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.

1. Fiscal Impulse
   (change in structural balance as percent of GDP)

2. Fiscal Balance
   (percent of GDP)

3. Public Debt
   (percent of GDP)

Source: IMF staff estimates.

1 Greece, Ireland, Italy, Portugal, Spain.

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