off between financial and economic risk taking as well as regulate and supervise the shadow banking sector, although a number of Directors noted the limited experience regarding the effectiveness of such measures. To ensure adequate incentives for risk taking in the banking sector, some Directors underscored the importance of governance and executive compensation reforms.

Directors stressed that fiscal adjustment in advanced economies needs to be attuned, in pace and composition, to support the immediate recovery as well as lay the ground for medium-term plans (especially in the United States and Japan). More generally, debt and deficit reduction should be designed to minimize their adverse effects on jobs and growth. Directors broadly agreed that for countries with clearly identified infrastructure needs and in which efficient public investment processes exist, an increase in public infrastructure investment could provide a boost to demand as well as raise potential output in the medium term. Directors also broadly noted that in some cases a more supportive fiscal stance could help to bring forward the growth benefits of structural reforms, provided that there is enough fiscal room and that the costs and benefits of the reforms, as well as their implementation prospects, are sufficiently certain. In some countries, fiscal conditions put a premium on structural reforms that can be implemented without budgetary costs.

Directors noted that emerging markets' efforts to rebalance growth toward domestic sources have supported global growth, although this rebalancing, combined with lower-than-expected growth, has also reduced policy space and raised vulnerabilities for some countries. In this context, the scope for macroeconomic policies to support growth, should downside risks materialize, is limited for economies with weak fiscal or external current account positions or high or increasing inflation levels or those facing financial system risks from a sustained period of credit expansion. Directors underscored the importance of reducing these vulnerabilities, including by rebuilding fiscal buffers. They also stressed that continued strong growth in low-income countries calls for greater progress in strengthening policies—by boosting fiscal positions with stronger revenues and rationalizing public spending, achieving greater monetary policy independence, and strengthening public financial management. Directors emphasized the importance for emerging markets to continue managing external financial shocks with exchange rate flexibility, complemented with other measures to limit excessive exchange rate volatility.

Directors underscored the importance of structural reforms to raise potential growth in both advanced and emerging market and developing economies. Within the euro area, these include active labor market policies and better-targeted training programs. Higher public investment in some creditor economies, complemented by policies to encourage private investment, could boost demand in the short term while raising potential output over the medium term. More forceful structural reforms in Japan are also needed to increase labor supply and raise productivity in some sectors through deregulation. Other advanced economies could also raise potential growth with measures to augment human and physical capital and increase labor force participation. Among emerging market and developing economies, the priorities vary. These include removing infrastructure bottlenecks; reforms to education, labor, and product markets; and better government services delivery. While the current account surplus in China has decreased markedly, further progress to gradually shift its growth toward domestic consumption and reduce reliance on credit and investment would help forestall medium-term risks of financial disruption or a sharp slowdown. Joint efforts by both surplus and deficit economies are needed to contribute to a further narrowing of global external imbalances. Further diversification and structural transformation remains a key priority for low-income countries.

ACRONYMS

AE	advanced economies
CAB	cyclically adjusted balance
CAD	cyclically adjusted deficit
CAPB	cyclically adjusted primary balance
CEE	Central and Eastern Europe
EMMIEs	emerging market and middle-income economies
ESSC	employer social security contribution
EU	European Union
GDP	gross domestic product
GFSM	*Government Finance Statistics Manual*
LAC	Latin America and the Caribbean
LIDCS	low-income developing countries
MENA	Middle East and North Africa
MENAP	Middle East and North Africa and Pakistan
NAO	National Audit Office
OECD	Organisation for Economic Co-operation and Development
PRGT	Poverty Reduction and Growth Trust
SNA	System of National Accounts
SOE	state-owned enterprise
SSA	Sub-Saharan Africa
SSC	social security contributions

COUNTRY ABBREVIATIONS

Code	Country name
AFG	Afghanistan
AGO	Angola
ALB	Albania
ARE	United Arab Emirates
ARG	Argentina
ARM	Armenia
ATG	Antigua and Barbuda
AUS	Australia
AUT	Austria
AZE	Azerbaijan
BDI	Burundi
BEL	Belgium
BEN	Benin
BFA	Burkina Faso
BGD	Bangladesh
BGR	Bulgaria
BHR	Bahrain
BHS	Bahamas, The
BIH	Bosnia and Herzegovina
BLR	Belarus
BLZ	Belize
BOL	Bolivia
BRA	Brazil
BRB	Barbados
BRN	Brunei Darussalam
BTN	Bhutan
BWA	Botswana
CAF	Central African Republic
CAN	Canada
CHE	Switzerland
CHL	Chile
CHN	China
CIV	Côte d'Ivoire
CMR	Cameroon
COD	Congo, Democratic Republic of the
COG	Congo, Republic of
COL	Colombia
COM	Comoros
CPV	Cabo Verde
CRI	Costa Rica
CYP	Cyprus
CZE	Czech Republic
DEU	Germany
DJI	Djibouti
DMA	Dominica
DNK	Denmark

Code	Country name
DOM	Dominican Republic
DZA	Algeria
ECU	Ecuador
EGY	Egypt
ERI	Eritrea
ESP	Spain
EST	Estonia
ETH	Ethiopia
FIN	Finland
FJI	Fiji
FRA	France
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GAB	Gabon
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GEO	Georgia
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HTI	Haiti
HUN	Hungary
IDN	Indonesia
IND	India
IRL	Ireland
IRN	Iran
IRQ	Iraq
ISL	Iceland
ISR	Israel
ITA	Italy
JAM	Jamaica
JOR	Jordan
JPN	Japan
KAZ	Kazakhstan
KEN	Kenya
KGZ	Kyrgyz Republic
KHM	Cambodia
KIR	Kiribati
KNA	Saint Kitts and Nevis

Code	Country name
KOR	Korea
KWT	Kuwait
LAO	Lao P.D.R.
LBN	Lebanon
LBR	Liberia
LBY	Libya
LCA	Saint Lucia
LKA	Sri Lanka
LSO	Lesotho
LTU	Lithuania
LUX	Luxembourg
LVA	Latvia
MAR	Morocco
MDA	Moldova
MDG	Madagascar
MDV	Maldives
MEX	Mexico
MHL	Marshall Islands
MKD	Macedonia, former Yugoslav Republic of
MLI	Mali
MLT	Malta
MMR	Myanmar
MNE	Montenegro
MNG	Mongolia
MOZ	Mozambique
MRT	Mauritania
MUS	Mauritius
MWI	Malawi
MYS	Malaysia
NAM	Namibia
NER	Niger
NGA	Nigeria
NIC	Nicaragua
NLD	Netherlands
NOR	Norway
NPL	Nepal
NZL	New Zealand
OMN	Oman
PAK	Pakistan
PAN	Panama
PER	Peru
PHL	Philippines
PLW	Palau
PNG	Papua New Guinea
POL	Poland
PRT	Portugal
PRY	Paraguay
QAT	Qatar
ROU	Romania
RUS	Russia
RWA	Rwanda
SAU	Saudi Arabia
SDN	Sudan
SEN	Senegal
SGP	Singapore
SLB	Solomon Islands
SLE	Sierra Leone
SLV	El Salvador
SMR	San Marino
SOM	Somalia
SRB	Serbia
STP	São Tomé and Príncipe
SUR	Suriname
SVK	Slovak Republic
SVN	Slovenia
SWE	Sweden
SWZ	Swaziland
SYC	Seychelles
SYR	Syria
TCD	Chad
TGO	Togo
THA	Thailand
TJK	Tajikistan
TKM	Turkmenistan
TLS	Timor-Leste
TON	Tonga
TTO	Trinidad and Tobago
TUN	Tunisia
TUR	Turkey
TUV	Tuvalu
TWN	Taiwan Province of China
TZA	Tanzania
UGA	Uganda
UKR	Ukraine
URY	Uruguay
USA	United States
UZB	Uzbekistan
VCT	Saint Vincent and the Grenadines
VEN	Venezuela
VNM	Vietnam
VUT	Vanuatu
WSM	Samoa
YEM	Yemen
ZAF	South Africa
ZMB	Zambia
ZWE	Zimbabwe

GLOSSARY

Term	Definition
Automatic stabilizers	Budgetary measures that dampen fluctuation in real GDP, automatically triggered by the tax code and by spending rules.
Contingent liabilities	Obligations of a government, the timing and magnitude of which depend on the occurrence of some uncertain future event outside the government's control. Can be explicit (obligations based on contracts, laws, or clear policy commitments) or implicit (political or moral obligations) and sometime arise from expectations that government will intervene in the event of a crisis or a disaster, or when the opportunity cost of not intervening is considered to be unacceptable.
Cyclical balance	Cyclical component of the overall fiscal balance, computed as the difference between cyclical revenues and cyclical expenditures. The latter are typically computed using country-specific elasticities of aggregate revenue and expenditure series with respect to the output gap. Where unavailable, standard elasticities (0,1) are assumed for expenditure and revenue, respectively.
Cyclically adjusted balance (CAB)	Difference between the overall balance and the automatic stabilizers; equivalently, an estimate of the fiscal balance that would apply under current policies if output were equal to potential.
Cyclically adjusted (CA) expenditure and revenue	Revenue and expenditure adjusted for temporary effects associated with the deviation of actual from potential output (i.e., net of automatic stabilizers).
Cyclically adjusted primary balance (CAPB)	Cyclically adjusted balance excluding net interest payments.
Fiscal devaluation	A revenue-neutral shift from employers' social contributions toward value-added tax.
Expenditure elasticity	Elasticity of expenditure with respect to the output gap.
Fiscal multiplier	The ratio of a change in output to an exogenous and temporary change in the fiscal deficit with respect to their respective baselines.
Fiscal stimulus	Discretionary fiscal policy actions (including revenue reductions and spending increases) adopted in response to a financial crisis.
General government	All government units and all nonmarket, nonprofit institutions that are controlled and mainly financed by government units comprising the central, state, and local governments; includes Social Security funds, and does not include public corporations or quasi-corporations.
Gross debt	All liabilities that require future payment of interest and/or principal by the debtor to the creditor. This includes debt liabilities in the form of special drawing rights, currency, and deposits; debt securities; loans; insurance, pension, and standardized guarantee schemes; and other accounts payable. (See the 2001 edition of the IMF's *Government Finance Statistics Manual* and *Public Sector Debt Statistics Manual*). The term "public debt" is used

Term	Definition
	in the *Fiscal Monitor,* for simplicity, as synonymous with gross debt of the general government, unless otherwise specified. (Strictly speaking, the term "public debt" refers to the debt of the public sector as a whole, which includes financial and nonfinancial public enterprises and the central bank.)
Gross financing needs (also gross financing requirements)	Overall new borrowing requirement plus debt maturing during the year.
Interest rate–growth differential	Effective interest rate (r, defined as the ratio of interest payments to the debt of the preceding period) minus nominal GDP growth (g), divided by 1 plus nominal GDP growth: $(r - g)/(1 + g)$.
Net debt	Gross debt minus financial assets corresponding to debt instruments. These financial assets are: monetary gold and SDRs, currency and deposits, debt securities, loans, insurance, pension, and standardized guarantee schemes, and other accounts receivable. In some countries the reported net debt can deviate from this definition on the basis of available information and national fiscal accounting practices.
Nonfinancial public sector	General government plus nonfinancial public corporations.
Output gap	Deviation of actual from potential GDP, in percent of potential GDP.
Overall fiscal balance (also "headline" fiscal balance)	Net lending/borrowing, defined as the difference between revenue and total expenditure, using the 2001 edition of the IMF's *Government Finance Statistics Manual (GFSM 2001).* Does not include policy lending. For some countries, the overall balance continues to be based on *GFSM 1986,* which is defined as total revenue and grants minus total expenditure and net lending.
Policy lending	Transactions in financial assets that are deemed to be for public policy purposes but are not part of the overall balance.
Primary balance	Overall balance excluding net interest payment (interest expenditure minus interest revenue).
Public debt	See *Gross debt.*
Public sector	The general government sector plus government-controlled entities, known as public corporations, whose primary activity is to engage in commercial activities.
Revenue elasticity	Elasticity of revenue with respect to the output gap.
Stock-flow adjustment	Change in the gross debt explained by factors other than the overall fiscal balance (for example, valuation changes).
Structural fiscal balance	Difference between the cyclically adjusted balance and other nonrecurrent effects that go beyond the cycle, such as one-off operations and other factors whose cyclical fluctuations do not coincide with the output cycle (for instance, asset and commodity prices and output composition effects).

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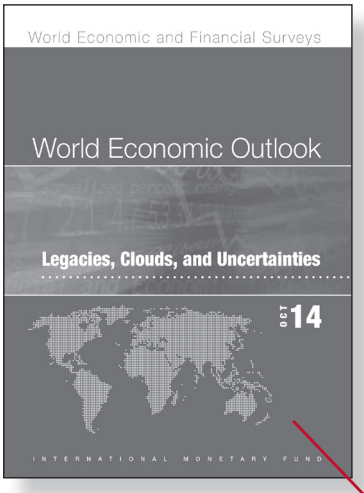

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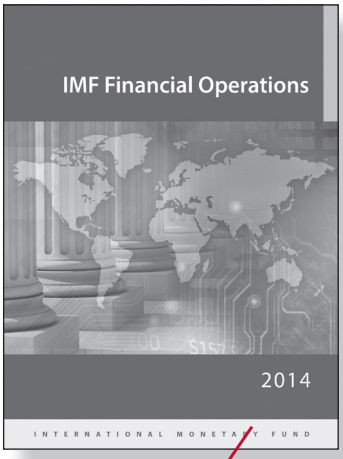

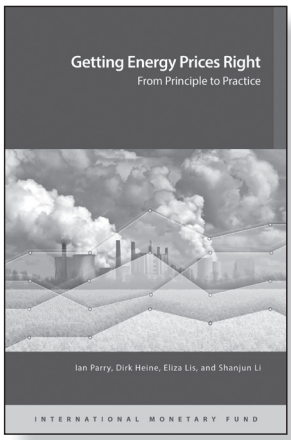

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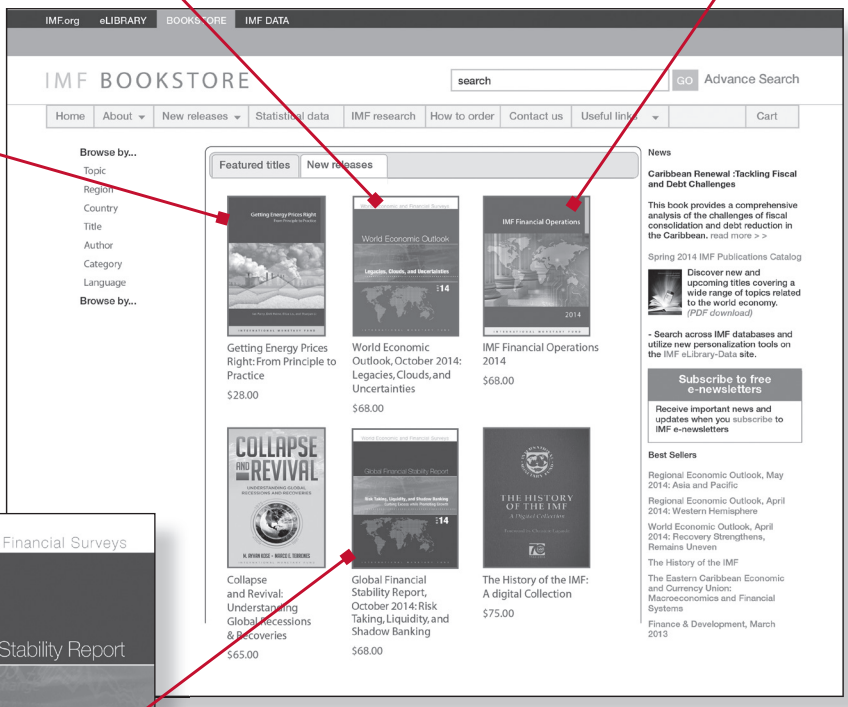

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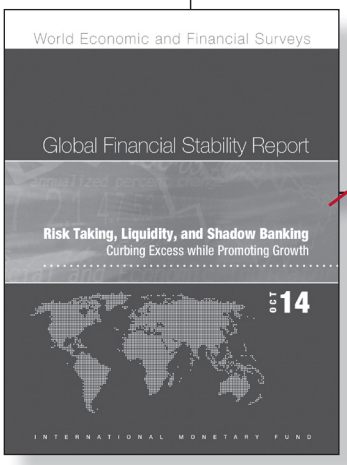

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