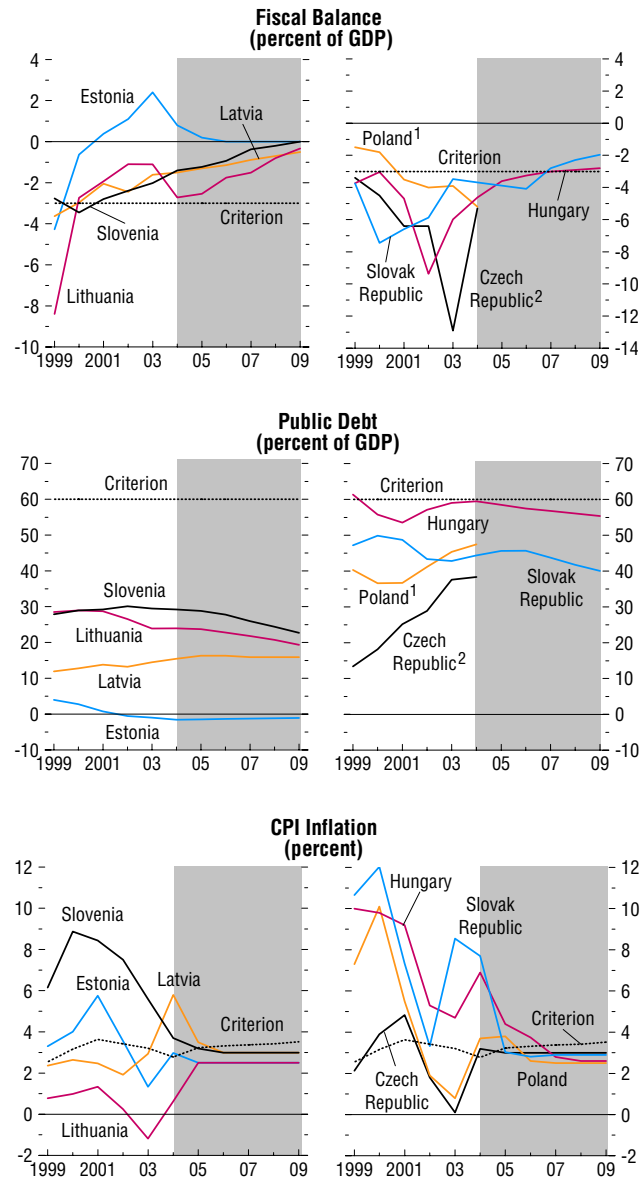


Figure 1.16. How Close Are the New EU Members to the Convergence Criteria for EMU Membership?

The Baltic countries and Slovenia meet—or are very close to—Maastricht fiscal and inflation targets; most central European countries have considerably further to go.



Sources: National authorities; and IMF staff estimates.

¹European System of Accounts (ESA95) definition with pension funds inside general government. If pension funds are excluded from general government, an issue that is presently under discussion with EUROSTAT, the deficit in 2004 would be 1.5 percent of GDP higher, and debt 4.1 percent of GDP higher.

²For 2003, 5.9 percentage points of the deficit were due to the inclusion of a guarantee that was partially called. The 2004 deficit and debt reflect the authorities' projections.