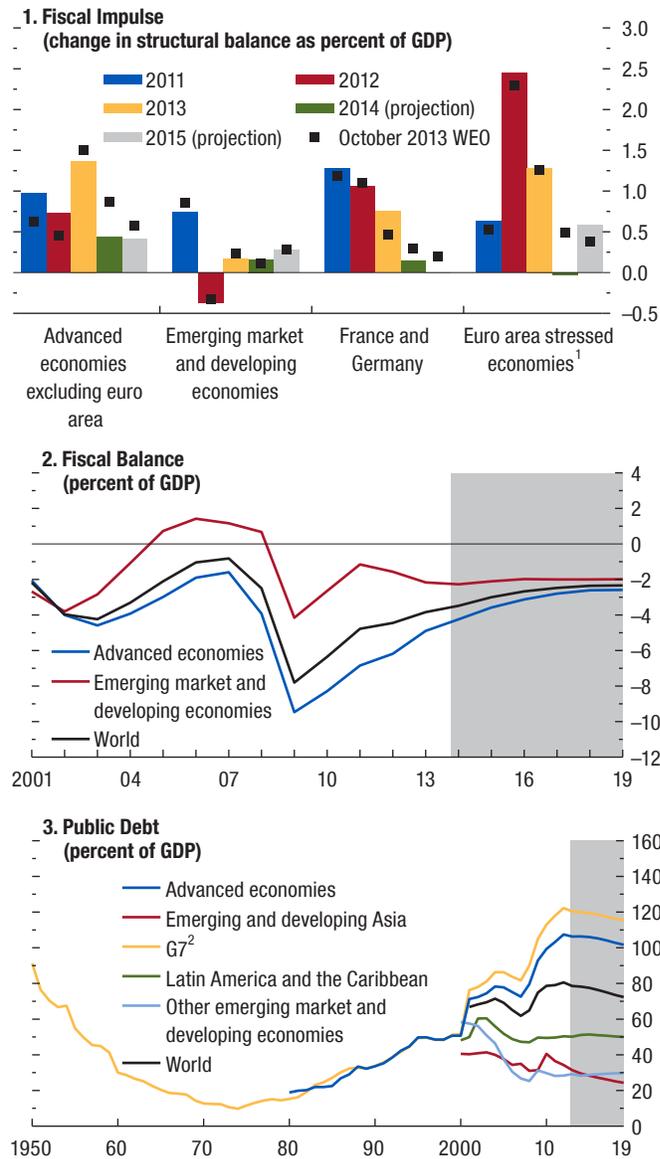


Figure 1.4. Fiscal Policies

The fiscal drag in advanced economies is expected to decline in 2014, except in the case of Japan, and increase in 2015. This increase is largely due to the second step in the consumption tax increase and the unwinding of fiscal stimulus in Japan. In emerging market economies, the fiscal stance is projected to remain broadly neutral in 2014, but it is expected to tighten in 2015, when activity will have strengthened.



Source: IMF staff estimates.

¹Greece, Ireland, Italy, Portugal, Spain.

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