



FISCAL AFFAIRS

Fiscal Monitor Press Conference

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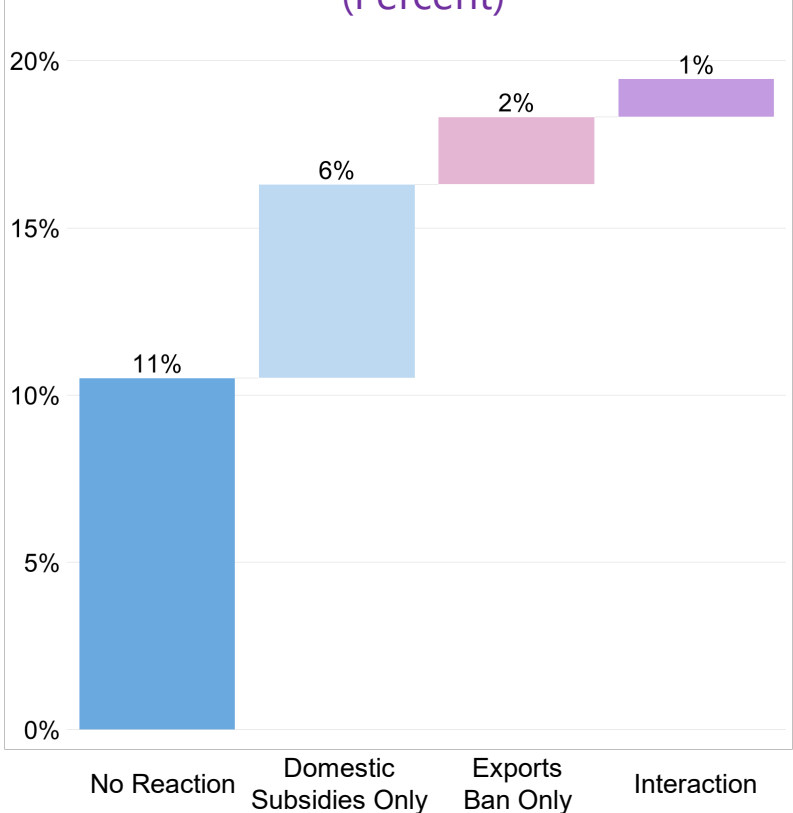
Fiscal Support Response to Energy and Food Shocks

Pecking Order of Fiscal Support Measures

	For Households	For Firms
Shock severity ↓	Expand existing programs focused on vulnerable	
	Targeted, temporary (lump sum) ease of regulated tariffs of basic goods	Partially compensate affected firms for regulated tariffs
	One-off cash transfers, incl. affected middle-class	
	Smooth energy bills or temporary bill discounts with significant initial adjustment	Temporary government-guaranteed loans for viable firms
	If food security at risk or limited SSN: price subsidies (price caps or reduced taxes) with sunset clauses and initial adjustment	Temporary credit lines; Deferrals of tax and social security payments
	If certain specific conditions apply, price subsidy to smooth inflation	

Sources: IMF Note (2022) "Fiscal Policy for Mitigating the Social Impact of High Energy and Food Prices", IMF Special Series on COVID 19 (2020) "Considerations for Designing Temporary Liquidity Support to Businesses", and IMF Working Paper WP/25/270 (2025) "Unconventional Fiscal Policy in Times of High Inflation" by Mai Dao, Allan Dizioli, Chris Jackson, Pierre-Olivier Gourinchas, and Daniel Leigh.

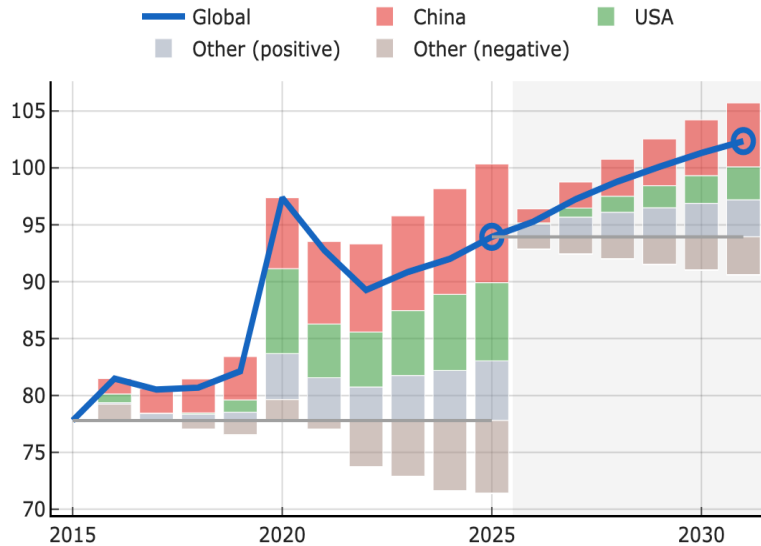
A Simulation of Global Fuel Price Increase after a 5 percent Supply Shock (Percent)



Source: IMF staff calculations. "A Simple Model of Subsidies, Export Controls, Prices, and Welfare", Technical Annex, December 2025. Two policy responses: (i) fuel subsidies or exercise cuts; and (ii) export controls. The chart shows the resulting overall global price increase, including negative spillovers from both responses and their interaction. It is simulated that 50 percent of global consumption has 0.1 pass-through and a 1 percent of production under export control.

Looking Ahead, Global Debt Risks Are High

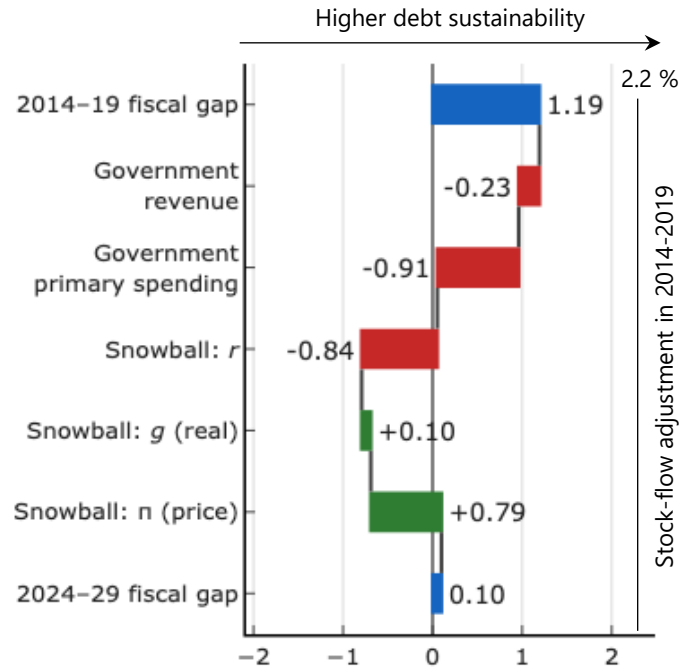
Global Government Debt Evolution (Percent of Global GDP)



Sources: FM (April 2026); and IMF staff calculations.

Note: Each bar shows the contribution to the global debt-to-GDP ratio, expressed as the change from its 2015 or 2025 level. "Other Positive (Negative)" includes countries which contribute to an increase (decrease) in the global Debt-to-GDP ratio between 2015 and 2025 and between 2025 and 2030. Therefore, countries in "Others" remain unchanged between 2015 and 2025 and between 2025 and 2030. The shaded values indicate projection horizons.

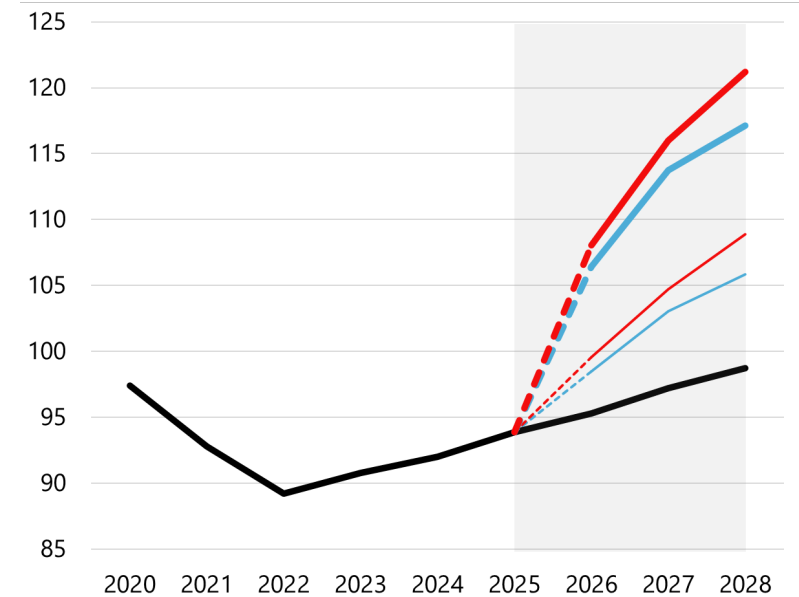
Global Fiscal Gap: Driving Forces (Annual Average, Percent of Global GDP)



Sources: FM (April 2026); and IMF staff calculations.

Note: The fiscal gap is defined as the primary balance minus the debt-stabilizing primary balance (with a positive gap indicating that the primary balance is above the level needed to stabilize debt). Positive bars indicate factors that increase the fiscal gap (increasing debt sustainability), and negative bars indicate factors that reduce it. "Snowball" effects represent the contribution of changes in real interest rates, real GDP growth, and the GDP deflator to the debt-stabilizing primary balance.

Global Public Debt under Scenarios (Percent of GDP)



- WEO reference scenario
- WEO reference scenario at 75th percentile
- WEO severe scenario at 75th percentile
- WEO reference scenario at 95th percentile
- WEO severe scenario at 95th percentile

Source: IMF staff calculation based on Debt-at-Risk analysis.

Note: The shaded area is the projection period.