

VARIATIONS FOR FISCAL-MONETARY INTERACTIONS

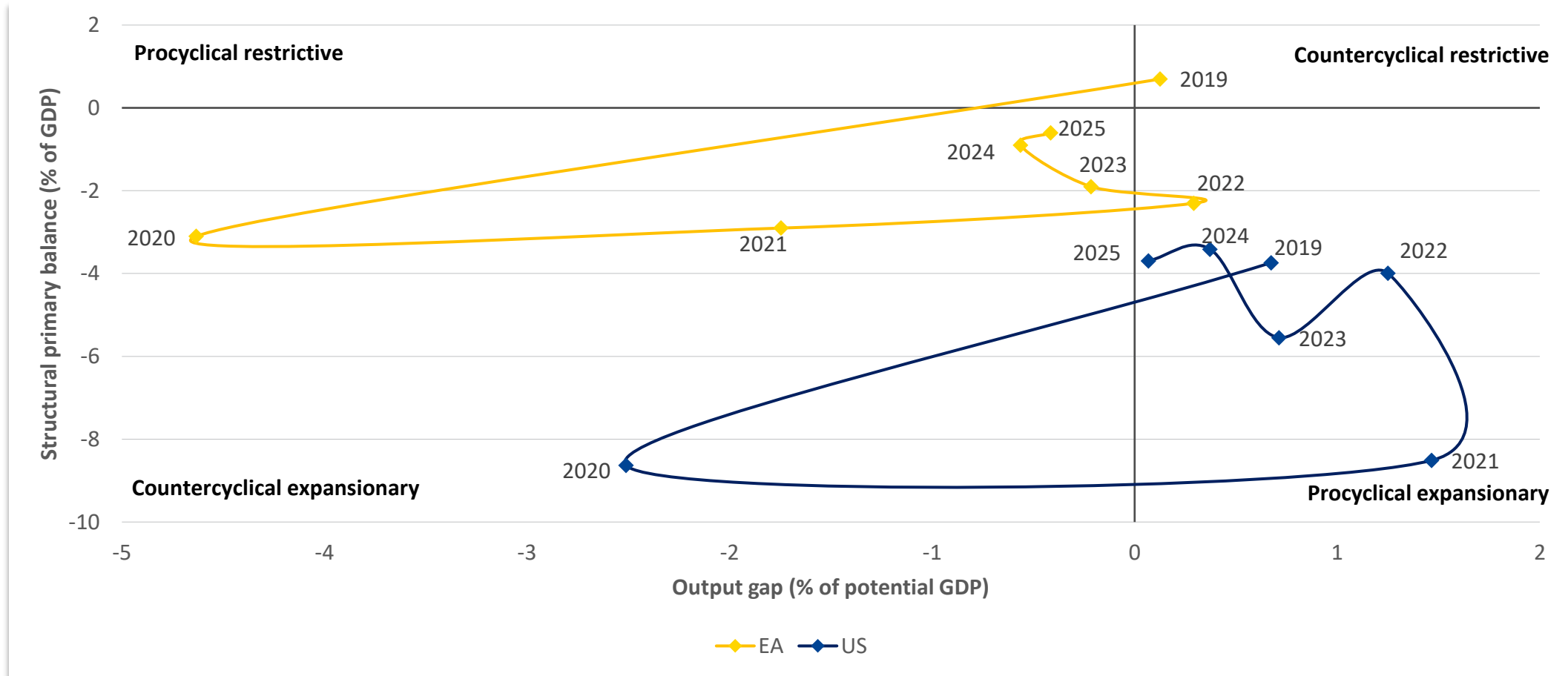
2024 European Economic Association

Rolf Strauch, ESM Chief Economist and Management Board Member

27 August 2024, Rotterdam

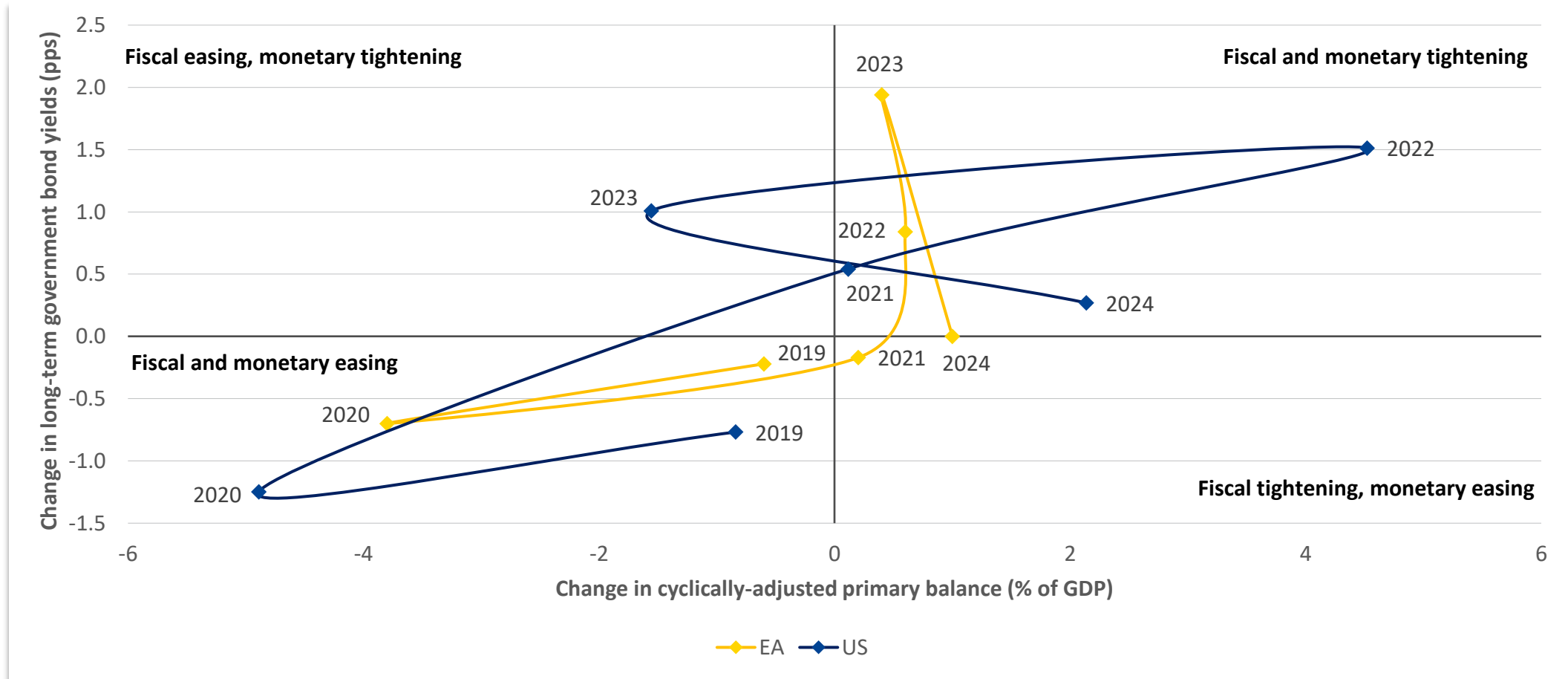


FISCAL POLICY AND CYCLICAL POSITION

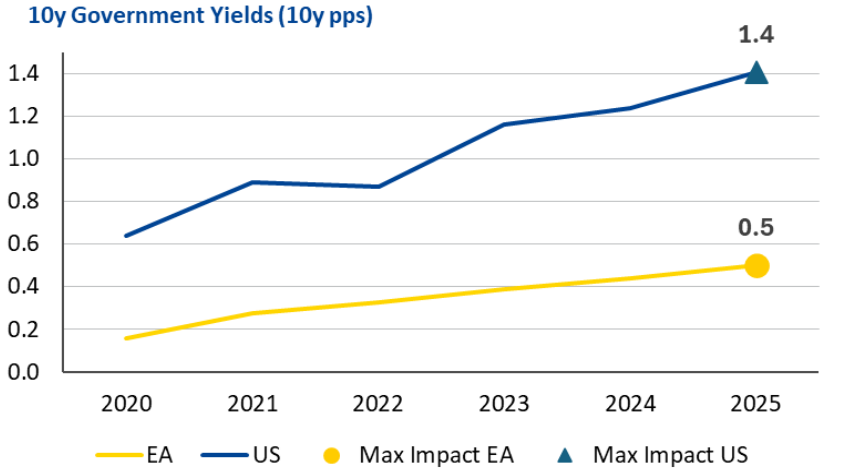
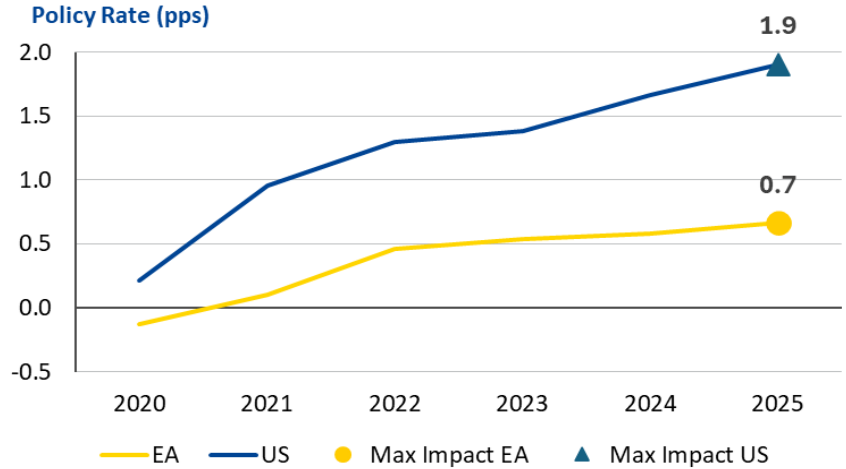
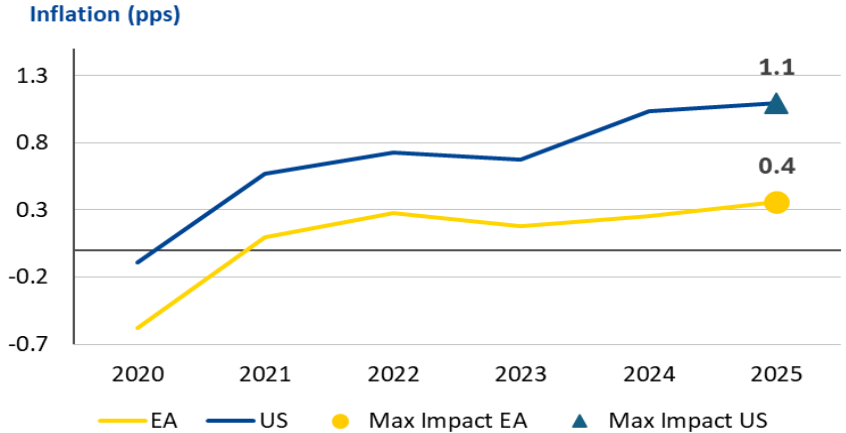
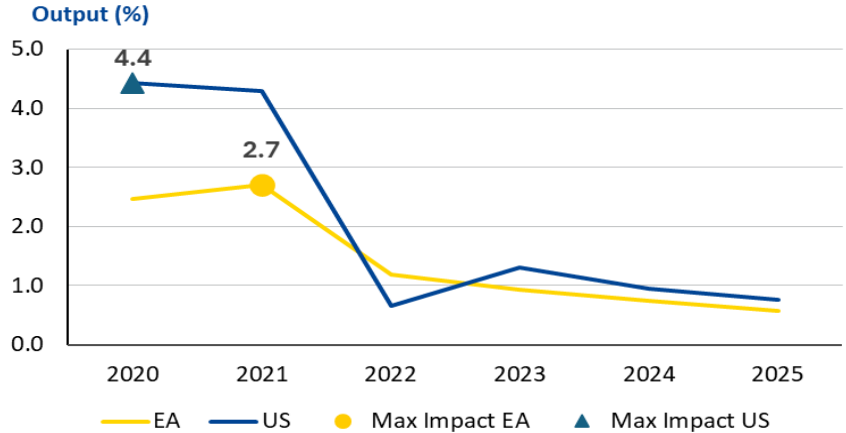


Source: IMF Fiscal Monitor and WEO, April 2024

FISCAL-MONETARY POLICY CYCLES



SIMULATING THE IMPACT OF FISCAL STIMULUS

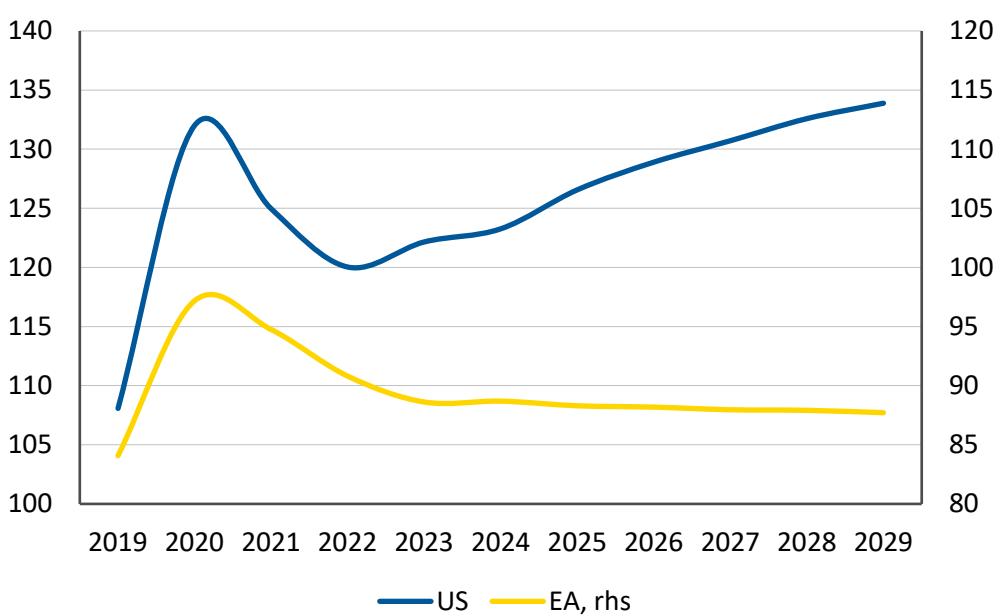


Source: ESM Calculation, IMF Fiscal Monitor, April 2024, and Haver
 Notes: The simulations have been produced using a two-country DSGE model calibrated for the EA and US economies.



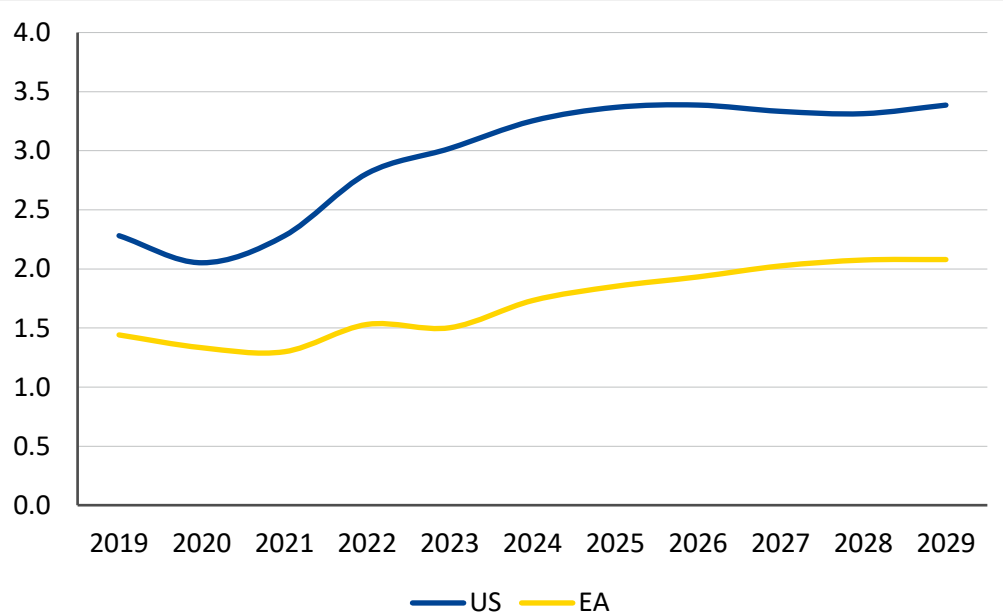
THE LONG-TERM COSTS OF FISCAL STIMULUS

General government gross debt
% of GDP



Source: IMF WEO, April 2024

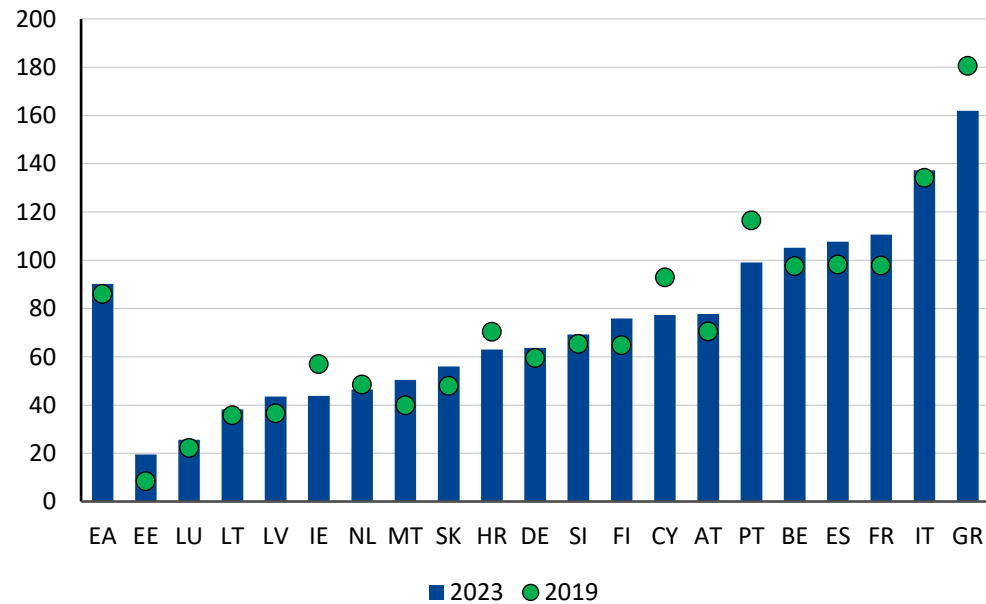
General government interest payments
% of GDP



Source: IMF WEO, April 2024

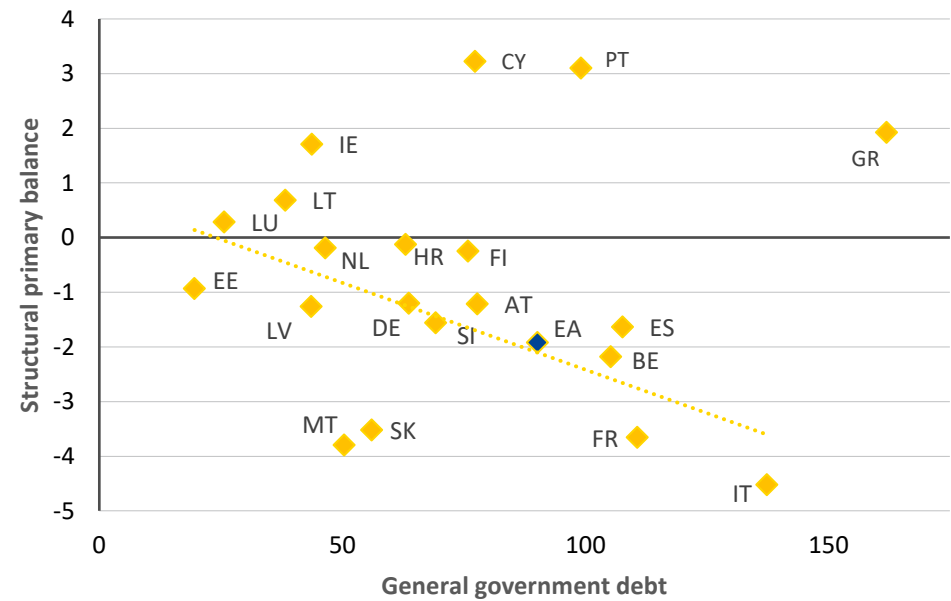
HETEROGENEITY ACROSS EURO AREA MEMBER STATES

General government gross debt
% of GDP



Source: AMECO

Public debt vs structural primary balance
2023, % of GDP



Source: AMECO

CONTACT

Rolf Strauch

(+352) 260 962 0

r.strauch@esm.europa.eu

LinkedIn profile:



European Stability Mechanism
6a Circuit de la Foire Internationale
L-1347
Luxembourg

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