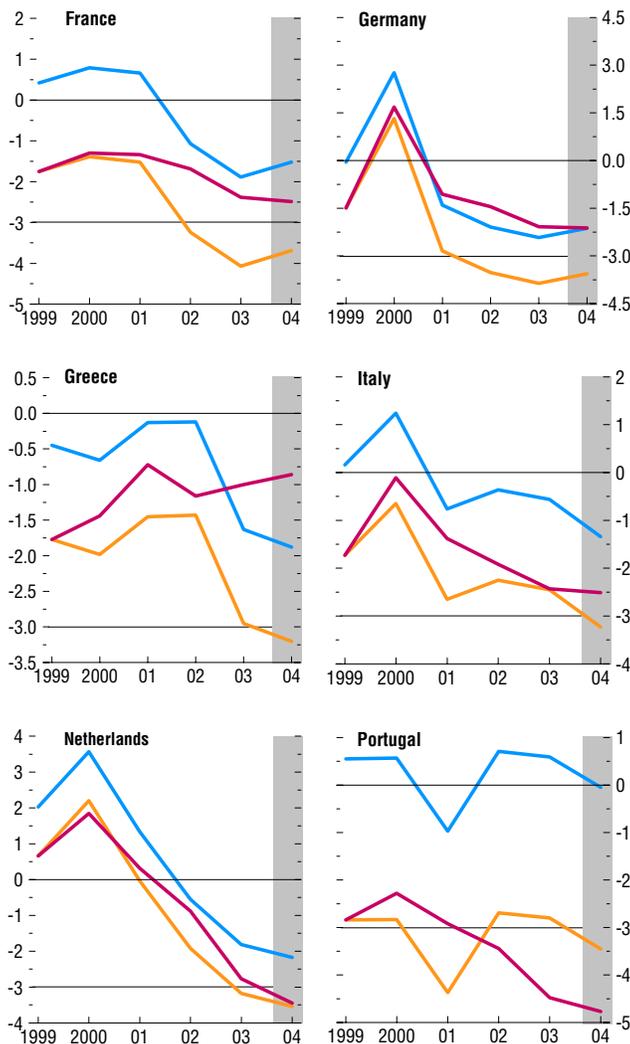


Figure 2.27. Countries at Odds with the Stability and Growth Pact

(Percent of GDP)

Assuming identical policies, countries currently in breach or close to stability and growth pact deficit caps would have remained within the limits had they entered the European Monetary Union with a structural balance.

- Assuming structural balance in 1999
- Constant structural deficit at 1999 level
- Actual overall balance



Sources: European Commission, Annual Macroeconomic Database; and IMF staff calculations.