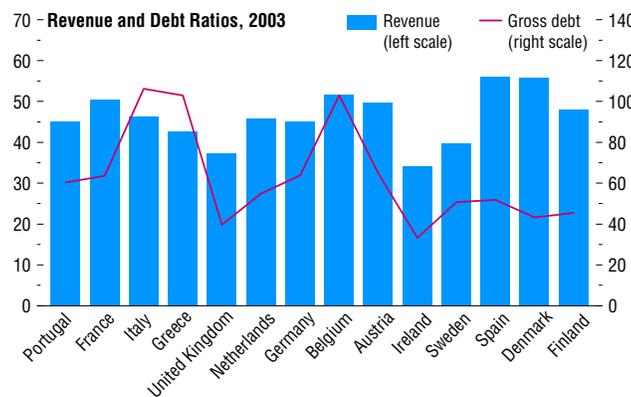
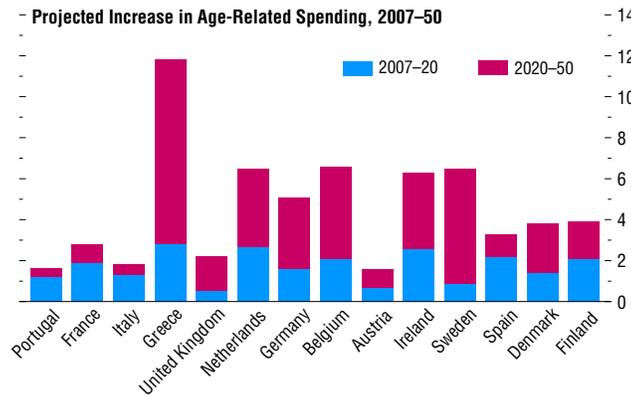
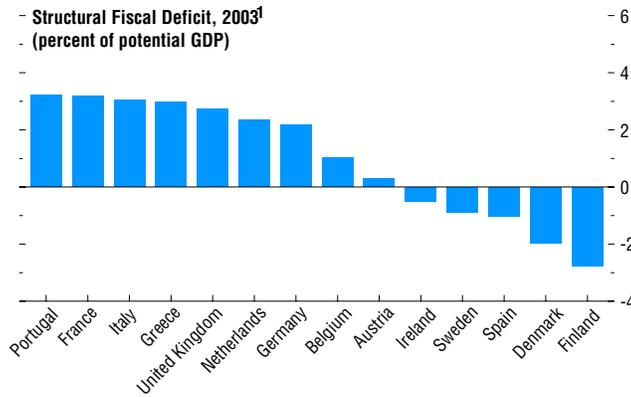


Figure 1.12. European Union: Fiscal Challenges

(Percent of GDP unless otherwise noted)

Fiscal positions vary widely across the European Union, with the four largest countries, Portugal, Greece, and the Netherlands having the largest deficits, but France, Italy, and the UK face more moderate pressure from aging. Tax rates outside Ireland, Spain, and the United Kingdom are high, and public debt is a serious problem in Belgium, Greece, and Italy.



Sources: European Commission; and IMF staff calculations.
¹For Italy, excluding 1.7 percent of GDP of one-off measures. For Portugal, excluding 2.5 percent of GDP of one-off measures.