INTERNATIONAL MONETARY FUND

FISCAL MONITOR

Strengthening the Credibility of Public Finances

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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" refers 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.

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The data and analysis appearing in the *Fiscal Monitor* are compiled by IMF staff at the time of publication. Every effort is made to ensure their timeliness, accuracy, and completeness. When errors are discovered, corrections and revisions are incorporated into the digital editions available from the IMF website and on the IMF eLibrary. All substantive changes are listed in the Table of Contents of the online PDF of the report.

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PREFACE

The projections included in this issue of the *Fiscal Monitor* are drawn from the same database used for the October 2021 *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 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 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. 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 general guidance of Vitor Gaspar, Director of the Department. The project was directed by Paolo Mauro, Deputy Director; and Paulo Medas, Division Chief. The main authors of Chapter 1 of this issue are Sandra Valentina Lizarazo and Roberto Piazza (team leaders), Hamid R. Davoodi, Paul Elger, Xuehui Han, Anh Dinh Minh Nguyen, Alexandra Solovyeva, with contributions from Nathaniel Arnold, Keiko Honjo, Andrew Hodge, Li Lin, and Claude Wendling, and research support from Yuan Xiang. The main authors of Chapter 2 of this issue are Raphael Espinoza (lead), Hassan Adan, Cristian Alonso, Bryn Battersby, Carlos Goncalves, Gee Hee Hong, Andresa Lagerborg, Roberto Perrelli, and Amanda Sayegh, with research support from Andrew Womer and data and codes shared by Johanna Cornwell, Nicolas End, William Gbohoui, Amit Khetarpaul, Roberto Piazza, Manrique Saenz, and Grace Zimmerman. The Methodological and Statistical Appendix was prepared by Yuan Xiang. Joni Mayfield and Meron Haile provided excellent coordination and editorial support. Rumit Pancholi from the Communications Department led the editorial team and managed the report's production, with editorial assistance from David Einhorn, Nancy Morrison, Grauel Group, and TalentMEDIA Services.

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 Communications Department, Institute for Capacity Development, Legal Department, Monetary and Capital Markets Department, Research Department, Secretary's Department, Statistics Department, and Strategy, Policy, and Review Department. Chapter 2 of the Fiscal Monitor also benefited from inputs and comments by Javier Bianchi (Federal Reserve Bank of Minneapolis), Juan Carlos Echeverry (Universidad de los Andes), Richard Hughes (UK's Office of Budget Responsibility), Antonio Fatás (INSEAD), Enrique Mendoza (University of Pennsylvania), Pablo Ottonello (University of Michigan), Ignacio Presno (Federal Reserve Board), Ricardo Reis (London School of Economics), and Atsi Sheth (Moody's). Both projections and policy considerations are those of the IMF staff and should not be attributed to Executive Directors or to their national authorities.

FOREWORD

The COVID-19 pandemic has lasted over 20 months. Today, the world is confronted with three global problems that require global action: the Great Vaccine Divide, climate change, and the Great Financing Divide.

The Great Financing Divide refers to financial constraints facing vulnerable people and countries. It links not only to fiscal policies and economic prospects around the world but also to debt developments.

Preliminary estimates from the Global Debt Database are now available. Debt—issued by governments, nonfinancial corporations, and households—in 2020 reached $226 trillion and increased by $27 trillion. Both the level and the increase in debt are unprecedented. High and growing levels of public and private debt are associated with risks to financial stability and public finances.

This increase in public debt was fully justified by the need to respond to COVID-19 and its economic, social, and financial consequences. But the increase is expected to be one-off, as documented in Chapter 1 of the *Fiscal Monitor*.

Advanced economies and China contributed more than 90 percent to the accumulation of worldwide debt in 2020. The remaining emerging markets and low-income developing countries contributed only around 7 percent. Constraints on financing are particularly severe for poorer countries.

Differences across country groups are evident when looking at fiscal policy and economic developments. These differences are clear not only across country groups but also within country groups. Policy advice must be tailored to the evolution of the epidemic, to economic and employment developments, and to country characteristics. Advanced economies are projected to recover to the pre-COVID growth path. Fiscal support will persist but spending and revenues will gradually approach the pre-COVID path. It is important to stress that China and the United States stand out with early and strong recoveries. In contrast, low-income developing countries are projected to suffer a persistent fall in growth relative to the pre-COVID prospects. Lower growth and shortfalls in revenues are major concerns for the eradication of extreme poverty and, more generally, from the viewpoint of sustainable and inclusive development.

Data and our forecasts suggest that the ability to issue debt at favorable terms was an important determinant of economic developments and prospects. COVID-19 highlighted the impact of the existing Great Financing Divide. We should act to prevent this from permanently hurt lower income economies growth prospects.

But what determines the degree of access to financial markets? Many factors play a role—credibility of monetary and fiscal frameworks is important everywhere. Chapter 2 discusses that countries with a high-credibility fiscal framework benefit from better bond market access. Indeed, countries with higher credibility also experience lower interest rates on sovereign bonds.

The bottom line: Fiscal responsibility pays off.

While recognizing that the international community provided critical support to alleviate fiscal vulnerabilities in low-income countries, more is needed.

The recent General Allocation of Special Drawing Rights contributes to international liquidity. This US$650 billion constitutes the largest allocation ever agreed upon. Its beneficial effects can be exponentiated through rechanneling from higher income economies to low-income developing countries. Options for rechanneling include increased financing for the Poverty Reduction and Growth Trust, or through a new resilience and sustainability facility. By rechanneling Special Drawing Rights in such a way, donor countries would be contributing to sustainable development and international convergence.

The expiration of the DSSI at the end of the year makes a fully functioning G20 Common Framework urgently needed.

Regarding climate change, it will be crucial for the global community to agree on concrete policy actions at the United Nations' COP26 this November. Policy actions should include (i) an international carbon price floor adjusted to country circumstances, (ii) a green public investment program and research

subsidies, (iii) targeted transfer schemes to households adversely affected by the climate policies, (iv) advanced economies' pledge to mobilize USD100 billion annually in climate finance to support developing nations, and (v) strengthening of the global climate information architecture (data, disclosures, taxonomies).

The Great Vaccine Divide, the Great Financing Divide, and global warming affect everyone, but especially the poorest and most vulnerable. Sustainable, inclusive, green recovery is key, and national and global policy actions must work hand in hand. Time is of the essence: it is urgent to invest for the longer term to ensure a durable and inclusive structural transformation. Financing is one of the essential keys.

Vitor Gaspar
Director of the Fiscal Affairs Department

EXECUTIVE SUMMARY

Chapter 1: Policy in an Uncertain Recovery

As the world strives to bring COVID-19 under control, fiscal policy remains key to address the impacts of the still-evolving pandemic, which continues to be marked by uncertainty and unequal access to vaccines across countries. Although the Delta variant has been associated with a resurgence of the virus, fiscal support and, especially in advanced economies, vaccination have saved countless lives and facilitated an economic rebound. The interplay between vaccines and the virus and its variants is among the factors contributing to elevated uncertainty going forward. Therefore, fiscal policy needs to adapt to changing conditions.

In many advanced economies, fiscal policy continues to be accommodative and is shifting toward strengthening economies through a green transition, digital transformation, and other longer-term investments. The large fiscal packages announced or approved by the *European Union* and the *United States* could add a cumulative $4.6 trillion to global GDP between 2021 and 2026. Additional measures (including in *Europe*) are expected with the forthcoming national budgets for 2022. By contrast, in emerging markets and low-income developing countries, growth is held back by the low availability of vaccines, and governments are shifting expenditures toward addressing pandemic-related priorities. Higher interest rates and lower government revenues have strained the capacity of low-income developing countries to provide fiscal support and service their debt.

Overall, fiscal policy remains supportive, with 2021 deficits falling by about 2 percentage points of GDP in 2021, on average. However, deficits are still well above prepandemic levels, especially in advanced economies. Deficits are projected to decrease further by almost 3 percentage points in 2022 and return to their prepandemic levels by 2026. In emerging markets and low-income developing countries, where the fiscal stance is less supportive than in advanced economies, output and tax revenues are not projected to regain their precrisis trajectory and the reduction in deficits will occur largely through lower spending.

Global government debt is expected to remain at record-high levels—close to, but below, 100 percent of GDP—in 2021 and to decrease slightly through 2026. Large purchases of government debt by central banks (especially in advanced economies) and by the domestic banking sector have helped to contain the cost of new borrowing. The debt buildup has led to a rise in governments' gross financing needs. Many low-income developing countries will likely need further international aid and in some cases debt restructuring.

Risks to the fiscal outlook are elevated. A scaling up of vaccine production and delivery, especially to emerging markets and low-income developing countries, would limit further damage to the global economy. On the downside, new variants of the virus, low vaccine coverage in many countries, and delays in some people's acceptance of vaccination could inflict new damage and increase pressures on public budgets. The realization of contingent liabilities—including from loan and guarantee programs—may also lead to unexpected increases in government debt. Further pressures could come from social discontent, with the crisis estimated to have thrown between 65 and 75 million people into poverty in 2021 relative to prepandemic trends. Large government financing needs are a source of vulnerability, especially in emerging markets and low-income developing countries, where financing conditions are sensitive to global interest rates and central banks have begun to raise short-term reference rates.

Fiscal policy will need to respond nimbly to these challenges and facilitate the transformation of the global economy to make it more productive, inclusive, green, and resilient to future health or other crises. At the same time, it will be crucial to ensure transparency and accountability, plot a medium-term path to rebuilding fiscal buffers, and make progress toward the

Sustainable Development Goals. Steps toward achieving these aims include the following:

- International cooperation is vital to address cross-country inequities in the availability of vaccines, treatments, therapeutics, and protective equipment. The general allocation by the IMF of Special Drawing Rights has given a fillip to global liquidity, and the international community has provided valuable financial support to low-income developing countries. However, more needs to be done through grants, loans, and initiatives such as the G20 Common Framework for debt relief.
- In many countries, public investment in high-quality physical capital, education, and health care should be increased; fiscal transfers should be better targeted toward retraining and reallocating workers; and social safety nets should be strengthened.
- It will be crucial to calibrate fiscal policy to the cycle and speed of the recovery while also achieving the right mix between fiscal and monetary policies. If private demand recovers more rapidly than expected, fiscal policy should be tightened, as this would reduce the risk of a sudden rise in interest rates that could disrupt the global recovery.
- As it becomes more difficult to access low-cost borrowing, especially for emerging markets and low-income developing countries, governments should strengthen the credibility of their fiscal policy (Chapter 2). This will require mobilizing more revenue in the medium term and improving expenditure efficiency.

Chapter 2: Strengthening the Credibility of Public Finances

Fiscal support during the COVID-19 pandemic has saved lives and jobs. Appropriate as it has been, fiscal support has resulted in higher gross financing needs, with associated vulnerabilities, and government debt will likely remain high for many years.

Returning to prepandemic debt levels, for example, would require achieving, for more than a decade, larger primary fiscal balances than before the pandemic—a task made difficult not only by crisis-related spending, but also preexisting pressures from aging populations or development needs, and resistance to raising revenues. The appropriate timing to reduce deficits will depend on country-specific conditions, in particular the stage of the pandemic, existing fiscal vulnerabilities, the risk of economic scarring, and the quality of public spending. Consideration should also be given to the distributional effects of any increase in tax revenues or reduction in public spending. Fortunately, financial conditions have been and may remain favorable, despite heightened uncertainty, higher debt levels, and some sovereign defaults. However, a sharp fall in global savings or a sudden jump in interest rates would adversely affect vulnerable emerging markets and frontier economies.

Chapter 2 argues that committing to fiscal sustainability with credible frameworks—the set of rules and institutions that guide fiscal policy—can buy time and make debt stabilization or reduction less painful. When lenders trust that governments are fiscally responsible, financing larger deficits and debt rollovers becomes easier. Countries with access to financing can maintain fiscal support while committing to future adjustment. For countries with limited market access, fiscal credibility is also important to achieve a more predictable outlook and thus foster private investment and macroeconomic stability. Governments can signal their commitment to fiscal sustainability while addressing the ongoing crisis in various ways, including by undertaking structural fiscal reforms or by adopting strong fiscal frameworks that embed deficit reduction in the future.

Fiscal targets, for instance for deficit or debt, should also be set against the fiscal risks faced by individual countries. The course of the pandemic and its impact on long-term economic growth remains uncertain. Public balance sheets have also taken on sizable exposures through loans and guarantees to firms. In this context, the chapter examines the history of unexpected debt jumps over the past 25 years and finds that, when public debt exceeded projections, the median increase in debt ranged between 12 and 16 percent of GDP over five-year horizons. Underlying such negative surprises were disappointing medium-term nominal GDP growth and unexpected stock-flow adjustments, including from firms' bailouts and exchange rate depreciation. These critical risks need to be managed within fiscal frameworks.

Fiscal frameworks should also seek to achieve three overarching goals: sustainability, economic stabilization, and, for fiscal rules in particular, simplicity. However, satisfying all three is challenging. Quantitative objectives may take a narrow view of sustainability while simple rules that reduce fiscal procyclicality (such as an expenditure ceiling) may enable debt to increase.

When procedural rules are the main guide to control fiscal deficits and debt, governments have more flexibility, but it may be harder to communicate and monitor compliance without numerical targets, particularly in the absence of sound fiscal institutions. The chapter shows that numerical rules promote fiscal prudence. For instance, countries that follow debt rules manage to reverse debt jumps of 15 percent of GDP in about 10 years in the absence of new shocks—significantly faster than other countries. For countries with sufficient capacity, anchoring the medium-term fiscal strategy on the public sector balance sheet can preserve credibility and may help protect public investment.

Finally, the chapter shows that commitment to fiscal discipline and clear communication of policy priorities, backed by fiscal transparency, can reduce borrowing costs. Data on private sector expectations suggest that budget announcements have been more credible in countries that follow fiscal rules and where independent bodies monitor the rules. The gap between official and private forecasts of the fiscal deficit was 1 percent of GDP smaller in countries that followed budget balance rules. In turn, credible budget announcements were rewarded with a temporary reduction in 10-year sovereign yields by about 40 basis points. Media reaction to suspension of fiscal rules was also more positive in countries with higher fiscal transparency. However, announcements of large fiscal adjustments do not necessarily build fiscal credibility as private forecasts of the budget deficit typically discount their short-term impact on the deficit. Overall, strong fiscal frameworks can meaningfully contribute to strengthening the credibility of public finances.

CHAPTER 1

POLICY IN AN UNCERTAIN RECOVERY

Introduction

Against the backdrop of the uncertain course of the pandemic and unequal access to vaccines across countries, nimble and forceful fiscal policies remain crucial to contain the impact of the pandemic waves on families and businesses and to facilitate economic recovery and transformation. The Delta variant has been associated with a resurgence of the virus, but supportive fiscal policies and, especially in advanced economies, vaccination have fostered the resumption of growth in output and employment, and saved countless lives. Vaccination has also helped to alleviate the pressure on public finances. With the number of vaccinated people increasing and economic activity becoming more resilient to the health crisis, global growth is projected to rebound in 2021 (October 2021 *World Economic Outlook*). Primary fiscal deficits in 2021 continue to be large by prepandemic standards, although they have begun to decline and are expected to contract more in 2022. Deficits are typically falling more markedly in countries where they had increased the most in 2020, as tax receipts in those economies recover rapidly on the back of a stronger GDP rebound and as pandemic-related support expires or is phased out. Most of the $16.9 trillion in fiscal measures announced to fight the pandemic are set to expire this year.[1] Global government debt has stabilized at just below 100 percent of GDP, a record level. However, underneath the aggregate figures there is significant variation in fiscal and economic developments across countries, both in recent months and in terms of what is expected over the next few years (Table 1.1). This variation depends on local vaccination rates, the stage of the pandemic, and the ability of governments to access low-cost borrowing, all of which can exacerbate the unequal social and economic effects of the pandemic.

Despite some vaccine hesitancy by part of the population, most advanced economies have delivered a first full course of vaccination to the majority of adults, and the economic recovery is under way. Bold fiscal support continues in 2021, primarily in the form of spending and support programs, while tax revenues remain subdued, reflecting weaker economic activity than projected in 2019 (Figure 1.1). Spending is beginning to shift from measures to fight the pandemic toward supporting the recovery and transforming economies to make them more productive, equitable, and sustainable. Examples include the Next Generation EU (NGEU) recovery plan in the *European Union* and the Jobs and Families Plans in the *United States.* In parallel with the ongoing recovery, primary deficits have begun to decrease in 2021 and will shrink even more next year.[2]

In emerging markets and low-income developing countries, by contrast, the recovery is held back by low availability of vaccines and smaller space for fiscal support, and a key focus of policies has been to reorient expenditure priorities toward pandemic-related emergencies. In emerging markets, the rebound in GDP and its associated tax revenues has helped improve primary balances in 2021, but fiscal policy measures to cope with the crisis, which have been smaller than in advanced economies (Figure 1.2), appear to be waning further. In some countries, borrowing costs are rising, as central banks have begun increasing short-term reference rates on concerns about inflation or currency depreciation (October 2021 *Global Financial Stability Report* and the October 2021 *World Economic Outlook*). In low-income developing countries, policy support remains limited, with borrowing constraints

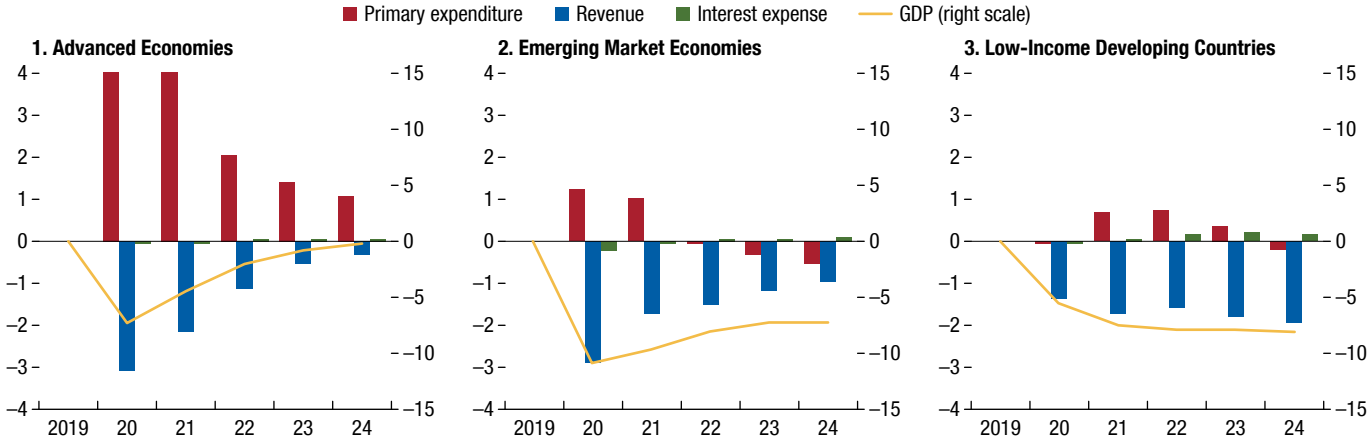
This chapter was prepared by staff from the Fiscal Affairs Department. The authors of this chapter are Sandra Valentina Lizarazo and Roberto Piazza (Team Leaders), Hamid R. Davoodi, Paul Elger, Xuehui Han, Anh Dinh Minh Nguyen, and Alexandra Solovyeva, with contributions from Nathaniel Arnold, Andrew Hodge, Keiko Honjo, Li Lin, and Claude Wendling, with research support from Yuan Xiang and under the guidance of Paolo Mauro (Deputy Director) and Paulo Medas (Division Chief).

[1]It is becoming increasingly difficult to differentiate between fiscal measures strictly related to the COVID-19 crisis and measures with a broader goal of supporting the recovery. For details, see the Fiscal Monitor Database of Country Fiscal Measures in Response to COVID-19 at https://www.imf.org/en/Topics/imf-and-covid19/Fiscal-Policies-Database-in-Response-to-COVID-19.

[2]Discussions of the evolution of fiscal policy on an annual basis usually rely on measures that adjust the primary balance to account for the deviation of GDP from its potential output. However, given how difficult it is to estimate potential output during the pandemic, the change of the unadjusted primary balance, in terms of levels or percent of prepandemic GDP, provides a more reliable starting point when assessing the evolution of fiscal policy.

Figure 1.1. The Effect of the COVID-19 Pandemic on Fiscal and GDP Forecasts
(Deviation from prepandemic projections as a percentage of 2019 GDP; simple average)

Although GDP is expected to largely recover in advanced economies, it will remain much lower than expected in emerging market economies and low-income developing countries before the pandemic, and revenues will also suffer.



Sources: IMF, World Economic Outlook database; and IMF staff estimates.
Note: All quantities are converted into 2019 prices using the projected evolution of the GDP deflator.

increasingly binding as countries strive to curtail debt increases and retain access to market financing.

The pandemic will leave a lasting mark on government finances, inequality, poverty, and the level of GDP in many countries. The ratio of global public debt to GDP, which increased sharply in 2020 because of the crisis, has stabilized in 2021. Following this one-time jump, debt in the coming years is expected to remain persistently higher than the levels projected before the pandemic—in advanced economies it is projected to be almost 20 percentage points higher through 2026 (Figure 1.3). This will likely lead to a significant increase in government gross financing needs to cover both new and maturing debt. Large purchases of government debt by central banks (especially in advanced economies) and by the domestic banking sector (in emerging markets) have helped contain the cost of the new borrowing (Chapter 1 of the April 2021 *Global Financial Stability Report*). By 2026, ratios of gross government debt to GDP are projected to begin to fall only marginally (Table 1.2), relying almost entirely on economic growth. Growth is resuming across all income groups, but in emerging markets and low-income developing countries the GDP trajectory would remain at long-lastingly lower levels than prepandemic projections (Figure 1.1), leading to correspondingly reduced fiscal revenues. The outlook is particularly dire in low-income developing countries, where revenues are expected to be on average 2 percentage points lower than projected in 2019.

The stark difference across countries in the projected scarring from the pandemic is likely to affect income inequality and poverty, making it more difficult for countries to achieve their UN Sustainable Development Goals. Income inequality is likely to rise persistently in emerging markets and low-income developing countries, whereas in most advanced economies the increase is expected to be pared back, albeit not fully.[3] Overall, poverty is expected to decline in 2021, partly offsetting the large increase in 2020, but the number of people in poverty is still projected to be 65–75 million higher than prepandemic trends.[4]

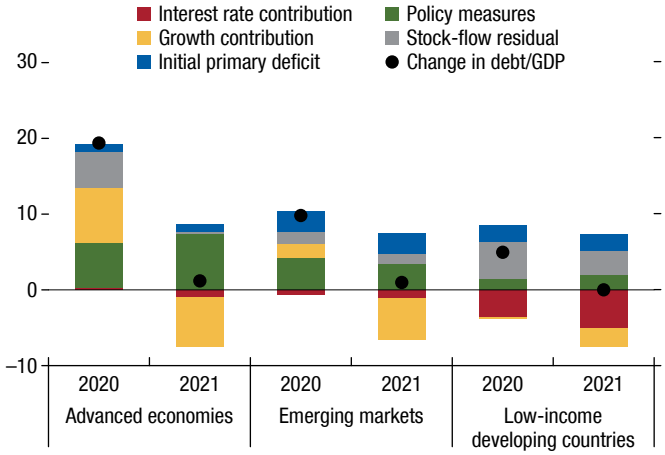
The fiscal outlook is subject to major risks. The interplay between vaccines and the virus and its variants is among the factors contributing to elevated

[3]These results are derived from Gini forecasts for 2021 onward; they are constructed using the parameters of regressions of Gini changes in income and labor losses during the period surrounding the global financial crisis, interacted with income and labor losses for 2021 and beyond coming from the *World Economic Outlook* projections.

[4]The estimate has a high degree of uncertainty and will depend, among other factors, on the strength of the recovery and the effectiveness of safety nets. It is especially sensitive to developments in countries that are home to many of the world's poor people (such as *Bangladesh*, *Democratic Republic of the Congo*, *India*, and *Nigeria*).

Figure 1.2. Drivers of Change in Government Debt, 2019–21
(Percent of GDP)

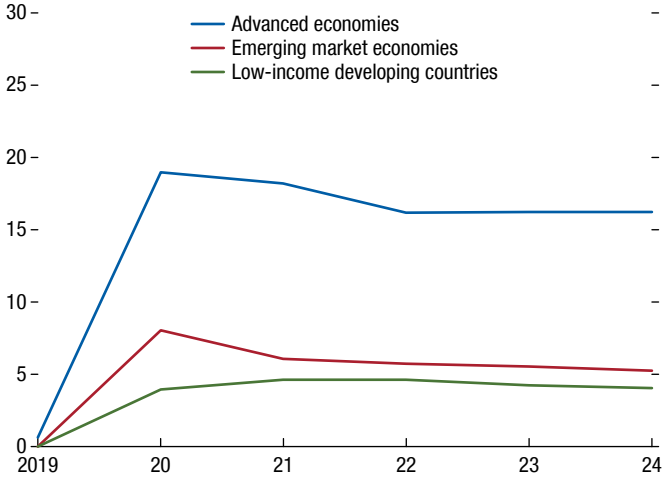
Fiscal policy support remains much higher in advanced economies compared with emerging markets and low-income developing countries.



Sources: IMF, World Economic Outlook database; and IMF staff estimates based on Mauro and Zilinsky (2016).
Note: The stock-flow residual is the change in the debt ratio resulting from factors such as bailouts or changes in exchange rates.

Figure 1.3. The Effect of the COVID-19 Pandemic on General Government Debt, 2019–24
(Change relative to prepandemic projections, percent of GDP)

Government debt as a share of GDP is expected to remain high compared with levels before the pandemic.



Sources: IMF, World Economic Outlook database; and IMF staff estimates.
Note: Prepandemic projections refer to projections in the October 2019 *World Economic Outlook*.

uncertainty in the short term. The evolution of public finances will also depend on how deeply the pandemic affects economic growth. On the upside, the structural transformation triggered by the crisis—accompanied by the investment packages currently under consideration—may help reduce future debt ratios by unlocking broad-based growth in productivity (October 2021 *World Economic Outlook*). On the downside, with debt at record-high levels, countries are exposed to changes in global interest rates, refinancing risks, and reduced fiscal space to respond to future shocks. This is especially relevant for emerging and developing economies, where the maturity of public debt is shorter and persistently low tax revenues risk straining governments' capacity to service debt. Borrowing costs could also rise faster than expected once central banks start to remove the exceptional monetary support, including by scaling down their purchases of government debt.

As the pandemic continues to take a toll, fiscal policy needs to remain nimble and support lives and livelihoods where vaccination coverage is limited and infections are resurgent. At the same time, emergency spending needs to be accompanied by measures that ensure transparency and accountability, so that public money is well targeted to the most needy (IMF 2020a).[5] The ability of governments to provide additional fiscal support in the short term can be enhanced if they credibly commit to rebuilding fiscal buffers in the medium term and to maintaining fiscal sustainability with a transparent set of rules and institutions that guide fiscal policy for the coming years (see Chapter 2). International cooperation, including financial support, is also crucial to ensure that vaccines, treatments, and medical supplies are distributed quickly and fairly across all countries (Agarwal and Gopinath 2021). Likewise, the adverse impact of the pandemic on economic development underlines the importance of domestic reforms and international aid, including through debt relief and concessional finance, to foster sustainable and inclusive growth (Benedek and others 2021).

[5]Governments have faced significant challenges in maintaining a satisfactory level of accountability in response to the COVID-19 crisis, though some positive innovative practices have emerged in countries across all income groups. For example, *Bangladesh* has provided extensive information on the effect of policy measures on disadvantaged groups. *Sierra Leone* undertook a real-time audit of its COVID-19 spending. *Chile* has relied on a consultative body that was established before the crisis. See International Budget Partnership (2021) for a study on the accountability, design, and implementation of government responses to COVID-19 in 120 countries based on a survey undertaken from March through September 2020. See also El Khoury and others (2021).

Table 1.1. General Government Fiscal Overall Balance, 2016–26
(Percent of GDP)

						Projections					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
World	**–3.5**	**–3.0**	**–3.0**	**–3.6**	**–10.2**	**–7.9**	**–5.2**	**–4.2**	**–3.8**	**–3.6**	**–3.5**
Advanced Economies	**–2.7**	**–2.4**	**–2.5**	**–3.0**	**–10.8**	**–8.8**	**–4.8**	**–3.6**	**–3.2**	**–3.1**	**–3.0**
Canada	–0.5	–0.1	0.3	0.5	–10.9	–7.5	–2.2	–0.5	–0.1	0.2	0.4
Euro Area	–1.5	–0.9	–0.5	–0.6	–7.2	–7.7	–3.4	–2.4	–2.0	–1.7	–1.6
France	–3.6	–3.0	–2.3	–3.1	–9.2	–8.9	–4.7	–3.9	–3.6	–3.4	–3.4
Germany	1.2	1.3	1.9	1.5	–4.3	–6.8	–1.8	–0.4	0.0	0.5	0.5
Italy	–2.4	–2.4	–2.2	–1.6	–9.5	–10.2	–4.7	–3.5	–2.9	–2.6	–2.4
Spain[1]	–4.3	–3.0	–2.5	–2.9	–11.0	–8.6	–5.0	–4.4	–4.2	–4.2	–4.3
Japan	–3.8	–3.3	–2.7	–3.1	–10.3	–9.0	–3.9	–2.1	–2.1	–2.1	–2.2
United Kingdom	–3.3	–2.4	–2.2	–2.3	–12.5	–11.9	–5.6	–3.6	–3.2	–3.1	–2.9
United States[2]	–4.3	–4.6	–5.4	–5.7	–14.9	–10.8	–6.9	–5.7	–5.2	–5.3	–5.3
Others	0.5	1.2	1.2	–0.2	–5.2	–4.2	–2.3	–1.4	–1.0	–0.7	–0.6
Emerging Market Economies	**–4.8**	**–4.1**	**–3.7**	**–4.7**	**–9.6**	**–6.6**	**–5.8**	**–5.2**	**–4.8**	**–4.4**	**–4.1**
Excluding MENA Oil Producers	–4.4	–4.0	–3.9	–4.9	–9.7	–6.9	–6.0	–5.3	–4.9	–4.5	–4.2
Asia	–4.0	–4.0	–4.5	–5.9	–10.8	–7.9	–7.0	–6.2	–5.7	–5.2	–4.8
China	–3.7	–3.8	–4.7	–6.3	–11.2	–7.5	–6.8	–6.2	–5.6	–5.0	–4.5
India	–7.1	–6.2	–6.4	–7.4	–12.8	–11.3	–9.7	–8.8	–8.3	–8.1	–7.8
Europe	–2.8	–1.8	0.3	–0.7	–5.6	–3.2	–2.4	–2.1	–2.2	–2.3	–2.5
Russian Federation	–3.7	–1.5	2.9	1.9	–4.0	–0.6	0.0	0.2	0.1	–0.2	–0.5
Latin America	–6.0	–5.4	–5.0	–4.1	–8.8	–5.7	–4.9	–4.2	–3.5	–3.1	–2.9
Brazil	–9.0	–7.9	–7.1	–5.9	–13.4	–6.2	–7.4	–6.4	–5.4	–4.8	–4.4
Mexico	–2.8	–1.1	–2.2	–2.3	–4.5	–4.2	–3.5	–3.2	–2.9	–2.8	–2.8
MENA	–10.1	–5.3	–1.8	–2.9	–8.2	–4.3	–3.7	–3.7	–3.7	–3.7	–3.4
Saudi Arabia	–17.2	–9.2	–5.9	–4.5	–11.3	–3.1	–1.8	–1.4	–1.1	–0.6	0.1
South Africa	–3.7	–4.0	–3.7	–4.8	–10.8	–8.4	–7.0	–6.4	–6.2	–6.5	–6.8
Low-Income Developing Countries	**–3.8**	**–3.6**	**–3.4**	**–3.9**	**–5.2**	**–5.4**	**–5.0**	**–4.5**	**–4.3**	**–4.1**	**–3.9**
Kenya	–7.8	–7.5	–7.0	–7.3	–8.1	–8.0	–6.7	–4.9	–4.0	–3.2	–2.5
Nigeria	–4.6	–5.4	–4.3	–4.7	–5.8	–6.1	–6.0	–5.5	–5.6	–5.9	–6.1
Vietnam	–3.2	–2.0	–1.0	–3.3	–3.9	–4.7	–4.7	–4.5	–4.2	–3.9	–3.6
Oil Producers	**–5.2**	**–2.8**	**0.4**	**–0.2**	**–7.5**	**–4.2**	**–2.2**	**–1.6**	**–1.6**	**–1.6**	**–1.6**
Memorandum											
World Output (percent)	**3.3**	**3.8**	**3.6**	**2.8**	**–3.1**	**5.9**	**4.9**	**3.6**	**3.4**	**3.3**	**3.3**

Source: IMF staff estimates and projections.

Note: All country averages are weighted by nominal GDP converted to US dollars (adjusted by purchasing power parity only for world output) at average market exchange rates in the years indicated and based on data availability. Projections are based on IMF staff assessments of current policies. In many countries, 2021 data are still preliminary. For country-specific details, see "Data and Conventions" and Tables A, B, C, and D in the Methodological and Statistical Appendix. MENA = Middle East and North Africa.

[1] Including financial sector support.

[2] For cross-economy 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 expenditures under the 2008 System of National Accounts (2008 SNA) adopted by the United States but not 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 US Bureau of Economic Analysis.

Recent Developments and Outlook

Many factors explain the differentiated evolution of fiscal policy at the global level. In the short term, these include variation across countries in the intensity of the health crisis, the low availability of vaccine in many emerging markets and low-income developing countries, and uneven availability of fiscal space to further increase spending or reduce taxes. In the medium term, the composition and size of the fiscal policy response, both at the peak of the crisis and during the recovery, will likely contribute to the uneven economic damage inflicted by the pandemic across countries (April 2021 *World Economic Outlook*).

Advanced Economies

Fiscal policy in advanced economies is moving boldly on two fronts. First, governments are continuing to provide ample support as their economies grapple with the pandemic and its uneven effect within society.

Table 1.2. General Government Debt, 2016–26

(Percent of GDP)

						Projections					
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Gross Debt											
World	**83.2**	**82.0**	**82.3**	**83.6**	**98.6**	**97.8**	**96.9**	**97.0**	**96.9**	**96.8**	**96.5**
Advanced Economies	**105.6**	**103.2**	**102.7**	**103.8**	**122.7**	**121.6**	**119.3**	**119.3**	**119.1**	**118.8**	**118.6**
Canada[1]	91.7	88.8	88.8	86.8	117.5	109.9	103.9	100.2	96.9	93.4	89.7
Euro Area	90.1	87.7	85.7	83.7	97.5	98.9	96.3	95.4	94.5	93.4	92.2
France	98.0	98.3	98.0	97.6	115.1	115.8	113.5	114.6	115.4	116.2	116.9
Germany	69.3	65.0	61.6	59.2	69.1	72.5	69.8	68.0	65.9	63.4	60.9
Italy	134.8	134.1	134.4	134.6	155.8	154.8	150.4	149.4	148.6	147.5	146.5
Spain	99.2	98.6	97.5	95.5	119.9	120.2	116.4	116.2	116.3	116.8	117.5
Japan	232.5	231.4	232.5	235.4	254.1	256.9	252.3	250.8	251.0	251.3	251.9
United Kingdom	86.8	86.3	85.8	85.2	104.5	108.5	107.1	109.4	110.5	111.2	111.6
United States[1]	106.9	106.0	107.1	108.5	133.9	133.3	130.7	131.1	131.7	132.5	133.5
Emerging Market Economies	**48.4**	**50.5**	**52.4**	**54.7**	**64.0**	**64.3**	**65.8**	**67.1**	**68.2**	**69.0**	**69.8**
Excluding MENA Oil Producers	50.1	52.2	54.2	56.2	65.9	66.8	68.3	69.6	70.6	71.4	72.0
Asia	50.0	52.8	54.5	57.3	67.3	70.1	72.4	74.2	75.7	77.0	78.1
China	48.2	51.7	53.8	57.1	66.3	68.9	72.1	74.5	76.6	78.5	80.1
India	68.9	69.7	70.4	74.1	89.6	90.6	88.8	88.1	87.3	86.3	85.2
Europe	31.9	30.1	29.7	29.2	38.0	36.6	36.7	36.8	37.1	37.2	37.4
Russian Federation	14.8	14.3	13.6	13.8	19.3	17.9	17.9	17.7	17.8	17.5	17.5
Latin America	56.4	61.1	67.4	68.3	78.1	73.0	73.6	74.2	74.2	73.8	73.2
Brazil[2]	78.3	83.6	85.6	87.7	98.9	90.6	90.2	91.7	92.4	92.6	92.4
Mexico	56.7	54.0	53.6	53.3	61.0	59.8	60.1	60.5	60.9	61.2	61.5
MENA	42.5	41.9	41.1	45.7	52.6	48.4	47.1	47.5	47.9	48.2	48.3
Saudi Arabia	13.1	17.2	19.0	22.8	32.5	29.7	30.8	30.4	29.5	28.4	27.2
South Africa	47.1	48.6	51.6	56.3	69.4	68.8	72.3	74.9	77.4	80.2	83.0
Low-Income Developing Countries	**39.5**	**42.1**	**42.7**	**44.2**	**49.9**	**50.2**	**49.8**	**49.0**	**48.5**	**48.0**	**47.3**
Kenya	46.7	54.8	57.3	59.0	67.6	69.7	70.2	69.6	68.3	70.9	69.6
Nigeria	23.4	25.3	27.7	29.2	35.0	35.7	36.9	37.7	39.1	40.6	42.0
Vietnam	47.6	46.3	43.7	43.6	46.3	47.9	47.8	47.8	47.0	46.1	45.3
Oil Producers	**41.4**	**41.8**	**44.0**	**45.5**	**58.0**	**54.1**	**52.9**	**52.2**	**51.7**	**51.1**	**50.4**
Net Debt											
World	**69.3**	**67.8**	**67.9**	**68.4**	**80.6**	**81.9**	**81.1**	**81.6**	**81.8**	**82.3**	**82.7**
Advanced Economies	**76.9**	**75.1**	**74.8**	**75.1**	**88.1**	**89.8**	**88.7**	**89.2**	**89.5**	**90.3**	**91.0**
Canada[1]	28.7	26.0	25.6	23.4	34.7	34.9	32.5	30.1	27.7	25.1	22.2
Euro Area	74.6	72.4	70.6	69.3	80.7	82.8	80.9	80.5	80.0	79.2	78.4
France	89.2	89.4	89.2	88.9	102.6	103.3	100.9	102.0	102.9	103.7	104.4
Germany	49.6	45.7	42.9	40.8	50.1	54.4	52.9	51.6	50.0	48.0	46.0
Italy	121.6	121.3	121.8	122.1	142.3	142.2	138.5	137.9	137.3	136.5	135.7
Spain	86.1	85.1	83.7	82.2	103.0	104.5	101.9	102.3	102.8	103.8	104.8
Japan	149.6	148.1	151.2	150.8	167.0	171.5	169.2	168.3	168.4	168.7	169.4
United Kingdom	77.8	76.8	75.9	75.3	91.8	97.2	95.2	97.8	98.7	99.5	99.9
United States[1]	81.9	81.6	82.1	83.0	98.7	101.9	100.8	101.9	103.3	106.0	108.9
Emerging Market Economies	**34.7**	**35.8**	**36.7**	**38.4**	**44.7**	**45.3**	**46.3**	**47.5**	**48.2**	**48.5**	**48.6**
Asia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Europe	31.4	30.2	30.4	29.4	36.9	37.4	37.8	38.1	38.4	38.6	38.8
Latin America	40.3	42.5	42.9	44.1	52.0	51.4	53.2	55.2	56.6	57.1	57.9
MENA	26.9	26.5	28.5	34.5	39.1	39.8	39.0	41.0	41.8	42.3	41.6

Source: IMF staff estimates and projections.

Note: All country averages are weighted by nominal GDP converted to US dollars (adjusted by purchasing power parity only for world output) at average market exchange rates in the years indicated and based on data availability. Projections are based on IMF staff assessments of current policies. In many countries, 2021 data are still preliminary. For country-specific details, see "Data and Conventions" and Tables A, B, C, and D in the Methodological and Statistical Appendix. MENA = Middle East and North Africa.

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

[2] 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.

The crisis has increased the inequality of labor earnings in *Canada, Israel*, and the *United States.* Data covering the early stage of the recovery in the *United States* and member countries of the Organisation for Economic Co-operation and Development (OECD) show that employment rates have rebounded beyond prepandemic levels for high-wage workers but remain significantly lower for low-wage workers.[6] Second, policymakers in many countries have recognized the need to "build back better" in the aftermath of the pandemic. This has led to the announcement of multiyear plans to increase public investment, strengthen social safety nets, address climate change, and improve resilience to future health crises.

The cyclically adjusted primary deficit for advanced economies as a group is expected to decrease in 2021 by 0.5 percentage points of GDP (to 6.3 percent). This average figure includes a decrease of 1½ percentage points in the *United States* (on the back of a strong revenue outturn) and an increase of 1½ percentage points in the *euro area*. The cyclically adjusted primary deficit is projected to shrink by almost 2 percentage points on average in 2022 and fall further to 2.1 percent of GDP by 2026 (0.8 percent in the *euro area* and 3.5 percent in the *United States*), a level somewhat higher than in 2019. Favorable interest rates and economic growth, along with projected fiscal adjustments (including a decline in COVID-19–related spending), imply that the ratio of gross government debt to GDP for advanced economies is expected to decline marginally to about 120 percent in 2026 (Table 1.2). However, in some countries the debt ratio is expected to remain broadly stable (*United Kingdom*) or continue rising (*Republic of Korea*). These baseline projections include the domestic and international fiscal and growth impact of the multiyear plans that have been announced or approved in advanced economies. The key features of the largest among these packages are described next.

In the *European Union*, the NGEU recovery plan issued its first 10-year bonds in June.[7] The issuance will contribute to expanding the availability of credit issued at the EU level. The package (€750 billion, of which €390 billion is in grants and €360 billion in loans) will be mainly directed to countries that suffered a large negative effect from the crisis and that have limited fiscal space.[8] It aims to support a sustainable recovery and reduce crisis-driven divergence in economic prospects across EU states. This is reflected in the much lower degree of economic scarring from the pandemic currently projected for emerging markets in the *European Union* compared to the average emerging market economy. Climate and digitalization investments are priorities: the Recovery and Resilience Facility, which will allocate most of the financing, requires that at least 37 percent of each plan's allocation must support the green transition and at least 20 percent be directed to digital transformation. Climate policy and digitalization investment projects accounted for more than half of planned grant spending as of June 3.[9] Several governments intend to frontload these investments (*Austria*, *Denmark*, *Finland*, *Spain*).

In the *United States,* the new administration has proposed a significant increase in spending through the American Families Plan (AFP) ($2 trillion) and the American Jobs Plan (AJP) ($2.3 trillion). The primary aim is to redistribute resources toward vulnerable households, invest in infrastructure, encourage human capital accumulation, boost labor force participation, and improve productivity (see Box 1.1 on the

[6]See Opportunity Insights (https://www.tracktherecovery.org/) and OECD (2021). Evidence from past recessions also suggests that the poorest are hardest hit. Those at the bottom of the income distribution do not attain significant increases in income until the recovery is well under way, while those at the top of the distribution see their incomes soar sooner (Heathcote, Perri, and Violante 2020).

[7]As of August 2021, the EU had concluded three issuances of NGEU bonds with maturities from 5 to 30 years, for a total of €45 billion. The issuances have attracted strong interest from investors, with large oversubscriptions. The bonds have been trading with a yield between that of yields on the corresponding German and French bonds.

[8]These design features for the Recovery and Resilience Facility intend to promote solidarity among EU member countries and are guided by the principle of providing targeted fiscal support to promote a faster recovery: A country's allocation will be proportional to its population size and inversely proportional to its per capita income level. In addition, during 2021–22, the allocation of 70 percent of the funds will also consider the unemployment rate in the period immediately before the pandemic (2015–19), and during 2023 the allocation of 30 percent of the funds will reflect the economic effect of the crisis. Under these guidelines, eastern and southern European countries will be the largest recipients of the grants, with *Bulgaria, Croatia*, and *Greece* each receiving more than 8 percent of their 2019 GDP, and *Spain* and *Italy* receiving 4.8 percent and 3.7 percent of their 2019 GDP, respectively.

[9]The distribution of NGEU funds will include, for example, €1.4 billion to the *Czech Republic* to renovate buildings and improve its energy efficiency and €500 million to boost digital skills through investments in upskilling and reskilling programs for the entire workforce; €155 million to *Ireland* to renovate residential and public buildings and to support businesses that improve their energy efficiency, with the aim of reducing the country's greenhouse emissions; and €40 million to *Cyprus* to promote energy-efficient investments in small and medium enterprises, municipalities, and the wider public sector, and €35 million for the expansion of high-capacity digital networks in underserved areas.

distributional impact). The costs of the additional federal spending, and therefore the impact on government debt, are expected to be partially offset by raising revenues through increases in the personal and capital income tax rates, an increase in the corporate tax rate, and a global minimum tax on corporate profits.[10]

Figure 1.4 presents a simulation of the potential cumulative global economic effect of the AFP, the AJP, and the NGEU. Note that the fiscal packages examined here represent only part of the fiscal policies advanced economies need to recover from the pandemic—especially in the *European Union,* where national fiscal policies account for the bulk of the fiscal response and where additional national measures are expected later in the year. By 2026, the programs considered could add $4.6 trillion to global GDP. About 16 percent of this increase, or roughly 0.7 percent of global GDP, would correspond to international spillovers.[11] The effects are especially strong on exports (Figure 1.4, panel 1). Global investment would also increase, but more gradually. Panel 2 of Figure 1.4 shows the joint effect of the packages on international prices. The increases are expected to take place quickly and gradually diminish, with the exception of the impact on global interest rates (and monetary policy rates), which occurs with a lag. These increases in international prices are also expected to be modest, except for oil prices, which could rise by more than 6 percent. Most of the cumulative spillovers on GDP, consumption, investment, and employment are expected to accrue to advanced economies and to commodity-exporting economies (see Annex 1.1 for more details). For all economies other than the *European Union* and the *United States*, fiscal deficits and net debt as a share of GDP would fall relative to a baseline that does not include the packages. In most countries, this will reflect the positive effects of higher growth and fiscal revenues, but in some it would be the consequence of fiscal policy adjustment to tighter financing conditions.

Indeed, despite the overall positive global effect of the packages, some countries may face adverse spillovers, especially if global interest rates were to rise sharply. For example, real consumption in G20 emerging market economies is expected to contract slightly. The extent of the potentially negative spillovers will depend crucially on the response of domestic inflation and, correspondingly, of monetary policy in the two source countries/regions (*European Union, United States*). Commodity exporters and close trading partners of the two source countries/regions would benefit the most, whereas highly leveraged countries that are susceptible to changes in financing costs would be harmed by higher interest rates.

Emerging Markets

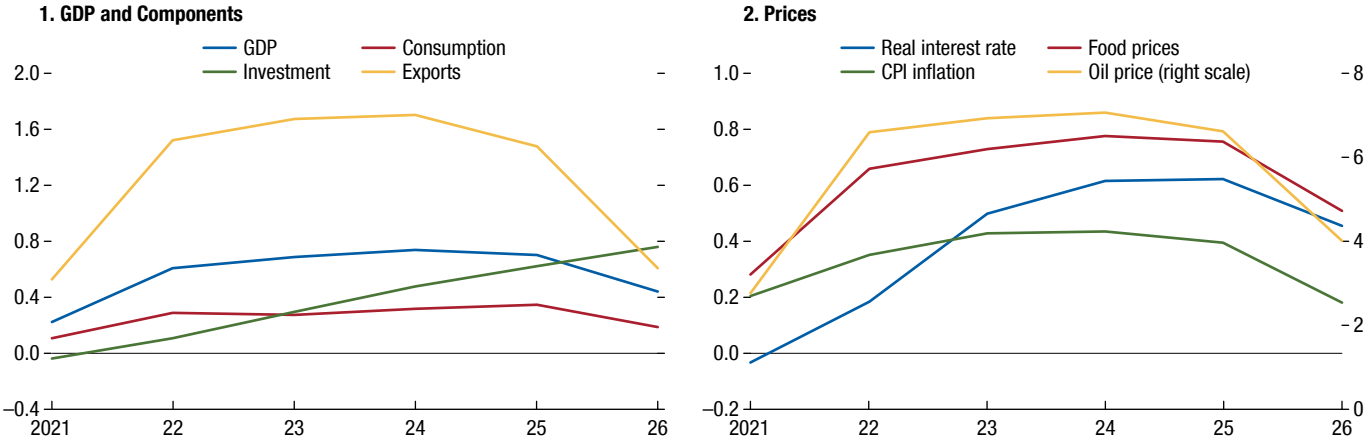
In emerging market economies, fiscal policy is still supportive on average amid limited vaccine coverage and resurgent waves of infection. Many countries have approved new spending to cope with the virus in 2021. However, tight borrowing constraints are increasingly leading to some fiscal retrenchment in several countries and are limiting the ability of fiscal policy to support people and firms during the crisis. The average fiscal deficit is projected at 6.6 percent of GDP in 2021, down by 3 percentage points from 2020 (Table 1.1). The decrease can be split about equally between a recovery in tax revenues as economic conditions improve and a reduction in discretionary spending measures. In two-thirds of emerging markets, real primary spending in 2021 will be above its 2019 level. In half of the countries, despite still-challenging economic conditions, real primary spending will have fallen from its 2020 peak as a result of contractions in both current and capital spending. In 2022, the deficit is expected to fall by an additional 1 percentage point.

[10]On August 10, the US Senate passed a bipartisan infrastructure bill that includes about $550 billion in new spending. The bill is under discussion in the US House of Representatives and a final vote on the package by September 27 has been agreed upon. The Administration remains committed to the remaining components of the Jobs and Families Plans that are not included in the bipartisan proposal. On August 24, the House passed a budget blueprint that paves the way for a reconciliation bill that authorizes $3.5 trillion in new spending covering most of the components of the AJP and AFP not included in the bipartisan infrastructure bill.

[11]"Spillovers" are defined here as the effects that a change in fiscal policy in one source country/region imposes on all other countries in the world, and therefore include the spillovers that the two source countries/regions impose on one another. This latter component accounts for about one-tenth of the total value of spillovers or 0.7 percent of global GDP. Considering the joint effect of their domestic packages and the spillovers from other countries, GDP, consumption, investment, and employment increase in the *European Union* and the *United States*. Consumption would grow more markedly in the *United States*, reflecting the effect of the redistributive policies on overall aggregate demand. On the other hand, despite the large investment component of the US packages, investment growth would be higher in the *European Union* due the focus of their packages on expanding the productive capacity of the economies. Inflation in these three economies/regions is also expected to increase, but only moderately.

Figure 1.4. Global Effect of Three Large Recovery Packages on Macroeconomic Variables and Prices
(Percent change relative to baseline)

Global GDP and gross exports would see a sizable increase, the rise in prices would be transitory and moderate, and the increase in global interest rates would be long-lasting.



Sources: IMF World Economic Outlook database; and IMF staff calculations.
Note: The figure focuses on three large recovery packages announced since April 2021 by the European Union (NextGenerationEU) and the United States (American Families Plan and American Jobs Plan). Simulations use the G20 module of the Flexible System of Global Models. CPI = consumer price index.

Underneath the narrowing average deficit lie large differences across countries. In *China,* with strong pandemic control and a consequent swift economic rebound, the cyclically adjusted primary deficit is projected to fall by 2½ percentage points in 2021 compared with 2020 because most pandemic-related fiscal measures are expiring and public investment is being reduced. In *Brazil* and *Russia,* the 2021 fiscal retrenchment is even more marked. In contrast, the narrowing fiscal deficit among oil exporters (Table 1.1) is explained by significant revenue improvements as oil prices increase. In *Chile*, the cyclically adjusted primary balance is instead expected to deteriorate in 2021, on the back of new stimulus measures to buffer the effects of the crisis.

Average gross government debt in emerging markets is predicted to reach 64 percent of GDP in 2021, up by almost 10 percentage points from 2019 (Table 1.2), with the level rising by more than 20 percentage points in one-fifth of the countries. To counter these trends, some governments are raising revenues (*Indonesia*). However, social and political tensions in several countries amid the challenges from the pandemic limit the ability of governments to plan medium-term fiscal consolidations (*Colombia*). In the medium term, public debt for the emerging market group is projected to reach 70 percent of GDP in 2026 (but remain stable at 60 percent of GDP excluding China). Asia would surpass Latin America as the region with the highest public debt as a share of GDP, with debt in *China* increasing despite fiscal tightening and a renewed effort to restrict debt in state-owned enterprises and local governments.

Low-Income Developing Countries

The average overall fiscal deficit in 2021 in low-income developing countries remains at just above 5 percent of GDP, little changed from 2020, and 1.5 percentage points of GDP above its prepandemic value (Table 1.1). This pattern can be explained by the limited fiscal support that these countries have expended to cope with the virus compared with the other income groups (Figure 1.2). In real terms, overall expenditure in 2021 is expected to increase in about 70 percent of the countries. In the vast majority, current expenditure in 2021 will be above its 2019 level in real terms, whereas this will be the case for capital spending in only 60 percent of countries. Real revenues are projected to increase in 2021 in three-quarters of the countries but are likely to remain subdued in countries that are reliant on tourism. In almost half of them, real revenues will exceed their 2019 level. However, in almost half of the countries, grants are expected to be below their 2019 level in dollar terms.

Fiscal deficits as a share of GDP are expected to fall in half of the countries in 2021, especially in those that had elevated debt levels before the pandemic (*Liberia, South Sudan, Zambia*); those with large fiscal deficits in 2020 (*Ghana, Guinea-Bissau*); and in certain commodity exporters (*Sudan*). The average overall fiscal deficit is projected to return to its prepandemic level by 2025, as countries implement medium-term fiscal consolidation measures to rein in debt. Over the medium term, average revenue is expected to increase and stabilize at 14½ percent of GDP but would still remain 0.5 percentage points of GDP below the 2019 level because of lower tax revenues (*Republic of Congo, Vietnam*) and lower external grants (*Afghanistan, Djibouti, Liberia*). Expenditure is projected to decline to 18 percent of GDP by 2026, ½ percentage point of GDP below the 2019 value, with current levels of spending gradually scaling down and capital expenditures holding steady as a share of GDP.

Average gross debt in 2021 is projected to remain stable at almost 50 percent in 2020, still 5 percentage points above its 2019 value (Table 1.2). In the medium term, debt vulnerabilities are expected to remain high and the room for further borrowing is likely to get smaller, with the debt service relative to taxes trending upward. Half of low-income developing countries are experiencing debt distress or are at risk of it, and are counting on international support to fight the pandemic. As of the end of May 2021, 47 out of 73 eligible countries had joined the Debt Service Suspension Initiative (DSSI). The initiative has helped countries increase COVID-19 spending but has not been enough to prevent a reduction in other priority spending (Box 1.2).[12] A few countries have recently sought debt relief under the G20 Common Framework (*Chad*, *Ethiopia, Zambia*).[13] In parallel, the IMF has extended $117 billion in new financing and debt service relief to 85 countries. This includes financial assistance to 53 low-income developing countries and grant-based debt service relief to 29 of the IMF's poorest and most vulnerable members. Compared to its level before the pandemic, the IMF's support to low-income developing countries has almost tripled and has increased by about 1 percent of GDP for emerging market economies (Box 1.2). The new Special Drawing Right (SDR) allocation will further help vulnerable countries struggling to cope with the impact of the crisis.[14]

Risks to the Outlook: Uncertain Room to Maneuver

The evolution of the pandemic and its social and economic implications continue to represent the most significant source of risks to the global outlook in the short term. A rapid scaling up of vaccine production and delivery, especially to emerging markets and low-income developing countries, would accelerate the pace of resolving the health crisis, limit further damage to the global economy, and improve fiscal prospects. Conversely, the spread of the Delta variant has added new uncertainties, and vaccine hesitancy in some countries and low vaccine coverage in others could inflict new damage to the world economy and increase pressures on public budgets, with many governments facing tight borrowing constraints.

How much extra room do governments have to increase their borrowing without triggering negative market reactions? Market access to further borrowing, debt sustainability, and fiscal space are all intertwined concepts that can be assessed using a variety of indicators.[15] The debt-to-GDP ratio (Table 1.2) and the debt-to-revenue ratio (Figure 1.5, panel 1) provide complementary perspectives on the ability of a country to muster enough resources to service its debt. Both indicators show a large increase in 2021 relative to 2019, signaling a deterioration in fiscal space. The already sizable interest rate spread paid by emerging markets and low-income developing countries on their debt denominated in foreign currency has remained broadly stable for the median countries but has increased in several cases (Figure 1.5, panel 2). This is a sign that financing

[12]Preliminary evidence suggests that the DSSI may also have helped lower sovereign bond spreads for participating frontier economies in sub-Saharan Africa compared to nonparticipating African countries.

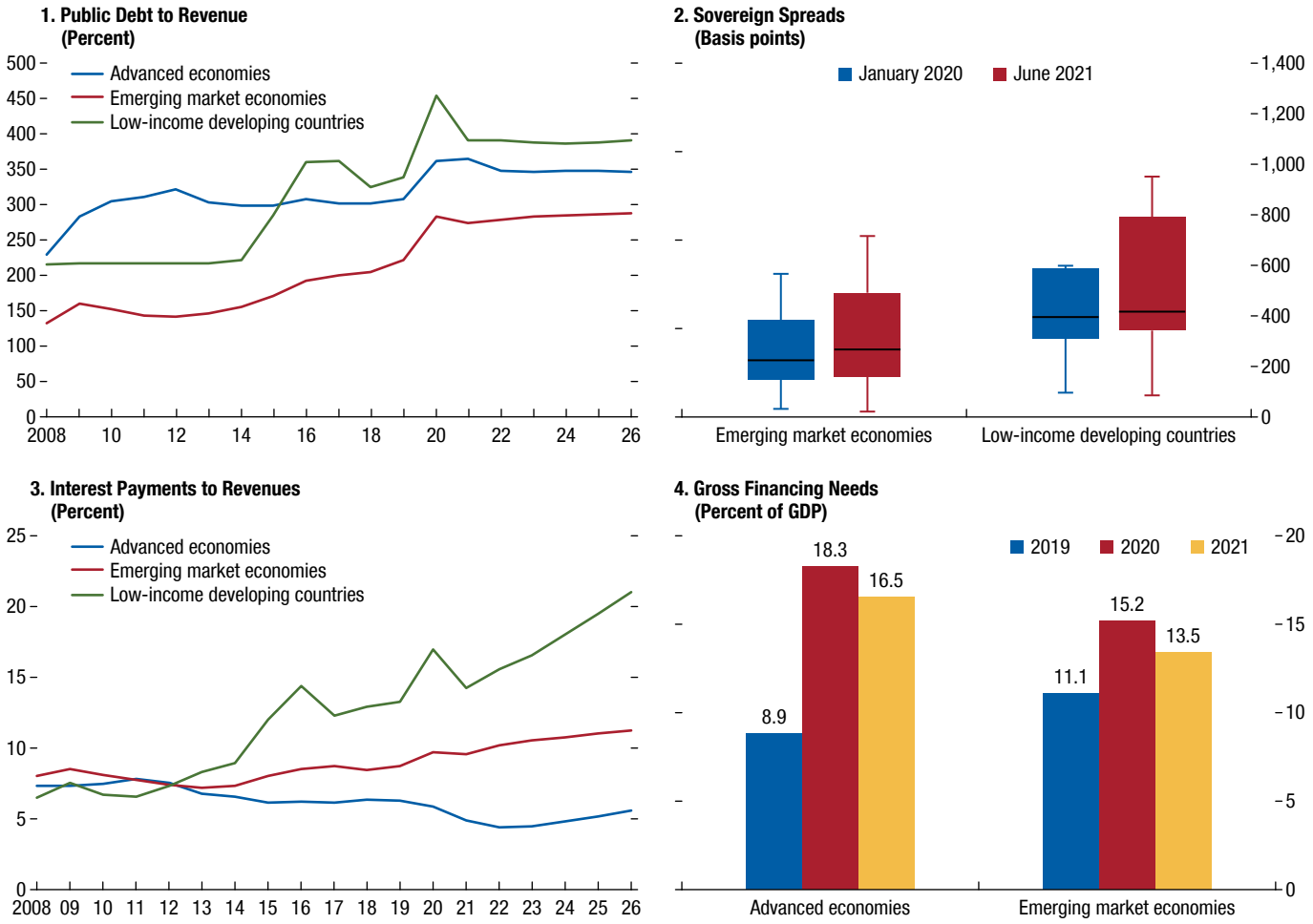
[13]The Common Framework for Debt Treatments beyond the DSSI is an agreement among the G20 and Paris Club countries to coordinate and cooperate on debt treatment for up to 73 low-income developing countries that are eligible for the DSSI.

[14]In August 2021 the IMF approved the largest general SDR allocation to date, worth $456.5 billion SDR ($650 billion), effective as of August 23, 2021, to help boost buffers and economic resilience while supporting the IMF's more vulnerable members. For more details about SDRs and their role in IMF financing, see https://www.imf.org/en/About/Factsheets/Sheets/2016/08/01/14/51/Special-Drawing-Right-SDR.

[15]Fiscal space is defined as the room to increase spending or lower taxes relative to a preexisting baseline without endangering market access and debt sustainability (IMF 2018). However, measuring the amount of "fiscal space" is a difficult task (Chapter 2).

Figure 1.5. The Evolution of and Outlook for Fiscal Space for Advanced Economies, Emerging Market Economies, and Low-Income Developing Countries

Financing constraints have become tighter or prohibitive in several emerging market economies and low-income and developing countries.



Sources: Panels 1, 3, and 4: IMF, World Economic Outlook database; and IMF staff calculations. Panel 2: Refinitiv Datastream.
Note: Panel 2 uses JP Morgan Emerging Market Bond Index (EMBI) spreads.

constraints are tightening for those countries, which are perceived as increasingly risky and have as a consequence experienced credit rating downgrades over the past two years.[16] Higher borrowing rates make debt more onerous. The combination of higher interest rates and lower government revenues has progressively strained the capacity of low-income developing countries to service their debt, a trend that has been exacerbated by the current crisis (Figure 1.5, panel 3).

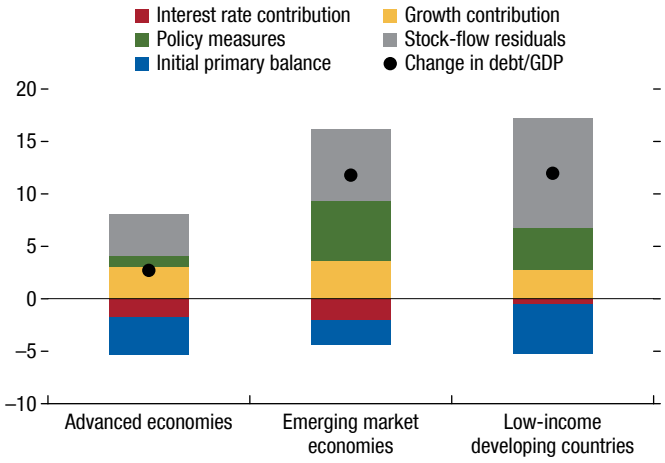
A counterbalancing force, especially for advanced economies, has been the reduction in the gap between the interest rate they pay on their public debt and their average growth rate projected over the next decade. Higher debt levels have nonetheless increased gross financing needs significantly in many countries (Figure 1.5, panel 4), posing challenges for debt management (IMF 2020b) and making public finances more vulnerable to rising borrowing costs when central banks reduce the exceptional large scale asset purchases. Even in advanced economies that face no material refinancing risk and still have some fiscal space, fiscal policy would have to withdraw more quickly than in the baseline should private demand recover faster than anticipated.

[16]Credit spreads tend to move sharply just at the time when a debt crisis breaks out and thus provide a limited indication of future debt distress.

Figure 1.6. Cumulative Contributions to Debt Deviation Over 2009–14

(Relative to 2009 projections; percent of GDP)

After the global financial crisis, a combination of factors drove debt much higher than expected for emerging market economies and low-income developing countries.

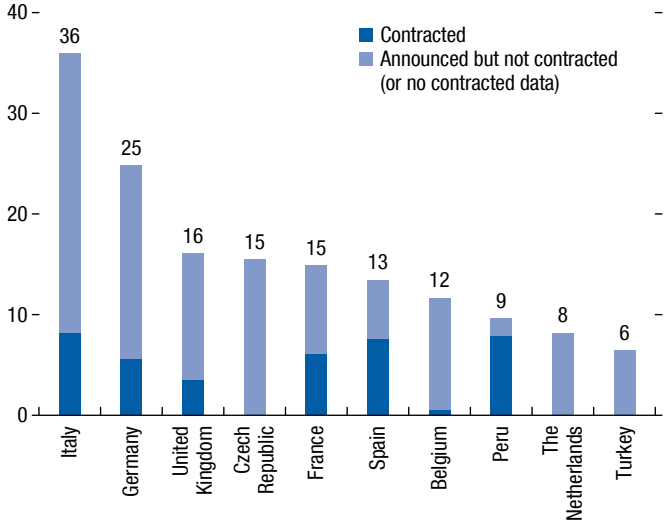


Sources: IMF World Economic Outlook database; and IMF staff estimates.

Figure 1.7. Government Exposure to Contingent Liabilities, Selected Countries

(Percent of GDP)

In most of the sample countries, take-up of blanket COVID-19 support programs has been limited to date, reducing potential contingent liabilities.



Sources: IMF Fiscal Response Database; and IMF staff estimates.
Note: For the Czech Republic, The Netherlands, and Turkey, data on contracted amounts are not available. COVID-19 = coronavirus disease 2019.

Overall, these indicators paint a picture wherein financing constraints have become tighter or outright prohibitive in several emerging markets and low-income developing countries. This represents a likely source of significant vulnerability for the medium-term trajectory of debt ratios. Many countries will increasingly face a difficult balancing act between supporting the recovery and containing the burden on future generations. The pace of withdrawing fiscal support and rebuilding fiscal buffers will depend on country-specific economic conditions and fiscal vulnerabilities (Chapter 2). These challenges highlight the importance of developing sound fiscal frameworks that include upgraded fiscal risks analysis over the medium and long term to help inform policy choices.

The recovery from the global financial crisis illustrates the important role played by interest rates, growth, and fiscal policy shocks in causing unexpected deviations of debt ratios from their projected path. In the years after the crisis, a disappointing growth performance, along with a larger-than-expected contribution of fiscal policies to creating debt in emerging markets and low-income developing countries, pushed up the debt ratio to higher-than-expected levels. This was only partly offset by a lower contribution of the interest rate bill and downward revisions to the initial 2009 primary deficit (Figure 1.6). In the end, the average debt ratio in 2014 turned out larger than projected by about 3 percentage points in advanced economies and by about 12 percentage points in emerging markets and low-income developing countries (Chapter 2).

Figure 1.6 also highlights that changes in government debt not accounted for by fiscal deficits (stock-flow adjustments) can cause major debt surprises, especially in emerging markets and low-income developing countries, where accounting transparency is typically lower. In these countries, financial risks stemming from the operation of state-owned enterprises (SOEs) are often a concern (Chapter 3 of the April 2020 *Fiscal Monitor*). For instance, a large proportion of local government financing vehicles and local SOE debt is likely unserviceable in China (October 2020 *Global Financial Stability Report*), where stock-flow adjustments are projected to increase from 1.6 percent of GDP in 2021 to 3 percent in 2026. In other emerging market and low-income developing countries, contingent liabilities could materialize because of government guarantees and loans extended during the crisis to SOEs operating in the tourism sector.

In advanced economies, the bold fiscal measures undertaken may cause debt surprises, including from the realization of contingent liabilities from blanket support to firms. Though these measures were appropriate given the crisis, they also carry risks. In most

cases, the take-up of the programs has been much lower than the committed resources (Figure 1.7) and expected annual fiscal costs seem manageable (Hong and Lucas, forthcoming). However, the outstanding guarantees are nonetheless large in various countries. Some of them have started estimating potential losses. The Office of Budget Responsibility in the *United Kingdom* estimates that up to 40 percent of participants in one of its most popular guarantee programs, the Bounce Back Loans Scheme, might default (Browning 2021). On the other hand, the Banque de France (2020) projects a default rate of only up to 6 percent of guaranteed loans in *France*.

Policy Conclusions

As the landscape of the COVID-19 pandemic continues to evolve, fiscal policy needs to remain nimble and adapt to rapidly changing conditions. Economic prospects continue to be highly uncertain and varied across countries, with the spread of the Delta variant adding new risks and with vaccination rates remaining low in many countries. In this context, fiscal policy can reduce the amount of short-term damage and medium-term scarring from the crisis. The size and composition of the fiscal measures will depend on the different stages of the economic recovery as well as on country-specific characteristics. Measures need to be centered on addressing the economic and social fallout from the pandemic where the virus is still spreading rapidly and vaccination rates are low, and on sustaining the recovery where widespread vaccination has been achieved. In all countries, strengthening medium-term fiscal frameworks can help buy time to provide further fiscal support in the short term while ensuring that fiscal space is rebuilt in the medium term (Chapter 2). Strong frameworks that ensure that fiscal sustainability is not at risk, including by improving revenue mobilization, can help central banks in both advanced economies and emerging markets credibly operate their asset purchase programs (Box 1.3 in the October 2021 *World Economic Outlook*).

In countries that face tight borrowing constraints, fiscal policy will need to balance difficult trade-offs. This is the case for many emerging markets and low-income developing countries, where the crisis is likely to lead to a permanent downward revision in the GDP trajectory, a permanent loss in fiscal revenues, and a setback in poverty reduction. In these countries, fiscal policy is called on to act on many fronts: saving lives, supporting the economy until vaccinations become widespread, funding development needs, containing the buildup of public debt, and managing social tensions. In some cases, relying on sustained and large fiscal deficits is not an option given already-elevated risk premiums and narrow and illiquid financial markets. In such instances, fiscal policy needs to be selective, giving priority to protecting lives and the poor, strengthening the efficiency of public spending, and enhancing growth prospects. In low-income developing countries, reversing some of the damage from the pandemic and moving closer to achieving Sustainable Development Goals will require significantly scaling up spending on human and physical capital in the years ahead while ensuring debt sustainability. Mustering the needed resources would, in turn, necessitate reversing the decline in revenues as a share of GDP—which are currently expected to remain below their prepandemic levels. This can be achieved through a well-designed menu of value-added and property taxes, progressive income, corporate and capital taxation, and expansion of the base for corporate and personal income taxes. Concerns about the distributional impact of these measures can be addressed by strengthening social safety nets.

In advanced economies, calibrating fiscal policy to the economic cycle (and the speed of the recovery) while achieving the right mix between fiscal and monetary policy should be at the forefront of policy design. Protracted low interest rates help strengthen the effectiveness of fiscal policy in reducing the amount of scarring from the pandemic, closing output gaps (both domestically and globally), and, where relevant, bringing inflation back to target. At the same time, fiscal policy would need to be retuned if private demand were to recover more quickly than expected, including to avoid contributing to inflationary pressures in case these are excessive and prolonged.

Fiscal policy should likewise support the transformation of economies to increase productivity and economic growth. In several countries, reaching this goal calls for increasing high-quality investments in physical capital and education and better targeting fiscal transfers toward policies that support the retraining and reallocation of workers across firms and sectors. Together with strengthening social safety nets, this would make growth more inclusive, reduce the economic scarring from the pandemic,

and smooth out the pandemic's uneven effects within societies. Fiscal policy should also contribute to building economies that are more resilient to future shocks. This requires plotting a medium-term course to rebuild fiscal buffers, tackle the risks from climate change, and improve preparedness to deal with future pandemics, including by investing in the health care sector and funding vaccine research, development, and manufacturing.

Global challenges require global solutions. The pandemic is one of the fronts where countries need to act together. The immediate priority continues to be the ongoing national and multilateral efforts to vaccinate as many individuals as soon as possible. The joint plan proposed by the IMF, World Bank, World Health Organization, and World Trade Organization provides a roadmap to address the health crisis and promote the economic recovery.[17] It will also help replenish fiscal accounts. An extraordinary effort from the international community to increase official lending and aid to low-income developing countries would contribute to covering their financing gaps and achieving their development goals. Countries with strong external positions are encouraged to take the opportunity of the new SDR allocation to channel resources toward those most in need. Even so, unsustainable debts and the limitations of the current international architecture to support orderly debt restructurings may continue to hobble some countries' responses to the pandemic. The G20 Common Framework is an important building block toward such an architecture. Steps to promptly make it fully operational, and further progress toward greater debt transparency, are critical. The recent extension of the Debt Service Suspension Initiative to the end of 2021 has bought additional time to move forward on this front. On the revenue side, multinational profit-shifting and mutually harmful tax competition have undermined tax receipts for years. In a welcome development, support is growing for a global minimum effective corporate tax and for the allocation of corporate taxes more closely with the jurisdiction where the consumers of major multinationals are located. Like the pandemic, addressing climate change and building climate resilience brings challenges that extend beyond national borders. Carbon taxes, supported by an international carbon price floor, can incentivize decarbonization. International cooperation in these crucial areas can alleviate the burden of the pandemic, foster the recovery, and facilitate transformation toward greater resilience and inclusive growth.

[17]For details, see the "Task Force on COVID-19 Vaccines, Therapeutics and Diagnostics" at https://www.covid19taskforce.com/en/programs/task-force-on-covid-19-vaccines.

Box 1.1. Long-Term Distributional Impact of the American Families Plan

The American Families Plan (AFP) consists of policies aimed at "building back better," as the fiscal measures included in it could significantly transform social policies and outcomes in the United States. The plan would extend changes in social programs set in motion by the American Rescue Plan (ARP), including the expanded health and insurance tax credits, the Earned Income Tax Credit, and the Child Tax Credit. In addition, the AFP would provide universal preschool, increased access to high-quality affordable childcare, support for tertiary education, increased nutrition support to disadvantaged families, and paid family leave. If legislated, the plan would be financed by higher income and capital taxes on households at the top of the income distribution. These policy changes are intended to address deficiencies in support to the low-income population, with emphasis on young workers, women, and lower- and middle-class families (see Online Annex 1.2 for details).

A model-based analysis gauges the potential long-term distributional impact of the policy changes over a decade or longer. The results suggest that the package could have a major impact on reducing inequality and poverty. The Gini coefficient for disposable income could fall by at least 4.3 points (from prepandemic levels) to values close to those in other member countries of the Organisation for Economic Co-operation and Development (such as the *Republic of Korea*, *Israel,* and *Romania*) and below those of others (such as the *United Kingdom*). The ratio of disposable income of the top 10 percent to the bottom 10 percent of the distribution could fall from 14 to 10. Poverty could fall by nearly one-third, from 10.5 percent (the prepandemic level) to 7.6 percent of the population.

Improving the targeting of the measures could further increase the impact of the package on inequality. For example, just improving the targeting of the Child Tax Credit by reducing income levels at which the program phases out (for example, 300–400 percent of the federal poverty level) could reduce the Gini by 0.7 points and decrease poverty by an additional 0.15 percentage points. It is notable that the overall progressivity of the policy measures in the plan does not appear to generate a substantial trade-off between equity and efficiency. The AFP's cumulative fiscal multiplier of approximately 1.0—that is, for every $1 spent, output would increase by $1.0—would leave the country with a higher level of GDP and a more equitable society.

What explains the dramatic changes in inequality and poverty while also allowing GDP to increase? Most of the positive distributional impact of the package can be attributed to the higher level of transfers targeted to the most vulnerable households in the economy. These transfers could potentially reduce labor force participation and lead to lower employment, investment, and production. However, the package includes policies that encourage labor force participation (expanded earned income tax credit, paid family leave, universal preschool, and high-quality affordable childcare) and more than offset the negative effect of the unconditional transfers on labor supply—thereby playing an important role in ensuring that prosperity would be shared across the entire spectrum of the income distribution. Consumption levels are expected to be higher for all households, although they would rise more for lower-income households.

At the same time, policies that facilitate the upgrading of individual workers' skills and raise the number of highly educated workers (tertiary education subsidies) would lift the productivity of the labor force, making it more profitable for firms to expand investment, especially in economic sectors that depend on a highly educated labor force. More productive workers, together with higher capital levels, would translate into higher levels of GDP, amplifying the positive effect of the transfers on the consumption levels of all households, even those whose main source of income is their capital income.

Box 1.2. Fiscal Developments in Countries Participating in the Debt Service Suspension Initiative

Large external grants and exceptional emergency and concessional financing, including the IMF's various lending facilities (Figure 1.2.1) and the Debt Service Suspension Initiative (DSSI), have helped combat the COVID-19 crisis. However, many low-income developing countries are still struggling in the face of financing constraints.[1] The DSSI has helped some low-income developing countries cope with the pandemic by contributing to increased government spending. However, the initiative has not been large enough to prevent a reduction in other priority spending (Figure 1.2.2; see also IMF and WBG 2021).

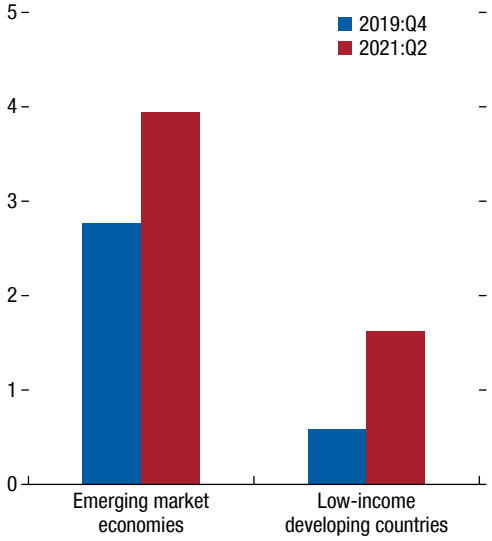
Among DSSI beneficiaries, the overall increase in fiscal deficits in 2020 was contained at 1.8 percentage points of GDP compared to projections before the pandemic. This is in line with the average increase among low-income developing countries, where governments have had to face difficult budget choices amid binding borrowing constraints. Grants and international financial support have allowed phase 1 DSSI beneficiaries to increase their COVID-19–related spending despite a fall in tax and other revenues.

However, non–COVID-19 expenditures have fallen. For example, 70 percent of DSSI beneficiaries have cut capital spending relative to prepandemic projections, with an average contraction for the group of 1.1 percentage points of GDP. Significant reallocations have taken place within spending categories. For instance, although overall priority spending has increased slightly relative to prepandemic projections, education spending has been cut in about 70 percent of the DSSI beneficiaries in favor of increases in social protection and health. In turn, in the health category, average COVID-19–related health spending (0.5 of a percentage point of GDP) has been larger than the average increase in health spending (0.2 of a percentage point of GDP), indicating that cuts in non–COVID-19 health spending have also taken place.

Figure 1.2.1. IMF Credit Outstanding in Emerging Market Economies and Low-Income Developing Countries

(Percent of 2019 GDP of the income group)

The IMF's various facilities have increased lending to help emerging market economies and low-income developing countries cope with the COVID-19 crisis.

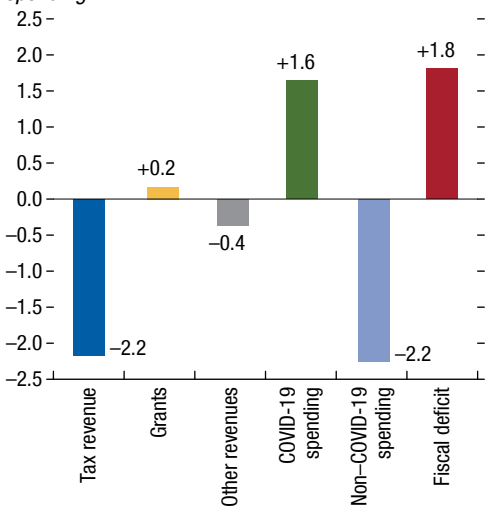


Source: IMF staff calculations.
Note: Credit is expressed as a ratio to the 2019 GDP of the income group, consisting of countries with IMF credit outstanding as of June 30, 2021.

Figure 1.2.2. Revenue and Spending among DSSI Beneficiaries

(Change from prepandemic projections, percentage points of GDP)

DSSI countries have had to cut non–COVID-19 spending.



Source: IMF and WBG 2021.
Note: COVID-19 = coronavirus disease 2019; DSSI = Debt Service Suspension Initiative.

[1]The DSSI provides the opportunity for eligible countries to temporarily suspend their debt service payments: 73 low-income developing countries are currently eligible to participate in the initiative, and of those, 43 counties participated in the first phase.

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CHAPTER 2

STRENGTHENING THE CREDIBILITY OF PUBLIC FINANCES

Introduction

Fiscal support to people and firms during the coronavirus disease 2019 (COVID-19) pandemic has saved lives and reduced economic scarring. Together with the fall in revenues resulting from the crisis, however, these measures have yielded high deficits and a jump in debt (Chapter 1). Projections indicate that, by the end of 2021, debt as a share of GDP will be 18 percentage points higher than prepandemic levels for advanced economies, 10 percentage points higher for emerging markets, and 6 percentage points higher for low-income developing countries. Although higher deficits have been justified, they have boosted gross financing needs (Figure 2.1, panel 3), making countries more vulnerable to abrupt changes in market sentiment. They have also reduced the available fiscal buffers for governments to address future crises or challenges. Although there are no easy answers to how high debt can go without being disruptive, sovereign defaults have already occurred and several countries are under the scrutiny of markets. These issues lead to the question: What is the strategy for dealing with high levels of debt?

Meanwhile, addressing the health emergency remains a global top priority, especially in countries where the pandemic is not yet under control. Fiscal support is still needed to fight the health crisis and will remain invaluable until the recovery is on a strong footing (October 2021 *World Economic Outlook*). Debt has also been less expensive than during previous crises. Despite the increase in debt, the interest burden of debt has virtually been unchanged between 2019 and 2021 (Figure 2.1, panels 1 and 2) even though since 2014 interest payments as a share of revenues have been rising in low-income developing countries and, to a lesser extent, in emerging markets (Chapter 1).

Lessons from the global financial crisis have influenced how countries weigh different factors of their strategy. Drawing down buffers enabled resilience during the global financial crisis. Countries at all income levels acknowledge the role of favorable growth developments and low interest rates for fiscal accounts. On one hand, premature tightening of fiscal policy or monetary policy could thus delay the recovery and be self-defeating. On the other hand, fiscal slippages could erode market confidence and lead to fiscal crises. The importance of central banks' support for stabilizing financing conditions has also been understood.

This said, some mechanisms that played out in one direction after the global financial crisis could play out differently after the pandemic. Global interest rates may rise sooner or more sharply than expected, increasing financing costs in most countries and increasing vulnerabilities in emerging and frontier markets (October 2021 *Global Financial Stability Report*). In many countries, fiscal buffers were not rebuilt after the global financial crisis and have now dwindled.

The exceptional crisis and policy responses triggered by the pandemic pose the challenge of discerning the best path for fiscal policy. Countries with fiscal vulnerabilities face a stark trade-off between further supporting their people and preserving some fiscal space for future possible emergencies ("fiscal space" can be defined as the ability of a government to raise spending or lower taxes without endangering market access and debt sustainability). This trade-off is made even more difficult by resistance to revenue mobilization efforts in many countries (Selassie and Tiffin 2021). However, a credible commitment to fiscal sustainability can buy flexibility and time. When lenders trust that governments are fiscally responsible, financing deficits is easier and cheaper.

This chapter highlights the importance of strengthening the credibility of public finances. "Fiscal credibility" can be defined as the public's confidence in the government's fiscal plans and ability to achieve its commitments, such as meeting debt obligations and being able to carry out announced tax and spending plans. Meeting debt obligations—and being expected to do so—is essential to secure financing. Raising taxes and carrying out spending plans predictably also help reduce the volatility that the private sector

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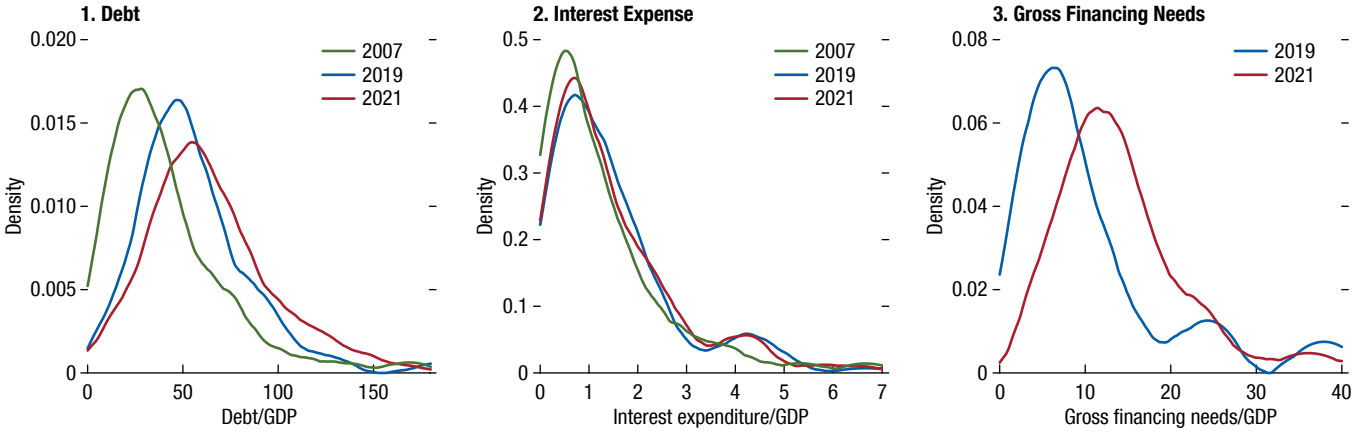
Figure 2.1. Debt, Interest Expense, and Gross Financing Needs across Countries, 2007, 2019, 2021
(Ratio to GDP)

Even though debt and gross financing needs have risen, the interest burden has been unchanged since 2019.



Source: IMF staff calculations.
Note: Panels 1 and 2 both cover 194 countries; panel 3 covers 56 countries. The increase in gross financing needs is almost entirely due to larger deficits.

faces (Fatás and Mihov 2003). Governments should therefore strive to build credibility and act predictably—the value of doing so under heightened uncertainty, such as now, may be even greater than in tranquil times (Baker, Bloom, and Davis 2016).

Fiscal frameworks can strengthen the credibility of fiscal policy and thus buttress market confidence and improve governments' access to finance. Fiscal frameworks are the set of rules, procedures, and institutions that guide fiscal policy. Fiscal frameworks comprise long-term fiscal targets, also called "anchors"—for instance, a debt ceiling; fiscal rules, which impose long-lasting constraints through numerical limits on fiscal aggregates such as expenditure, deficits, or debt; fiscal institutions, which are public bodies that act in the field of budgetary policy (for instance, fiscal councils);[1] and procedures that govern how budgets should be prepared, approved, and executed.

To clarify which fiscal frameworks are feasible and how to calibrate them, governments must first determine their strategy for debt, including the debt level targeted in the long run, and understand the risks to their fiscal accounts. The next section thus explores what should guide the strategy for public debt.

[1]Fiscal councils can be tasked with monitoring fiscal performance and compliance with fiscal rules; assessing the costs and impacts of fiscal policy measures; or preparing independent macroeconomic forecasts, which are used as the basis for preparing budget projections in a few countries (including *Austria, Slovenia,* and the *United Kingdom*).

The chapter then presents the main fiscal risks countries are exposed to and discusses how to integrate and mitigate them within fiscal frameworks. The chapter next discusses how to adapt the design of fiscal frameworks (such as the type of anchor and the flexibility provided by fiscal rules) for the postpandemic environment.

What Should Guide the Strategy for Public Debt?

The varying degree of fiscal support across countries during the pandemic has been a powerful reminder of the benefits of preserving access to finance (Chapter 1). Whereas advanced economies have been able to react forcefully to the pandemic, support in other countries—especially in low-income developing countries—has been more modest, even though many of these countries have been hit hard by the crisis. Governments' varying ability to finance higher deficits and take risks onto their balance sheets has been perhaps the most important factor explaining why some countries could do more than others.

Among the costs of high debt—particularly when it is denominated in foreign currency or is of short duration—one of the most important is the constraint it imposes on fiscal policy when larger deficits are needed (World Bank 2015; Chapter 1). This constraint originates both from difficult financing conditions when fiscal situations are weak and from policymakers' concerns with high debt (Romer and Romer 2019). Over the past

two decades, many emerging markets and low-income developing countries have progressively graduated from fiscal procyclicality by building fiscal buffers, reducing the risk of debt distress, and improving the quality of their institutions (Calderón and Schmidt-Hebbel 2008; Frankel, Végh, and Vuletin 2013). Calibrating debt objectives to preserve this achievement is a key step before designing a fiscal framework to achieve it.

Rebuilding Fiscal Space

Although the debt-to-GDP ratio cannot grow without limit, there is no magic number for the debt target. Macroeconomic theory does not prescribe a specific debt target; nor is there a clear threshold above which debt might become particularly harmful to economic growth (Eberhardt and Presbitero 2015) because this association depends on country-specific factors and can change over time. Rising debt eventually leads to higher borrowing costs, and empirical analyses have found that high debt is a significant predictor of fiscal crises. These estimations provide useful operational guidance when defining thresholds for debt in risk assessment exercises, which also take into account other factors that affect the likelihood of crises (Cerovic and others 2018; Moreno Badia and others 2020).

To shed light on the fiscal challenges ahead, a simple exercise can quantify the multiyear increase in the primary balance that countries would need to achieve to bring debt back to 2019 levels by 2045. Although this target does not constitute a recommendation, it helps gauge the actions that governments may need to consider as they plan their fiscal strategies. The exercise takes as given the primary balance, growth, and real interest rate in baseline projections for 2021–23 from the April 2021 *World Economic Outlook* and computes the average primary balance needed in 2024–45 to bring the debt-to-GDP ratio back to 2019 levels by 2045. The calculations assume that the long-term growth rates are constant and equal to IMF staff projections for 2024–26 and that the effective real interest rates after 2023 are 1 percent for advanced economies and 2.5 percent for emerging markets and low-income developing countries.[2]

The results show that the average primary surplus required to bring debt to pre–COVID-19 levels would have to be higher than in 2010–19 by 0.5 percent of GDP for the typical advanced economy, 1.0 percent of GDP for the typical emerging market, and 0.3 percent of GDP for the typical low-income developing country.[3] The required adjustment is lower for low-income developing countries because the jump in debt in 2020 was smaller than that in emerging markets. The results are very sensitive to the macroeconomic assumptions. For example, if the average real effective interest rates are set higher, at 2 percent for advanced economies and 3.5 percent for emerging markets and low-income developing countries, the needed increase in the primary surplus would be higher, at 1.2 percent of GDP for advanced economies, 1.6 percent for emerging markets, and 1.0 percent for low-income developing countries.

Various factors might call for a more, or less, ambitious objective than returning to 2019 debt levels:

- For countries that did not have enough fiscal space at the beginning of the COVID-19 crisis, targeting a long-term debt lower than the 2019 benchmark would allow these countries to build up a buffer and thus make it easier to respond to future crises.
- Macroeconomic uncertainty may have increased. The Great Moderation—the period of exceptional macroeconomic stability between the mid-1980s and the global financial crisis—was followed by two of the four largest recessions in 100 years (Kose and Sugawara 2020). In the years ahead, growth may disappoint, uncertainty could remain acute, and climate-related shocks could be more frequent and more severe. Buffers need to be larger if fiscal accounts are exposed to greater risks.
- The capacity of countries to carry debt may, however, have improved as the demand for savings increased globally (Rachel and Summers 2019), especially in countries where institutions have become stronger.
- The debt-to-GDP ratio may converge to a stable value eventually, even in the presence of large primary deficits, if economic growth rates exceed interest rates (Blanchard 2019).

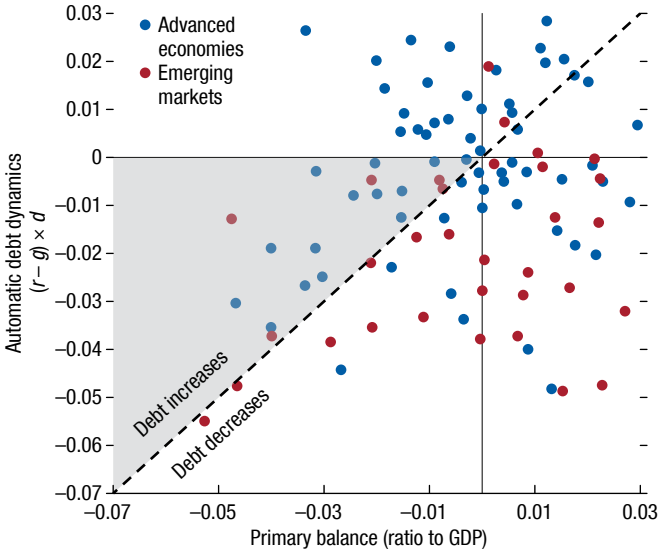
This last result holds only in the very long term, however, and may not have much relevance within the

[2]The interest rates assumed in this exercise are lower than historical averages to reflect that, since the global financial crisis, interest rates have been consistently lower than historical averages.

[3]If the horizon for returning to the 2019 debt-to-GDP ratios is shortened to 2035, the needed primary surpluses would be 0.9 percent of GDP higher than in the past for advanced economies, 1.4 percent higher for emerging markets, and 0.5 percent higher for low-income developing countries. These calculations use unweighted averages, excluding *Venezuela* and emerging markets and low-income developing countries with a population smaller than 1 million.

Figure 2.2. Contributions of the Interest Rate–Growth Differential and Primary Balance to Debt Dynamics

Even where (r – g) is negative, the debt-to-GDP ratio can rise if primary balances are sufficiently negative.



Source: IMF, April 2021 *World Economic Outlook*.
Note: Data are reported as the contribution to change in the debt-to-GDP level over a 10-year period, in percentage points. The definition of "debt increases/decreases" assumes zero stock-flow adjustment. Each dot represents the change in the debt-to-GDP ratio for a country-decade. The shaded area indicates debt increases that occurred when the primary deficits prevailed over the contribution of a negative interest rate–growth differential, which is computed as $(r - g) \times d$, where d is the debt-to-GDP ratio.

horizons of policymakers and lenders. Indeed, looking at 10-year windows, historical data show that in many advanced economies and in some emerging markets, when the differential between the interest rate to service government debt and the growth rate of the economy $(r - g)$ was negative, the debt-to-GDP ratio rose as primary fiscal balances were sufficiently negative (Figure 2.2).

Complementary strategies to reduce the burden of debt may also help, although they come with risks. If inflation is sufficiently low, monetary policy can support debt reduction by lowering real interest rates and thus the government's interest bill. Accommodative monetary policy also increases the effectiveness of a fiscal stimulus—that is, the fiscal multiplier is larger when interest rates stay low. A central bank can also use asset purchases or its communication to address short-term market stress, thus facilitating low sovereign yields. However, the credibility and independence of a central bank is essential to the credibility of the fiscal framework and should thus not be jeopardized for the short-term fiscal gain provided by unduly loose monetary conditions.

Liabilities restructuring and financial repression have reduced debt levels substantially in the past, but they are also often associated with declines in output, investment, credit, and trade finance (Sturzenegger and Zettelmeyer 2007), although preemptive restructurings may carry lower costs (Asonuma and Trebesch 2016). In countries where debt is held mostly domestically, restructuring may also raise concerns for the stability of the financial sector (IMF 2021b). Confidence crises can also generate negative externalities, such as the spread of market turmoil to other countries. A loss of confidence in an issuer of a reserve currency, while highly unlikely, could have systemic consequences for the international financial system (Farhi and Maggiori 2018).

The Trade-Off with Supporting the Recovery

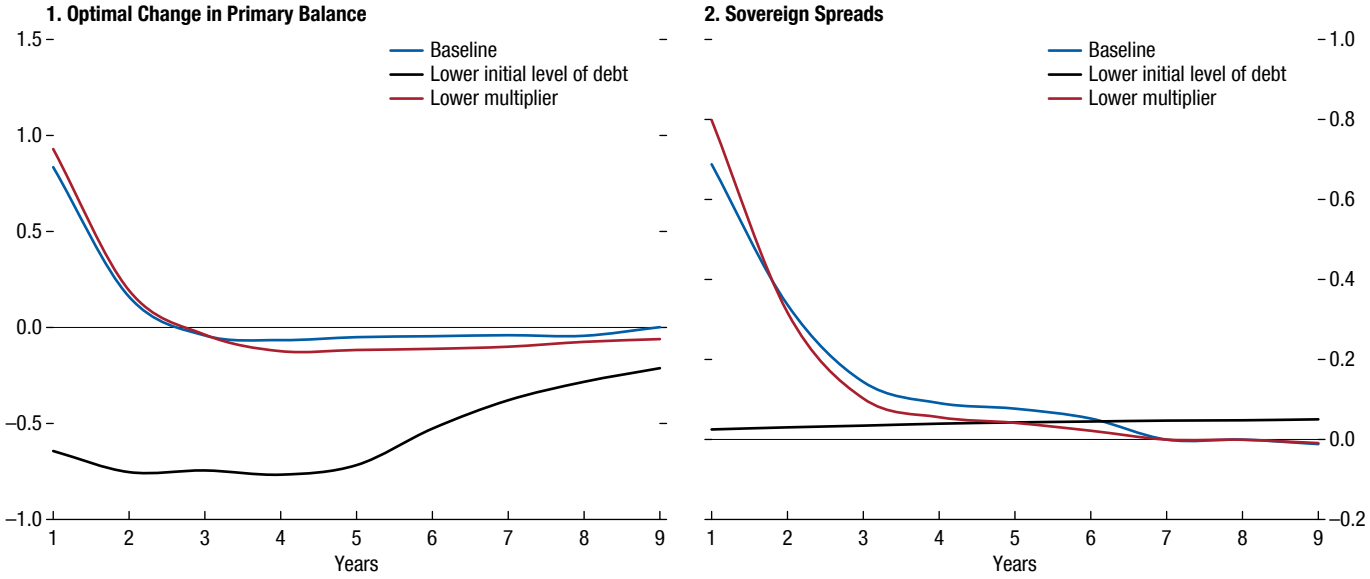
Where preserving and rebuilding buffers is desirable, the timing and pace of reducing deficits needs to be carefully considered.[4] Country-specific conditions would determine the appropriate timing:

- *Pandemic phase.* Countries that are still struggling to contain the virus need to continue protecting lives and livelihoods, including with stronger safety nets. Even where the virus is under control, prolonging fiscal support could still be the correct choice if recovery is slow and fiscal space remains. For countries without fiscal space and in the midst of the pandemic, external financial support, requesting an IMF-supported program, or debt restructuring may be needed. Accommodative monetary policy can ease the transition to tighter fiscal policy in cases of limited fiscal space.
- *Balance sheets and risk premiums.* The initial level of debt is key when determining the appropriate policy stance, according to a model that evaluates the trade-off between stimulating an economy during a recession and preventing spikes in sovereign debt spreads (Bianchi, Ottonello, and Presno 2021; Figure 2.3; Online Annex 2.1). Before the pandemic, a representative emerging market would have procyclically

[4]To some extent, the economic recovery after COVID-19 would help rebuild buffers automatically through the effect of stabilizers in the tax system and social safety net. The following discussion focuses on additional discretionary fiscal measures.

Figure 2.3. Optimal Fiscal Policy after a Recession

Some countries face a difficult trade-off between stimulating an economy in recession and preventing spikes in sovereign debt spreads.



Source: Based on the model in Bianchi, Ottonello, and Presno (2021).
Note: Data are shown as deviations from a counterfactual economy not affected by the recession. In panel 1, those deviations are in percent of GDP; in panel 2, they are in percentage points. Both panels show results as deviations relative to a case without the recessionary shock. In the baseline, government external debt is 23 percent of GDP. A lower initial level of debt corresponds to an economy whose government external debt in the initial period is 75 percent lower than the baseline. The lower multiplier is 7 percent smaller on impact than the baseline. In the baseline, the government of a typical emerging market economy optimally responds to a recession by increasing the primary balance by 0.8 percent of GDP (panel 1) to mitigate the effect of higher spreads. Even with such an optimal response, sovereign spreads increase by 0.7 percent on impact (panel 2).

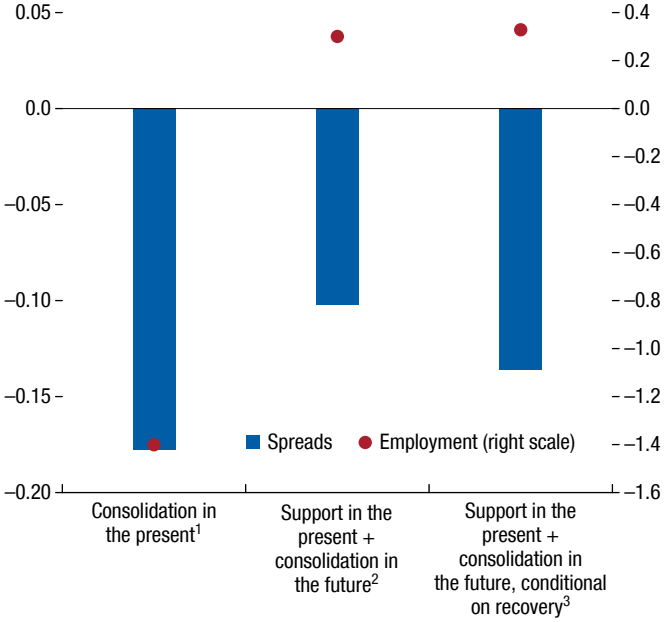
reduced its primary deficit during a recession to mitigate the increase in sovereign debt spreads. Countries with lower levels of debt tend to benefit from lower and less sensitive risk premiums, which increase the ability to respond to a crisis.

- *Multiplier*. A lower fiscal multiplier (for instance, a smaller effect of government spending on short-term growth) would strengthen the case for reducing deficits because the spike in sovereign spreads is worsened (Figure 2.3, panel 2; see also Fournier 2019). The value of delaying deficit reduction thus critically depends on how deficits are used. Public investments are especially valuable if they are well chosen and efficient to support the recovery, raise productivity, or facilitate attaining the United Nations Sustainable Development Goals (October 2020 *Fiscal Monitor*; Benedek and others 2021).
- *Scarring*. The risks of economic scarring (or hysteresis—permanent adverse effects of a crisis on output) from the pandemic are substantial (April 2021 *World Economic Outlook*), especially for those emerging markets and low-income developing countries where vaccination has lagged and fiscal support has been limited.[5] Although it is difficult to estimate the magnitude of hysteresis in past crises (Blanchard 2018) or in the current one, the possibility of persistent effects of recessions points to the long-term benefits of countercyclical fiscal support, which, where it is feasible, could even pay for itself through higher economic growth (DeLong and Summers 2012; Cerra, Fatás, and Saxena 2020).
- *Debt composition and investor base*. High levels of debt with short maturities increase the risk of self-fulfilling debt crises (Cole and Kehoe 2000). Countries that have larger shares of debt issued in domestic currency, debt with longer maturity structures, or more stable investor bases are less exposed to sharp changes in borrowing conditions and can better afford to provide temporary support to the economy during a recession.

[5]Although the Debt Service Suspension Initiative helped increase COVID-19–related spending in some low-income developing countries, it was not enough to prevent a reduction in other priority areas, including education and public investment (Chapter 1).

Figure 2.4. Timing of Consolidation and Effect on Bond Spreads and Employment

Committing to lower deficits reduces spreads and allows for countercyclical policy.



Source: Based on the stochastic model in Bianchi, Ottonello, and Presno (2021).
Note: Data are shown as deviation from the baseline in the first year, in percentage points. See Online Annex 2.1 for model details. In all cases, the consolidation is expenditure based.
[1]Corresponds to tightening of the deficit by 0.5 percent of GDP in the current year.
[2]Corresponds to a loosening of the deficit by 0.1 percent of GDP in the current year and tightening by 0.5 percent of GDP the following year.
[3]Implies a loosening of the deficit by 0.1 percent of GDP in the current year and a tightening by 0.7 percent of GDP in the following year only if the economy has emerged from the recession.

A country is able to undertake more countercyclical fiscal policies if it can credibly promise to contain future deficits. This policy space is afforded by the decline in risk premiums obtained by committing to fiscal sustainability. For example, an emerging market that tightens the primary balance by 0.5 percent during the year of recession would see an additional loss of employment of 0.2 percent in that first year, but if it credibly commits to reducing deficits by 0.5 percent of GDP after the worst of a crisis is over, it could afford a modest support the year of a recession and experience a small rise in employment compared to the baseline (Figure 2.4). Making fiscal consolidation depend on the health of the economy in the future (for example, by promising to consolidate only if the recession has been overcome) would further improve macroeconomic outcomes. In particular, fiscal consolidation may be less costly in terms of growth if the economy is already booming by then (Auerbach and Gorodnichenko 2012).

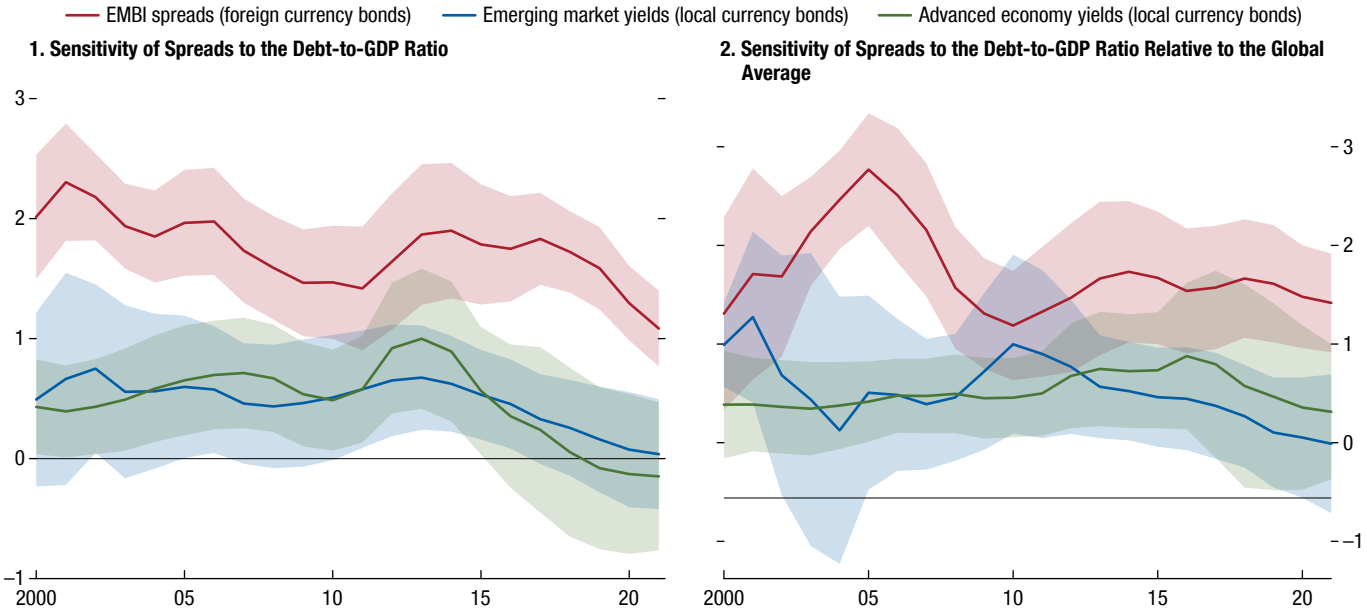
In practice, governments can commit to future fiscal efforts in different ways, but some upfront action may be needed in countries where the track record is weak, because building credibility takes time. Fiscal frameworks that embed future deficit reduction can be adopted after building the necessary consensus. Changes to taxes or spending can be prelegislated (for instance, the *United Kingdom* announced in March 2021 that the rate of corporate tax for large companies would be raised as of April 2023) and can be made contingent on the recovery (*Israel* prelegislated a sunset clause for extended unemployment benefits contingent on the unemployment rate). Structural fiscal reforms that reduce deficits durably (for example, pension reforms, subsidy reforms, public employment, and wage reforms) can be legislated promptly but implemented gradually and designed so that their effects on activity and vulnerable populations are mitigated. Countries can also enter into IMF-supported programs (or EU programs in Europe) given that those often help improve credit ratings and lower sovereign spreads by providing financing and a transparent and independent monitoring of fiscal discipline (David, Guajardo, and Yépez 2019; Balima and Sy 2021).

Has Debt Carrying Capacity Increased in Recent Years?

The appropriate timing for reducing debt depends crucially on debt-carrying capacity—that is, how much a country can borrow before the cost of servicing debt rises so much that it starts harming growth. Since the beginning of the crisis, sovereign spreads have widened modestly so that, with the decline in interest rates in advanced economies, real bond yields in 2021 have remained close to historical averages (see Online Annex 2.2). Lower risk premiums may reflect a broad-based increase in debt-carrying capacity as a result of expectations of low-for-long interest rates but also a weakened relationship between spreads and fiscal fundamentals. The former could also cause the latter, given that the reduction in the price of risk may be linked to loose monetary policy (Kekre and Lenel 2018) and the exceptional central bank interventions—especially quantitative easing—that started during the global financial crisis and were rekindled to fight the COVID-19 crisis. On one hand, if the weakening of the nexus between interest rates and debt were long-lasting—for example, because

Figure 2.5. Sensitivity of Spreads to Debt

The relationship between interest rates and debt levels has weakened in recent years (panel 1), but the sensitivity of emerging market foreign currency spreads to debt relative to the global average has remained constant since 2013 (panel 2).



Sources: IMF, World Economic Outlook database; J.P. Morgan; and IMF staff calculations.
Note: Panel 1 reports the three-year moving average estimated regression coefficient on the government debt-to-GDP ratio in regressions of the logarithm of sovereign EMBI spreads (or yields in local currency) on the government debt-to-GDP ratio, country fixed effects, and a set of control variables, including a vector of country-specific macro fundamentals. Shaded areas denote 90 percent confidence intervals. Panel 2 presents the regression coefficients for a similar regression, but controlling for all possible global factors using time dummies, so that the regression can be interpreted in terms of the sensitivity of spreads to the difference between debt and the average debt across countries in each period. The full sample for EMBI spans December 1997 to May 2021; for emerging market yields, it spans January 1991 to May 2021. See Online Annex 2.2. EMBI = JP Morgan Emerging Market Bond Index.

of a global increase in savings as a result of demographics or secular stagnation—debt carrying capacity could have persistently increased. On the other hand, if recent trends were temporary, as argued by Goodhart and Pradhan (2020), the decline in funding costs and weakening relationship between risk premiums and debt could reverse.

An empirical analysis suggests that interest rates have become less sensitive to debt levels in recent years (Figure 2.5, panel 1). For instance, a 1-percentage-point increase in the debt-to-GDP ratio would have raised emerging market spreads in foreign currency by 2 percent in the early 2000s but by less than 1.5 percent in 2020. A similar decline is found for interest rates in local currency borrowing for both advanced economies and emerging markets.[6] However, for emerging markets, the weakening in the sensitivity of foreign currency spreads to debt levels may stem in part from global factors: after accounting for such factors, the sensitivity of emerging market foreign currency spreads to debt, relative to the global average, has remained constant since 2013 (see Figure 2.5, panel 2). In addition, the sensitivity of spreads to the relative level of debt of each country has exceeded the sensitivity to the global average debt level (see Online Annex 2.2). As a result, for an emerging market with stable debt, interest rates were reduced as global debt increased. This may be the case because countries are evaluated relative to each other, for instance, by rating agencies (October 2019 *Global Financial Stability Report*).

Given that the decline in the sensitivity of spreads to debt levels is not well understood, there is no guarantee it will last. The global demand for savings was exceptionally high in 2020 because consumer spending was constrained by mobility restrictions. Savings have been partially channeled by the financial system to fund the large gross financing needs of governments, including those of emerging and frontier markets. The global,

[6]Emerging markets face trade-offs between local and foreign currency borrowing. The former provides a better hedge against external shocks and reduces incentives to monetize debt (see, for example, Panizza and Taddei 2020) but tends to be more expensive. The option to borrow internationally in local currency is limited for many emerging markets and developing countries.

synchronized increase in savings is likely to be at least partially reversed as advanced economies exit the pandemic sooner than the rest of the world. Market turmoil could also hit a vulnerable country and expand to similar countries if the price of risk rises globally.

Assessing and Managing Fiscal Risks

Fiscal frameworks need to be designed considering the possibility that unexpected fiscal costs will be incurred in the years ahead, whether from a global crisis or country-specific shocks. Since 2007, the world has been hit by two of its worst crises in 100 years. Such shocks put pressure on fiscal frameworks as revenues collapse, more spending is needed, and debt jumps. Fiscal frameworks need to be flexible to allow for such responses when it is desirable, but they must also ensure that large public debt increases in crisis times are offset by progressive debt reduction in good times so that debt does not grow excessively in the long term (Escolano and Gaspar 2016).

Understanding the magnitude and source of fiscal risks is thus essential to designing fiscal frameworks. There is major uncertainty around the evolution of the pandemic and, even in countries where the virus appears to be under control and the economy is recovering, the long-term scarring effects of the crisis could be significant. In the aftermath of a crisis, fiscal risks can also be large. In the five years that followed the global financial crisis, debt increased in all country groups by much more than had been anticipated at the end of 2009 (Chapter 1). Exposure to higher global interest rates and risk premiums is also larger as debt and gross financing needs increased. Moreover, many countries now have larger risks on their balance sheets and larger contingent liabilities, from implicit guarantees to state-owned enterprises and from corporate support programs undertaken during the COVID-19 crisis to protect firms and jobs. In fact, fiscal risks created by state-owned enterprises (Ter-Minassian, 2017), net acquisition of underperforming financial assets (Jaramillo, Mulas-Granados, and Kimani 2017), and broader exposure to private sector debt (Moreno Badia, Gamboa Arbelaez, and Xiang 2021) have been identified as drivers of stock-flow adjustments behind large debt increases. Because balance sheet risks and contingent liabilities are more likely to materialize when growth is slow, the risks of further large jumps in debt are significant (Bova and others 2016). The world may now be more prone to pandemics and climate-related disasters (UK Office for Budget Responsibility 2021).

To be credible, governments should design fiscal frameworks that account for and manage fiscal risks. In particular, risk analysis should inform the fiscal targets and the flexibility embedded in frameworks to allow for countercyclical response to crises, budgets should account for expected costs of loan guarantees, and frameworks should cover at least the general government and be complemented by fiscal data for the whole public sector.

Explaining Unexpected Increases in Debt

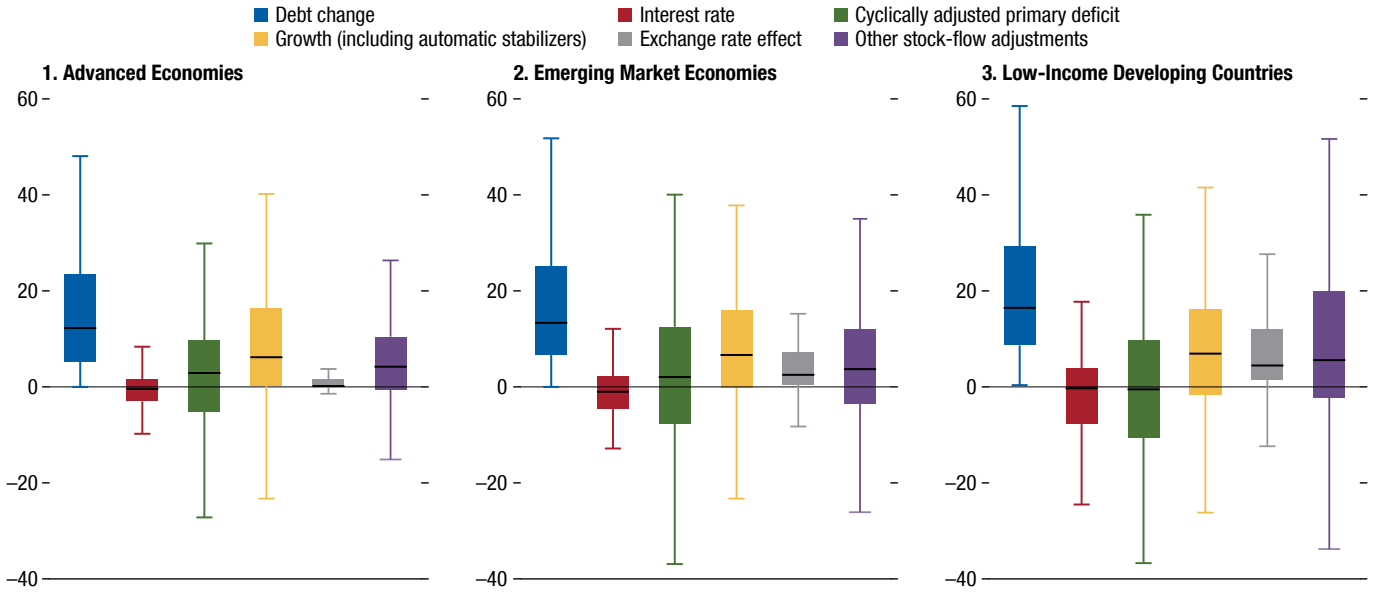
Although comprehensive fiscal risk assessment involves a range of analyses—such as stress tests, vulnerability analysis for state-owned enterprises, or credit evaluation techniques for loans and guarantees (IMF 2016; Saxena 2017; Baum and others 2021)—a simple exercise can identify the main drivers of unexpected increases in public debt (Online Annex 2.3; Alonso, Perrelli, and Xiang, forthcoming). This is done by comparing the expected macro-fiscal paths anticipated in past medium-term projections with the developments that occurred afterward. Specifically, unexpected changes in debt can be decomposed into those originating from each of the factors considered in a debt sustainability analysis—that is, real interest rates, real growth rates (including their effect on deficits through automatic stabilizers), cyclically adjusted primary balances, valuation effects associated with real exchange rate movements, and other stock-flow adjustments.

The IMF regularly publishes debt projections for most countries over forecast horizons from one to five years. Comparing historical projections for the longest horizon with the realized macro-fiscal developments yields several insights (see Figure 2.6 and Online Annex 2.3 for the methodology):

- Considering all unexpected increases in the debt ratio over five-year windows during 1995–2019, the median jump was 13.6 percent of GDP over the period covered: 16.5 percent of GDP for the median low-income developing country; 13.4 percent of GDP for the median emerging market; and 12.3 percent of GDP for the median advanced economy. Given that debt levels are, on average, lower at lower levels of income, these findings imply that unexpected jumps in debt are larger in both absolute and relative terms at lower levels of country income.
- The main drivers of unexpected jumps in debt in all country groups were disappointing growth outcomes

Figure 2.6. Drivers of Unexpected Jumps in Debt in Five-Year Windows, 1995–2019
(Percent of GDP)

The main drivers of unexpected jumps in debt were disappointing growth outcomes and larger-than-anticipated stock-flow adjustments.



Sources: IMF, World Economic Outlook database; and IMF staff estimates.
Note: The decomposition uses annual observations for projections at the five-year horizon, obtained from the October *World Economic Outlook* vintages released over 1995–2019. The actual changes in debt at a five-year horizon are computed for each year for each reporting country and are compared with the contribution of unexpected changes in the main components of the debt's law of motion. The contribution of economic growth includes its effect on the primary fiscal balance through automatic stabilizers because worse-than-expected growth deteriorates the primary balance as revenues fall with economic activity, but expenditures do not (as in Mauro and Zilinsky 2016). See Online Annex 2.3 for details.

and larger-than-anticipated stock-flow adjustments. Growth matters for the debt-to-GDP ratio both through the denominator effect and through an effect on fiscal balances because fiscal revenues fall with economic activity (the automatic stabilizers), but expenditures do not (Online Annex 2.3). Considering all countries, the median contribution of growth forecast errors to unexpected increases in debt over the past 25 years was 6.5 percent of GDP, and the contribution of surprises in stock-flow adjustments was 4.3 percent of GDP.

- Exchange rate depreciations and other stock-flow adjustments are important especially in emerging markets and low-income developing countries for multiple reasons: insufficient information on quasi-fiscal operations; buildup of arrears; materialization of contingent liabilities, such as those stemming from state-owned enterprises (Ter-Minassian 2017; April 2020 *Fiscal Monitor*); acquisition of financial assets (Jaramillo, Mulas-Granados, and Kimani 2017); forecasting using incomplete statistics; and creative accounting. Overall, stock-flow adjustments tend to be larger for countries with weaker fiscal transparency (Weber 2012). The 75th percentile of the contribution of stock-flow adjustment (excluding exchange rate effects) reached 10 percent of GDP in advanced economies, 12 percent of GDP in emerging markets, and 20 percent of GDP in low-income developing countries.
- The median contribution to debt jumps of surprises in cyclically adjusted primary balances (cumulatively, at a five-year horizon) was in the range of 2 to 3 percent of GDP for advanced economies and emerging markets but only 0.5 percent of GDP for low-income developing countries. Nevertheless, the performance of projections was widely dispersed, with the 75th percentile of the contribution reaching 9.8 percent of GDP in advanced economies, 12.5 percent of GDP in emerging markets, and 8.3 percent of GDP in low-income developing countries.
- In the past 25 years, real interest rates have often turned out lower than projected. Real interest rate surprises at a five-year horizon thus have had little effect on unexpected debt increases (median contributions of less than 0.5 percent of GDP in advanced economies and low-income developing countries, and 1 percent of GDP in emerging markets).

Given the importance of the materialization of these fiscal risks for debt dynamics, most advanced economies—and several emerging market and low-income countries—routinely assess the sensitivity of fiscal aggregates to plausible changes in key macroeconomic parameters, such as growth, commodity prices, and exchange rates (International Budget Partnership 2019).[7] These exercises inform fiscal strategies and the design of fiscal frameworks. To improve the reliability of such exercises, it is necessary to systematically assess their capacity to identify fiscal risks ahead of time. An analysis of European Commission debt sustainability analyses and IMF debt sustainability analyses (see Box 2.1) shows that risks to debt sustainability from unexpected changes in real GDP growth have been well captured overall, although the performance of scenario analysis tends to decline at a longer horizon. Similarly, risks emerging from exchange rate depreciation, primary balance slippages, and contingent liabilities have been better identified at a short-term horizon than at a medium-term horizon. A risk that is not well captured by these debt sustainability analyses—and that is not frequently included in fiscal risk reports—is that inflation may undershoot expectations, thereby raising real interest rates.[8]

To summarize the evidence, the most important macro-fiscal risk factors are economic growth and stock-flow adjustments. Existing scenario analyses generally capture these risks well but could pay more attention to surprises in the GDP deflator.[9] Contingent liabilities have also been important. It is noteworthy that these risks also tend to move together. For example, the decomposition of unexpected jumps in debt during the five years after the global financial crisis shows a high correlation (in the range of 0.6 to 0.8) between the contributions of surprises in primary balances and stock-flow adjustment as well as between the contributions of surprises in real interest rates and real exchange rates. These results imply that it is important for scenarios to consider that—as the saying goes—*when it rains, it pours*.

Mitigating and Managing Fiscal Risks

Identifying and measuring specific fiscal risks are key inputs for—and complement—debt sustainability and scenario analyses. This is especially important at the current juncture: across the Group of Twenty and beyond, various loan, equity, and guarantee packages have been supporting businesses along with quasi-fiscal measures provided through state-owned enterprises. While government-guaranteed loans have supported much-needed access to credit for firms during the pandemic, the loans have also created large, macroeconomically significant contingent liabilities for some countries (Figure 1.11). The size of these contingent liabilities could fall if governments close these facilities and firms pay down loans, but they could also rise rapidly again if the pandemic deepens or if other crises unfold.

It is good practice to account for the *expected* costs of contingent liabilities in medium-term budget plans and to prepare fiscal buffers to accommodate residual, or *unexpected,* costs:

- Budgeting for expected costs of contingent liabilities in medium-term fiscal plans can help ensure that resources are available to cover potential costs. Budgeting also makes the fiscal effects of these interventions explicit when the decision is made to undertake them and helps clarify trade-offs across different policy instruments.[10]

[7]Fiscal risk statements have been increasingly used by a wide range of countries, in several cases with capacity development support by IMF staff. Fully fledged fiscal stress tests that explore the effect of more extreme macro-fiscal shocks, as conducted in *The Netherlands* and the *United Kingdom*, are less common. Periodic stress tests can also help inform fiscal policy by demonstrating whether debt paths remain consistent with longer-term fiscal objectives. For example, an IMF COVID-19 fiscal stress test module was used in nine countries, including *Mozambique* and *Uganda*, over the past year to prepare scenarios for different variations in the stringency and length of lockdowns during the pandemic and to identify risk mitigation strategies.

[8]Lower-than-expected inflation in the form of a lower GDP deflator reduces nominal GDP and raises the debt-to-GDP ratio. In the decomposition of debt changes, it is part of the term "contribution from real interest rates" (Online Annex 2.3).

[9]These results complement findings in previous IMF work regarding the role of growth forecast errors, commodity prices, and outlier countries (IMF 2021a, 2021c).

[10]Budgeting for expected costs—that is, estimated cash flows based on the probability at a given time of the contingent liability materializing—is in line with guidance from international accounting standards and statistical principles that state the costs should be expensed or provisioned for where they are highly likely to occur (IMF 2014; European Union 2019). Expected costs can be budgeted for on an annual cash flow basis or on a net-present-value basis in the year that the fiscal support is provided, as is done, for example, in *Colombia*, *New Zealand*, and the *United States* (Saxena 2017). This method can be complemented by a fair-value approach to measure program costs at market prices (or an approximation when market prices are not available) to capture the risk of default, recovery rates, and the price of risk (Lucas 2014; Hong and Lucas 2021).

- The potential for additional, unexpected costs calls for building buffers when setting targets, for instance, for deficits or debt (IMF 2016; Eyraud and others 2018). A probabilistic approach that considers the historical realization of fiscal risks can be used to estimate debt ceilings (IMF 2016).

Well-designed risk mitigation strategies can reduce risks—or limit fiscal costs if they materialize—and thereby support the credibility of fiscal frameworks. Governments can limit their exposure, for example, by placing limits on loan sizes and maturities, restricting eligibility under credit support schemes (for example, *Ukraine*'s COVID-19 portfolio guarantees were restricted to enterprises above a certain risk class), or providing partial guarantees to limit moral hazard (for example, *Spain*'s COVID-19 guarantees limited guarantee coverage to 60–80 percent of a loan, depending on firm size and loan purpose). State-owned enterprises or private companies that receive support may be asked, for example, to restructure, adopt more efficient methods of production, or strengthen their governance. Overall, decisions on whether to mitigate or assume risks need to balance the costs and benefits, which depend on the government's fiscal position, the strength of its institutions, and the state of the economy. During crises, assuming fiscal risks may well bring net benefits. Once the recovery is under way, however, guarantees and other exposures should not be allowed to outlive their initial motivation.

Fiscal Frameworks, Sustainability, and Credibility of Fiscal Plans

Fiscal frameworks are an important tool to support fiscal sustainability and make policies more predictable. Fiscal frameworks also guide political deliberations toward convergence on agreed-upon fiscal objectives, including the acceptable level of debt. Fiscal frameworks comprise long-term fiscal targets, fiscal rules, and fiscal institutions, as well as budget procedures. While numerical rules often operate in tandem with procedural rules (such as setting medium-term expenditure ceilings that are consistent with fiscal targets), some countries rely on procedural rules to control deficits and debt. Such procedural rules focus on institutional designs that give space to policymakers for judgment but provide incentives for fiscal responsibility. This can work well in countries with high fiscal transparency and where there is a constituency for fiscal sustainability. For example, fiscal responsibility legislation in *Australia* and *New Zealand* requires the government to commit to a medium-term fiscal strategy and regularly report against it.

The design of fiscal frameworks should achieve three goals: (1) sustainability of public finances; (2) stabilization of the economy through countercyclical fiscal policy, when appropriate; and (3) for fiscal rules in particular, simplicity, to facilitate communication and accountability to the public (Kopits and Symansky 1998). Further desirable features include resilience, ease of monitoring, operational guidance, and enforcement.

Satisfying all three goals simultaneously is not easy; it can be a "trilemma," as Debrun and Jonung (2018) note. For example, long-term fiscal targets (anchors) that are based on simple indicators, such as the debt-to-GDP ratio, may take a narrow view of sustainability. Fiscal rules can be designed to reduce the procyclicality of fiscal policy (Bova, Carcenac, and Guerguil 2014; Eyraud and others 2018), but some of these rules are harder to monitor (for example, structural balance rules) and others may leave too much room to increase debt (for example, commodity price rule or simple expenditure rules). Simple numerical rules can be rigid (Blanchard, Leandro, and Zettelmeyer 2021), whereas procedural rules provide more flexibility but may be harder to communicate and monitor without numerical targets, particularly in the absence of sound institutions (Martin, Pisani-Ferry, and Ragot 2021).

Although these issues predate the COVID-19 pandemic, the unprecedented size of the fiscal response to the crisis has led many countries to deviate from precrisis numerical objectives. Nearly 50 countries have activated escape clauses in their fiscal rules or suspended their fiscal rule since the onset of the pandemic. More than half of these are European Union or West African Economic and Monetary Union members covered by activation of escape clauses at the supranational level. At the national level, most countries activated escape clauses, although some opted to suspend their fiscal rules because of high uncertainty (for example, *Colombia*, *Ghana*, and *Peru*). Countries are now considering whether to converge back toward old targets or reset them, perhaps in the context of a redesigned fiscal framework.

Specifying and Pursuing the Long-Term Fiscal Target

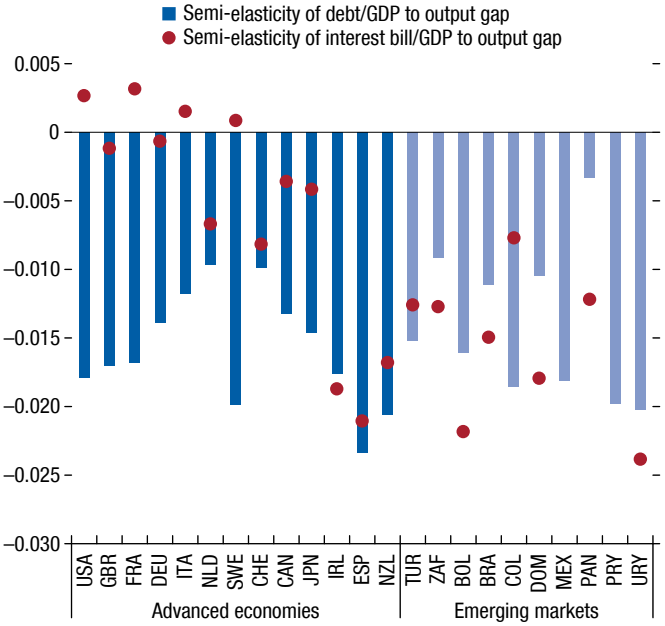
Selecting a long-term fiscal target is an important step when designing a fiscal framework. Commonly used anchors are debt or the budget balance, but new proposals have included the interest bill and the net worth of the public sector. Existing anchors have advantages and drawbacks: balancing the trade-offs can present a trilemma, as discussed. The debt-to-GDP ratio is a simple, easy-to-monitor statistic and has predictive power for crises (Moreno Badia and others 2020). However, the debt ratio may not capture well the cost of debt if interest rates trend downward, as has been the case since the global financial crisis. Also, where the debt anchor is combined with a deficit limit—as in the European Union's Stability and Growth Pact—the long-term stable debt ratio consistent with a given deficit limit will be higher if the long-term economic growth rate has declined (Buti and Gaspar 2021).

Given that interest rates are expected to remain low for some time, it has been argued that pre–COVID-19 debt anchors may now be too conservative and that the interest bill may be a good anchor (Furman and Summers 2020). Assessments of fiscal sustainability, including by IMF staff, have long been based on a wide range of indicators, including some involving the interest bill—as a share of GDP and as a share of fiscal revenues (IMF 2003). Deficit targets also allow more space for primary spending or tax cuts if the interest bill declines. Greater focus on the interest bill has advantages, especially for the very few countries, such as the *United States*, where rollover risk is very low. For the majority of countries that need to manage rollover risks, however, the interest bill can increase quickly during debt crises; the stock of debt is thus more informative if a single indicator needs to be chosen for a fiscal anchor (although information on the interest bill, debt maturity, gross financing needs, and so on is also valuable). In addition, the interest-bill-to-GDP ratio is more cyclical than the debt-to-GDP ratio in countries where interest rates tend to rise when GDP falls—as is often the case in emerging markets (Figure 2.7). A binding interest bill ceiling would then force even more fiscal adjustment in a recession.

Public sector balance sheet measures may also be considered to help anchor public finances. Their main advantage is to consider the assets that governments and public corporations hold, such as financial assets, public buildings and infrastructure, land, and natural resources (October 2018 *Fiscal Monitor;* Hughes and others 2019). The fiscal framework of *New Zealand,* for example, includes a long-term objective for net worth (the difference between assets and liabilities), in conjunction with a traditional net debt anchor. This combination intends to protect public investment, which tends to be cut during recessions as governments seek to meet their fiscal targets (Ardanaz and others 2021; Cusato Novelli and Barcia 2021). In this regard, it shares some characteristics with the golden rule, which targets the fiscal balance excluding public investment. Measuring the net worth of the public sector requires sound valuation of public assets, and high-quality, transparent, and credible fiscal accounting—as does a golden rule—because ringfencing some forms of spending creates incentives to misclassify current spending as protected investment expenditure.

Figure 2.7. Comparison of Cyclicality of the Debt-to-GDP Ratio and Interest-Bill–to-GDP Ratio

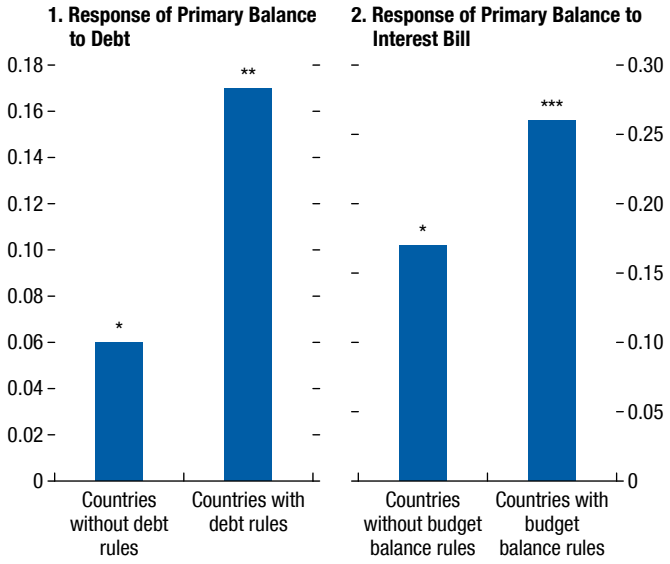
The interest-bill–to-GDP ratio is more cyclical than the debt-to-GDP ratio in countries where interest rates tend to rise when GDP falls, such as in emerging markets.



Sources: Mauro and Zhou 2021; and IMF staff calculations.
Note: Because the semi-elasticities are negative, a lower (more negative) value means a stronger sensitivity to the output gap. The semi-elasticity estimates show how the yearly percentage changes in the interest-bill–to-GDP ratio and debt-to-GDP ratio are associated with the economic cycle (a gap measure computed using the Hamilton filter). The semi-elasticities are estimated country-by-country over 1985–2019. Data labels use International Organization for Standardization (ISO) country codes.

Figure 2.8. Government Reaction to Increases in Debt and in the Interest Bill

Governments tend to react to increases in debt and in the interest bill by tightening the primary balance.

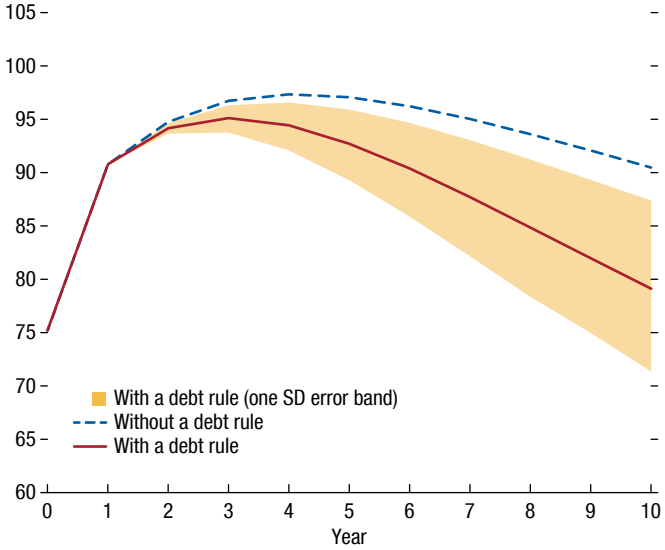


Source: David, Goncalves, and Perrelli (forthcoming).
Note: This figure is based on panel estimation of fiscal reaction function for 55 countries over 1970–2018.
*$p < 0.10$; **$p < 0.05$; ***$p < 0.01$.

Figure 2.9. Fiscal Prudence after an Increase in Debt

(Debt, percent of GDP)

Countries that followed a debt rule typically managed to reverse a jump in debt faster than others.



Source: David, Goncalves, and Perrelli (forthcoming).
Note: This figure is based on panel estimation of fiscal reaction function linking primary balance to past debt for 55 countries over 1970–2018. This is an illustrative simulation using coefficients from the panel estimation. The exercise assumes an initial debt of 75 percent of GDP, coupled with a shock that sends debt 15 percentage points higher in a single year (similar to the variation witnessed from 2019 to 2020 in advanced economies).

Fiscal Rules and Fiscal Prudence

Although fiscal frameworks can be further improved, the available empirical evidence suggests that existing fiscal rules have contributed to lower deficits (Bergman, Hutchison, and Hougaard Jensen 2016). Debrun and others (2008) find that, in 1990–2005, fiscal rules were associated with higher primary balances and structural primary balances, controlling for the potential endogeneity of adopting fiscal rules. Caselli, Stoehlker, and Wingender (2020) find that, for countries that would have had large deficits in the absence of a fiscal rule, having adopted a fiscal rule improved the primary balance.

An empirical analysis (David, Gonçalves, and Perrelli, forthcoming) also shows that fiscal authorities constrained by debt rules or deficits rules are more likely to take measures that prevent the debt-to-GDP ratio from increasing without limit. The analysis tests whether past increases in debt lead to higher primary balances (building on Bohn 1998; Mendoza and Ostry 2008; and Mauro and others 2015) and whether past increases in the interest bill led to higher primary balances. The estimates show the following:

- On average, governments react to increases in debt and in the interest bill (the so-called fiscal reaction function) by tightening the primary balance (Figure 2.8), such that debt ratios can be expected to decline and stabilize after a shock to debt or to debt service.
- In countries where debt rules are in place, jumps in debt lead to an even stronger tightening of primary balances. Countries that have followed a debt rule have typically managed to reverse a jump in debt amounting to 15 percent of GDP in about 10 years—in the absence of new shocks—significantly faster than other countries (Figure 2.9).[11]

[11]It is possible that prudent countries are also those that follow fiscal rules. In this case, there could be some reverse causality, such that the effect observed cannot be attributed with certainty to the result of adopting a fiscal rule. However, it is worth noting that countries adopting rules do not look different from those that do not (see also Debrun and others 2008). For instance, during the wave of adoption of fiscal rules in the 1990s, the average debt-to-GDP ratio of adopters was 60.5 percent, whereas for the nonadopters it was 62 percent.

- Governments that follow budget balance rules raise the primary surplus more forcefully in response to increases in the interest bill. This intended effect (the primary balance needs to offset the interest bill when the overall balance is constrained by a ceiling) can contribute significantly to debt stability.

Ensuring Flexibility

A potential drawback of fiscal rules is that governments may find that they are constrained in difficult times, especially if they did not create enough space in good times. The empirical evidence indicates that fiscal rules that do not include flexibility in their design tend to make fiscal policy more procyclical, especially for public investment (Fatás and Mihov 2007; Guerguil, Mandon, and Tapsoba 2017). However, when flexibility is allowed, fiscal rules are not associated with more procyclicality (Bova, Carcenac, and Guerguil 2014; Gootjes and de Haan 2020).

To improve flexibility, fiscal rules have often focused on the cyclically adjusted fiscal balance or the structural fiscal balance (Fedelino, Ivanova, and Horton 2009; Bornhorst and others 2011). This additional complexity, however, makes monitoring and enforcement more challenging. For example, real-time assessment of the cyclical position of the economy is difficult (Orphanides and van Norden 2002).

Expenditure rules are easier to monitor and permit countercyclical fiscal policy by constraining spending during booms (Ayuso-i-Casal 2012; Belu Manescu and Bova 2020). Given that a large part of the government revenue stream is sensitive to economic fluctuations—whereas most expenditure is not—expenditure rules also foster countercyclical fiscal policy while protecting important spending during downturns. Basic expenditure rules do not accommodate changes in the size of the public sector, although this can be addressed by recalibrating the rules when revenues are permanently increased. More sophisticated expenditure rules also allow spending to grow above the limit if higher spending is matched by increases in discretionary revenues—although this also makes the rules more complex.

Another proposal is to automatically suspend the fiscal rule when the monetary policy rate reaches its effective lower bound (Portes and Wren-Lewis 2015). Although central banks can also take unconventional measures, such as asset purchases, the boost these measures provide may be uncertain, whereas fiscal policy is especially potent under such conditions. Providing incentives to increase deficits when monetary policy is constrained can mitigate the risks of protracted slowdowns that limited monetary policy space creates (Schmidt 2017). Although this approach is interesting for countries where the policy rate is typically above its effective lower bound, for many advanced economies, the policy rate has been close to the lower bound for so long that it is not clear when such a fiscal rule suspension would end.

Escape clauses, which allow for deviations from the rule in times of need, are important to improve flexibility. To protect credibility of the framework, escape clauses should be well specified and activated only for events beyond the government's control, such as severe recessions, natural disasters, or pandemics (Eyraud and others 2018). In 2020, many countries activated escape clauses to accommodate a drop in revenues and the increase in health care and social spending (see Box 2.2). However, determining when and how to return to the rule after an escape clause has been activated is difficult. Some rules require offsetting accumulated deviations, but this may not be economically or politically feasible.

Returning to the Rule?

Many countries that have suspended their rules during the pandemic are thus considering recalibrating them to accommodate higher debt levels and provide more flexibility after the crisis. On one hand, revisions of rules can improve the credibility of the framework because adhering to an unrealistic target increases the likelihood that it will be violated in the future. On the other hand, revising the target may signal weaker commitment to fiscal sustainability. Drazen and Masson (1994), in an analysis of a similar trade-off occurring with monetary policy, show that the credibility of a target is low if the effort made to achieve the target makes it harder to comply with it in the future. This may well apply where fiscal consolidation could hurt the growth potential of the economy.

Whether and how to return to an old rule or redesign or recalibrate it depends on country-specific circumstances, but some general principles can be spelled out:

- The benefits of recalibrating a fiscal rule are higher if converging back to an old rule would require excessive fiscal consolidation on the grounds of macroeconomic stabilization or distributional

effects, making such a path not credible. In some cases, introducing fiscal responsibility laws or fiscal pacts seeking to build consensus on revenue mobilization or adjustment paths could be needed prior to recalibrating or even adopting new rules.

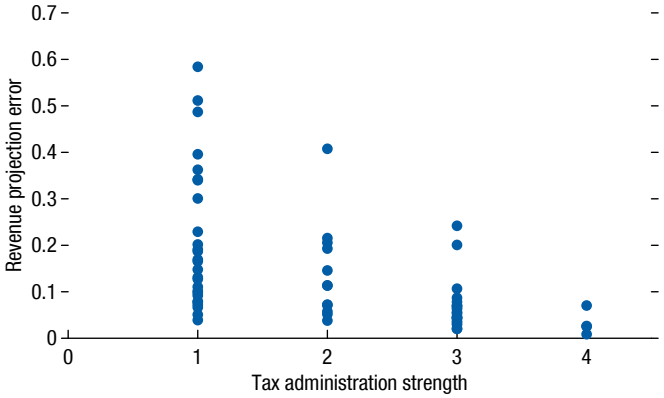
- An intermediate solution, for countries in which returning to the old rule is feasible but only in the medium term, would be a transition regime with a less ambitious interim target that is nonetheless consistent with eventual convergence to the old rule.
- The post–COVID-19 period may provide an opportune time to redesign or recalibrate a rule that was in need of updating even before the pandemic.
- However, revamping a fiscal framework may not be advisable where it was implemented or reformed too recently because the credibility of frameworks that are regularly changed is weak.
- A redesigned framework should include realistic goals agreed upon by a broad coalition of players, from government to political parties and civil society.

The limited available experience suggests that the context and communication around the decision to revise a fiscal rule ceiling is key to its impact on credibility. For example, when *Israel* revised its deficit ceiling for 2013/14, Fitch reaffirmed *Israel*'s credit rating at "A" because the commitment to consolidation was not in question—even though this revision occurred for the second year in a row. When *Mongolia* revised its deficit thresholds in 2015–17, the revisions raised market concerns, although some credibility was afforded by program negotiations with the IMF in 2017.

Communicating well to the public the intentions of a revision of the fiscal framework is also paramount to its success. When fiscal rules were suspended in 2020 during the pandemic, the media usually emphasized the importance of providing space for health care spending, but in many emerging markets and frontier economies, respecting the fiscal framework and maintaining creditworthiness were also a concern (Box 2.2). The media reacted more positively to the suspension of fiscal rules in countries with high fiscal transparency and more established access to financial markets. As governments seek to restore fiscal sustainability, an active and comprehensive communication strategy can help underscore the benefits of reform to the public and explain how the most vulnerable are protected (Stankova 2019).

Figure 2.10. Revenue Projection Errors and Tax Administration Strength

The predictability of government revenues is related to the effectiveness of tax administration.



Source: IMF staff calculations.
Note: This figure is based on revenue projections and outturns in the World Economic Outlook database and the results of capacity development work in 30 low-income developing countries, 31 emerging markets, and 2 advanced economies assessing strengths and weaknesses of tax administrations using the Tax Administration Diagnostic Assessment Tool.

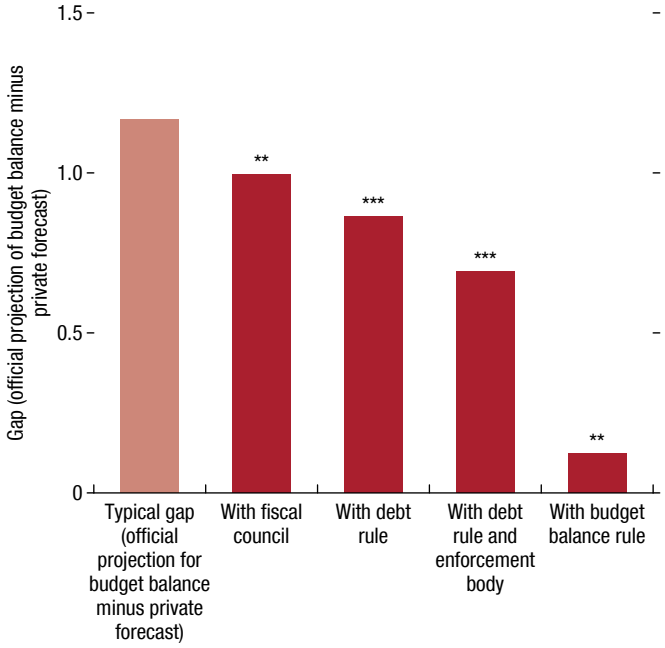
Strengthening Underlying Fiscal Institutions

Strengthening underlying fiscal institutions and institutional capacity can help improve the credibility of fiscal frameworks.

- Because fiscal plans need to be based on transparent and realistic macroeconomic forecasts, subjecting economic assumptions to independent review can help buttress credibility. Some advanced economies (for example, *Austria* and the *United Kingdom*) have delegated responsibility for the preparation of macroeconomic forecasts underpinning the budget projections to independent institutions, such as fiscal councils. Evidence suggests that well-designed fiscal councils are associated with stronger fiscal performance and more accurate and less biased forecasts (Debrun and Kinda 2014).
- Comprehensive medium-term budgets that reflect all planned fiscal activities reduce risks of hidden deficits and help ensure plans are consistent with objectives.
- Effective financial controls and tax administration ensure governments can implement policies in line with approved plans. The predictability of revenues is positively correlated with a tax administration's effectiveness and the quality of governance (Figure 2.10). However, requiring administrations to implement tax and spending reforms during or

Figure 2.11. Effect of a Fiscal Framework on the Credibility of Official Projections

The credibility of official projections is increased by adhering to strong fiscal frameworks and fiscal rules.

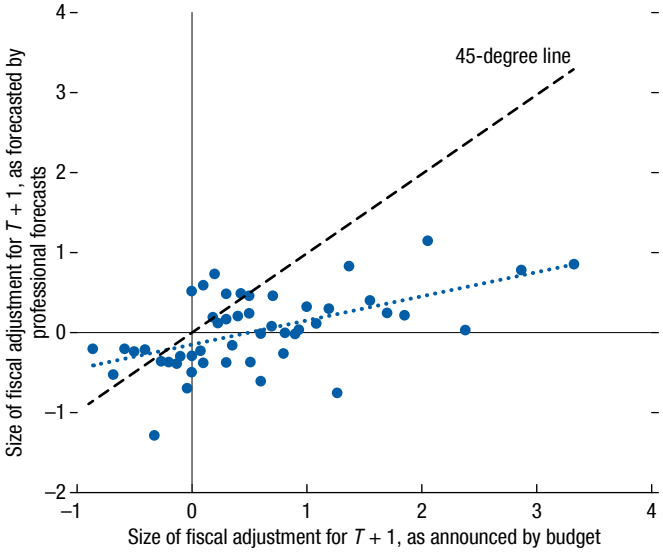


Sources: Bloomberg Finance L.P., Consensus Forecast; and IMF, Fiscal Rules database.
Note: Bars plot the expected gap, defined as the official projection for budget balance minus private projections for the budget balance. The typical gap is positive because the official projection is usually more optimistic than the private sector's. A lower gap indicates more credibility. Bars are derived in difference from the typical gap, using regression coefficients presented in Online Annex 2.4. Regressions are based on 423 observations, covering 23 advanced economies and 9 emerging markets over 1997–2019. See also End and Hong (forthcoming).
** and *** are for coefficients statistically significant at the 5 and 1 percent levels, respectively.

Figure 2.12. Credibility of Fiscal Adjustment

(Percent of GDP)

Private sector forecasts heavily discount official projections for fiscal adjustments.



Sources: Bloomberg Finance L.P., Consensus Forecast; and IMF, Fiscal Rules database.
Note: Binned scatter plots for 423 observations covering 23 advanced economies and 9 emerging markets from 1995 to 2019. The slope coefficient is 0.23, controlling for various macroeconomic factors and year and country fixed effects (see also Online Annex 2.4).

in the aftermath of a crisis while minimizing adverse effects on the private sector is challenging.

- Transparent reporting of macroeconomic and fiscal projections, their underlying assumptions and deviations from them, in line with international standards, such as the IMF Fiscal Transparency Code (IMF 2019), is critical for underpinning market confidence and access to finance. Disclosing risks around these forecasts, for example, in fiscal risk statements, can also raise awareness of those risks and, along with their regular monitoring and assessment, encourage better management.

For low-income developing countries and fragile states, further developing core public financial management systems, such as sound annual budget processes, medium-term forecasts, financial controls, and reporting mechanisms will be crucial. In advanced economies and emerging markets, better-designed medium-term frameworks, more comprehensive budgets, and better risk analysis and management can support more predictable and credible fiscal policy.

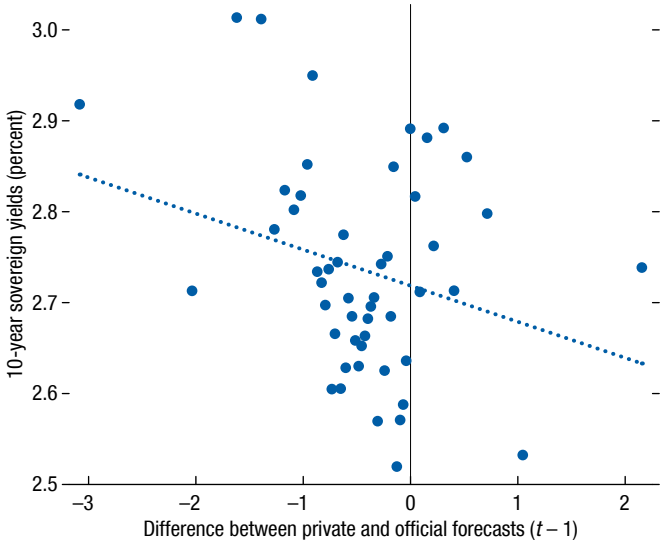
Improving the Predictability and Credibility of Fiscal Plans

Sound fiscal frameworks can enhance credibility, market access, and ultimately fiscal space. An analysis of why private forecasts for the deficit differ from official projections shows how fiscal frameworks can improve credibility (End and Hong, forthcoming). If a government budget announcement is credible, private expectations about the budget balance should be centered around the government's projections, and disagreement among forecasters should be minimal.[12] On average, governments project significantly lower fiscal deficits than does the private sector for both the

[12]This dimension of credibility is akin to the degree of anchoring of private expectations around the inflation target, which is used in analyses of the monetary policy (End 2020). A similar metric of disagreement between forecasters is used in work on monetary policy to measure the anchoring of expectations (see, for example, Coibion and Gorodnichenko 2015).

Figure 2.13. Credibility of Budget and Borrowing Rates

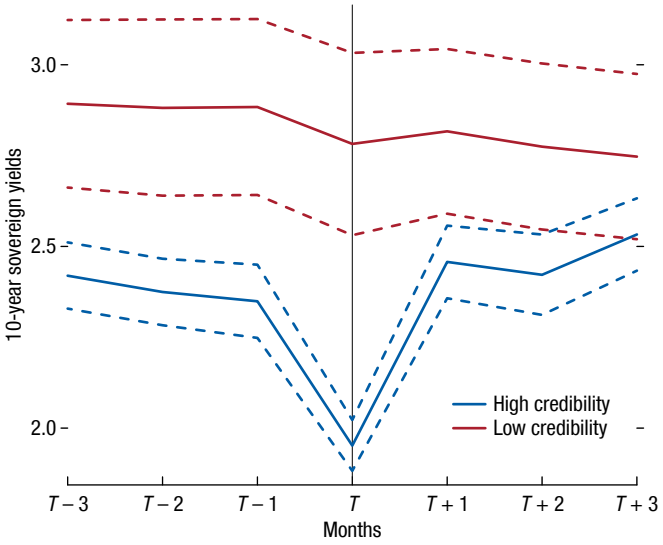
When private forecasts are more pessimistic than official projections, market indicators of creditworthiness and credit ratings deteriorate.



Sources: Bloomberg Finance L.P.; and IMF staff estimates.
Note: Bin scatter plots are based on 3,071 observations covering 34 countries from 2001 to 2019. The bin scatter plot groups the observations into 50 equal bins. Robust regressions include a range of controls. See Online Annex 2.4.

Figure 2.14. Interest Rates around Budget Announcements and Credibility of Announcements

Budget announcements lead to a temporary fall in interest rates in countries with high credibility.



Sources: Bloomberg Finance L.P.; and IMF staff estimates.
Note: Credibility of announcements is measured using the difference between official projections for the balance and private projections. High credibility is defined as credibility above the 75th percentile; low credibility is defined as credibility below the 25th percentile. This figure is based on 23 advanced economies and 9 emerging markets from 2001 to 2019, excluding announcements made during the global financial crisis and in years of sovereign debt crisis. Error bands represent the 1 SD confidence interval.

current calendar year and the next fiscal year. The analysis also shows the following:

- Strong fiscal frameworks and fiscal rules increase the credibility of official projections (Figure 2.11). Private forecasts of the budget balance are closer to official projections in countries with debt rules or deficit rules, and where fiscal frameworks include a fiscal council or where the fiscal rule is monitored by an independent agency.
- Budget balance rules tend to anchor private sector expectations that the budget balance will be close to the rule's deficit ceiling. Caselli and Wingender (2021) find that the adoption of EU fiscal rules led to deficits converging toward the limit of 3 percent of GDP embedded in the Stability and Growth Pact. Professional forecasters seem to internalize this. In the European Union, uncertainty on the budget deficit widens when budgets deviate from the –3 percent of GDP limit (Online Annex 2.4).
- Having achieved deficits close to announcements in the past helps. The private sector is more pessimistic and unsure about future deficits after official projections have made large forecast errors. Downward revisions to fiscal balance projections by official forecasts also increase the gap between official and private forecasts by making private forecasters more pessimistic (Online Annex 2.4).
- Announcements of larger adjustments do not necessarily help budget credibility. Although private sector expectations follow official adjustments to some extent, they discount them. On average, they give credit for only one-fourth of the adjustment planned for the next year (Figure 2.12).

Credible official announcements are beneficial in terms of lower borrowing costs. Market indicators of creditworthiness, such as spreads on credit default swaps or sovereign yields, as well as credit ratings, deteriorate when private forecasts are more pessimistic than official projections (Figure 2.13; Online Annex 2.4). If private forecasts of the deficit are more pessimistic than official projections by 2 percent of GDP, 10-year sovereign yields increase by 6 basis points. Budget announcements also lead to a fall in interest rates around the time of announcement in countries with high credibility, whereas there is no visible effect in countries with low credibility (Figure 2.14). The difference can be as much as 40 basis points in the month of announcement, although the gap closes subsequently. This is in addition to the structural gains of higher budget credibility on

market borrowing costs, as presented in Figure 2.13. Given that credibility is slow and difficult to acquire but fast to lose, governments should strive to preserve it to avoid periods of adverse market conditions.

Conclusion and Policy Recommendations

Although fiscal support during the COVID-19 crisis continues to be indispensable in most places, buffers have dwindled. In countries where fiscal space remains, prolonging fiscal support to fight the health crisis and to bolster the recovery is the correct choice; but in many other countries, governments face a stark trade-off between additional support to their people and preserving some space to address further possible emergencies.

This trade-off can be made less painful by strengthening the credibility of public finances. Experience, and the evidence provided in this chapter, show that market access is more favorable when the private sector trusts the government's commitment to fiscal sustainability, as this increases creditworthiness. For countries with limited market access, credibility of the fiscal strategy is also important to achieve a more predictable outlook and thus to foster private investment and macroeconomic stability. Fiscal frameworks provide the set of rules and institutions that allow countries to signal such commitments and to comply with them.

The appropriate design of fiscal frameworks, including the choice and calibration of the long-term fiscal target, is country specific and may have to change with circumstances. The persistent decline in global interest rates seen since the global financial crisis may have led to an increase in debt carrying capacity, so that debt anchors that predate the COVID-19 pandemic might be too conservative. This provides breathing room, as returning to pre–COVID-19 debt levels would take a long time. Easy financing conditions may continue for a few years, but an increase in interest rates cannot be ruled out, with the potential to worsen fiscal accounts and increase the risk of debt crisis.

Fiscal frameworks centered on the primary goal of promoting sustainability help improve access to finance. More flexibility could be embedded into fiscal frameworks to support the exit from the crisis—for example, by adopting expenditure rules instead of budget balance rules. Objectives that go beyond the debt-to-GDP ratio—such as a net worth target for the public sector or an anchor based on the interest rate bill—could also be given more weight in fiscal frameworks, especially in countries where rollover risks are not a concern and transparency standards are high. Countries that have suspended their fiscal rule may need to consider redesigning or recalibrating their pre–COVID-19 rules. The benefits of doing so depend on how constraining the existing rule is and on the credibility cost of reforming the fiscal framework. The limited available experience suggests that a well-reasoned recalibration may be consistent with maintaining credibility in cases where outdated targets have become clearly unattainable and economically counterproductive.

Clear communication of government priorities, backed by fiscal transparency and strategies that strengthen commitment, is likely to help transition to new objectives. For example, activating escape clauses during the pandemic has been less controversial in countries that scored high in fiscal transparency. Strategies to signal commitment to future deficit reduction include strengthening fiscal frameworks to improve compliance with fiscal rules, undertaking structural fiscal reforms, entering into an IMF-supported program, or legislating future tax or spending changes in advance. Governments should explore these avenues to signal that they are committed to fiscal sustainability.

Box 2.1. Evaluating How Well Scenarios in Debt Sustainability Analyses Capture Key Fiscal Risks

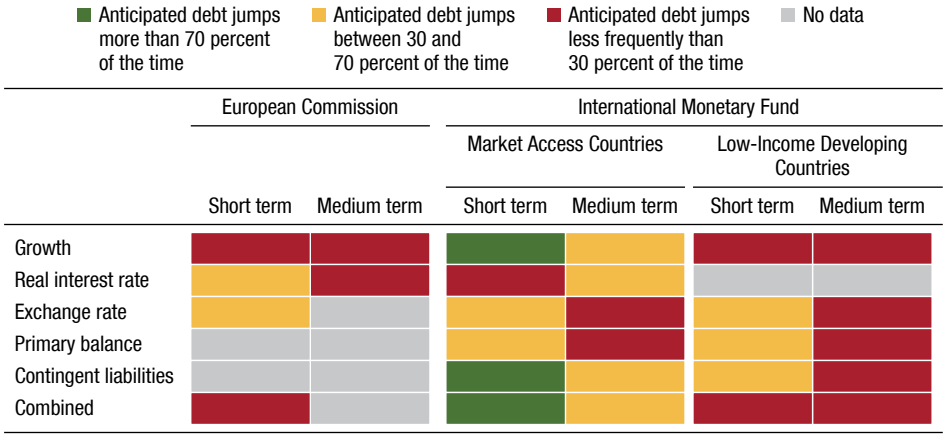
A systematic analysis of the scenarios included in the IMF debt sustainability analyses and the European Commission debt sustainability analyses helps assess whether past scenario exercises appropriately captured the key fiscal risks. The analysis explores to what extent unexpected jumps in debt because of specific drivers (for example, growth underperformance, fiscal policy slippages) had been anticipated by their corresponding standardized scenarios. It covers 36 advanced economies, 88 emerging markets, and 58 low-income developing countries. The investigation is complemented by a review of fiscal risk analyses conducted by selected national fiscal institutions.

- The results (see Figure 2.1.1) suggest that unanticipated jumps in debt as a result of surprises in real economic growth are well captured by standardized scenarios in advanced economies and emerging markets, but less so in low-income developing countries. On one hand, in about 80 percent of the IMF's debt sustainability analyses for market access countries (which essentially include advanced economies and emerging markets), growth scenarios envisioned short-term debt increases that turned out to be larger than the actual projection errors because of growth shocks. On the other hand, the temporary growth scenarios in the IMF's debt sustainability analyses for low-income developing countries were able to anticipate short-term debt increases in only one-third of the episodes. In all country groups, the capacity of growth scenarios to anticipate adverse debt dynamics is weaker over the medium term. Likewise, risks emerging from exchange rate depreciation, primary balance slippages, and contingent liabilities were better captured at the short-term horizon than at a medium-term horizon.
- Scenarios seem to have had the greatest difficulty flagging the risks of higher-than-expected real interest rates. During the period considered, higher-than-expected real interest rates were driven by inflation undershooting expectations.[1] Such undershoots occurred in a wide range of countries, from resource-rich economies (for example, *Equatorial Guinea* in 2015), to large emerging markets and advanced economies (for example, *China* and *Canada* in 2014, *Iceland* in 2016). Despite the macroeconomic relevance of this factor, fiscal risk analyses conducted by national fiscal institutions (for example, in *The Netherlands, New Zealand,* the *United Kingdom,* and the *United States*) have not included the risk that inflation could undershoot expectations.

[1]The analysis of the effectiveness of the real interest rate scenarios is based on 197 (139) IMF debt sustainability analyses for market access countries and 56 (37) European Commission debt sustainability analyses over the short term (medium term).

Figure 2.1.1. Capacity of Debt Sustainability Scenarios to Identify Fiscal Risks

Some shocks were well anticipated by scenario analysis; others, less so.



Sources: Debt sustainability analysis scenarios in European Commission 2012 and 2018 *Fiscal Sustainability Reports* (FSR) and 2017 *Debt Sustainability Monitor* (data published in the 2015 FSR were insufficient to include in the analysis); and IMF country reports.
Note: "Short term" corresponds to a time horizon of 1–2 years. "Medium term" corresponds to a time horizon of 3–5 years. Market access countries are those with significant access to international capital markets, rather than being largely dependent on concessional external financing (as is the case for low-income developing countries). Market access countries are essentially advanced economies and emerging markets. When a cell represents multiple scenarios (for example, the European Commission standard scenario and enhanced scenario), the flag is allocated according to the average performance. See Online Annex 2.3 for details.

Box 2.2. Media Coverage of Suspension of Fiscal Rules

This box investigates how newspapers perceived the suspension of fiscal rules in 2020 in 36 countries, including cases where escape clauses were activated at the supranational level (European Union and West African Economic and Monetary Union). It uses news articles in the country's official language referring to the escape clause in the two weeks before and after its activation. The text analysis covers 1,364 articles and follows an approach used in research on media perception of economic policies (Fraiberger 2016; Shapiro, Sudhof, and Wilson 2020; Shapiro and Wilson 2021).

Media coverage underscored the exceptional circumstances that led to activating escape clauses (relevant keywords used included "pandemic", "COVID", and "crisis") and the central role of the government in addressing it ("fiscal", "deficit", "health", "support", "measure", and "budget") (Figure 2.2.1, panel 1). More than half of the news articles acknowledged the effect on debt, with the share reaching 73 percent among advanced economies. While "corona bonds"—securities proposed to be jointly issued by an EU institution—were discussed in 7 percent of the news articles in European advanced economies, "market access" was more prominent in emerging markets and low-income developing countries. "Bonds" and "investors" were mentioned in 23 percent and 11 percent of the articles of emerging markets, respectively. The name of a credit rating agency was between 7 and 10 times more likely to be mentioned for low-income developing countries and emerging markets, respectively, than for advanced economies. Last, the lower the income group, the more attention was paid to issues of credibility, the medium term, and debt sustainability (Figure 2.2.1, panel 2).

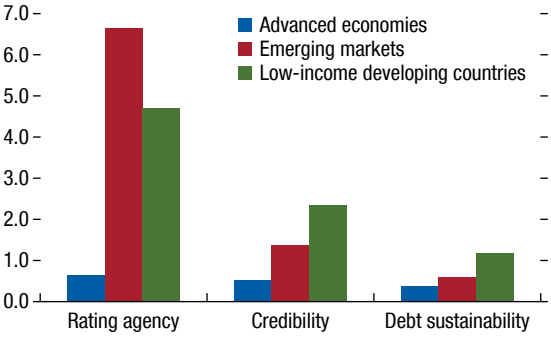
Although reporting was often factual, and thus neutral in tone, there were important differences. On a scale of –1 (most negative) to +1 (most positive), the average and median score across countries was about 0. Yet, differences existed across countries. Perception was especially positive in *Honduras* and *Peru*. More broadly, perception tended to be more positive in countries with stronger standards of transparency (Figure 2.2.1, panel 3), highlighting the importance of transparent, timely, and comprehensive reporting of fiscal information, as well as extensive oversight by audit institutions, parliaments, and civil societies to build credibility and trust among the public. This result is in line with the extensive literature on the

Figure 2.2.1. Media Coverage of the Escape Clause

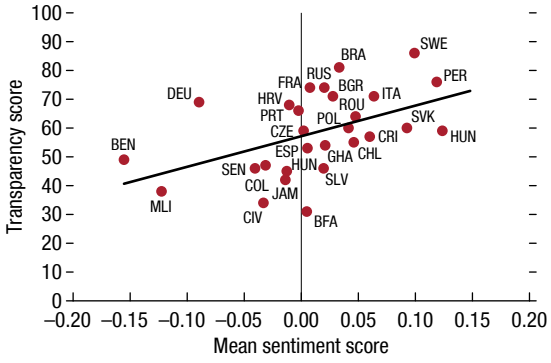
Media coverage of escape clause activation emphasized exceptional circumstances, was particularly concerned with market access in emerging markets and low-income developing countries, and was more positive in more transparent countries.

1. Media Coverage in Low-Income Developing Countries

2. Mentions of Relevant Keywords in Media Coverage (Percent of articles referencing keyword)



3. Media Sentiment and Fiscal Transparency



Sources: Factiva; Open Budget Survey 2019; Trendkite; and IMF staff calculations.
Note: The sample includes 13 advanced economies, 15 emerging markets, and 8 low-income developing countries, with an average of 38 articles per country. Data labels in panel 3 use International Organization for Standardization (ISO) country codes.

Box 2.2 *(continued)*

positive effects of fiscal transparency on stronger credit ratings and easier marker access (Hameed 2005; Keita, Leon, and Lima 2019).

Preserving credibility when activating escape clauses requires an effective communication strategy (Stankova 2019; Gbohoui and Medas 2020). In particular, best practices include the publication of a credible medium-term fiscal framework (for example, *Honduras* and *Panama*), reports by the government on relevant programs (for example, *Chile* and *Germany*), and analysis by independent agencies (for example, *Colombia* and *Peru*).

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ECONOMY ABBREVIATIONS

Code	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
DOM	Dominican Republic
DZA	Algeria
ECU	Ecuador
EGY	Egypt
ERI	Eritrea
ESP	Spain
EST	Estonia
ETH	Ethiopia
FIN	Finland
FJI	Fiji
FRA	France
FSM	Micronesia, Federated States of
GAB	Gabon
GBR	United Kingdom
GEO	Georgia
GHA	Ghana
GIN	Guinea
GMB	Gambia, The
GNB	Guinea-Bissau
GNQ	Equatorial Guinea
GRC	Greece
GRD	Grenada
GTM	Guatemala
GUY	Guyana
HKG	Hong Kong Special Administrative Region
HND	Honduras
HRV	Croatia
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	St. Kitts and Nevis

Code	Name
KOR	Korea
KWT	Kuwait
LAO	Lao P.D.R.
LBN	Lebanon
LBR	Liberia
LBY	Libya
LCA	St. 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	North Macedonia
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, The
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	Russian Federation
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	Eswatini
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	St. Vincent and the Grenadines
VEN	Venezuela
VNM	Vietnam
VUT	Vanuatu
WSM	Samoa
YEM	Yemen
ZAF	South Africa
ZMB	Zambia
ZWE	Zimbabwe

GLOSSARY

Debt service suspension initiative (DSSI) An initiative in which bilateral official creditors provide during a limited period a suspension of debt service payments for the poorest countries (73 low and lower middle-income countries) that request the suspension.

Economic scarring Long-lasting economic damage.

Fiscal consolidation Fiscal policy that reduces government deficits and government debt.

Fiscal council A permanent agency with a statutory or executive mandate to assess publicly and independently fiscal policy, fiscal plans, and fiscal performance against official objectives, such as long-term sustainability of public finances and macroeconomic stability.

Fiscal framework The set of rules, procedures, and institutions that guide fiscal policy.

Fiscal rule Fiscal rules are lasting constraints on fiscal policy through predetermined numerical limits on aggregate fiscal indicators (such as the budget balance, government expenditure, debt).

Fiscal space The room for undertaking discretionary fiscal policy (increasing spending or reducing taxes) relative to existing plans without endangering market access and debt sustainability.

Gini Statistical measure of dispersion. It is used to measure the degree of similarity or the degree of inequality (dispersion) in incomes, consumption, and wealth levels. Its values fall in a range between 0 and 1. A value of 0 is seen when there is perfect equality; a value of 1 is seen when there is very high inequality (for example, only one person owns the totality of the wealth in the economy).

Global minimum tax in corporate profits (GILTI) A global minimum tax in corporate profits is an agreement to limit tax competition among countries by putting a floor on effective tax rates applied to investments by large multinational corporations that is done across countries. The GILTI is a specific formula to calculate such minimum and is designed to result in a range for tax rate on foreign income between 10.5 percent and 13.125 percent.

Government financing needs (also **gross financing needs**) Overall new borrowing requirement plus debt maturing during the year.

Labor force participation The share of population of working age that is either looking for a job or working. It measures the availability of labor for productive activities in an economy.

Special drawing rights (SDRs) An international reserve asset created by the IMF to supplement the official reserves of its member countries. It is not a currency but a potential claim on the freely usable currencies of IMF members. As a claim on currencies, SDRs can provide a country with liquidity.

Stock-flow adjustments Change in the gross debt explained by factors other than the overall fiscal balance (for example, valuation changes).

Sustainable Development Goals A collection of 17 goals set by the United Nations General Assembly in 2015 covering global warming, poverty, health, education, gender equality, water, sanitation, energy, urbanization, environment, and social justice. Each goal has a set of targets to achieve, and in total there are 169 targets.

METHODOLOGICAL AND STATISTICAL APPENDIX

This appendix comprises four sections. "Data and Conventions" provides a general description of the data and conventions used to calculate economy group composites. "Fiscal Policy Assumptions" summarizes the country-specific assumptions underlying the estimates and projections for 2021–26. "Definition and Coverage of Fiscal Data" summarizes the classification of countries in the various groups presented in the *Fiscal Monitor* and provides details on the coverage and accounting practices underlying each country's *Fiscal Monitor* data. Statistical tables on key fiscal variables complete the appendix. Data in these tables have been compiled based on the information available through September 27, 2021.

Data and Conventions

Country-specific data and projections for key fiscal variables are based on the October 2021 World Economic Outlook database, unless indicated otherwise, and compiled by IMF staff. Historical data and projections are based on 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; data are updated continually 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 may differ from official data in other sources, including the IMF's *International Financial Statistics* and the *Government Finance Statistics Manual* (GFSM 2014).

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

Country classification in the *Fiscal Monitor* divides the world into three major groups: 39 advanced economies, 96 emerging market and middle-income economies, and 59 low-income developing countries. *Fiscal Monitor* tables display 35 advanced economies, 40 emerging market and middle-income economies, and 40 low-income developing countries. The countries in the tables generally represent the largest countries within each group based on the size of their GDP in current US dollars. Data for the full list of economies can be found here: https://www.imf.org/external/datamapper/datasets/FM. The seven largest advanced economies as measured by GDP (Canada, France, Germany, Italy, Japan, United Kingdom, United States) 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. Data for most European Union member countries have been revised following the adoption of the new European System of National and Regional Accounts (ESA 2010). Low-income developing countries are countries that have per capita income levels below a certain threshold (set at $2,700, as of 2016, as measured by the World Bank Atlas method), structural features consistent with limited development and structural transformation, and external financial relationships insufficiently open to be considered as emerging market economies. Emerging market and middle-income economies include those not classified as advanced economies or low-income developing countries. See Table A, Economy Groupings, for more details.

Most fiscal data for advanced economies refer to the general government, whereas data for emerging market and developing economies often refer to the central government or budgetary central government only (for specific details, see Tables B–D). All fiscal data refer to calendar years, except in the cases of The Bahamas, Bangladesh, Barbados, Bhutan, Botswana, Dominica, Egypt, Eswatini, Ethiopia, Haiti, Hong Kong Special Administrative Region, India, the Islamic Republic of Iran, Jamaica, Lesotho, Malawi, the Marshall Islands, Mauritius, Micronesia, Myanmar, Namibia, Nauru, Nepal, Pakistan, Palau, Puerto Rico, Rwanda, Samoa, Singapore, St. Lucia, Thailand, Tonga, and Trinidad and Tobago, for which they refer to the fiscal year. For economies whose fiscal years end before June 30, data are recorded in the previous calendar year. For economies whose fiscal years end on or after June 30, data are recorded in the current calendar year.

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

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

In the majority of advanced economies, and in some large emerging market and middle-income economies, fiscal data follow the GFSM 2014 or are produced using a national accounts methodology that follows the 2008 System of National Accounts (SNA 2008) or ESA 2010, both broadly aligned with the GFSM 2014. Most other countries follow the GFSM 2001, but some countries, including a significant proportion of low-income developing countries, have fiscal data based on the 1986 GFSM. The overall fiscal balance refers to net lending and borrowing of the general government. In some cases, however, the overall balance refers to total revenue and grants minus total expenditure and net lending.

The fiscal gross and net debt data reported in the *Fiscal Monitor* are drawn from official data sources and IMF staff estimates. While attempts are made to align gross and net debt data with the definitions in the GFSM, as a result of data limitations or specific country circumstances, these data can sometimes deviate from the formal definitions. Although every effort is made to ensure the debt data are relevant and internationally comparable, differences in both sectoral and instrument coverage mean that the data are not universally comparable. As more information becomes available, changes in either data sources or instrument coverage can give rise to data revisions that are sometimes substantial.

The data for the pension and health spending from Tables A23–A25 are updated once per year in the April edition of the *Fiscal Monitor*.

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, "country" also covers some territorial entities that are not states but whose statistical data are maintained separately and independently.

Australia: For cross-economy comparability, gross and net debt levels reported by national statistical agencies for economies that have adopted the 2008 SNA (Australia, Canada, Hong Kong Special Administrative Region, United States) are adjusted to exclude the unfunded pension liabilities of government employees' defined-benefit pension plans.

Bangladesh: Data are on a fiscal year basis.

Brazil: General government data refer to the nonfinancial public sector—which includes the federal, state, and local governments, as well as public enterprises (excluding Petrobras and Eletrobras)—and are consolidated with those for the sovereign wealth fund. Revenue and expenditures of federal public enterprises are added in full to the respective aggregates. Transfers and withdrawals from the sovereign wealth fund do not affect the primary balance. Disaggregated data on gross interest payments and interest receipts are available only from 2003 onward. Before 2003, total revenue of the general government excludes interest receipts; total expenditure of the general government includes net interest payments. Gross public debt includes the Treasury bills on the central bank's balance sheet, including those not used under repurchase agreements. Net public debt consolidates nonfinancial public sector and central bank debt. The national definition of general government gross debt excludes government securities held by the central bank, except the stock of Treasury securities used for monetary policy by the central bank (those pledged as security reverse repurchase agreement operations). According to this national definition, gross debt amounted to 88.8 percent of GDP at the end of 2020.

Canada: For cross-economy comparability, gross and net debt levels reported by national statistical agencies for economies that have adopted the 2008 SNA (Australia, Canada, Hong Kong Special Administrative Region, United States) are adjusted to exclude unfunded pension liabilities of government employees' defined-benefit pension plans.

Chile: Cyclically adjusted balances refer to the structural balance, which includes adjustments for output and commodity price developments.

China: Public debt data include central government debt as reported by the Ministry of Finance, explicit local government debt, and shares of contingent liabilities the government may incur, based on estimates from the National Audit Office estimate. IMF staff estimates exclude central government debt issued for the China Railway Corporation. Relative to the authorities' definition, consolidated general government net borrowing excludes transfers to and from stabilization funds, but includes (1) state-administered funds, state-owned enterprise funds, and social security contributions and expenses; and (2) some off-budget spending by local governments. Deficit numbers

do not include some expenditure items, mostly infrastructure investment financed off budget through land sales and local government financing vehicles. Fiscal balances are not consistent with reported debt, because no time series of data in line with the National Audit Office debt definition is published officially.

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

Dominican Republic: The fiscal series have the following coverage: The public debt, debt service, and cyclically adjusted or structural balances are for the consolidated public sector (which includes the central government, the rest of the nonfinancial public sector, and the central bank); and the remaining fiscal series are for the central government.

Egypt: Data are on a fiscal year basis.

Ethiopia: Data are on a fiscal year basis.

Greece: General government gross debt follows the GFSM definition, and includes the stock of deferred interest.

Haiti: Data are on a fiscal year basis.

Hong Kong Special Administrative Region: Data are on a fiscal year basis. Cyclically adjusted balances include adjustments for land revenue and investment income. For cross-economy comparability, gross and net debt levels reported by national statistical agencies for countries that have adopted the 2008 SNA (Australia, Canada, Hong Kong Special Administrative Region, United States) are adjusted to exclude the unfunded pension liabilities of government employees' defined-benefit pension plans.

Iceland: Gross debt excludes insurance technical reserves (including pension liabilities) and other accounts payable.

India: Data are on a fiscal year basis.

Iran, Islamic Republic of: Data are on a fiscal year basis.

Ireland: General government balances for 2012 reflect the impact of banking sector support. Fiscal balance estimates, excluding these measures, are –7.9 percent of GDP for 2012. For 2015, if the conversion of the government's remaining preference shares to ordinary shares in one bank is excluded, the fiscal balance is –1.1 percent of GDP. Cyclically adjusted balances reported in Appendix Tables A3 and A4 exclude financial sector support measures. Ireland's 2015 national accounts were revised as a result of restructuring and relocation of multinational companies, which resulted in a level shift of nominal and real GDP. For more information, see "National Income and Expenditure Annual Results 2015," http://www.cso.ie/en/releasesandpublications/er/nie/nationalincomeandexpenditureannualresults2015/.

Japan: Gross debt is on an unconsolidated basis.

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

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

Myanmar: Data are on a fiscal year basis.

Nepal: Data are on a fiscal year basis.

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.

Singapore: Data are on a fiscal year basis.

Spain: Overall and primary balances include financial sector support measures estimated to be 3.7 percent of GDP for 2012, 0.3 percent of GDP for 2013, 0.1 percent of GDP for 2014, 0.1 percent of GDP for 2015, and 0.2 percent of GDP for 2016. In 2020, the reclassification of Spain's Asset Management Company SAREB into the general government increased the deficit by €9.9 billion.

Sweden: Cyclically adjusted balances account for output and employment gaps.

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

Thailand: Data are on a fiscal year basis.

Turkey: The fiscal projections assume a more negative primary and overall balance than envisaged in the authorities' New Economic Program 2021–23 (September 2020), partly from deterioration in the growth outlook related to the COVID-19 pandemic and partly from definitional differences. The basis for the projections in the *World Economic Outlook* and *Fiscal Monitor* is the IMF-defined fiscal balance, which excludes some revenue and expenditure items included in the authorities' headline balance.

United States: Cyclically adjusted balances exclude financial sector support estimated at 0.1 percent of potential GDP for 2012, and 0.0 percent of potential

GDP for 2013. For cross-economy comparability, expenditures and fiscal balances are adjusted to exclude the imputed interest on unfunded pension liabilities and the imputed compensation of employees, which are counted as expenditures under the 2008 SNA adopted by the United States, but not for countries that have not yet adopted the 2008 SNA. Data for the United States may thus differ from data published by the US Bureau of Economic Analysis (BEA). In addition, gross and net debt levels reported by the BEA and national statistical agencies for other economies that have adopted the 2008 SNA (Australia, Canada, Hong Kong Special Administrative Region) are adjusted to exclude the unfunded pension liabilities of government employees' defined-benefit pension plans.

Uruguay: Data are for the nonfinancial public sector, which includes the central government, the local government, social security funds, nonfinancial public corporations, and Banco de Seguros del Estado. The coverage of fiscal data was changed from the consolidated public sector to the nonfinancial public sector with the October 2019 submission. Because of this narrower coverage, central bank balances are not included in the fiscal data.

Venezuela: Fiscal accounts include the budgetary central government; social security funds, FOGADE (insurance deposit institution), and a sample of public enterprises, including Petróleos de Venezuela, S.A. (PDVSA). Data for 2018–19 are IMF staff estimates.

Fiscal Policy Assumptions

Historical data and projections of key fiscal aggregates are in line with those of the October 2021 *World Economic Outlook*, unless noted otherwise. For underlying assumptions other than on fiscal policy, see the October 2021 *World Economic Outlook*.

Short-term fiscal policy assumptions are based on officially announced budgets, adjusted for differences between the national authorities and IMF staff regarding macroeconomic assumptions and projected fiscal outturns. Medium-term fiscal projections incorporate policy measures judged likely to be implemented. When 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.

Afghanistan: All projections for 2021–26 are omitted because of an unusually high degree of uncertainty.

Argentina: Fiscal variables are excluded from publication for 2021–26 as these are to a large extent linked to still-pending program negotiations.

Australia: Fiscal projections are based on data from the Australian Bureau of Statistics, fiscal year 2021/22 budget of the Commonwealth government, and the fiscal year 2020/21 and fiscal year 2021/22 budgets published by each state or territorial government (as of September 10) and IMF staff's estimates and projections.

Austria: Fiscal projections are based on the revised 2021 budget, the Austria Stability Programme, and the Austria National Reform Programme 2021. The new European Union (EU) recovery funds have been incorporated in the projections.

Belgium: Projections are based on the 2021–22 Stability Programme, the Draft Budgetary Plan 2020, the 2021 budget, and other available information on the authorities' fiscal plans, with adjustments for IMF staff assumptions.

Brazil: Fiscal projections for 2021 reflect policy announcements as of May 31, 2021. Medium-term projections reflect full compliance with Brazil's constitutional expenditure ceiling.

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

Canada: Projections use the baseline forecasts from the Federal Budget 2021 and the latest provincial budgets. IMF staff makes some adjustments to these forecasts, including for differences in macroeconomic projections. The IMF staff forecast also incorporates the most recent data releases from Statistics Canada's National Economic Accounts, including federal, provincial, and territorial budgetary outturns.

Chile: Projections are based on the authorities' budget projections, adjusted to reflect IMF staff's projections for GDP, copper prices, depreciation, and inflation.

China: After a large fiscal expansion estimated for 2020, a significant tightening is projected for 2021 based on the 2021 government budget and the fiscal outturn to date.

Colombia: Projections are based on the authorities' policies and projections reflected in the medium-term fiscal framework for 2021, adjusted to reflect IMF staff macroeconomic assumptions.

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

Cyprus: Projections are based on IMF staff assessments of authorities' budget plans and IMF staff macroeconomic assumptions.

Czech Republic: Projections are based on the authorities' latest available convergence program, and budget and medium-term fiscal framework, as well as IMF staff's macroeconomic framework.

Denmark: Estimates for the current year are aligned with the latest official budget numbers, adjusted where appropriate for the IMF staff macroeconomic assumptions. Beyond the current year, the projections incorporate key features of the medium-term fiscal plan as embodied in the authorities' latest budget. Structural balances are net of temporary fluctuations in some revenues. (for example, North Sea revenue, pension yield tax revenue) and one-offs (COVID-19–related one-offs are, however, included)

Egypt: Fiscal projections are mainly based on budget sector operations. Projections are based on the budget for the fiscal year 2021/22 and IMF staff's macroeconomic outlook.

Estonia: The forecast incorporates the authorities' approved supplementary budget for 2021, adjusted for newly available information and for IMF staff's macroeconomic scenario.

Ethiopia: The projections for 2022–26 are omitted due to an unusually high degree of uncertainty.

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

France: Projections for 2021 onward are based on the measures of the 2018–21 budget laws and the amendment to the 2021 budget voted on in July 2021, adjusted for differences in revenue projections and assumptions on macroeconomic and financial variables.

Germany: IMF staff projections for 2021 and beyond are based on the 2021 budgets and the 2022 draft budget plan, as well as on data updates from the national statistical agency (Destatis) and the Ministry of Finance, adjusted for differences in the IMF staff's macroeconomic framework and assumptions concerning revenue elasticities. 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: Historical data since 2010 reflect adjustments in line with the primary balance definition under the enhanced surveillance framework for Greece.

Hong Kong Special Administrative Region: Projections are based on the authorities' medium-term fiscal projections on expenditure.

Hungary: Fiscal projections include IMF staff projections of the macroeconomic framework and fiscal policy plans announced in the 2020 budget.

India: Historical data are based on budgetary execution data. Projections are based on available information about the authorities' fiscal plans, with adjustments for IMF staff assumptions. Subnational data are incorporated with a lag of up to one year; general government data are thus finalized well after central government data. IMF and Indian presentations differ, particularly regarding disinvestment and license-auction proceeds, net versus gross recording of revenues in certain minor categories, and some public sector lending. Starting from fiscal year 2020/21, expenditure also includes the off-budget component of food subsidies, consistent with the revised treatment of food subsidies in the budget. The IMF staff adjusts expenditure to remove payments for previous years' food subsidies, which are included as expenditure in budget estimates for fiscal years 2020/21 and 2021/22.

Indonesia: IMF projections are based on moderate tax policy and administration reforms, some expenditure rationalization, and a gradual increase in capital spending over the medium term in line with fiscal space.

Ireland: Fiscal projections are based on the country's 2021 budget and Stability Programme Update 2021.

Israel: Historical data are based on government finance statistics data prepared by the Central Bureau of Statistics. Projections are based on figures from the Ministry of Finance for the execution of the COVID-19 fiscal package during 2020, and assume partial implementation of the package for 2021.

Italy: IMF staff estimates and projections are informed by the fiscal plans included in the government's 2021 budget and amendments. The stock of maturing postal saving bonds is included in the debt projections.

Japan: The projections reflect fiscal measures announced by the government, with adjustments for IMF staff assumptions.

Kazakhstan: Fiscal projections are based on the budget code and IMF staff projections.

Korea: The forecast incorporates the overall fiscal balance in the 2021 annual and supplementary budget and the medium-term fiscal plan announced with the 2021 budget, as well as IMF staff adjustments.

Lebanon: Projections for 2021–26 are omitted because of an unusually high degree of uncertainty.

Libya: Against the backdrop of a civil war and weak capacity, the reliability of Libya's data, especially medium-term projections, is low.

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

Malta: Projections are based on the latest Stability Programme Update by the authorities and on budget documents, which also incorporate other recently adopted fiscal measures, adjusted for IMF staff macroeconomic and other assumptions.

Mexico: The 2020 Public Sector Borrowing Requirements estimate by staff adjusts for some statistical discrepancies between above-the-line and below-the-line numbers. Fiscal projections for 2021–22 are informed by the estimates in the 2022 budget proposal; projections for 2023 onward assume continued compliance with rules established in the Fiscal Responsibility Law.

Moldova: Fiscal projections are based on various bases and growth rates for GDP, consumption, imports, wages, and energy prices and on demographic changes.

Myanmar: Fiscal projections are based on budget numbers and the changed macro environment.

Netherlands, The: Fiscal projections for 2020–26 are based on IMF staff forecast frameworks, and informed by the authorities' draft budget plan and Bureau for Economic Policy Analysis projections. Historical data were revised following the June 2014 Central Bureau of Statistics release of macro data because of the adoption of the ESA 2010 and the revisions of data sources.

New Zealand: Fiscal projections are based on Budget Economic and Fiscal Update 2021 and IMF staff estimates.

Nigeria: Fiscal projections assume unchanged policies and differ from the authorities' active policy scenario.

Norway: Fiscal projections are based on the 2020 budget and subsequent ad hoc updates.

Philippines: Revenue projections reflect IMF staff macroeconomic assumptions and incorporate the updated data. Expenditure projections are based on budgeted figures, institutional arrangements, and current data in each year.

Poland: Data are based on the ESA-95 for 2004 and earlier. Data are based on ESA 2010 beginning in 2005 on an accrual basis. Projections are based on the 2021 budget and allocation for crisis spending related to the COVID-19 pandemic, including projections for likely actual COVID-related spending in 2021.

Portugal: The projections for the current year are based on the authorities' approved budget, adjusted to reflect the IMF staff's macroeconomic forecast. Projections thereafter are based on the assumption of unchanged policies.

Romania: Projections for 2021 mainly reflect legislated changes until the end of 2020 and measures in the 2021 budget.

Russian Federation: Fiscal policy was countercyclical in 2020. There will be some degree of consolidation in 2021 in line with economic recovery, and the deficit is likely to come back to the fiscal rule's limit in 2022.

Saudi Arabia: IMF staff baseline fiscal projections are based on IMF staff understanding of government policies as outlined in the 2021 budget. Exported oil revenues are based on *World Economic Outlook* baseline oil price assumptions and IMF staff's understanding of current oil policy under the OPEC+ agreement.

Singapore: For fiscal year 2020, estimates are based on budget execution through the end of 2020. Fiscal year 2021 projections are based on the initial budget of February 16, 2021. IMF staff assumes gradual withdrawal of remaining exception measures in fiscal year 2022 and unchanged policies for the remainder of the projection period.

Slovak Republic: Fiscal projections are based on the 2021 stability program but consider available data for 2020 and include the new EU recovery funds (not included in the stability program) for projection years.

Spain: Fiscal projections for 2021 include COVID-19–related support measures, the legislated increase in pensions, and the legislated revenue measures. Fiscal projections from 2022 onward assume no policy changes. Disbursements under the EU Recovery and Resilience Facility are reflected in the projections for 2021–24.

Sri Lanka: Fiscal projections are based on IMF staff assessments.

Sweden: Projections for 2020 are based on preliminary information on the Fall 2020 budget bill. The fiscal impact of cyclical developments is calculated using the 2014 Organisation for Economic Co-operation and Development elasticity,[1] which incorporates output and employment gaps.

[1]Price, R., T. Dang, and Y. Guillemette. 2014. "New Tax and Expenditure Elasticity Estimates for EU Budget Surveillance." OECD Economics Department Working Papers 1174, OECD Publishing, Paris.

Switzerland: The authorities' announced a discretionary stimulus, as reflected in the fiscal projections for 2020 and 2021, which is permitted within the context of the debt brake rule in the event of "exceptional circumstances."

Turkey: The basis for the projections in the *World Economic Outlook* and *Fiscal Monitor* is the IMF-defined fiscal balance, which excludes some revenues and expenditure items included in the authorities' headline balance.

United Kingdom: Fiscal projections are based on the latest GDP data published by the Office for National Statistics on June 30, 2021, and on forecasts by the Office for Budget Responsibility from March 3, 2021. Revenue projections are adjusted for differences between IMF staff forecasts of macroeconomic variables (such as GDP growth and inflation) and the forecasts of these variables assumed in the authorities' fiscal projections. Projections assume that the measures taken in response to the coronavirus outbreak expire as announced. It is also assumed some additional fiscal consolidation relative to the policies announced to date will start in fiscal year 2023/24 with the goal of stabilizing public debt within five years. IMF staff data exclude public sector banks and the effect of transferring assets from the Royal Mail Pension Plan to the public sector in April 2012. 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 Office for Budget Responsibility. Data are presented on a calendar year basis.

United States: Fiscal projections are based on the July 2021 Congressional Budget Office baseline adjusted for IMF staff policy and macroeconomic assumptions. Projections incorporate the effects of the proposed American Jobs, American Families, and Bipartisan Infrastructure Plans; the legislated American Rescue Plan; the Coronavirus Preparedness and Response Supplemental Appropriations Act; the Families First Coronavirus Response Act; the Coronavirus Aid, Relief, and Economic Security Act; the Paycheck Protection Program; and the Health Care Enhancement Act. Finally, fiscal projections are adjusted to reflect IMF staff forecasts for key macroeconomic and financial variables as well as different accounting treatments of financial sector support and defined-benefit pension plans, all of which are converted to a general government basis. Data are compiled using the 2008 SNA and when translated into government finance statistics, this is in accordance with the IMF *Government Finance Statistics Manual 2014*. Because of data limitations, most series begin in 2001.

Venezuela: Projecting the economic outlook in Venezuela, including assessing past and current economic developments as the basis for the projections, is complicated by the lack of discussions with the authorities (the last Article IV consultation took place in 2004), incomplete understanding of the reported data, and difficulties in interpreting certain reported economic indicators given economic developments. The fiscal accounts include the budgetary central government, social security funds, FOGADE (insurance deposit institution), and a sample of public enterprises including PDVSA. The data for 2018–21 are IMF staff estimates. The effects of hyperinflation and the lack of reported data mean that IMF staff–projected macroeconomic indicators should be interpreted with caution. For example, nominal GDP is estimated assuming that the GDP deflator rises in line with IMF staff projections of average inflation. Public external debt in relation to GDP is projected using IMF staff estimates of the average exchange rate for the year. Considerable uncertainty surrounds these projections.

Vietnam: Fiscal data for 2015–17 are the authorities' estimates. From 2018 onward, fiscal data are based on IMF staff projections.

Yemen: Hydrocarbon revenue projections are based on *World Economic Outlook* assumptions for hydrocarbon prices and authorities' projections for oil and gas production. Non-hydrocarbon revenues largely reflect authorities' projections and the evolution of other key indicators. Over the medium term, we assume conflict resolution, a recovery in economic activity, and additional expenditures associated with reconstruction costs.

Definition and Coverage of Fiscal Data

Table A. Economy Groupings

The following groupings of economies are used in the *Fiscal Monitor*. Data for all the economies can be found here: https://www.imf.org/external/datamapper/datasets/FM.

Advanced Economies	Emerging Market and Middle-Income Economies	Low-Income Developing Countries	G7 Countries	G20 Countries[1]	Advanced G20 Countries[1]	Emerging G20 Countries
Andorra	Albania	Afghanistan	Canada	Argentina	Australia	Argentina
Australia	Algeria	Bangladesh	France	Australia	Canada	Brazil
Austria	Angola	Benin	Germany	Brazil	France	China
Belgium	Antigua and Barbuda	Bhutan	Italy	Canada	Germany	India
Canada	Argentina	Burkina Faso	Japan	China	Italy	Indonesia
Cyprus	Armenia	Burundi	United Kingdom	France	Japan	Mexico
Czech Republic	Aruba	Cambodia	United States	Germany	Korea	Russia
Denmark	Azerbaijan	Cameroon		India	United Kingdom	Saudi Arabia
Estonia	Bahamas, The	Central Africa Republic		Indonesia	United States	South Africa
Finland	Bahrain	Chad		Italy		Turkey
France	Barbados	Comoros		Japan		
Germany	Belarus	Congo, Democratic Republic of the		Korea		
Greece	Belize	Congo, Republic of		Mexico		
Hong Kong SAR	Bolivia	Côte d'Ivoire		Russia		
Iceland	Bosnia and Herzegovina	Djibouti		Saudi Arabia		
Ireland	Botswana	Eritrea		South Africa		
Israel	Brazil	Ethiopia		Turkey		
Italy	Brunei Darussalam	Gambia, The		United Kingdom		
Japan	Bulgaria	Ghana		United States		
Korea	Cabo Verde	Guinea				
Latvia	Chile	Guinea-Bissau				
Lithuania	China	Haiti				
Luxembourg	Colombia	Honduras				
Macao SAR	Costa Rica	Kenya				
Malta	Croatia	Kiribati				
Netherlands, The	Dominica	Kyrgyz Republic				
New Zealand	Dominican Republic	Lao P.D.R.				
Norway	Ecuador	Lesotho				
Portugal	Egypt	Liberia				
Puerto Rico	El Salvador	Madagascar				
San Marino	Equatorial Guinea	Malawi				
Singapore	Eswatini	Mali				
Slovak Republic	Fiji	Mauritania				
Slovenia	Gabon	Moldova				
Spain	Georgia	Mozambique				
Sweden	Grenada	Myanmar				
Switzerland	Guatemala	Nepal				
Taiwan Province of China	Guyana	Nicaragua				
United Kingdom	Hungary	Niger				
United States	India	Nigeria				
	Indonesia	Papua New Guinea				
	Iran	Rwanda				
	Iraq	São Tomé and Príncipe				
	Jamaica	Senegal				
	Jordan	Sierra Leone				
	Kazakhstan	Solomon Islands				
	Kosovo	South Sudan				
	Kuwait	Somalia				

Table A. Economy Groupings *(continued)*

Advanced Economies	Emerging Market and Middle-Income Economies	Low-Income Developing Countries	G7 Countries	G20 Countries[1]	Advanced G20 Countries[1]	Emerging G20 Countries
	Lebanon	Sudan				
	Libya	Tajikistan				
	Malaysia	Tanzania				
	Maldives	Timor-Leste				
	Marshall Islands	Togo				
	Mauritius	Uganda				
	Mexico	Uzbekistan				
	Micronesia	Vietnam				
	Mongolia	Yemen				
	Montenegro	Zambia				
	Morocco	Zimbabwe				
	Namibia					
	Nauru					
	North Macedonia					
	Oman					
	Pakistan					
	Palau					
	Panama					
	Paraguay					
	Peru					
	Philippines					
	Poland					
	Qatar					
	Romania					
	Russia					
	Samoa					
	Saudi Arabia					
	Serbia					
	Seychelles					
	South Africa					
	Sri Lanka					
	St. Kitts and Nevis					
	St. Lucia					
	St. Vincent and the Grenadines					
	Suriname					
	Syria					
	Thailand					
	Tonga					
	Trinidad and Tobago					
	Tunisia					
	Turkey					
	Turkmenistan					
	Tuvalu					
	Ukraine					
	United Arab Emirates					
	Uruguay					
	Vanuatu					
	Venezuela					

Note: G7 = Group of Seven; G20 = Group of Twenty.
[1] Does not include European Union aggregate.

Table A. 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	Emerging Market and Middle-Income Africa
Austria	Brunei Darussalam	Albania	Antigua and Barbuda	Algeria	Angola
Belgium	China	Azerbaijan	Argentina	Bahrain	South Africa
Cyprus	Fiji	Belarus	Aruba	Egypt	
Estonia	India	Bosnia and Herzegovina	Bahamas, The	Iran	
Finland	Indonesia	Bulgaria	Barbados	Iraq	
France	Malaysia	Croatia	Belize	Jordan	
Germany	Maldives	Hungary	Bolivia	Kuwait	
Greece	Marshall Islands	Kazakhstan	Brazil	Lebanon	
Ireland	Micronesia	Kosovo	Chile	Libya	
Italy	Mongolia	Montenegro	Colombia	Morocco	
Latvia	Nauru	North Macedonia	Costa Rica	Oman	
Lithuania	Palau	Poland	Dominica	Qatar	
Luxembourg	Philippines	Romania	Dominican Republic	Saudi Arabia	
Malta	Samoa	Russia	Ecuador	Syria	
Netherlands	Sri Lanka	Serbia	El Salvador	Tunisia	
Portugal	Thailand	Turkey	Grenada	United Arab Emirates	
Slovak Republic	Tonga	Ukraine	Guatemala		
Slovenia	Tuvalu		Guyana		
Spain	Vanuatu		Jamaica		
			Mexico		
			Panama		
			Paraguay		
			Peru		
			St. Kitts and Nevis		
			St. Lucia		
			St. Vincent and the Grenadines		
			Suriname		
			Trinidad and Tobago		
			Uruguay		
			Venezuela		

Table A. Economy Groupings *(continued)*

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	Haiti	Benin	Afghanistan	Chad	Algeria
Bhutan	Honduras	Burkina Faso	Djibouti	Congo, Republic of	Angola
Cambodia	Nicaragua	Burundi	Kyrgyz Republic	Nigeria	Azerbaijan
Kiribati		Cameroon	Mauritania	Timor-Leste	Bahrain
Lao P.D.R.		Central Africa Republic	Moldova	Yemen	Brunei Darussalam
Myanmar		Chad	Somalia		Chad
Nepal		Comoros	Sudan		Canada
Papua New Guinea		Congo, Democratic Republic of the	Tajikistan		Congo, Republic of
Solomon Islands		Congo, Republic of	Uzbekistan		Ecuador
Timor-Leste		Côte d'Ivoire	Yemen		Equatorial Guinea
Vietnam		Eritrea			Gabon
		Ethiopia			Iran
		Gambia, The			Iraq
		Ghana			Kazakhstan
		Guinea			Kuwait
		Guinea-Bissau			Libya
		Kenya			Nigeria
		Lesotho			Norway
		Liberia			Oman
		Madagascar			Qatar
		Malawi			Russia
		Mali			Saudi Arabia
		Mozambique			Timor-Leste
		Niger			Trinidad and Tobago
		Nigeria			United Arab Emirates
		Rwanda			Venezuela
		São Tomé and Príncipe			Yemen
		Senegal			
		Sierra Leone			
		South Sudan			
		Tanzania			
		Togo			
		Uganda			
		Zambia			
		Zimbabwe			

Table B. 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		Valuation of Debt[2]
	Aggregate	Subsectors		Aggregate	Subsectors		Aggregate	Subsectors	
Australia	GG	CG,SG,LG,TG	A	GG	CG,SG,LG,TG	A	GG	CG,SG,LG,TG	Current market
Austria	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	Face
Belgium	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	Face
Canada	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	Face
Cyprus	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Face
Czech Republic	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Nominal
Denmark	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Face
Estonia	GG	CG,LG,SS	C	. . .	. . .	. . .	GG	CG,LG,SS	Nominal
Finland	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Face
France	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Face
Germany	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	Face
Greece	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Nominal
Hong Kong SAR	GG	CG	C	GG	CG	C	GG	CG	Face
Iceland	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Face
Ireland	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Nominal
Israel	GG	CG,LG,SS	Mixed	GG	CG,LG,SS	Mixed	GG	CG,LG,SS	Nominal
Italy	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Face
Japan	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Current market
Korea	CG	CG,SS	C	CG	CG,SS	C	CG	CG,SS	Nominal
Latvia	GG	CG,LG,SS	C	GG	CG,LG,SS	C	GG	CG,LG,SS	Nominal
Lithuania	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Nominal
Luxembourg	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Face
Malta	GG	CG,SS	A	GG	CG,SS	A	GG	CG,SS	Nominal
Netherlands, The	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Nominal
New Zealand	GG	CG,LG	A	GG	CG,LG	A	GG	CG,LG	Current market
Norway	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Current market
Portugal	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Nominal
Singapore	GG	CG	C	GG	CG	C	GG	CG	Nominal
Slovak Republic	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Face
Slovenia	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Face
Spain	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	Nominal
Sweden	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Nominal
Switzerland	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	A	GG	CG,SG,LG,SS	Nominal
United Kingdom	GG	CG,LG	A	GG	CG,LG	A	GG	CG,LG	Nominal
United States	GG	CG,SG,LG	A	GG	CG,SG,LG	A	GG	CG,SG,LG	Nominal

Note: Coverage: CG = central government; GG = general government; LG = local governments; SG = state governments; SS = social security funds; TG = territorial governments. Accounting practice: A = accrual; C = cash; Mixed = combination of accrual and cash accounting.

[1] In many economies, fiscal data follow the IMF's *Government Finance Statistics Manual 2014*. The concept of overall fiscal balance refers to net lending and 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] "Nominal" refers to debt securities that are valued at their nominal values; that is, the nominal value of a debt instrument at any moment in time is the amount that the debtor owes to the creditor. "Face" refers to the undiscounted amount of principal to be repaid at (or before) maturity. The use of face value as a proxy for nominal value in measuring the gross debt position can result in an inconsistent approach across all instruments and is not recommended, unless nominal and market values are not available. "Current market" refers to debt securities that are valued at market prices; insurance, pension, and standardized guarantee schemes are valued according to principles that are equivalent to market valuation; and all other debt instruments are valued at nominal prices, which are considered to be the best generally available proxies for their market prices.

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

	Overall Fiscal Balance[1]			Cyclically Adjusted Balance			Gross Debt		
	Coverage		Accounting Practice	Coverage		Accounting Practice	Coverage		Valuation of Debt[2]
	Aggregate	Subsectors		Aggregate	Subsectors		Aggregate	Subsectors	
Algeria	CG	CG	C	. . .	. . .	. . .	CG	CG	Face
Angola	GG	CG, LG	Mixed	. . .	. . .	. . .	GG	CG,LG	Nominal
Argentina	GG	CG,SG,SS	C	CG	CG	C	CG	CG	Nominal
Belarus[3]	GG	CG,LG,SS	C	. . .	. . .	. . .	GG	CG,LG,SS	Nominal
Brazil[4]	NFPS	CG,SG,LG,SS,NFPC	C	NFPS	CG,SG,LG,SS,NFPC	C	NFPS	CG,SG,LG,SS,NFPC	Nominal
Bulgaria	GG	CG,LG,SS	C	GG	CG,LG,SS	C	GG	CG,LG,SS	Nominal
Chile	GG	CG,LG	A	CG	CG	A	GG	CG,LG	Face
China	GG	CG,LG,SS	C	GG	CG,LG,SS	C	GG	CG,LG,SS	Face
Colombia[5]	GG	CG,SG,LG,SS	Mixed	GG	CG,SG,LG,SS	Mixed	GG	CG,SG,LG,SS	Face
Croatia	GG	CG,LG	A	GG	CG,LG	A	GG	CG,LG	Nominal
Dominican Republic	CG	CG,LG,SS, NMPC	Mixed	PS	CG,LG,SS, NMPC	Mixed	PS	CG,LG,SS,NMPC	Face
Ecuador	NFPS	CG,SG,LG,SS, NFPC	C	NFPS	CG,SG,LG,SS, NFPC	C	NFPS	CG,SG,LG,SS,NFPC	Nominal
Egypt	GG	CG,LG,SS	C	GG	CG,LG,SS	C	GG	CG,LG,SS	Nominal
Hungary	GG	CG,LG,SS,NMPC	A	GG	CG,LG,SS,NMPC	A	GG	CG,LG,SS,NMPC	Face
India	GG	CG,SG	C	GG	CG,SG	C	GG	CG,SG	Nominal
Indonesia	GG	CG,LG	C	GG	CG,LG	C	GG	CG,LG	Face
Iran	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Kazakhstan	GG	CG,LG	C	. . .	. . .	. . .	GG	CG,LG	Nominal
Kuwait	GG	CG, SS	Mixed	. . .	. . .	. . .	GG	CG,SS	Nominal
Lebanon	CG	CG	Mixed	CG	CG	Mixed	CG	CG	Nominal
Malaysia	GG	CG,SG,LG	C	GG	CG,SG,LG	C	GG	CG,SG,LG	Nominal
Mexico	PS	CG,SS,NMPC,NFPC	C	PS	CG,SS,NMPC,NFPC	C	PS	CG,SS,NMPC,NFPC	Face
Morocco	CG	CG	A	. . .	. . .	. . .	CG	CG	Face
Oman	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Pakistan	GG	CG,SG,LG	C	. . .	. . .	. . .	GG	CG,SG,LG	Nominal
Peru	GG	CG,SG,LG,SS	C	GG	CG,SG,LG,SS	C	NFPS	CG,SG,LG,SS,NFPC	Face
Philippines	GG	CG,LG,SS	C	GG	CG,LG,SS	C	GG	CG,LG,SS	Nominal
Poland	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Face
Qatar	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Romania	GG	CG,LG,SS	C	GG	CG,LG,SS	C	GG	CG,LG,SS	Face
Russia	GG	CG,SG,SS	Mixed	GG	CG,SG,SS	Mixed	GG	CG,SG,SS	Current market
Saudi Arabia	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
South Africa[6]	GG	CG,SG,SS	C	GG	CG,SG,SS	C	GG	CG,SG,SS	Nominal
Sri Lanka	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Thailand[7]	PS	CG,BCG,LG,SS	A	PS	CG,BCG,LG,SS	A	PS	CG,BCG,LG,SS	Nominal
Turkey	GG	CG,LG,SS	A	GG	CG,LG,SS	A	GG	CG,LG,SS	Nominal
Ukraine	GG	CG,LG,SS	C	GG	CG,LG,SS	C	GG	CG,LG,SS	Nominal
United Arab Emirates[8]	GG	CG,BCG,SG,SS	Mixed	. . .	. . .	. . .	GG	CG,BCG,SG,SS	Nominal
Uruguay	NFPS	CG,LG,SS, NMPC, NFPC	A	. . .	. . .	. . .	NFPS	CG,LG,SS,NMPC,NFPC	Face
Venezuela[9]	GG	BCG,NFPC	C	GG	BCG,NFPC	C	GG	BCG,NFPC	Nominal

Note: Coverage: BCG = budgetary central government; CG = central government; GG = general government; LG = local governments; 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; Mixed = combination of accrual and cash accounting.

[1] In many countries, fiscal data follow the IMF's *Government Finance Statistics Manual 2014*. The concept of overall fiscal balance refers to net lending and 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] "Nominal" refers to debt securities that are valued at their nominal values; that is, the nominal value of a debt instrument at any moment in time is the amount that the debtor owes to the creditor. "Face" refers to the undiscounted amount of principal to be repaid at (or before) maturity. The use of face value as a proxy for nominal value in measuring the gross debt position can result in an inconsistent approach across all instruments and is not recommended, unless nominal and market values are not available. "Current market" refers to debt securities that are valued at market prices; insurance, pension, and standardized guarantee schemes are valued according to principles that are equivalent to market valuation; and all other debt instruments are valued at nominal prices, which are considered to be the best generally available proxies of their market prices.

[3] "Gross debt" refers to general government public debt, including publicly guaranteed debt.

[4] "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. The overall balance combines the cash primary balance of the nonfinancial public sector and the net interest of the public sector on an accrual basis.

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

[6] Coverage for South Africa includes the national and provincial governments, the social security funds, and certain public entities. Local governments are only partially covered. For gross debt, the coverage is central government.

[7] Data for Thailand do not include the debt of specialized financial institutions (NMPC) without a government guarantee.

[8] Gross debt covers banking system claims only.

[9] The fiscal accounts include the budgetary central government, social security, FOGADE (an insurance deposit institution), and a sample of public enterprises, including Petróleos de Venezuela, S.A. Data for 2018–19 are IMF staff estimates.

Table D. 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		Valuation of Debt[2]
	Aggregate	Subsectors		Aggregate	Subsectors		Aggregate	Subsectors	
Afghanistan	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Bangladesh	CG	CG	C	CG	CG	C	CG	CG	Nominal
Benin	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Burkina Faso	CG	CG	CB	. . .	. . .	. . .	CG	CG	Face
Cambodia	CG	CG,LG	A	CG	CG,LG	A	CG	CG,LG	Face
Cameroon	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Chad	NFPS	CG,NFPC	C	. . .	. . .	. . .	NFPS	CG,NFPC	Face
Congo, Democratic Republic of the	CG	CG,LG	A	. . .	. . .	. . .	CG	CG,LG,NFPC	Nominal
Congo, Republic of	CG	CG	A	. . .	. . .	. . .	CG	CG	Nominal
Côte d'Ivoire	CG	CG, SS	A	. . .	. . .	. . .	CG	CG, SS	Nominal
Ethiopia	GG	CG,SG,LG	C	. . .	. . .	. . .	NFPS	CG,SG,LG,NFPC	Nominal
Ghana	CG	CG	C	. . .	. . .	. . .	CG	CG	Face
Guinea	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Haiti[3]	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Honduras	GG	CG,LG,SS	Mixed	GG	CG,LG,SS	Mixed	GG	CG,LG,SS	Nominal
Kenya	CG	CG	C	. . .	. . .	. . .	CG	CG	Current market
Kyrgyz Republic	GG	CG,LG,SS	C	. . .	. . .	. . .	GG	CG,LG,SS	Face
Lao P.D.R.[4]	CG	CG	C	CG	CG	C	CG	CG	Nominal
Madagascar	CG	CG, LG	CB	. . .	. . .	. . .	NFPS	CG,LG,NFPC	Nominal
Malawi	CG	CG	C	. . .	. . .	. . .	CG	CG	. . .
Mali	CG	CG	Mixed	. . .	. . .	. . .	CG	CG	Nominal
Moldova	GG	CG,LG,SS	C	GG	CG,LG,SS	C	GG	CG,LG,SS	Nominal
Mozambique	CG	CG,SG	Mixed	CG	CG,SG	Mixed	CG	CG,SG	Nominal
Myanmar[5]	NFPS	CG,NFPC	C	. . .	. . .	. . .	NFPS	CG,NFPC	Face
Nepal	CG	CG	C	CG	CG	C	CG	CG	Face
Nicaragua	GG	CG,LG,SS	C	GG	CG,LG,SS	C	GG	CG,LG,SS	Nominal
Niger	CG	CG	A	. . .	. . .	. . .	CG	CG	Nominal
Nigeria	GG	CG,SG,LG	C	. . .	. . .	. . .	GG	CG,SG,LG	Current market
Papua New Guinea	CG	CG	C	. . .	. . .	. . .	CG	CG	Face
Rwanda	GG	CG,LG	Mixed	. . .	. . .	. . .	GG	CG,LG	Nominal
Senegal	CG	CG	C	. . .	. . .	. . .	NFPS	CG, LG,SS,NFPC	Nominal
Sudan	CG	CG	Mixed	. . .	. . .	. . .	CG	CG	Nominal
Tajikistan	GG	CG,LG,SS	C	. . .	. . .	. . .	GG	CG,LG,SS	Nominal
Tanzania	CG	CG,LG	C	. . .	. . .	. . .	CG	CG,LG	Nominal
Uganda	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Uzbekistan[6]	GG	CG,SG,LG,SS	C	. . .	. . .	. . .	GG	CG,SG,LG,SS	Nominal
Vietnam	GG	CG,SG,LG	C	GG	CG,SG,LG	C	GG	CG,SG,LG	Nominal
Yemen	GG	CG,LG	C	. . .	. . .	. . .	GG	CG,LG	Nominal
Zambia	CG	CG	C	. . .	. . .	. . .	CG	CG	Nominal
Zimbabwe	CG	CG	C	. . .	. . .	. . .	CG	CG	Current market

Note: Coverage: CG = central government; GG = general government; LG = local governments; NFPC = nonfinancial public corporations; NFPS = nonfinancial public sector; SG = state governments; SS = social security funds. Accounting standard: A = accrual; C = cash; CB = commitments based; Mixed = combination of accrual and cash accounting.

[1] In many countries, fiscal data follow the IMF's *Government Finance Statistics Manual 2014*. The concept of overall fiscal balance refers to net lending and 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] "Nominal" refers to debt securities that are valued at their nominal values; that is, the nominal value of a debt instrument at any moment in time is the amount that the debtor owes to the creditor. "Face" refers to the undiscounted amount of principal to be repaid at (or before) maturity. The use of face value as a proxy for nominal value in measuring the gross debt position can result in an inconsistent approach across all instruments and is not recommended, unless nominal and market values are not available. "Current market" refers to debt securities that are valued at market prices; insurance, pension, and standardized guarantee schemes are valued according to principles that are equivalent to market valuation; and all other debt instruments are valued at nominal prices, which are considered to be the best generally available proxies of their market prices.

[3] Haiti's fiscal balance and debt data cover the central government, special funds and programs (Fonds d'Entretien Routier and Programme de Scolarisation Universelle, Gratuite, et Obligatoire), and the state-owned electricity company EDH.

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

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

[6] Uzbekistan's listing includes the Fund for Reconstruction and Development.

Table A1. Advanced Economies: General Government Overall Balance, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	–5.5	–3.7	–3.1	–2.6	–2.7	–2.4	–2.5	–3.0	–10.8	–8.8	–4.8	–3.6	–3.2	–3.1	–3.0
Euro Area	–3.7	–3.0	–2.5	–2.0	–1.5	–0.9	–0.5	–0.6	–7.2	–7.7	–3.4	–2.4	–2.0	–1.7	–1.6
G7	–6.5	–4.3	–3.6	–3.0	–3.3	–3.3	–3.4	–3.8	–12.2	–10.0	–5.4	–4.1	–3.7	–3.6	–3.6
G20 Advanced	–6.1	–4.1	–3.5	–2.9	–3.1	–3.0	–3.1	–3.6	–11.7	–9.6	–5.4	–4.0	–3.6	–3.5	–3.5
Australia	–3.5	–2.8	–2.9	–2.8	–2.4	–1.7	–1.3	–4.4	–8.7	–8.5	–5.8	–3.7	–2.9	–2.5	–2.0
Austria	–2.2	–2.0	–2.7	–1.0	–1.5	–0.8	0.2	0.6	–8.8	–5.8	–2.9	–1.8	–0.9	–1.0	–1.0
Belgium	–4.3	–3.1	–3.1	–2.4	–2.4	–0.7	–0.8	–1.9	–9.4	–7.0	–4.4	–4.6	–4.8	–4.8	–5.0
Canada	–2.5	–1.5	0.2	–0.1	–0.5	–0.1	0.3	0.5	–10.9	–7.5	–2.2	–0.5	–0.1	0.2	0.4
Cyprus[1]	–5.6	–5.2	–0.2	0.2	0.2	2.0	–3.5	1.5	–5.7	–5.1	–1.4	–0.7	0.0	0.7	1.0
Czech Republic	–3.9	–1.3	–2.1	–0.6	0.7	1.5	0.9	0.3	–6.1	–8.0	–5.5	–4.8	–4.1	–3.5	–3.0
Denmark	–3.5	–1.2	1.1	–1.3	–0.1	1.8	0.8	4.1	–0.6	–1.9	0.1	–0.4	–0.3	–0.2	0.0
Estonia	–0.3	0.2	0.7	0.1	–0.4	–0.7	–0.5	0.5	–4.9	–2.9	–2.4	–1.7	–1.0	–0.3	0.3
Finland	–2.2	–2.5	–3.0	–2.4	–1.7	–0.7	–0.9	–1.0	–5.5	–4.6	–2.6	–1.9	–1.8	–1.7	–1.6
France	–5.0	–4.1	–3.9	–3.6	–3.6	–3.0	–2.3	–3.1	–9.2	–8.9	–4.7	–3.9	–3.6	–3.4	–3.4
Germany	0.0	0.0	0.6	1.0	1.2	1.3	1.9	1.5	–4.3	–6.8	–1.8	–0.4	0.0	0.5	0.5
Greece	–6.7	–3.8	–4.1	–3.0	0.3	0.9	0.8	0.2	–10.5	–10.2	–4.3	–2.8	–2.4	–2.0	–1.6
Hong Kong SAR	3.1	1.0	3.6	0.6	4.4	5.5	2.4	–0.6	–9.2	–3.7	–1.9	–1.4	–1.1	–0.7	–0.7
Iceland	–2.6	–1.2	0.3	–0.4	12.5	1.0	0.9	–1.5	–8.6	–8.7	–6.4	–3.5	–0.6	0.5	0.3
Ireland[1]	–8.5	–6.4	–3.6	–2.0	–0.8	–0.4	0.0	0.3	–5.0	–5.3	–3.4	–2.2	–2.0	–1.5	–1.5
Israel	–4.3	–4.0	–2.3	–1.1	–1.4	–1.1	–3.5	–3.9	–11.4	–6.8	–4.3	–3.7	–3.5	–3.3	–3.1
Italy	–2.9	–2.9	–3.0	–2.6	–2.4	–2.4	–2.2	–1.6	–9.5	–10.2	–4.7	–3.5	–2.9	–2.6	–2.4
Japan	–8.5	–7.9	–5.9	–3.9	–3.8	–3.3	–2.7	–3.1	–10.3	–9.0	–3.9	–2.1	–2.1	–2.1	–2.2
Korea	1.5	0.6	0.4	0.5	1.6	2.2	2.6	0.4	–2.2	–2.9	–2.8	–2.4	–2.2	–2.1	–2.0
Latvia	0.2	–0.6	–1.7	–1.5	–0.4	–0.8	–0.7	–0.4	–3.9	–8.6	–3.6	–0.6	–0.3	–0.1	0.0
Lithuania	–3.1	–2.6	–0.7	–0.2	0.3	0.5	0.6	0.3	–7.4	–5.2	–2.7	–1.4	–0.8	–0.4	–0.3
Luxembourg	0.5	0.9	1.4	1.4	1.9	1.3	3.0	2.4	–4.1	–1.3	–0.3	0.0	0.1	0.1	0.1
Malta	–3.4	–2.3	–1.7	–1.0	0.9	3.1	1.9	0.4	–9.9	–11.6	–6.3	–4.7	–3.4	–3.1	–2.8
Netherlands, The	–3.9	–2.9	–2.2	–2.0	0.0	1.3	1.4	2.5	–4.3	–6.1	–2.0	–1.1	–0.5	–0.1	0.2
New Zealand	–2.2	–1.3	–0.4	0.3	1.0	1.3	1.1	–2.3	–6.0	–7.4	–5.9	–2.8	–1.2	–0.2	0.0
Norway	13.8	10.7	8.6	6.0	4.1	5.0	7.8	6.4	–6.1	–5.9	0.0	2.2	3.3	3.4	3.3
Portugal	–6.2	–5.1	–7.3	–4.4	–1.9	–3.0	–0.3	0.1	–5.7	–4.8	–3.0	–2.2	–1.5	–1.4	–1.3
Singapore	7.3	6.0	4.6	2.9	3.7	5.3	3.7	3.9	–8.9	–0.2	2.0	2.1	2.3	1.6	2.2
Slovak Republic	–4.4	–2.9	–3.1	–2.7	–2.6	–1.0	–1.0	–1.3	–6.1	–7.5	–4.0	–3.2	–2.2	–1.9	–2.0
Slovenia	–4.0	–14.6	–5.5	–2.8	–1.9	–0.1	0.7	0.4	–8.3	–7.0	–3.8	–2.2	–1.2	–0.8	–0.4
Spain[1]	–10.7	–7.0	–5.9	–5.2	–4.3	–3.0	–2.5	–2.9	–11.0	–8.6	–5.0	–4.4	–4.2	–4.2	–4.3
Sweden	–1.0	–1.4	–1.5	0.0	1.0	1.4	0.8	0.5	–3.1	–2.6	–0.8	–0.3	0.1	0.3	0.3
Switzerland	0.2	–0.4	–0.2	0.5	0.2	1.1	1.3	1.3	–2.8	–2.1	–0.3	–0.1	–0.1	0.0	0.0
United Kingdom	–7.6	–5.5	–5.5	–4.5	–3.3	–2.4	–2.2	–2.3	–12.5	–11.9	–5.6	–3.6	–3.2	–3.1	–2.9
United States[2]	–8.0	–4.5	–4.0	–3.5	–4.3	–4.6	–5.4	–5.7	–14.9	–10.8	–6.9	–5.7	–5.2	–5.3	–5.3

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

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

[1] Data include financial sector support. For Cyprus, 2014 and 2015 balances exclude financial sector support.

[2] For cross-economy comparison, the expenditures 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 expenditures under the 2008 System of National Accounts (2008 SNA) adopted by the United States, but not in economies that have not yet adopted the 2008 SNA. Data for the United States in this table may therefore differ from data published by the US Bureau of Economic Analysis.

Table A2. Advanced Economies: General Government Primary Balance, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	–3.7	–2.1	–1.5	–1.1	–1.2	–0.9	–1.0	–1.5	–9.5	–7.8	–4.0	–2.8	–2.2	–2.0	–1.8
Euro Area	–1.0	–0.6	–0.2	0.1	0.4	0.8	1.2	0.8	–5.9	–6.5	–2.3	–1.3	–1.0	–0.7	–0.7
G7	–4.4	–2.5	–1.8	–1.3	–1.6	–1.6	–1.7	–2.1	–10.6	–8.6	–4.4	–3.1	–2.5	–2.3	–2.1
G20 Advanced	–4.1	–2.4	–1.8	–1.3	–1.5	–1.4	–1.5	–2.0	–10.2	–8.4	–4.3	–3.0	–2.4	–2.2	–2.0
Australia	–2.9	–2.1	–2.1	–1.9	–1.5	–0.8	–0.4	–3.5	–7.8	–7.5	–4.6	–2.2	–1.4	–0.9	–0.4
Austria	0.0	0.2	–0.7	0.9	0.1	0.6	1.4	1.6	–7.8	–5.3	–2.3	–1.2	–0.3	–0.5	–0.5
Belgium	–1.2	–0.2	–0.2	0.2	0.0	1.4	1.0	–0.2	–7.7	–5.6	–3.3	–3.7	–4.0	–4.0	–4.2
Canada	–1.8	–1.0	0.5	0.6	0.1	0.1	0.3	0.6	–10.6	–7.1	–2.1	–0.3	0.3	0.7	0.9
Cyprus[1]	–2.9	–1.9	2.8	3.1	2.7	4.3	–1.2	3.6	–3.7	–2.9	0.7	1.1	1.7	2.2	2.4
Czech Republic	–2.7	–0.2	–1.0	0.3	1.5	2.1	1.5	0.8	–5.5	–7.3	–4.7	–4.0	–3.2	–2.6	–2.2
Denmark	–3.0	–0.8	1.6	–0.6	0.4	1.7	0.4	3.8	–0.9	–2.2	–0.3	–0.7	–0.6	–0.4	–0.2
Estonia	–0.4	0.1	0.7	0.1	–0.5	–0.7	–0.5	0.5	–4.9	–2.9	–2.4	–1.7	–1.0	–0.3	0.3
Finland	–1.9	–2.4	–2.8	–2.3	–1.4	–0.4	–0.7	–0.8	–5.4	–4.6	–2.7	–2.1	–1.9	–1.7	–1.5
France	–2.5	–1.9	–1.8	–1.8	–1.9	–1.3	–0.7	–1.7	–8.0	–7.8	–3.9	–3.2	–2.9	–2.7	–2.7
Germany	1.9	1.5	1.8	2.0	2.1	2.2	2.6	2.0	–3.9	–6.5	–1.5	0.0	0.3	0.8	0.8
Greece	–1.4	0.3	–0.2	0.5	3.5	4.1	4.2	3.2	–7.5	–7.3	–1.3	0.2	0.6	1.0	1.5
Hong Kong SAR	1.3	–0.7	3.6	0.6	3.6	4.7	1.0	–2.2	–11.1	–6.5	–4.4	–3.1	–2.4	–2.2	–2.1
Iceland	0.3	1.9	3.8	3.2	15.5	3.9	3.1	0.5	–6.4	–6.5	–2.5	0.3	1.9	2.8	2.5
Ireland[1]	–5.3	–2.9	–0.3	0.3	1.4	1.5	1.6	1.6	–4.0	–4.5	–2.5	–1.4	–1.2	–0.8	–0.8
Israel	–1.3	–1.1	–0.3	0.7	0.4	0.8	–1.4	–2.0	–9.4	–4.6	–2.1	–1.4	–1.2	–1.0	–0.8
Italy	2.0	1.8	1.4	1.4	1.3	1.2	1.3	1.7	–6.2	–7.1	–1.7	–0.7	–0.3	–0.1	–0.1
Japan	–7.3	–6.8	–4.8	–2.9	–2.8	–2.4	–1.9	–2.4	–9.5	–8.4	–3.6	–2.0	–1.9	–2.0	–2.1
Korea	1.0	0.2	0.0	0.2	1.4	1.8	2.1	–0.1	–2.9	–3.3	–3.0	–2.5	–2.2	–2.0	–1.8
Latvia	1.7	0.9	–0.2	0.3	0.8	0.3	0.2	0.5	–3.0	–7.8	–2.9	0.1	0.3	0.5	0.6
Lithuania	–1.2	–0.9	1.0	1.3	1.6	1.6	1.5	1.1	–6.8	–4.9	–2.4	–1.1	–0.6	–0.2	–0.1
Luxembourg	0.3	0.7	1.1	1.1	1.7	1.1	2.8	2.2	–4.3	–1.6	–0.5	–0.3	–0.2	–0.3	–0.3
Malta	–0.5	0.4	0.9	1.2	3.0	4.9	3.3	1.7	–8.6	–10.3	–5.1	–3.6	–2.3	–2.0	–1.5
Netherlands, The	–2.5	–1.6	–0.8	–0.8	1.1	2.2	2.2	3.2	–3.9	–5.9	–1.8	–0.8	–0.2	0.2	0.4
New Zealand	–1.3	–0.5	0.2	1.0	1.7	1.9	1.7	–1.6	–5.3	–6.6	–5.1	–1.9	–0.3	0.7	0.9
Norway	11.9	8.8	6.3	3.5	1.5	2.6	5.7	4.3	–8.1	–8.0	–2.0	0.2	1.2	1.3	1.2
Portugal	–1.9	–0.9	–3.0	–0.1	1.9	0.7	2.9	2.9	–3.0	–2.3	–0.8	–0.1	0.4	0.2	0.3
Singapore	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Slovak Republic	–2.8	–1.2	–1.4	–1.2	–1.2	0.2	0.2	–0.3	–5.1	–6.6	–3.1	–2.4	–1.3	–1.0	–1.1
Slovenia	–2.6	–12.6	–2.7	0.0	0.7	2.1	2.5	1.9	–6.9	–5.8	–2.9	–1.4	–0.5	–0.2	0.1
Spain[1]	–8.2	–4.1	–3.0	–2.6	–1.9	–0.7	–0.3	–0.8	–8.9	–6.7	–3.2	–2.7	–2.5	–2.5	–2.6
Sweden	–0.8	–1.2	–1.4	0.0	1.0	1.4	0.8	0.4	–3.2	–2.8	–0.8	–0.2	0.1	0.4	0.4
Switzerland	0.6	–0.2	0.0	0.8	0.4	1.3	1.4	1.5	–2.7	–1.9	–0.2	0.0	0.0	0.1	0.1
United Kingdom	–5.3	–4.2	–3.7	–3.1	–1.7	–0.6	–0.6	–0.9	–11.4	–10.8	–4.6	–2.7	–2.2	–2.0	–1.9
United States[2]	–5.8	–2.6	–2.1	–1.7	–2.3	–2.6	–3.2	–3.5	–12.7	–9.2	–5.6	–4.3	–3.6	–3.3	–3.0

Source: IMF staff estimates and projections. Projections are based on staff assessments 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.

[1] Data include financial sector support. For Cyprus, 2014 and 2015 balances exclude financial sector support.

[2] For cross-economy comparison, the expenditures 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 expenditures under the 2008 System of National Accounts (2008 SNA) adopted by the United States, but not in economies that have not yet adopted the 2008 SNA. Data for the United States in this table may therefore differ from data published by the US Bureau of Economic Analysis.

Table A3. Advanced Economies: General Government Cyclically Adjusted Balance, 2012–26

(Percent of potential GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	–4.0	–2.8	–2.3	–2.0	–2.3	–2.3	–2.6	–3.2	–8.1	–7.3	–5.3	–4.2	–3.7	–3.5	–3.4
Euro Area	–2.4	–1.1	–0.9	–0.7	–0.6	–0.6	–0.4	–0.7	–4.7	–6.0	–3.1	–2.3	–2.0	–1.8	–1.7
G7	–4.6	–3.2	–2.7	–2.4	–2.8	–3.0	–3.3	–3.9	–9.1	–8.2	–6.0	–4.8	–4.2	–4.0	–3.9
G20 Advanced	–4.4	–3.1	–2.5	–2.2	–2.6	–2.7	–3.0	–3.7	–8.8	–7.9	–5.9	–4.7	–4.1	–3.9	–3.8
Australia	–3.5	–2.7	–2.7	–2.6	–2.3	–1.6	–1.2	–4.1	–7.9	–8.1	–5.8	–3.8	–3.0	–2.6	–2.1
Austria	–2.6	–1.7	–2.2	–0.5	–1.2	–1.0	–1.2	–1.2	–6.2	–4.8	–2.7	–1.6	–0.7	–1.0	–1.1
Belgium	–3.8	–2.2	–2.2	–1.8	–1.7	–0.2	–0.6	–2.0	–7.3	–6.2	–4.3	–4.5	–4.8	–4.8	–5.0
Canada	–2.4	–1.5	–0.2	0.0	–0.1	–0.3	0.0	0.4	–9.2	–7.0	–2.6	–0.8	–0.2	0.2	0.4
Cyprus	–4.3	–2.0	2.2	2.1	1.0	1.5	2.2	0.0	–3.6	–3.5	–0.9	–0.4	0.1	0.5	0.8
Czech Republic	–2.8	0.3	–0.6	–0.4	0.7	0.8	0.2	–0.8	–5.4	–7.4	–5.0	–4.5	–4.0	–3.5	–3.0
Denmark	–2.0	0.4	2.5	–0.5	–0.4	0.7	–0.4	2.7	0.8	–1.6	–0.2	–0.5	–0.4	–0.2	0.0
Estonia	0.2	0.9	1.2	0.8	0.1	–1.1	–1.2	–0.2	–3.8	–3.2	–2.7	–2.0	–1.2	–0.4	0.3
Finland	–2.1	–1.4	–1.1	0.0	–0.2	–0.4	–0.4	–0.7	–2.4	–3.1	–2.4	–2.0	–1.7	–1.7	–1.6
France	–4.1	–2.8	–2.5	–2.1	–2.0	–2.0	–1.8	–3.1	–6.3	–7.5	–4.6	–3.9	–3.6	–3.4	–3.4
Germany	–0.1	0.5	0.8	1.1	1.1	0.8	1.5	1.2	–3.1	–5.7	–1.6	–0.3	0.0	0.5	0.5
Greece	2.1	4.7	2.7	2.8	5.3	4.5	3.7	2.9	–3.6	–7.1	–1.9	–2.6	–2.5	–2.3	–1.9
Hong Kong SAR	3.2	1.0	3.6	0.7	4.7	5.5	2.3	0.3	–5.8	–2.9	–1.5	–1.3	–1.0	–0.6	–0.7
Iceland	–1.4	–1.3	1.2	0.2	12.1	0.3	–0.8	–2.6	–6.0	–6.9	–5.7	–3.4	–0.6	0.5	0.3
Ireland[1]	–5.8	–4.9	–3.1	–1.4	–1.4	–0.9	–0.4	0.2	–4.3	–5.3	–3.3	–2.2	–2.0	–1.5	–1.5
Israel	–4.3	–4.2	–2.6	–0.8	–1.4	–1.1	–3.6	–4.1	–9.8	–6.3	–4.0	–3.6	–3.5	–3.3	–3.1
Italy	–1.5	–0.7	–0.8	–0.8	–1.1	–1.6	–1.6	–0.9	–6.0	–7.1	–3.8	–3.3	–2.9	–2.8	–2.5
Japan	–7.5	–7.4	–5.6	–4.4	–4.3	–3.5	–2.7	–2.6	–9.2	–8.0	–3.6	–2.0	–2.0	–2.1	–2.2
Korea	1.6	0.7	0.5	0.7	1.8	2.3	2.6	0.5	–1.5	–2.5	–2.6	–2.3	–2.2	–2.1	–2.0
Latvia	0.0	–1.4	–1.4	–1.6	–0.8	–1.7	–2.0	–1.4	–2.7	–7.9	–3.4	–0.6	–0.3	–0.1	0.0
Lithuania	–2.3	–2.1	–0.6	0.0	0.4	0.4	0.5	0.2	–7.0	–5.4	–3.1	–1.6	–1.0	–0.5	–0.3
Luxembourg	0.9	1.0	1.4	1.3	1.2	1.5	2.9	1.9	–3.1	–1.0	–0.2	0.0	0.1	0.1	0.2
Malta	–2.3	–1.1	–1.3	–2.1	0.6	3.0	1.3	0.1	–7.0	–9.3	–5.1	–4.1	–3.2	–3.1	–2.7
Netherlands, The	–2.7	–1.1	–0.5	–0.8	0.8	1.3	0.8	1.8	–3.2	–5.2	–1.5	–0.7	–0.2	0.1	0.2
New Zealand	–1.1	–0.2	0.3	0.6	1.1	1.0	0.8	–1.8	–5.4	–7.6	–6.5	–3.3	–1.3	–0.3	0.0
Norway[1]	–4.8	–5.2	–6.1	–7.2	–8.3	–8.4	–7.5	–8.1	–13.6	–12.3	–11.5	–11.1	–10.7	–10.3	–10.0
Portugal	–1.7	0.1	–2.7	–1.1	0.2	–2.3	–0.5	–0.7	–1.4	–1.3	–1.3	–1.3	–1.1	–1.2	–1.2
Singapore	2.4	1.5	1.0	–0.7	1.2	1.8	0.6	1.8	–9.6	–2.4	–0.3	–0.2	0.0	–0.7	–0.1
Slovak Republic	–3.3	–1.7	–2.5	–3.2	–3.1	–1.6	–1.6	–1.8	–3.9	–6.2	–3.5	–3.2	–2.2	–1.9	–2.0
Slovenia	–3.0	–12.8	–4.4	–1.9	–1.8	0.0	0.6	0.1	–6.8	–7.1	–4.2	–2.6	–1.5	–1.0	–0.4
Spain[1]	–2.7	–1.7	–1.2	–2.1	–2.5	–2.4	–2.2	–3.1	–5.3	–5.0	–4.4	–4.3	–4.3	–4.3	–4.2
Sweden[1]	–0.8	–0.9	–0.9	–0.7	0.7	0.9	0.2	–0.4	–2.6	–2.4	–0.7	–0.2	0.1	0.3	0.3
Switzerland[1]	0.3	–0.3	–0.2	0.5	0.2	1.1	1.0	1.1	–2.1	–1.5	0.1	0.1	–0.1	0.0	0.0
United Kingdom[1]	–6.0	–4.2	–4.9	–4.4	–3.3	–2.5	–2.3	–2.3	–10.0	–9.6	–4.9	–3.5	–3.2	–3.1	–3.1
United States[1,2]	–5.0	–3.2	–2.7	–2.5	–3.5	–4.2	–5.2	–6.1	–10.7	–8.8	–8.3	–7.1	–6.2	–6.0	–5.8

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

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

[1] Data for these economies include adjustments beyond the output cycle.

[2] For cross-economy comparison, the expenditures 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 expenditures under the 2008 System of National Accounts (2008 SNA) adopted by the United States, but not in economies that have not yet adopted the 2008 SNA. Data for the United States in this table may therefore differ from data published by the US Bureau of Economic Analysis.

Table A4. Advanced Economies: General Government Cyclically Adjusted Primary Balance, 2012–26

(Percent of potential GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	–2.2	–1.2	–0.7	–0.6	–0.8	–0.9	–1.1	–1.8	–6.8	–6.3	–4.5	–3.3	–2.7	–2.4	–2.1
Euro Area	0.2	1.3	1.3	1.3	1.3	1.1	1.2	0.7	–3.5	–4.9	–2.0	–1.3	–1.0	–0.8	–0.8
G7	–2.6	–1.4	–0.9	–0.7	–1.1	–1.3	–1.6	–2.2	–7.5	–6.9	–4.9	–3.7	–3.0	–2.6	–2.3
G20 Advanced	–2.5	–1.4	–0.9	–0.7	–1.0	–1.2	–1.4	–2.1	–7.3	–6.7	–4.8	–3.6	–2.9	–2.6	–2.3
Australia	–2.8	–2.0	–1.9	–1.7	–1.4	–0.7	–0.3	–3.3	–7.0	–7.1	–4.5	–2.3	–1.4	–0.9	–0.4
Austria	–0.4	0.4	–0.2	1.4	0.4	0.5	0.0	–0.2	–5.3	–4.3	–2.0	–1.0	–0.2	–0.5	–0.6
Belgium	–0.7	0.7	0.6	0.7	0.6	1.8	1.2	–0.3	–5.7	–4.8	–3.2	–3.6	–3.9	–4.0	–4.2
Canada	–1.7	–1.0	0.1	0.6	0.5	–0.1	0.1	0.4	–8.9	–6.6	–2.5	–0.6	0.2	0.7	0.9
Cyprus	–2.3	0.3	4.3	4.2	2.8	3.3	3.9	1.7	–2.1	–1.9	0.7	0.9	1.3	1.7	1.8
Czech Republic	–1.7	1.4	0.4	0.5	1.5	1.5	0.8	–0.2	–4.8	–6.7	–4.2	–3.7	–3.1	–2.6	–2.2
Denmark	–1.5	0.8	2.9	0.2	0.1	0.6	–0.8	2.4	0.5	–1.9	–0.6	–0.8	–0.7	–0.4	–0.2
Estonia	0.1	0.9	1.2	0.8	0.0	–1.1	–1.2	–0.2	–3.8	–3.2	–2.7	–1.9	–1.2	–0.4	0.3
Finland	–1.9	–1.3	–1.0	0.1	0.1	–0.2	–0.2	–0.5	–2.3	–3.1	–2.6	–2.2	–1.9	–1.7	–1.5
France	–1.7	–0.7	–0.5	–0.3	–0.3	–0.4	–0.2	–1.7	–5.2	–6.4	–3.8	–3.2	–3.0	–2.8	–2.7
Germany	1.7	1.9	2.0	2.2	2.0	1.6	2.2	1.8	–2.7	–5.4	–1.3	0.1	0.3	0.8	0.8
Greece	6.8	8.3	6.2	5.9	8.1	7.4	6.9	5.8	–1.0	–4.3	1.0	0.4	0.5	0.8	1.3
Hong Kong SAR	1.4	–0.7	3.6	0.7	3.9	4.7	0.9	–1.3	–7.5	–5.7	–4.0	–3.0	–2.3	–2.1	–2.1
Iceland	1.5	1.9	4.6	3.8	15.0	3.3	1.5	–0.6	–3.8	–4.7	–1.8	0.4	1.9	2.8	2.5
Ireland[1]	–2.7	–1.4	0.2	1.0	0.8	1.1	1.2	1.5	–3.3	–4.4	–2.5	–1.4	–1.2	–0.8	–0.8
Israel	–1.2	–1.2	–0.5	0.9	0.5	0.8	–1.4	–2.2	–7.9	–4.1	–1.7	–1.3	–1.1	–1.0	–0.8
Italy	3.4	3.7	3.4	3.0	2.6	1.9	1.8	2.3	–2.9	–4.1	–0.9	–0.5	–0.2	–0.3	–0.3
Japan	–6.3	–6.3	–4.6	–3.4	–3.3	–2.6	–1.9	–1.9	–8.5	–7.5	–3.3	–1.8	–1.9	–2.0	–2.1
Korea	1.1	0.3	0.1	0.4	1.5	2.0	2.2	0.0	–2.1	–2.8	–2.8	–2.4	–2.2	–2.0	–1.8
Latvia	1.5	0.0	0.1	0.2	0.4	–0.5	–1.0	–0.6	–1.8	–7.0	–2.7	0.1	0.3	0.5	0.6
Lithuania	–0.3	–0.4	1.1	1.5	1.7	1.5	1.4	1.0	–6.4	–5.1	–2.8	–1.3	–0.7	–0.3	–0.1
Luxembourg	0.7	0.8	1.1	1.1	0.9	1.3	2.7	1.7	–3.3	–1.3	–0.5	–0.3	–0.2	–0.3	–0.3
Malta	0.5	1.6	1.3	0.2	2.7	4.7	2.8	1.4	–5.7	–8.0	–3.9	–3.0	–2.0	–1.9	–1.5
Netherlands, The	–1.4	0.2	0.8	0.4	1.9	2.3	1.7	2.5	–2.8	–5.0	–1.3	–0.5	0.0	0.3	0.4
New Zealand	–0.2	0.5	0.9	1.3	1.7	1.7	1.4	–1.2	–4.7	–6.9	–5.7	–2.4	–0.4	0.7	0.9
Norway[1]	–7.1	–7.5	–8.9	–10.3	–11.3	–11.3	–10.1	–10.5	–15.9	–14.7	–14.0	–13.6	–13.2	–12.9	–12.5
Portugal	2.3	3.9	1.4	2.9	3.9	1.3	2.7	2.2	1.2	1.2	0.9	0.7	0.7	0.4	0.4
Singapore	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Slovak Republic	–1.8	0.0	–0.8	–1.7	–1.7	–0.4	–0.4	–0.7	–2.9	–5.3	–2.7	–2.4	–1.3	–1.0	–1.1
Slovenia	–1.6	–10.9	–1.6	0.8	0.8	2.1	2.4	1.6	–5.4	–5.9	–3.3	–1.8	–0.8	–0.4	0.1
Spain[1]	–0.4	1.0	1.5	0.4	–0.1	–0.1	0.0	–1.0	–3.4	–3.2	–2.5	–2.6	–2.6	–2.6	–2.5
Sweden[1]	–0.6	–0.7	–0.8	–0.7	0.7	0.8	0.2	–0.5	–2.7	–2.6	–0.6	–0.1	0.1	0.4	0.4
Switzerland[1]	0.7	–0.1	0.0	0.7	0.4	1.2	1.1	1.2	–1.9	–1.4	0.2	0.2	0.1	0.1	0.1
United Kingdom[1]	–3.8	–2.9	–3.1	–3.0	–1.7	–0.7	–0.6	–1.0	–8.9	–8.5	–3.9	–2.6	–2.1	–2.0	–2.0
United States[1,2]	–2.9	–1.3	–0.8	–0.7	–1.6	–2.2	–3.0	–3.9	–8.6	–7.1	–6.9	–5.7	–4.5	–4.0	–3.5

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

Note: "Cyclically adjusted primary balance" is defined as the cyclically adjusted balance plus net interest payable/paid (interest expense minus interest revenue) following the *World Economic Outlook* convention. For economy-specific details, see "Data and Conventions" in text and Table B.

[1] The data for these economies include adjustments beyond the output cycle.

[2] For cross-economy comparison, expenditures 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 expenditures under the 2008 System of National Accounts (2008 SNA) adopted by the United States, but not in economies that have not yet adopted the 2008 SNA. Data for the United States in this table may therefore differ from data published by the US Bureau of Economic Analysis.

Table A5. Advanced Economies: General Government Revenue, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	35.3	36.5	36.5	36.1	36.0	35.9	35.9	35.7	35.9	36.0	36.5	36.6	36.5	36.4	36.4
Euro Area	46.2	46.8	46.8	46.4	46.2	46.2	46.4	46.3	46.4	46.1	45.9	45.8	45.6	45.5	45.3
G7	34.8	36.3	36.5	36.3	36.1	35.9	35.8	35.6	36.0	36.1	36.8	37.0	36.9	36.8	36.8
G20 Advanced	34.3	35.6	35.7	35.6	35.4	35.3	35.3	35.0	35.4	35.5	36.2	36.3	36.2	36.1	36.2
Australia	33.1	33.7	33.9	34.6	34.9	35.1	35.6	34.5	36.1	34.3	33.4	33.7	33.9	34.1	34.2
Austria	49.0	49.7	49.6	50.0	48.5	48.5	48.9	49.2	48.6	48.4	47.9	47.9	48.4	48.3	48.2
Belgium	52.2	53.0	52.5	51.3	50.8	51.3	51.4	50.2	50.6	50.3	50.1	50.1	50.1	50.0	50.0
Canada	38.4	38.5	38.5	40.0	40.3	40.3	41.1	41.5	41.9	40.6	41.1	41.4	41.7	41.8	41.8
Cyprus	36.4	37.0	40.2	39.7	37.7	38.7	39.5	41.2	40.9	42.7	43.5	43.5	43.8	43.7	43.3
Czech Republic	40.8	41.4	40.5	41.3	40.5	40.5	41.5	41.4	41.0	39.6	39.7	40.0	39.7	39.5	39.3
Denmark	54.5	54.6	56.4	53.2	52.4	52.3	51.3	53.6	53.2	51.7	50.2	50.1	49.7	49.5	49.5
Estonia	39.0	38.6	38.5	39.7	39.0	38.5	38.9	40.0	40.7	41.2	40.7	40.9	41.3	41.7	41.9
Finland	53.3	54.3	54.3	54.1	53.9	53.0	52.6	52.3	51.5	52.2	51.9	51.7	51.7	51.6	51.6
France	52.1	53.1	53.3	53.2	53.0	53.5	53.4	52.3	52.6	51.7	51.3	50.6	50.6	50.5	50.5
Germany	44.9	45.0	44.9	45.1	45.5	45.5	46.2	46.5	46.5	46.3	46.4	46.6	46.4	46.5	46.5
Greece	47.0	48.3	46.6	48.2	50.3	49.3	49.3	48.0	50.2	48.8	48.1	48.1	47.8	47.2	46.8
Hong Kong SAR	21.4	21.0	20.8	18.6	22.6	22.9	20.7	20.4	20.6	21.2	21.4	21.4	21.3	21.4	21.4
Iceland	45.1	44.7	46.1	43.1	59.0	45.4	44.7	41.8	41.9	41.3	41.1	41.6	41.5	41.4	41.1
Ireland	34.0	34.2	33.9	27.0	27.3	25.9	25.5	24.7	22.7	19.9	19.9	19.7	19.6	19.5	19.1
Israel	36.0	36.2	36.5	36.8	36.5	37.5	35.8	35.0	34.7	35.8	35.3	35.0	35.0	35.0	35.0
Italy	47.6	48.1	47.9	47.8	46.7	46.3	46.2	47.1	47.8	47.5	47.5	47.6	47.6	47.4	47.1
Japan	30.4	31.2	32.8	33.6	33.6	33.6	34.3	34.2	34.8	34.5	34.5	34.6	34.6	34.6	34.5
Korea	21.2	20.5	20.2	20.3	21.1	21.8	22.9	22.9	23.0	23.6	23.2	23.2	23.2	23.2	23.2
Latvia	37.1	36.5	36.1	35.9	35.7	35.7	37.3	37.5	38.6	38.5	38.1	39.1	38.8	38.1	37.7
Lithuania	32.0	32.0	33.4	34.2	33.6	32.9	33.8	34.1	35.3	36.4	36.7	36.3	35.4	35.4	34.9
Luxembourg	44.6	44.4	43.6	43.3	43.0	43.6	45.4	44.7	43.7	42.8	42.5	42.4	42.3	42.3	42.3
Malta	38.2	38.0	38.2	37.2	36.9	37.2	37.1	36.0	35.8	35.6	35.3	35.0	34.8	34.6	34.6
Netherlands, The	42.0	42.8	42.8	41.8	42.8	42.9	42.9	43.6	41.1	42.1	42.4	42.8	42.7	42.6	42.7
New Zealand	37.6	37.3	37.2	37.6	37.5	36.9	37.3	36.5	37.2	36.2	35.7	36.0	36.0	36.0	36.0
Norway	56.4	54.4	54.2	54.5	54.8	54.6	55.8	56.8	50.8	44.9	50.4	52.3	53.5	53.8	53.9
Portugal	42.7	44.8	44.4	43.8	42.9	42.4	42.9	42.5	43.3	44.0	43.5	43.4	43.1	42.7	42.2
Singapore	17.2	16.9	17.2	17.3	18.9	18.9	17.6	18.0	17.6	19.0	18.4	18.0	17.5	17.4	17.2
Slovak Republic	36.8	39.6	40.2	43.1	40.1	40.4	40.7	41.3	41.6	42.4	41.9	42.6	40.9	40.7	40.3
Slovenia	45.4	45.7	45.3	45.9	44.2	44.0	44.3	43.7	43.0	42.6	42.5	42.2	42.0	42.1	42.2
Spain	37.9	38.8	39.2	38.7	38.1	38.2	39.2	39.2	41.3	42.1	40.9	40.6	40.4	39.1	39.1
Sweden	48.8	49.1	48.1	48.4	49.8	49.7	49.6	48.5	48.7	49.9	50.6	49.4	49.2	49.1	48.9
Switzerland	31.6	31.8	31.6	32.6	32.3	33.1	32.6	32.8	33.7	33.2	33.0	33.0	32.7	32.7	32.7
United Kingdom	36.1	36.5	35.6	35.8	36.3	36.8	36.8	36.6	36.6	35.8	36.0	37.4	37.8	37.9	36.5
United States	29.1	31.3	31.4	31.7	31.2	30.8	30.1	30.1	30.6	31.1	32.5	32.6	32.3	32.1	32.5

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

Note: For economy-specific details, see "Data and Conventions" in text and Table B.

Table A6. Advanced Economies: General Government Expenditure, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	40.7	40.2	39.6	38.7	38.7	38.3	38.4	38.6	46.7	44.8	41.3	40.2	39.7	39.5	39.4
Euro Area	49.9	49.9	49.2	48.4	47.7	47.1	46.8	46.9	53.6	53.8	49.3	48.1	47.6	47.1	46.9
G7	41.2	40.6	40.1	39.3	39.4	39.2	39.3	39.3	48.2	46.1	42.3	41.1	40.5	40.4	40.5
G20 Advanced	40.3	39.7	39.2	38.5	38.5	38.3	38.4	38.7	47.2	45.2	41.5	40.4	39.8	39.7	39.7
Australia	36.6	36.5	36.8	37.3	37.3	36.8	36.9	38.9	44.8	42.8	39.3	37.3	36.8	36.6	36.3
Austria	51.2	51.6	52.3	51.0	50.1	49.3	48.7	48.6	57.4	54.2	50.9	49.7	49.3	49.3	49.2
Belgium	56.5	56.1	55.6	53.7	53.1	52.0	52.2	52.1	60.0	57.3	54.5	54.6	55.0	54.9	55.0
Canada	40.9	40.0	38.4	40.0	40.8	40.5	40.9	41.0	52.8	48.1	43.3	41.9	41.8	41.6	41.4
Cyprus	42.0	42.2	40.4	39.5	37.5	36.7	43.0	39.7	46.6	47.8	44.9	44.2	43.7	43.0	42.3
Czech Republic	44.7	42.7	42.6	41.9	39.8	39.0	40.6	41.1	47.1	47.6	45.1	44.8	43.8	42.9	42.3
Denmark	58.0	55.8	55.2	54.5	52.5	50.5	50.5	49.5	53.8	53.6	50.1	50.5	50.1	49.7	49.5
Estonia	39.2	38.4	37.8	39.5	39.4	39.2	39.4	39.5	45.6	44.2	43.1	42.6	42.3	42.0	41.6
Finland	55.4	56.8	57.3	56.5	55.6	53.6	53.4	53.3	57.0	56.8	54.4	53.6	53.5	53.3	53.2
France	57.1	57.2	57.2	56.8	56.7	56.5	55.6	55.4	61.8	60.7	56.0	54.5	54.2	54.0	53.9
Germany	44.9	44.9	44.3	44.1	44.4	44.2	44.3	45.0	50.8	53.2	48.2	47.0	46.4	46.0	46.0
Greece	53.7	52.1	50.7	51.2	50.0	48.4	48.5	47.8	60.7	59.0	52.4	50.9	50.2	49.1	48.3
Hong Kong SAR	18.3	20.0	17.3	18.0	18.3	17.4	18.4	21.0	29.8	24.8	23.4	22.8	22.4	22.1	22.1
Iceland	47.7	46.0	45.8	43.5	46.4	44.4	43.8	43.3	50.5	50.0	47.6	45.1	42.2	40.9	40.8
Ireland	42.5	40.6	37.6	29.1	28.1	26.3	25.5	24.4	27.7	25.2	23.3	21.9	21.6	21.1	20.6
Israel	40.3	40.3	38.8	37.8	37.9	38.6	39.4	38.9	46.1	42.6	39.6	38.7	38.5	38.3	38.1
Italy	50.6	51.0	50.9	50.3	49.1	48.8	48.4	48.6	57.3	57.7	52.1	51.1	50.5	50.1	49.4
Japan	39.0	39.1	38.7	37.6	37.5	36.9	37.0	37.3	45.0	43.5	38.3	36.7	36.6	36.6	36.7
Korea	19.7	19.9	19.8	19.7	19.5	19.6	20.4	22.6	25.2	26.5	26.0	25.6	25.4	25.3	25.2
Latvia	36.9	37.0	37.8	37.4	36.1	36.5	38.1	37.9	42.5	47.1	41.7	39.7	39.2	38.2	37.7
Lithuania	35.2	34.6	34.0	34.4	33.3	32.4	33.2	33.8	42.7	41.7	39.5	37.7	36.2	35.8	35.3
Luxembourg	44.1	43.5	42.2	42.0	41.0	42.3	42.3	42.3	47.8	44.1	42.8	42.3	42.2	42.1	42.2
Malta	41.6	40.4	39.9	38.2	36.0	34.0	35.3	35.6	45.7	47.2	41.6	39.7	38.2	37.8	37.3
Netherlands, The	45.9	45.7	44.9	43.8	42.8	41.7	41.5	41.1	45.4	48.2	44.5	43.9	43.1	42.7	42.5
New Zealand	39.8	38.6	37.7	37.3	36.5	35.6	36.1	38.8	43.2	43.6	41.7	38.8	37.2	36.2	36.0
Norway	42.7	43.7	45.5	48.5	50.7	49.6	48.0	50.4	57.0	50.8	50.3	50.1	50.2	50.4	50.6
Portugal	48.9	49.9	51.7	48.2	44.8	45.4	43.2	42.4	49.0	48.8	46.5	45.6	44.6	44.1	43.5
Singapore	9.8	10.9	12.6	14.4	15.2	13.6	13.9	14.1	26.5	19.2	16.4	15.8	15.2	15.7	15.0
Slovak Republic	41.1	42.5	43.3	45.8	42.7	41.4	41.7	42.7	47.8	49.9	45.9	45.9	43.1	42.5	42.3
Slovenia	49.4	60.3	50.8	48.7	46.2	44.1	43.5	43.3	51.3	49.6	46.3	44.4	43.2	43.0	42.7
Spain	48.7	45.8	45.1	43.9	42.4	41.2	41.7	42.1	52.3	50.7	45.9	45.1	44.6	43.3	43.4
Sweden	49.8	50.5	49.7	48.4	48.8	48.3	48.8	48.0	51.8	52.6	51.4	49.7	49.2	48.8	48.6
Switzerland	31.4	32.2	31.8	32.1	32.1	32.0	31.3	31.5	36.5	35.2	33.3	33.1	32.8	32.7	32.7
United Kingdom	43.7	42.0	41.2	40.3	39.6	39.3	39.0	38.9	49.1	47.7	41.6	41.0	41.0	41.0	39.4
United States[1]	37.1	35.8	35.4	35.2	35.6	35.5	35.6	35.8	45.4	42.0	39.4	38.3	37.5	37.4	37.8

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

Note: For economy-specific details, see "Data and Conventions" in text and Table B.

[1] For cross-economy comparison, expenditures 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 expenditures under the 2008 System of National Accounts (2008 SNA) adopted by the United States, but not in economies that have not yet adopted the 2008 SNA. Data for the United States in this table may therefore differ from data published by the US Bureau of Economic Analysis.

Table A7. Advanced Economies: General Government Gross Debt, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	105.5	104.0	103.6	103.1	105.6	103.2	102.7	103.8	122.7	121.6	119.3	119.3	119.1	118.8	118.6
Euro Area	90.7	92.6	92.8	90.9	90.1	87.7	85.7	83.7	97.5	98.9	96.3	95.4	94.5	93.4	92.2
G7	120.7	118.5	117.4	116.3	119.5	117.4	117.1	118.0	140.2	139.0	135.7	135.8	135.8	135.8	135.8
G20 Advanced	114.0	112.1	111.4	110.8	113.9	111.6	111.4	112.8	133.8	132.8	130.2	130.4	130.5	130.5	130.5
Australia[1]	27.5	30.5	34.0	37.7	40.5	41.1	41.6	46.6	57.3	62.1	66.4	67.2	66.8	65.7	64.3
Austria	81.7	81.0	83.8	84.4	82.5	78.6	74.0	70.5	83.2	84.2	81.1	79.8	78.0	76.1	72.2
Belgium	104.8	105.5	107.0	105.2	105.0	102.0	99.8	98.1	114.1	113.4	112.9	114.0	115.8	117.7	119.7
Canada[1]	85.4	86.1	85.6	91.2	91.7	88.8	88.8	86.8	117.5	109.9	103.9	100.2	96.9	93.4	89.7
Cyprus	79.4	102.9	109.1	107.2	103.1	93.5	99.2	94.0	119.1	111.0	103.7	99.3	92.9	88.9	83.4
Czech Republic	44.2	44.4	41.9	39.7	36.6	34.2	32.1	30.0	37.8	45.0	47.9	50.3	52.0	52.9	53.7
Denmark	44.9	44.0	44.3	39.8	37.2	35.9	34.0	33.6	42.1	38.8	38.5	38.7	38.7	39.1	39.1
Estonia	9.8	10.2	10.6	10.1	10.0	9.1	8.2	8.6	18.5	20.0	21.4	22.4	22.6	22.1	21.0
Finland	53.6	56.2	59.8	63.6	63.2	61.2	59.8	59.5	69.5	72.2	72.2	73.6	74.4	74.6	75.1
France	90.6	93.4	94.9	95.6	98.0	98.3	98.0	97.6	115.1	115.8	113.5	114.6	115.4	116.2	116.9
Germany	81.2	78.8	75.7	72.3	69.3	65.0	61.6	59.2	69.1	72.5	69.8	68.0	65.9	63.4	60.9
Greece	162.0	179.0	181.5	179.0	183.4	182.4	189.9	184.9	211.2	206.7	199.4	192.4	188.2	184.0	179.6
Hong Kong SAR[1]	0.5	0.5	0.1	0.1	0.1	0.1	0.1	0.3	1.0	2.1	3.2	4.1	4.7	5.2	5.9
Iceland	133.9	122.0	115.2	97.2	82.4	71.6	63.1	66.1	77.1	75.8	75.4	73.9	70.3	65.6	59.0
Ireland	119.7	120.0	104.3	76.7	74.3	67.8	63.2	57.3	58.5	57.3	58.8	58.0	57.3	56.1	54.7
Israel	68.1	66.8	65.6	63.8	62.0	60.2	60.4	59.5	72.0	73.2	73.2	73.1	73.0	72.8	72.4
Italy	126.5	132.5	135.4	135.3	134.8	134.1	134.4	134.6	155.8	154.8	150.4	149.4	148.6	147.5	146.5
Japan	226.1	229.6	233.5	228.4	232.5	231.4	232.5	235.4	254.1	256.9	252.3	250.8	251.0	251.3	251.9
Korea	35.0	37.7	39.7	40.8	41.2	40.1	40.0	42.1	47.9	51.3	55.1	58.5	61.5	64.2	66.7
Latvia	42.5	40.0	41.6	37.1	40.4	39.0	37.1	37.0	43.5	47.6	47.1	44.9	42.7	40.4	38.2
Lithuania	39.7	38.7	40.5	42.7	39.9	39.3	33.7	35.9	47.1	47.4	45.5	43.7	41.7	39.5	37.6
Luxembourg	22.0	23.7	22.7	22.0	20.1	22.3	21.0	22.0	24.8	26.3	26.7	26.8	26.6	26.4	26.3
Malta	65.9	65.8	61.6	55.9	54.3	47.5	43.4	40.6	53.3	63.0	65.3	66.5	66.4	65.9	65.4
Netherlands, The	66.4	67.8	68.0	64.6	61.9	56.9	52.4	47.4	52.5	58.1	56.2	54.8	53.1	51.2	49.2
New Zealand	35.7	34.6	34.2	34.2	33.4	31.1	28.0	32.0	43.6	52.0	56.9	58.5	59.0	57.8	55.3
Norway	31.1	31.6	29.9	34.5	38.1	38.6	39.7	40.9	41.4	42.7	42.4	41.8	41.0	40.5	40.1
Portugal	129.0	131.4	132.9	131.2	131.5	126.1	121.5	116.6	135.2	130.8	125.7	122.8	119.9	117.1	114.7
Singapore	106.7	98.2	97.8	102.2	106.5	107.8	109.8	129.0	154.9	137.9	139.0	140.2	141.4	142.6	143.9
Slovak Republic	51.8	54.7	53.6	51.9	52.4	51.6	49.7	48.2	60.3	61.4	62.0	60.1	58.3	57.3	56.8
Slovenia	53.6	70.0	80.3	82.6	78.5	74.1	70.3	65.6	79.8	77.2	74.9	73.0	70.6	68.0	65.1
Spain	86.3	95.8	100.7	99.3	99.2	98.6	97.5	95.5	119.9	120.2	116.4	116.2	116.3	116.8	117.5
Sweden	37.5	40.2	44.9	43.7	42.3	40.7	38.9	34.9	37.3	39.6	39.9	39.0	37.9	36.3	34.6
Switzerland	42.2	41.6	41.6	41.7	40.5	41.2	39.2	39.8	42.4	42.7	41.6	40.9	40.0	39.3	38.3
United Kingdom	83.2	84.2	86.1	86.7	86.8	86.3	85.8	85.2	104.5	108.5	107.1	109.4	110.5	111.2	111.6
United States[1]	103.0	104.5	104.5	104.9	106.9	106.0	107.1	108.5	133.9	133.3	130.7	131.1	131.7	132.5	133.5

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

Note: For economy-specific details, see "Data and Conventions" in text and Table B.

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

Table A8. Advanced Economies: General Government Net Debt, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	76.1	75.0	75.2	75.2	76.9	75.1	74.8	75.1	88.1	89.8	88.7	89.2	89.5	90.3	91.0
Euro Area	73.6	76.0	76.2	75.0	74.6	72.4	70.6	69.3	80.7	82.8	80.9	80.5	80.0	79.2	78.4
G7	88.5	86.9	86.9	86.3	88.3	86.7	86.7	86.8	102.0	104.1	102.2	102.9	103.4	104.6	105.8
G20 Advanced	82.6	81.2	81.3	81.2	83.1	81.4	81.4	82.0	96.4	98.5	97.2	98.0	98.5	99.7	100.8
Australia[1]	13.8	16.0	19.1	22.1	23.3	23.2	24.0	27.8	34.4	38.1	43.0	44.6	44.6	43.9	42.8
Austria	60.5	60.4	59.1	58.3	56.9	55.9	50.7	47.9	59.4	61.9	60.2	59.6	58.6	57.8	54.7
Belgium[2]	92.0	92.5	93.4	92.0	91.2	88.3	86.3	85.1	99.2	99.6	99.7	101.3	103.6	105.8	108.1
Canada[1]	28.9	29.7	28.5	28.4	28.7	26.0	25.6	23.4	34.7	34.9	32.5	30.1	27.7	25.1	22.2
Cyprus	67.2	78.9	90.6	90.9	86.1	79.1	53.0	48.4	58.3	. . .	. . .	. . .	. . .	. . .	. . .
Czech Republic	28.3	29.0	29.4	28.1	25.0	21.5	19.6	18.1	23.7	31.1	34.0	36.5	38.1	39.0	39.8
Denmark	18.5	18.3	18.1	16.2	17.5	15.8	13.4	12.3	14.7	15.8	15.0	14.8	14.6	14.2	13.7
Estonia	–4.8	–4.4	–3.8	–2.0	–1.9	–1.8	–1.8	–2.2	2.5	5.8	8.3	10.1	11.0	11.1	10.7
Finland[3]	9.4	12.9	17.2	18.4	21.2	21.8	24.4	26.9	33.6	36.6	37.4	38.1	38.5	38.7	39.1
France	80.0	83.0	85.5	86.3	89.2	89.4	89.2	88.9	102.6	103.3	100.9	102.0	102.9	103.7	104.4
Germany	59.8	58.8	55.2	52.5	49.6	45.7	42.9	40.8	50.1	54.4	52.9	51.6	50.0	48.0	46.0
Greece	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Hong Kong SAR[1]	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Iceland[4]	104.8	99.2	88.1	78.0	67.6	60.2	50.6	54.0	60.5	62.9	63.7	62.8	59.6	55.4	51.4
Ireland[5]	86.8	90.1	85.9	65.7	65.4	59.2	54.4	49.2	50.3	50.2	52.0	51.7	51.3	50.4	49.4
Israel	63.8	62.9	62.5	60.6	59.0	57.5	58.1	57.9	70.4	71.7	71.8	71.7	71.7	71.6	71.2
Italy	114.1	119.2	121.4	122.2	121.6	121.3	121.8	122.1	142.3	142.2	138.5	137.9	137.3	136.5	135.7
Japan	144.0	142.9	145.1	144.6	149.6	148.1	151.2	150.8	167.0	171.5	169.2	168.3	168.4	168.7	169.4
Korea	2.3	5.8	7.5	9.5	9.7	9.6	9.6	11.7	17.4	20.9	24.7	28.1	31.1	33.8	36.3
Latvia	30.5	30.3	30.3	31.4	31.2	30.5	28.7	28.5	34.7	39.3	39.5	37.7	35.9	33.9	32.0
Lithuania	33.4	34.1	32.5	35.4	32.9	32.9	27.7	30.4	41.6	42.3	40.6	39.1	37.3	35.4	33.6
Luxembourg	–10.8	–9.4	–11.3	–12.6	–12.0	–11.7	–11.2	–8.4	–5.3	–1.3	0.7	2.0	2.9	3.7	4.5
Malta	56.4	56.7	52.2	47.7	41.8	35.6	32.7	29.7	43.6	. . .	. . .	. . .	. . .	. . .	. . .
Netherlands, The	52.1	53.7	54.8	52.8	51.0	46.2	42.5	41.5	42.6	47.1	45.6	44.4	43.1	41.6	39.9
New Zealand	8.5	8.6	7.9	7.3	6.6	5.5	4.7	7.0	11.6	14.8	16.9	19.3	24.1	26.2	23.8
Norway[6]	–49.0	–60.1	–74.6	–85.6	–84.2	–79.3	–71.4	–101.9	–121.0	–110.9	–113.6	–118.3	–123.7	–129.3	–134.6
Portugal	117.1	118.9	120.6	121.0	119.4	116.0	113.4	109.8	123.2	121.8	117.3	114.7	112.1	109.6	107.4
Singapore	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Slovak Republic	45.3	47.8	49.6	47.5	47.1	45.9	43.6	43.4	50.1	55.5	55.3	54.8	53.8	53.0	52.6
Slovenia	36.6	45.2	46.5	50.3	52.2	51.9	45.8	42.7	49.5	50.2	48.7	47.5	45.9	44.2	42.3
Spain	71.8	80.8	85.2	84.9	86.1	85.1	83.7	82.2	103.0	104.5	101.9	102.3	102.8	103.8	104.8
Sweden	11.3	11.4	11.2	11.2	8.9	6.3	6.0	3.4	5.5	9.7	11.5	11.8	11.7	11.1	10.3
Switzerland	21.4	20.5	20.5	20.7	21.4	20.5	18.9	19.4	22.0	22.3	21.2	20.6	19.7	18.9	18.0
United Kingdom	74.7	75.9	77.9	78.2	77.8	76.8	75.9	75.3	91.8	97.2	95.2	97.8	98.7	99.5	99.9
United States[1]	80.5	80.4	81.1	80.9	81.9	81.6	82.1	83.0	98.7	101.9	100.8	101.9	103.3	106.0	108.9

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

Note: For economy-specific details, see "Data and Conventions" in text, and Table B.

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

[2] Belgium's net debt series has been revised to ensure consistency between liabilities and assets. "Net debt" is defined as gross debt (Maastricht definition) minus assets in the form of currency and deposits, loans, and debt securities.

[3] Net debt figures were revised to only include categories of assets corresponding to the liabilities covered by the Maastricht definition of "gross debt."

[4] "Net debt" for Iceland is defined as gross debt minus currency and deposits.

[5] "Net debt" for Ireland is defined as gross general debt minus debt instrument assets, namely, currency and deposits, debt securities, and loans. Net debt was previously defined as general government debt less currency and deposits.

[6] Norway's net debt series has been revised because of a change in the net debt calculation, which excludes the equity and shares from financial assets and includes accounts receivable in the financial assets, following the *Government Finance Statistics Manual 2014* and the Maastricht definition.

Table A9. Emerging Market and Middle-Income Economies: General Government Overall Balance, 2012–26
(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	–1.0	–1.6	–2.5	–4.3	–4.8	–4.1	–3.7	–4.7	–9.6	–6.6	–5.8	–5.2	–4.8	–4.4	–4.1
Asia	–1.6	–1.8	–1.9	–3.3	–4.0	–4.0	–4.5	–5.9	–10.8	–7.9	–7.0	–6.2	–5.7	–5.2	–4.8
Europe	–0.8	–1.5	–1.5	–2.7	–2.8	–1.8	0.3	–0.7	–5.6	–3.2	–2.4	–2.1	–2.2	–2.3	–2.5
Latin America	–2.8	–3.1	–4.9	–6.6	–6.0	–5.4	–5.0	–4.1	–8.8	–5.7	–4.9	–4.2	–3.5	–3.1	–2.9
MENA	5.8	3.1	–1.7	–7.8	–10.1	–5.3	–1.8	–2.9	–8.2	–4.3	–3.7	–3.7	–3.7	–3.7	–3.4
G20 Emerging	–1.2	–1.8	–2.6	–4.4	–4.9	–4.3	–4.3	–5.4	–10.3	–7.0	–6.3	–5.7	–5.2	–4.8	–4.4
Algeria	–4.4	–0.4	–7.3	–15.3	–13.1	–6.5	–4.4	–5.6	–6.2	–9.2	–6.5	–6.0	–5.9	–6.0	–6.1
Angola	4.1	–0.3	–5.7	–2.9	–4.5	–6.6	2.3	0.8	–1.9	3.2	2.8	2.9	2.9	2.9	2.9
Argentina	–3.0	–3.3	–4.3	–6.0	–6.7	–6.7	–5.4	–4.4	–8.6	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	0.4	–1.0	0.1	–3.0	–1.7	–0.3	1.8	0.9	–2.9	–3.9	–2.4	0.0	0.6	0.7	0.7
Brazil	–2.5	–3.0	–6.0	–10.3	–9.0	–7.9	–7.1	–5.9	–13.4	–6.2	–7.4	–6.4	–5.4	–4.8	–4.4
Bulgaria	–0.4	–1.8	–3.7	–2.8	1.5	0.8	0.1	–1.0	–3.0	–3.7	–3.0	–1.5	–0.6	–0.3	0.0
Chile	0.7	–0.5	–1.5	–2.1	–2.6	–2.6	–1.5	–2.7	–7.1	–7.9	–1.6	–1.0	–0.2	0.6	0.6
China	–0.3	–0.8	–0.9	–2.8	–3.7	–3.8	–4.7	–6.3	–11.2	–7.5	–6.8	–6.2	–5.6	–5.0	–4.5
Colombia	0.2	–1.0	–1.7	–3.5	–2.3	–2.5	–4.7	–3.5	–6.9	–8.4	–6.4	–4.3	–2.8	–2.4	–1.8
Croatia	–5.3	–5.3	–5.3	–3.2	–0.8	0.8	0.2	0.3	–7.4	–4.1	–2.7	–1.7	–1.0	–0.3	–0.2
Dominican Republic	–6.6	–3.5	–2.8	0.0	–3.1	–3.1	–2.2	–2.2	–7.9	–4.5	–2.4	–2.5	–2.5	–2.5	–2.5
Ecuador[1]	–0.9	–4.6	–5.2	–6.1	–8.2	–4.5	–2.1	–2.7	–6.1	–2.3	0.1	1.2	1.4	1.4	1.0
Egypt[2]	–10.0	–12.9	–11.3	–10.9	–12.5	–10.4	–9.4	–8.0	–7.9	–7.3	–6.3	–5.5	–5.2	–4.9	–4.4
Hungary	–2.3	–2.6	–2.8	–2.0	–1.8	–2.4	–2.1	–2.1	–8.1	–6.6	–5.9	–3.0	–2.3	–1.4	–0.6
India	–7.5	–7.0	–7.1	–7.2	–7.1	–6.2	–6.4	–7.4	–12.8	–11.3	–9.7	–8.8	–8.3	–8.1	–7.8
Indonesia	–1.6	–2.2	–2.1	–2.6	–2.5	–2.5	–1.8	–2.2	–5.9	–6.1	–4.8	–2.8	–2.8	–2.7	–2.5
Iran	–0.6	–0.9	–1.1	–1.6	–1.9	–1.8	–1.9	–5.1	–5.7	–6.5	–7.3	–8.0	–8.6	–9.1	–9.7
Kazakhstan	4.4	4.9	2.5	–6.3	–4.5	–4.3	2.6	–0.6	–7.0	–3.0	–1.5	–0.8	–0.8	–0.9	–1.1
Kuwait	32.4	34.1	22.4	5.6	0.3	6.3	9.2	5.0	–8.3	–1.5	1.0	–0.5	–1.6	–1.9	–1.2
Lebanon	–8.4	–8.8	–6.2	–7.5	–8.8	–8.6	–11.2	–10.3	–3.2	–8.2	. . .	. . .	. . .	. . .	. . .
Malaysia[3]	–3.1	–3.5	–2.6	–2.5	–2.6	–2.4	–2.6	–2.2	–5.2	–5.9	–4.1	–4.1	–4.0	–4.0	–4.0
Mexico	–3.7	–3.7	–4.5	–4.0	–2.8	–1.1	–2.2	–2.3	–4.5	–4.2	–3.5	–3.2	–2.9	–2.8	–2.8
Morocco	–7.2	–5.1	–5.2	–4.9	–4.8	–3.5	–3.7	–3.8	–7.6	–6.5	–5.9	–5.2	–4.7	–4.0	–3.6
Oman	4.6	3.2	–1.8	–15.6	–22.5	–12.0	–7.7	–5.6	–18.7	–2.6	1.1	1.5	2.1	2.1	2.6
Pakistan	–8.6	–8.4	–4.9	–5.3	–4.4	–5.8	–6.4	–9.0	–8.0	–7.1	–6.2	–4.2	–4.2	–3.8	–3.2
Peru	2.1	0.7	–0.2	–2.1	–2.3	–2.9	–2.0	–1.4	–8.3	–5.4	–3.9	–3.5	–3.2	–2.9	–2.8
Philippines	–0.3	0.2	0.8	0.6	–0.4	–0.4	–1.6	–1.7	–5.7	–7.6	–6.2	–5.0	–4.0	–2.9	–2.1
Poland	–3.8	–4.2	–3.6	–2.6	–2.4	–1.5	–0.2	–0.7	–7.0	–4.2	–1.9	–1.9	–1.9	–1.9	–1.9
Qatar	10.5	21.6	15.4	21.7	–4.8	–2.5	5.9	4.9	1.3	2.8	5.7	8.4	8.7	9.5	10.9
Romania	–2.5	–2.5	–1.7	–1.4	–2.4	–2.8	–2.8	–4.6	–9.6	–6.8	–5.8	–5.8	–5.6	–5.4	–5.2
Russia	0.4	–1.2	–1.1	–3.4	–3.7	–1.5	2.9	1.9	–4.0	–0.6	0.0	0.2	0.1	–0.2	–0.5
Saudi Arabia	11.9	5.6	–3.5	–15.8	–17.2	–9.2	–5.9	–4.5	–11.3	–3.1	–1.8	–1.4	–1.1	–0.6	0.1
South Africa	–4.0	–3.9	–3.9	–4.4	–3.7	–4.0	–3.7	–4.8	–10.8	–8.4	–7.0	–6.4	–6.2	–6.5	–6.8
Sri Lanka	–5.6	–5.2	–6.2	–7.0	–5.3	–5.5	–5.3	–8.0	–12.8	–10.5	–10.0	–9.6	–9.1	–8.6	–8.1
Thailand	–0.9	0.5	–0.8	0.1	0.6	–0.4	0.1	–0.8	–4.7	–6.9	–3.4	–3.4	–3.4	–3.5	–3.7
Turkey	–1.8	–1.5	–1.4	–1.3	–2.3	–2.2	–3.8	–5.6	–5.3	–4.9	–5.6	–5.9	–5.9	–6.0	–6.2
Ukraine	–4.3	–4.8	–4.5	–1.2	–2.2	–2.3	–2.1	–2.0	–6.0	–4.5	–3.5	–2.4	–2.4	–2.4	–2.4
United Arab Emirates	9.0	8.4	1.9	–3.4	–2.8	–1.7	1.9	0.6	–5.6	–0.5	–0.2	–0.1	0.1	0.3	0.7
Uruguay[4]	–2.2	–1.7	–2.6	–1.9	–2.7	–2.5	–1.9	–2.7	–4.7	–4.2	–3.6	–2.6	–2.3	–2.2	–2.3
Venezuela	–10.4	–11.3	–15.6	–10.7	–10.8	–23.0	–31.0	–10.0	–5.0	. . .	. . .	. . .	. . .	. . .	. . .

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

Note: For country-specific details, see "Data and Conventions" in text and Table C. MENA = Middle East and North Africa.

[1] The data for Ecuador reflect net lending/borrowing for the nonfinancial public sector. Ecuadorian authorities, in the context of the Extended Fund Facility approved in March of 2019 and with technical support from IMF staff, are revising the historical fiscal data for the net lending/borrowing of the nonfinancial public sector to correct recently identified statistical errors, mostly in the recording of revenues and expenditures of local governments. Fiscal data reported in the table for 2018 and 2019 reflect the corrected series, while data for earlier years are still being revised and will be corrected in subsequent *World Economic Outlook* releases as far back as 2012. The authorities are also working on reconciling historical revenue and expenditure data with financing data.

[2] These numbers are based on the nominal GDP series before the recent revision; therefore, data in the tables are not comparable to the authorities' numbers.

[3] The general government overall balance in 2019 includes a one-off refund of tax arrears in 2019 of 2.4 percent of GDP.

[4] Data are for the nonfinancial public sector, which includes central government, local government, social security funds, nonfinancial public corporations, and Banco de Seguros del Estado. The coverage of fiscal data was changed from the consolidated public sector to the nonfinancial public sector with the October 2019 submission. With this narrower coverage, the central bank balances are not included in the fiscal data. Historical data were also revised accordingly. Starting in October 2018, the public pension system has been receiving transfers in the context of a new law that compensates persons affected by the creation of the mixed pension system. These funds are recorded as revenues, consistent with the IMF's methodology. Therefore, data and projections for 2018–21 have been affected by these transfers, which amounted to 1.2 percent of GDP in 2018 and 1.1 percent of GDP in 2019, and are projected to be 0.6 percent of GDP in 2020, 0.2 percent of GDP in 2021, and zero thereafter. See IMF country report No. 19/64 for further details. The disclaimer about the public pension system applies only to the revenues and net lending/borrowing series.

Table A10. Emerging Market and Middle-Income Economies: General Government Primary Balance, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	0.6	0.0	–0.9	–2.6	–3.1	–2.3	–1.9	–2.9	–7.8	–4.8	–3.8	–3.1	–2.7	–2.3	–2.0
Asia	–0.4	–0.6	–0.6	–2.1	–2.6	–2.5	–3.0	–4.4	–9.1	–6.3	–5.3	–4.6	–4.0	–3.5	–3.0
Europe	0.4	–0.3	–0.4	–1.5	–1.6	–0.7	1.4	0.3	–4.6	–1.9	–1.0	–0.8	–0.8	–0.9	–1.0
Latin America	0.2	–0.1	–1.6	–2.4	–2.3	–1.6	–1.4	–0.5	–5.5	–2.4	–1.0	–0.4	0.2	0.6	1.0
MENA	6.2	3.6	–1.2	–7.5	–9.8	–5.0	–1.0	–1.9	–7.3	–2.8	–1.9	–1.5	–1.3	–0.9	–0.5
G20 Emerging	0.4	–0.2	–0.9	–2.7	–3.1	–2.4	–2.5	–3.5	–8.6	–5.2	–4.3	–3.7	–3.2	–2.7	–2.4
Algeria	–5.3	–0.5	–7.4	–15.8	–13.1	–6.2	–4.6	–6.2	–6.1	–9.6	–6.2	–4.8	–4.0	–3.6	–3.4
Angola	5.0	0.4	–4.7	–1.1	–1.7	–3.0	7.0	6.4	4.9	8.7	7.7	7.3	6.9	6.3	5.8
Argentina	–1.7	–2.6	–3.5	–4.4	–4.8	–4.2	–2.2	–0.4	–6.2	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	1.7	0.0	1.1	–1.3	0.3	1.6	3.8	2.6	–1.2	–2.2	–0.7	1.7	2.3	2.5	2.7
Brazil	1.9	1.7	–0.6	–1.9	–2.5	–1.8	–1.7	–0.9	–9.2	–1.6	–0.8	–0.4	0.2	0.6	1.1
Bulgaria	–0.1	–1.3	–3.4	–2.4	1.8	1.2	0.3	–0.8	–2.9	–3.6	–2.8	–1.2	–0.4	–0.1	0.2
Chile	0.8	–0.4	–1.3	–1.9	–2.4	–2.3	–1.1	–2.4	–6.6	–7.5	–1.1	–0.4	0.5	1.4	1.4
China	0.2	–0.3	–0.3	–2.3	–3.0	–3.1	–3.8	–5.5	–10.2	–6.6	–5.9	–5.2	–4.6	–4.0	–3.5
Colombia	1.8	0.9	–0.2	–1.7	–0.4	–0.5	–2.5	–1.0	–4.3	–5.6	–3.4	–1.3	0.3	0.6	1.1
Croatia	–2.6	–2.6	–2.3	–0.1	2.0	3.2	2.3	2.3	–5.7	–2.6	–1.3	–0.7	–0.2	0.4	0.4
Dominican Republic	–4.2	–1.2	–0.4	2.3	–0.6	–0.5	0.4	0.6	–4.7	–1.7	0.5	0.4	0.4	0.5	0.6
Ecuador[1]	–0.2	–3.5	–4.2	–4.7	–6.7	–2.3	0.4	0.0	–3.3	–1.1	1.4	2.7	3.1	3.2	3.1
Egypt[2]	–4.9	–5.9	–4.2	–4.1	–4.3	–2.5	–0.4	1.4	1.3	1.3	1.7	2.1	2.0	1.8	1.7
Hungary	1.9	1.7	1.0	1.3	1.2	0.2	0.2	0.1	–5.8	–4.6	–4.0	–1.2	–0.4	0.5	1.8
India	–3.2	–2.4	–2.6	–2.7	–2.5	–1.5	–1.7	–2.7	–7.4	–5.7	–4.2	–3.2	–2.8	–2.4	–2.2
Indonesia	–0.4	–1.0	–0.9	–1.2	–1.0	–0.9	0.0	–0.5	–3.8	–4.1	–2.8	–0.9	–0.9	–0.9	–0.8
Iran	–0.5	–0.8	–1.0	–1.5	–1.4	–1.0	–1.1	–4.5	–5.0	–4.6	–4.4	–4.2	–4.0	–3.7	–3.4
Kazakhstan	3.8	4.4	2.0	–5.9	–4.3	–5.2	1.8	–0.8	–7.7	–3.4	–1.8	–1.0	–0.9	–0.9	–1.1
Kuwait[3]	25.4	25.8	12.7	–7.5	–14.2	–9.4	–3.1	–8.1	–22.3	–13.4	–10.6	–11.9	–13.0	–13.4	–12.5
Lebanon	–0.2	–0.7	2.5	1.4	0.4	0.8	–1.4	–0.3	–0.2	–4.7	. . .	. . .	. . .	. . .	. . .
Malaysia	–2.1	–2.1	–0.9	–0.9	–0.8	–0.6	–0.8	–0.2	–3.4	–4.2	–2.1	–2.0	–1.8	–1.6	–1.5
Mexico	–0.9	–0.9	–1.7	–1.2	0.4	2.6	1.6	1.4	–0.5	–0.6	–0.1	0.2	0.6	0.7	0.9
Morocco	–4.7	–2.5	–2.4	–2.2	–2.1	–0.9	–1.3	–1.5	–5.1	–4.1	–3.5	–2.8	–2.0	–1.2	–0.9
Oman	3.3	2.6	–2.1	–16.1	–23.0	–12.7	–6.0	–5.3	–15.5	–1.5	2.4	2.7	3.3	3.2	3.4
Pakistan	–4.2	–3.9	–0.3	–0.5	–0.1	–1.5	–2.1	–3.5	–1.7	–1.3	–0.4	1.3	1.3	1.4	1.4
Peru	3.0	1.7	0.7	–1.2	–1.3	–1.9	–0.9	–0.2	–6.9	–3.9	–2.4	–2.0	–1.8	–1.8	–1.7
Philippines	2.2	2.6	3.0	2.5	1.4	1.3	0.1	–0.1	–3.9	–5.1	–3.8	–2.7	–1.6	–0.5	0.3
Poland	–1.1	–1.7	–1.7	–0.8	–0.7	0.1	1.2	0.7	–5.7	–3.1	–0.9	–0.9	–0.9	–0.9	–0.9
Qatar	12.0	22.8	16.6	23.2	–3.3	–1.1	7.4	6.6	3.6	4.7	7.4	10.0	10.0	10.8	12.1
Romania	–0.7	–0.8	–0.2	–0.1	–1.1	–1.7	–1.5	–3.5	–8.3	–5.2	–4.0	–3.9	–3.7	–3.5	–3.2
Russia	0.7	–0.8	–0.7	–3.1	–3.2	–1.0	3.4	2.2	–3.8	0.0	0.5	0.7	0.5	0.1	–0.2
Saudi Arabia	11.7	5.2	–4.2	–17.9	–20.2	–11.1	–6.5	–4.5	–13.2	–2.8	–1.4	–0.9	–0.5	0.1	0.8
South Africa	–1.6	–1.2	–1.2	–1.4	–0.6	–0.8	–0.4	–1.2	–6.7	–4.2	–2.3	–1.3	–0.8	–0.6	–0.3
Sri Lanka	–0.9	–0.6	–2.0	–2.2	–0.2	0.0	0.6	–2.0	–6.2	–4.3	–3.2	–2.5	–2.0	–1.5	–1.0
Thailand	0.0	1.3	–0.1	0.7	1.0	0.1	0.6	–0.3	–4.2	–6.5	–2.6	–2.4	–2.2	–2.2	–2.2
Turkey	0.7	0.8	0.5	0.6	–1.0	–0.9	–2.2	–3.6	–3.4	–2.4	–2.6	–2.8	–2.7	–2.6	–2.6
Ukraine	–2.4	–2.3	–1.2	3.0	1.9	1.5	1.1	1.1	–3.1	–1.3	0.4	1.1	0.6	0.4	0.2
United Arab Emirates	9.3	8.8	2.2	–3.2	–2.7	–1.5	2.1	0.9	–5.1	0.0	0.3	0.6	0.9	1.3	1.8
Uruguay[4]	–0.1	0.4	–0.5	0.2	–0.2	–0.1	0.6	–0.5	–2.1	–1.9	–1.1	0.0	0.4	0.5	0.6
Venezuela	–6.9	–8.1	–11.9	–9.0	–10.6	–23.0	–31.0	–10.0	–5.0	. . .	. . .	. . .	. . .	. . .	. . .

Source: IMF staff estimates and projections. Projections are based on staff assessments 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. MENA = Middle East and North Africa.

[1] The data for Ecuador reflect net lending/borrowing for the nonfinancial public sector. Ecuadorian authorities, in the context of the Extended Fund Facility approved in March of 2019 and with technical support from IMF Staff, are revising historical fiscal data for the net lending/borrowing of the nonfinancial public sector to correct recently identified statistical errors, mostly in the recording of revenues and expenditures of local governments. Fiscal data reported in the table for 2018 and 2019 reflect the corrected series, while data for earlier years are still being revisited and will be corrected in subsequent *World Economic Outlook* releases as far back as 2012. The authorities are also reconciling historical revenue and expenditure data with financing data.

[2] The numbers are based on nominal GDP series before the recent revision; therefore, data in the tables are not comparable to the authorities' numbers.

[3] Interest revenue is proxied by IMF staff estimates of investment income. The country team does not have the breakdown of investment income between interest revenue and dividends.

[4] Data are for the nonfinancial public sector, which includes central government, local government, social security funds, nonfinancial public corporations, and Banco de Seguros del Estado. The coverage of fiscal data was changed from the consolidated public sector to the nonfinancial public sector with the October 2019 submission. With this narrower coverage, the central bank balances are not included in the fiscal data. Historical data were also revised accordingly. Starting in October 2018, the public pension system has been receiving transfers in the context of a new law that compensates persons affected by the creation of the mixed pension system. These funds are recorded as revenues, consistent with the IMF's methodology. Therefore, data and projections for 2018–21 have been affected by these transfers, which amounted to 1.2 percent of GDP in 2018 and 1.1 percent of GDP in 2019, and are projected to be 0.6 percent of GDP in 2020, 0.2 percent of GDP in 2021, and zero thereafter. See IMF country report No. 19/64 for further details. The disclaimer about the public pension system applies only to the revenues and net lending/borrowing series.

Table A11. Emerging Market and Middle-Income Economies: General Government Cyclically Adjusted Balance, 2012–26

(Percent of potential GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	–0.3	–0.4	–0.4	–0.6	–0.7	–0.6	–0.7	–0.8	–1.4	–1.2	–1.2	–1.1	–1.1	–1.1	–1.1
Asia	–1.6	–1.8	–1.8	–3.0	–3.7	–3.8	–4.5	–5.6	–8.8	–7.0	–6.5	–6.0	–5.6	–5.2	–4.8
Europe	–1.2	–2.1	–1.2	–2.2	–2.3	–1.6	–0.1	–1.1	–4.9	–3.1	–2.5	–2.3	–2.3	–2.4	–2.5
Latin America	–3.0	–3.6	–5.2	–6.4	–5.3	–4.9	–4.3	–3.6	–6.9	–5.4	–4.8	–4.1	–3.5	–3.2	–3.0
MENA	0.0	0.0	0.0	–0.1	–0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
G20 Emerging	–1.9	–2.4	–2.6	–3.9	–4.2	–4.0	–4.1	–5.1	–8.5	–6.4	–6.1	–5.6	–5.2	–4.9	–4.5
Algeria	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Angola	–0.6	–2.6	–5.8	0.4	–1.7	–3.9	3.4	1.6	0.0	2.6	2.1	2.5	2.8	2.9	3.0
Argentina	–2.9	–3.6	–3.4	–6.2	–6.0	–7.2	–5.0	–3.4	–5.4	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	–0.2	–1.5	–0.8	–2.3	–0.1	0.4	1.7	0.6	–2.4	–3.8	–2.1	0.3	0.7	0.7	0.7
Brazil	–3.7	–4.6	–7.8	–10.4	–7.7	–6.8	–6.4	–5.4	–12.1	–5.9	–7.1	–6.2	–5.3	–4.8	–4.4
Bulgaria	–0.3	–1.2	–3.1	–2.7	1.4	0.7	0.1	–1.0	–1.8	–2.3	–2.3	–1.3	–0.5	–0.3	0.0
Chile[1]	–0.4	–0.5	–0.5	0.5	–1.0	–2.0	–1.5	–1.7	–2.5	–10.7	–4.0	–2.9	–1.9	–0.9	–0.9
China	–0.4	–0.9	–0.9	–2.5	–3.4	–3.6	–4.5	–5.9	–9.5	–6.9	–6.5	–6.0	–5.5	–5.0	–4.5
Colombia	0.1	–1.5	–2.4	–3.9	–2.6	–2.3	–4.1	–2.0	–4.9	–8.0	–6.3	–4.3	–2.8	–2.4	–1.8
Croatia	–6.1	–6.3	–5.1	–2.8	–0.8	0.8	0.4	0.1	–5.7	–3.5	–2.4	–1.6	–0.9	–0.3	–0.2
Dominican Republic	–6.3	–3.1	–4.7	–4.7	–4.2	–4.2	–4.0	–4.0	–7.6	–5.6	–3.0	–3.1	–3.1	–3.1	–3.2
Ecuador[2]	–2.3	–6.0	–6.5	–6.8	–7.6	–3.9	–2.6	–2.9	–4.3	–1.9	0.2	1.4	1.6	1.6	1.2
Egypt[3]	–9.9	–13.2	–11.6	–11.4	–12.0	–10.7	–9.5	–7.7	–7.0	–7.6	–6.5	–5.6	–5.2	–4.9	–4.4
Hungary	–0.1	–0.4	–1.7	–1.4	–1.2	–2.5	–3.0	–3.4	–7.3	–6.9	–6.4	–3.2	–2.5	–1.6	–0.7
India	–7.3	–6.6	–6.7	–7.0	–7.4	–6.2	–6.8	–7.4	–8.9	–9.4	–9.2	–8.6	–8.3	–8.1	–7.8
Indonesia	–1.9	–2.5	–2.3	–2.7	–2.5	–2.4	–1.7	–2.2	–4.7	–4.9	–4.1	–2.6	–2.6	–2.6	–2.4
Iran	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Kazakhstan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Kuwait	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Lebanon	–17.3	–14.1	–14.3	–13.3	–13.5	–16.0	–14.8	–19.6	–11.9	–2.4	. . .	. . .	. . .	. . .	. . .
Malaysia	–3.3	–3.2	–2.5	–2.7	–2.7	–2.6	–3.5	–1.8	–4.5	–4.9	–3.3	–3.4	–3.6	–3.7	–4.0
Mexico	–3.9	–3.6	–4.5	–4.2	–4.1	–2.6	–2.4	–2.1	–3.1	–3.3	–3.1	–2.9	–2.7	–2.7	–2.8
Morocco	–7.7	–5.9	–6.3	–4.6	–4.8	–4.2	–3.8	–3.7	–5.3	–5.6	–5.3	–4.9	–4.6	–4.0	–3.7
Oman	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Pakistan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Peru[1]	1.3	0.1	–0.1	–1.6	–1.8	–2.1	–1.6	–0.6	–6.0	–5.3	–4.1	–4.1	–4.0	–4.0	–3.9
Philippines	–0.4	0.2	0.7	0.6	–0.4	–0.5	–1.6	–1.6	–3.5	–6.3	–5.8	–4.9	–4.0	–2.9	–2.1
Poland	–3.7	–3.5	–3.0	–2.3	–1.9	–1.7	–1.2	–2.3	–5.2	–3.7	–2.3	–2.3	–2.1	–2.0	–1.9
Qatar	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Romania	–1.3	–1.6	–1.0	–0.5	–1.9	–3.4	–3.7	–5.6	–8.7	–6.3	–5.6	–5.6	–5.5	–5.3	–5.1
Russia	0.1	–1.6	–0.1	–3.1	–3.2	–1.0	2.9	2.0	–4.4	–0.6	0.1	0.2	0.1	–0.2	–0.5
Saudi Arabia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
South Africa	–4.0	–4.0	–4.0	–4.1	–3.5	–3.7	–3.5	–3.9	–5.2	–4.8	–5.1	–5.2	–5.4	–5.8	–6.2
Sri Lanka	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Thailand	–0.6	0.3	–0.4	0.5	0.9	–0.3	0.1	–0.7	–2.9	–4.6	–1.7	–2.4	–2.7	–3.1	–3.6
Turkey	–1.7	–2.0	–1.6	–1.6	–2.1	–2.9	–4.2	–5.1	–4.2	–5.3	–5.8	–5.9	–5.9	–6.0	–6.2
Ukraine	–4.5	–4.6	–3.3	0.9	–1.2	–1.3	–2.1	–1.8	–4.6	–4.0	–3.4	–2.3	–2.4	–2.4	–2.4
United Arab Emirates	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Uruguay[4]	–3.0	–2.7	–3.4	–1.9	–2.6	–2.5	–1.9	–2.3	–3.4	–3.4	–3.2	–2.5	–2.3	–2.2	–2.3
Venezuela	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .

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

Note: For country-specific details, see "Data and Conventions" in text and Table C. MENA = Middle East and North Africa.

[1] Data for these countries include adjustments beyond the output cycle.

[2] The data for Ecuador reflect net lending/borrowing for the nonfinancial public sector. Ecuadorian authorities, in the context of the Extended Fund Facility approved in March of 2019 and with technical support from IMF staff, are revising the historical fiscal data for the net lending/borrowing of the nonfinancial public sector to correct recently identified statistical errors, mostly in the recording of revenues and expenditures of local governments. Fiscal data reported in the table for 2018 and 2019 reflect the corrected series, while data for earlier years are still being revisited and will be corrected in subsequent *World Economic Outlook* releases as far back as 2012. The authorities are also reconciling historical revenue and expenditure data with financing data.

[3] These numbers are based on the nominal GDP series before the recent revision; therefore, data in the tables are not comparable to the authorities' numbers.

[4] Data are for the nonfinancial public sector, which includes central government, local government, social security funds, nonfinancial public corporations, and Banco de Seguros del Estado. The coverage of fiscal data was changed from the consolidated public sector to the nonfinancial public sector with the October 2019 submission. With this narrower coverage, the central bank balances are not included in the fiscal data. Historical data were also revised accordingly. Starting in October 2018, the public pension system has been receiving transfers in the context of a new law that compensates persons affected by the creation of the mixed pension system. These funds are recorded as revenues, consistent with the IMF's methodology. Therefore, data and projections for 2018–21 have been affected by these transfers, which amounted to 1.2 percent of GDP in 2018 and 1.1 percent of GDP in 2019, and are projected to be 0.6 percent of GDP in 2020, 0.2 percent of GDP in 2021, and zero thereafter. See IMF country report No. 19/64 for further details.

Table A12. Emerging Market and Middle-Income Economies: General Government Cyclically Adjusted Primary Balance, 2012–26

(Percent of potential GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	–0.1	–0.1	–0.1	–0.3	–0.3	–0.3	–0.3	–0.5	–1.1	–0.8	–0.8	–0.7	–0.6	–0.6	–0.5
Asia	–0.4	–0.6	–0.6	–1.8	–2.4	–2.3	–3.0	–4.2	–7.2	–5.5	–4.9	–4.3	–3.9	–3.5	–3.0
Europe	0.2	–0.7	0.1	–1.0	–1.1	–0.5	1.0	0.0	–3.8	–1.8	–1.1	–0.8	–0.8	–0.9	–0.9
Latin America	0.0	–0.5	–1.8	–2.0	–1.6	–1.0	–0.6	0.1	–3.8	–2.1	–0.9	–0.3	0.2	0.6	0.9
MENA	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	0.0	0.0
G20 Emerging	–0.2	–0.7	–0.8	–2.0	–2.4	–2.0	–2.2	–3.2	–6.7	–4.5	–4.1	–3.6	–3.2	–2.8	–2.4
Algeria	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Angola	0.5	–1.8	–4.7	1.9	0.6	–0.8	7.7	6.8	6.0	8.4	7.3	7.0	6.9	6.4	5.9
Argentina	–1.6	–3.0	–2.7	–4.6	–4.1	–4.7	–1.8	0.5	–3.2	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	1.2	–0.5	0.2	–0.7	1.8	2.3	3.7	2.4	–0.8	–2.1	–0.5	2.0	2.4	2.6	2.6
Brazil	0.9	0.3	–2.1	–2.0	–1.4	–0.9	–1.1	–0.5	–8.0	–1.3	–0.5	–0.2	0.3	0.7	1.2
Bulgaria	0.0	–0.8	–2.8	–2.3	1.7	1.0	0.3	–0.8	–1.7	–2.2	–2.1	–1.0	–0.3	–0.1	0.2
Chile[1]	–0.3	–0.4	–0.4	0.7	–0.7	–1.6	–1.1	–1.3	–2.0	–10.3	–3.4	–2.3	–1.2	–0.1	–0.1
China	0.1	–0.4	–0.4	–2.0	–2.7	–2.9	–3.7	–5.1	–8.6	–6.0	–5.5	–5.0	–4.6	–4.0	–3.5
Colombia	1.7	0.5	–0.8	–2.1	–0.6	–0.3	–1.9	0.4	–2.4	–5.2	–3.3	–1.3	0.3	0.6	1.1
Croatia	–3.3	–3.5	–2.2	0.3	2.0	3.3	2.5	2.2	–4.0	–2.0	–1.0	–0.6	–0.1	0.4	0.4
Dominican Republic	–3.9	–0.9	–2.4	–2.4	–1.7	–1.6	–1.3	–1.1	–4.6	–2.8	–0.1	–0.3	–0.2	–0.1	–0.2
Ecuador[2]	–1.6	–5.0	–5.4	–5.4	–6.1	–1.8	–0.1	–0.2	–1.5	–0.7	1.6	2.9	3.3	3.6	3.3
Egypt[3]	–4.9	–6.1	–4.5	–4.6	–3.9	–2.7	–0.5	1.6	2.1	1.1	1.5	1.9	1.9	1.9	1.7
Hungary	3.9	3.7	2.0	1.9	1.8	0.1	–0.7	–1.1	–5.0	–4.7	–4.3	–1.3	–0.4	0.7	2.1
India	–3.0	–2.1	–2.3	–2.5	–2.7	–1.4	–2.0	–2.7	–4.0	–4.1	–3.7	–3.1	–2.7	–2.4	–2.2
Indonesia	–0.7	–1.3	–1.1	–1.3	–1.0	–0.8	0.0	–0.4	–2.8	–3.0	–2.2	–0.6	–0.8	–0.8	–0.8
Iran	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Kazakhstan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Kuwait	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Lebanon	–8.9	–5.7	–5.1	–3.9	–3.4	–5.5	–3.6	–8.6	–9.3	0.6	. . .	. . .	. . .	. . .	. . .
Malaysia	–2.3	–1.9	–0.8	–1.1	–0.9	–0.8	–1.6	0.2	–2.8	–3.3	–1.4	–1.4	–1.4	–1.4	–1.5
Mexico	–1.1	–0.9	–1.7	–1.4	–0.9	1.1	1.4	1.6	0.6	0.2	0.3	0.5	0.7	0.8	0.9
Morocco	–5.2	–3.3	–3.6	–1.9	–2.2	–1.7	–1.4	–1.5	–3.1	–3.3	–3.0	–2.5	–1.9	–1.3	–1.0
Oman	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Pakistan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Peru[1]	2.2	1.1	0.8	–0.6	–0.9	–1.1	–0.5	0.6	–4.7	–3.8	–2.6	–2.7	–2.6	–2.8	–2.8
Philippines	2.1	2.6	2.8	2.6	1.4	1.2	0.1	–0.1	–1.8	–4.0	–3.4	–2.6	–1.6	–0.5	0.2
Poland	–1.0	–1.0	–1.0	–0.5	–0.2	–0.1	0.2	–0.8	–4.0	–2.6	–1.2	–1.2	–1.1	–0.9	–0.9
Qatar	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Romania	0.4	0.0	0.5	0.7	–0.7	–2.3	–2.3	–4.4	–7.4	–4.9	–4.0	–3.9	–3.8	–3.5	–3.2
Russia	0.3	–1.2	0.3	–2.8	–2.8	–0.5	3.4	2.3	–4.2	0.0	0.5	0.7	0.5	0.1	–0.2
Saudi Arabia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
South Africa	–1.6	–1.4	–1.2	–1.2	–0.4	–0.5	–0.1	–0.4	–1.5	–0.8	–0.6	–0.3	0.0	0.1	0.3
Sri Lanka	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Thailand	0.3	1.1	0.3	1.1	1.3	0.2	0.6	–0.2	–2.4	–4.2	–1.0	–1.4	–1.5	–1.8	–2.1
Turkey	0.8	0.3	0.4	0.3	–0.7	–1.5	–2.6	–3.2	–2.3	–2.8	–2.8	–2.8	–2.6	–2.6	–2.6
Ukraine	–2.6	–2.2	0.0	4.8	2.8	2.3	1.2	1.2	–1.8	–0.8	0.5	1.1	0.6	0.4	0.2
United Arab Emirates	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Uruguay[4]	–0.9	–0.4	–1.2	0.2	–0.2	–0.2	0.6	–0.1	–1.0	–1.2	–0.8	0.1	0.4	0.5	0.6
Venezuela	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .

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

Note: "Cyclically adjusted primary balance" is defined as the cyclically adjusted balance plus net interest payable/paid (interest expense minus interest revenue) following the *World Economic Outlook* convention. For country-specific details, see "Data and Conventions" in text and Table C. MENA = Middle East and North Africa.

[1] Data for these countries include adjustments beyond the output cycle. For country-specific details, see "Data and Conventions" in text and Table C.

[2] The data for Ecuador reflect net lending/borrowing for the nonfinancial public sector. Ecuadorian authorities, in the context of the Extended Fund Facility approved in March of 2019 and with technical support from IMF staff, are revising the historical fiscal data for the net lending/borrowing of the nonfinancial public sector to correct recently identified statistical errors, mostly in the recording of revenues and expenditures of local governments. Fiscal data reported in the table for 2018 and 2019 reflect the corrected series, while data for earlier years are still being revised and will be corrected in subsequent *World Economic Outlook* releases as far back as 2012. The authorities are also reconciling historical revenue and expenditure data with financing data.

[3] These numbers are based on the nominal GDP series before the recent revision; therefore, data in the tables are not comparable to the authorities' numbers.

[4] Data are for the nonfinancial public sector, which includes central government, local government, social security funds, nonfinancial public corporations, and Banco de Seguros del Estado. The coverage of fiscal data was changed from the consolidated public sector to the nonfinancial public sector with the October 2019 submission. With this narrower coverage, the central bank balances are not included in the fiscal data. Historical data were also revised accordingly. Starting in October 2018, the public pension system has been receiving transfers in the context of a new law that compensates persons affected by the creation of the mixed pension system. These funds are recorded as revenues, consistent with the IMF's methodology. Therefore, data and projections for 2018–21 have been affected by these transfers, which amounted to 1.2 percent of GDP in 2018 and 1.1 percent of GDP in 2019, and are projected to be 0.6 percent of GDP in 2020, 0.2 percent of GDP in 2021, and zero thereafter. See IMF Country Report No. 19/64 for further details.

Table A13. Emerging Market and Middle-Income Economies: General Government Revenue, 2012–26
(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	29.4	29.0	28.4	27.2	26.6	26.7	27.5	27.0	25.1	25.5	25.6	25.6	25.9	26.1	26.3
Asia	25.3	25.4	25.6	26.2	25.6	25.2	25.8	25.3	23.4	23.9	24.0	24.1	24.5	24.9	25.3
Europe	35.1	34.4	34.4	33.4	33.8	33.8	35.2	35.1	34.6	34.8	34.9	34.7	34.6	34.4	34.1
Latin America	30.1	29.8	28.9	26.3	26.8	27.2	27.1	27.2	25.9	26.6	26.4	26.5	26.7	26.8	26.8
MENA	38.0	36.9	33.8	28.5	24.9	27.0	30.2	28.7	24.2	24.4	24.8	24.5	24.3	24.2	24.1
G20 Emerging	28.9	28.6	28.1	27.4	27.1	26.9	27.5	27.1	25.2	25.6	25.6	25.7	26.0	26.3	26.5
Algeria	39.1	35.8	33.3	30.5	28.6	32.0	33.4	32.3	31.5	27.0	27.8	27.7	27.1	26.7	26.4
Angola	41.3	36.7	30.7	24.1	17.5	17.5	22.9	21.2	20.9	22.9	22.4	21.6	20.9	20.2	19.7
Argentina	33.8	34.3	34.6	35.4	34.9	34.4	33.5	33.3	33.5	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	39.3	39.8	38.9	38.8	39.0	38.7	39.6	38.3	35.8	34.7	34.3	34.6	34.8	35.1	35.3
Brazil	34.7	34.5	32.5	28.2	30.6	30.4	30.6	31.4	29.4	30.2	29.6	29.5	29.6	29.5	29.4
Bulgaria	32.2	33.8	33.5	34.6	34.3	33.0	34.5	35.1	35.4	36.7	34.4	34.4	35.3	35.9	36.2
Chile	23.8	22.6	22.3	22.8	22.6	22.8	24.0	23.7	22.1	25.4	24.0	24.6	25.4	25.6	25.5
China	27.9	27.7	28.1	28.8	28.2	27.8	28.3	27.8	25.3	25.8	25.9	26.0	26.5	26.9	27.4
Colombia	29.2	29.0	29.5	27.8	27.7	26.8	30.0	29.4	26.5	27.3	29.0	29.7	29.8	29.6	29.4
Croatia	42.9	42.8	43.5	45.4	46.6	46.1	46.3	47.5	48.0	51.1	52.3	52.1	50.4	48.8	48.1
Dominican Republic	13.6	14.2	14.2	16.6	13.9	14.0	14.2	14.4	14.2	14.5	14.6	14.2	14.3	14.3	14.3
Ecuador[1]	39.3	39.2	38.4	33.6	30.3	32.0	35.6	33.7	29.8	33.2	33.8	33.8	33.3	32.8	32.5
Egypt[2]	20.8	21.7	24.4	22.0	20.3	21.8	20.7	20.3	19.2	19.9	21.0	21.2	21.4	21.6	21.6
Hungary	46.9	47.6	47.4	48.4	45.0	44.1	43.8	43.6	43.5	42.5	41.3	42.8	43.2	43.5	43.7
India	19.8	19.6	19.1	19.9	20.1	20.0	20.0	19.7	18.3	19.2	19.5	19.6	19.8	20.0	20.1
Indonesia	17.2	16.9	16.5	14.9	14.3	14.1	14.9	14.2	12.4	12.4	12.0	12.3	12.4	12.6	12.8
Iran	13.5	13.4	14.0	15.7	16.7	16.9	15.4	10.4	8.9	9.2	9.4	9.6	9.8	10.1	10.3
Kazakhstan	26.3	24.8	23.7	16.6	17.0	19.8	21.4	19.7	17.5	18.3	18.9	19.1	19.0	18.9	18.8
Kuwait	71.2	72.3	66.6	60.0	54.1	57.7	59.5	57.3	58.8	55.0	56.2	54.8	53.4	52.5	51.8
Lebanon	21.8	20.1	22.6	19.1	19.3	21.8	20.9	20.7	16.0	12.1	. . .	. . .	. . .	. . .	. . .
Malaysia	25.4	24.3	23.3	22.2	20.1	19.5	20.2	21.3	20.2	20.1	19.6	19.2	19.2	19.2	19.2
Mexico	24.5	24.1	23.4	23.5	24.6	24.6	23.5	23.6	24.5	24.0	23.2	22.9	23.0	23.0	23.1
Morocco	28.0	27.8	28.0	26.1	26.1	26.6	26.1	25.6	28.4	24.7	26.0	26.2	26.5	26.9	27.2
Oman	48.7	48.0	45.5	35.2	28.7	33.2	36.2	39.2	34.6	32.3	34.6	34.3	34.5	33.6	32.8
Pakistan	13.0	13.5	15.2	14.5	15.5	15.5	15.2	13.0	15.2	14.5	15.4	16.6	16.6	16.6	16.7
Peru	22.4	22.3	22.4	20.3	18.8	18.3	19.4	19.9	17.9	18.3	18.7	18.8	18.9	19.1	19.2
Philippines	17.8	18.0	18.1	18.5	18.3	18.7	19.3	20.0	20.6	20.1	20.9	21.2	21.7	22.0	22.2
Poland	39.4	38.8	39.0	39.1	38.7	39.8	41.3	41.1	41.7	40.9	41.1	41.3	41.3	41.2	41.1
Qatar	41.5	49.9	47.7	60.3	35.3	32.2	34.8	37.5	35.8	34.3	36.4	36.7	35.8	35.6	35.8
Romania	32.6	31.5	32.0	32.8	28.9	28.0	29.2	28.9	28.9	30.3	30.2	29.8	29.9	30.0	30.2
Russia	34.4	33.5	33.9	31.9	32.9	33.4	35.5	35.8	35.4	36.4	36.3	36.0	35.8	35.4	34.9
Saudi Arabia	45.2	41.2	36.7	25.0	21.5	24.1	30.7	31.2	29.7	29.1	29.1	29.0	29.1	29.2	29.2
South Africa	24.6	25.0	25.4	25.8	26.2	25.8	26.4	26.9	25.2	25.1	26.1	26.2	26.3	26.3	26.4
Sri Lanka	12.2	12.0	11.6	13.3	14.1	13.8	13.5	12.6	9.2	9.5	10.3	10.7	11.0	11.1	11.1
Thailand	21.4	22.2	21.4	22.3	21.9	21.1	21.4	21.0	20.6	20.3	20.8	21.1	21.2	21.2	21.2
Turkey	32.3	32.5	31.6	31.9	32.5	31.2	30.8	30.1	28.7	28.0	28.7	28.6	28.6	28.6	28.5
Ukraine	44.7	43.3	40.3	41.9	38.3	39.3	39.6	39.4	40.0	36.7	36.1	35.8	35.7	35.6	35.6
United Arab Emirates	38.1	38.7	35.0	29.0	28.9	28.6	30.8	31.1	27.5	30.7	30.6	30.3	30.1	29.9	29.7
Uruguay[3]	25.6	27.2	26.6	26.6	27.1	27.5	28.8	28.3	28.1	27.5	27.5	27.8	28.0	28.1	28.2
Venezuela	29.8	28.4	34.6	19.7	14.3	14.7	17.4	11.4	5.9	. . .	. . .	. . .	. . .	. . .	. . .

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

Note: For country-specific details, see "Data and Conventions" in text and Table C. MENA = Middle East and North Africa.

[1] The data for Ecuador reflect net lending/borrowing for the nonfinancial public sector. Ecuadorian authorities, in the context of the Extended Fund Facility approved in March of 2019 and with technical support from IMF staff, are revising the historical fiscal data for the net lending/borrowing of the nonfinancial public sector to correct recently identified statistical errors, mostly in the recording of revenues and expenditures of local governments. Fiscal data reported in the table for 2018 and 2019 reflect the corrected series, while data for earlier years are still being revised and will be corrected in subsequent *World Economic Outlook* releases as far back as 2012. The authorities are also reconciling historical revenue and expenditure data with financing data.

[2] These numbers are based on the nominal GDP series before the recent revision; therefore, data in the tables are not comparable to the authorities' numbers.

[3] Data are for the nonfinancial public sector, which includes central government, local government, social security funds, nonfinancial public corporations, and Banco de Seguros del Estado. The coverage of fiscal data was changed from the consolidated public sector to the nonfinancial public sector with the October 2019 submission. With this narrower coverage, the central bank balances are not included in the fiscal data. Historical data were also revised accordingly. Starting in October 2018, the public pension system has been receiving transfers in the context of a new law that compensates persons affected by the creation of the mixed pension system. These funds are recorded as revenues, consistent with the IMF's methodology. Therefore, data and projections for 2018–21 have been affected by these transfers, which amounted to 1.2 percent of GDP in 2018 and 1.1 percent of GDP in 2019, and are projected to be 0.6 percent of GDP in 2020, 0.2 percent of GDP in 2021, and zero thereafter. See IMF Country Report No. 19/64 for further details. The disclaimer about the public pension system applies only to the revenues and net lending/borrowing series.

Table A14. Emerging Market and Middle-Income Economies: General Government Expenditure, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	30.4	30.6	30.9	31.5	31.4	30.8	31.2	31.7	34.6	32.2	31.4	30.8	30.6	30.5	30.4
Asia	26.9	27.1	27.4	29.5	29.5	29.2	30.3	31.3	34.1	31.8	30.9	30.3	30.2	30.1	30.1
Europe	35.9	36.0	35.9	36.1	36.6	35.6	34.9	35.8	40.2	38.0	37.3	36.9	36.8	36.7	36.6
Latin America	32.9	32.9	33.9	32.9	32.8	32.6	32.1	31.3	34.7	32.3	31.4	30.7	30.2	29.9	29.7
MENA	32.2	33.8	35.5	36.3	35.0	32.2	32.0	31.6	32.4	28.7	28.5	28.2	28.0	27.8	27.5
G20 Emerging	30.2	30.4	30.7	31.8	32.0	31.2	31.8	32.5	35.5	32.7	32.0	31.3	31.2	31.0	31.0
Algeria	43.5	36.2	40.6	45.8	41.7	38.6	37.8	37.9	37.8	36.2	34.3	33.8	33.0	32.8	32.5
Angola	37.2	37.0	36.5	27.1	22.0	24.1	20.6	20.4	22.8	19.7	19.6	18.7	17.9	17.3	16.8
Argentina	36.8	37.6	38.9	41.4	41.5	41.1	38.9	37.7	42.1	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	38.9	40.8	38.8	41.8	40.7	39.0	37.8	37.4	38.7	38.5	36.7	34.5	34.3	34.5	34.6
Brazil	37.2	37.4	38.5	38.5	39.6	38.3	37.7	37.3	42.7	36.3	37.0	35.9	35.0	34.4	33.9
Bulgaria	32.7	35.6	37.2	37.4	32.8	32.1	34.4	36.0	38.4	40.4	37.4	35.9	35.9	36.2	36.2
Chile	23.1	23.0	23.8	24.9	25.3	25.4	25.4	26.4	29.2	33.3	25.7	25.6	25.6	24.9	24.9
China	28.2	28.6	29.0	31.6	31.9	31.6	32.9	34.1	36.5	33.3	32.7	32.1	32.1	31.9	31.9
Colombia	29.1	30.0	31.3	31.3	30.0	29.3	34.7	32.8	33.5	35.7	35.4	34.0	32.5	32.0	31.3
Croatia	48.2	48.1	48.7	48.6	47.4	45.3	46.1	47.2	55.4	55.2	55.0	53.7	51.4	49.1	48.3
Dominican Republic	20.1	17.7	17.0	16.7	17.0	17.1	16.4	16.6	22.1	19.0	16.9	16.7	16.7	16.7	16.7
Ecuador[1]	40.3	43.7	43.6	39.7	38.6	36.5	37.7	36.4	35.9	35.5	33.8	32.6	31.8	31.4	31.5
Egypt[2]	30.8	34.6	35.7	33.0	32.7	32.2	30.1	28.3	27.1	27.2	27.4	26.7	26.5	26.5	26.0
Hungary	49.2	50.2	50.1	50.4	46.8	46.5	45.9	45.7	51.6	49.1	47.3	45.8	45.5	45.0	44.3
India	27.4	26.6	26.2	27.1	27.2	26.2	26.3	27.1	31.1	30.4	29.2	28.4	28.2	28.1	27.9
Indonesia	18.8	19.1	18.6	17.5	16.8	16.6	16.6	16.4	18.2	18.5	16.9	15.1	15.2	15.3	15.3
Iran	14.2	14.2	15.1	17.3	18.7	18.7	17.2	15.5	14.6	15.6	16.7	17.6	18.4	19.2	20.1
Kazakhstan	21.9	19.8	21.3	22.9	21.5	24.1	18.8	20.2	24.5	21.3	20.4	19.9	19.8	19.8	19.9
Kuwait	38.8	38.1	44.3	54.4	53.8	51.4	50.3	52.3	67.1	56.4	55.2	55.3	55.0	54.4	52.9
Lebanon	30.2	28.9	28.8	26.6	28.2	30.4	32.1	30.9	19.2	23.0	. . .	. . .	. . .	. . .	. . .
Malaysia	28.5	27.8	26.0	24.7	22.7	21.9	22.8	23.5	25.4	23.0	23.7	23.3	23.2	23.1	23.1
Mexico	28.2	27.8	28.0	27.5	27.4	25.7	25.7	26.0	29.0	28.3	26.8	26.2	25.9	25.9	25.9
Morocco	35.2	32.9	33.2	31.0	30.8	30.1	29.8	29.4	36.0	31.2	31.9	31.4	31.2	30.8	30.8
Oman	44.1	44.9	47.4	50.9	51.2	45.2	43.9	44.7	53.3	34.9	33.4	32.8	32.3	31.4	30.2
Pakistan	21.7	21.8	20.1	19.8	19.9	21.3	21.6	21.9	23.2	21.6	21.6	20.8	20.8	20.4	19.9
Peru	20.3	21.6	22.6	22.4	21.1	21.2	21.4	21.3	26.2	23.7	22.7	22.3	22.1	22.0	21.9
Philippines	18.1	17.9	17.3	17.9	18.7	19.1	20.9	21.7	26.4	27.7	27.1	26.2	25.6	24.9	24.3
Poland	43.1	43.0	42.6	41.7	41.1	41.3	41.5	41.8	48.7	45.2	43.0	43.2	43.2	43.1	43.0
Qatar	31.0	28.3	32.3	38.6	40.1	34.7	28.9	32.6	34.5	31.6	30.8	28.3	27.1	26.0	24.9
Romania	35.1	34.0	33.7	34.2	31.3	30.8	32.0	33.5	38.6	37.0	35.7	35.4	35.4	35.3	35.3
Russia	34.0	34.7	34.9	35.3	36.6	34.8	32.6	33.9	39.4	37.0	36.3	35.8	35.7	35.6	35.4
Saudi Arabia	33.2	35.5	40.2	40.8	38.7	33.3	36.6	35.6	41.0	32.1	30.8	30.5	30.1	29.7	29.1
South Africa	28.6	28.9	29.3	30.2	29.9	29.9	30.2	31.7	36.0	33.6	33.1	32.5	32.5	32.8	33.2
Sri Lanka	17.8	17.2	17.9	20.4	19.5	19.3	18.8	20.6	21.9	20.0	20.4	20.2	20.1	19.7	19.2
Thailand	22.3	21.6	22.2	22.2	21.3	21.5	21.4	21.8	25.3	27.2	24.1	24.5	24.6	24.7	24.9
Turkey	34.2	33.9	33.1	33.2	34.8	33.3	34.6	35.7	34.0	32.9	34.3	34.4	34.5	34.6	34.7
Ukraine	49.0	48.1	44.8	43.0	40.6	41.6	41.7	41.3	46.0	41.2	39.6	38.2	38.1	38.0	38.0
United Arab Emirates	29.1	30.3	33.1	32.4	31.7	30.2	28.9	30.5	33.1	31.3	30.8	30.4	30.0	29.5	29.0
Uruguay[3]	27.8	28.9	29.2	28.5	29.8	30.1	30.7	31.1	32.8	31.7	31.1	30.4	30.3	30.3	30.5
Venezuela	40.3	39.7	50.1	30.3	25.2	37.7	48.4	21.4	10.9	. . .	. . .	. . .	. . .	. . .	. . .

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

Note: For country-specific details, see "Data and Conventions" in text and Table C. MENA = Middle East and North Africa.

[1] The data for Ecuador reflect net lending/borrowing for the nonfinancial public sector. Ecuadorian authorities, in the context of the Extended Fund Facility approved in March of 2019 and with technical support from IMF staff, are revising the historical fiscal data for the net lending/borrowing of the nonfinancial public sector to correct recently identified statistical errors, mostly in the recording of revenues and expenditures of local governments. Fiscal data reported in the table for 2018 and 2019 reflect the corrected series, while data for earlier years are still being revised and will be corrected in subsequent *World Economic Outlook* releases as far back as 2012. The authorities are also reconciling historical revenue and expenditure data with financing data.

[2] These numbers are based on the nominal GDP series before the recent revision; therefore, data in the tables are not comparable to the authorities' numbers.

[3] Data are for the nonfinancial public sector, which includes central government, local government, social security funds, nonfinancial public corporations, and Banco de Seguros del Estado. The coverage of fiscal data was changed from the consolidated public sector to the nonfinancial public sector with the October 2019 submission. With this narrower coverage, the central bank balances are not included in the fiscal data. Historical data were also revised accordingly.

Table A15. Emerging Market and Middle-Income Economies: General Government Gross Debt, 2012–26
(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	37.1	38.3	40.4	43.9	48.4	50.5	52.4	54.7	64.0	64.3	65.8	67.1	68.2	69.0	69.8
Asia	39.6	41.3	43.4	45.0	50.0	52.8	54.5	57.3	67.3	70.1	72.4	74.2	75.7	77.0	78.1
Europe	25.7	26.6	28.9	31.1	31.9	30.1	29.7	29.2	38.0	36.6	36.7	36.8	37.1	37.2	37.4
Latin America	46.8	47.4	49.5	53.0	56.4	61.1	67.4	68.3	78.1	73.0	73.6	74.2	74.2	73.8	73.2
MENA	23.8	23.9	23.9	35.1	42.5	41.9	41.1	45.7	52.6	48.4	47.1	47.5	47.9	48.2	48.3
G20 Emerging	37.3	38.5	40.9	44.0	48.8	51.4	53.2	55.8	65.3	66.1	68.3	70.0	71.3	72.5	73.4
Algeria	9.3	7.1	7.7	8.7	20.4	26.8	37.8	45.8	55.6	58.5	63.2	68.2	73.5	79.1	84.4
Angola	26.7	33.1	39.8	57.1	75.7	69.3	93.0	113.6	136.5	103.7	90.8	83.3	75.7	67.6	61.5
Argentina	40.4	43.5	44.7	52.6	53.1	57.0	85.2	88.7	102.8	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	36.9	36.9	38.8	53.0	53.5	53.2	47.5	41.0	48.0	44.9	44.7	40.3	39.8	37.8	36.7
Brazil[1]	62.2	60.2	62.3	72.6	78.3	83.6	85.6	87.7	98.9	90.6	90.2	91.7	92.4	92.6	92.4
Bulgaria	16.6	17.2	26.3	25.4	27.1	23.0	20.1	18.4	23.6	25.0	26.1	26.7	25.8	24.6	23.4
Chile	11.9	12.7	15.0	17.3	21.0	23.6	25.6	28.2	32.5	34.4	37.3	39.7	40.9	40.8	40.5
China	34.4	37.0	40.0	41.5	48.2	51.7	53.8	57.1	66.3	68.9	72.1	74.5	76.6	78.5	80.1
Colombia	34.0	37.6	43.3	50.4	49.8	49.4	53.6	52.3	65.4	66.7	67.6	69.7	68.3	66.7	64.7
Croatia	70.0	81.0	84.7	84.3	80.8	77.5	74.2	72.8	88.7	87.0	83.6	80.3	77.1	73.9	70.7
Dominican Republic	42.3	46.7	44.9	44.9	46.6	48.8	50.4	53.5	71.5	66.1	63.8	62.2	60.7	59.2	58.0
Ecuador[2]	17.5	20.0	27.1	33.8	43.2	44.6	49.1	51.4	61.2	61.0	59.9	57.9	56.2	52.9	49.6
Egypt[3]	73.8	84.0	85.1	88.3	96.8	103.0	92.5	84.2	89.8	91.4	89.5	86.2	82.3	78.2	74.1
Hungary	78.4	77.4	76.7	75.8	74.9	72.2	69.1	65.5	80.4	76.6	75.6	73.1	70.8	68.4	65.3
India	68.0	67.7	67.1	69.0	68.9	69.7	70.4	74.1	89.6	90.6	88.8	88.1	87.3	86.3	85.2
Indonesia	23.0	24.8	24.7	27.0	28.0	29.4	30.4	30.6	36.6	41.4	43.3	42.8	42.7	42.5	42.4
Iran	11.7	10.3	11.0	39.3	44.6	36.9	38.5	47.9	39.5	33.6	33.3	34.2	35.5	37.0	38.8
Kazakhstan	12.1	12.6	14.5	21.9	19.7	19.9	20.3	19.9	26.3	25.2	26.5	27.6	29.2	31.3	33.3
Kuwait	3.6	3.1	3.4	4.7	10.0	20.5	15.1	11.6	11.7	7.9	10.8	21.6	34.3	47.2	60.2
Lebanon	131.0	135.3	138.3	140.5	145.7	149.2	154.0	171.1	150.4	491.8	. . .	. . .	. . .	. . .	. . .
Malaysia	53.8	55.7	55.4	57.0	55.8	54.4	55.6	57.1	67.4	70.7	69.9	70.1	71.0	71.9	72.6
Mexico	42.7	45.9	48.9	52.8	56.7	54.0	53.6	53.3	61.0	59.8	60.1	60.5	60.9	61.2	61.5
Morocco	56.5	61.7	63.3	63.7	64.9	65.1	65.2	65.1	75.4	75.8	76.6	76.6	76.6	76.3	75.9
Oman	5.2	5.3	4.6	15.8	33.7	45.9	51.3	60.5	81.2	68.2	61.7	58.4	54.3	49.9	44.8
Pakistan	63.4	64.5	63.5	63.3	67.6	67.1	72.1	85.3	87.6	83.4	80.9	75.8	71.8	67.7	63.6
Peru	21.2	20.0	20.6	24.1	24.5	25.4	26.1	27.1	35.1	35.0	36.9	38.5	40.1	42.1	43.8
Philippines	45.7	43.8	40.2	39.6	37.3	38.1	37.1	37.0	51.7	59.1	62.3	63.3	63.5	62.6	60.8
Poland	54.4	56.5	51.1	51.3	54.2	50.6	48.8	45.6	57.5	55.5	53.3	52.1	51.3	50.6	50.1
Qatar	32.1	30.9	24.9	35.5	46.7	51.6	52.2	62.3	72.1	59.0	53.1	46.7	44.1	41.7	39.2
Romania	38.0	39.1	40.4	39.4	39.0	36.8	36.5	36.8	49.8	51.1	52.9	54.9	57.0	58.8	60.4
Russia	11.2	12.3	15.1	15.3	14.8	14.3	13.6	13.8	19.3	17.9	17.9	17.7	17.8	17.5	17.5
Saudi Arabia	3.0	2.1	1.6	5.8	13.1	17.2	19.0	22.8	32.5	29.7	30.8	30.4	29.5	28.4	27.2
South Africa	37.4	40.4	43.3	45.2	47.1	48.6	51.6	56.3	69.4	68.8	72.3	74.9	77.4	80.2	83.0
Sri Lanka	69.6	71.8	72.2	78.5	79.0	77.9	84.2	86.8	101.2	109.3	111.4	111.9	111.5	111.0	110.2
Thailand	41.9	42.2	43.3	42.6	41.7	41.8	42.0	41.0	49.6	58.0	59.5	60.0	61.2	61.6	62.0
Turkey	32.4	31.2	28.5	27.4	28.0	28.0	30.2	32.7	39.8	37.8	37.9	39.0	39.8	40.4	41.1
Ukraine	37.5	40.5	70.3	79.5	79.5	71.6	60.4	50.5	60.8	54.4	51.7	48.9	46.4	44.8	43.6
United Arab Emirates	21.2	16.0	14.2	16.7	19.4	21.6	20.9	27.1	39.4	37.3	38.6	38.9	38.6	37.9	37.0
Uruguay[4]	50.0	50.3	51.4	58.2	56.8	56.5	58.6	60.5	68.1	67.5	68.8	70.0	70.4	70.7	70.6
Venezuela	30.1	33.2	25.1	11.0	5.1	26.0	180.8	232.8	304.1	. . .	. . .	. . .	. . .	. . .	. . .

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

Note: For country-specific details, see "Data and Conventions" in text and Table C. MENA = Middle East and North Africa.

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

[2] In late 2016, the authorities changed the definition of "debt" to a consolidated basis, which in 2016 was 11.5 percent of GDP lower than the previous aggregate definition. Both the historic and projection numbers are now presented on a consolidated basis.

[3] These numbers are based on the nominal GDP series before the recent revision; therefore, data in the tables are not comparable to the authorities' numbers.

[4] Data are for the nonfinancial public sector, which includes central government, local government, social security funds, nonfinancial public corporations, and Banco de Seguros del Estado. The coverage of fiscal data was changed from the consolidated public sector to the nonfinancial public sector with the October 2019 submission. With this narrower coverage, the central bank balances are not included in the fiscal data. Historical data were also revised accordingly.

Table A16. Emerging Market and Middle-Income Economies: General Government Net Debt, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	23.0	23.2	24.7	29.1	34.7	35.8	36.7	38.4	44.7	45.3	46.3	47.5	48.2	48.5	48.6
Asia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Europe	31.8	31.7	30.3	29.4	31.4	30.2	30.4	29.4	36.9	37.4	37.8	38.1	38.4	38.6	38.8
Latin America	29.1	29.1	31.7	34.9	40.3	42.5	42.9	44.1	52.0	51.4	53.2	55.2	56.6	57.1	57.9
MENA	–6.3	–7.3	–3.6	13.0	26.9	26.5	28.5	34.5	39.1	39.8	39.0	41.0	41.8	42.3	41.6
G20 Emerging	21.7	21.5	23.1	26.0	31.9	34.9	36.0	37.6	44.5	45.1	47.2	48.9	50.3	50.9	51.7
Algeria	–29.0	–30.0	–21.8	–7.6	13.3	21.2	25.2	30.2	47.5	56.0	60.8	65.8	71.1	76.7	81.9
Angola	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Argentina	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Belarus	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Brazil	32.2	30.5	32.6	35.6	46.1	51.4	52.8	54.6	62.7	60.7	63.4	67.3	70.2	71.3	73.3
Bulgaria	4.5	6.5	13.2	15.5	11.3	10.4	9.0	8.0	13.1	15.1	16.7	17.9	17.3	16.5	15.6
Chile	–6.8	–5.6	–4.4	–3.4	0.9	4.4	5.7	8.0	13.4	19.8	20.7	21.3	21.2	20.1	19.1
China	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Colombia	24.8	26.9	32.9	42.1	38.6	38.6	43.1	43.0	54.4	57.6	60.2	60.9	59.9	58.6	56.8
Croatia	58.3	65.6	69.7	71.0	68.7	65.6	62.4	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Dominican Republic	36.3	39.1	37.5	37.4	38.5	40.3	41.4	43.4	57.4	52.6	50.1	48.6	47.0	45.6	44.4
Ecuador	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Egypt[1]	63.5	73.7	77.1	78.8	88.2	93.9	81.3	74.2	79.2	83.5	82.2	83.9	80.5	76.8	68.2
Hungary	70.7	71.1	70.4	70.6	68.0	65.2	62.2	58.5	73.5	69.6	68.6	66.2	63.9	61.4	58.3
India	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Indonesia	18.6	20.6	20.4	22.0	23.5	25.3	26.7	27.0	33.0	38.0	40.2	40.0	40.1	40.1	40.2
Iran	1.0	–5.9	–6.1	23.0	32.0	23.7	25.6	36.9	30.3	27.3	28.4	30.4	32.5	34.7	36.9
Kazakhstan	–15.9	–17.6	–19.1	–30.8	–23.8	–15.8	–15.8	–13.9	–8.6	–4.9	–3.9	–3.3	–2.6	–2.0	–1.3
Kuwait	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Lebanon	123.7	126.0	129.9	134.0	140.0	143.6	149.7	165.9	147.8	490.9	. . .	. . .	. . .	. . .	. . .
Malaysia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Mexico	37.2	40.0	42.6	46.5	48.7	45.7	44.9	44.5	52.4	51.1	51.4	51.9	52.2	52.5	52.8
Morocco	56.0	61.2	62.8	63.1	64.4	64.8	64.9	64.8	74.7	75.1	75.9	75.9	76.0	75.6	75.2
Oman	–29.3	–44.2	–44.9	–42.2	–27.8	–11.9	7.3	12.9	33.0	30.3	26.1	23.2	20.0	16.6	12.8
Pakistan	59.4	60.7	58.1	58.2	61.3	61.5	66.5	76.9	80.0	74.8	74.1	69.8	66.4	62.9	59.4
Peru	2.8	1.5	2.7	5.3	7.0	8.7	10.2	11.2	20.3	22.6	25.0	26.9	28.8	30.4	31.7
Philippines	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Poland	48.5	51.7	45.1	46.4	47.6	44.3	41.6	38.3	45.3	43.4	41.1	40.0	39.2	38.5	37.9
Qatar	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Romania	29.1	29.6	29.7	29.7	27.8	28.2	28.0	28.5	40.2	41.8	43.8	46.0	48.3	50.2	51.9
Russia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Saudi Arabia	–47.1	–50.9	–47.1	–35.9	–17.1	–7.7	–0.1	5.0	15.9	16.3	17.4	18.4	18.9	18.8	17.9
South Africa	31.8	34.7	38.1	41.0	42.1	43.8	46.6	50.8	63.3	64.7	69.1	72.1	75.0	78.2	81.3
Sri Lanka	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Thailand	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Turkey	27.3	25.8	23.7	22.8	23.3	22.1	24.0	26.7	32.1	33.8	35.4	36.8	38.1	39.2	40.1
Ukraine	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
United Arab Emirates	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Uruguay[2]	38.1	39.7	41.6	45.6	45.6	45.7	47.9	51.2	57.8	57.4	58.8	60.1	60.6	61.0	60.9
Venezuela	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .

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

Note: For country-specific details, see "Data and Conventions" in text and Table C. MENA = Middle East and North Africa.

[1] These numbers are based on the nominal GDP series before the recent revision; therefore, data in the tables are not comparable to the authorities' numbers.

[2] Data are for the nonfinancial public sector, which includes central government, local government, social security funds, nonfinancial public corporations, and Banco de Seguros del Estado. The coverage of fiscal data was changed from the consolidated public sector to the nonfinancial public sector with the October 2019 submission. With this narrower coverage, the central bank balances are not included in the fiscal data. Historical data were also revised accordingly.

Table A17. Low-Income Developing Countries: General Government Overall Balance, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	–2.2	–3.4	–3.2	–3.9	–3.8	–3.6	–3.4	–3.9	–5.2	–5.4	–5.0	–4.5	–4.3	–4.1	–3.9
Oil Producers	–0.4	–3.0	–2.9	–4.6	–5.3	–5.4	–4.1	–4.5	–5.5	–5.9	–5.7	–5.4	–5.4	–5.7	–5.9
Asia	–3.9	–4.2	–3.7	–4.1	–3.3	–2.7	–2.9	–4.1	–4.9	–5.6	–5.6	–5.2	–4.9	–4.4	–4.2
Latin America	–2.4	–3.9	–2.7	–1.2	–0.7	–0.6	–1.0	–0.4	–3.4	–3.2	–2.1	–1.6	–1.8	–1.8	–1.8
Sub-Saharan Africa	–1.6	–3.2	–3.4	–4.2	–4.5	–4.5	–4.0	–4.0	–5.7	–5.7	–5.1	–4.4	–4.2	–4.2	–4.1
Others	–1.1	–2.3	–1.7	–3.2	–2.5	–2.4	–2.1	–3.1	–3.7	–3.3	–2.9	–2.6	–2.5	–2.1	–1.7
Afghanistan	0.2	–0.6	–1.7	–1.4	0.1	–0.7	1.6	–1.1	–2.2	. . .	. . .	. . .	. . .	. . .	. . .
Bangladesh	–3.0	–3.4	–3.1	–4.0	–3.4	–3.3	–4.6	–5.4	–5.5	–5.9	–6.1	–5.7	–5.4	–5.0	–5.0
Benin	–0.2	–1.4	–1.7	–5.6	–4.3	–4.2	–3.0	–0.5	–4.7	–4.5	–3.9	–3.0	–2.5	–2.5	–2.0
Burkina Faso	–2.8	–3.5	–1.7	–2.1	–3.1	–6.9	–4.4	–3.4	–5.7	–5.6	–4.8	–4.0	–3.0	–3.0	–3.0
Cambodia	–4.5	–2.6	–1.6	–0.6	–0.3	–0.8	0.7	3.0	–3.4	–3.8	–3.7	–3.6	–3.2	–3.1	–2.9
Cameroon	–1.4	–3.7	–4.3	–4.4	–6.1	–4.9	–2.5	–3.3	–3.3	–2.8	–1.5	–1.0	–1.1	–0.4	–0.7
Chad	0.5	–2.1	–4.2	–4.4	–1.9	–0.2	1.9	–0.2	2.1	–1.2	1.1	0.5	0.7	1.7	1.9
Congo, Democratic Republic of the	1.8	1.9	0.0	–0.4	–0.5	1.4	0.0	–2.0	–2.1	–1.7	–1.2	–1.1	–1.2	–1.2	–1.6
Congo, Republic of	7.2	–2.8	–10.7	–17.8	–15.6	–5.9	5.7	4.7	–1.2	1.5	3.1	1.8	2.2	0.7	–0.3
Côte d'Ivoire	–2.3	–1.6	–1.6	–2.0	–3.0	–3.3	–2.9	–2.3	–5.6	–5.6	–4.7	–3.8	–3.0	–3.0	–3.0
Ethiopia	–1.2	–1.9	–2.6	–1.9	–2.3	–3.2	–3.0	–2.5	–2.8	–3.0	. . .	. . .	. . .	. . .	. . .
Ghana	–8.3	–9.1	–7.8	–4.0	–6.7	–4.0	–6.8	–7.2	–15.7	–14.5	–11.1	–10.3	–10.1	–9.0	–8.1
Guinea	–2.5	–3.9	–3.2	–6.9	–0.1	–2.1	–1.1	–0.5	–2.9	–2.3	–3.1	–3.0	–2.9	–3.0	–2.8
Haiti	–2.7	–4.0	–3.6	–1.5	0.0	0.0	–1.0	–1.3	–2.2	–2.1	–2.3	–2.3	–2.3	–2.2	–2.3
Honduras	–3.5	–5.7	–2.9	–0.8	–0.4	–0.4	0.2	0.1	–4.6	–4.2	–2.0	–1.0	–1.0	–1.0	–1.0
Kenya	–4.5	–5.1	–6.7	–7.4	–7.8	–7.5	–7.0	–7.3	–8.1	–8.0	–6.7	–4.9	–4.0	–3.2	–2.5
Kyrgyz Republic	–5.9	–3.7	–3.1	–2.5	–5.8	–3.7	–0.6	–0.1	–3.3	–3.7	–3.8	–3.2	–3.1	–2.8	–2.8
Lao P.D.R.	–2.3	–4.0	–3.1	–5.6	–4.9	–5.5	–4.7	–4.4	–5.5	–5.5	–5.2	–4.8	–4.4	–4.2	–3.9
Madagascar	–2.2	–3.4	–2.0	–2.9	–1.1	–2.1	–1.3	–1.4	–4.3	–6.4	–4.5	–4.3	–4.1	–3.5	–3.4
Malawi	–1.5	–3.7	–3.1	–4.2	–4.9	–5.1	–4.3	–4.5	–8.1	–8.2	–8.3	–7.9	–7.4	–7.1	–6.5
Mali	–1.0	–2.4	–2.9	–1.8	–3.9	–2.9	–4.7	–1.7	–5.4	–5.5	–4.5	–3.5	–3.0	–3.0	–3.0
Moldova	–1.9	–1.6	–1.6	–1.9	–1.5	–0.6	–0.8	–1.4	–5.1	–4.3	–6.0	–4.8	–4.0	–3.5	–3.5
Mozambique	–3.5	–2.5	–9.9	–6.7	–5.1	–2.0	–5.6	–0.1	–5.1	–7.3	–8.2	–7.3	–6.7	–5.6	–2.0
Myanmar	–2.6	–1.7	–1.3	–2.8	–3.9	–2.9	–3.4	–3.9	–5.6	–7.8	–7.0	–6.3	–6.2	–5.7	–5.2
Nepal	–1.2	1.6	1.3	0.6	1.2	–2.7	–5.8	–5.0	–5.3	–4.6	–7.1	–5.7	–4.3	–3.2	–2.9
Nicaragua	–0.1	–0.7	–1.2	–1.5	–1.8	–1.8	–3.0	–0.3	–2.2	–2.9	–1.8	–1.9	–2.9	–3.2	–2.9
Niger	–0.8	–1.9	–6.1	–6.7	–4.5	–4.1	–3.0	–3.6	–5.3	–6.6	–5.3	–3.7	–3.0	–3.0	–3.0
Nigeria	–0.1	–2.7	–2.4	–3.8	–4.6	–5.4	–4.3	–4.7	–5.8	–6.1	–6.0	–5.5	–5.6	–5.9	–6.1
Papua New Guinea	–1.2	–6.9	–6.3	–4.5	–4.7	–2.5	–2.6	–4.4	–9.0	–7.1	–6.0	–4.7	–4.3	–3.8	–2.6
Rwanda	–2.4	–1.3	–3.9	–2.7	–2.3	–2.5	–2.6	–5.1	–6.2	–3.9	–3.6	–2.9	–2.2	–1.6	–1.9
Senegal	–4.2	–4.3	–3.9	–3.7	–3.3	–3.0	–3.7	–3.9	–6.4	–5.4	–4.2	–3.0	–3.0	–3.0	–3.0
Sudan	–7.4	–5.8	–4.7	–3.9	–3.9	–6.2	–7.9	–10.8	–5.9	–2.9	–1.5	–1.0	–1.1	–1.0	–1.0
Tajikistan	0.6	–0.9	–0.1	–2.0	–9.0	–6.0	–2.8	–2.1	–4.4	–2.7	–2.5	–2.5	–2.5	–2.5	–2.5
Tanzania	–4.0	–3.8	–2.9	–3.2	–2.1	–1.2	–1.9	–1.7	–1.8	–3.3	–3.4	–2.9	–2.9	–2.8	–2.6
Uganda	–2.4	–3.2	–2.7	–2.5	–2.6	–3.6	–3.0	–4.8	–7.6	–5.9	–4.4	–3.3	–3.1	–2.9	–2.1
Uzbekistan	5.9	2.2	1.9	–0.2	0.8	1.2	1.7	–0.2	–3.1	–3.5	–3.4	–2.9	–2.3	–1.8	–1.3
Vietnam	–5.5	–6.0	–5.0	–5.0	–3.2	–2.0	–1.0	–3.3	–3.9	–4.7	–4.7	–4.5	–4.2	–3.9	–3.6
Yemen	–6.3	–6.9	–4.1	–8.7	–8.5	–4.9	–7.8	–5.6	–5.2	–5.2	–5.2	–5.6	–6.7	–5.3	–4.1
Zambia	–2.8	–6.2	–5.8	–9.5	–5.7	–7.5	–8.3	–9.4	–12.9	–8.5	–7.8	–6.9	–5.3	–3.3	–1.3
Zimbabwe	0.0	–1.3	–1.1	–1.8	–6.6	–10.3	–8.5	–1.2	1.7	0.0	–0.6	–1.0	–1.1	–1.1	–1.1

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

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

Table A18. Low-Income Developing Countries: General Government Primary Balance, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	–1.1	–2.2	–2.0	–2.6	–2.3	–2.1	–1.7	–2.2	–3.4	–3.6	–3.1	–2.5	–2.1	–1.9	–1.7
Oil Producers	0.9	–1.7	–1.6	–3.1	–3.7	–4.1	–2.5	–2.8	–3.5	–4.3	–4.0	–3.4	–3.1	–3.2	–2.9
Asia	–2.7	–2.8	–2.2	–2.5	–1.7	–1.2	–1.3	–2.5	–3.3	–3.9	–3.9	–3.4	–3.0	–2.5	–2.3
Latin America	–2.2	–3.7	–2.4	–0.7	–0.2	–0.1	–0.4	0.3	–2.6	–2.6	–1.6	–0.9	–1.0	–1.1	–0.9
Sub-Saharan Africa	–0.6	–2.1	–2.2	–2.8	–3.0	–2.8	–2.0	–2.0	–3.5	–3.5	–2.7	–2.0	–1.6	–1.5	–1.3
Others	0.2	–1.1	–0.5	–1.8	–1.6	–2.2	–1.9	–2.8	–3.3	–2.8	–2.6	–2.2	–2.1	–1.7	–1.3
Afghanistan	0.3	–0.5	–1.7	–1.3	0.2	–0.6	1.7	–1.0	–2.2	. . .	. . .	. . .	. . .	. . .	. . .
Bangladesh	–1.1	–1.4	–1.0	–1.9	–1.5	–1.6	–2.8	–3.5	–3.4	–3.8	–3.8	–3.2	–2.9	–2.5	–2.4
Benin	0.2	–1.0	–1.4	–5.0	–3.4	–2.8	–1.4	1.1	–2.7	–2.3	–2.3	–1.5	–1.1	–1.1	–0.6
Burkina Faso	–2.1	–3.0	–1.1	–1.5	–2.2	–6.1	–3.3	–2.2	–4.3	–4.0	–3.1	–2.2	–1.1	–1.1	–1.0
Cambodia	–4.2	–2.3	–1.3	–0.3	0.1	–0.5	1.0	3.3	–3.1	–3.3	–3.3	–3.2	–2.8	–2.6	–2.4
Cameroon	–1.1	–3.3	–3.9	–4.0	–5.3	–4.0	–1.6	–2.3	–2.4	–1.6	–0.6	–0.3	–0.3	0.2	–0.1
Chad	0.9	–1.5	–3.6	–2.7	0.1	1.3	3.0	0.8	3.0	–0.4	1.8	1.1	1.3	2.3	2.4
Congo, Democratic Republic of the	2.3	2.4	0.3	–0.1	–0.2	1.6	0.4	–1.8	–1.8	–1.4	–1.0	–0.9	–0.8	–0.8	–1.3
Congo, Republic of	7.2	–2.7	–10.6	–17.2	–13.7	–4.3	7.5	7.9	0.1	2.9	5.0	3.6	4.0	2.6	1.8
Côte d'Ivoire	–1.0	–0.6	–0.7	–0.9	–1.7	–2.1	–1.6	–0.8	–3.7	–3.5	–2.8	–1.8	–1.0	–1.0	–1.0
Ethiopia	–0.9	–1.6	–2.2	–1.5	–1.8	–2.8	–2.5	–2.0	–2.4	–2.4	. . .	. . .	. . .	. . .	. . .
Ghana	–5.7	–5.6	–3.3	0.9	–1.5	1.2	–1.4	–1.7	–9.3	–6.5	–2.1	–1.0	–0.5	0.3	0.8
Guinea	–1.2	–3.0	–2.2	–6.1	0.9	–1.2	–0.3	0.0	–2.2	–1.5	–2.1	–1.9	–1.9	–1.9	–1.7
Haiti	–2.5	–3.8	–3.4	–1.4	0.2	0.2	–0.8	–1.1	–2.0	–1.8	–2.1	–2.1	–2.1	–2.0	–2.0
Honduras	–3.6	–5.6	–2.6	0.0	0.2	0.2	0.8	0.8	–3.8	–3.7	–1.7	–0.1	–0.1	–0.2	0.0
Kenya	–2.6	–2.9	–4.3	–4.8	–4.9	–4.3	–3.5	–3.7	–4.1	–3.7	–2.2	–0.6	0.1	0.7	1.1
Kyrgyz Republic	–4.9	–2.9	–2.3	–1.7	–4.9	–2.9	0.4	0.7	–2.3	–2.8	–2.8	–2.2	–2.0	–1.7	–1.6
Lao P.D.R.	–1.7	–3.2	–2.4	–4.8	–4.0	–4.6	–3.5	–3.1	–4.0	–3.4	–2.9	–2.3	–1.8	–1.6	–1.4
Madagascar	–1.6	–2.8	–1.5	–2.2	–0.4	–1.4	–0.6	–0.7	–3.6	–5.6	–3.6	–3.5	–3.3	–2.6	–2.4
Malawi	–0.4	–1.2	0.0	–1.9	–1.8	–2.4	–1.6	–1.5	–4.9	–4.3	–3.7	–2.7	–1.8	–1.6	–0.9
Mali	–0.4	–1.9	–2.3	–1.2	–3.3	–2.0	–3.9	–0.7	–4.2	–4.2	–3.2	–2.0	–1.4	–1.4	–1.4
Moldova	–1.3	–1.1	–1.1	–1.2	–0.4	0.5	0.0	–0.7	–4.3	–3.3	–5.1	–4.0	–3.1	–2.6	–2.5
Mozambique	–2.6	–1.7	–8.9	–5.5	–2.7	1.0	–1.2	3.1	–2.0	–2.9	–3.0	–2.5	–1.5	–0.3	3.0
Myanmar	–1.3	–0.4	–0.1	–1.6	–2.6	–1.5	–1.6	–2.4	–4.0	–5.7	–4.3	–3.3	–3.1	–2.6	–2.1
Nepal	–0.4	2.2	1.8	0.9	1.5	–2.4	–5.4	–4.5	–4.7	–3.8	–6.3	–4.7	–3.3	–2.1	–1.7
Nicaragua	0.5	–0.5	–0.9	–1.1	–1.2	–0.9	–1.9	0.9	–1.0	–1.8	–1.0	–0.8	–1.6	–1.8	–1.5
Niger	–0.6	–1.7	–5.8	–6.3	–3.8	–3.4	–2.1	–2.6	–4.3	–5.5	–4.1	–2.4	–1.7	–1.7	–1.7
Nigeria	0.8	–1.7	–1.5	–2.7	–3.4	–4.1	–2.6	–3.0	–3.7	–4.5	–4.2	–3.5	–3.2	–3.2	–3.0
Papua New Guinea	–0.2	–5.8	–4.6	–2.8	–2.8	–0.4	–0.2	–1.9	–6.3	–4.7	–3.7	–2.3	–1.8	–1.2	–0.7
Rwanda	–2.0	–0.4	–3.1	–1.8	–1.3	–1.5	–1.4	–3.8	–4.7	–1.9	–1.3	–0.6	0.0	0.4	–0.4
Senegal	–3.0	–3.1	–2.6	–2.1	–1.6	–1.1	–1.7	–1.9	–4.3	–3.2	–2.1	–1.0	–1.0	–0.9	–0.8
Sudan	–6.2	–5.3	–3.9	–3.2	–3.5	–5.7	–7.7	–10.6	–5.9	–2.8	–1.4	–0.9	–0.9	–0.7	–0.8
Tajikistan	1.1	0.1	0.4	–1.5	–8.3	–5.5	–1.7	–1.2	–3.5	–1.7	–1.6	–1.6	–1.7	–1.7	–1.8
Tanzania	–3.0	–2.6	–1.6	–1.7	–0.6	0.4	–0.2	0.0	–0.2	–1.5	–1.4	–0.8	–0.7	–0.5	–0.3
Uganda	–1.4	–2.1	–1.5	–1.1	–0.6	–1.5	–1.2	–2.7	–5.3	–3.1	–1.6	–0.6	–0.6	–0.5	0.1
Uzbekistan	5.8	2.1	1.8	–0.4	0.6	1.0	1.3	–0.3	–3.2	–3.5	–3.5	–2.8	–2.2	–1.7	–1.1
Vietnam	–4.5	–4.8	–3.7	–3.4	–1.6	–0.4	0.5	–1.9	–2.6	–3.4	–3.6	–3.3	–3.0	–2.6	–2.3
Yemen	–0.9	–1.5	1.5	–2.6	–3.2	–4.7	–7.8	–5.3	–3.2	–3.6	–4.0	–4.6	–5.8	–4.4	–3.2
Zambia	–1.5	–4.7	–3.6	–6.7	–2.2	–3.5	–3.5	–2.5	–7.3	–3.9	–2.2	–0.1	2.0	4.1	5.8
Zimbabwe	0.3	–0.7	–0.4	–0.9	–6.0	–9.4	–7.0	–0.7	1.9	0.6	0.0	–0.5	–0.6	–0.6	–0.6

Source: IMF staff estimates and projections. Projections are based on staff assessments 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 D.

Table A19. Low-Income Developing Countries: General Government Revenue, 2012–26
(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	17.2	16.2	16.0	14.5	14.1	14.6	15.1	14.9	14.1	13.9	14.0	14.0	14.2	14.3	14.4
Oil Producers	16.9	13.6	12.8	8.2	6.1	7.2	9.2	8.6	7.2	7.9	7.7	7.3	7.3	7.2	7.1
Asia	16.2	17.0	16.7	16.5	16.0	16.1	16.1	16.0	15.2	14.0	14.2	14.4	14.6	14.8	14.9
Latin America	20.2	19.7	19.9	20.6	21.8	21.4	20.9	21.2	19.7	19.5	20.3	20.9	21.0	21.2	21.3
Sub-Saharan Africa	16.1	14.5	14.3	12.4	11.8	12.7	13.4	13.0	12.2	12.7	12.7	12.6	12.8	12.8	12.8
Others	24.2	21.9	21.5	18.2	17.4	17.4	20.8	20.5	19.4	19.8	20.5	21.0	21.3	21.5	21.8
Afghanistan	25.2	24.3	23.7	24.6	28.2	27.1	30.6	26.9	25.7	. . .	. . .	. . .	. . .	. . .	. . .
Bangladesh	11.2	11.2	10.9	9.8	10.1	10.2	9.7	10.0	9.8	10.1	10.2	10.3	10.3	10.4	10.5
Benin	14.0	13.5	12.6	12.6	11.1	13.6	13.6	14.1	14.4	13.7	14.1	14.7	14.9	14.9	15.1
Burkina Faso	19.9	21.7	19.2	18.3	18.5	19.3	19.6	20.1	19.8	18.7	18.5	18.3	18.5	18.6	18.8
Cambodia	17.2	18.7	20.1	19.6	20.8	21.6	23.7	26.8	24.1	24.2	24.3	24.1	24.0	23.9	23.9
Cameroon	16.3	16.3	16.6	16.5	14.8	15.0	16.1	15.7	13.7	15.3	16.6	16.8	17.1	17.5	18.0
Chad	24.4	20.7	17.8	14.0	12.4	14.6	15.3	14.2	20.9	16.0	18.0	17.6	17.5	18.0	17.9
Congo, Democratic Republic of the	15.5	14.6	18.5	16.8	14.0	11.7	11.1	10.8	9.8	11.2	12.2	13.0	14.0	14.1	14.4
Congo, Republic of	37.9	39.5	37.8	23.5	26.1	22.4	24.9	26.7	22.2	22.7	25.4	24.8	24.8	24.2	23.5
Côte d'Ivoire	13.9	14.2	13.6	14.5	14.7	15.1	14.8	15.0	15.0	14.6	15.3	15.4	15.5	15.3	15.2
Ethiopia	15.5	15.8	14.9	15.4	15.6	14.7	13.1	12.8	11.7	10.9	. . .	. . .	. . .	. . .	. . .
Ghana	13.6	12.4	13.2	14.6	13.1	13.6	14.1	13.5	12.5	14.4	14.3	14.2	14.3	14.3	14.5
Guinea	17.5	14.8	17.0	14.8	16.0	15.3	14.9	14.4	12.8	14.9	14.7	15.1	15.6	15.7	15.6
Haiti	13.7	11.9	11.0	11.3	10.7	9.9	10.1	8.0	7.5	7.9	7.9	8.9	9.7	10.2	10.3
Honduras	22.9	23.8	24.7	25.2	27.0	26.5	26.4	25.8	23.4	24.6	25.4	25.9	25.7	25.7	25.6
Kenya	17.1	17.6	17.8	17.4	17.7	17.5	17.3	16.8	16.6	16.3	17.0	17.8	18.3	18.7	19.1
Kyrgyz Republic	34.7	34.4	35.4	35.6	33.1	33.3	32.5	32.4	31.0	31.3	30.7	30.6	30.5	30.7	30.6
Lao P.D.R.	22.4	20.2	21.9	20.2	16.0	16.1	16.2	15.4	12.8	13.2	13.7	14.2	14.6	14.8	15.0
Madagascar	9.3	9.3	10.6	10.2	12.4	12.8	13.0	13.9	12.2	12.2	13.4	13.4	13.7	13.9	14.1
Malawi	17.3	17.0	15.2	15.4	14.8	15.8	15.0	14.8	14.7	14.3	14.9	15.2	15.7	15.5	15.4
Mali	14.6	17.4	17.1	19.1	18.3	20.1	15.6	21.5	20.7	22.0	22.0	22.5	22.8	22.9	22.9
Moldova	31.7	30.9	31.8	30.0	28.6	29.8	30.1	29.9	30.4	31.0	31.8	32.2	32.3	32.4	32.5
Mozambique	25.2	29.6	30.4	26.0	23.9	27.1	25.8	29.7	28.1	28.2	29.5	27.3	26.7	26.9	27.1
Myanmar	15.3	20.6	22.5	21.4	19.6	17.9	17.6	16.3	16.0	14.1	15.1	16.0	16.4	16.7	17.0
Nepal	15.6	17.1	17.9	18.2	20.1	20.9	22.2	22.4	22.1	24.2	24.4	25.6	26.5	27.1	27.2
Nicaragua	23.9	23.5	23.3	23.8	24.9	25.5	24.6	27.5	26.8	26.9	26.9	26.9	26.9	26.9	27.2
Niger	15.8	18.5	17.5	17.5	14.9	15.4	18.1	18.0	17.6	17.2	17.1	17.9	18.3	18.6	18.8
Nigeria	14.7	11.5	10.9	7.2	5.1	6.6	8.5	7.8	6.3	7.2	6.9	6.6	6.6	6.5	6.5
Papua New Guinea	21.2	20.7	20.8	18.3	16.1	15.9	17.7	16.3	14.8	14.0	14.9	15.4	15.6	15.8	16.0
Rwanda	22.2	24.9	23.6	23.9	22.9	22.6	23.8	23.1	23.6	25.5	24.6	24.2	24.5	25.4	24.5
Senegal	18.8	17.8	19.2	19.3	20.7	19.5	18.9	20.4	20.0	20.2	21.0	21.9	23.0	23.9	23.9
Sudan	9.1	9.6	8.8	8.5	6.1	6.9	8.9	7.8	4.8	9.0	12.5	12.3	12.3	11.7	11.6
Tajikistan	25.1	26.9	28.4	29.9	29.9	29.7	29.1	27.4	25.2	26.1	25.4	25.7	25.8	26.0	26.2
Tanzania	15.6	15.0	14.4	14.0	14.8	15.4	14.7	14.7	14.6	14.0	14.4	14.9	15.0	14.9	14.9
Uganda	10.7	10.1	10.8	12.7	12.4	12.7	13.1	13.5	13.4	14.5	14.8	14.9	15.5	16.5	17.5
Uzbekistan	29.8	27.4	26.8	24.3	24.1	23.6	26.6	27.0	25.6	25.6	25.8	26.1	26.4	26.8	27.3
Vietnam	18.0	18.5	17.7	19.2	19.1	19.6	19.5	19.6	18.5	15.6	15.8	16.0	16.2	16.5	16.8
Yemen	29.9	23.9	23.6	10.7	7.6	3.5	6.4	7.3	6.5	6.3	5.6	6.1	6.8	7.8	8.4
Zambia	18.7	17.6	18.9	18.8	18.2	17.5	19.4	20.4	19.0	19.6	19.0	19.3	19.4	19.6	19.5
Zimbabwe	20.4	19.6	19.3	18.7	17.0	17.6	23.4	14.4	16.3	16.2	16.3	16.3	16.3	16.3	16.3

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

Table A20. Low-Income Developing Countries: General Government Expenditure, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	19.3	19.6	19.2	18.5	17.9	18.2	18.5	18.8	19.3	19.3	19.0	18.6	18.5	18.4	18.3
Oil Producers	17.3	16.5	15.7	12.7	11.4	12.5	13.3	13.1	12.7	13.8	13.4	12.6	12.7	12.9	13.0
Asia	20.1	21.2	20.4	20.5	19.3	18.8	19.0	20.1	20.2	19.6	19.8	19.5	19.4	19.2	19.1
Latin America	22.6	23.6	22.7	21.8	22.4	22.1	21.9	21.6	23.1	22.7	22.4	22.5	22.8	23.1	23.1
Sub-Saharan Africa	17.7	17.7	17.7	16.6	16.3	17.2	17.4	17.1	17.9	18.4	17.7	17.1	17.0	17.0	16.9
Others	25.3	24.5	23.5	21.6	20.1	20.1	23.2	24.0	23.4	23.4	23.8	23.9	24.1	23.9	23.9
Afghanistan	25.0	25.0	25.4	25.9	28.0	27.7	28.9	28.0	27.9	. . .	. . .	. . .	. . .	. . .	. . .
Bangladesh	14.2	14.6	14.0	13.8	13.4	13.6	14.3	15.4	15.3	16.1	16.3	15.9	15.7	15.4	15.5
Benin	14.2	14.9	14.2	18.2	15.4	17.8	16.6	14.6	19.1	18.2	18.0	17.7	17.4	17.4	17.1
Burkina Faso	22.7	25.3	20.9	20.4	21.6	26.2	24.0	23.5	25.5	24.3	23.3	22.3	21.5	21.6	21.8
Cambodia	21.7	21.4	21.7	20.3	21.1	22.4	23.0	23.8	27.6	28.0	28.0	27.8	27.2	27.0	26.8
Cameroon	17.8	20.0	20.9	20.9	20.9	19.8	18.5	19.0	17.0	18.0	18.1	17.8	18.1	18.0	18.7
Chad	23.9	22.8	22.0	18.3	14.4	14.9	13.3	14.4	18.9	17.3	16.9	17.1	16.8	16.3	16.0
Congo, Democratic Republic of the	13.7	12.7	18.5	17.2	14.5	10.4	11.1	12.9	11.9	12.9	13.4	14.2	15.2	15.3	16.1
Congo, Republic of	30.7	42.4	48.6	41.3	41.7	28.3	19.3	22.0	23.5	21.2	22.4	23.0	22.6	23.6	23.8
Côte d'Ivoire	16.1	15.9	15.2	16.5	17.7	18.4	17.7	17.3	20.6	20.2	20.0	19.2	18.5	18.3	18.2
Ethiopia	16.6	17.8	17.5	17.3	17.9	18.0	16.1	15.4	14.5	13.8	. . .	. . .	. . .	. . .	. . .
Ghana	22.0	21.6	21.0	18.6	19.9	17.6	20.9	20.7	28.2	28.9	25.4	24.5	24.5	23.4	22.6
Guinea	20.0	18.6	20.2	21.7	16.1	17.3	16.0	14.9	15.7	17.2	17.8	18.1	18.5	18.7	18.4
Haiti	16.4	15.9	14.6	12.7	10.6	9.9	11.1	9.4	9.7	10.0	10.2	11.3	12.0	12.5	12.5
Honduras	26.4	29.6	27.6	26.0	27.4	26.9	26.2	25.7	28.0	28.7	27.4	26.9	26.7	26.6	26.6
Kenya	21.6	22.7	24.4	24.8	25.6	25.1	24.4	24.1	24.6	24.3	23.6	22.8	22.2	21.9	21.5
Kyrgyz Republic	40.6	38.1	38.5	38.1	38.9	37.0	33.1	32.6	34.3	35.0	34.5	33.7	33.6	33.5	33.4
Lao P.D.R.	24.7	24.2	25.0	25.8	20.9	21.6	20.9	19.8	18.3	18.7	18.9	19.0	19.1	19.0	18.9
Madagascar	11.5	12.7	12.6	13.0	13.5	14.9	14.4	15.4	16.5	18.6	17.8	17.7	17.8	17.4	17.4
Malawi	18.8	20.7	18.3	19.5	19.7	21.0	19.4	19.3	22.8	22.5	23.2	23.0	23.1	22.6	21.9
Mali	15.5	19.8	20.0	20.9	22.3	22.9	20.3	23.1	26.1	27.5	26.5	26.0	25.8	25.9	25.9
Moldova	33.7	32.4	33.4	31.9	30.1	30.5	31.0	31.4	35.5	35.3	37.8	36.9	36.2	35.9	36.0
Mozambique	28.7	32.1	40.3	32.7	29.0	29.1	31.3	29.8	33.2	35.6	37.7	34.6	33.4	32.5	29.1
Myanmar	17.9	22.3	23.8	24.2	23.4	20.8	21.0	20.3	21.6	21.9	22.1	22.3	22.5	22.4	22.2
Nepal	16.8	15.5	16.6	17.7	19.0	23.6	28.0	27.3	27.4	28.8	31.6	31.3	30.8	30.2	30.1
Nicaragua	24.1	24.2	24.6	25.3	26.8	27.3	27.6	27.8	29.1	29.9	28.7	28.8	29.8	30.1	30.1
Niger	16.6	20.4	23.6	24.2	19.4	19.5	21.1	21.6	22.9	23.8	22.4	21.6	21.3	21.6	21.8
Nigeria	14.8	14.1	13.4	11.0	9.8	12.0	12.8	12.5	12.1	13.3	12.9	12.1	12.2	12.5	12.6
Papua New Guinea	22.4	27.6	27.1	22.8	20.9	18.4	20.3	20.7	23.8	21.2	20.9	20.1	19.9	19.6	18.6
Rwanda	24.6	26.2	27.5	26.6	25.1	25.1	26.4	28.2	29.8	29.4	28.2	27.1	26.6	26.9	26.4
Senegal	23.0	22.1	23.1	22.9	24.0	22.5	22.6	24.3	26.4	25.6	25.2	25.0	26.0	26.9	26.9
Sudan	16.5	15.3	13.5	12.4	10.0	13.1	16.8	18.7	10.8	11.9	14.0	13.3	13.4	12.7	12.6
Tajikistan	24.5	27.8	28.5	31.9	38.9	35.6	31.9	29.5	29.7	28.8	27.9	28.2	28.3	28.5	28.7
Tanzania	19.6	18.8	17.3	17.2	16.9	16.6	16.6	16.4	16.4	17.3	17.8	17.8	17.9	17.7	17.6
Uganda	13.1	13.3	13.6	15.2	15.0	16.3	16.2	18.3	21.0	20.4	19.2	18.2	18.6	19.4	19.6
Uzbekistan	23.9	25.2	24.9	24.6	23.3	22.4	24.9	27.3	28.8	29.2	29.2	28.9	28.7	28.6	28.6
Vietnam	23.5	24.5	22.8	24.2	22.2	21.5	20.6	23.0	22.4	20.4	20.5	20.5	20.5	20.4	20.4
Yemen	36.2	30.8	27.8	19.4	16.1	8.4	14.3	12.9	11.8	11.5	10.8	11.7	13.5	13.1	12.5
Zambia	21.5	23.8	24.7	28.3	23.9	25.0	27.7	29.8	31.9	28.1	26.7	26.2	24.7	22.9	20.9
Zimbabwe	20.4	20.9	20.4	20.5	23.7	27.9	31.9	15.6	14.6	16.2	16.9	17.3	17.4	17.4	17.4

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

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

Table A21. Low-Income Developing Countries: General Government Gross Debt, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	30.1	31.3	31.8	36.2	39.5	42.1	42.7	44.2	49.9	50.2	49.8	49.0	48.5	48.0	47.3
Oil Producers	20.2	21.1	20.8	24.7	28.8	30.9	31.7	33.0	38.6	38.4	38.7	39.0	39.9	41.1	42.3
Asia	36.4	37.9	38.5	39.1	39.9	39.3	39.2	39.6	43.0	45.7	46.7	46.9	46.9	46.5	46.1
Latin America	26.8	31.8	29.7	30.3	31.5	31.8	33.6	38.0	42.0	45.4	45.8	44.5	44.8	43.9	43.3
Sub-Saharan Africa	24.4	26.2	27.4	33.1	37.0	40.2	42.1	44.0	49.7	50.0	49.7	48.8	48.2	47.8	47.2
Others	45.1	42.3	38.6	44.0	50.9	65.6	65.7	68.5	88.6	75.4	68.4	63.2	60.5	57.8	55.7
Afghanistan	6.8	6.9	8.7	9.2	8.4	8.0	7.4	6.1	7.4	. . .	. . .	. . .	. . .	. . .	. . .
Bangladesh	36.2	35.8	35.3	33.7	33.3	33.4	34.6	35.7	38.9	39.9	41.0	41.0	41.0	40.8	40.7
Benin	19.5	18.5	22.3	30.9	35.9	39.6	41.1	41.2	46.1	52.3	48.9	46.3	44.8	43.4	41.7
Burkina Faso	25.2	25.9	26.6	31.4	33.2	33.6	38.0	42.0	46.5	48.2	48.9	49.1	48.4	47.7	47.2
Cambodia	31.5	31.7	31.9	31.2	29.1	30.0	28.5	28.6	34.2	37.0	38.5	39.5	40.0	40.3	40.4
Cameroon	15.4	18.2	21.5	32.9	33.3	37.7	39.6	42.3	45.8	45.8	43.8	41.8	39.8	37.2	34.9
Chad	28.8	30.6	39.5	43.9	51.3	50.3	49.1	52.3	47.9	44.0	44.3	42.8	41.7	40.0	37.3
Congo, Democratic Republic of the	21.8	19.1	16.8	17.0	19.5	19.2	15.1	15.0	15.2	11.9	10.1	8.3	6.7	5.4	4.3
Congo, Republic of	30.2	33.9	42.3	74.2	91.0	94.2	77.1	81.7	101.0	85.4	76.9	73.0	66.3	64.5	64.7
Côte d'Ivoire	24.7	24.6	26.7	29.5	31.7	33.5	36.0	38.8	47.7	50.2	51.1	51.2	50.6	50.0	49.3
Ethiopia	42.2	47.5	47.6	54.5	54.9	57.7	61.1	57.9	55.4	57.1	. . .	. . .	. . .	. . .	. . .
Ghana	35.4	42.9	50.1	53.9	55.9	57.0	62.0	62.6	78.9	83.5	84.9	86.4	87.4	87.0	86.5
Guinea	27.2	34.0	35.2	44.4	43.0	41.9	39.3	38.4	43.8	47.5	45.8	43.5	42.1	40.8	38.2
Haiti	22.8	24.4	20.8	21.7	21.6	19.0	21.6	25.8	21.3	24.9	25.1	25.0	25.4	25.5	25.8
Honduras	29.2	39.4	37.1	37.1	38.2	38.9	39.7	43.3	51.3	58.9	58.6	55.5	55.0	52.5	51.0
Kenya	39.2	39.3	38.6	44.4	46.7	54.8	57.3	59.0	67.6	69.7	70.2	69.6	68.3	70.9	69.6
Kyrgyz Republic	50.5	47.1	53.6	67.1	59.1	58.8	54.8	51.6	68.0	67.6	63.1	61.3	61.2	61.5	61.7
Lao P.D.R.	46.1	49.5	53.5	53.1	54.5	57.2	59.7	61.1	68.2	70.9	71.6	72.5	72.0	70.8	69.2
Madagascar	30.4	36.2	37.8	44.1	40.3	40.1	40.4	38.5	46.0	48.8	49.3	49.4	49.5	49.5	49.4
Malawi	28.6	35.3	33.5	35.5	37.1	41.5	43.9	45.3	54.7	59.3	65.4	69.5	73.0	75.0	75.7
Mali	25.4	26.4	27.2	30.7	35.9	35.5	36.1	40.6	47.4	51.0	50.6	50.1	49.3	48.6	48.2
Moldova	31.2	29.8	35.0	42.4	39.2	34.3	31.2	28.3	34.8	38.1	39.5	41.6	41.6	41.0	40.3
Mozambique	37.4	50.1	64.3	87.4	119.9	99.6	107.1	105.4	128.5	133.6	127.6	115.3	117.5	117.2	101.0
Myanmar	36.5	36.1	35.2	36.4	38.3	38.5	40.4	38.8	39.3	58.4	63.5	66.8	70.2	73.4	76.6
Nepal	34.5	31.9	27.6	25.7	25.0	25.0	30.1	33.1	42.2	46.7	52.7	55.2	56.5	56.6	56.3
Nicaragua	27.9	28.8	28.7	28.9	30.9	34.1	37.7	41.7	47.9	49.5	48.1	48.9	50.1	50.6	50.6
Niger	18.1	19.6	22.1	29.9	32.8	36.5	36.9	39.8	45.0	48.6	49.5	47.4	44.6	43.2	43.0
Nigeria[1]	17.6	18.3	17.5	20.3	23.4	25.3	27.7	29.2	35.0	35.7	36.9	37.7	39.1	40.6	42.0
Papua New Guinea	19.1	24.9	26.9	29.9	33.7	32.5	36.7	40.0	48.9	45.5	49.1	50.1	52.1	52.2	52.0
Rwanda	19.1	26.1	28.3	32.4	36.6	41.3	44.9	50.2	60.1	74.8	78.2	80.9	79.2	76.4	73.6
Senegal[2]	34.5	36.9	42.4	44.5	47.5	61.1	61.5	63.8	68.7	71.9	70.1	64.5	62.0	59.9	58.3
Sudan	117.7	105.8	84.4	93.2	109.9	152.9	186.7	200.3	272.9	209.9	176.6	157.3	147.0	137.8	129.7
Tajikistan	32.5	29.3	27.9	35.0	42.4	50.3	47.8	44.1	51.3	49.3	48.1	47.6	47.2	46.7	46.1
Tanzania	30.0	32.7	36.1	39.2	39.8	40.7	40.5	39.0	39.1	39.7	39.6	38.9	38.0	37.0	36.2
Uganda	19.5	22.1	24.8	28.7	31.0	33.6	34.8	37.0	44.1	49.1	50.2	49.3	47.3	44.8	41.7
Uzbekistan	6.8	6.2	6.1	6.7	8.2	19.3	19.5	28.3	36.4	38.9	41.0	40.5	39.7	38.0	36.9
Vietnam	38.3	41.4	43.6	46.1	47.6	46.3	43.7	43.6	46.3	47.9	47.8	47.8	47.0	46.1	45.3
Yemen	47.3	48.2	48.7	57.0	72.3	77.4	74.5	76.5	84.2	73.5	63.1	53.9	48.3	45.1	44.0
Zambia	25.4	27.1	36.1	65.8	61.0	66.3	80.4	97.4	128.7	101.0	106.8	109.2	110.3	107.6	102.9
Zimbabwe	38.3	36.9	42.2	47.5	49.1	54.4	61.5	113.9	86.1	54.0	60.3	62.0	62.2	60.7	59.6

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

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

[1] Debt includes overdrafts from the Central Bank of Nigeria and liabilities of the Asset Management Corporation of Nigeria.

[2] From 2017 onward, Senegal data include the whole of the public sector, whereas before 2017, only central government debt stock was taken into account.

Table A22. Low-Income Developing Countries: General Government Net Debt, 2012–26

(Percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Average	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Oil Producers	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Asia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Latin America	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Sub-Saharan Africa	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Others	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Afghanistan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Bangladesh	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Benin	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Burkina Faso	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Cambodia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Cameroon	13.1	15.9	19.9	28.7	31.6	34.3	37.1	40.1	43.9	44.3	42.5	40.6	38.6	35.8	33.6
Chad	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Congo, Democratic Republic of the	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Congo, Republic of	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Côte d'Ivoire	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Ethiopia	37.0	41.9	43.0	49.6	50.9	53.8	57.5	53.9	51.8	53.6	. . .	. . .	. . .	. . .	. . .
Ghana	33.8	39.9	45.3	49.8	50.9	51.9	60.7	57.9	73.7	79.1	80.9	82.9	84.3	84.2	84.0
Guinea	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Haiti	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Honduras	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Kenya	35.9	35.8	34.8	39.7	41.7	49.2	51.9	54.3	63.3	67.7	69.3	68.8	67.3	66.7	65.4
Kyrgyz Republic	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Lao P.D.R.	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Madagascar	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Malawi	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Mali	21.3	20.2	20.0	23.2	29.9	30.6	32.7	34.4	40.8	40.5	37.4	35.5	33.7	32.1	30.7
Moldova	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Mozambique	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Myanmar	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Nepal	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Nicaragua	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Niger	14.4	15.3	17.2	25.9	29.5	32.3	34.0	35.9	41.0	44.9	46.1	44.3	41.7	40.5	40.3
Nigeria[1]	10.7	11.4	13.8	15.9	19.0	20.9	23.5	25.5	34.6	35.3	36.5	37.3	38.8	40.4	41.8
Papua New Guinea	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Rwanda	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Senegal	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Sudan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Tajikistan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Tanzania	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Uganda	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Uzbekistan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Vietnam	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Yemen	45.3	46.7	47.8	56.1	71.3	76.6	73.8	75.8	83.5	73.0	62.8	53.7	48.0	44.9	43.8
Zambia	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .
Zimbabwe	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .

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

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

[1] Debt includes overdrafts from the Central Bank of Nigeria and liabilities of the Asset Management Corporation of Nigeria. The overdrafts and government deposits at the Central Bank of Nigeria almost cancel each other out, and the Asset Management Corporation of Nigeria debt is roughly halved.

Table A23. Advanced Economies: Structural Fiscal Indicators

(Percent of GDP, except when indicated otherwise)

	Pension Spending Change, 2020–30[1]	Net Present Value of Pension Spending Change, 2020–50[2]	Health Care Spending Change, 2020–30[3]	Net Present Value of Health Care Spending Change, 2020–50[2]	Gross Financing Need, 2021[4]	Average Term to Maturity, 2021 (years)[5]	Debt to Average Maturity, 2021	Projected Interest Rate–Growth Differential, 2021–26 (percent)	Prepandemic Overall Balance, 2012–19	Projected Overall Balance, 2020–26	Nonresident Holding of General Government Debt, 2020 (percent of total)[6]
Average	0.8	25.0	2.6	91.2	32.8	7.0	19.4	–3.1	–3.2	–5.3	33.5
G7	0.8	23.2	3.0	103.0	38.3	6.6	22.5	–3.1	–3.9	–6.1	30.6
G20 Advanced	0.8	24.6	2.9	99.7	36.0	6.8	21.3	–3.1	–3.7	–5.9	30.6
Australia	0.7	20.5	1.0	38.2	12.6	7.5	7.7	–2.5	–2.7	–4.9	47.0
Austria	0.5	16.2	0.9	38.4	14.3	10.9	7.6	–3.8	–1.2	–3.2	82.9
Belgium	0.5	20.3	1.2	50.1	16.3	9.9	11.6	–3.1	–2.3	–5.7	70.1
Canada	0.7	12.5	1.1	41.6	21.8	5.2	22.6	–2.9	–0.5	–2.9	23.6
Cyprus	0.7	23.1	. . .	. . .	8.1	8.2	14.6	–3.6	–1.3	–1.6	90.0
Czech Republic	0.1	20.8	0.7	25.4	14.3	5.7	6.7	–3.0	–0.6	–5.0	36.7
Denmark	–0.7	–23.1	1.0	34.1	7.9	7.7	5.4	–2.7	0.2	–0.5	38.7
Estonia	–0.6	–14.3	0.5	22.2	. . .	7.4	2.5	–6.7	0.0	–1.8	93.4
Finland	1.0	8.4	1.0	31.3	14.2	6.5	10.7	–3.2	–1.8	–2.8	71.9
France	0.5	0.4	1.1	41.4	20.7	8.1	14.3	–3.0	–3.6	–5.3	60.7
Germany	1.1	32.1	0.7	35.3	14.4	6.6	10.5	–3.2	0.9	–1.8	56.3
Hong Kong SAR	1.4	46.3	. . .	. . .	. . .	. . .	. . .	–4.6	2.5	–2.7	. . .
Iceland	1.6	52.2	1.5	58.6	15.3	4.5	6.7	–0.4	1.1	–3.9	14.1
Ireland	0.7	29.9	0.5	22.2	6.2	11.6	5.0	–5.2	–2.7	–3.0	75.3
Israel	0.3	12.3	0.3	12.1	. . .	8.4	8.6	–2.1	–2.7	–5.2	19.1
Italy	1.6	49.1	0.7	29.7	27.0	6.9	22.6	–1.8	–2.5	–5.1	36.0
Japan	–1.2	–2.8	1.7	56.5	61.3	7.7	33.0	–1.4	–4.9	–4.5	13.5
Korea	1.6	62.3	1.9	73.8	5.4	9.0	5.3	–3.0	1.2	–2.4	15.5
Latvia	–0.6	–14.0	0.6	23.9	. . .	8.8	4.9	–4.2	–0.7	–2.5	84.9
Lithuania	0.1	–1.3	0.8	30.1	9.5	9.0	5.2	–4.0	–0.6	–2.6	86.9
Luxembourg	1.2	47.5	0.9	38.6	. . .	6.3	3.9	–4.7	1.6	–0.8	57.1
Malta	–0.8	–8.3	. . .	. . .	19.6	7.7	6.9	–4.2	–0.3	–6.0	18.0
Netherlands, The	0.5	22.1	1.7	60.9	14.4	7.2	7.3	–3.2	–0.7	–2.0	49.6
New Zealand	1.5	44.8	1.5	54.8	12.8	7.4	5.9	–3.2	–0.3	–3.3	28.0
Norway	0.7	18.3	2.0	71.5	. . .	4.5	9.2	–2.8	7.8	0.0	65.4
Portugal	0.7	17.5	0.9	34.2	15.4	6.4	21.1	–2.6	–3.5	–2.9	58.9
Singapore[7]	0.9	32.5	. . .	. . .	16.3	3.7	41.6	. . .	4.7	0.2	0.0
Slovak Republic	–0.6	–8.3	0.5	19.3	10.1	8.2	7.3	–4.2	–2.4	–3.8	53.6
Slovenia	1.1	54.5	0.7	30.4	13.5	8.8	9.0	–4.3	–3.5	–3.4	71.7
Spain	0.3	24.3	1.1	45.0	22.4	7.7	15.6	–3.0	–5.2	–6.0	54.0
Sweden	–0.5	–16.0	0.5	19.0	6.7	4.9	7.6	–3.2	0.0	–0.9	33.6
Switzerland	0.3	12.6	2.1	79.4	4.4	10.2	4.2	–1.8	0.5	–0.8	8.2
United Kingdom	0.3	14.1	1.4	53.5	18.0	14.7	7.1	–2.5	–4.2	–6.1	37.3
United States	1.2	30.3	4.4	152.3	45.0	5.2	25.5	–3.7	–5.0	–7.7	25.0

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

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

[1] Pension projections rely on authorities' estimates when these are available. For European Union countries, pension projections are based on *The 2018 Ageing Report* of the European Commission. When authorities' estimates are not available, IMF staff projections use the methodology described in Clements, Eich, and Gupta's *Equitable and Sustainable Pensions: Challenges and Experience* (IMF 2014). These pension spending projections can be different from the previous edition of the *Fiscal Monitor* because of new baseline pension numbers, as well as new labor force participation rate numbers from the International Labour Organization.

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

[3] IMF staff projections for health care spending are driven by demographics and other factors. The difference between the growth of health care spending and real GDP growth that is not explained by demographics ("excess cost growth") is assumed to start at the economy-specific historical average and converge to the advanced economy historical average by 2050 (0.8 percent).

[4] "Gross financing need" is defined as the projected overall deficit and maturing government debt in 2021. For most economies, data on maturing debt refer to central government securities. Data are from Bloomberg Finance L.P. and IMF staff projections.

[5] For most economies, the average-term-to-maturity data refer to central government securities; the source is Bloomberg Finance L.P.

[6] Nonresident holding of general government debt data are for the fourth quarter of 2020 or latest available from the Joint External Debt Hub, Quarterly External Debt Statistics, which include marketable and nonmarketable debt. For some economies, tradable instruments in the Joint External Debt Hub are reported at market value. External debt in US dollars is converted to local currency, then taken as a percentage of the 2020 gross general government debt.

[7] Singapore's general government debt is covered by financial assets and is issued to deepen the domestic market, meet the Central Provident Fund's investment needs, and provide individuals with a long-term savings option.

Table A24. Emerging Market and Middle-Income Economies: Structural Fiscal Indicators

(Percent of GDP, except when indicated otherwise)

	Pension Spending Change, 2020–30[1]	Net Present Value of Pension Spending Change, 2020–50[2]	Health Care Spending Change, 2020–30[3]	Net Present Value of Health Care Spending Change, 2020–50[2]	Gross Financing Need, 2021[4]	Average Term to Maturity, 2021 (years)[5]	Debt to Average Maturity, 2021	Projected Interest Rate–Growth Differential, 2021–26 (percent)	Prepandemic Overall Balance, 2012–19	Projected Overall Balance, 2020–26	Nonresident Holding of General Government Debt, 2020 (percent of total)[6]
Average	1.8	74.6	0.5	20.1	13.6	7.3	9.5	–4.8	–3.3	–5.7	16.0
G20 Emerging	2.0	82.3	0.5	20.5	12.8	7.4	9.1	–4.8	–3.6	–6.2	11.7
Algeria	2.9	117.6	0.6	27.0	. . .	. . .	. . .	–4.8	–7.1	–6.6	11.1
Angola	0.1	2.2	0.1	3.6	. . .	4.7	29.3	–8.0	–1.6	2.2	. . .
Argentina	0.7	39.1	0.3	11.6	12.2	10.7	9.6	. . .	–5.0	. . .	42.1
Belarus	4.5	120.4	0.5	17.9	...	6.0	8.1	–3.9	–0.3	–1.0	64.3
Brazil[7]	3.8	153.0	. . .	. . .	22.1	5.5	17.9	0.0	–6.4	–6.9	. . .
Bulgaria	0.0	13.0	0.6	22.1	. . .	8.4	2.8	–3.8	–0.9	–1.7	55.8
Chile	–0.5	–6.6	0.8	32.9	9.9	8.6	3.8	–4.0	–1.6	–2.4	40.9
China	2.3	99.9	0.6	24.0	. . .	6.8	9.8	–5.8	–2.9	–6.7	3.8
Colombia	0.1	–6.7	1.0	41.8	10.0	9.3	7.0	–1.7	–2.4	–4.7	36.1
Croatia	–0.4	–32.3	0.8	30.4	10.4	5.4	16.4	–4.2	–2.3	–2.5	34.3
Dominican Republic	0.1	3.6	0.3	14.4	7.8	10.6	6.8	–4.7	–2.9	–3.5	54.4
Ecuador	0.7	29.6	0.6	26.1	7.0	13.5	4.5	–1.5	–4.3	–0.5	72.3
Egypt	0.9	39.9	0.2	6.7	36.9	3.3	26.9	–2.1	–10.7	–5.9	23.7
Hungary	–0.6	4.9	0.9	32.5	17.8	5.5	14.7	–4.5	–2.3	–4.0	37.0
India	0.7	30.3	0.2	8.3	15.4	10.0	9.0	–4.5	–7.0	–9.5	4.5
Indonesia	0.2	10.2	0.2	7.3	8.1	8.6	4.2	–3.3	–2.2	–3.9	53.2
Iran	1.5	92.4	. . .	. . .	. . .	. . .	. . .	–11.5	–1.9	–7.8	. . .
Kazakhstan	1.9	53.4	0.2	9.0	. . .	3.0	8.8	–3.5	–0.1	–2.1	30.8
Kuwait	6.8	358.1	0.4	16.9	10.5	1.9	6.1	–3.0	14.4	–2.0	. . .
Lebanon	. . .	. . .	. . .	. . .	. . .	5.7	26.5	. . .	–8.7	. . .	. . .
Malaysia	1.7	70.1	0.3	13.0	11.7	8.3	8.2	–2.9	–2.7	–4.5	25.2
Mexico	0.5	16.0	0.4	17.5	12.5	8.1	7.6	0.1	–3.0	–3.4	30.0
Morocco	1.7	60.2	0.3	12.1	15.4	6.9	10.9	–1.7	–4.8	–5.3	26.2
Oman	0.5	25.1	0.4	18.9	8.6	7.8	10.4	–1.5	–7.2	–1.7	. . .
Pakistan	0.2	11.0	0.1	2.7	35.9	2.7	32.6	–4.5	–6.6	–5.2	34.0
Peru	0.3	13.9	0.5	19.3	7.4	12.6	2.8	–3.4	–1.0	–4.3	51.9
Philippines	0.2	9.2	0.2	6.1	13.2	6.4	8.1	–4.0	–0.3	–4.8	27.8
Poland	–0.1	–1.8	0.6	24.2	9.0	4.7	12.3	–4.3	–2.4	–3.0	34.7
Qatar	1.0	50.2	0.5	20.8	8.6	9.9	7.3	–3.3	9.1	6.8	8.6
Romania	–0.6	3.8	0.6	21.9	11.0	7.2	6.9	–4.0	–2.6	–6.2	57.2
Russia	2.9	76.7	0.5	17.4	1.9	7.2	2.7	–0.9	–0.7	–0.7	22.9
Saudi Arabia	1.9	86.2	0.5	22.0	11.6	9.9	3.3	–2.1	–4.8	–2.7	35.5
South Africa	0.3	13.7	0.5	19.8	20.2	12.0	5.8	1.0	–4.1	–7.4	33.6
Sri Lanka	0.7	26.0	0.2	9.3	29.9	4.8	20.9	–2.7	–6.0	–9.8	34.5
Thailand	3.5	123.7	0.5	17.8	13.7	7.3	6.8	–1.6	–0.2	–4.1	13.4
Turkey[8]	0.4	36.2	0.6	26.2	11.3	5.1	7.9	–6.2	–2.5	–5.7	37.2
Ukraine	0.6	34.8	0.4	17.3	19.7	7.4	8.2	–4.1	–2.9	–3.4	50.6
United Arab Emirates	0.8	41.3	0.4	17.4	. . .	. . .	. . .	–3.4	1.7	–0.8	. . .
Uruguay[9]	–0.2	4.9	0.8	31.4	7.7	12.4	5.5	–3.6	–2.3	–3.1	50.5
Venezuela	. . .	. . .	. . .	. . .	. . .	. . .	. . .	. . .	–15.3	–4.7	. . .

Sources: 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 US dollars at average market exchange rates in the years indicated and based on data availability.

[1] Pension projections rely on authorities' estimates when these are available. For European Union countries, pension projections are based on *The 2018 Ageing Report* of the European Commission. When authorities' estimates are not available, IMF staff projections use the methodology described in Clements, Eich, and Gupta's *Equitable and Sustainable Pensions: Challenges and Experience* (IMF 2014). These pension spending projections can be different from the previous edition of the *Fiscal Monitor* because of new baseline pension numbers, as well as new labor force participation rate numbers from the International Labour Organization.

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

[3] IMF staff projections for health care spending are driven by demographics and other factors. The difference between the growth of health care spending and real GDP growth that is not explained by demographics ("excess cost growth") is assumed to start at the economy-specific historical average and converge to the advanced economy historical average by 2050 (0.8 percent).

[4] "Gross financing need" is defined as the projected overall balance and maturing government debt in 2021. Data are from IMF staff projections.

[5] Average-term-to-maturity data refer to government securities; the source is Bloomberg Finance L.P.

[6] Nonresident holding of general government debt data are the fourth quarter of 2020 or latest available from the Joint External Debt Hub, Quarterly External Debt Statistics, which include marketable and nonmarketable debt. For some countries, tradable instruments in the Joint External Debt Hub are reported at market value. External debt in US dollars is converted to local currency, then taken as a percentage of 2020 gross general government debt.

[7] Note that the pension spending projections reported in the first and second column do not include savings from the pension reform approved in October 2019.

[8] The average-term-to-maturity data for Turkey is in accordance with the published data for central government debt securities as of July 2021.

[9] Data are for the nonfinancial public sector, which includes central government, local government, social security funds, nonfinancial public corporations, and Banco de Seguros del Estado. The coverage of fiscal data was changed from the consolidated public sector to the nonfinancial public sector with the October 2019 submission. With this narrower coverage, the central bank balances are not included in the fiscal data. Historical data were also revised accordingly.

Table A25. Low-Income Developing Countries: Structural Fiscal Indicators

(Percent of GDP, except when indicated otherwise)

	Pension Spending Change, 2020–30[1]	Net Present Value of Pension Spending Change, 2020–50[2]	Health Care Spending Change, 2020–30[3]	Net Present Value of Health Care Spending Change, 2020–50[2]	Average Term to Maturity, 2021 (years)[4]	Debt to Average Maturity, 2021	Projected Interest Rate–Growth Differential, 2021–26 (percent)	Prepandemic Overall Balance, 2012–19	Projected Overall Balance, 2020–26	Nonresident Holding of General Government Debt, 2020 (percent of total)[5]
Average	0.6	22.6	0.1	5.8	5.6	9.8	–6.6	–3.5	–4.6	54.7
Afghanistan	. . .	. . .	. . .	. . .	. . .	. . .	. . .	–0.4	. . .	152.3
Bangladesh	0.2	13.0	0.1	3.4	4.9	7.9	–5.2	–3.8	–5.5	38.8
Benin	0.0	1.1	0.2	7.3	3.2	14.3	–4.6	–2.6	–3.3	64.9
Burkina Faso	0.1	3.1	0.2	8.6	2.0	22.8	–3.7	–3.5	–4.2	56.0
Cambodia	0.2	9.1	0.1	5.3	. . .	. . .	–6.6	–0.9	–3.4	102.2
Cameroon	0.0	2.8	0.1	3.2	3.4	13.4	–4.6	–3.8	–1.5	65.2
Chad	0.0	0.0	0.1	3.2	. . .	. . .	–4.3	–1.3	1.0	. . .
Congo, Democratic Republic of the	. . .	. . .	0.0	2.1	. . .	. . .	–8.6	0.3	–1.4	. . .
Congo, Republic of	0.2	10.5	0.1	5.1	. . .	. . .	–2.7	–4.4	1.1	. . .
Côte d'Ivoire	0.0	2.0	0.1	3.5	. . .	. . .	–3.2	–2.4	–4.1	. . .
Ethiopia	0.0	1.0	0.1	3.6	. . .	. . .	–15.3	–2.3	–2.5	. . .
Ghana	0.3	9.9	0.2	6.7	7.4	10.7	–1.0	–6.7	–11.3	. . .
Guinea	0.0	0.0	0.2	9.4	. . .	. . .	–10.6	–2.5	–2.9	. . .
Haiti	. . .	. . .	0.1	3.8	. . .	. . .	–12.1	–1.8	–2.3	. . .
Honduras	0.2	4.4	. . .	. . .	2.5	20.4	–2.7	–1.7	–2.1	. . .
Kenya	0.4	22.6	0.2	7.2	7.4	9.2	–3.7	–6.7	–5.3	48.8
Kyrgyz Republic	4.6	132.1	0.2	9.6	. . .	. . .	–8.5	–3.2	–3.2	80.0
Lao P.D.R.	0.2	7.7	0.1	3.7	. . .	. . .	–4.3	–4.3	–4.8	. . .
Madagascar	0.2	10.3	0.2	8.0	. . .	. . .	–8.1	–2.1	–4.3	57.9
Malawi	0.0	3.4	0.2	9.9	2.7	73.2	–2.2	–3.9	–7.6	43.0
Mali	–0.1	0.3	0.1	3.3	2.1	22.5	–3.7	–2.7	–4.0	. . .
Moldova	5.2	147.4	0.5	20.1	4.5	7.7	–7.4	–1.4	–4.4	54.4
Mozambique	–0.1	0.4	0.3	12.8	4.2	30.4	–7.2	–4.4	–6.0	. . .
Myanmar	0.3	11.2	. . .	. . .	. . .	. . .	0.4	–2.8	–6.2	. . .
Nepal	0.2	15.5	0.1	4.8	. . .	. . .	–7.3	–1.3	–4.7	. . .
Nicaragua	0.8	41.6	. . .	. . .	1.9	25.9	–3.9	–1.3	–2.6	87.2
Niger	0.0	–1.1	0.1	4.4	. . .	. . .	–6.6	–3.8	–4.3	. . .
Nigeria	0.0	1.2	0.1	3.2	6.2	5.6	–6.8	–3.5	–5.8	. . .
Papua New Guinea	0.1	2.5	0.1	5.6	. . .	. . .	–2.0	–4.1	–5.3	47.1
Rwanda	0.1	2.7	0.2	8.9	3.6	16.8	–7.9	–2.8	–3.2	82.4
Senegal	0.0	`	0.1	3.7	9.1	7.6	–4.4	–3.7	–4.0	. . .
Sudan	0.0	1.4	0.2	7.9	. . .	. . .	–26.2	–6.3	–2.1	. . .
Tajikistan	0.5	15.6	0.2	6.8	. . .	. . .	–7.7	–2.8	–2.8	76.3
Tanzania	0.2	11.3	0.1	4.1	7.9	5.0	–3.3	–2.6	–2.8	. . .
Uganda	0.0	3.7	0.1	3.9	. . .	. . .	–4.6	–3.1	–4.2	62.3
Uzbekistan	3.4	112.2	0.3	11.8	. . .	. . .	–11.3	1.6	–2.6	73.9
Vietnam	2.0	80.0	0.2	10.0	. . .	. . .	–7.2	–3.9	–4.2	. . .
Yemen	0.2	9.0	0.1	5.0	. . .	. . .	–16.9	–6.6	–5.3	. . .
Zambia	0.1	5.4	0.2	7.3	. . .	. . .	–6.1	–6.9	–6.6	. . .
Zimbabwe	0.0	6.9	0.3	12.7	. . .	. . .	–17.5	–3.9	–0.5	. . .

Sources: 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 US dollars at average market exchange rates in the years indicated and based on data availability.

[1] Pension projections rely on authorities' estimates when these are available. For EU countries, pension projections are based on *The 2018 Ageing Report* of the European Commission. When authorities' estimates are not available, IMF staff projections use the methodology described in Clements, Eich, and Gupta's *Equitable and Sustainable Pensions: Challenges and Experience* (IMF 2014). These pension spending projections can be different from the previous edition of the *Fiscal Monitor* because of new baseline pension numbers, as well as new labor force participation rate numbers from the International Labour Organization.

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

[3] IMF staff projections for health care spending are driven by demographics and other factors. The difference between the growth of health care spending and real GDP growth that is not explained by demographics ("excess cost growth") is assumed to start at the economy-specific historical average and converge to the advanced economy historical average by 2050 (0.8 percent).

[4] The average-term-to-maturity data refer to government securities; the source is Bloomberg Finance L.P.

[5] Nonresident holding of general government debt data are for the fourth quarter of 2020 or latest available from the Joint External Debt Hub, Quarterly External Debt Statistics, which include marketable and nonmarketable debt. For some countries, tradable instruments in the Joint External Debt Hub are reported at market value. External debt in US dollars is converted to local currency, then taken as a percentage of 2020 gross general government debt.

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Equally Distributed Equivalent Level of Income as a Measure of Social Welfare	October 2017, Box 1.2
Bolivia: Inequality Decline during a Commodity Boom	October 2017, Box 1.3
Inequality Dimensions: Wealth, Opportunities, and Gender	October 2017, Annex 1.2

IMF EXECUTIVE BOARD DISCUSSION OF THE OUTLOOK, OCTOBER 2021

The following remarks were made by the Chair at the conclusion of the Executive Board's discussion of the Fiscal Monitor, Global Financial Stability Report, *and* World Economic Outlook *on September 28, 2021.*

Executive Directors broadly agreed with staff's assessment of the global economic outlook, risks, and policy priorities. They welcomed the continuing recovery, despite the resurgence of the pandemic driven by more contagious new variants of the virus and the ongoing supply shortages that brought the inflation risk to the forefront. Directors acknowledged that economic divergences, especially between advanced economies and low-income countries, brought on by the pandemic seem more persistent, a reflection of differentiated vaccine access and early policy support. In this context, Directors highlighted the importance of global cooperation to ensure universal access to vaccines and a strong financial safety net. To ensure a successful exit from the crisis, these efforts will need to be coupled with sound policy frameworks and ambitious domestic reforms, which would facilitate new growth opportunities, including from digitalization and green technology, while confronting climate change and rising inequality.

Directors concurred that uncertainties around the baseline projections remain large and that the risks to growth outcomes are tilted to the downside. They stressed that the economic outlook continues to depend heavily on the path of the health crisis and the speed at which widespread vaccination can be reached. Directors also acknowledged that the uncertainty surrounding inflation prospects—primarily stemming from the path of the pandemic, the duration of supply disruptions, and how inflation expectations may evolve in this environment—is particularly large. They noted that while inflation expectations appear well-anchored, inflation risks could prompt a faster-than-anticipated monetary normalization in advanced economies. Higher debt levels and large government financing needs in many countries are also a source of vulnerability, especially if global interest rates were to rise faster than expected.

Directors highlighted that policy choices have become more difficult, confronting multidimensional challenges—subdued employment growth, rising inflation, food insecurity, the setback to human capital accumulation, and climate change—with limited room to maneuver. They stressed that multilateral efforts to avoid international trade and supply chain disruptions, speed up global vaccine access, provide liquidity and debt relief to constrained economies, and mitigate and adapt to climate change continue to be essential. Directors further agreed that it is crucial to ensure that financially constrained countries can continue essential spending while meeting other obligations, and highlighted the expected contribution of the recent General Allocation of Special Drawing Rights in providing the much-needed international liquidity. At the national level, Directors agreed that policy priorities should continue to be tailored to local pandemic and economic conditions, aiming to overcome the still-evolving health crisis and promote an inclusive recovery while protecting the credibility of policy frameworks. As the recovery progresses, policymakers will need to shift to measures that aim to reverse scarring from the crisis.

Directors noted that fiscal policy should remain supportive but needs to be well-targeted, carefully calibrated, and tailored to country-specific circumstances. In countries with high levels of vaccination and low funding costs, fiscal policy should gradually shift from pandemic-fighting emergency measures toward promoting a transformation to more resilient and inclusive economies. In countries with lower vaccination rates and tighter financing constraints, health-related spending and protecting the most vulnerable will remain top priorities. As countries converge back to precrisis GDP trends, the focus should shift toward ensuring fiscal sustainability, including through establishing credible medium-term fiscal frameworks, which would also promote fiscal transparency and sound

governance practices. Given likely long-lasting negative impacts on budget revenues in developing economies, further efforts will be needed to mobilize revenues in the medium term and improve expenditure efficiency. While recognizing that the international community provided critical support to alleviate fiscal vulnerabilities in low-income countries, Directors noted that more is needed, including through debt relief in the context of early and timely implementation of multilateral initiatives, such as the G20 Common Framework.

Directors concurred that monetary policy should remain accommodative where there are output gaps, inflation pressures are contained, and inflation expectations are consistent with central bank targets. However, they noted that central banks should be prepared to act quickly if the recovery strengthens faster than expected or if inflation expectations are rising. Directors stressed that transparent and clear communication about the outlook for monetary policy is critical at the current juncture to avoid de-anchoring of inflation expectations and prevent financial instability.

Directors noted that financial vulnerabilities continue to be elevated in several sectors—including nonbank financial institutions, nonfinancial corporates, and the housing market—masked in part by the very substantial policy stimulus. They highlighted that a prolonged period of extremely easy financial conditions, while needed to sustain the economic recovery, may result in overly stretched asset valuations and further fuel financial vulnerabilities. Directors agreed that policymakers should act preemptively to address vulnerabilities and avoid a buildup of legacy problems. They should also tighten selected macroprudential tools to tackle pockets of elevated vulnerabilities while avoiding a broad tightening of financial conditions.

Directors agreed that some emerging and frontier markets continue to face large financing needs. While the outlook for capital flows has improved and monetary conditions remain still broadly accommodative, a sudden change in the monetary policy stance of advanced economies may result in a sharp tightening of financial conditions, adversely affecting capital flows and exacerbating pressures in countries facing debt sustainability concerns. They concurred that the policy response in these countries will need to be centered on implementing structural reforms, rebuilding buffers, and strengthening financial market governance and infrastructure.

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