

What fiscal exit strategies in the EU, the US and Japan?

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The 2007-2009 crisis has led public finances in industrial countries to deteriorate strongly due to a fall in tax receipts, the implementation of fiscal recovery plans and rescue packages for the financial sector. The article provides an analysis of public finances latest developments with prospects up to 2013 for France, Germany, Spain, the UK, the US, and Japan. The deterioration will be particularly substantial in Spain and the UK, while it will be more modest in France and Germany. Public deficits and debts will remain higher in 2013 than before the crisis despite fiscal contraction being implemented as soon as 2010 in Spain and the UK, and 2011 in the other countries under review. However, it will be crucial for the economic recovery that fiscal policies are not tightened too early.

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