Figure 1.5. Fiscal Policies

Fiscal policy will tighten less in the advanced economies in 2014 and stay broadly neutral in emerging market and developing economies. Among advanced economies, the pace of tightening will fall off appreciably in the euro area and the United States. However, this will be partly offset by tightening in Japan. Public debt will remain very high in the advanced economies in the medium term, while declining to about 30 percent of GDP in the emerging market and developing economies.

1. Fiscal Impulse (change in structural balance as percent of GDP) Advanced economies excluding euro area Emerging market and developing economies France and Germany Euro area periphery¹ ■ April 2013 WE0 2010 11 12 13 -2. Fiscal Balance Advanced economies (percent of GDP) Emerging market and developing economies 2 World 0 -2 -6 -8 -10 2001 05 13 18 -3. Public Debt 140 (percent of GDP) - Advanced economies · G7² 120 100 - Emerging market and developing economies 80 - World 60 40 20

Source: IMF staff estimates.

60

1950

70

2000

10

18

80

¹Greece, Ireland, Italy, Portugal, Spain.

²G7 comprises Canada, France, Germany, Italy, Japan, United Kingdom, and United States.