INTERNATIONAL MONETARY FUND

FISCAL MONITOR

Fiscal Policy for a Changing Global Economy

JOINT VIENNA INSTITUTE, AUSTRIA
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Main Messages

Chapter 1: Fiscal Policy for a Changing Global Economy

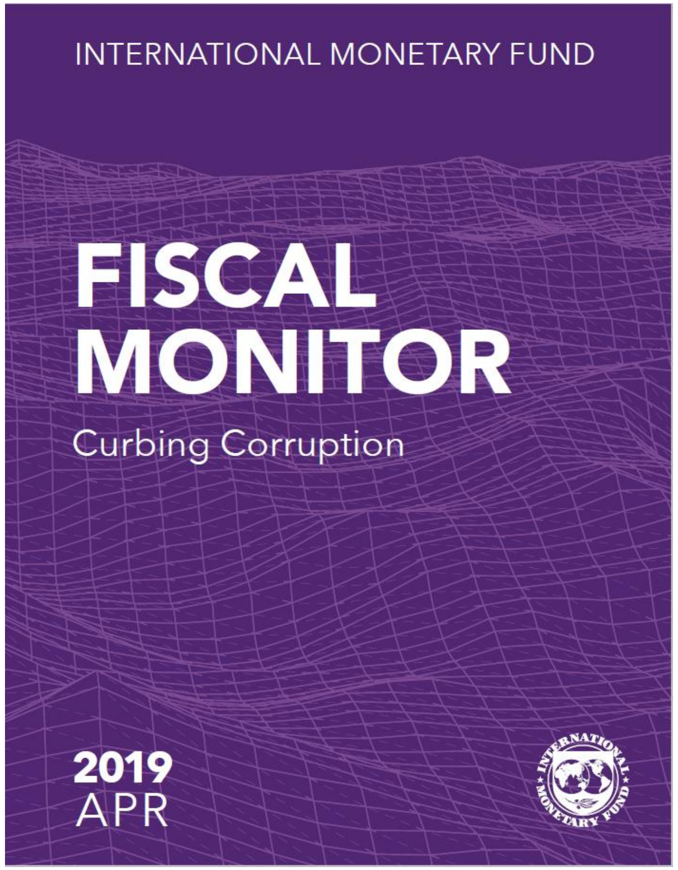
- Amid slowing global growth and elevated public debt, **prepare for the next downturn,** balancing growth and sustainability objectives.

- **Upgrade fiscal policy** to adapt to shifting demographics, advancing technology, and rising global economic integration.

- Sustainable and inclusive growth requires **improving tax-transfer policies**, and **more and better investment** in people and infrastructure.

Chapter 2: Curbing Corruption

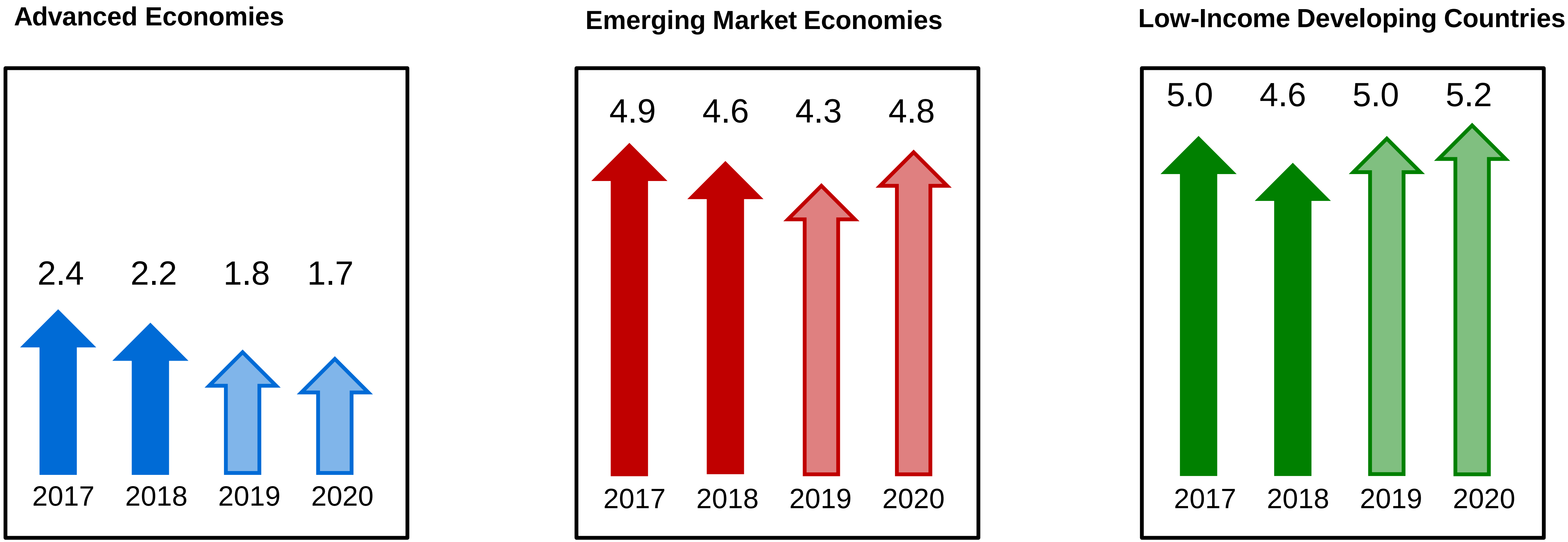
- **Fight corruption** by building strong and transparent fiscal institutions that promote integrity and accountability.



A Fast-Changing Global Economy

Global growth has slowed, and projected recovery is precarious.

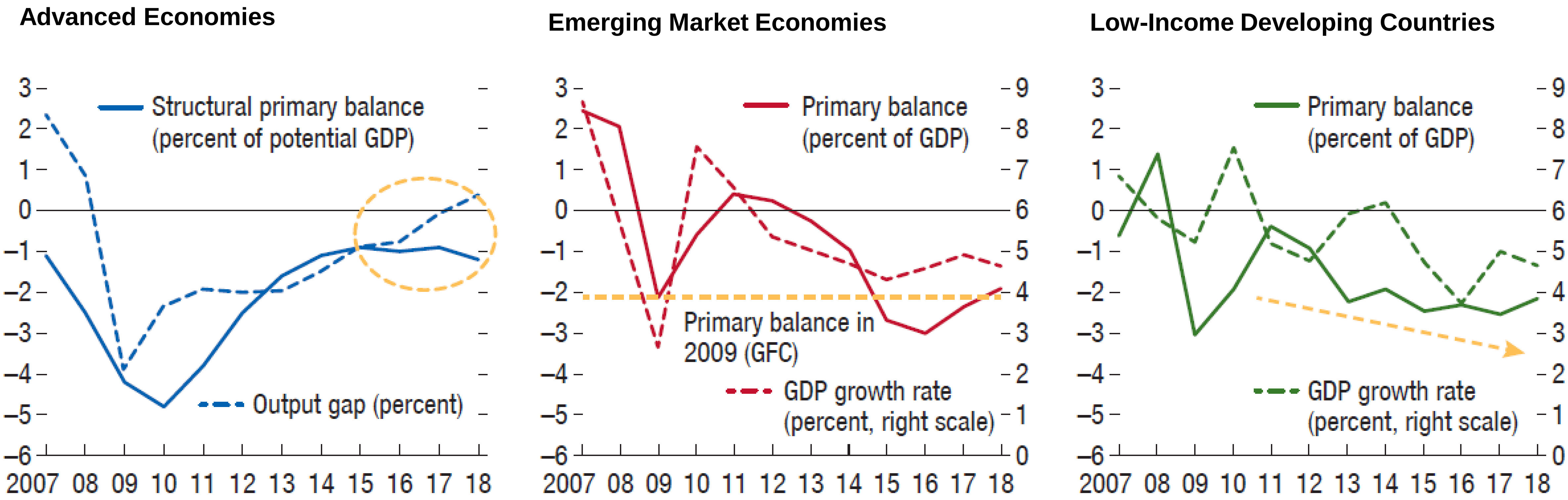
Real GDP Growth, 2017-20 (*Percent*)



Source: IMF, April 2019 World Economic Outlook.

Fiscal expansions since the global financial crisis have yet to be reversed.

General Government Fiscal Stance and Cyclical Position, 2007-18

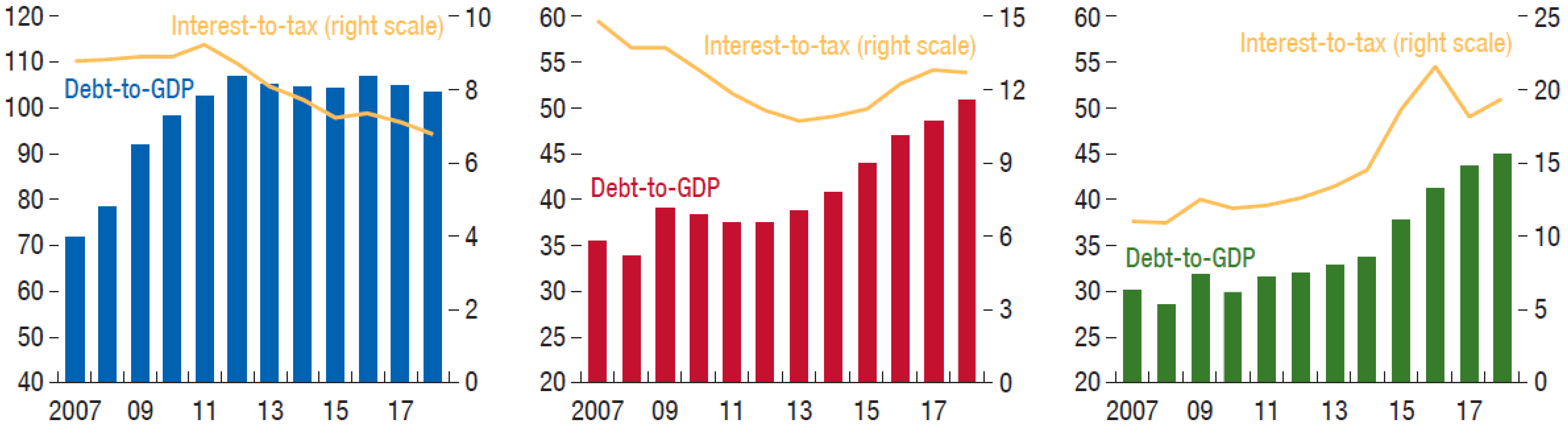


Source: IMF, World Economic Outlook database.
Note: The averages are weighted by PPP-adjusted nominal GDP in US dollars. GFC = global financial crisis; PPP = purchasing power parity.

Public debt vulnerabilities are higher today than before the financial crisis.

General Government Gross-Debt-to-GDP and Interest-Bill-to-Tax Revenue, 2007-18 *(Percent)*

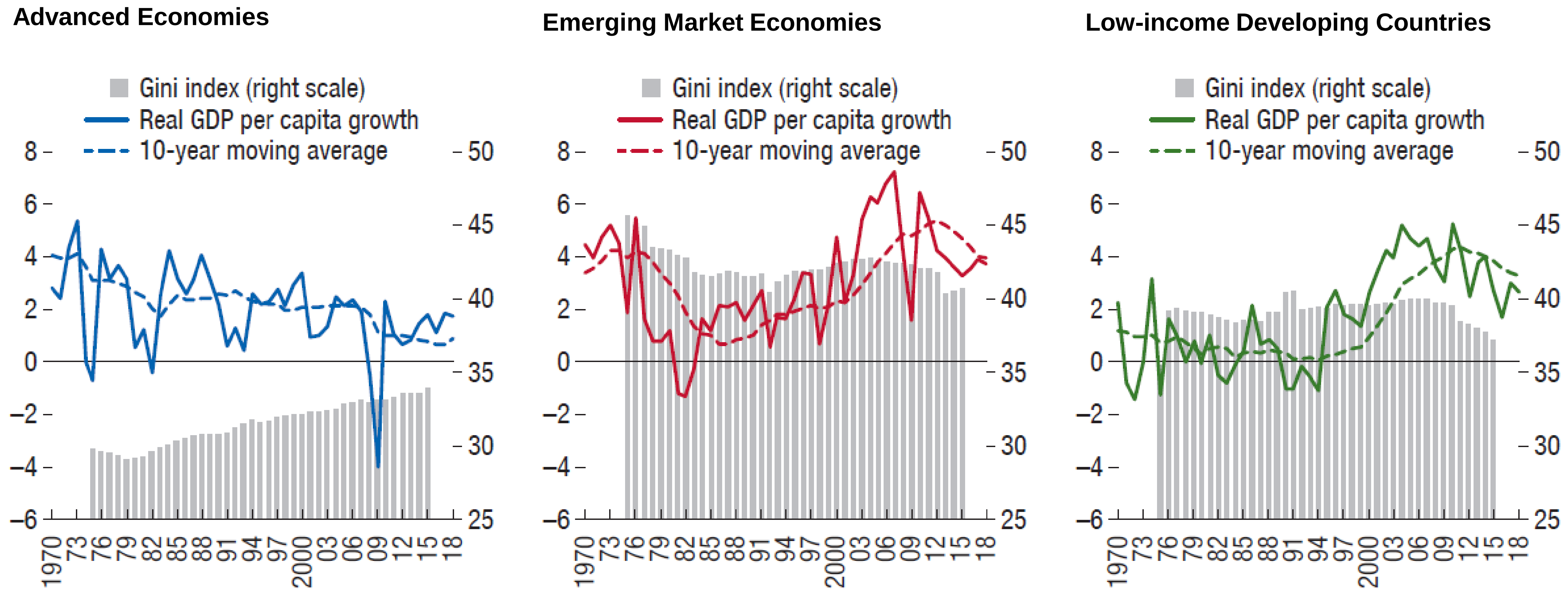
Advanced Economies | **Emerging Market Economies** | **Low-income Developing Countries**



Source: IMF, World Economic Outlook database.

Meanwhile, per capita income growth has trended down and inequality remains a concern.

Real GDP per Capita Growth and Income Inequality, 1970-2018 *(Percent)*

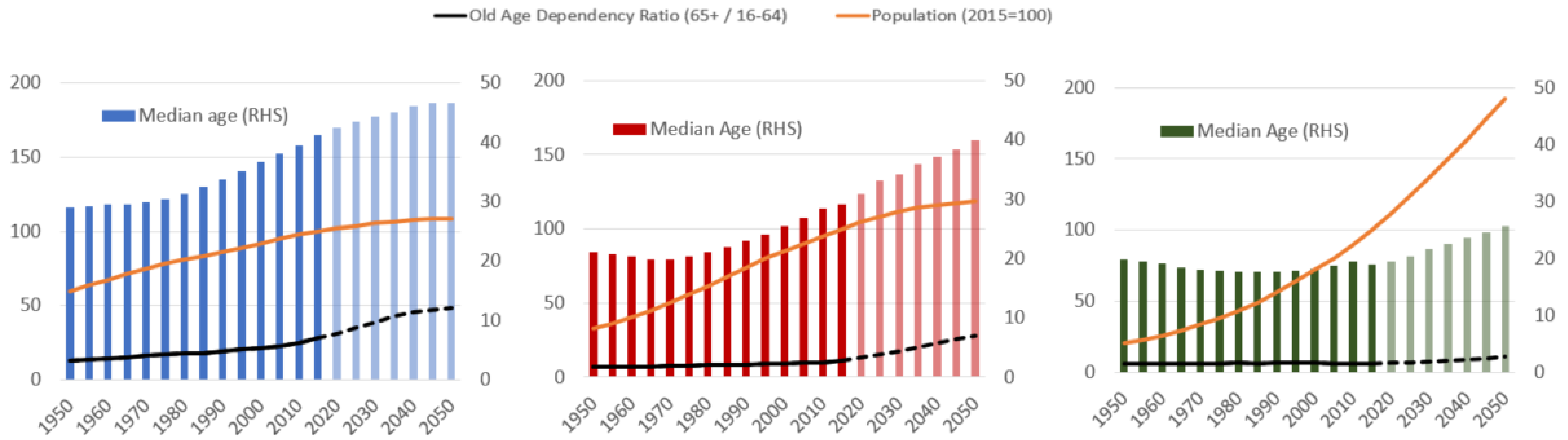


Sources: IMF, World Economic Outlook database; Standardized World Income Inequality Database; and IMF staff estimates.
Note: The averages are weighted by PPP-adjusted nominal GDP in US dollars. PPP = purchasing power parity.

Shifting demographics are straining public finances.

Old-Age Dependency Ratio, Population Growth, and the Median Age, 1950-2050

Advanced Economies | **Emerging Market Economies** | **Low-income Developing Countries**

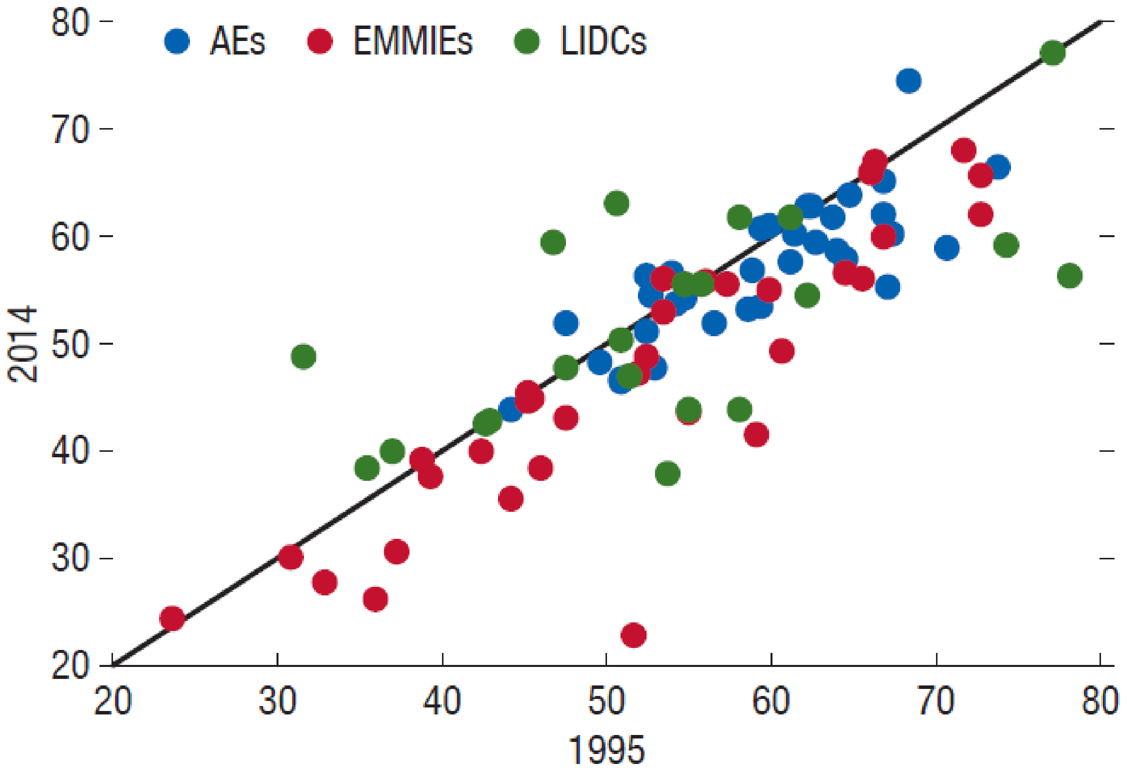


Source: UN World Population Prospects.

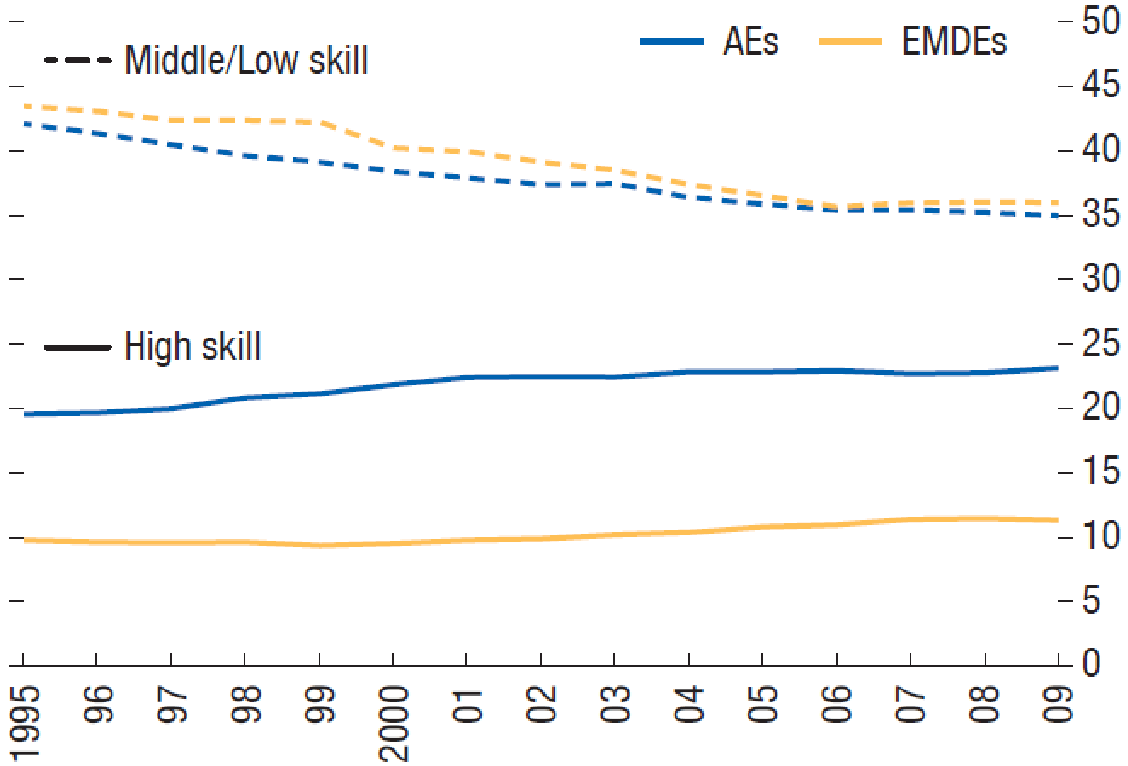
Rapid technological progress has favored some and left out many.

Evolution of Labor Income Shares since 1995 (*Percent of GDP*)

By Country, 1995 vs 2014



By Skill Level, 1995-2009



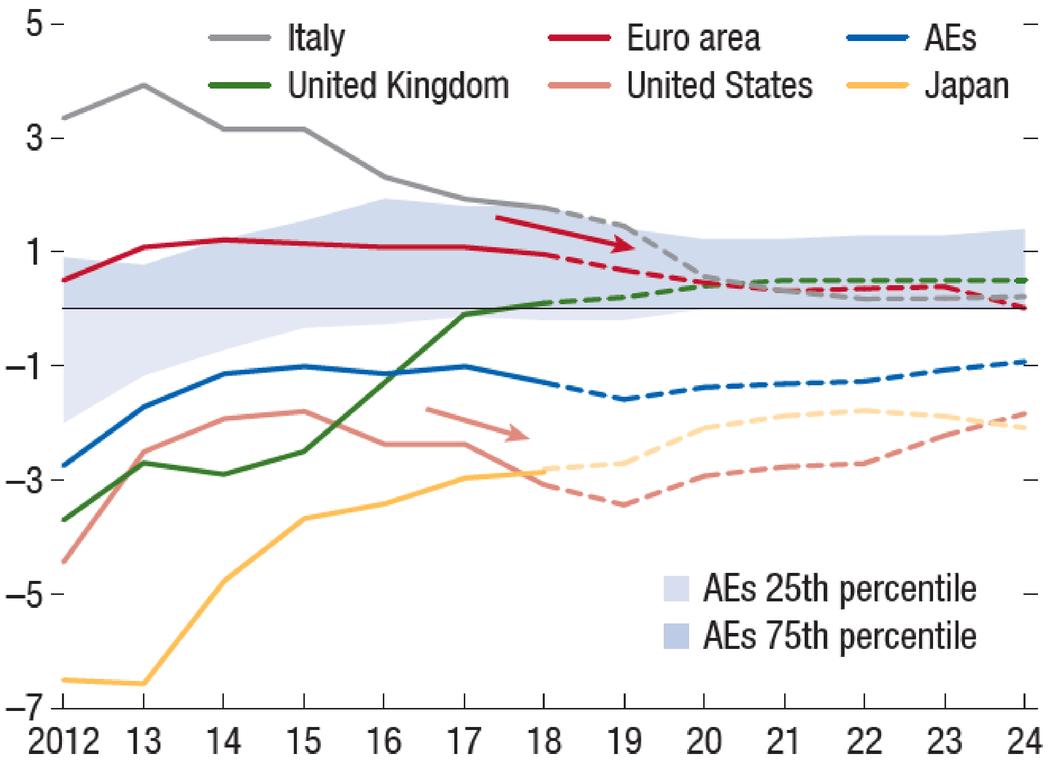
Source: World Input-Output Database Socio-Economic Accounts.

Advanced Economies:
Shifting Gears to Fiscal Easing

Advanced economies has shifted gears to near-term fiscal easing.

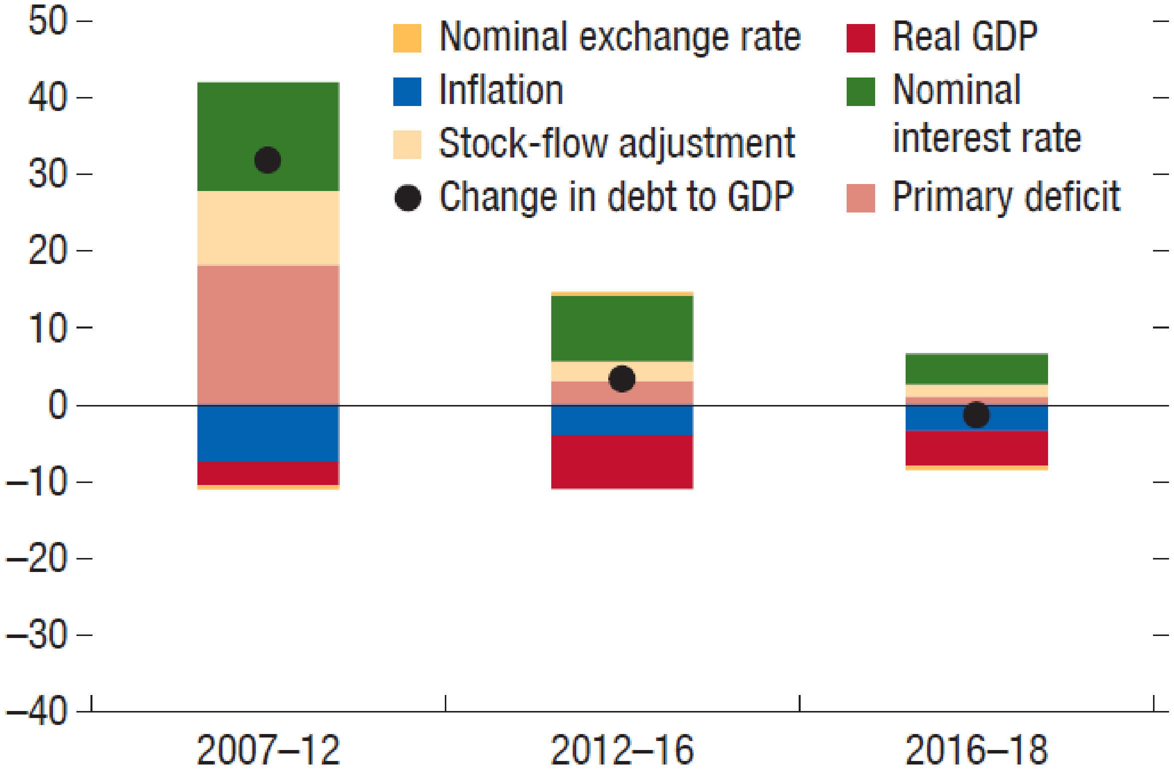
Advanced Economies: General Government Deficit and Debt *(Percent of GDP)*

Structural Primary Balance, 2012-24



Source: IMF, World Economic Outlook database.
Note: AEs = advanced economies.

Drivers of Change in Debt, 2007-18

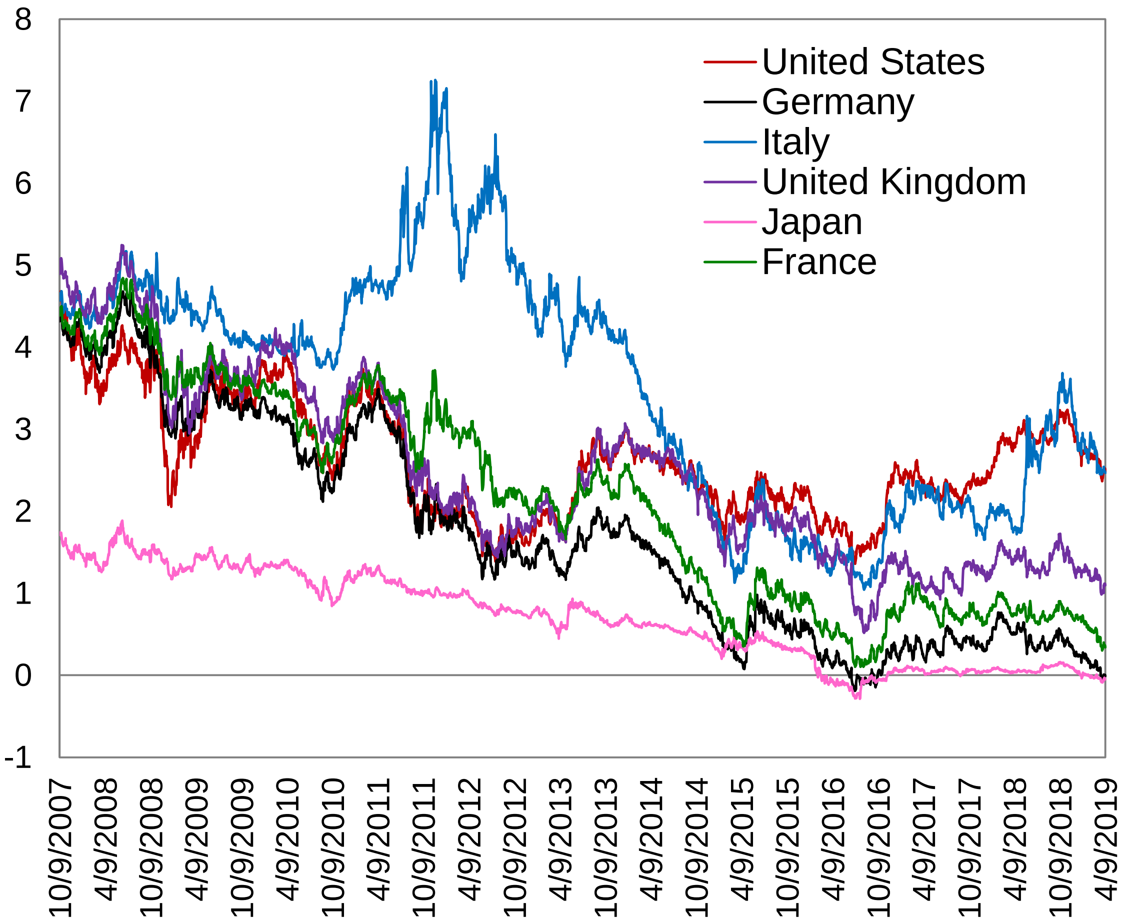


Sources: IMF, World Economic Outlook database; and IMF staff estimates.

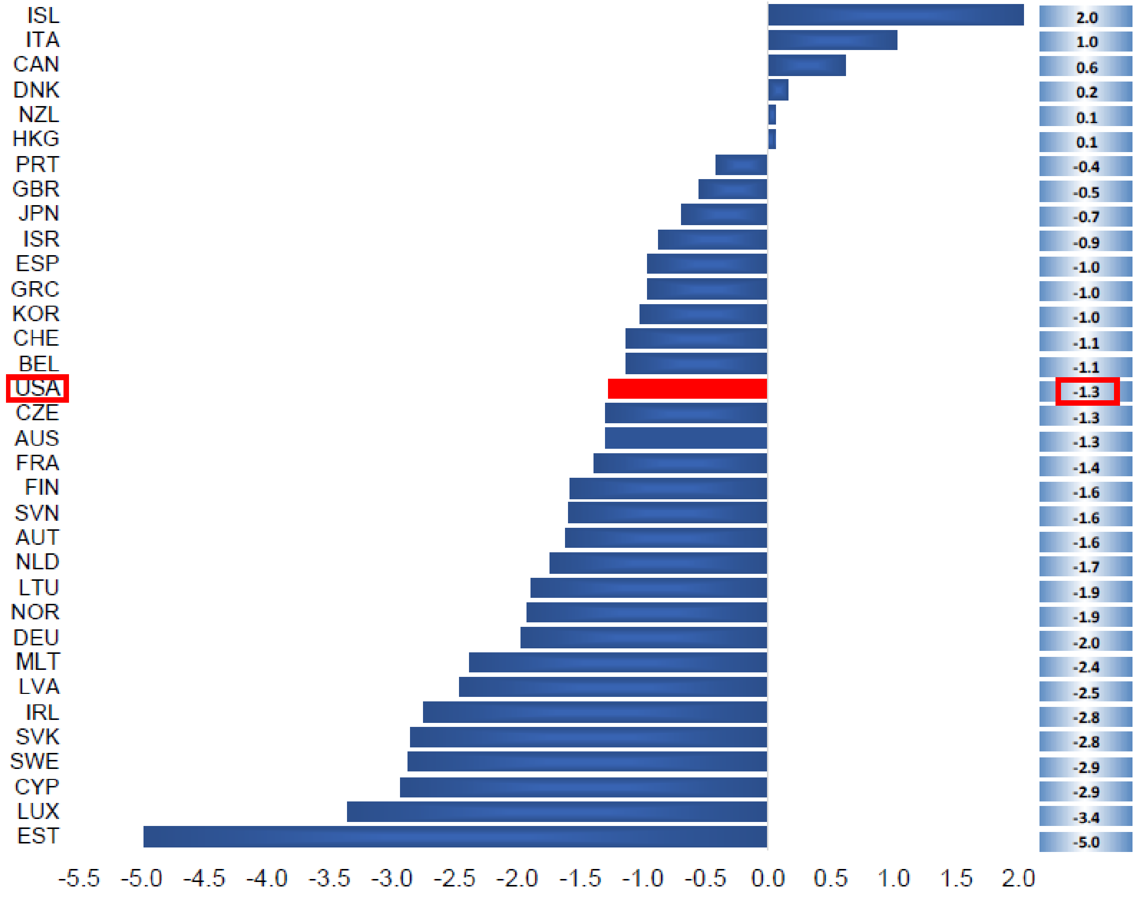
Interest rates are at historic lows but risk sentiment could shift abruptly.

Advanced Economies: Interest Rates *(Percent)*

10-Year Bond Yields, 2007-19



Projected Growth-Adjusted Interest Rates, 2019-24

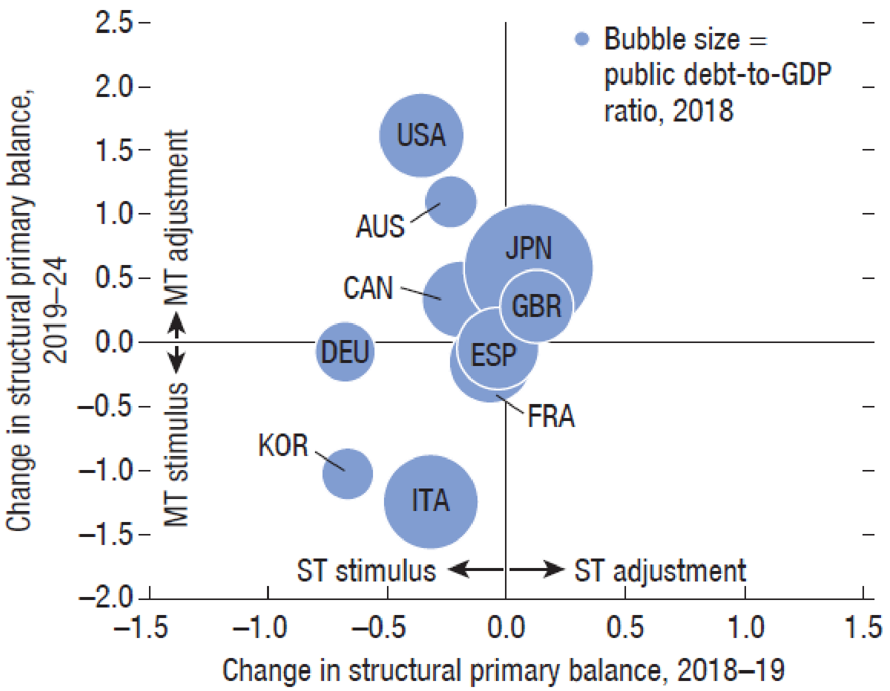


Source: Bloomberg, IMF World Economic Outlook database.

Over the medium term most plan to adjust, yet some will see debt rising.

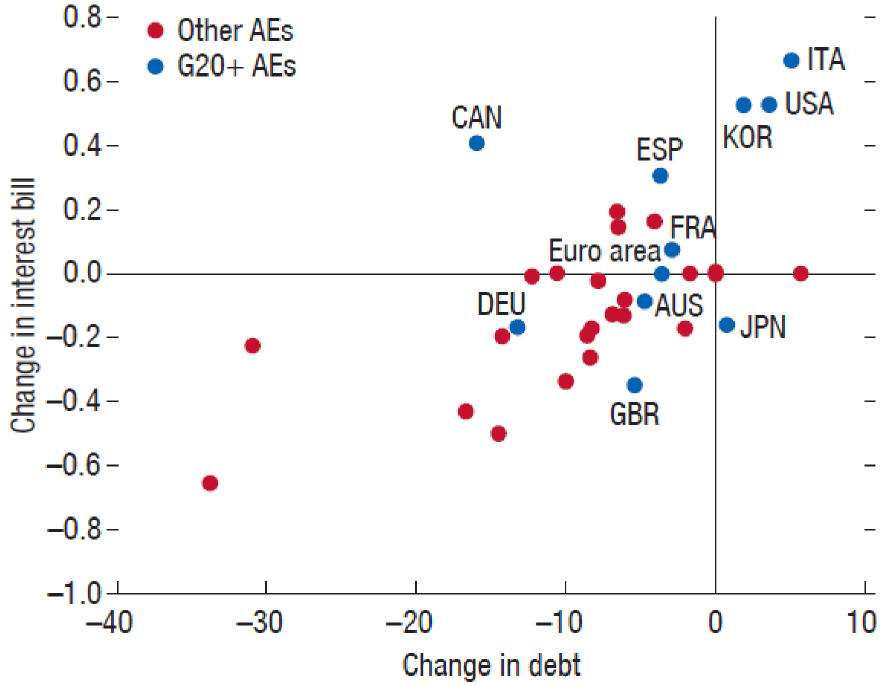
Advanced Economies: Change in General Government Deficit and Debt Burden *(Percent of GDP)*

Structural Primary Balance, 2018-24



Source: IMF, World Economic Outlook database.
Note: Data labels in the figure use International Organization for Standardization (ISO) country codes. MT = medium term; ST = short term.

Gross Debt and Interest Bill, 2018-24



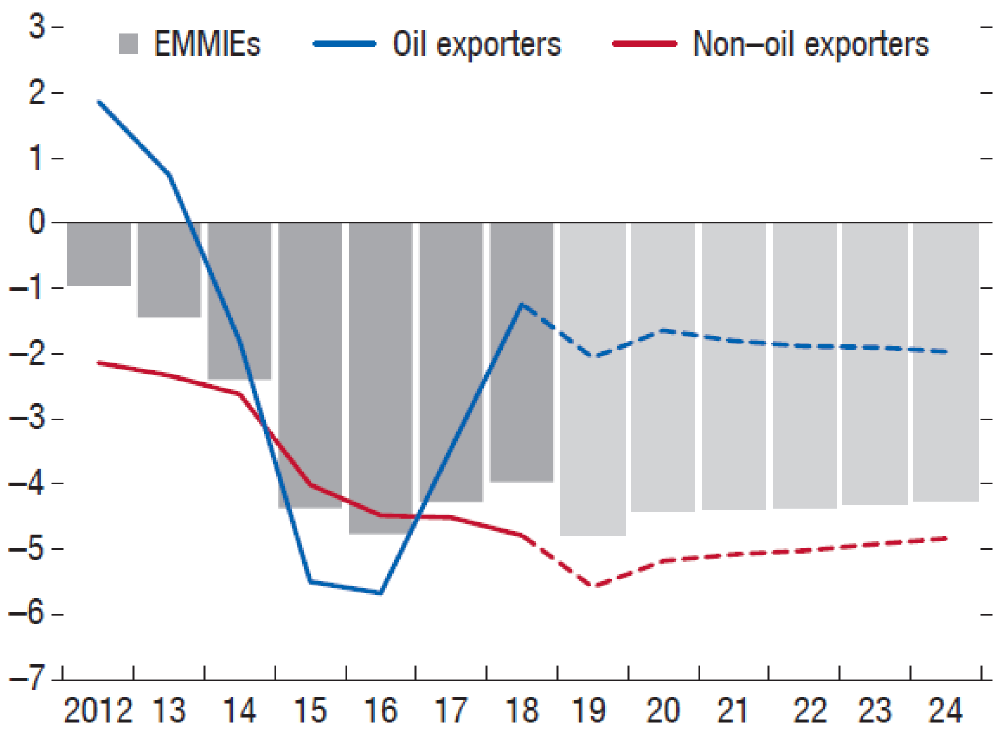
Source: IMF, World Economic Outlook database.
Note: Data labels in the figure use International Organization for Standardization (ISO) country codes. AEs = advanced economies; G20+ = Group of Twenty plus Spain.

Emerging Markets: Consolidation on Hold

Emerging market economies are pausing fiscal consolidation.

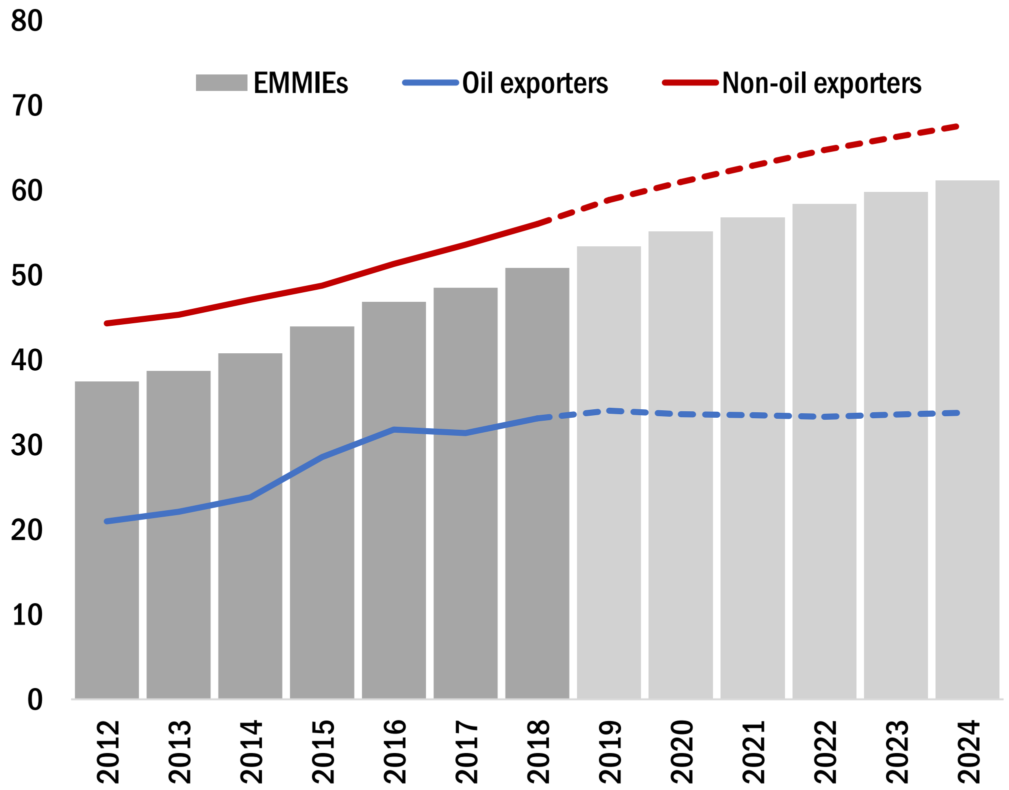
Emerging Market Economies: General Government Deficit and Debt *(Percent of GDP)*

Overall Balance, 2012-24



Source: IMF, World Economic Outlook database.

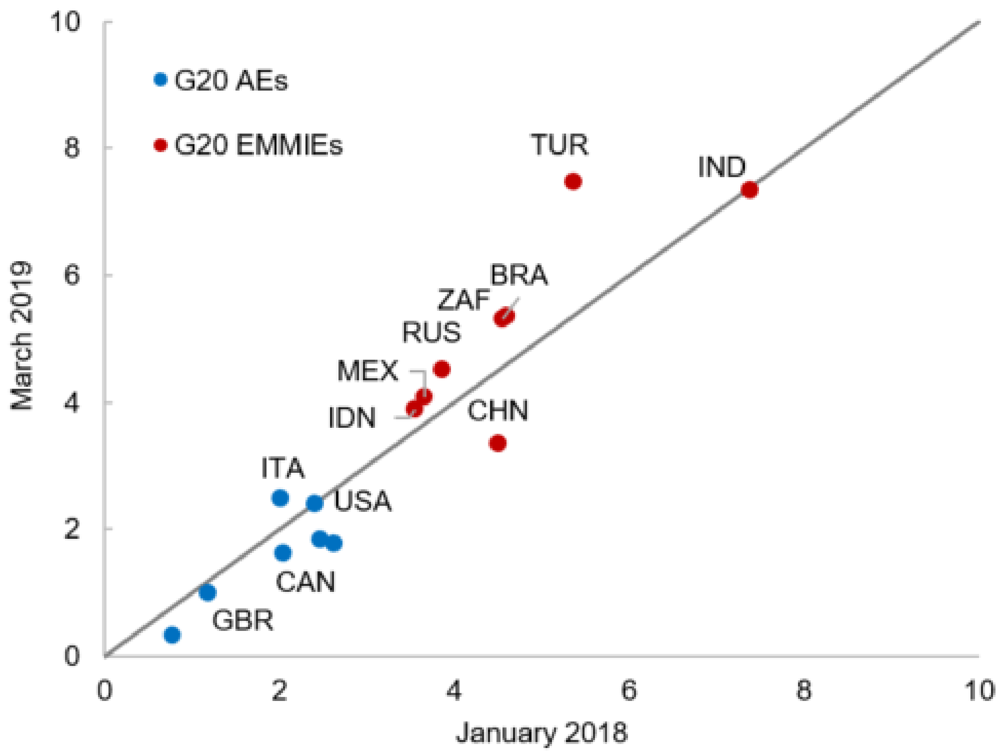
Gross Debt, 2012-24



Financial conditions tightened in 2018, adding to public debt levels.

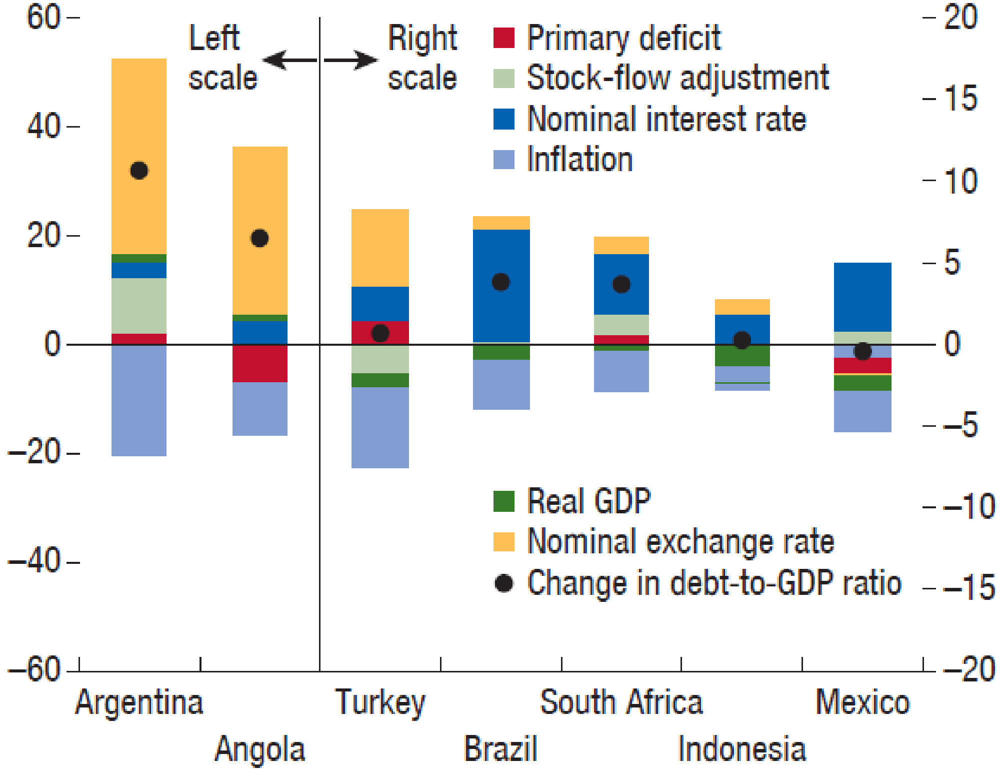
Emerging Market Economies: Change in Public Debt Burden, 2018

10-year US Dollar Bond Yields, 2018-19 (*Percent*)



Source: Bloomberg Finance L.P..
Note: AEs = advanced economies; EMMIEs = emerging market and middle-income economies; G20" Group of Twenty.

Drivers of Change in Debt, 2017-18 (*Percent of GDP*)

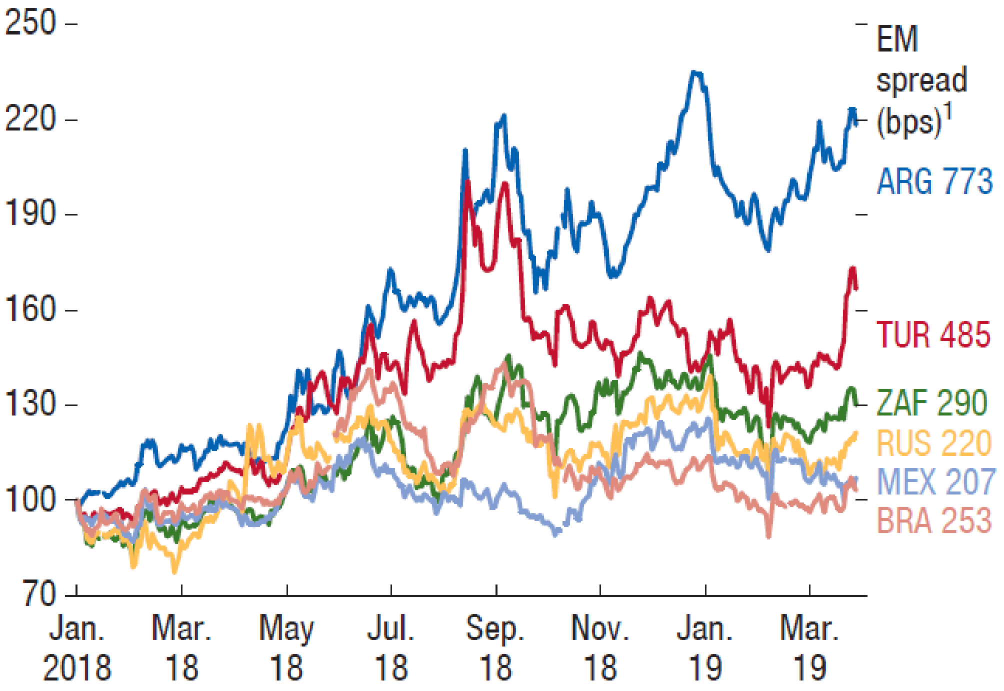


Source: IMF, World Economic Outlook database.

Despite recent easing, emerging markets remain vulnerable to rapid changes in financial conditions.

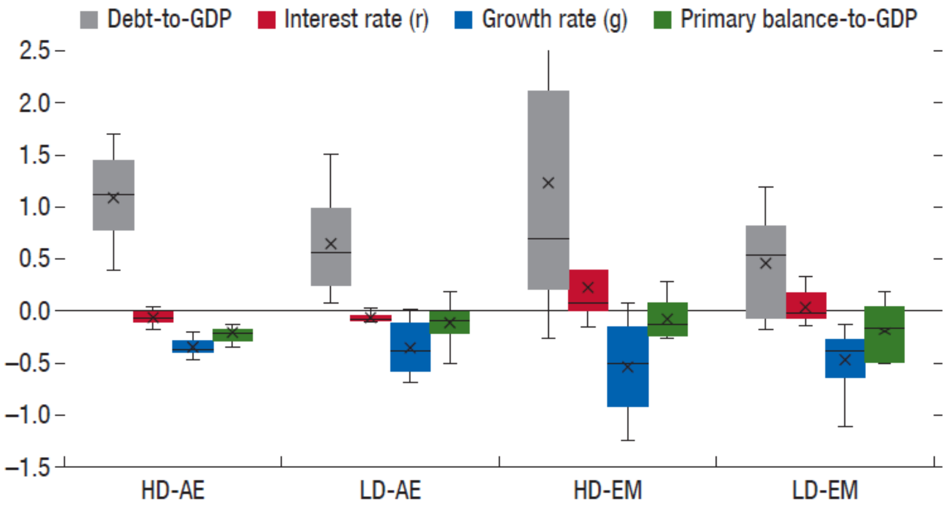
Emerging Market Economies: Impact of Tighter Financial Conditions on Public Finances

Spread over 10-year US Treasury Bond Yields, 2018-19
(*Basis points*)



Source: Bloomberg Finance L.P.
Note: bps = basis points; EM = emerging market. Data labels in the figure use International Organization for Standardization (ISO) country codes.
[1]Actual sovereign spreads as of March 29, 2019.

Response to Potential Stress in Global Financial Markets
(*Percentage points of GDP*)



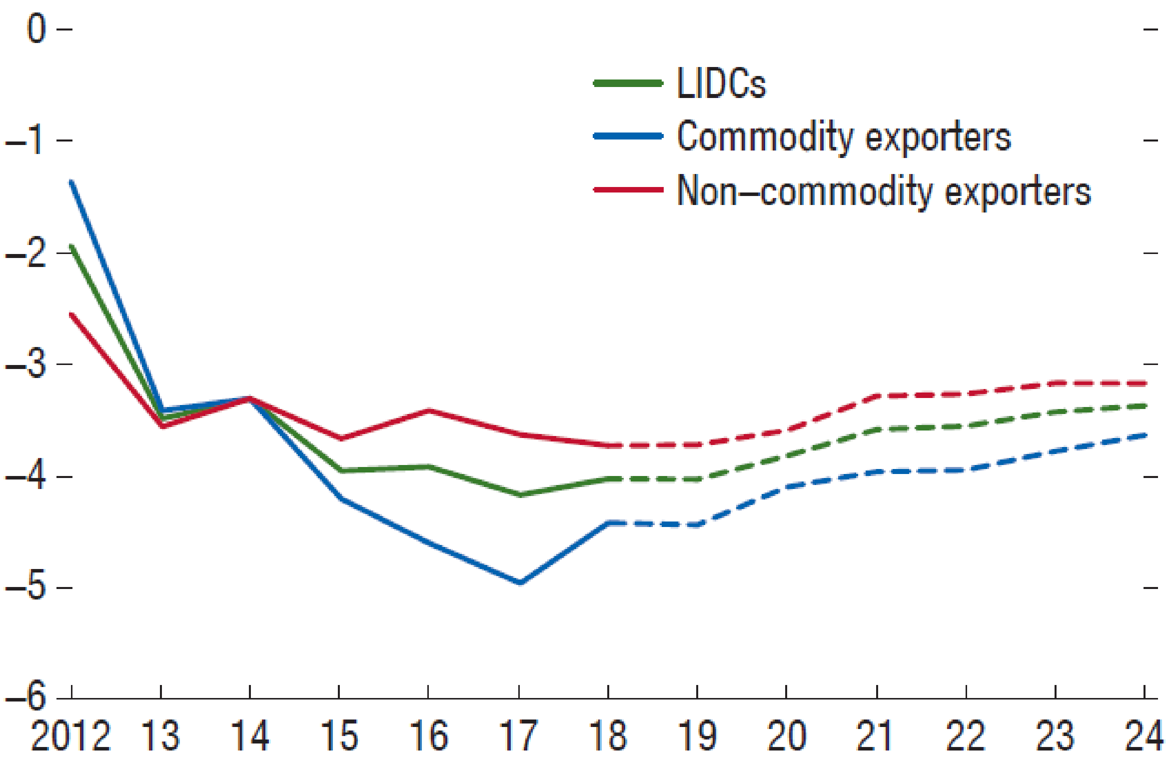
Source: IMF estimates.
Note: The figure depicts the range of change in macroeconomic/financial variables of a given group of countries—high-debt (HD) and low-debt (LD) advanced economies (AE) and emerging markets (EM) after one year associated with a one-standard-deviation positive shock to FSI. Symbols × and — denote the average and median responses across countries in each group, respectively. The boxes show the 25th–75th percentile responses, and the whiskers show the minimum and maximum responses. The HD-AE group consists of Austria, Belgium, Canada, France, Italy, Japan, Spain, the United Kingdom, and the United States. The LD-AE group consists of Australia, Finland, Germany, Korea, Netherlands, New Zealand, Norway, Sweden, and Switzerland. The HD-EM group consists of Argentina, Brazil, China, India, Philippines, and South Africa. The LD-EM group consists of Chile, Indonesia, Mexico, Peru, Thailand, and Turkey. The median gross-debt-to-GDP ratio in each group (advanced and emerging market economies) is used as the cutoff value to classify countries as high debt or low debt.

Low-Income Developing Countries: Fiscal Expansion Slows

Deficits and debt seem to have stabilized in low-income developing countries.

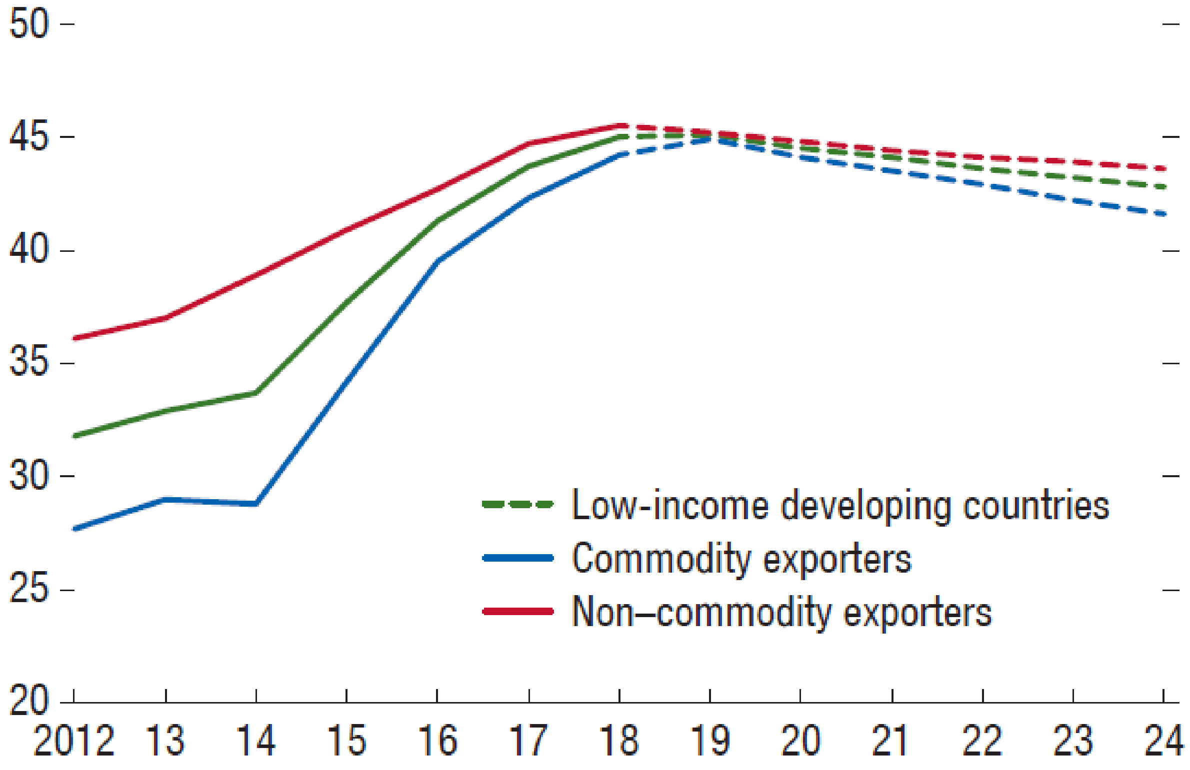
Low-Income Developing Countries: General Government Deficit and Debt (*Percent of GDP*)

Overall Balance, 2012-24



Source: IMF, World Economic Outlook database.
Note: LIDCs = low-income developing countries.

Gross Debt, 2012-24

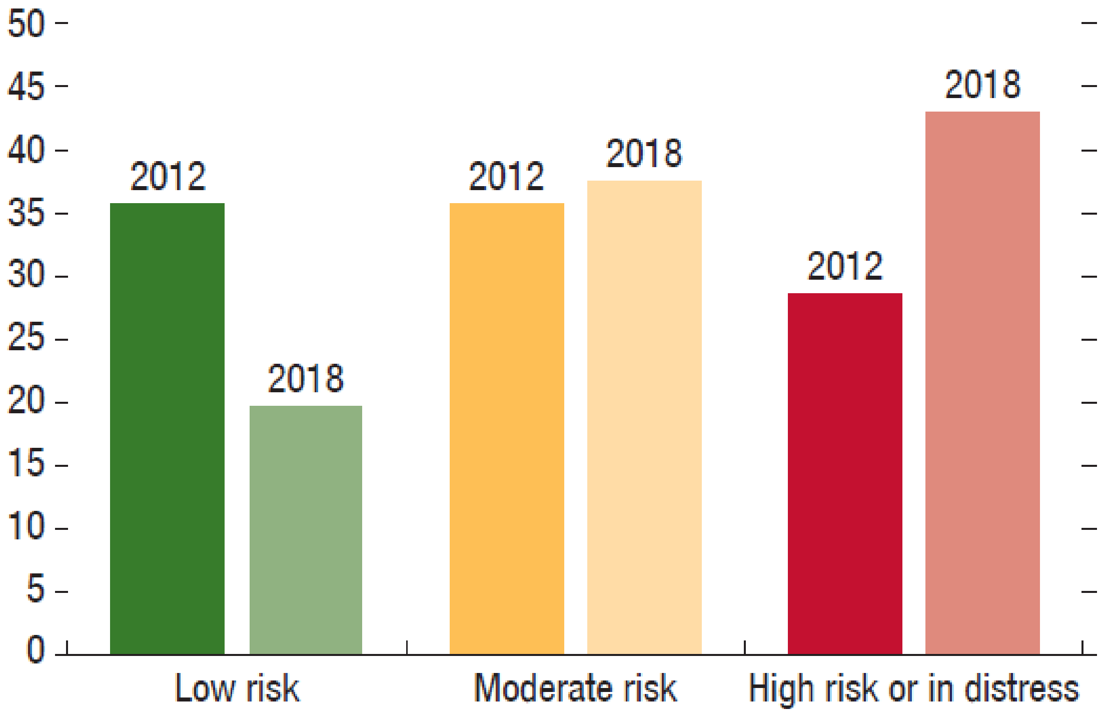


Source: IMF, World Economic Outlook database.

Yet, risk of debt distress is higher and debt service consumes ever more taxes.

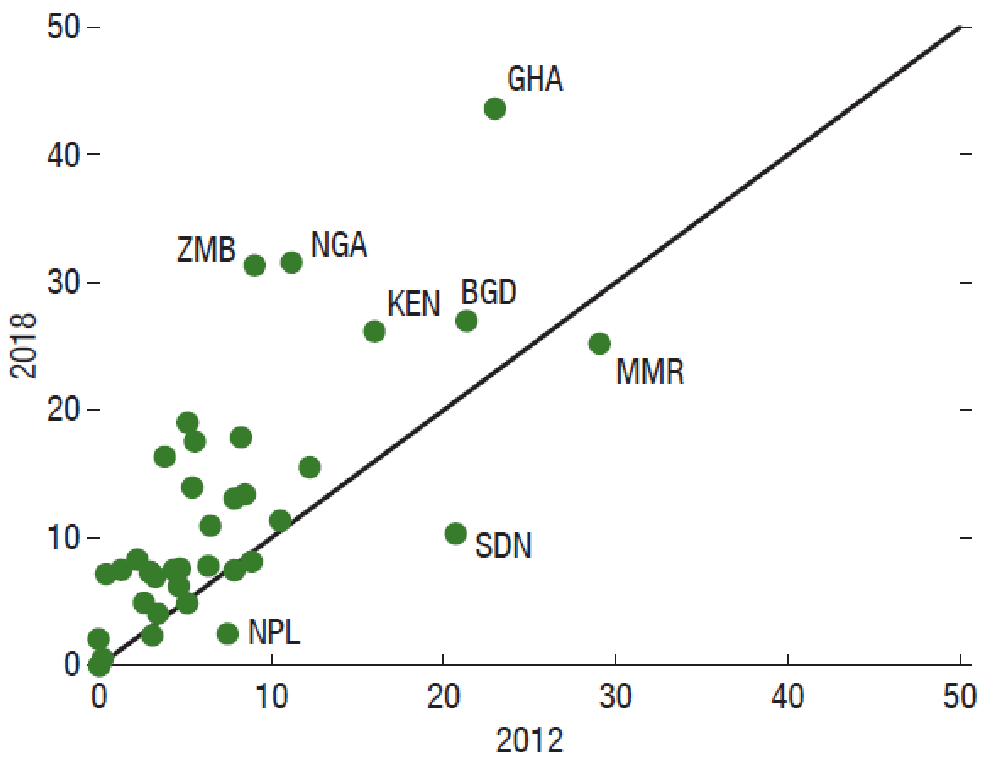
Low-Income Developing Countries: Public Debt Burden (*Percent*)

Share of Countries at Risk of Debt Distress, 2012 vs 2018



Source: IMF staff estimates.

Interest Bill as a Share of Tax Revenue, 2012-18

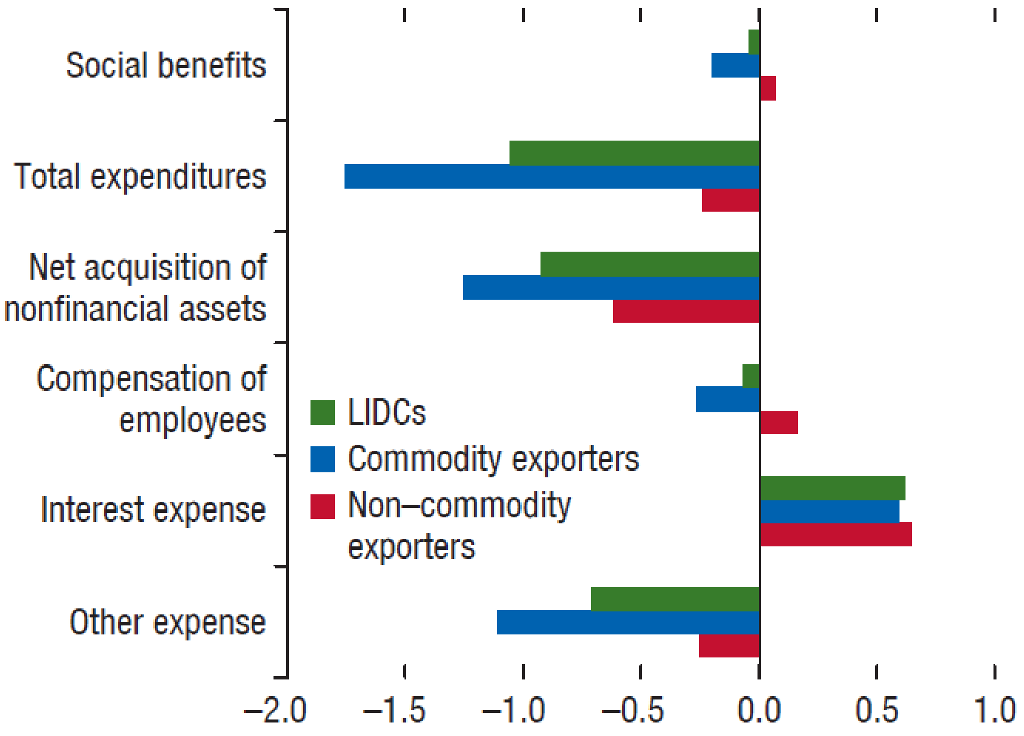


Source: IMF, World Economic Outlook database.

Quality of spending has worsened, while facing large development needs.

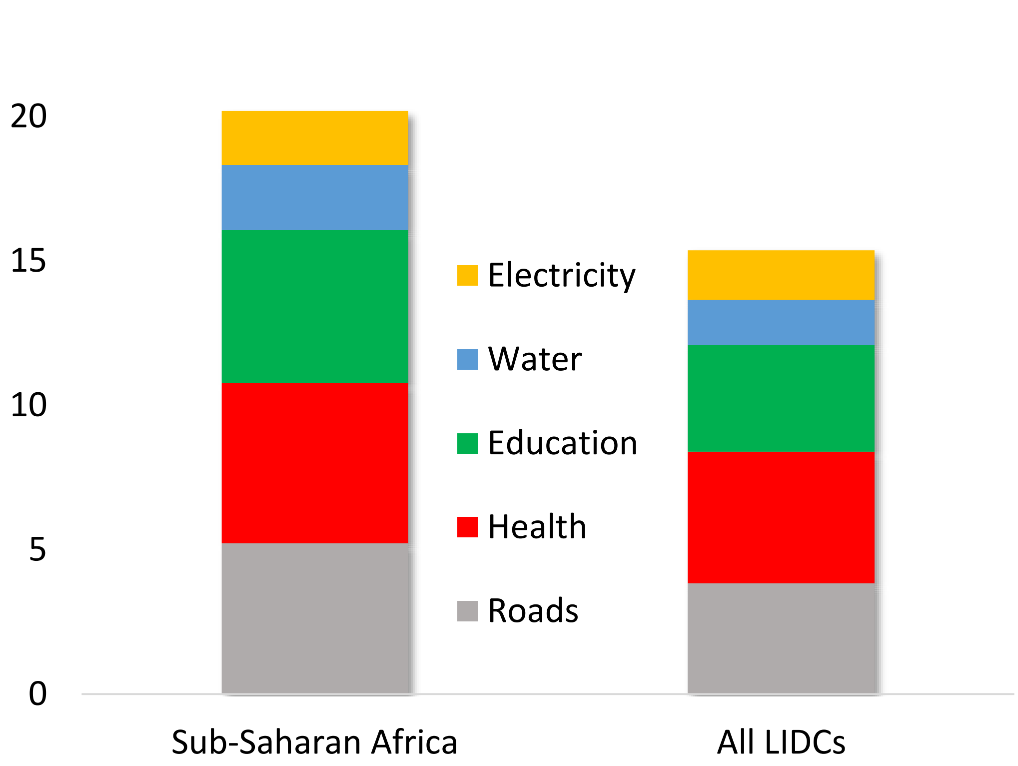
Low-Income Developing Countries: General Government Spending Trends and Needs (*Percent of GDP*)

Change in Expenditure, 2012 vs 2018



Source: IMF, World Economic Outlook database.
Note: LIDCs = low-income developing countries.

Spending Needed to Achieve SDGs, 2030



Countries in sample	30	49

Source: Gaspar and others (2019).

SETTING THE RIGHT COURSE FOR FISCAL POLICY

PREPARE FOR THE NEXT DOWNTURN…

…BALANCING GROWTH AND SUSTAINABILITY OBJECTIVES

Fiscal restraint is required for most, but there are exceptions.

High debt economies need to rebuild buffers, particularly if

- Output exceeds potential (United States)
- Borrowing costs are high and financing needs are large (Brazil, Italy)
- Enhancing market access remains important (Argentina)

Limited, high-quality fiscal stimulus is warranted, if

- There is fiscal space and risk of a sharper slowdown (Germany, Korea)
- Coupled with a credible medium term adjustment plan (China, Japan)

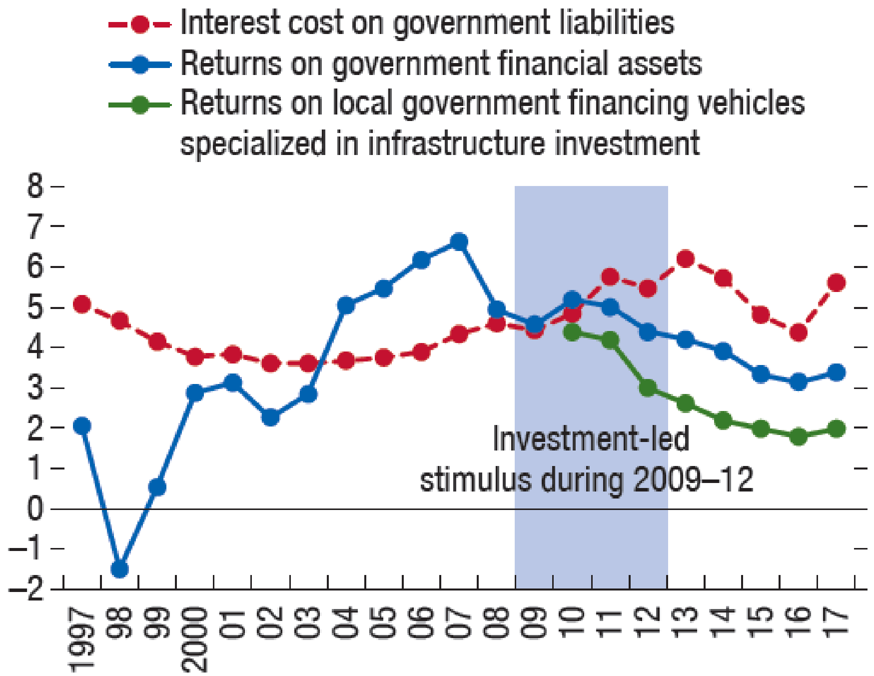
LIDCs should support development objectives, particularly if

- Financing conditions permit (Myanmar, Tanzania).

Fiscal easing should complement monetary accommodation, if

- A severe and prolonged downturn depresses inflation outlook (euro area)

China should avoid large-scale, investment-led, off-budget stimulus with low returns (*Percent*)



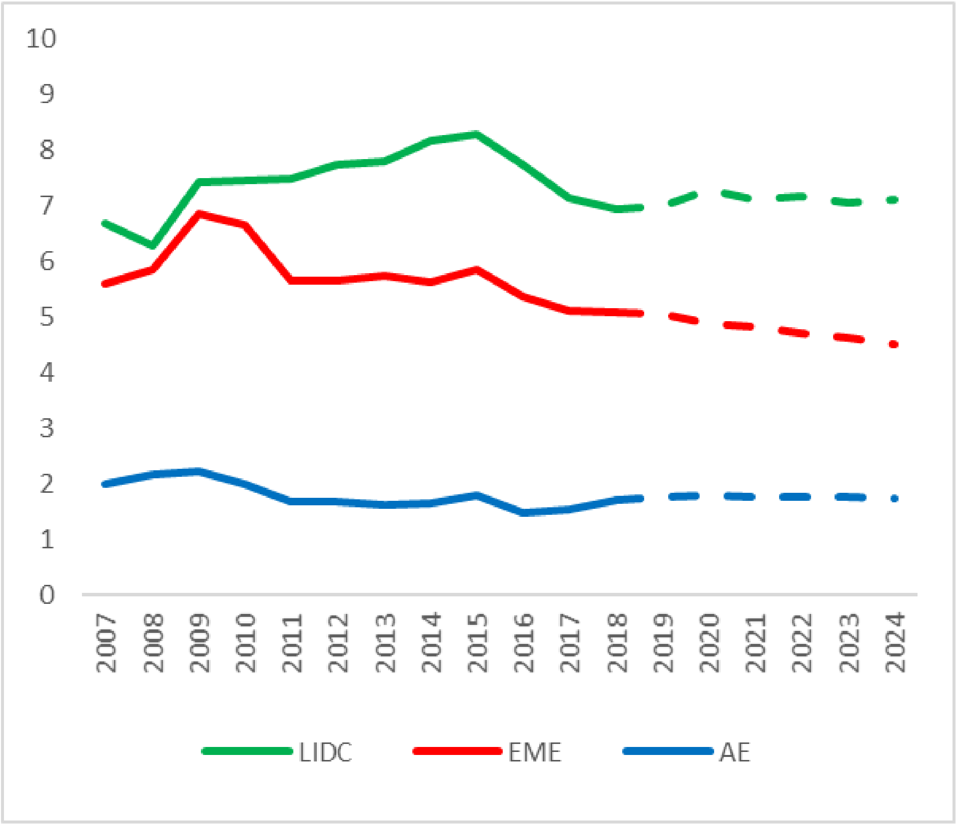
Sources: CEIC; China Public Finance Statistical Yearbook; Li and Mano 2019; and IMF staff estimates.

ADAPT TO GLOBAL TRENDS…

…BY INCLUSIVE & GROWTH-FRIENDLY BUDGET RECOMPOSITION

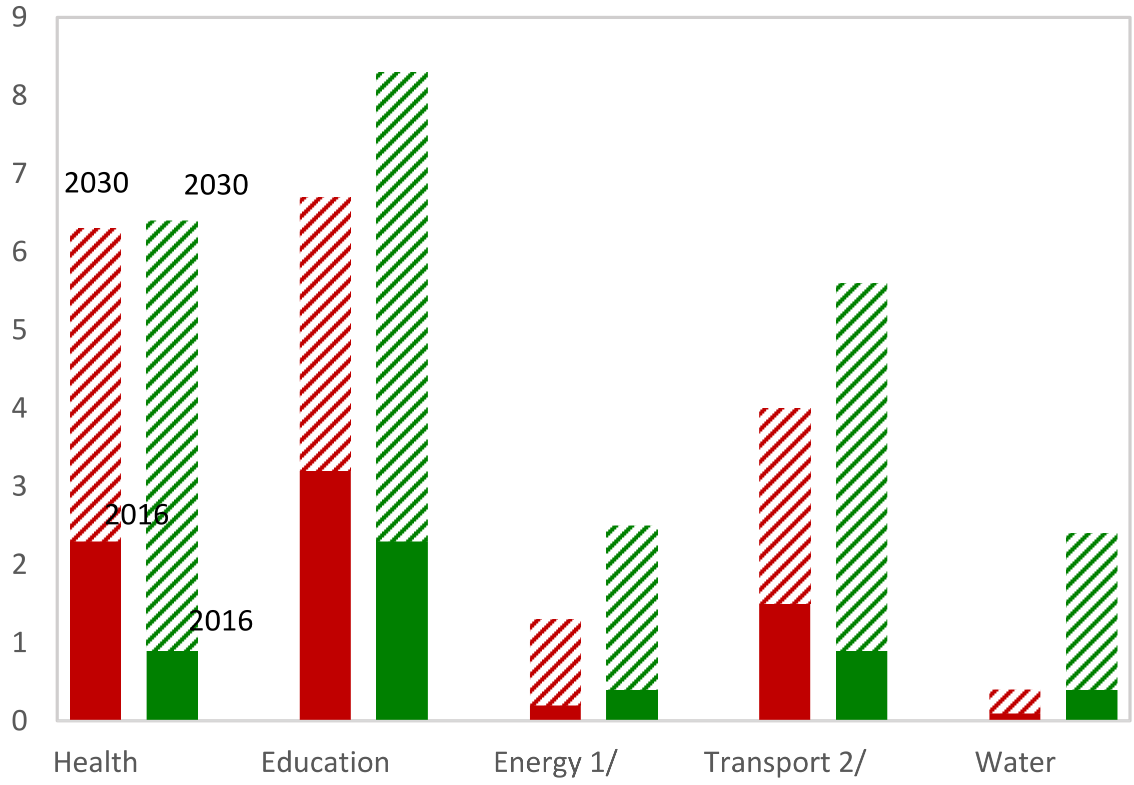
1- Shift expenditures to high quality investment in physical and human capital.

Net Acquisition of Non-Financial Assets (*Percent of GDP*)



Source: IMF, World Economic Outlook database.

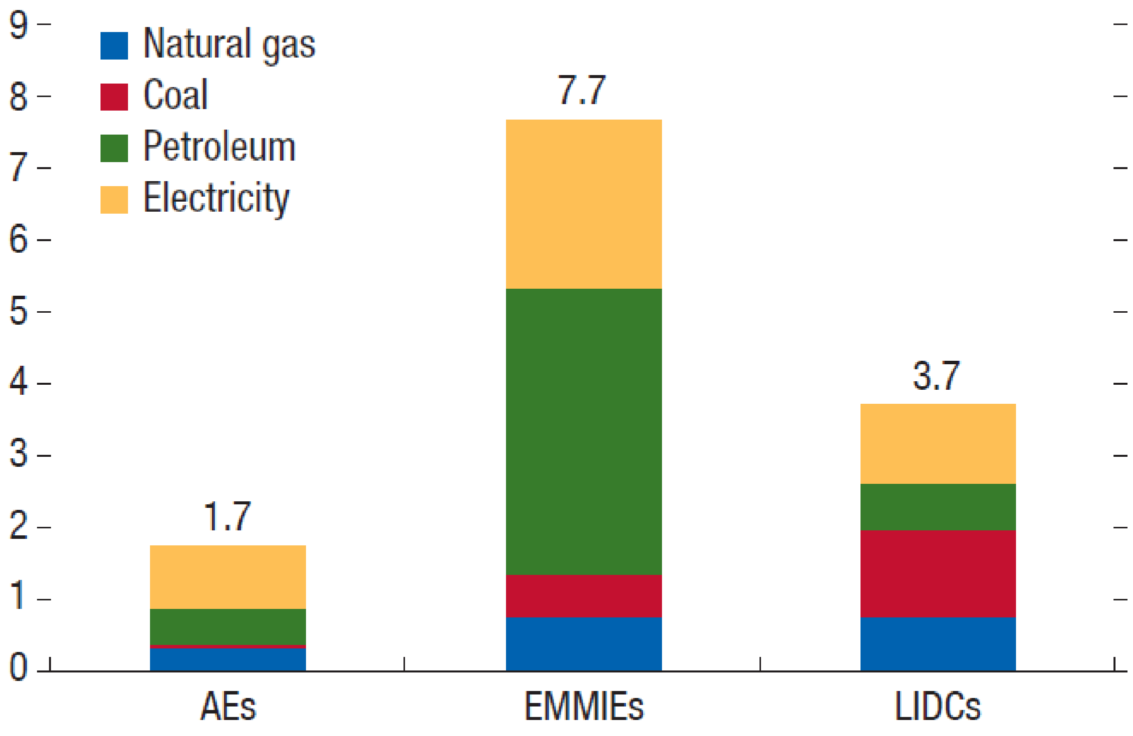
Additional Spending Needed to Achieve SDGs (*Percent of GDP*)



Note: Increase only reflects additional spending need for 1/ electricity 2/ roads.
Source: Gaspar and others (2019).

2- Cut wasteful subsidies to make room for productive investment.

Energy Subsidies, 2017 (*Percent of GDP*)



Source: Coady and others, forthcoming.

Efficient Fuel Pricing

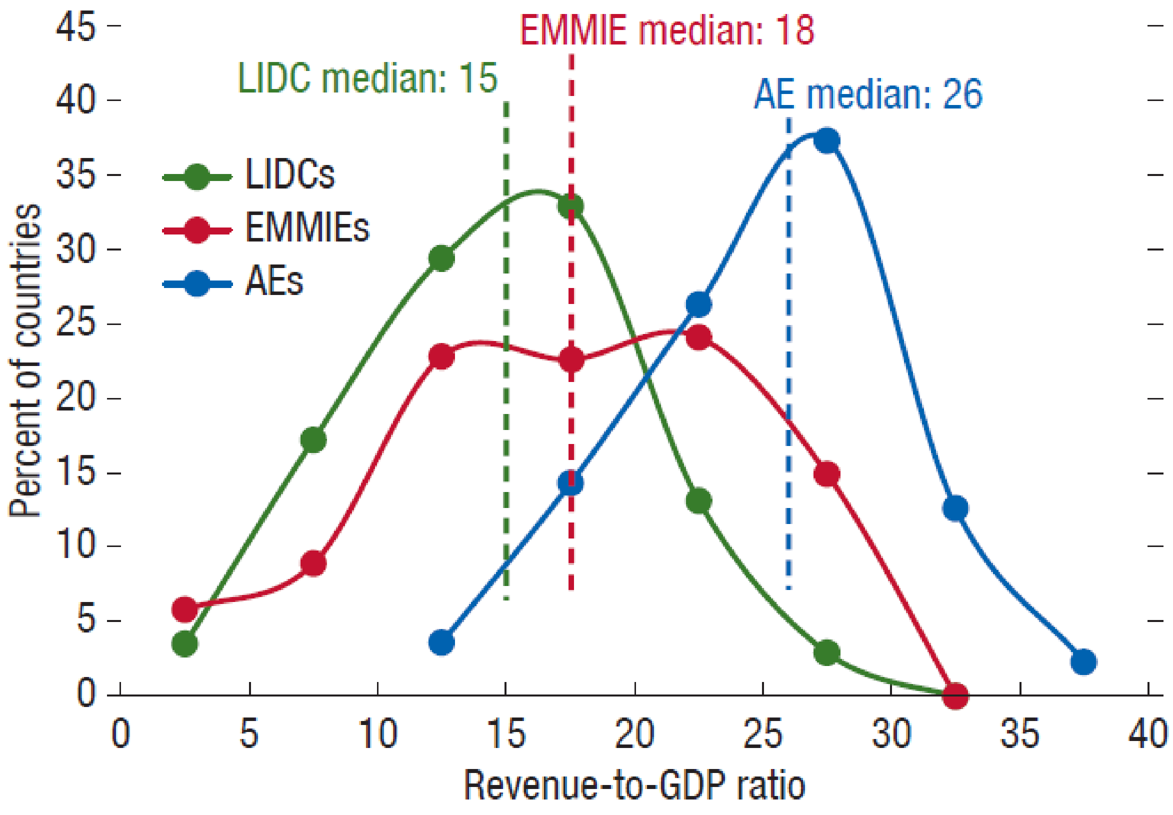
Raising fuel prices gradually to efficient levels through taxes could generate additional revenue of up to $3.2 trillion (4 percent of global GDP) over the long-term

3- Expand the budget envelope thru PFM reforms and revenue mobilization.

It’s not only what you owe, it’s also what you own…

Better management of public financial assets and nonfinancial corporations could yield up to 3 percent of GDP a year in additional revenue.

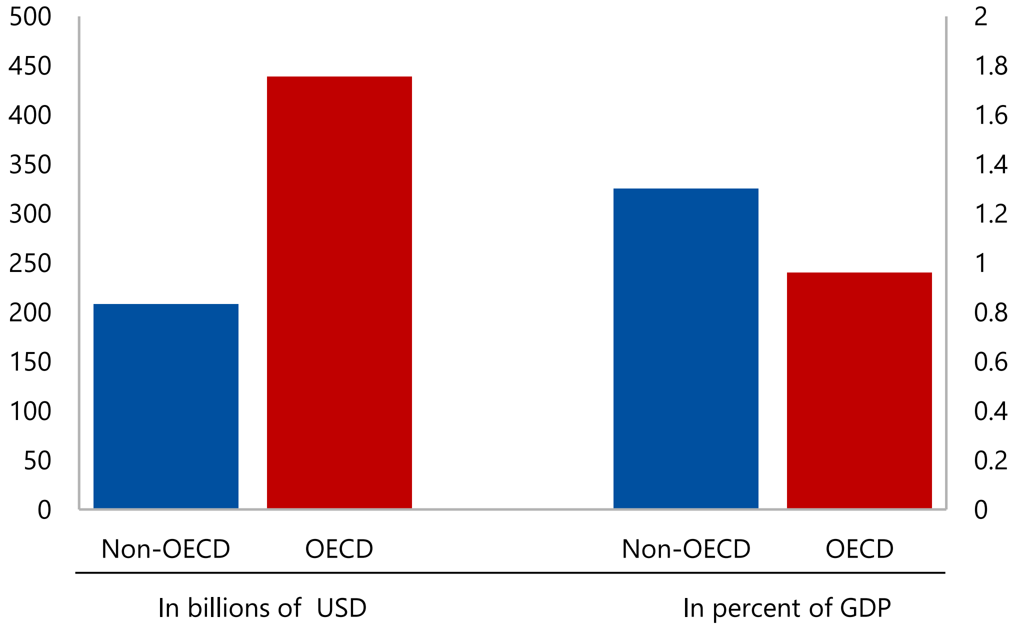
Tax Revenue, 2017 (*Percent of GDP*)



Source: Gaspar and others 2019.

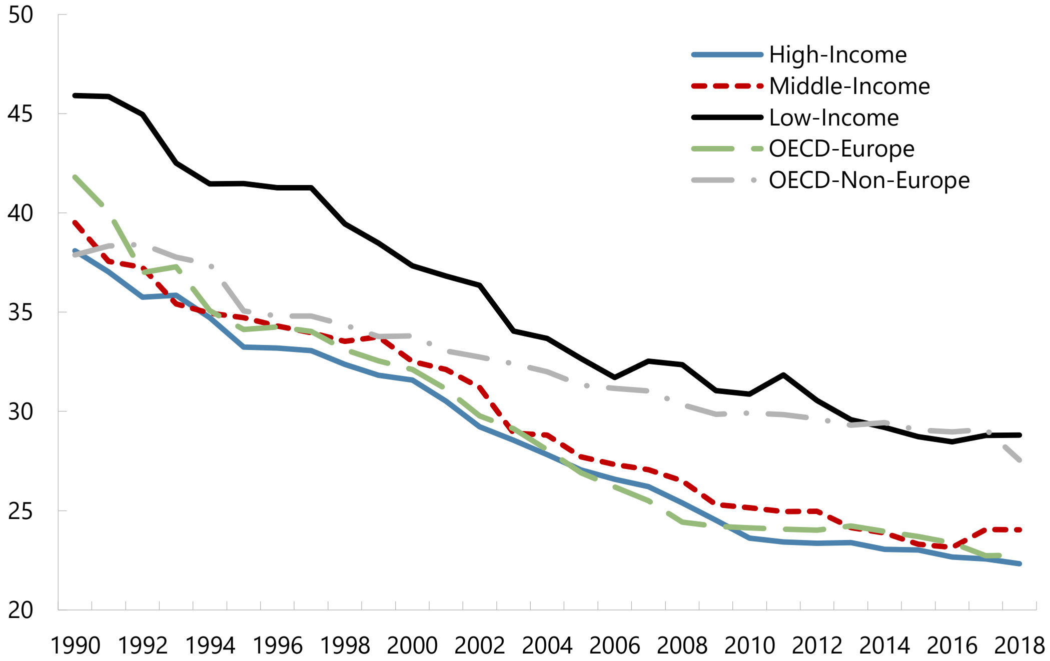
4- Enhance international cooperation, including to avoid tax wars.

Profit Shifting, 2013



Source: Crivelli, De Mooij, and Keen (2016).

Tax Competition: CIT Rates, 1990-2018 (*Percent*)



Source: IMF Fiscal Affairs Department Tax Policy Rates Database.

BEPS helps but incomplete, digitalization intensifies challenges, unilateral measures undermine cooperation…
Alternative futures, several now at the table of OECD:
Minimum tax proposals: Close to current arrangements, but susceptible to unilateral action.
Move to destination-based taxation: Effective, but legally difficult, adverse spillovers if unilateral.
Move to formulary apportionment: Addresses profit shifting, but not tax competition. Requires much coordination.

CURBING CORRUPTION

Corruption in government is like a house with leaking pipes.

What is Corruption?

Definition

The abuse of public office for private gain.

Types

Administrative (uses laws for private gain)

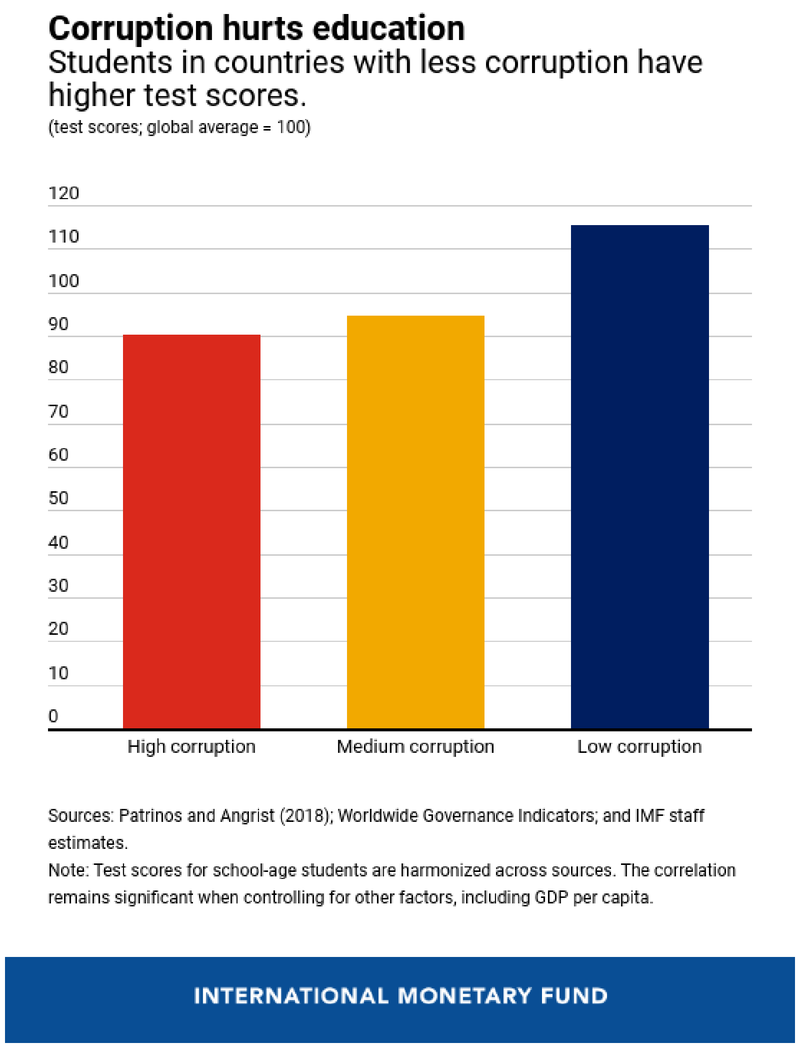
State capture (alters laws for private gain)

Measurement

Control of corruption index
based on surveys of perception

Corruption makes tax and spending policies less effective and fair.

Corruption siphons taxpayers' money away from schools, hospitals, roads…



Fighting corruption requires political will to build strong and transparent institutions that promote integrity and accountability.

Fiscal institutions that matter for corruption control

Tax Complexity (time)	**Paying Suppliers**
Red Tape (time)	**Revenue Institutions**
Red Tape (procedures)	PFM controls
Time for VAT Refund	E-government
Labor Tax Rate	CG Procurement
Time for Tax Audit	PPP Procurement
Fiscal Transparency	Number of Tax Payments

Note: Bold cells denote institutions that are statistically significant after controlling for GDP per capita.
Source: IMF staff estimates, Orbis, Worldwide Governance Indicators.

Conclusion

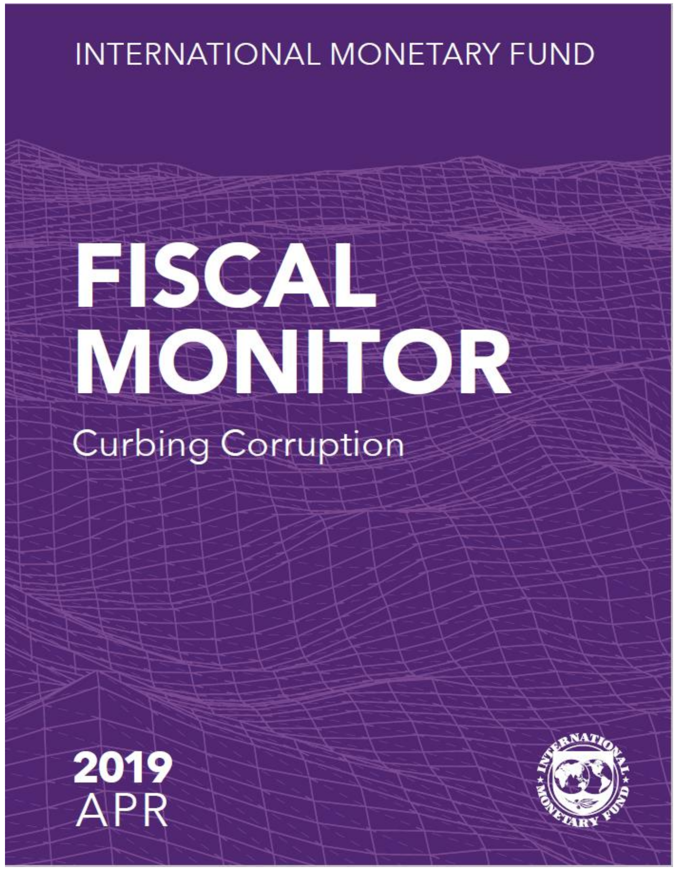
Policymakers need to put fiscal houses in order, by

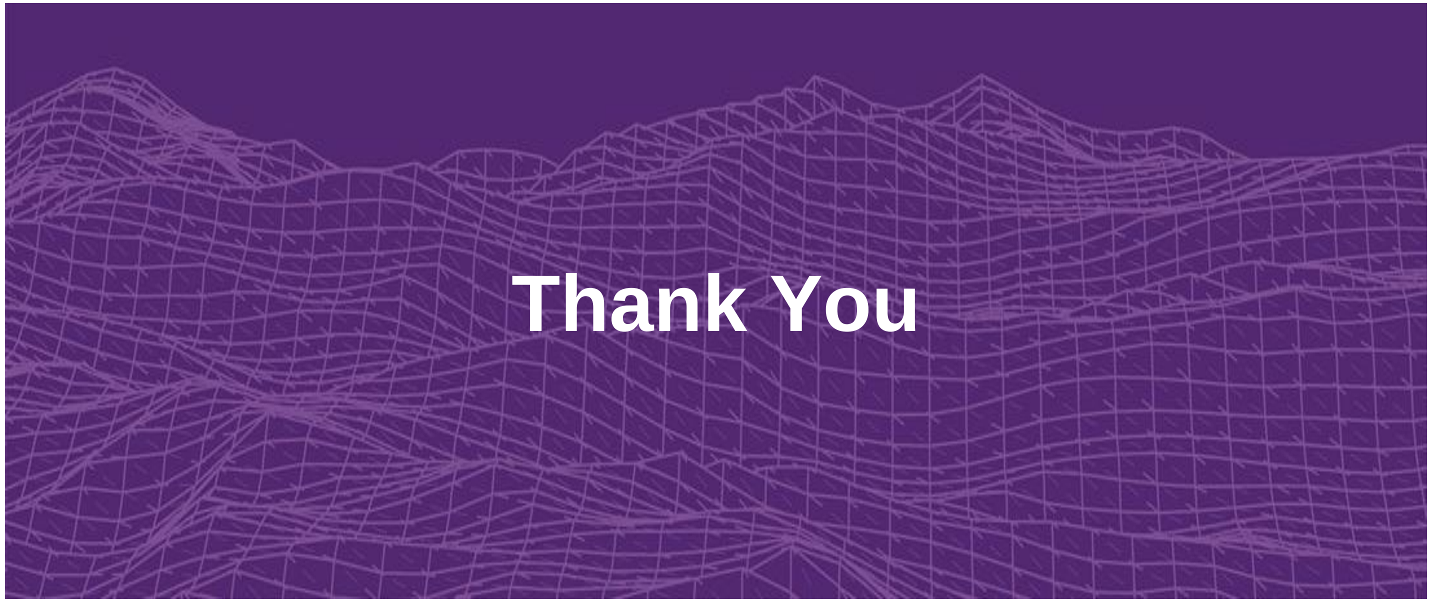
- **Preparing for the next downturn,** balancing growth and sustainability objectives. This means rebuilding buffers for most high debt economies.

- **Upgrading tax and spending policies** to adapt to shifting demographics and advancing technology in an ever-integrating global economy.

- **Fighting corruption** through strong and transparent fiscal institutions that promote integrity and accountability.

- **Enhancing international cooperation** to mitigate tax avoidance, climate change, and corruption, and to achieve the SDGs.





https://www.imf.org/en/Publications/FM/Issues/2019/03/18/fiscal-monitor-april-2019

Table 1.1. General Government Fiscal Balance, 2012–24: Overall Balance

(Percent of GDP)

								Projections					
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
World	**–3.7**	**–2.8**	**–2.8**	**–3.2**	**–3.4**	**–2.9**	**–2.8**	**–3.3**	**–3.1**	**–3.1**	**–3.1**	**–3.0**	**–2.9**
Advanced Economies	**–5.4**	**–3.6**	**–3.0**	**–2.5**	**–2.5**	**–2.1**	**–2.1**	**–2.4**	**–2.3**	**–2.2**	**–2.2**	**–2.1**	**–2.0**
United States[1]	–7.6	–4.1	–3.7	–3.2	–3.9	–3.8	–4.3	–4.6	–4.4	–4.4	–4.4	–4.0	–3.7
Euro Area	–3.7	–3.1	–2.5	–2.0	–1.6	–1.0	–0.6	–1.0	–0.9	–1.0	–1.1	–1.1	–1.1
France	–5.0	–4.1	–3.9	–3.6	–3.4	–2.7	–2.6	–3.3	–2.4	–2.5	–2.5	–2.6	–2.6
Germany	0.0	–0.1	0.6	0.8	0.9	1.0	1.7	1.1	1.1	0.8	0.8	0.7	0.7
Italy	–2.9	–2.9	–3.0	–2.6	–2.5	–2.4	–2.1	–2.7	–3.4	–3.5	–3.7	–3.7	–3.8
Spain[2]	–10.5	–7.0	–6.0	–5.3	–4.5	–3.1	–2.7	–2.3	–2.3	–2.4	–2.5	–2.7	–2.8
Japan	–8.6	–7.9	–5.6	–3.8	–3.7	–3.2	–3.2	–2.8	–2.1	–1.9	–1.8	–1.9	–2.1
United Kingdom	–7.5	–5.3	–5.3	–4.2	–2.9	–1.8	–1.4	–1.3	–1.2	–1.1	–0.8	–0.6	–0.6
Canada	–2.5	–1.5	0.2	–0.1	–0.4	–0.3	–0.4	–0.6	–0.6	–0.6	–0.7	–0.6	–0.6
Others	0.5	0.2	0.2	0.1	0.8	1.4	1.3	1.0	0.9	0.9	0.8	0.8	0.8
Emerging Market and Middle-Income Economies	**–0.9**	**–1.4**	**–2.4**	**–4.4**	**–4.8**	**–4.3**	**–4.0**	**–4.8**	**–4.4**	**–4.4**	**–4.4**	**–4.3**	**–4.3**
Excluding MENAP Oil Producers	–1.9	–2.3	–2.6	–4.0	–4.4	–4.2	–4.1	–4.9	–4.5	–4.5	–4.5	–4.4	–4.3
Asia	–1.6	–1.8	–1.9	–3.3	–3.9	–4.1	–4.7	–5.6	–5.2	–5.1	–5.1	–5.0	–5.0
China	–0.3	–0.8	–0.9	–2.8	–3.7	–3.9	–4.8	–6.1	–5.5	–5.4	–5.4	–5.3	–5.3
India	–7.5	–7.0	–7.1	–7.2	–7.1	–7.0	–6.7	–6.9	–6.6	–6.4	–6.3	–6.2	–6.1
Europe	–0.7	–1.5	–1.4	–2.7	–2.9	–1.9	0.2	–0.8	–1.2	–1.4	–1.6	–1.6	–1.6
Russia	0.4	–1.2	–1.1	–3.4	–3.7	–1.5	2.8	1.0	0.8	0.4	0.0	–0.2	–0.4
Latin America	–2.8	–3.1	–4.8	–6.8	–6.2	–5.6	–4.9	–4.8	–4.2	–4.1	–3.8	–3.6	–3.4
Brazil	–2.5	–3.0	–5.4	–10.2	–9.0	–7.9	–6.8	–7.3	–7.0	–6.9	–6.6	–6.2	–5.8
Mexico	–3.7	–3.7	–4.5	–4.0	–2.8	–1.1	–2.3	–2.5	–2.4	–2.3	–2.3	–2.3	–2.3
MENAP	5.6	3.9	–1.5	–8.5	–9.5	–5.7	–3.4	–4.4	–3.7	–3.8	–3.7	–3.6	–3.7
Saudi Arabia	11.9	5.6	–3.5	–15.8	–17.2	–9.2	–4.6	–7.9	–5.7	–7.2	–6.8	–6.5	–6.4
South Africa	–4.4	–4.3	–4.3	–4.8	–4.1	–4.4	–4.4	–5.1	–5.1	–4.9	–5.0	–5.0	–4.9
Low-Income Developing Countries	**–2.0**	**–3.5**	**–3.3**	**–3.9**	**–3.9**	**–4.2**	**–4.0**	**–4.0**	**–3.8**	**–3.6**	**–3.5**	**–3.4**	**–3.4**
Nigeria	0.2	–2.3	–2.1	–3.5	–4.0	–5.4	–4.5	–5.1	–4.6	–4.5	–4.5	–4.5	–4.4
Oil Producers	**1.6**	**0.4**	**–1.2**	**–4.2**	**–4.6**	**–2.7**	**–0.8**	**–1.7**	**–1.3**	**–1.4**	**–1.5**	**–1.5**	**–1.6**
Memorandum													
World Output (percent change)	3.5	3.5	3.6	3.4	3.4	3.8	3.6	3.3	3.6	3.6	3.6	3.6	3.7

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, 2018 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. MENAP = Middle East, North Africa, and Pakistan.

[1] For cross-country 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.

[2] Including financial sector support.

Table 1.2. General Government Debt, 2012–24

(Percent of GDP)

								Projections					
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross Debt													
World	**79.7**	**78.4**	**78.7**	**79.8**	**82.9**	**81.7**	**82.0**	**82.9**	**83.0**	**83.2**	**83.4**	**83.4**	**83.5**
Advanced Economies	**106.6**	**105.1**	**104.6**	**104.2**	**106.7**	**104.6**	**103.6**	**104.0**	**103.7**	**103.7**	**103.6**	**103.3**	**103.0**
United States[1]	103.2	104.8	104.4	104.7	106.9	106.2	105.8	106.7	107.5	108.4	109.4	110.0	110.3
Euro Area	89.7	91.6	91.8	89.9	89.1	86.8	85.0	83.6	81.8	80.2	78.6	77.2	75.7
France	90.6	93.4	94.9	95.6	96.6	98.5	98.6	99.2	98.7	98.2	97.6	97.0	96.2
Germany	79.9	77.4	74.5	70.8	67.9	63.9	59.8	56.9	53.8	51.1	48.5	46.0	43.7
Italy	123.4	129.0	131.8	131.6	131.3	131.3	132.1	133.4	134.1	135.3	136.4	137.5	138.5
Spain	85.7	95.5	100.4	99.3	99.0	98.1	97.0	96.0	94.9	94.1	93.3	92.7	92.3
Japan	229.0	232.5	236.1	231.6	236.3	235.0	237.1	237.5	237.0	237.4	237.8	238.0	238.3
United Kingdom	84.1	85.2	87.0	87.9	87.9	87.1	86.9	85.7	84.4	83.6	82.6	81.5	80.3
Canada[1]	85.5	86.2	85.7	91.3	91.8	90.1	90.6	88.0	84.7	81.3	78.0	74.9	72.0
Emerging Market and Middle-Income Economies	**37.5**	**38.7**	**40.8**	**43.9**	**46.8**	**48.5**	**50.8**	**53.4**	**55.1**	**56.8**	**58.4**	**59.8**	**61.2**
Excluding MENAP Oil Producers	39.9	41.3	43.5	45.9	48.5	50.1	52.7	55.2	57.0	58.7	60.4	61.8	63.1
Asia	39.8	41.5	43.6	44.8	47.2	49.4	52.0	55.5	58.2	60.7	63.1	65.0	66.8
China	34.3	37.0	39.9	41.1	44.2	46.8	50.5	55.4	59.5	63.2	66.7	69.7	72.4
India	69.1	68.5	67.8	69.9	69.0	69.8	69.8	69.0	67.8	66.5	65.3	64.2	63.1
Europe	25.7	26.6	28.7	31.0	31.9	30.2	29.4	29.6	29.4	29.6	30.0	30.5	30.8
Russia	11.9	13.1	16.1	16.4	16.1	15.5	14.0	13.8	13.9	14.1	14.7	15.9	16.9
Latin America	48.8	49.5	51.5	55.1	58.8	62.6	69.5	70.0	70.0	70.0	70.0	69.7	69.5
Brazil[2]	62.2	60.2	62.3	72.6	78.3	84.1	87.9	90.4	92.4	94.1	95.6	96.5	97.6
Mexico	42.7	45.9	48.9	52.8	56.8	54.0	53.6	54.1	54.5	54.5	54.5	54.4	54.3
MENAP	22.8	23.5	23.6	33.3	40.7	40.0	38.6	41.2	41.4	41.6	41.5	42.2	43.2
Saudi Arabia	3.0	2.1	1.6	5.8	13.1	17.2	19.1	23.7	25.4	27.6	28.1	32.4	37.5
South Africa	41.0	44.1	47.0	49.3	51.5	53.0	56.7	57.8	59.8	61.8	63.5	65.1	66.5
Low-Income Developing Countries	**31.8**	**32.9**	**33.7**	**37.7**	**41.3**	**43.7**	**45.0**	**45.1**	**44.5**	**44.1**	**43.6**	**43.2**	**42.8**
Nigeria	17.7	18.6	17.5	20.3	23.4	25.3	28.4	30.1	31.4	32.7	33.8	34.9	35.9
Oil Producers	**32.5**	**33.3**	**34.2**	**39.8**	**43.2**	**42.7**	**43.8**	**44.1**	**43.2**	**42.6**	**41.9**	**41.6**	**41.3**
Net Debt													
World	**65.7**	**64.8**	**65.0**	**66.6**	**69.3**	**67.7**	**68.1**	**69.3**	**69.9**	**70.3**	**71.1**	**71.3**	**71.4**
Advanced Economies	**76.5**	**75.7**	**75.5**	**75.6**	**77.4**	**75.4**	**75.4**	**76.4**	**77.2**	**77.7**	**78.6**	**78.9**	**79.0**
United States[1]	80.3	80.9	80.5	80.4	81.7	80.7	80.9	83.4	86.2	88.2	91.3	93.0	94.3
Euro Area	72.1	74.6	75.0	73.8	72.8	70.9	68.9	67.9	66.7	65.5	64.4	63.4	62.3
France	80.0	83.0	85.5	86.4	87.5	87.5	87.6	88.2	87.7	87.3	86.7	86.0	85.2
Germany	58.4	57.5	54.0	51.0	48.2	44.5	41.0	38.6	36.2	34.1	32.1	30.2	28.4
Italy	111.6	116.7	118.8	119.5	118.9	119.0	120.1	121.5	122.5	123.8	125.2	126.6	127.8
Spain	71.5	80.8	85.2	85.3	86.2	84.8	84.1	83.5	82.9	82.4	82.1	81.9	81.8
Japan	146.7	146.4	148.5	147.8	152.6	151.1	153.2	153.6	153.2	153.6	153.9	154.1	154.5
United Kingdom	75.5	76.8	78.8	79.3	78.8	77.5	77.5	76.2	75.0	74.2	73.2	72.1	70.9
Canada[1]	29.0	29.8	28.6	28.5	28.8	27.6	27.9	26.6	25.8	25.0	24.3	23.6	23.0
Emerging Market and Middle-Income Economies	**22.4**	**22.6**	**23.9**	**28.3**	**34.2**	**35.6**	**36.4**	**38.6**	**39.6**	**40.5**	**41.4**	**42.1**	**42.6**
Asia	...	...	...	...	...	...	...	...	...	...	...	...	...
Europe	32.0	31.6	29.7	28.8	31.1	30.1	30.3	30.9	30.4	30.5	30.9	31.0	30.9
Latin America	29.3	29.3	31.9	35.2	40.7	43.0	43.7	45.3	46.6	47.6	48.4	48.9	49.4
MENAP	–3.2	–4.0	–0.7	14.6	28.2	28.9	30.8	36.2	38.9	41.2	43.5	45.6	47.5
Low-Income Developing Countries	...	...	...	...	...	...	...	...	...	...	...	...	...

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, 2018 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. MENAP = Middle East, North Africa, and Pakistan.

[1] For cross-country comparability, gross and net debt levels reported by national statistical agencies for countries 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.

Table 1.3. Selected Advanced Economies: Gross Financing Needs, 2019–21

(Percent of GDP)

	2019			2020			2021		
	Maturing Debt	Budget Deficit	Total Financing Need	Maturing Debt[1]	Budget Deficit	Total Financing Need	Maturing Debt[1]	Budget Deficit	Total Financing Need
Australia	1.6	1.5	3.0	2.6	0.7	3.3	2.4	0.0	2.3
Austria	7.6	0.1	7.7	5.8	0.3	6.0	4.8	0.3	5.1
Belgium	15.8	1.2	17.0	15.6	1.4	17.0	15.3	1.4	16.7
Canada	8.9	0.6	9.6	10.4	0.6	11.1	8.2	0.6	8.8
Czech Republic	4.4	–1.1	3.3	3.2	–0.8	2.3	2.6	–0.6	2.0
Denmark	4.0	0.4	4.4	3.4	0.4	3.8	4.3	0.3	4.6
Finland	5.7	0.3	6.0	7.7	0.0	7.8	4.1	–0.1	4.0
France	10.2	3.3	13.5	11.4	2.4	13.8	10.6	2.5	13.1
Germany	4.7	–1.1	3.5	4.8	–1.1	3.8	2.9	–0.8	2.1
Iceland	2.2	–0.7	1.5	4.1	–0.5	3.7	1.9	–0.5	1.3
Ireland	7.2	0.0	7.2	8.2	–0.2	8.0	3.4	–0.3	3.1
Italy	21.0	2.7	23.7	20.6	3.4	24.0	21.2	3.5	24.7
Japan	36.7	2.8	39.5	36.3	2.1	38.5	31.2	1.9	33.0
Korea	2.0	–2.1	–0.1	2.9	–1.5	1.4	2.9	–1.1	1.9
Lithuania	3.2	–0.4	2.8	5.2	–0.3	4.9	5.1	–0.3	4.8
Malta	5.7	–0.6	5.1	5.5	–0.6	4.9	5.2	–0.7	4.5
Netherlands	6.2	–1.0	5.1	6.0	–0.8	5.3	4.2	–0.8	3.5
New Zealand	4.5	–0.1	4.4	3.6	–0.7	3.0	4.6	–1.0	3.6
Portugal	13.7	0.6	14.4	12.9	0.1	13.1	15.8	–0.4	15.4
Slovak Republic	2.9	0.0	2.9	4.0	–0.3	3.7	2.0	–0.3	1.6
Slovenia	6.2	–0.5	5.7	4.3	–0.2	4.1	5.9	–0.4	5.5
Spain[2]	14.4	2.3	16.7	14.2	2.3	16.5	14.1	2.4	16.5
Sweden	4.3	–0.5	3.7	3.7	–0.3	3.4	1.2	–0.3	0.9
Switzerland	1.6	–0.3	1.4	1.4	–0.2	1.2	1.3	–0.2	1.1
United Kingdom	8.2	1.3	9.5	7.4	1.1	8.5	6.6	1.1	7.7
United States[3]	20.5	4.6	25.1	20.5	4.4	24.9	17.6	4.4	21.9
Average	16.5	2.6	19.1	16.5	2.4	19.0	14.3	2.4	16.7

Sources: Bloomberg Finance L.P.; and IMF staff estimates and projections.

Note: For most countries, data on maturing debt refer to central government securities. For some countries, general government deficits are reported on an accrual basis. For country-specific details, see "Data and Conventions," and Table B in the Methodological and Statistical Appendix.

[1] Assumes that short-term debt outstanding in 2019 and 2020 will be refinanced with new short-term debt maturing in 2020 and 2021, respectively. Countries projected to have budget deficits in 2019 or 2020 are assumed to issue new debt based on the maturity structure of debt outstanding at the end of 2018.

[2] Data refer to the general government on a consolidated basis. Data are from staff estimates and not based on Ministry of Finance data for upcoming amortization.

[3] For cross-country 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.

Table 1.4. Selected Emerging Market and Middle-Income Economies: Gross Financing Needs, 2019–20

(Percent of GDP)

	2019			2020		
	Maturing Debt	Budget Deficit	Total Financing Need	Maturing Debt	Budget Deficit	Total Financing Need
Argentina	12.7	2.7	15.3	8.4	1.5	9.8
Brazil	7.7	7.3	15.0	12.6	7.0	19.5
Chile	0.6	1.8	2.4	1.2	1.5	2.7
Colombia	2.3	2.6	4.9	1.6	1.0	2.7
Croatia	8.6	0.0	8.7	8.4	–0.1	8.3
Dominican Republic	3.6	3.1	6.7	3.2	3.3	6.5
Ecuador	5.6	0.0	5.6	6.1	–3.8	2.3
Egypt	28.0	8.6	36.6	25.9	6.5	32.4
Hungary	13.6	1.9	15.5	13.2	1.9	15.1
India	3.8	6.9	10.7	3.7	6.6	10.4
Indonesia	1.9	1.8	3.8	1.7	1.8	3.5
Malaysia	7.0	3.0	10.0	6.5	2.5	9.1
Mexico	7.6	2.5	10.1	7.9	2.4	10.3
Morocco	5.5	3.7	9.1	5.5	3.3	8.7
Pakistan	35.1	7.2	42.3	37.2	8.7	46.0
Peru	2.5	1.9	4.4	2.4	1.3	3.7
Philippines	3.1	1.2	4.3	2.9	1.4	4.3
Poland	5.7	2.2	7.9	5.0	3.1	8.1
Romania	4.2	3.8	8.0	3.8	4.1	8.0
Russia	1.3	–1.0	0.4	1.2	–0.8	0.4
South Africa	9.0	5.1	14.0	8.6	5.1	13.7
Sri Lanka	13.5	4.6	18.1	12.0	3.5	15.5
Thailand	5.3	0.1	5.4	5.2	0.7	5.9
Turkey	3.9	3.1	7.1	4.7	3.5	8.1
Ukraine	5.7	2.3	8.1	6.0	2.3	8.3
Uruguay[1]	15.2	2.7	17.9	17.1	2.6	19.7
Average	6.1	3.8	9.9	6.5	3.6	10.2

Source: IMF staff estimates and projections.

Note: Data in the table refer to general government data. For some countries, general government deficits are reported on an accrual basis. For country-specific details, see "Data and Conventions," and Table C in the Methodological and Statistical Appendix.

[1] Data correspond to the consolidated public sector (as presented in the authorities' budget documentation), which includes the nonfinancial public sector, local governments, Banco Central del Uruguay, and Banco de Seguros del Estado.