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Policy Responses to High Energy and Food Prices

David Amaglobeli, Mengfei Gu, Emine Hanedar, Gee Hee Hong, and Céline Thévenot

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Policy Responses to High Energy and Food Prices
Prepared by David Amaglobeli, Mengfei Gu, Emine Hanedar, Gee Hee Hong, Céline Thévenot*

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ABSTRACT: The surge in energy and food prices, which was amplified by Russia’s invasion of Ukraine, has prompted a flurry of policy responses by countries during 2022. The aim of these policy responses was to mitigate social and economic impact of higher prices. In this paper we document announcements of policy measures based on the Database of Energy and Food Price Actions (DEFPA), which was developed based on two rounds of survey responses of IMF country teams conducted in March/April and June/July of 2022. The paper also provides discussion on policy trade-offs when considering appropriate policy responses both for countries with strong and weak social safety nets. Key policy message is that providing targeted support to households in the form of cash transfers is the most cost-effective way of alleviating the burden on vulnerable households and have to be preferred over broad-based mechanisms that prevent international prices to pass through to domestic consumers.

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Author’s E-Mail Address:	damaglobeli@imf.org ; mgu@imf.org ; ehanedar@imf.org ; ghong@imf.org ; cthevenot@imf.org

WORKING PAPERS

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Prepared by David Amaglobeli, Mengfei Gu, Emine Hanedar, Gee Hee Hong, and Céline Thévenot¹

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Contents

I. Introduction	3
II. Trends in International Energy and Food Prices	4
III. Social Impact of High Energy and Food Prices	6
IV. Announced Policy Measures and Responses	8
A. Pass-through of Energy and Food Prices	8
B. Survey of IMF Country Teams on Policy Responses	10
V. Policy Discussion	19
A. Induce Demand and Supply Responses.....	19
B. Reduce Burden on Poor and Vulnerable Households	21
C. Ensure consistency with other policies, including the need for macroeconomic stability	24
D. Political considerations may explain the policy responses to limit the pass-through.....	24
Annex I. Data Collection and Methodology	26
Annex II. List of Measures Announced in Response to higher Energy and Food Prices (January – June 2022)	29
Annex III. Existing Food and Energy Subsidies	56
Annex IV. Policy Measures Announced by the UK and France	64
A. United Kingdom.....	64
B. France	65
References	66

FIGURES

1. International Price Developments	5
2. Share of Food in Consumer Basket and GDP per Capita.....	6
3. Share of Various Budget Components in Overall Household Expenditure	8
4. Estimates of Pass-Through of Prices for Fuel, by region.....	9
5. Correlation between Domestic and International Food Prices	10
6. Policy Responses.....	11
7. Announced Measures by Income Group.....	12
8. Distribution of Announced Policy Measures by Product	13
9. Targeting of Policy Measures.....	13
10. Size and Number of Announced Policies, by Income Group	14

TABLE

1. Measures Announced by Country and by Type of Measures	17
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I. Introduction

The surge in international prices on energy and food, which were amplified by Russia's invasion of Ukraine, triggered a cost-of-living crisis, and constituted significant terms-of-trade shock for many countries. Despite some moderation in prices at the turn of 2023, global prices on main products such as energy and food, which account for significant shares of household consumption baskets, remain elevated. These developments have a disproportionate impact on low-income households. During 2022, the shock triggered swift policy actions by governments with the aim to mitigate the impact on households and firms. Governments with existing broad-based price subsidies on energy and food continued maintaining these policies, without necessarily announcing new discretionary actions, leading to higher fiscal costs.

In this paper we document policy actions announced by governments in the first half of 2022 to mitigate the impact from high energy and food prices on households and firms, with a special attention to fiscal measures. Analysis is based on a survey of 174 IMF country teams conducted in two rounds in April and June/July of 2022. Over 700 policy announcements are recorded in the Database of Energy and Food Price Actions (DEFPA). The announced measures included those that are related to revenue (e.g., reduction in excise tax rate) and expenditure (e.g., cash transfers), below-the-line measures (e.g., loans or guarantees to state-owned energy companies) and non-fiscal measures (e.g., export bans). The database also records the existing subsidies for energy and food. To our knowledge, this database has one of the most extensive coverages of the measures announced at the global scale related to energy and food price surges in 2022, encompassing all aspects of fiscal and non-fiscal measures.

The database reveals that most countries announced measures aimed at reducing the pass-through of the increase in international prices to domestic prices. This outcome was often achieved by a reduction in consumption taxes such as VAT/sales tax and excises or outright announcement of price freezes. The measures recorded in DEFPA to limit price pass-through are confirmed by an analysis using actual price data, showing that in many countries the rise in retail prices was less than what would be implied by the rise in international prices. Moreover, the price pass-through appears to have declined in 2022 compared to the previous year for all country income groups. While most of the announced measures were untargeted, advanced economies, especially in Europe, implemented a significant number of cash transfers aimed at supporting households. Importantly, there was a divergence in terms of the type of shocks that measures focused on by income group and region. That is, most measures taken by advanced economies tended to focus on addressing the impact from higher energy prices while the measures taken in other regions and income groups, such as in Sub-Saharan Africa (SSA), Middle East and North Asia (MENA) and Caucasus and Central Asia (CCA), mainly focused on responses to higher food prices.

The most appropriate policy is to protect the price signal, while providing targeted support to those who are most affected. From this perspective, the measures that have been taken to dampen the price pass-through

are suboptimal (Amaglobeli and others, 2022). Allowing domestic prices to rise in line with international prices sends a signal to both consumers and producers and helps induce demand and supply responses. Policies that limit the pass-through result in broad-based subsidies, which are costly and provide relief to everyone, including to those who do not need it. More targeted support to vulnerable households is preferred, especially in countries with strong social safety nets. Countries with weaker social safety nets can consider alternative targeting approaches relying, for example, on digital solutions and big data to provide targeted support. It is also important that policies adopted to tackle the cost-of-living crisis are consistent with other macroeconomic policies. In current context, excessive fiscal support does not align with the governments' efforts to achieve price stability. These are general considerations and country-specific context will determine the most appropriate policy response for that country.

This paper is organized as follows: in section II we review recent trends in energy and food prices. Section III discusses the impact that high energy and food prices had on societies across countries, in section IV we document announcements of policy measures based on DEFPA, and in section V we provide general guidance to policymakers on how to mitigate the impact on households using fiscal policy.

II. Trends in International Energy and Food Prices

Buoyed by the recovery in global economy after the Covid-19 pandemic and exacerbated by Russia's invasion of Ukraine, international prices on energy had been on the rise (Figure 1a). More recently, the fears of global economic recession contributed to some reduction in energy prices, which are now below previous peaks. However, the decline in oil prices has been slower than during 2007-08 oil price shock and the prices remain elevated (Figure 1b). With the decline in imports of natural gas from Russia, which accounted for about 45 percent of the EU's total gas imports, the prices for gas and electricity are particularly high in Europe.

International food prices started to rise after mid-2020, driven by a surge in cereal prices and have heightened concerns over food insecurity in many countries (Figure 1c). The cereals take up a considerable part of households' diets and their consumption spending in many developing countries. Russia's invasion of Ukraine accelerated the rise in cereal and thereby food prices, as both countries account for significant shares in the global trade of wheat and maize, and some other food items.¹ Since the peak after the war started, food prices, a prime driver of global inflation in 2022, eased slightly during the last quarter of 2022, in part thanks to the UN-brokered Black Sea Grain Initiative, an agreement that allowed resumption of Ukrainian grain exports.

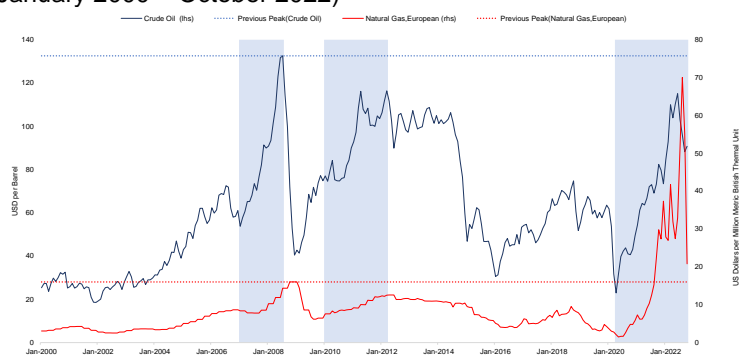
Nonetheless, despite the recent decline, which has been relatively slow, food prices remain significantly elevated compared to their long-term average (Figure 1d). Upside risks to prices over the medium term,

¹ Russia and Ukraine account for one-quarter of global wheat, one-seventh of corn, and three-quarters of sunflower oils exports.

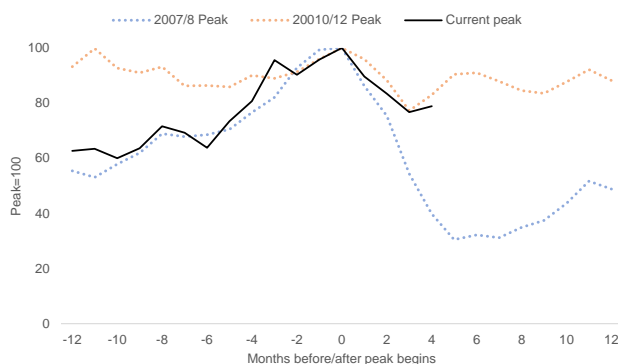
including those stemming from climate change, are also significant. Moreover, the elevated levels of prices on fertilizer, whose production process is heavily energy-dependent, contributes to higher prices (Figures 1e and 1f). The rise in natural gas prices, a major input for the production of some fertilizers, and the disruption in trade flows, have contributed to higher fertilizer prices. Russia and Belarus account for one-fifth of global fertilizer exports (one-third of global trade of potassic fertilizers).

Figure 1. International Price Developments

a. International Oil and Gas Prices (January 2000 – October 2022)



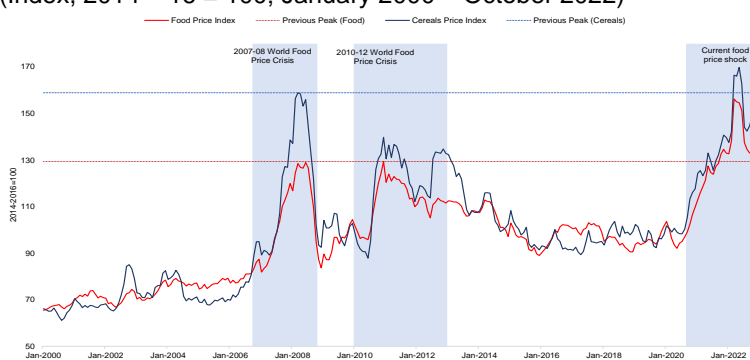
b. International Oil Prices during the Last Three Peaks



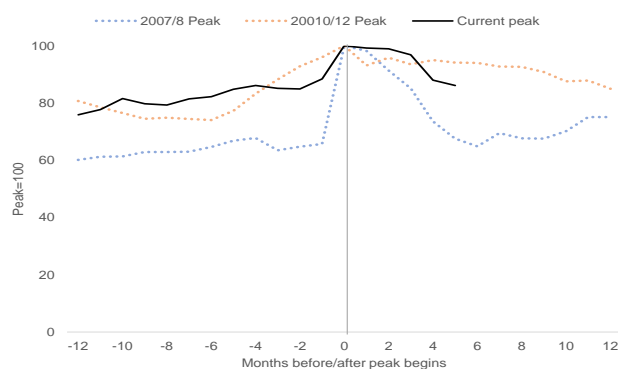
Source: IMF's Primary Commodity Prices.

Note: Crude oil (petroleum) is the simple average of three spot prices; Brent, the West Texas Intermediate, and the Dubai Fateh. Natural gas price is Netherlands TTF Natural Gas Forward Day Ahead.

c. International Food Prices (Index, 2014 – 16 = 100; January 2000 – October 2022)



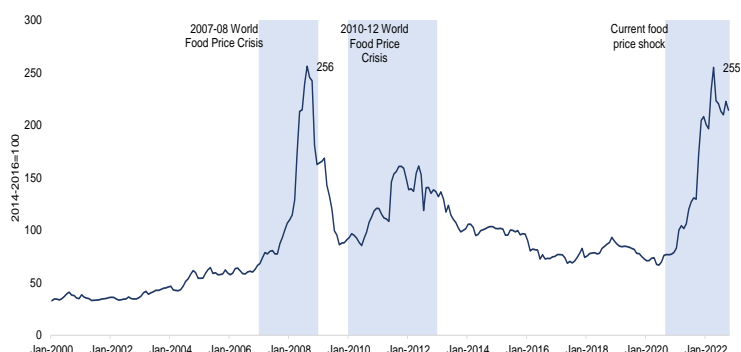
d. International Food Prices during the Last Three Peaks



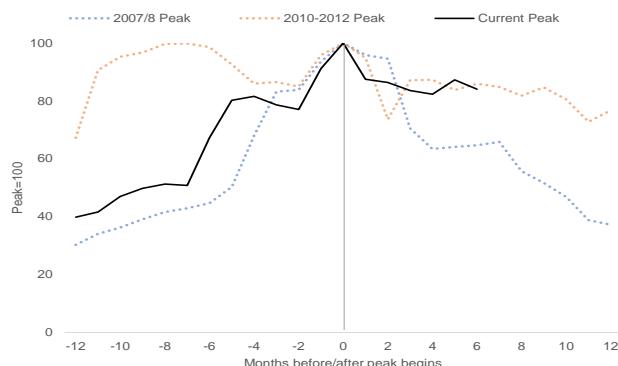
Source: UN Food and Agriculture Organization.

Note: Real Food price index 2014–2016=100, weighted average of meat, dairy, cereals, vegetables, oils, and sugar. Cereal price index 2014–2016=100, weighted average of price indexes for wheat, maize, barley, sorghum, and rice.

e. International Fertilizer Price Index
(Index, 2010 = 100; January 2000 – October 2022)



f. International Fertilizer Prices during the Last Three Peaks



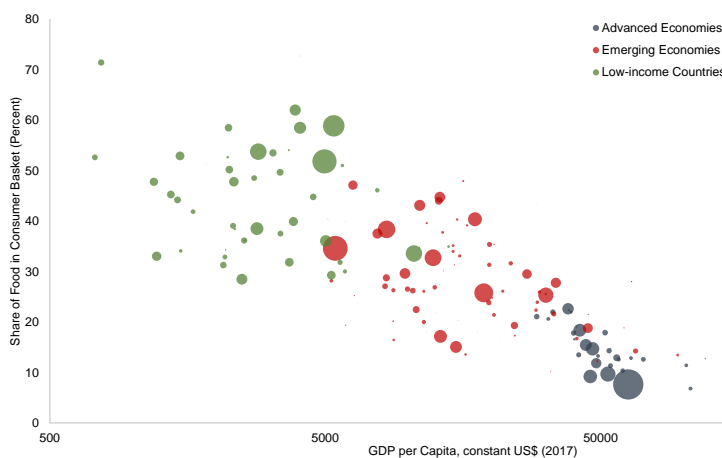
Source: World Bank, Commodity Price Data

Note: Monthly indices based on nominal US dollars, 2010 = 100 (monthly series are available only in nominal US dollar terms).

III. Social Impact of High Energy and Food Prices

Soaring energy and food prices raise the cost of living for households and thus reduce their real incomes. However, the impact of the rise in the cost of living is not uniform, hurting certain income groups across countries and within countries more acutely than others. Across countries, the budget share allocated to food is on average higher in low income and developing countries than in emerging or advanced economies (Figure 2). Food consumption accounts on average for about 44 percent (and in some cases more than 60 percent of household consumption) in low income and developing countries. This compares to 27 percent in emerging economies and 16 percent in advanced economies.

Figure 2. Share of Food in Consumer Basket and GDP per Capita
(percent, averages by country)



Source: IMF CPI database and the IMF WEO.

Note: Dot sizes represent approximate percentage of population in each household income group within country groupings.

Within countries, food takes up a considerably higher share of household budget for the poorest households than for those with higher incomes (Figure 3). On average, in emerging and developing countries, households in the lowest income group spends about three-fifth of its total expenditure on food, compared with about one-fifth for households in the highest income group.² This pattern also holds in advanced economies. In the European Union, for example, households in the lowest income quintile spend 16 percent of their budget on food, compared with 12 percent for those in the highest income quintile.³ In the United States, households in the lowest income quintile spend 27 percent of their budget on food compared with 7 percent among the richest income quintiles.⁴ Higher food prices could have more long-run implications. In the absence of policy support, poor households switch to lower quality staple food, reduce overall food consumption, change intra-household allocation of resources, disinvest in their children, and cut expenditure on health and education (Ruel and others, 2010).

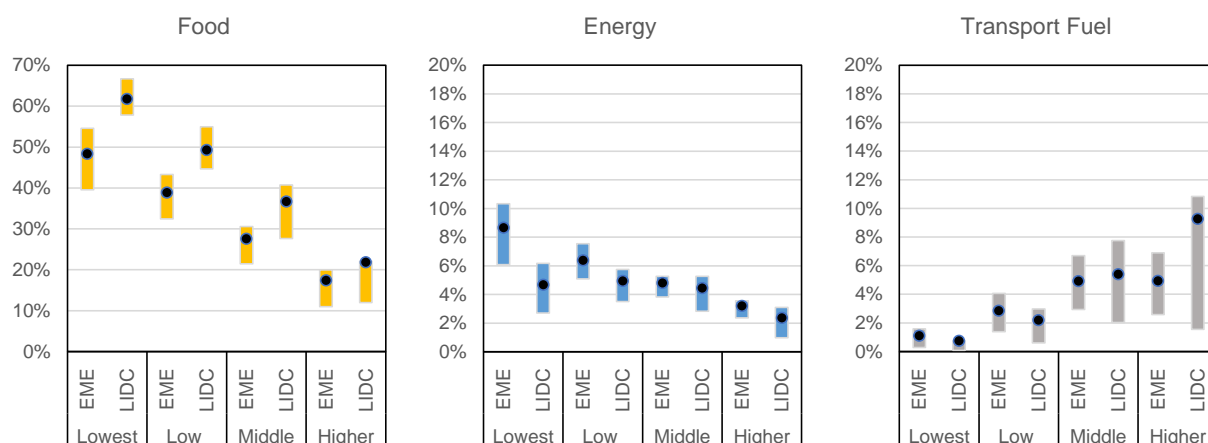
The share of energy (electricity, gas, and domestic fuel) tends to decrease in household consumption with the increase in income (Figure 3). The composition of the energy basket differs by product and across regions (Coady and others 2015). In low-income developing countries, the share of electricity, natural gas, and fuel for transport in consumption increases with income levels, reflecting the gaps in access to energy utilities and car ownership. By contrast, the share of domestic fuel in domestic consumption decreases with income, as this is the most widespread source of energy for these households. In advanced economies, the pattern is slightly different. For example, in European countries, the share of spending on electricity and natural gas among poorer households is on average higher than among richer households while the share of spending on transport fuels is relatively flat across consumption quintiles (Ari and others, 2022).

² Four levels of consumption are used to segment the market in each country: lowest, low, middle, and higher. They are based on global income distribution data, which rank the global population by income per capita. The lowest consumption segment corresponds to the bottom half of the global distribution, or the 50th percentile and below; the low consumption segment to the 51th–75th percentiles; the middle consumption segment to the 76th–90th percentiles; and the higher consumption segment to the 91st percentile and above. A low-income household spends less than \$2.97 per capita a day; a high-income household spends more than \$23.03 per capita a day (source: World Bank, Global Consumption Database) (source: World Bank, Global Consumption Database).

³ Source: Eurostat.

⁴ USDA, Bureau of Labor Statistics.

Figure 3. Share of Various Budget Components in Overall Household Expenditure



Sources: Global Consumption Data, World Bank, circa 2010.

Notes: Bars represent the first and third quartile of the distribution. This means that 50 percent of countries in each group lie in the orange bar. In LIDC, households in the lowest income group spend on average 62 % of their budget on food. In emerging markets economies, households in the same income group spend 48 percent of their budget on food.

IV. Announced Policy Measures and Responses

In this section, we document the change in the retail price pass-through of energy and food prices in 2022 compared to 2021. Then, we introduce the DEFPA survey, an IMF desk survey of the announced government measures to mitigate the energy and food price surges, and document key take-aways from the survey.

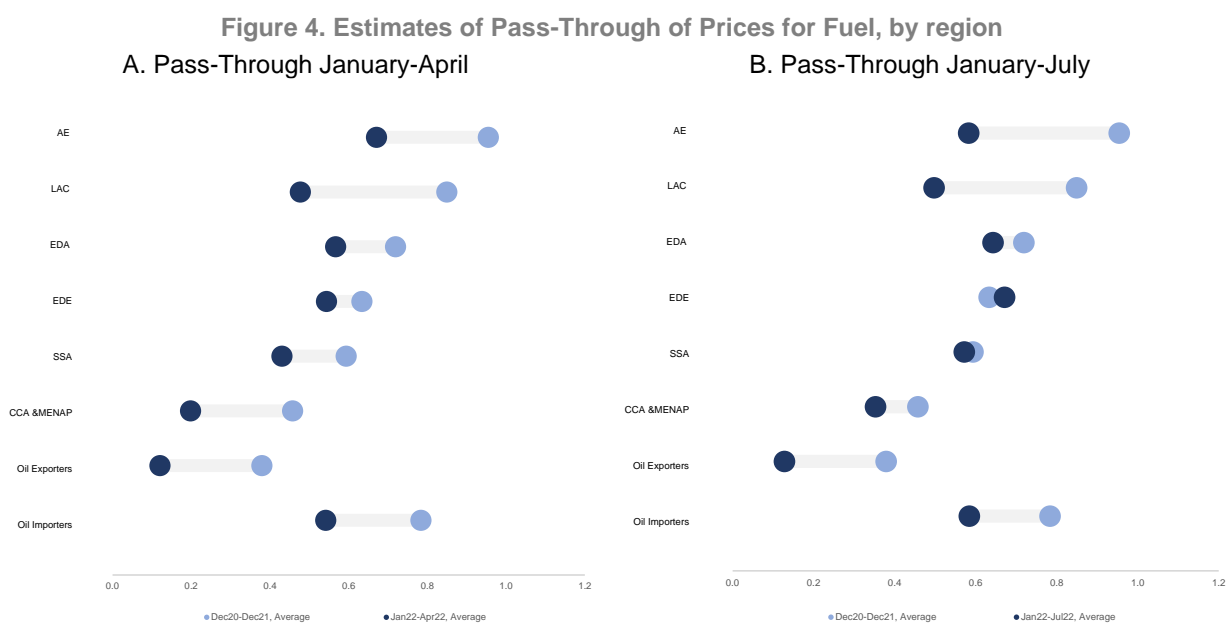
A. Pass-through of Energy and Food Prices

Pass-through of international oil prices to domestic retail prices decreased for all income groups in 2021, with some heterogeneity observed across countries (Figure 4).⁵ In the left chart of Figure 4 (Figure 4a), we plot the pass-through of international oil prices to domestic retail prices from January to April 2022, compared to the annual pass-through from December 2020 to December 2021. In the right chart of Figure 4 (Figure 4b), we compare the previous year's pass-through with the pass-through from January to July 2022. Looking at the pass-through from December 2020 to December 2021, the pass-through for main fuel products (such as diesel) has been the highest in advanced economies and the lowest in emerging and developing economies. The lower pass-through in emerging and developing economies is explained by the prevalence of price subsidies, especially in the MENA and the SSA.

⁵ Pass-through of fuel prices is defined, as in Abdallah and others (2020), as the change in retail fuel prices divided by the change in international fuel prices over the same period with a monthly lag, both expressed in US dollars per liter. Domestic retail prices are obtained from the Global Petrol Prices Database. Supply cost is obtained from the International Energy Agency. There are three different international oil prices used depending on the region of the country. A transportation cost of \$0.10 per liter is added for all countries and an additional margin of \$0.10 per liter is added to oil-importing countries.

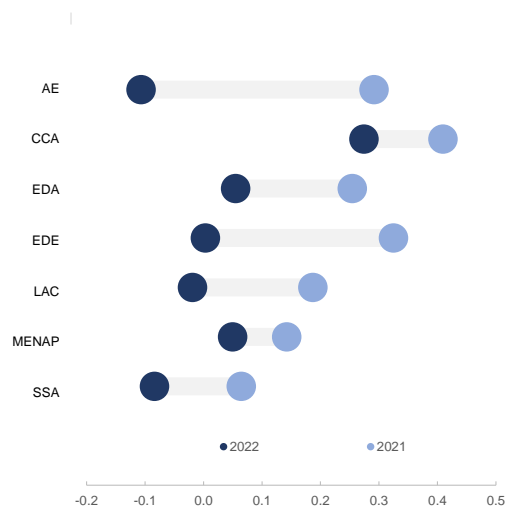
In the first four months of 2022, the pass-through on diesel has been lower, on average, for all country income groups compared with last year when international prices were also increasing (Figure 4a). Even advanced economies with liberalized prices have not increased retail prices to the same extent as they did last year. While the SSA, Caucasus and Central Asia (CCA), MENA and Emerging and Developing Asia (EDA) had limited pass-through in the first months after Russia's invasion of Ukraine, these countries have increased their pass-through in the later survey (up to July) to the level broadly the same as last year (Figure 4b). Given the prevalence of price subsidies and limited fiscal space, in particular in oil-importing countries, this could indicate governments' desire to ease pressures from subsidies. In contrast, advanced economies have had limited pass-through even further throughout the year compared to the first four months of 2022 and the last year.

Pass-through from international food prices to domestic food prices is typically lower for food than for other commodities (fuel in particular). In all regions, the domestic food price index was more strongly correlated with international FAO food price index in 2021 than in 2022 (Figure 5). In 2022, for some groups of countries, such as advanced economies, SSA and Latin America and Caribbean (LAC) the correlation of domestic food price index with the international food price index was even negative. The negative correlation may suggest that policies and/or other country-specific factors (e.g., a good agriculture harvest) may have driven domestic food prices lower while international prices were on the rise.



Source: IMF staff calculations based on the global petrol price database and International Energy Agency. Note: AE = advanced economy; CCA = Caucasus and Central Asia; EDA = Emerging and Developing Asia; EDE = Emerging and Developing Europe; LAC = Latin America and the Caribbean; MENAP = the Middle East, North Africa, Afghanistan, and Pakistan; SSA = Sub-Saharan Africa.

Figure 5. Correlation between Domestic and International Food Prices



Source: IMF staff calculations.

B. Survey of IMF Country Teams on Policy Responses

The desk survey of IMF country teams has been conducted to report discretionary policy measures in response to high energy and food prices announced since January 2022 (see Annex I).⁶ The survey also asked whether or not there were existing energy and food price subsidies. The survey served as the basis for creating the Database on Energy and Food Price Actions (DEFPA), which covers 174 countries representing 88 percent of the IMF membership. The country coverage is the highest among advanced and emerging market economies (90 percent) followed by low-income developing countries (80 percent). In total, the survey includes nearly 750 announced measures for all countries. The survey shows that the largest number of measures in response to the rise in energy and food prices was announced in advanced economies. From a regional perspective the coverage is the highest among European and CCA countries and the lowest in EDA.⁷

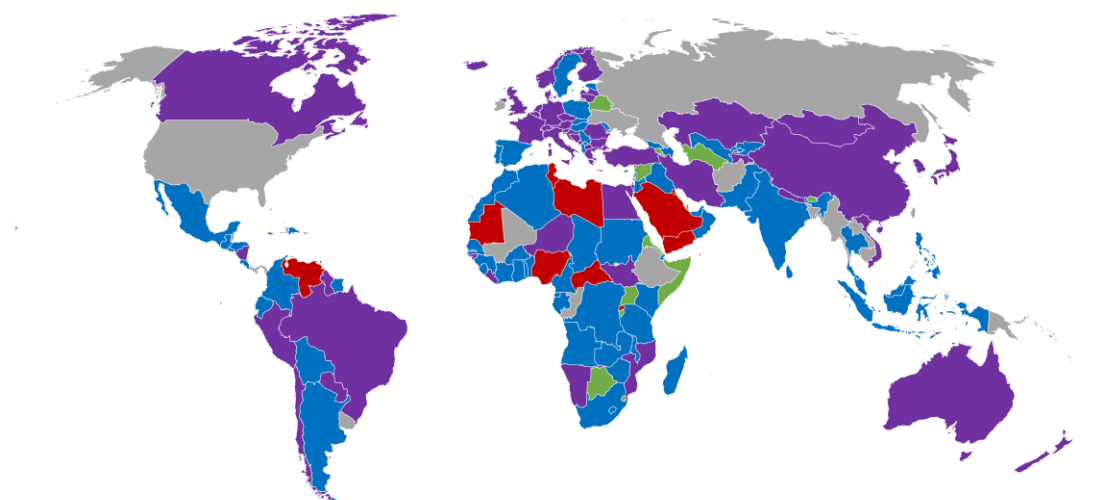
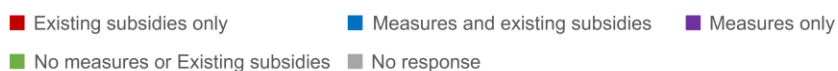
The number of measures should also be assessed considering existing price subsidies (Figure 6). For example, the number of measures in SSA countries is low but at the same time the percentage of countries in SSA with existing energy or food subsidies is high. Therefore, even if there are no discretionary measures taken, existing subsidies in place prevent or limit the pass-through from international prices to domestic prices whereby there is no or less impact of higher international prices on households and companies. However, maintaining these price subsidies will become more costly. As will be discussed in section IV, this is not the

⁶ The survey was conducted in two rounds, in March/April 2022 and June/July 2022. A more recent survey was conducted at the time of publication of this paper.

⁷ Please see Annex I for the list of countries within each region.

appropriate policy response. In addition to existing subsidies, the ability of a country to implement measures and fiscal space are also key in implementing measures.

Figure 6. Policy Responses



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Source: IMF DEFPA country desk survey.

Note: The boundaries, colors, denominations, and any other information shown on the maps do not imply, on the part of the IMF, any judgment on the legal status of any territory or any endorsement or acceptance of such boundaries.

Policy Measures by Country Income Group

The survey indicates that about half of the measures were aimed at reducing the pass-through of international prices to domestic prices. In advanced economies the most announced measures are vouchers and discounts followed by reduction in consumption taxes such as VAT/sales tax and excises, followed by cash transfers and price subsidies (Figure 7a). In emerging market economies, the most common measures are direct price subsidies to energy and food companies followed by a reduction in consumption taxes and cash transfers (Figure 7b). Reducing customs duties or price freezes are also not uncommon. Except for cash transfers these are all measures that reduce the pass-through of international prices. The picture is broadly similar for low-income developing countries with most of the measures focused on announcing (price) subsidies and reducing consumption taxes and custom duties (Figure 7c). One clear exception with other income groups is that cash transfers are rarely announced. This is likely related to a lower coverage of social safety nets and capacity constraints in scaling up cash transfers for the desired groups.

Figure 7. Announced Measures by Income Group

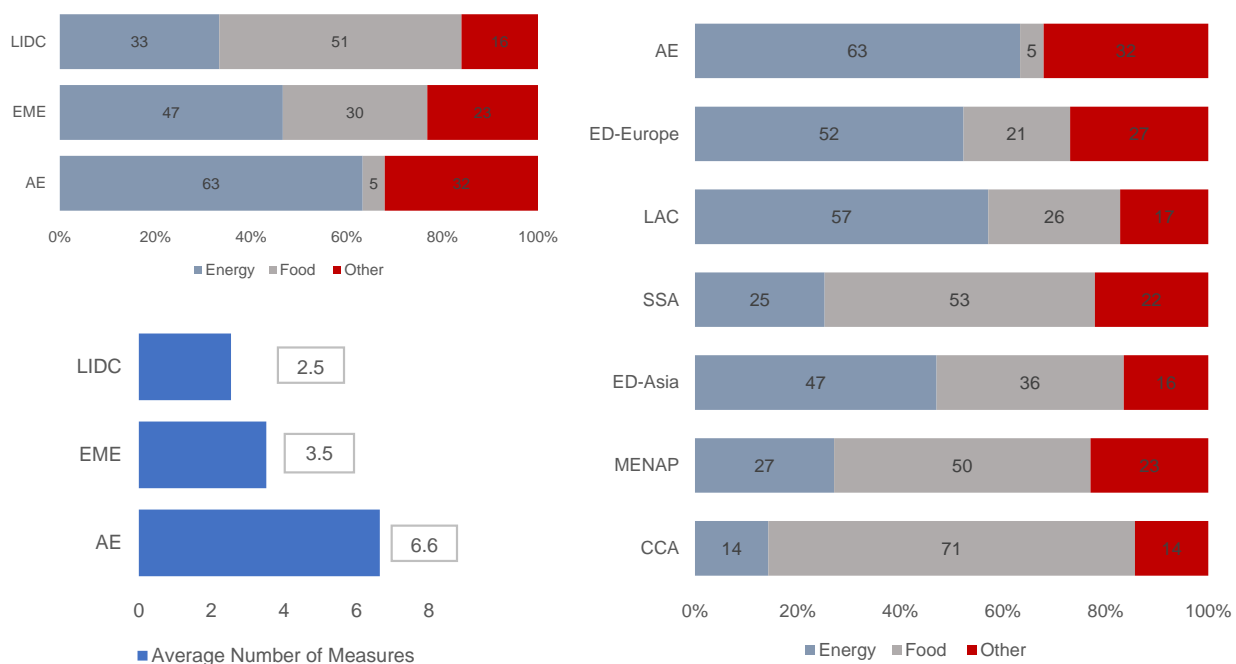


Source: IMF DEFP country desk survey. X-axis shows the percent of the count of each measure type by total number of measures by each income group.

Measures in advanced economies were mainly focused on addressing higher energy prices while measures in SSA, MENAP and CCA measures were mainly focused on higher food prices (Figure 8). More than 60 percent of the measures in advanced economies was focused on the increase in energy prices, one third was related to a general increase in inflation or both energy and food prices and only 5 percent of the measures was food related only. This is likely due to the fact that food spending accounts for a smaller percentage of household expenditure in advanced economies. In emerging market economies, LAC, and EDA about half of the measures related to energy. By contrast, in SSA countries, which account for the large part of low-income developing countries, more than 50 percent of the measures are related to food price increases, reflecting the fact that food expenditure amounts to large percentage of household incomes in these countries. In MENA countries also half of the measures focused on food. One reason why there is less focus on energy in these countries is the high prevalence of existing energy price subsidies in these countries which limits increases in international oil price in the first place to domestic prices.

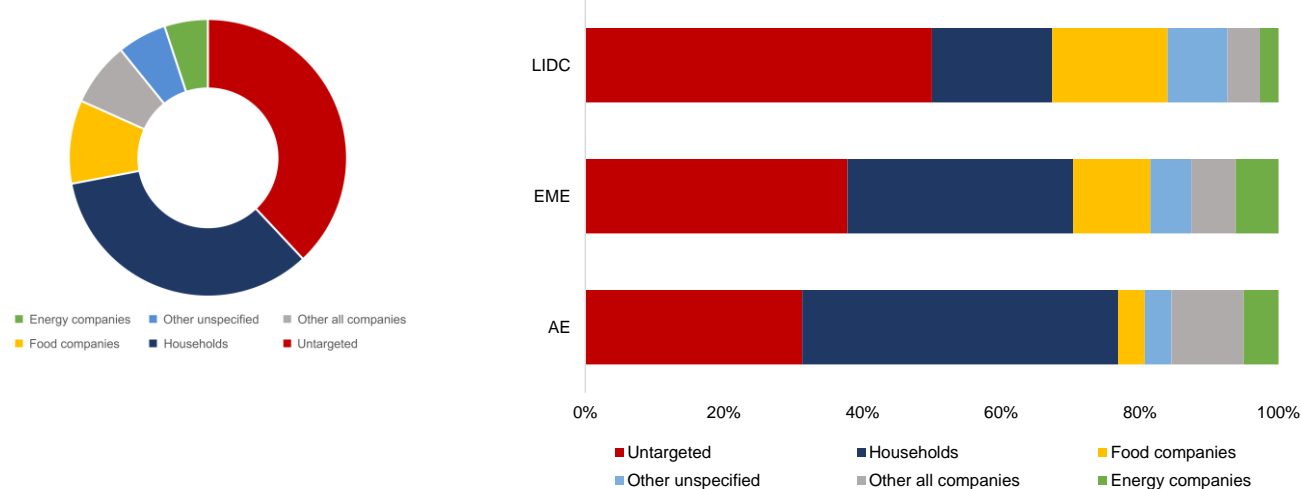
Most measures were untargeted but advanced economies implemented a significant number of cash transfers targeted to households. Almost 40 percent of all measures are untargeted to any group such as households or companies. This is explained by the large number of measures that aim to reduce the pass-through from international prices to domestic prices. All groups in the economy from households to companies benefit from a limited pass-through of international prices to domestic prices either as a final consumer or by using the good or service in the production of other goods and services. However, there is some diversity in targeting depending on income level. For instance, almost half of the measures announced in advanced economies are targeted towards households either through cash transfers, vouchers and to a less extent through changes in pensions or the personal income tax. About one third of the measures are untargeted. Whereas in low income and developing countries almost 50 percent of the measures are untargeted and related to reducing the pass-through. Measures targeted to households is less than 20 percent of total measures.

Figure 8. Distribution of Announced Policy Measures by Product



Source: IMF DEFPa country desk survey.

Figure 9. Targeting of Policy Measures

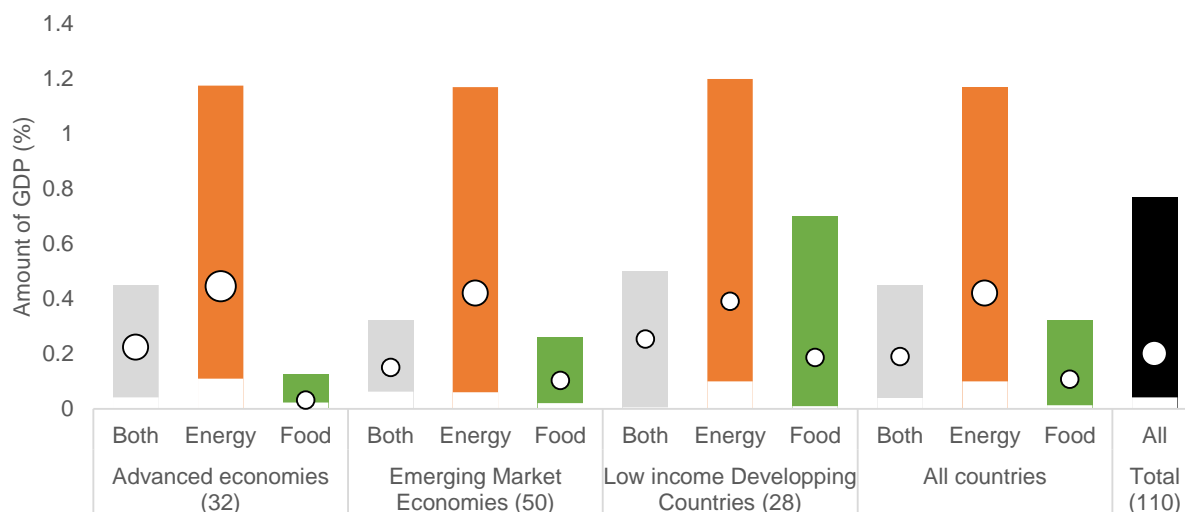


Source: IMF DEFPa country desk survey.

These newly announced measures put an additional pressure on government budgets. In more than half of the countries, the announced measures cost more than 0.2 percent of GDP on average (excluding existing subsidies). Energy-related measures are the costliest, in all income groups (Figure 10). More than one-fifth of countries have announced policy packages in response to energy prices that are above 1 percent of their GDP.

More than half of advanced economies have announced at least three measures aiming at responding to high energy prices. In emerging market and low-income economies, the median number of announced measures in response to energy prices is two. Food-related measures have the highest relative cost in low-income developing countries. They reach more than 0.75 percent of GDP for some of these countries.

Figure 10. Size and Number of Announced Policies, by Income Group



Source: IMF DEFPA country desk survey.

Notes: bars reflect the 20th and 80th percentiles of the estimated cost of announced measures with non-missing values. Dots reflect the median value of the fiscal cost. Dots size represents the number of announced measures of each type (the largest size represents a median number of measures at 3, intermediate size, at 2, and smallest, at 1). "Both" pertains to measures which cannot be attributed to food or energy response, such as cash transfers (most of the time) but also measures on pension or personal income tax, for instance.

Policy Measures by Region

While the price shock was global it manifested itself in different ways in different parts of the world. For example, in Europe the size of energy price shock was unprecedented in size given the decline in Russian natural gas supplies to about 15 percent of their 2019 levels, corresponding to around one-third of Europe's total natural gas consumption. As prices of natural gas and wholesale electricity skyrocketed governments responded with a combination of limiting the pass-through to consumer prices, and support to households and firms (see, for example, Annex IV with the discussion of comprehensive policy packages introduced in the United Kingdom and France). In SSA, the main concern has been with food insecurity due to a sharp rise in food prices, making food less affordable for the poorer households and disruptions in trade as many SSA countries depend on imported basic staples, which resulted in the deterioration of access. Various measures announced in different regions of the world are summarized below:

Europe⁸

- Pricing policies. These included cuts to excise duties and to lesser extent in VAT rates on energy products (e.g., Belgium, Bulgaria, Finland, Greece, Italy, Lithuania, Netherlands, Romania). General retail price caps of energy products (France, Hungary, Portugal, Romania, Slovenia, Spain) were also common.
- Support to households. These included cash transfers (Austria, Cyprus, Czech Rep, France, Germany, Italy, Spain, U.K.), vouchers (Belgium, Croatia, Estonia, Netherlands, Romania, Sweden), and other forms of subsidies such as energy efficiency grants/subsidies (Lithuania, Luxembourg, Sweden) exclusively for vulnerable households or more broadly covering all households.
- Support to firms. The most common include grants/subsidies/loans to firms in specific industries (Austria) or all categories (Bulgaria, Greece). Others include liquidity support to energy companies (Denmark, Switzerland), energy efficiency grants and subsidies (Norway), tax credits for electricity, gas, and gasoline for selected firms (Italy), and temporary unemployment benefits (Belgium, France, Germany). Some countries have set up company lists for energy rationing in case of severe shortages in natural gas supply (Netherlands, Romania).
- Windfall taxes. Italy introduced a special contribution on extra profits realized by energy companies' windfall tax on the extraordinary profits of energy companies. Spain introduced a mechanism in which large energy companies pay back an amount proportional to the increase in income due to rising prices.

Sub Saharan Africa

- Pricing policies. Measures to reduce pass-through from international prices to domestic prices were mostly focused on food products. Price freezes and price subsidies are announced in Burkina Faso, Cote d'Ivoire, Equatorial Guinea, Madagascar, Senegal, and Togo, while Benin, Malawi, Togo, Tanzania, Zambia, and Zimbabwe reduced custom duties and consumption taxes. Benin, Cote d'Ivoire, Madagascar, Namibia, Togo, South Africa, and Zimbabwe announced also pricing policies regarding energy.
- Support to households. Cash transfers are announced in Madagascar, Mozambique, Senegal, Seychelles, and Tanzania. Some countries also increased the public wage bill (DR Congo, Madagascar, and South Sudan) or lowered the personal income tax (DR Congo and Mauritius).
- Support to firms. Most announced measures were in the form of fertilizer subsidies to the agricultural sector (Benin, The Gambia, Kenya, Niger, Senegal, Tanzania).

MENAP & CCA

- Pricing policies. Measure to reduce pass-through of international prices was both focused on energy (Jordan, Kazakhstan, Oman, Pakistan, Tajikistan, West Bank and Gaza) as food products (Azerbaijan, Algeria, Iraq, Kazakhstan, Kyrgyz Republic, Morocco, Oman, Tajikistan, Uzbekistan, West Bank and Gaza).

⁸ Europe in this section includes advanced and developing European countries.

- Support to households. Cash, semi-cash or in-kind - transfers while less in number - were announced in Djibouti, Georgia, Iran, Iraq, Jordan, Pakistan, and Tajikistan).
- Support to firms. Support for firms were announced in a handful of countries (Iran, Kyrgyz Republic, Sudan, Tajikistan).

LAC

- Pricing policies. Most measures were focused on reducing the pass-through of international prices mainly on energy products (Argentina, Brazil, Barbados, Chile, Costa Rica, Dominican Republic, Ecuador, Guatemala, Guyana, Honduras, Nicaragua, EL Salvador, Suriname, Sint Vincent, and the Grenadines). Pricing policies focused on food were announced in (The Bahamas, Colombia, Dominican Republic, Mexico, Peru, Paraguay, Sint Vincent, and the Grenadines).
- Support to households. Cash transfers are announced in Argentina, Brazil, Dominican Republic, Ecuador, Jamaica, Peru, and Suriname. Argentina, Brazil, and Dominican Republic also announced semi-cash measures as well as Peru and St. Vincent and Grenadines.
- Support to firms. Measures are mainly focused on support for fertilizers and agricultural inputs (Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Peru and Sint Vincent and the Grenadines).

ED-Asia

- Pricing policies. Pricing policies were announced in China, Fiji, Indonesia, India, Sri Lanka, Mongolia, Nepal, Nauru, Solomon Islands, Thailand, Vietnam.
- Support to households. Support to households were announced in China, Indonesia, Sri Lanka, Malaysia, Nepal, Philippines, Thailand, and Tonga.
- Support to firms. Some support measures to firms were announced in China, India, and Nepal.

Table 1. Measures Announced by Country and by Type of Measures

(Measures announced during the first semester of 2022)

		Cash transfers	In-kind transfers	Semi-cash (vouchers & discounts)	Wage bill	(Price) Subsidies to energy companies	(Price) Subsidies to food companies	Other/unspecified Spending	Other subsidies to all companies	Pensions	VAT/Sales Tax	PIT	CIT	Custom duties (import tariffs)	Excises	Property tax	Non-tax revenues	Other/unspecified Revenues	Price Freeze / incomplete pass through	Export restriction	Other_btl	Other_onf	
AE	AND	X		X							X				X							X	
	AUS	X		X								X			X								
	AUT	X		X			X	X			X	X	X					X					X
	BEL	X		X							X				X								
	CAN			X					X						X								
	CHE								X														X
	CUW										X		X										
	CYP										X				X								
	CZE	X		X		X									X			X					
	DEU	X		X		X		X				X	X		X								X
	DNK			X																			
	ESP	X		X				X			X				X			X	X				X
	EST	X		X		X		X							X								
	FIN							X		X	X												
	FRA	X		X	X	X		X	X	X	X				X								X
	GBR	X		X											X	X		X					
	GRC	X		X				X			X												
	ISL	X																					
	ISR			X								X		X	X								
	ITA	X		X							X		X		X	X							
	JPN			X		X	X	X															X
	KOR							X						X	X								
	LTU	X		X		X		X		X	X	X											
	LUX	X		X		X		X				X			X				X				X
	LVA	X		X				X															X
	MLT					X	X																X
	NLD			X							X				X								
	NOR	X		X				X							X								
	NZL														X	X		X					
	PRT	X		X				X			X				X			X	X				X
	SGP			X																			
	SMR			X				X							X								
	SVK	X		X							X								X				
	SVN	X					X	X							X			X	X				X
	SWE			X		X					X				X								X
	SXM														X				X				
CCA	AZE						X				X		X										
	GEO	X		X																X	X		
	KAZ					X		X											X	X			X
	KGZ				X						X			X					X	X			X
	TJK		X				X												X				X
	UZB										X												
ED-Asia	CHN	X					X												X				X
	FJI										X												
	IDN	X		X		X												X	X	X			X
	IND		X	X			X								X								
	LKA	X			X					X	X												
	MNG					X					X			X	X								X
	MYS	X																					
	NPL		X	X		X	X	X	X				X	X	X				X				X
	NRU							X						X									
	PHL	X		X				X															
	PLW					X																	
	SLB										X			X									
	THA			X		X		X							X				X				X
	TLS							X															
	TON			X																			
	VNM														X								
ED-Europe	ALB	X				X	X				X												
	BGR			X					X		X	X			X								
	BIH	X	X					X			X	X			X				X	X			X
	HRV			X			X	X			X	X			X				X				X
	HUN														X				X				X
	KSV	X	X			X	X												X				
	MDA	X		X				X															
	MKD	X			X	X	X	X		X	X			X	X				X				X
	MNE						X				X				X				X				
	POL					X					X												
	ROU	X	X	X		X	X	X	X		X					X							
	SRB					X								X	X				X	X			X
	TUR	X			X		X	X		X	X	X	X	X		X			X	X			X
	UKR										X								X	X			

LAC	ARG	X	X				X	X		X		X
	ATG					X						
	BHS							X				
	BOL										X	
	BRA	X	X			X	X	X	X		X	
	BRB						X	X				
	CHL			X					X			
	COL								X			
	CRI								X	X		
	DOM	X	X		X	X	X		X	X		X
	ECU	X			X	X		X				X
	GTM			X	X							
	GUY									X		
	HND			X				X	X			X
	JAM	X		X		X						X
	MEX							X	X	X		X
	NIC			X	X	X						
	PER	X	X			X	X		X			
	PRY							X	X			
	SLV			X				X	X		X	
SUR	X		X									
VCT	X			X			X	X	X	X		
MENAP	ARE									X	X	
	DJI	X										
	DZA	X			X		X	X	X		X	
	EGY									X	X	
	IRN	X	X	X								
	IRQ	X	X	X	X	X			X		X	X
	JOR	X			X							
	LBN				X							X
	MAR				X				X			
	OMN			X				X				
	PAK	X	X		X			X	X			
	SDN											X
	WBG			X				X	X			
	SSA	AGO					X					
BEN					X		X	X	X		X	
BFA					X				X			
CIV								X	X		X	X
CMR								X			X	
COD				X			X	X				
COM					X							
GAB									X		X	
GHA										X		
GIN									X			
GMB					X				X			
GNB		X								X		
GNQ									X		X	
KEN				X	X							
LBR					X							
LSO											X	
MDG				X	X		X				X	
MOZ		X				X						
MUS		X				X	X	X				
MWI							X	X				
NAM									X			
NER			X		X				X			
SEN		X			X	X		X	X		X	
SLE												X
SSD				X								
STP				X					X			
SYC		X										
TCD						X						
TGO				X	X		X				X	X
TZA		X			X	X		X	X			
ZAF									X			
ZMB						X	X	X				
ZWE							X	X			X	

Source: IMF DEFPA country desk survey.

Note: Data labels in the figure use International Organization for Standardization (ISO) country codes.

V. Policy Discussion

This section lays out the key principles in designing policies in the face of the surge in food and energy prices. Appropriate policy response to the surge in international prices will be country specific but general principles apply to all. These policy objectives should be to (i) induce demand and supply responses; (ii) reduce burden on poor and vulnerable households; and (iii) ensure consistency with other policies, including the need for macroeconomic stability. The section ends with a discussion on political economy considerations when designing policy responses. When examining options for government responses, policymakers would need to be aware of potential policy trade-offs. The strength of social safety net, availability of fiscal space, the nature of existing domestic price setting mechanisms, institutional capacity, threats of food and energy scarcity, and potential spillovers on international markets are some of key considerations.

A. Induce Demand and Supply Responses

Allowing the pass-through of international prices to domestic prices is a crucial market instrument to send signals to both consumers and producers. Higher international prices reflect shortage of supply on the market relative to existing demand. As supply is relatively inelastic in the short run, the bulk of adjustment would need to come from the demand side. Price signals are the most effective way to encourage consumers to reduce consumption. If prices are not allowed to adjust, governments that face rigid supply may need to resort to costly rationing or face unmitigated supply shortages and an increase in informal (black) market activity. Empirical evidence suggests that demand response can be sizable. For example, in the case of energy, cross-country short-term price elasticity of demand has been estimated at -0.21, with the highest elasticity for gasoline (-0.29) followed by natural gas (-0.18) and diesel (-0.15) (Labandeira and others, 2017). Long-term price elasticities of energy demand are even greater and are significantly higher in developing countries. Price elasticities of demand for food depends on income and the type of food (Cornelsen and others, 2015, Green and others, 2013). It is larger in low-income countries. For example, price elasticities are the highest for meat (-0.78) and the lowest for cereals (-0.43) (Green and others, 2013). Demand from poorer households is more responsive to price changes than higher income households. This is another indication that higher food prices could have a disproportionately large effect on lower income households. Poor households respond to higher prices by reducing quantity and quality of their food consumption and cutting health and education costs (Ruel and others 2010, Green and others 2013).

In the energy sector, the success of demand response will be higher if governments also provide instruments to consumers that allow them to reduce consumption. In this context, providing incentives to consumers to become more energy efficient through programs that support retrofitting of buildings and purchases of energy efficient appliances can be helpful. Moreover, by harnessing digital technologies governments can increase consumer awareness of own energy use such as through deployment of smart meters that allow consumers get real-time energy consumption information and incentivize them to save.

Encouraging more competition in the energy market and providing consumers with information that they can use to make decisions and easily switch suppliers will also be useful.

Countries with no existing price subsidies should allow domestic prices to move in line with international prices. Introducing generalized price subsidies that aim to limit the price pass-through to domestic consumers are not advisable. Measures that prevent domestic prices to adjust (e.g., through price caps) are fiscally costly because they come either in the form of higher budgetary outlays or foregone revenues (due to tax cuts or lower profit transfers from state-owned enterprises). A general price subsidy on products with low differentiation, such as fuel, implies providing relief to all including the most affluent households and giving up precious budgetary resources at the time when they are most needed.⁹ These subsidies crowd out productive spending such as on social assistance, health, education, and public investments. Price subsidies could also impose a risk to energy and food security as incomplete compensation of suppliers is often associated with supply shortages and the accumulation of payment arrears, especially in countries where fiscal space is more limited, and the institutional capacity is weaker. They can generate negative spillovers to other countries by inflating international prices. But most importantly, price subsidies counter the main policy objective of inducing demand and supply response as they encourage overconsumption at the time of heightened shortages and reduce producer incentives. However, for food, while overconsumption or poorly targeted subsidies have to be avoided, reducing demand can have adverse consequences on the most vulnerable (see section III.). In countries with weak social safety nets where the expansion of existing programs does not provide sufficient protection and where food security concerns are particularly acute, governments can consider temporary reductions in taxes with clear sunset clauses for staple foods. Import tariff cuts on necessities, which are less distortionary, would then be preferable. For energy, temporary smoothing of domestic prices is only warranted if price increases are very high, and governments are not able to mitigate the impact on the vulnerable through other means.

Governments with existing subsidies can allow a gradual pace of adjustment in domestic prices.

Political economy and social policy considerations may prevent governments in these countries to immediately let retail prices fully adjust in line with international prices despite a significant rise in fiscal costs. Therefore, these governments can limit but should not avoid retail price increases. They should also take this opportunity to remind the public about the costly, distortive, and unsustainable nature of uniform price subsidies and develop and announce concrete plans to eliminate them over medium term. The pace of elimination of price subsidies should be higher where fiscal space is more limited, the gap between domestic and international prices is large and the ability to put in place effective measures to mitigate the impact on vulnerable households is stronger. Moreover, countries with fuel subsidies could consider differentiating adjustment paths of domestic prices by type of fuel based on their relative weights in the consumption of different income groups. For

⁹ Food price subsidy differ from energy subsidy as they often pertain to products that are more extensively consumed by poorer households due to quality differentiation – such as staple food or types of bread. Therefore, they are effectively more targeted towards the bottom of the income distribution than energy subsidies. Nevertheless, the deadweight loss of food price subsidies is expected to be larger than the one for targeted cash transfers that would have a similar policy objective.

example, in some countries, LPG and kerosene are more important for low-income households, which they use for cooking or heating, and hence could have a slower adjustment path than prices for gasoline and diesel. Once the domestic price is increased in line with the international price, countries could adopt an automatic energy pricing mechanism with smoothing that prevents sharp adjustments in fuel prices as a transition to liberalized pricing (Coady and others, 2012).

Where the magnitude of mismatch between supply and demand is so large that it would imply an extraordinary increase in prices, some rationing could complement price adjustment. Combining quantitative controls with price mechanisms can be effective in delivering the needed reduction in demand. For example, building on past experiences with energy shortages (e.g., Brazil in early 2000s and Japan in early 2011) governments can impose consumption quotas for households and firms (based on previous period consumption volumes). An upward breach of these quotas could be penalized through fines, while downward breach could be incentivized through bonuses (see, for example, Maurer and others 2005; and Kimura and Nishio 2016). Crude measures, such as blackouts, are economically costly and should be used only as a last resort instrument. As a last resort option, if food security is a concern, food rationing can be implemented through ration shops (e.g., public distribution system in India, see Gadenne 2018), vouchers or direct food distribution. However, this may give rise to governance concerns.

Export restrictions, particularly when they are introduced by large exporters, disrupt international trade and contribute to even higher global prices. Although an export restriction can temporarily increase supply on the domestic market and limit domestic price surges, it can reduce incentives for domestic production, create negative spillovers to other countries, and trigger retaliatory actions by trading partners. Export restrictions on food when they are introduced by countries that have a sizable share of the global food market can have significant adverse impact on other, particularly low income and food insecurity vulnerable countries. Ban on exports by one country can also trigger a chain reaction of retaliatory measures further limiting the global supply. The impact of export bans introduced by a number of countries since the beginning of Russia's invasion of Ukraine has led to an increase in prices higher than 5 percent for several international traded food items (Espitia, Rocha and Ruta, 2022). Previous food price peaks (such as in 1973 and 2008) indicate that trade barriers are ineffective on average in stabilizing domestic prices, but they do contribute to further increases in world prices.¹⁰ In the long run, export bans may also hurt countries imposing restrictions as they reduce production incentives and encourage smuggling to countries with higher prices.

B. Reduce Burden on Poor and Vulnerable Households

Providing targeted support through cash transfers, especially in countries where social safety nets are strong, can effectively alleviate the impact on households most affected by higher energy and food

¹⁰ See, for instance, Martin and Anderson 2011.

prices. Countries that are able to systematically identify most-affected households and have in place an efficient mechanism to deliver social assistance are considered to have strong social safety nets. The strength of social safety nets stems from the availability of comprehensive information systems, which include universal and robust identification that is effectively linked to databases with socio-economic information (household characteristics, employment, and income), and from adequate implementation capacity to deliver benefits to the intended beneficiaries in a reliable and timely manner. The strength of the social safety net is also determined by the existence of strong medium-term fiscal frameworks that ensure flexible and sustainable financing for social assistance programs. Cash transfers are a preferred policy instrument because they are independent of the consumption of energy or food, do not distort relative prices and are not fiscally costly. Social protection spending is an effective tool in containing deterioration of food security from rising domestic food inflation (Bogmans and others 2021). However, tax systems can also be used to provide relief to vulnerable households, for example, through refundable tax credits.

Countries where social safety nets are not well developed can expand existing programs, use alternative targeting approaches, and employ digital solutions and big data to provide targeted support. The existing programs, such as school feeding programs, can be expanded by increasing benefit levels and coverage as needed to provide some relief to low-income and vulnerable households. In the absence of sufficient (financial) information about households to perform (proxy) means tested targeting, governments can employ alternative approaches to targeting, such as demographical/categorical targeting (age, civil status, gender), geographic targeting, self-selection targeting, community targeting, or proxy-means testing. There is no single targeting method that is superior, and the choice of targeting mechanism depends on policy objectives and the institutional capacity of a country (Grosch and others, 2022). Digital tools can be leveraged to identify eligible beneficiaries, verify their socio-economic information and deliver benefits in the absence of a delivery infrastructure. For instance, in countries where financial inclusion is relatively low, benefits can be delivered through Government-To-Person (G2P) mobile payment platforms to mobile accounts. Digital tools can also speed up beneficiary intake and registration through online applications which could be complemented with information on individuals' situation from non-standard sources, such as telecom metadata. During the Covid many countries enabled digital solutions to quickly scale up their social safety nets. For example, Nigeria used a new targeting method based on census data and high-resolution satellite imagery to map the poorest urban areas and target benefits. Brazil implemented a new online registration process, verified their eligibility through a newly developed analytical database that leveraged existing administrative databases and provided cash transfers to beneficiaries' bank accounts including to newly created, free digital savings accounts. In Togo, the government was able to quickly identify and enroll the vulnerable with the help of biometric voter IDs and satellite and phone record data and deliver cash transfers through digital G2P platform. However, these technology-based approaches can lead to exclusion of low-income households that may not have access to digital tools and/or may be hard to reach through digital mechanisms. Governments could also consider reducing education, health, or public transport fees if they help in reaching the targeted groups and

can be effectively implemented. All these imply that countries with weaker social safety nets have to rely on a combination of measures to reach the desired target groups.

Cash transfers provide a cost-effective way of alleviating the burden on vulnerable households and can be financed from higher tax revenues. For example, IMF staff estimates of fiscal cost to compensate all poor households for the increase in food prices in food insecurity vulnerable countries point to an average annual cost of 0.15-0.30 percent of GDP (Rother and others 2022).¹¹ Digital payments can improve the efficiency of cash transfers even further. These additional outlays can be financed from increased tax revenues resulting from a combination of higher prices, a relatively lower price elasticity of demand on food and energy products and the prevalence of ad valorem taxes, such as VAT and ad valorem excise in flexible pricing regimes. Moreover, where feasible, one-time solidarity tax on high-income households and businesses could be considered to raise additional revenue. Such solidarity taxes are preferred over ex post windfall corporate taxes as the latter could increase policy uncertainty and discourage future investments. Governments can also consider permanent excess profits taxes—economic rents more than the return required by investors (Hebous and others, 2022).

While cash transfers are strongly preferred to other forms of support to households could also be considered. When existing social safety programs cannot be scaled up immediately, in the case of energy prices, other temporary measures that rely on utility service providers could be deployed. For example, governments can provide uniform lump sum discounts on utility bills to all households below a certain income threshold. Such lump-sum benefits are more progressive and less distortive than benefits that are proportional to utility bills. In addition, smoothing of energy bills throughout the year can help households avoid falling into arrears during the months when more energy is needed for heating or cooling. Lifeline tariffs can help cushion the impact of high prices on low-income households, but such tariffs are generally inferior to alternative measures. This is because the consumption level of poor households is not always lower (Komives and others 2005), and the measure reduces the average tariff for the utilities and distorts prices. When food security is a concern and cash transfers cannot be delivered, governments can consider providing price subsidies or lowering consumption/import taxes with clear sunset clauses for basic food staples.

¹¹ The calculations assume compensating households living on less than US\$1.90 per capita per day for food price increases between end-December 2021 and the most recent food inflation data available in 2022. The estimates assume temporary (six-month) compensation, unchanged consumption budget shares allocated to food, and perfect targeting of compensation. Because inflation varies significantly across countries, even within the same region and across peer countries, the analysis is based on a lower bound value (10th percentile) and a higher bound value (90th percentile) to estimate a range of fiscal costs rather than imputing central tendency values.

C. Ensure consistency with other policies, including the need for macroeconomic stability

Measures introduced to fight the current cost-of-living crisis should not undermine broader policy objectives and maintaining macroeconomic stability is key among those objectives. Against the background of elevated inflation worldwide, it is crucial to ensure that monetary and fiscal policies stay aligned on the path to sustained disinflation. In this context, although broad-based price subsidies could reduce current readings of inflation they also lead to higher budgetary spending/lower revenues implying a more expansionary fiscal stance at the time when monetary policy is tightening. Targeted and temporary measures, on the other hand, are less costly and hence can be accommodated within the existing fiscal envelope delivering a tighter fiscal stance.¹² Moreover, maintenance of costly broad-based support measures reduces fiscal space for more productive developmental spending.

Crises measures should not compromise climate-related objectives. The crisis is a reminder of the importance of diversifying energy supplies away from fossil fuels, which can help accelerate the transition to green economy and strengthen energy security. While in the short run alternative supply sources of nonrenewable energy, including, for example, enhancing markets for Liquefied Natural Gas (LNG) and expanding production of shale oil and gas may be needed, to ease supply shortages, this should be done in a way that is consistent with climate change goals. The crisis should also be used as an opportunity to encourage investments in the production of renewables, to promote energy efficiency and facilitate expansion of climate-resilient agricultural production.

D. Political considerations may explain the policy responses to limit the pass-through

Results of the survey presented in this paper reveal that a relatively high number of measures aimed at reducing the pass-through of international energy and food prices to domestic prices. This is true even in countries with strong social safety nets. Political economy considerations may explain, in part, such policy choices. Social unrest over price increases for energy and basic goods is not new (Morrisson 1996), and protests over (planned) fuel price increases have occurred often, including in the recent past (for example, Ecuador, France, Haiti, Iran, and Kazakhstan). Such protests have the potential to spark widespread discontent with government policies. Some conditions, such as high poverty, inequality, and the electoral cycle, may increase the risk of social unrest (Alesina and others 2019). A high perception of corruption may lead to resistance to removing price subsidies because they are viewed as one of the few tangible benefits provided by the government and there is a lack of confidence in governments reallocating the resulting budgetary savings

¹² It is true that the pass-through of higher international prices to domestic prices would lead to higher inflation in short run through direct and indirect channels. However, coordinated monetary and fiscal policies would help anchor inflation expectations and put inflation on a downward path.

to benefit the population (Strand 2013). Finally, the existence of strong and well-organized interest groups—not necessarily the most vulnerable—benefiting from lower prices or the status quo, can fuel social unrest.

Whereas these political considerations and the challenges in scaling up SSNs may prompt measures that limit the pass-through, such interventions are costly and regressive, and cannot be a sustainable response to a persistent shock. Therefore, it is crucial to let various measures that have been adopted recently to limit the pass-through (for example, tax cuts) expire so that they do not get entrenched. A comprehensive communication strategy is crucial to address underlying resistance.

Annex I. Data Collection and Methodology

The Database of Energy and Food Prices Actions (DEFPA) compiles the IMF survey conducted in March/April and June/July 2022 for 174 country teams. For each country, measures announced by the governments in response to higher energy and food prices between January and June 2022 were collected, together with information on targeting, the duration, temporary nature or not of the measure, the announcement date, and the fiscal cost. The DEFPA also gathers information on existing energy and food subsidies prevailing in the country.

Coverage of the 174 countries in the survey were broadly balanced among income groups and regions (see Annex Table A1). Most countries (142) announced at least one measure (36 out of 38 advanced economies, 67 out of 97 emerging market economies and 39 out of 59 low income developing countries). In total, the DEFPA includes about 750 measures announced as a response to higher energy and food prices. The detailed, country-by-country, which are organized by region, are described in the Annex II. Measures announced as a response to higher energy and food prices but resulted in an increase in prices (for instance, removal of a subsidy) are not included in DEFPA, as the focus is on measures aiming at mitigating the impact of higher prices. These entail 23 measures, in 14 countries and are described in Table A2.

Annex Table 1.1 Coverage of Countries by Income Group and Region

	Income Group				Regional Group					Total
	AEs	EME	LIDC	CCA	ED-Asia	ED-Europe	LAC	MENAP	SSA	
Not participated	4	10	10	0	8	0	8	1	3	24
Participated - No measure	2	20	10	2	6	2	3	9	8	32
Participated - At least one measure	36	67	39	6	16	14	22	14	34	142
Total	42	97	59	8	22	16	25	24	42	198
Coverage (Percentage of Participated Countries)	90%	90%	83%	100%	73%	100%	76%	96%	93%	88%

Source: IMF DEFPA country desk survey.

- Classification of Measures. The classification of measures in the DEFPA are in line with the Government Financial Statistics Manual 2014. Measures are organized in the following categories: spending, revenue, and transactions in financial assets and liabilities. DEFPA also includes non-fiscal measures. In each category, the detailed breakdowns of the type of revenue and spending measures follow are also in accordance with the classification in the GFSM 2014. Given the analytical relevance,

each measure that relates to reducing or preventing the pass-through of international prices to domestic prices is categorized as well in line with the GFSM 2014. For instance, if the pass-through of international prices to domestic prices is reduced by lowering excises, this measure is recorded under excises. However, if the pass-through is reduced by providing subsidies through expenses or through transactions in financial assets and liabilities, these measures are recorded accordingly. Measures that prevent the pass-through but are not financed through fiscal operations are recording under Non-Fiscal Measures. Examples are when governments impose a price cap on goods and public/private companies pay for this (often through lower profit margins).

Annex Table 1.2 Mapping of Measures Categories and Subcategories

Revenues	Spending	Transactions in Financial Assets and Liabilities	Non-Fiscal Measures
VAT/Sales Tax	Cash transfers	Price Freeze / incomplete pass-through	Price Freeze / incomplete pass-through
Excises	Semi-cash (vouchers & discounts)	Other	Other
Custom duties (Import tariffs)	In-kind transfers		
Corporate Income Tax	(Price) Subsidies to energy companies		
Personal Income Tax	(Price) Subsidies to food companies		
Property tax	Other subsidies to all companies		
Non-tax revenues	Wage bill		
Other/unspecified Revenues	Pensions		
	Other/unspecified Spending		

Source: IMF DEFPA country desk survey.

- Type of measures. DEFPA records two different information:
 - Discretionary measures. Discretionary measures refer to measures that would be actively taken by governments. This means that automatic stabilizers or measures under the baseline are not included. For instance, if indexation of benefits is prescribed under the law this will not be included in the DEFPA.
 - Existing price subsidies. To complement the information on newly announced measures, the DEFPA gathers information on existing food and energy consumer price subsidies prevailing in the country. Subsidies for a set of food and energy products are gathered in the database for years 2022, 2021 and 2022, measured in percentage of GDP. The detail of subsidies identified in the DEFPA is reported in Annex III.
- Implementation stage. The focus of DEFPA is on announced policy measures, rather than the measures implemented. It provides an overview of actions taken by countries, and make it possible to deliver rapid, evidence-based policy advice (see FM April 2021, IMF Note, June 2022, September 2023 and Fiscal Monitor, October 2023 + REO if relevant). It also raises several issues from a methodological point of view.

- Size of measures. Each measure has the same weight in the DEFPA regardless of size. However, some measures are of a very small size in terms of GDP, other are more significant.

Annex Table 1.3 Subsidies in Food and Energy products in 2022

Region	Energy		Food	
	Number of subsidies	Size (% of GDP)	Number of subsidies	Size (% of GDP)
AE	16	0.06		
CCA	10	1.4	2	0.03
ED-Asia	16	0.57	2	0.94
ED-Europe	10	0.58		
LAC	44	0.76	11	0.07
MENAP	38	1.09	13	0.2
SSA	76	0.65	38	0.29

Source: IMF DEFPA country desk survey.

Annex II. List of Measures Announced in Response to higher Energy and Food Prices (January – June 2022)

Annex Table 2.1 - Announced Responses to Higher Food and Energy Prices - Advanced economies

Country	Detailed Type of Measure	Type of Measure Subcategory	Measure Description
Andorra	Spending	Semi-cash	Support on public transport costs
		Cash transfers	Increase in social transfers and increased subsidies to facilitate school attendance.
	Revenue	Semi-cash	Support for energy transition (Plan Renova)
		Excises	Reduction of excises for the transport sector
Other (non-fiscal)	VAT/Sales Tax	Reduction of taxes on necessity goods	
		Other (non-fiscal)	Increase in minimum wages
Australia	Spending	Semi-cash	Temporary rebate for electricity bills for households
		Cash transfers	Cash transfers to vulnerable households (pensioners, veterans, welfare recipients)
	Revenue	Excises	Cash transfers to middle to low-income households Reduction of excise and custom duties for petrol and diesel
Austria	Spending	Cash transfers	300 euros each for vulnerable, 180 for family allowance
		Semi-cash	150 euros for all, 300 euros for vulnerable individuals
		Other subsidies to all companies	Energy subsidy for energy-intensive companies
		(Price) Subsidies to food companies	Compensation on agricultural diesel cost
		Cash transfers	250 euros for all for each instrument
		Cash transfers	Inflation compensation
		Cash transfers	Indexation with inflation
		(Price) Subsidies to food companies	Promote farms to compensate for increased energy, fertilizer and feed costs
		Cash transfers	100 euros in 2022, 200 euros in 2023
		Cash transfers	One-time payment for pensioners
		Semi-cash	Extension of transport service contracts, regional climate ticket
		Other subsidies to all companies	Companies whose energy cost is over 3 percent of production value in 2021 and whose national energy
	Revenue	Other/unspecified Revenues	Employer contributions reduction by 0.2 percent
	Corporate income tax	Tax concession up to euro 3,000	
	Personal income tax	500 euros deductible	

		Personal income tax Other/unspecified Revenues VAT/Sales Tax	Indexation of personal income tax Commuter cost equalization Reduction of excise on electricity and natural gas
	Other (non-fiscal)	Other (non-fiscal)	Extra budgetary (no effect in the budget)
Belgium	Spending	Semi-cash	Extension of the social tariff until end-Jun 2022
		Cash transfers	Extension of temporary unemployment benefit under force majeure (from "pandemic" to "war in UK)
		Semi-cash	Winter discount on energy bill of 80 euro/household
		Semi-cash	Heating voucher of 100 euro/household; Heating voucher of 200 euro/household for heating oil; Heating
		Semi-cash	Extension of the social tariff until end-Mar 2022
		Semi-cash	Fund for Gas and Electricity to support households in need (that are not eligible to the social tariff)
		Semi-cash	Extension of the social tariff until end-Dec 2022
	Revenue	Semi-cash	Extension of the social tariff until end-Sep 2022
		VAT/Sales Tax	Extend reduction of VAT on electricity for residential users
		Excises	Reduction of excises on petrol and diesel
		Excises	Extension of reduction of excises on petrol and diesel
		VAT/Sales Tax	Reduction of VAT on electricity for residential users
		VAT/Sales Tax	Reduction of VAT on gas
	VAT/Sales Tax	Extend the reduction of VAT on gas and electricity for residential use	
Canada	Spending	Semi-cash	Electricity rebates in Alberta
		Other/unspecified Spending	One-off electricity bill credits in British Columbia Support measures on food and energy in Prince Edward Island
	Revenue	Excises	Temporary reduction of excises on gas and fuel
		Excises	Temporary reduction of excises on diesel and gasoline
Curacao	Revenue	Custom duties (import tariffs)	Reduction of excises on gasoline
		VAT/Sales Tax	Reduction of VAT on diesel and gasoline
Cyprus	Revenue	VAT/Sales Tax	Extension of reduction of VAT on electricity for vulnerable residential users
		Excises	Reduction of excises on petroleum

		VAT/Sales Tax	Extension of reduction of VAT on electricity for vulnerable residential users
Czech Republic	Spending	(Price) Subsidies to energy companies Semi-cash	Support to heating providers
		Cash transfers Semi-cash	Support for HH to install energy efficiency systems Benefits for families with children
		Cash transfers Semi-cash	Waiver applied to all electricity users in bills on renewable energy
		Cash transfers Semi-cash	Support for households with lower income
		Other/unspecified Revenues	Energy savings tariff for households
	Revenue	Excises	Waiver on road tax Reduction of excises on fuel products
Denmark	Spending	Semi-cash	Vouchers to households for increased heating costs
Estonia	Spending	Cash transfers	One-off payments of €50 in November 2022 to vulnerable groups
		Semi-cash	Compensation of increase in energy prices for low-income households
		Other subsidies to all companies	Reimbursement of electricity network charges to businesses
		(Price) Subsidies to energy companies Semi-cash	Price ceiling for household electricity and gas consumption
		Other subsidies to all companies	Compensation of electricity and gas network fee for all consumers
		Semi-cash	Support to natural gas network operators and cogeneration of natural gas
	Revenue	Excises	Compensation of the increase in the price of district heating Excise duty cuts on agricultural diesel
Finland	Spending	Other subsidies to all companies	Transportation support for the logistics sector
		Pensions	Increased pension benefits through an index adjustment for benefits
	Revenue	Personal income tax	Increased deduction for commuting expenses
		Personal income tax	Reduction of income and capital income taxes
France	Spending	Cash transfers	Increased social assistance benefits through an index adjustment
		Wage bill	Increased civil servant wages through an indexation adjustment
		(Price) Subsidies to energy companies	Fuel price subsidy (remise carburant)
		Pensions	Increased pension benefits through an index adjustment for benefits
		Cash transfers	Cash transfers of €100 to low-income earners
		Other subsidies to all companies	Support for energy-intensive companies through grants

		(Price) Subsidies to energy companies Semi-cash	A freeze on regulated natural gas tariff (bouclier tarifaire) Increased amount of energy vouchers to low-income households
		Other/unspecified Spending	Job retention scheme for affected sectors
		Other subsidies to all companies Semi-cash	Support for targeted sectors, including fuel subsidy Vouchers for food for vulnerable households (chèque alimentaire)
	Revenue	Excises	Reduction in excise tax on electricity
		Personal income tax	Increase in ceiling of transport bonus (prime de transport) by employers of fuel and supply costs for electric, rechargeable hybrid or hydrogen vehicles used by employees to commute
		Personal income tax	Increase in tax deduction on transport cost
	Below the line	Other (btl)	State-guaranteed bank loans (Prêt garanti par l'État Résilience)
		Other (btl)	Increase in volume of low-cost nuclear energy supplied to distributors
Germany	Spending	Other subsidies to all companies Semi-cash	Subsidy program for energy intensive companies to cushion the increase in gas and electricity prices. Price cap for transportation (train)
		Other subsidies to all companies	Extension of special regulations for short-time work benefits and the maximum duration.
		Cash transfers	Cash transfers to vulnerable households
		Semi-cash	One-off heating cost subsidy for those receiving housing benefit, students and schoolchildren
		(Price) Subsidies to energy companies	Subsidy for short-term procurement, storage, and transport of additional gas reserves
	Revenue	Personal income tax	Increase in the basic allowance for income tax
		Personal income tax	Employee allowance for income tax
		Excises	Reduction of excises on fuel
		Corporate income tax	Extended loss offsetting (operating losses in 2022 and 2023)
		Excises	Eliminate the renewable energy surcharge
		Personal income tax	One-off energy price lump sum to all the employed
		Personal income tax	Price cap on long-distance commuters
	Below the line	Other (btl)	Financing of the new terminal with increased regasification capacity
		Other (btl)	Loans and guarantees

Greece	Spending	Semi-cash	Electricity bill discounts for households
		Cash transfers	Increased transfers to low-income and vulnerable households
		Semi-cash	Vouchers for fuel purchases for households
		Semi-cash	Natural gas bill discounts for households
		Semi-cash	Natural gas bill discounts for firms
		Semi-cash	Electricity bill discounts for households
		Other subsidies to all companies	Subsidies for energy use to agriculture sector, taxi drivers
		Semi-cash	Electricity bill discounts for firms
	Revenue	VAT/Sales Tax	Reduction of VAT rate on foodstuff and agricultural fertilizers
Iceland	Spending	Cash transfers	Increased cash transfers for child benefits
		Cash transfers	Increased cash transfers of social benefits
Israel	Spending	Semi-cash	Increased daycare subsidy
	Revenue	Personal income tax	Increased income tax credit for low-wage workers
		Custom duties (import tariffs)	Reduction of tariffs on food
		Personal income tax	Tax credits for parents with young children
		Excises	Reduction on excise tax on coal
		Custom duties (import tariffs)	Reduction of tariffs on raw materials
		Excises	Reduction of excise taxes on gasoline and diesel
Italy	Spending	Semi-cash	Energy bill vouchers/discounts (bonus sociale) for vulnerable households
		Cash transfers	Cash transfers
	Revenue	VAT/Sales Tax	Reduction of VAT rates for natural gas and system charges
		Corporate income tax	Tax credit for energy bills for energy-intensive companies
		Excises	Discount on gasoline and diesel
		Non-tax revenues	Elimination of electricity system charges
Japan	Spending	Other subsidies to all companies	Subsidy to taxi operators
		Semi-cash	Subsidy to lower electricity prices and gas
		(Price) Subsidies to food companies	Subsidy to farmers for fertilizer purchase
		(Price) Subsidies to food companies	Subsidy for fishery industry
		(Price) Subsidies to energy companies	Subsidy for importers/wholesalers of petroleum products
	Below the line	Other (btl)	Credit guarantees for SMEs
Korea	Spending	Other subsidies to all companies	Subsidy for diesel fuel
	Revenue	Excises	Extension of the fuel tax cut
		Custom duties (import tariffs)	Removal of import tariff on food items
		Custom duties (import tariffs)	Reduction of import tariff on jet fuels

Latvia	Spending	Semi-cash Cash transfers	Voucher on electricity bills Cash transfers for seniors and people with disabilities Grant to local government
		Other/unspecified Spending Cash transfers	Cash transfers for families with children (EUR50) and people with disabilities
		Cash transfers	Cash transfers for long service defense pensioners (EUR20)
	Other (non-fiscal)	Other (non-fiscal)	Reduction of the mandatory procurement component
Lithuania	Spending	Pensions Other subsidies to all companies	Increase in pensions Subsidy to support affected sectors
		Semi-cash	Grant for household installing solar power panels
		Semi-cash	Subsidy for energy bills
		Cash transfers	Cash transfers and subsidy for heating
		(Price) Subsidies to energy companies	Subsidy for energy for businesses
	Revenue	VAT/Sales Tax	Reduction of VAT on heating
		Personal income tax	Increase non-taxable income threshold
Luxembourg	Spending	(Price) Subsidies to energy companies	Grant program for energy efficient renovations and subsidy for network costs for gas
		Semi-cash	Increase of the rental allowance and tertiary education allowance
		Cash transfers	Subsidy for home renovation
		Semi-cash	Grant for acquisition of electric vehicles
		Cash transfers	Increase in cash transfers (living allowance) and extension of coverage
		Other subsidies to all companies	Subsidy to support affected sectors
	Revenue	Personal income tax	Progressive income tax credit to low- and middle-income households
		Excises	Reduction of excise tax on fuel
	Below the line	Other (btl)	Guarantees to support firms
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Freeze of rentals
Malta	Spending	(Price) Subsidies to energy companies	Subsidy for energy prices
		(Price) Subsidies to food companies	Subsidy to support grain importers
	Below the line	Other (btl)	Liquidity support guarantee scheme for businesses
		Other (btl)	Liquidity support guarantee for fuel and oil importers
		Other (btl)	Subsidized loan schemes
Netherlands	Spending	Semi-cash	Rise in energy tax credit for low-income households (EUR 265)
		Semi-cash	Increase in energy allowance from EUR200 to 800
		Semi-cash	Grant for energy-saving insulation in low-income households

	Revenue	Excises VAT/Sales Tax Excises VAT/Sales Tax	Reduction of excise duties on petrol and diesel by 21% Reduction of VAT on taxes for natural gas, electricity and district heating from 21% to 9% Progressive reduction of electricity tax rates by tax brackets Reduction of energy taxes by three points
New Zealand	Revenue	Other/unspecified Revenues Excises Non-tax revenues	Exemption of road user charge Removal of fuel excise Reduction of public transport fares
Norway	Spending	Other/unspecified Spending Cash transfers Semi-cash Other/unspecified Spending Cash transfers	Energy efficiency measures Increased housing allowance of NOK1500/month over winter Electricity bill discount for households if the average electricity price is above a limit Compensation to municipalities Increased cash transfers for students
	Revenue	Excises	Reduction of electricity tax
Portugal	Spending	Cash transfers Semi-cash Other subsidies to all companies Other subsidies to all companies Other subsidies to all companies	Cash transfer targeted to vulnerable households Voucher for LPG Subsidy for renewable investments Subsidy for energy-intensive firms Subsidy for transport sector
	Revenue	VAT/Sales Tax Excises Excises Excises Excises	Reduction of VAT for fuels Excise tax cuts on fuel Vat suspension on fertilizers Temporary suspension of carbon tax increase Reduction of excises on diesel and gasoline
	Below the line	Other/unspecified Revenues Other (btl) Other (btl)	Tax payment deferrals Credit support for vulnerable energy intensive companies Credit support for agricultural sector
	Other (non-fiscal)	Price Freeze / incomplete pass-through Price Freeze / incomplete pass-through	Reduction of electricity tariffs Prize cap on electricity production in wholesale electricity market
San Marino	Spending	Other/unspecified Spending Semi-cash	Deferred payment of electricity and natural gas bills Discount on electricity and natural gas bills
	Revenue	Excises	Reduction of excises on fuel
Singapore	Spending	Semi-cash	Vouchers for utility bills
Sint Maarten	Revenue	Excises	Reduction of excises on gasoline
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Price ceiling expansion for selected food products
Slovak Republic	Spending	Cash transfers	Cash transfer targeted to vulnerable households

		Cash transfers	Cash transfer (temporary) targeted to households with children
		Semi-cash	Inflation aid package/child activity vouchers
		Cash transfers	Cash transfer (permanent) targeted to households with children
	Revenue	Personal income tax	Child tax credit in the PIT
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Price freeze for electricity tariffs
Slovenia	Spending	Other subsidies to all companies	Subsidy for companies for which the electricity bill was larger than 5 percent of operating costs Subsidy for farmers
		(Price) Subsidies to food companies	
		Cash transfers	Cash transfer targeted to vulnerable households (disabilities, social assistance recipients and pensioners)
	Revenue	Other/unspecified Revenues	Reduction of carbon tax for selected fuel products
		Excises	Amendments to the excise duty on electricity
		Excises	Reduction of excises on diesel, gasoline, heating oil and natural gas
	Other (non-fiscal)	Other (non-fiscal)	Suspension of payments of network charges
		Other (non-fiscal)	Cancellation of the energy efficiency contribution and the contribution to supporting production of
		Price Freeze / incomplete pass-through	Incomplete pass-through to petroleum products
		Price Freeze / incomplete pass-through	Price cap for gasoline and diesel
		Price Freeze / incomplete pass-through	Incomplete pass-through to petroleum products
Spain	Spending	Cash transfers	Energy bill discounts and increased amount of cash transfers extended
		Other subsidies to all companies	Direct aids for energy-intensive (transportation and others) and food-related (agriculture, fish) sectors
		Semi-cash	Rebate on transport fuels
		Cash transfers	Increased amount of cash transfers to vulnerable households
		Other subsidies to all companies	Direct aids for energy-intensive (transportation and others) and food-related (agriculture, fish) sectors
		Semi-cash	Energy bill discounts for vulnerable households
		Cash transfers	Cash transfers to more vulnerable households
		Semi-cash	Rebate on transport fuels

	Revenue	VAT/Sales Tax	Reduction of VAT rate on electricity from 21% to 10%
		Excises	Reduction of tax rate on special tax on electricity consumption (from 5.1% to 0.5%)
		VAT/Sales Tax	Reduction of VAT rate from 10% to 5%
		Other/unspecified Revenues	Suspension of tax on electricity production
		Other/unspecified Revenues	Suspension of tax on electricity production
		Excises	Reduction of tax rate on special tax on electricity consumption
	Below the line	Other (btI)	Corporate credit line
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Cap on gas price for electricity production
		Price Freeze / incomplete pass-through	Cap on rent increase
		Price Freeze / incomplete pass-through	Cap on rent increase
		Price Freeze / incomplete pass-through	Cap on the regulated tariff of natural gas limiting price increases to 35%, for consumers who are no
Sweden	Spending	(Price) Subsidies to energy companies	Subsidy for electricity products in selected regions
		Semi-cash	Vouchers for housing costs
		Semi-cash	Vouchers for electricity bills
	Revenue	Excises	Temporary reduction in petrol and diesel taxes
		Excises	Indexation of fuel taxes to GDP
		Personal income tax	Travel deduction in the PIT
	Other (non-fiscal)	Other (non-fiscal)	Suspension of the biofuel's reduction obligation
Switzerland	Spending	Other/unspecified Spending	Secure energy supplies
	Other (non-fiscal)	Other (non-fiscal)	Release of compulsory stocks of fertilizers
		Other (non-fiscal)	Procurements of additional gas imports and LNG terminal and storage capacity
United Kingdom	Spending	Cash transfers	Cash transfers to low-income households (£650)
		Semi-cash	Expansion of eligibility criteria of the electricity bill discount (Warm Homes Discount)
		Cash transfers	Cash transfers to low-income households eligible for the Winter Fuel Payment (£300)
		Semi-cash	Rebate for household energy bills (£400)
		Cash transfers	Increased budget for household support (the Household Support Fund)
		Cash transfers	Cash transfers to those who receive disability benefits (£150)
	Revenue	Property tax	Rebate on domestic tax (council tax)
		Excises	Reduction in fuel duties

	Other/unspecified Revenues	Increased threshold for lower income workers subject to the national insurance contribution
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Source. DEFPA, June 2022 Update, IMF.

Annex Table 2.2 - Announced Responses to Higher Food and Energy Prices - Caucasus and Central Asia

Country	Detailed Type of Measure	Type of Measure Subcategory	Measure Description
Azerbaijan	Spending	(Price) Subsidies to food companies	Interest subsidies to SME food producers (agriculture processing)
	Revenue	Custom duties (import tariffs)	Reduction of custom duties on imported foods and a number of intermediate products used in domestic
		VAT/Sales Tax	Reduction of VAT on wheat and bread
Georgia	Spending	Semi-cash	Vouchers to farmers in fertilizer purchase
		Cash transfers	Increase in cash transfers
Kazakhstan	Other (non-fiscal)	Export restriction	Export ban of gasoline and fuel
		Export restriction	Export restrictions on wheat and wheat flour
		Price Freeze / incomplete pass-through	Price ceiling on LPG (liquefied petroleum gas), diesel fuel and gasoline
		Export restriction	Export ban on sugar
		Price Freeze / incomplete pass-through	Price cap on basic food products
Kyrgyz Republic	Spending	Other/unspecified Spending	Fiscal provision for food reserve
		Wage bill	Public wage and pension increase
	Revenue	VAT/Sales Tax	Reduction of VAT rates on imported agricultural goods
		Custom duties (import tariffs)	Tax reduction to facilitate basic food products imports
Below the line	Other (btl)	Concessional lending to SMEs (e.g., farms) through capital increases in bank sector	
Other (non-fiscal)	Export restriction	Export ban on selected cereals	
Tajikistan	Spending	(Price) Subsidies to food companies	Subsidy (in-kind) for farmers
		In-kind transfers	In kind staple food supply to vulnerable households
	Other (non-fiscal)	Other (non-fiscal)	Increase access to FX for selected sectors
		Price Freeze / incomplete pass-through	Incomplete pass-through to food products
		Other (non-fiscal)	Securing a duty-free (customs fee exempted) grain quota from Russia
Price Freeze / incomplete pass-through	Price Freeze / incomplete pass-through	Increase in production of food products	
	Price Freeze / incomplete pass-through	Incomplete pass-through to electricity tariffs	

		Other (non-fiscal)	Explore opportunities for diversification of imports of basic goods
		Other (non-fiscal)	Increase fertilizers supply
Uzbekistan	Revenue	VAT/Sales Tax VAT/Sales Tax	Reduction of VAT on meat Reduction of VAT on vegetable oil

Source. DEFPA, June 2022 Update, IMF.

Annex Table 2.3 - Announced Responses to Higher Food and Energy Prices - Emerging and Developing Asia

Country	Detailed Type of Measure	Type of Measure Subcategory	Measure Description
China	Spending	(Price) Subsidies to food companies	Support grain producers through purchasing and stockpiling
		(Price) Subsidies to food companies	Subsidies for full-cost insurance and income insurance for grain producers
		Cash transfers	Food price subsidies to unemployed
	Other (non-fiscal)	Other (non-fiscal)	Lifting wheat import restrictions from all Russian regions
		Price Freeze / incomplete pass-through	Price cap on coal prices
		Other (non-fiscal)	Support for fossil fuels to ensure energy security
Fiji	Revenue	VAT/Sales Tax	Suspension of VAT Tax on essential consumer products
		Other (non-fiscal)	Incentives to increase coal mining activities
India	Spending	(Price) Subsidies to food companies	Increase subsidy for fertilizers
		In-kind transfers	Extend food rations
		Semi-cash	Subsidy for LPG
	Revenue	Excises	Reduction of excise tax for gasoline and diesel
		VAT	Reduction in VAT on fuels by some states
		Custom duties (import tariffs)	Reduction in import duties on some food items
	Other (Non-fiscal)	Export restrictions	Export restrictions/ban on food products
Other (non-fiscal)		Easing import restrictions	
Indonesia	Spending	(Price) Subsidies to energy companies	Increased energy subsidy in the budget
		Semi-cash	Cash transfers on cooking oil
		Cash transfers	Increased social protection in the budget
		(Price) Subsidies to energy companies	Fuel subsidy
	Revenue	Other/unspecified Revenues	Export duties adjustment of crude palm oil on its threshold and levy rate
		Price Freeze / incomplete pass-through	Price ceilings on bulk cooking oil
	Other (non-fiscal)	Export restriction	Export restrictions for crude palm oil
		Other (non-fiscal)	Incentive on price difference (CPO fund)

		Price Freeze / incomplete pass-through	Price ceiling on bulk cooking oil	
Malaysia	Spending	Cash transfers	Cash transfers to lower-income households to address food price inflation	
Mongolia	Spending	(Price) Subsidies to energy companies	Exemption of utility bills for households living in dwelling with monthly consumption under certain threshold.	
		Revenue	VAT/Sales Tax	Exemption of VAT for food products
		Excises	Custom duties (import tariffs)	Removal of the excise tax on imported diesel fuel
		Custom duties (import tariffs)	Custom duties (import tariffs)	Exemption of custom duties of gasoline
Nauru	Spending	Other (btl)	Exemption of custom duties of sugar, oil and rice	
		Other subsidies to all companies	Loan facility for food producers	
Nauru	Revenue	Custom duties (import tariffs)	Subsidies to critical state-owned enterprises that provide services to public	
		Custom duties (import tariffs)	Reduction of the import duty on petrol and diesel	
Nepal	Spending	In-kind transfers	Exemption of electricity bills for poor households	
		(Price) Subsidies to food companies	Subsidy for crop and animal insurance premium	
		(Price) Subsidies to food companies	Subsidy on fertilizer	
		In-kind transfers	Distribution of electric stoves	
		Semi-cash	Subsidy for households producing biogas	
		(Price) Subsidies to energy companies	Increase subsidy to electricity company instead of gas to support substitution	
		Other/unspecified Spending	Build community warehouses for storage	
		(Price) Subsidies to food companies	Subsidy to promote farmers' self-reliance	
		In-kind transfers	Distribution of meals for students	
		Other subsidies to all companies	Subsidies to support production of solar mini grids to increase renewable energy generation capacity	
		(Price) Subsidies to food companies	Subsidy to support capital acquisition by small producers (20% of value for 300 farmers)	
		(Price) Subsidies to energy companies	Subsidy for local institutions investing in renewable energy sources (hydropower)	
		Revenue	Excises	Reduction of taxes to lower fuel prices
			Corporate income tax	Income tax waiver for companies producing electric vehicles
			Other subsidies to all companies	Reduction of electricity tariffs for industries
			Custom duties (import tariffs)	Reduction of custom duties on transportation vehicles
Corporate income tax	Tax exemptions for companies producing agricultural equipment machinery			

		Excises	Reduction of tax on petrol products
		Excises	Removal of infrastructure tax on petrol products
	Below the line	Other (btl)	Green hydrogen and green ammonia-based fertilizer factory
		Other (btl)	Fund to support farmers' operations through loans and other actions
		Price Freeze / incomplete pass-through	Guaranteed loans to the national oil company to purchase petroleum products
		Other (btl)	Microfinance fund for deprived areas
		Other (btl)	Installation of electric vehicles charging stations
		Other (btl)	Agriculture Knowledge Center and Livestock Service Expert Service Center to modernize agricultural sector
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Ceiling on price increase of petroleum products
Palau	Spending	(Price) Subsidies to energy companies	Subsidy to the public utility company
Philippines	Spending	Cash transfers Other subsidies to all companies	Increased cash transfer Fuel voucher for public transportation franchise holders
		Semi-cash	Fuel Discount Program to farmers and fisherfolk of up to a maximum amount of Php3,000 per beneficiary
	Revenue	Custom duties (import tariffs)	Temporary reduction in tariffs for rice, pork, corn and coal until end-2022.
Solomon Islands	Revenue	Custom duties (import tariffs)	Reduction of custom duties on fuel
		VAT/Sales Tax	Reduction of excises for fuel
Sri Lanka	Spending	Pensions	Increases in salaries and pensions for government employees
		Wage bill	Increased public wages and pensions
		Cash transfers	Cash transfers to low-income households
	Revenue	VAT/Sales Tax	Reduction of taxes on food products
Thailand	Spending	(Price) Subsidies to energy companies Other subsidies to all companies	Price cap on natural gas for vehicles Subsidy for gasohol for motorcycle tax drivers Subsidy for electricity generation
		(Price) Subsidies to energy companies Semi-cash	Vouchers for cooking gas for vulnerable households
		Semi-cash	Discount on electricity tariffs for consumption below a specific threshold
		(Price) Subsidies to energy companies	Price cap on LPG
		(Price) Subsidies to energy companies	Price cap on diesel

	Revenue	Other subsidies to all companies Excises Other/unspecified Revenues	Subsidy of natural gas for vehicle taxi drivers Reduction of excises on diesel Reduction of social security contributions for selected groups
	Below the line	Other (btl)	Contribution of selected refineries to the "Oil Fund"
Timor-Leste	Spending	Other subsidies to all companies	Subsidy for fuel for road, air and maritime transport operations and companies in the agricultural and fishing activities.
Tonga	Spending	Semi-cash	Discount on electricity tariffs for low-income households
Vietnam	Revenue	Excises Excises	Reduction of excise on gasoline Reduction of excise on gasoline

Source. DEFPA, June 2022 Update, IMF.

Annex Table 2.4 - Announced Responses to Higher Food and Energy Prices - Emerging and Developing Europe

Country	Detailed Type of Measure	Type of Measure Subcategory	Measure Description
Albania	Spending	(Price) Subsidies to food companies (Price) Subsidies to energy companies Pensions Cash transfers (Price) Subsidies to energy companies	Subsidies for farmers and fishermen Subsidies for the transport industry Increased pension payments Temporary cash transfers to vulnerable households Subsidies to energy companies
Bosnia and Herzegovina	Spending	Cash transfers Other/unspecified Spending Pensions Other/unspecified Spending In-kind transfers Cash transfers	Social assistance program to vulnerable households Reconstruction of oil terminals Increase in public wages and pensions Increase in commodity reserves Free fuel for agricultural producers One-off cash assistance to pensioners and young people (KM 100)
	Revenue	Excises VAT/Sales Tax	Reduction of excises and VAT on fuel products Reduction of excise on fuel and VAT rates on necessity goods
	Other (non-fiscal)	Export restriction Other (non-fiscal) Price Freeze / incomplete pass-through	Export ban for heating wood Extension of usage of thermal power plants Increase for the electricity price is limited up to 20 percent compared to 2021
Bulgaria	Spending	Other/unspecified Spending Semi-cash	Government purchase of wheat, corn, and sunflower supplies Compensation for corporate and household consumption of electricity
	Revenue	VAT/Sales Tax	Reduction of VAT for bread, district heating and natural gas

		Excises	Reduction of excises on electricity, LNG and other products
		Personal income tax	Tax relief for Children
Croatia	Spending	(Price) Subsidies to food companies (Price) Subsidies to food companies Semi-cash	Subsidy for farmers purchasing fertilizers Subsidy for fishermen in the diesel Expansion of current electricity voucher program for vulnerable households
		Other subsidies to all companies	Subsidies for gas costs for small and medium-sized companies
		Other subsidies to all companies	Subsidies to craft industry
		Semi-cash	Financial aid to pensioners and energy-poor households
	Revenue	Excises	Reduction of excise duties on unleaded gasoline
		VAT/Sales Tax	Reduction of VAT rates on gas
		Personal income tax	Increase in income tax relief limit for dependents
		VAT/Sales Tax	Reduction of VAT rates on heating energy
		VAT/Sales Tax	Reduction of VAT rates on food (fresh meat, fish, eggs, fruits, vegetables, cooking oil, baby food, seeds and fertilizers)
		Excises	Reduction on excise duty of fuel and margins cuts for fuel retailers
		Excises	Reduction of excise duty on petrol
	Below the line	Price Freeze / incomplete pass-through	Price ceilings for retail fuel price
		Price Freeze / incomplete pass-through	Price caps for electricity and natural gas
		Other (btl)	Loan guarantees for state power utility company to finance the procurement of electricity supplies, coal and heating energy and invest in the natural gas storage facility
		Price Freeze / incomplete pass-through	Removal of energy service fees
		Price Freeze / incomplete pass-through	Margin cuts for electricity distributors
		Price Freeze / incomplete pass-through	Fuel price caps at petrol stations at some geographic locations
		Price Freeze / incomplete pass-through	Margin freezes on petroleum products
Hungary	Revenue	Excises	Reduction of excise taxes on fuels for vehicles
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Price cap on six staple foods
		Other (non-fiscal)	Price cap on interest payments on mortgages
		Price Freeze / incomplete pass-through	Price cap on the retail price for motor fuels
Kosovo	Spending	Cash transfers	One-off cash transfer (EUR100) to public and private sector employees
		Cash transfers	One-off cash transfer (EUR100) to pensioners

		(Price) Subsidies to energy companies (Price) Subsidies to food companies Cash transfers In-kind transfers Cash transfers Cash transfers Price Freeze / incomplete pass-through Price Freeze / incomplete pass-through	Subsidy for electricity imports Subsidies for diesel fuel used in agriculture, fertilizer and agricultural products One-off cash transfer (EUR100) to university students Food distribution of 40,000 meals for households in need Increase in pensions and social assistance benefits below 100 EUR per month Doubling of Social Assistance payments for one month Profit margins on wholesale and retail trade of diesel fuel temporarily (March-May) frozen at 2% and 6%, respectively Decline in profit margins of diesel fuel
Moldova	Spending	Cash transfers Semi-cash Other subsidies to all companies Cash transfers	Targeted and progressive cash transfer to compensate for higher electricity prices Electricity bill discount Subsidies to companies to compensate for higher electricity costs Targeted and progressive cash transfer to compensate for higher electricity prices
Montenegro, Rep. of	Spending	(Price) Subsidies to food companies	Vouchers for food producers; subsidies for the production of staple goods and use of greenhouses
	Revenue	Excises VAT/Sales Tax	Reduction of fuel duties Reduction of VAT on food and energy products
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Ceiling on trade margins
North Macedonia	Spending	Pensions Cash transfers (Price) Subsidies to food companies Other/unspecified Spending (Price) Subsidies to energy companies Wage bill	Increase in pensions Cash transfers for low-income consumers Increased subsidy for agriculture Increase commodity reserves Subsidy to electricity State-owned company Increased wage in primary and secondary education
	Revenue	VAT/Sales Tax VAT/Sales Tax Custom duties (import tariffs) Excises VAT/Sales Tax	Reduction of VAT on fuel Reduction of VAT on basic food products Reduction of import duties on basic food products Postponement of a new eco tax Price freeze on electricity for households
	Below the line	Excises Other (btl)	Reduction of excise tax on oil Subsidy to state-owned electricity company

	Other (non-fiscal)	Price Freeze / incomplete pass-through Price Freeze / incomplete pass-through	Price freeze on basic food products Ceiling on trade margins
Poland	Spending	(Price) Subsidies to energy companies	Subsidies for coal
	Revenue	(Price) Subsidies to energy companies VAT/Sales Tax VAT/Sales Tax VAT/Sales Tax	Subsidies for gas Reduction of VAT for fertilizers Reduction of VAT for fuels Reduction of VAT for food and beverages
Romania	Spending	(Price) Subsidies to energy companies Semi-cash Cash transfers Other subsidies to all companies Cash transfers (Price) Subsidies to energy companies Cash transfers Semi-cash (Price) Subsidies to energy companies Other/unspecified Spending Other subsidies to all companies (Price) Subsidies to food companies In-kind transfers Cash transfers Cash transfers Other subsidies to all companies	Subsidies for fuel Vouchers for students from vulnerable households Cash transfer for pensioners Subsidy for SMEs Extension of voucher for energy to vulnerable households Extension of energy cap Wage subsidy for unemployment Voucher for food products Energy cap Increased investments for National Program for Local Development Subsidy for transporters Subsidy for food processing industries Double hospitals food allowance Voucher for electricity bill for pensioners Voucher for energy to vulnerable households Subsidy for major investments
	Revenue	VAT/Sales Tax Non-tax revenues	Introduction of reduced VAT rate for heating CO2 certificates
Serbia	Spending	(Price) Subsidies to energy companies	Subsidy for the electricity company
	Revenue	Excises Custom duties (import tariffs)	Reduction of excises on diesel and gasoline Temporary reduction of custom duties on fuel
	Below the line	Other (btl) Other (btl)	State guarantee to the SOE in charge of gas provision State lending to the SOE in charge of gas provision
	Other (non-fiscal)	Export restriction Price Freeze / incomplete pass-through Price Freeze / incomplete pass-through	Export ban and quotas on selected food items Price freeze for diesel and gasoline Price freeze for selected food items

		Price Freeze / incomplete pass-through	Incomplete pass-through of fuel prices for farmers
Turkey	Spending	Pensions	Increase in pensions
		(Price) Subsidies to food companies	Subsidy for production of grains, pulses and oil seeds
		Other subsidies to all companies	Subsidy for minimum wages for employers
		Pensions	Increase in pension for civil servants
		Other subsidies to all companies	Subsidy to contractor companies
		Cash transfers	Cash transfer
	Revenue	Wage bill	Additional increase in pensions
		VAT/Sales Tax	Reduction of VAT on staple foods
		Corporate income tax	Postponement of inflation accounting in the CIT
		Custom duties (import tariffs)	Reduction of custom duties on vegetable oil
		VAT/Sales Tax	Reduction of VAT on residential electricity bills
		Personal income tax	Income and stamp tax exemptions in the PIT for minimum wages
		Personal income tax	Extension of withholding tax exemption on deposits
Other (non-fiscal)	Non-tax revenues	Interest write-off on outstanding student loans	
	Corporate income tax	CIT reduction for exporters and industries	
	Export restriction	Export restriction of selected food products	
Ukraine	Revenue	Other/unspecified Revenues	Differentiation of gas royalties
		VAT/Sales Tax	Reduction of excises and VAT rates
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Reduction in fuel prices
		Price Freeze / incomplete pass-through	Price cap for gas prices for enterprises

Source. DEFP, June 2022 Update, IMF.

Annex Table 2.5 - Announced Responses to Higher Food and Energy Prices - Latin America

Country	Detailed Type of Measure	Type of Measure Subcategory	Measure Description
Antigua and Barbuda	Spending	Other subsidies to all companies	Fuel voucher programs
		Other subsidies to all companies	Revised fuel voucher programs
Argentina	Spending	Cash transfers	Cash transfers to vulnerable households
		Semi-cash	Higher cash assistances to vulnerable households
	Revenue	Excises	Deferral of excise tax on fuels
		Personal income tax	Increase in non-taxable income tax threshold for wage earners
	Other (non-fiscal)	Other (non-fiscal)	Incentives to increase the supply of biofuels
		Other (non-fiscal)	Export regulations of beef
		Other (non-fiscal)	Increase in minimum wages
		Other (non-fiscal)	Exemption of fuel imports regulations
	Price Freeze / incomplete pass-through	Extension of benchmark price schemes (Precios Cuidados)	

Bahamas, the	Revenue	Custom duties (import tariffs)	Reduction of custom duties on selected food imports
Barbados	Revenue	VAT/Sales Tax	Reduction of VAT on diesel and gasoline
		Custom duties (import tariffs)	Freight costs cap
Bolivia	Other (non-fiscal)	Export restriction	Export restrictions for selected food items
Brazil	Spending	Cash transfers	Increment in the coverage and in the monthly benefit of Auxílio Brasil
		Semi-cash	Emergency aid to support family farmers
		Semi-cash	Emergency aid to subsidize the use of public transportation by elderly people
		Other subsidies to all companies	Emergency aid to subsidize diesel to help truck drivers
		Semi-cash	Vouchers for cooking gas
		Other/unspecified Spending	Compensatory measures for the states that provide tax credits on ethanol
		Other subsidies to all companies	Emergency aid to subsidize fuel to help taxi and Uber drivers
	Revenue	Corporate income tax	Full removal ("zeroing") of contributions on domestic transactions and imports of diesel
		Excises	Reduction of excises on industrialized products
		VAT/Sales Tax	Reduction of VAT on fuel products
		Excises	Reduction of excises on fuel products
		Custom duties (import tariffs)	Reduction of custom duties on imports
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Imperfect pass-through of international oil prices to domestic retail prices by Petrobras
Chile	Spending	(Price) Subsidies to energy companies	Fixed public transportation prices
	Revenue	Excises	Reduction of excises on gasoline
Colombia	Revenue	Custom duties (import tariffs)	Reduction of custom duties for agricultural products
Costa Rica	Revenue	Excises	Smaller increase in excises on fuel
		Custom duties (import tariffs)	Reduction of custom duties on shipping products?
Dominican Republic	Spending	Other subsidies to all companies	Subsidy for fuel subsidy for public transport
		Cash transfers	Cash transfers (expansion) for food and fuel
		(Price) Subsidies to energy companies	Subsidy for retail fuel price
		Other subsidies to all companies	Cash transfers for mototaxi sectors
		In-kind transfers	Food assistance (in-kind and subsidized)
	(Price) Subsidies to food companies	Subsidy for basic food imports/production	
Revenue	VAT/Sales Tax	Reduction of excises on fuel	

	Below the line	Custom duties (import tariffs) Other (btl)	Reduction of custom duties on basic foods Agriculture loan grace period
Ecuador	Spending	(Price) Subsidies to food companies Cash transfers	Subsidize fertilizers for small and medium farmers Cash transfers to poor households (mothers with children up to age 2)
		(Price) Subsidies to energy companies Other/unspecified Spending	Fuel subsidies for gasoline and diesel Higher budgetary allocation for intercultural and ethnic education spending
	Other (non-fiscal)	Cash transfers Other (non-fiscal) Other (non-fiscal)	Increased benefits for social assistance to US\$55 from US\$50 Credit lines for small and medium firms by public bank Lower interest rates and credit forgiveness of public banks
El Salvador	Spending	(Price) Subsidies to energy companies	Subsidies for LPG
	Revenue	(Price) Subsidies to energy companies Excises VAT/Sales Tax	Price freeze for gasoline and diesel Temporary suspension of excise taxes on fuels Suspension of VAT on gasoline and diesel
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Incomplete pass-through of electricity price increases
Guatemala	Spending	(Price) Subsidies to energy companies (Price) Subsidies to energy companies (Price) Subsidies to energy companies (Price) Subsidies to food companies (Price) Subsidies to energy companies	Price subsidy for diesel consumption Price subsidy for diesel consumption Price energy subsidy on gas for low-income countries Subsidy for agriculture inputs for farmers Price subsidy for electricity consumption for low-consumption households
Guyana	Revenue	Excises	Reduction on excise tax rate
Honduras	Spending	(Price) Subsidies to energy companies (Price) Subsidies to energy companies (Price) Subsidies to energy companies (Price) Subsidies to energy companies (Price) Subsidies to energy companies	Price freeze/subsidy for regular gasoline price users (households, producers, public service transport) Subsidy to eliminate electricity tariffs for poor consumers who consume less than 150 kilowatts per Subsidy on transportation (bus) tariff Subsidy to electricity tariffs
	Revenue	(Price) Subsidies to energy companies VAT/Sales Tax Custom duties (import tariffs)	Price freeze on LPG gas prices for domestic use Tax reduction for gasoline and diesel of \$ 0.4140 per gallon (10 lempiras) Reduction of freight costs by 75 percent

	Below the line	Other (btl)	Injection for the National Agricultural Development Bank (Banadesa) to provide subsidized loans to agricultural sector
		Other (btl)	Food safety program and government donations of seeds and fertilizers to households in extreme poverty
	Other (non-fiscal)	Other (non-fiscal)	Hybrid work for public servants to reduce fuel consumption
Jamaica	Spending	Cash transfers	Cash transfers to vulnerable households (food expenses)
		Cash transfers	Increased cash transfers for transportation costs for students
		Other subsidies to all companies	Vouchers for taxi operators and contract carriage operators
		Cash transfers	Cash transfers to those who open bank accounts
		Cash transfers	Cash transfers
		(Price) Subsidies to energy companies	Price subsidies for households with low consumption
	Below the line	Other (btl)	Loans to public transportation companies
Mexico	Revenue	Custom duties (import tariffs)	Removal of import tariffs on some staple foods
		VAT/Sales Tax	VAT and CIT deductions for additional gasoline price increases
		Excises	Reduction of excise tax on petroleum products
	Other (non-fiscal)	Other (non-fiscal)	Increase the production of fertilizer
		Price Freeze / incomplete pass-through	Agreement between government and large companies to freeze prices on selected food staples
Nicaragua	Spending	Other subsidies to all companies	Subsidy for transportation (public transportation and taxi)
		(Price) Subsidies to food companies	Subsidy to diminish the cost of wheat imports by 20%
		(Price) Subsidies to energy companies	Subsidy to freeze utility prices
		(Price) Subsidies to food companies	Subsidy for fertilizers to small producers
Paraguay	Revenue	Excises	Temporary reduction of fuel excises
		VAT/Sales Tax	Reduction of VAT for basic foods
Peru	Spending	Other subsidies to all companies	Inclusion of Diesel 2, midgrade and regular gasoline, and vehicle LPG to Fuel Price Stabilization Mechanism
		(Price) Subsidies to food companies	Subsidy for fertilizers
		Cash transfers	Increase in the benefit of social assistance
		Semi-cash	Increase voucher on LPG purchases
	Revenue	Excises	Suspension of fuel excise taxes and VAT exemption
		VAT/Sales Tax	Exemption of VAT for basic food products (chicken, corn, wheat, sugar)

St. Vincent and the Grenadines	Spending	In-kind transfers	In kind food support for vulnerable households
	Revenue	(Price) Subsidies to food companies	Subsidy for fertilizers
		VAT/Sales Tax	Reduction of VAT for residential electricity for lower consumption
		Custom duties (import tariffs)	Reduction of custom duties on cooking gas
		Custom duties (import tariffs)	Reduction of custom duties on flour
		Other/unspecified Revenues	Reduction of excises on electricity bills
	Custom duties (import tariffs)	Reduction of custom duties for fuel for electricity generation	
	Excises	Temporary reduction of excises on diesel and gasoline	
Suriname	Spending	(Price) Subsidies to energy companies	Subsidy for electricity products
		(Price) Subsidies to energy companies	Subsidy for fuel products
		Cash transfers	Cash transfer targeted to vulnerable households

Source. DEFPA, June 2022 Update, IMF.

**Annex Table 2.6 - Announced Responses to Higher Food and Energy Prices - Middle East North Africa
Pakistan**

Country	Detailed Type of Measure	Type of Measure Subcategory	Measure Description
Algeria	Spending	(Price) Subsidies to food companies	Subsidies of wheat sold to agribusinesses
		Cash transfers	Unemployment benefit (new) for young, first-time job seekers
	Revenue	Corporate income tax	Suspension of increase in taxes on sugar
		VAT/Sales Tax	Reduction of VAT and custom duties on edible oil
	Custom duties (import tariffs)	Suspension of custom duties on sugar	
	Other (non-fiscal)	Export restriction	Restriction of exports of imported goods
Djibouti	Spending	Cash transfers	Cash and in-kind food transfers to vulnerable households
Egypt	Other (non-fiscal)	Other (non-fiscal)	Diversification of wheat imports
		Export restriction	Export ban on staple foods
		Other (non-fiscal)	Increased wheat import (change in categorization of imported wheat)
	Other (non-fiscal)	Increased procurement of wheat from domestic producers	
Iran	Spending	Semi-cash	Coupons/vouchers for subsidized bread
		Wage bill	Increased wages for public servants
		Cash transfers	Temporary cash transfers to targeted households
Iraq	Spending	Cash transfers	Increased cash transfers
		(Price) Subsidies to food companies	Increased allocation to Ministry of Agriculture to purchase agriculture-related products
		Semi-cash	Increased in-kind food transfers (ration cards)

	Revenue	(Price) Subsidies to energy companies Custom duties (import tariffs)	Subsidy for oil production of national oil company Suspension of customs duties on basic commodities
	Below the line	Other (btl)	Financing external arrears of energy to Iran
	Other (non-fiscal)	Other (non-fiscal)	Suspension of the import ban of some goods (foodstuffs, consumer goods, medicines)
Jordan	Spending	(Price) Subsidies to energy companies Cash transfers	Price freeze on retail price for oil derivatives Increased cash transfers to vulnerable households
Lebanon	Spending	(Price) Subsidies to food companies	Subsidy to purchase wheat and maintain the price (External grant)
	Other (non-fiscal)	Other (non-fiscal)	Subsidy on rice
Morocco	Spending	Other subsidies to all companies	Subsidy for transportation sector workers
	Revenue	Custom duties (import tariffs)	Removal of custom duties on wheat
Oman	Spending	(Price) Subsidies to energy companies	Increased subsidy for electricity
	Revenue	VAT/Sales Tax	Increase the list of VAT exemption for food products
Pakistan	Spending	Cash transfers Semi-cash (Price) Subsidies to energy companies (Price) Subsidies to energy companies Cash transfers Semi-cash Cash transfers	Increased cash transfers of 7.7 percent for low-income population Price subsidy on some food items in state-owned supermarkets Subsidy to mitigate the fuel prices (Price Differential Claim, PDC) Subsidy to reduce the electricity price for all residential and commercial users Cash transfer of PRs 2000/household for middle income quintile and below who are not eligible to the main cash transfer program Price subsidy on some food items in state-owned supermarkets Additional cash transfer of PRs 2000/household to the recipients of existing Social Safety Net
	Revenue	Excises VAT/Sales Tax	Reduction of petroleum development levy for both gasoline and diesel Removal of sale tax for fuels
Sudan	Other (non-fiscal)	Other (non-fiscal)	Relaxation of foreign exchange regulations
United Arab Emirates	Other (non-fiscal)	Export restriction Price Freeze / incomplete pass-through	Export and re-export restrictions of Indian wheat Monitoring of basic consumer goods
West Bank and Gaza	Spending	(Price) Subsidies to energy companies (Price) Subsidies to energy companies (Price) Subsidies to energy companies	Subsidy for electricity products Subsidy for fuel products Subsidy for water
	Revenue	VAT/Sales Tax	Reduction of VAT on bread

	VAT/Sales Tax	Reduction of VAT on selected flour products
	Custom duties (import tariffs)	Reduction of tax base for imports

Source. DEFPA, June 2022 Update, IMF.

Annex Table 2.7 - Announced Responses to Higher Food and Energy Prices - Sub-Saharan Africa

Country	Detailed Type of Measure	Type of Measure Subcategory	Measure Description
Angola	Spending	Other/unspecified Spending	Introduction of the food reserve
Benin	Spending	(Price) Subsidies to food companies	Fertilizer subsidy
	Revenue	Corporate income tax	Rebate on freight costs
		VAT/Sales Tax	Subsidies for basic food products (rice, flour, vegetable oil)
	Other (non-fiscal)	Custom duties (import tariffs)	Freeze of fuel prices
Burkina Faso	Spending	Export restriction	Export ban selected agricultural products
		(Price) Subsidies to food companies	Support bakeries through the payment of their water and electricity bills for a maximum CFAF 150,000
	Revenue	Custom duties (import tariffs)	Reduction of custom duties on food imports
Cameroon	Below the line	Price Freeze / incomplete pass-through	Maintaining bread price at CFAF 150.
	Revenue	Corporate income tax	Suspension of the income tax installment
Chad	Other (non-fiscal)	Export restriction	Export bans on products facing supply shortages
	Spending	Other/unspecified Spending	Increasing food security stocks
Comoros	Spending	(Price) Subsidies to food companies	Subsidy to bakeries
Côte d'Ivoire	Revenue	Custom duties (import tariffs)	Reduction of custom duties on wheat
		Excises	Reduction of excises on petroleum and subsidies to refineries (two measures)
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Food price cap for selected food items
		Export restriction	Food export permits requirement
		Price Freeze / incomplete pass-through	Food price cap for selected food items
	Other (non-fiscal)	Other (non-fiscal)	Allowing wheat and other cheaper and local cereals for bread production
Other (non-fiscal)	Other (non-fiscal)	Reinforcing consumer protection, including by enforcing price posting on markets	
DR Congo	Spending	Wage bill	Increase in base wages for certain civil servants
	Revenue	Personal income tax	Reduction in individual income tax
		VAT/Sales Tax	Reduction of VAT on some imported goods
Equatorial Guinea	Revenue	Custom duties (import tariffs)	Suspension of fees at customs
	Other (non-fiscal)	Price Freeze / incomplete pass-through	Price freeze/reduction on selected food items
Gabon	Revenue	Custom duties (import tariffs)	Deferral of customs duties and taxes on specific products

	Below the line	Price Freeze / incomplete pass-through	Price ceiling by freezing the automatic adjustment mechanism for retail gas price
Gambia, the	Spending	(Price) Subsidies to food companies	Subsidy for fertilizer purchases for groundnut producers
	Revenue	Custom duties (import tariffs)	Reduction of revenues from fuel products
Ghana	Other (non-fiscal)	Price Freeze / incomplete pass-through	Reduced levies on petroleum products to reduce price build-up margins
Guinea	Revenue	Custom duties (import tariffs)	Removal of customs duties on some food products
Guinea-Bissau	Spending	In-kind transfers	In-kind transfers for vulnerable households
	Revenue	Other/unspecified Revenues	Capping price of essential products
Kenya	Spending	(Price) Subsidies to food companies	Subsidy for fertilizer
		(Price) Subsidies to energy companies	Subsidy for fuel
Lesotho	Other (non-fiscal)	Price Freeze / incomplete pass-through	Price cut on energy products
		Price Freeze / incomplete pass-through	Price freeze on energy products
Liberia	Spending	(Price) Subsidies to food companies	Subsidy on rice
Madagascar	Spending	Wage bill	Increased public wage (5 to 25 percent)
	Revenue	(Price) Subsidies to energy companies	Increased subsidy to electricity State-owned company
		Other/unspecified Spending	Reduction of employer's social contributions to support an increase in minimum wage
Other (non-fiscal)	VAT/Sales Tax	Reduction of VAT on fuels	
Malawi	Revenue	Price Freeze / incomplete pass-through	Price ceiling on imported rice, sugar, oil, and cement
		Custom duties (import tariffs)	Removal of import duty on solar lamps and solar fridges
Mauritius	Spending	VAT/Sales Tax	Exemption of VAT on cooking oil
		Pensions	Increase in pensions
Mauritius	Spending	Other/unspecified Spending	Increase petrol and travel allowances
		Cash transfers	Increased cash transfers from Rs500 to Rs1000
	Revenue	Personal income tax	Reduction of income tax
Mozambique	Spending	Personal income tax	Increase in exemption of travel allowance deductible from income tax
		Cash transfers	Cash transfers to poor households
Namibia	Revenue	Other/unspecified Spending	Subsidy to transport commuters
		Excises	Suspension of fuel levy
Niger	Spending	(Price) Subsidies to food companies	Subsidy to protect the capital of livestock producers
		(Price) Subsidies to food companies	Subsidy to purchase fertilizers
		Semi-cash	Acquisition of cereals for sale at a fixed price

	Revenue	Custom duties (import tariffs) Custom duties (import tariffs)	Reduction of parafiscal tax on fertilizers Reduction of custom duties on millet Reduction of parafiscal tax on livestock for some products
Senegal	Spending	(Price) Subsidies to energy companies (Price) Subsidies to food companies Cash transfers	Subsidies for fuel products and electricity companies Subsidy for agriculture Cash transfer targeted to vulnerable households Subsidy for agriculture
	Revenue	(Price) Subsidies to food companies Custom duties (import tariffs) Custom duties (import tariffs)	Suspension of custom duties on rice Suspension of custom duties on soybean meal, refined sugar, corn, and wheat Suspension of VAT on wheat
	Other (non-fiscal)	VAT/Sales Tax VAT/Sales Tax Price Freeze / incomplete pass-through	Revision of tax base for edible oil Reduction of prices for key staple foods
Seychelles	Spending	Cash transfers	Cash transfer targeted to vulnerable households
Sierra Leone	Other (non-fiscal)	Other (non-fiscal) Other (non-fiscal)	Increase access to FX for food imports Increase access to FX for fuel imports
South Africa	Revenue	Excises	Temporary reduction in excise on fuel
South Sudan	Spending	Wage bill	Increase in public sector wage bill
São Tomé and Príncipe	Spending	Wage bill	Increase in the minimum wage of low-level civil servants
Tanzania	Spending	(Price) Subsidies to food companies (Price) Subsidies to energy companies Cash transfers	Subsidy for fertilizers Reduction of excise duties on gasoline, diesel, and kerosene Cash transfer
	Revenue	Custom duties (import tariffs) VAT/Sales Tax	Reduction of custom duties on cooking oil Reduction of VAT on fertilizers
Togo	Spending	(Price) Subsidies to food companies Wage bill	Subsidy for fertilizers Suspension of the reimbursement of the one-month salary advance
	Revenue	VAT/Sales Tax VAT/Sales Tax VAT/Sales Tax	Suspension of VAT for imported and selected food products Payment freezes of market ticket taxes for informal business owners Suspension of motor vehicle tax
	Below the line	Other (btl) Price Freeze / incomplete pass-through	Reduction of interest rate for loans from a program to promote financial inclusion Price cap for local and imported food products
Zambia	Revenue	Custom duties (import tariffs)	Reduction of custom duties on wheat

		Excises VAT/Sales Tax	Increase of excises on fuel Reduction of VAT on fuel products
Zimbabwe	Revenue	Excises	Reduction of excise on diesel and petrol
		Custom duties (import tariffs)	Reduction of custom duties on basic groceries
	Other (non-fiscal)	Other (non-fiscal)	Increase access to FX for bakeries and lowering of bread (two measures)
		Other (non-fiscal)	Removing of licensing requirements for grain imports

Source. DEFPA, June 2022 Update, IMF.

Annex III. Existing Food and Energy Subsidies

Annex Table 3.1 - Subsidies for Food and Energy Products - Advanced economies

Country	Type of Subsidy	Type of Product	Size 2020 (% of GDP)	Size 2021 (% of GDP)	Size 2022 (% of GDP)
Cyprus	energy	(Natural) gas	.	.	0
		Diesel	.	.	0
		Gasoline	.	.	0
		LPG	.	.	0
Estonia	energy	Diesel	0.1	.	.
		Energy Subsidies Total	.	.	0.02
		Other fuel/unspecified	0.01	.	.
Portugal	energy	(Natural) gas	.	.	0.076
		Diesel	.	.	0.067
		Gasoline	.	.	0.032
		LPG	.	.	0.0038
Slovak Republic	energy	Electricity	.	.	0.1
Spain	energy	Diesel	.	.	0.2
		Energy Subsidies Total	.	.	0.2
Sweden	energy	Diesel and Gasoline total	.	.	0.05
		Electricity	.	.	0.1

Source. DEFPA, June 2022 Update, IMF.

Annex Table 3.2 - Subsidies for Food and Energy Products - Caucasus and Central Asia

Country	Type of Subsidy	Type of Product	Size 2020 (% of GDP)	Size 2021 (% of GDP)	Size 2022 (% of GDP)
Azerbaijan	energy	(Natural) gas	2.1	1.6	.
		Diesel	0.64	0.27	.
		Electricity	1.8	1.5	.
		Energy Subsidies Total	4.7	3.4	.
		Gasoline	.	0	.
		Other fuel/unspecified	0.85	0.36	.
Georgia	food	Fertilizer	.	.	0.05
Kyrgyz Republic	energy	Electricity	.	0.6	0.9
		Heating	.	0.6	0.9
Uzbekistan	energy	(Natural) gas	2.5	2.1	1
		Electricity	2.8	3.3	2.8
	food	Bread/Wheat/Grains/Cereal/Flour	.	0.6	0

Source. DEFPA, June 2022 Update, IMF.

Annex Table 3.3 - Subsidies for Food and Energy Products - Emerging and Developing Asia

Country	Type of Subsidy	Type of Product	Size 2020 (% of GDP)	Size 2021 (% of GDP)	Size 2022 (% of GDP)
India	energy	LPG	0.19	0.014	0.045
	food	Bread/Wheat/Grains/Cereal/Flour	2	1.2	1.1
		Fertilizer	0.65	0.65	0.8
Indonesia	energy	Electricity	0.4	0.46	0.58
		Energy Subsidies Total	0.71	0.83	0.96
Malaysia	energy	Energy Subsidies Total	0.1	0.7	2.4
Nauru	energy	Energy Subsidies Total	0.01	0.02	0.02
Palau	energy	Energy Subsidies Total	.	.	2.1
Philippines	energy	Diesel (Pantawid Pasada Program for transportation in the Philippines)	0	0.005	0.02
Sri Lanka	energy	Diesel	-0.03	0.21	.
		Electricity	.	0.28	.
		Gasoline	0.06	0.15	.
Thailand	energy	(Natural) gas	.	.	0.02
		Electricity	.	.	0.37
		Energy Subsidies Total	.	.	0.49
		LPG	.	.	0.23
		Other fuel/unspecified	.	.	0
Tonga	energy	Electricity	.	.	0.15

Source. DEFPA, June 2022 Update, IMF.

Annex Table 3.4 - Subsidies for Food and Energy Products - Emerging and Developing Europe

Country	Type of Subsidy	Type of Product	Size 2020 (% of GDP)	Size 2021 (% of GDP)	Size 2022 (% of GDP)
Albania	energy	Diesel	0.06	0.06	0.09
		Electricity	.	.	1
Hungary	energy	Gasoline	.	.	1
Kosovo	energy	Electricity	.	0.52	1
Moldova	energy	(Natural) gas	.	0.83	1.2
		Electricity	.	.	0.33
Poland	energy	(Natural) gas	.	.	0.34
		Other fuel/unspecified - Coal	.	.	0.1
Serbia	energy	(Natural) gas	.	0.5	0.6
		Electricity	.	.	0.1

Source. DEFPA, June 2022 Update, IMF.

Annex Table 3.5 - Subsidies for Food and Energy Products - Latin America

Country	Type of Subsidy	Type of Product	Size 2020 (% of GDP)	Size 2021 (% of GDP)	Size 2022 (% of GDP)
Antigua and Barbuda	energy	Electricity	0.6	.	.
		Other energy/unspecified	-0.2	0.2	0.6
Argentina	energy	(Natural) gas	.	.	.
		Electricity	.	.	.
Bahamas, the	energy	Electricity	0.61	0.73	0.77
		Kerosene	0.16	0.16	0.18
		LPG	0.074	0.075	0.082
		Other fuel/unspecified	0.85	0.8	0.78
Bolivia	energy	Energy Subsidies Total	1.7	1.3	3.7
		Other (utilities)	.	.	0.042
		Other fuel/unspecified	1.7	1.3	3.7
	food	Staple foods	0.1	0.1	0.056
Colombia	energy	Energy Subsidies Total	0.03	0.6	1
Costa Rica	energy	Diesel	0.0017	0.0018	0.0019
		Gasoline	0.0013	0.00095	0.00062
Dominican Republic	energy	Electricity	0.42	0.55	0.48
		Gasoline	.	0.24	0.65
	food	Bread/Wheat/Grains/Cereal/Flour	.	.	0.049
		Chicken (domestic)	.	.	0.011
		Fertilizer	.	0.031	0.019
		Flour (domestic)	.	.	0.0087
		Seeds	.	.	0.00041
		Staple foods	.	.	0.0073
Ecuador	energy	Diesel	.	0.0083	1.1
		Energy Subsidies Total	1.1	2.1	2.7
		Fuel oil	.	0.00036	0.076
		Fuel subsidies for gasoline and diesel	.	.	0.14
		Gasoline	.	0.0036	0.5
		LPG	.	0.008	0.82
		Other (utilities)	.	0.0006	0.083
El Salvador	energy	Diesel	.	.	0.22
		Electricity	0.2	0.2	0.4
		Gasoline	.	.	0.29
		LPG	0.3	0.3	0.7
Guatemala	energy	Electricity	0.19	0.13	0.067
	food	Other food/unspecified	0.35	0.31	0.44
Honduras	energy	Electricity	.	0.1	.
		.	.	.	0.25
		.	.	.	0.5
		Gasoline and diesel	.	.	0.019
		LPG	.	0.066	0.2
		Premium gasoline, regular and diesel fuels	.	0.082	.
		Urban transportation	.	.	0.064

	food	Essential foods	0.23	.	.
Mexico	energy	Energy Subsidies Total	.	.	0.5
St. Vincent and the Grenadines	energy	Electricity	.	.	.
		Energy Subsidies Total	.	.	.
	food	Bread/Wheat/Grains/Cereal/Flour	.	.	.
		Fertilizer	.	.	.
Suriname	energy	Electricity	2.3	4.1	4.3
		Gasoline	.	.	0.6
Trinidad and Tobago	energy	Fuel Subsidies Total	0.3	0.04	0.2
Venezuela	energy	(Natural) gas	0.84	.	.
		Electricity	8.7	.	.
		Gasoline	8.3	.	.

Source: DEFP, June 2022 Update, IMF.

Annex Table 3.6 - Subsidies for Food and Energy Products - Middle East North Africa Pakistan

Country	Type of Subsidy	Type of Product	Size 2020 (% of GDP)	Size 2021 (% of GDP)	Size 2022 (% of GDP)
Algeria	energy	Energy Subsidies Total	.	12	.
Bahrain	food	Bread/Wheat/Grains/Cereal/Flour	0.077	.	.
		Meat	0.22	.	.
Djibouti	energy	Diesel	0	0	0.0071
		Kerosene	.	.	0.0031
Iraq	energy	Electricity	6.2	6.9	8.6
	food	Other food/unspecified	0.5	0.5	1.2
Jordan	energy	Diesel	0	0	0.6
		Gasoline	0	0	0.4
		Kerosene	0	0	0.01
	food	Bread/Wheat/Grains/Cereal/Flour	0.1	0.2	0.2
Kuwait	energy	Electricity	3.6	3.9	2.8
		Gasoline	1.2	1.2	1.2
	food	Other food/unspecified	0.86	0.55	0.44
Lebanon	food	Bread/Wheat/Grains/Cereal/Flour	.	.	.
Libya	energy	Electricity	2.7	0.6	.
		Energy Subsidies Total	16	7.4	.
		Other fuel/unspecified	13	6.8	.
Mauritania	energy	Diesel	0.005	0.0037	0.016
		Electricity	0.024	0.024	0.03
		Gasoline	-	-	-
			0.002	0.0016	0.0005
		Kerosene	-	-	-
		LPG	0.005	0.0035	0.0006
		Other fuel/unspecified	-	-	-
	0.004	0.0021	0.009		

	food	Fertilizer	8E-04	0.0025	0.0039
		Staple foods	0.003	0.0015	0.0042
Morocco	energy	Other energy/unspecified	0.008	1.1	0.017
	food	Bread/Wheat/Grains/Cereal/Flour	0.001	0.002	0.0033
Oman	energy	Electricity	2.6	1.7	1.3
		Gasoline	0.081	0.12	1.3
Pakistan	energy	(Natural) gas	.	0.17	0.08
		Diesel	0	0.28	0
		Electricity	.	0.76	0.44
		Electricity (circular debt related)	.	0.84	0.26
		Electricity (new circular debt)	0.53	1.3	.
		Gas (new circular debt)	.	.	.
		Gasoline	0	0.093	0
	food	Fertilizer	.	0.037	0.026
		Food (UCT)	.	0.031	0.021
		Other food/unspecified	.	0.024	0.018
Saudi Arabia	energy	Energy Subsidies Total	3.6	5	.
Sudan	energy	All fuel subsidies	.	.	.
		Electricity	.	.	.
		Energy Subsidies Total	4.1	2.9	2.1
	food	Bread/Wheat/Grains/Cereal/Flour	0.7	0.5	0.1
Tunisia	energy	Diesel, gasoline, LPG, kerosene	1.1	1.8	2.9
		Electricity and natural gas	0.084	0.79	2.3
		Energy Subsidies Total	1.2	2.5	5.1
United Arab Emirates	energy	Other energy/unspecified	2.7	2.1	.
West Bank and Gaza	energy	Fuel	0.4	0.43	1
Yemen	energy	Electricity	0.007	0.01	0.019

Source. DEFP, June 2022 Update, IMF.

Annex Table 3.7 - Subsidies for Food and Energy Products - Sub-Saharan Africa

Country	Type of Subsidy	Type of Product	Size 2020 (% of GDP)	Size 2021 (% of GDP)	Size 2022 (% of GDP)
Angola	energy	Other fuel/unspecified	.	2.6	.
Benin	energy	Gasoline and Diesel	0	.	1
	food	Total cost food subsidies	.	.	0.048
Burkina Faso	energy	Energy Subsidies Total	1	0.3	0.7
		Petroleum-derived products and gas	1	0.3	0.7

	food	Bread/Wheat/Grains/Cereal/Flour	.	.	0.044
		Sugar, rice, and vegetable oil	.	.	0.13
Cameroon	energy	Energy Subsidies Total	.	0.5	2.9
		Energy Subsidies Total	.	0.5	2.9
Central African Republic	energy	Other energy/unspecified	0.65	0.4	0.4
Chad	energy	Energy Subsidies Total	.	0.012	1.1
	food	Bread/Wheat/Grains/Cereal/Flour	.	.	0.7
Comoros	energy	Diesel	.	.	0.5
		Electricity	.	0.54	0.49
		Gasoline	.	.	0.06
		Kerosene	.	0.28	0.49
	food	Bread/Wheat/Grains/Cereal/Flour	.	.	0.011
Côte d'Ivoire	energy	Diesel and Gasoline (total)	.	.	1.2
		Kerosene	.	.	.
		LPG	.	.	.
DR Congo	energy	Diesel	.	.	0.3
		Energy Subsidies Total	.	.	0.56
		Gasoline	.	.	0.2
		Kerosene	.	.	0.061
Equatorial Guinea	energy	Fuels (diesel, gasoline, kerosene, and Jet A-1)	0.3	0.5	0.7
Gabon	energy	Other fuel/unspecified	0.14	0.38	0.8
Gambia, the	energy	Energy Subsidies Total	0.12	0.16	0.69
		Total	0.12	0.16	0.69
	food	Fertilizer	0.47	0.19	0.45
Ghana	energy	Electricity	2.6	1.5	1.5
	food	Fertilizer	.	.	.
Guinea	energy	Diesel	.	.	0.9
		Energy Subsidies Total	0	0	2.3
		Gasoline	.	.	1.4
		Kerosene	.	.	0
Kenya	energy	Energy Subsidies Total	0	0	0.8
		Other energy/unspecified	.	.	0.02
			.	.	0.8
Lesotho	energy	(Natural) gas	0	0	0
		Diesel	0	0	0.04
		Electricity	0	0	0
		Energy Subsidies Total	0	0	0.02
		Gasoline	0	0	0.02
		Heating	0	0	0
		Kerosene	0	0	0
		LPG	0	0	0
		Other (utilities)	0	0	0

		Other energy/unspecified	0	0	0
			0	0	0
			0	0	0
			0	0	0
		Other fuel/unspecified	0	0	0
	food	Bread/Wheat/Grains/Cereal/Flour	0	0	.
		Fertilizer	0.059	0.069	0.097
		Meat	0	0	0
		Oil	0	0	.
		Other	0	0	0
			0	0	0
			.	.	.
		Other food/unspecified	0.015	0.015	0.015
		Staple foods	0.041	0.043	0.049
		Sugar	0	0	.
Madagascar	energy	Diesel	-0.24	.	.
		Gasoline	-0.16	.	.
		Kerosene	0	.	.
		Total for Diesel, Gasoline and Kerosene	-0.41	0.34	1.7
Malawi	food	Fertilizer	0.89	1.6	0.89
		Maize seed	0.18	0.13	0.06
Mauritius	energy	Diesel	.	0.43	.
		Gasoline	.	0.12	.
		LPG	0.44	0.3	.
	food	Bread/Wheat/Grains/Cereal/Flour	0.46	0.38	.
Nigeria	energy	Gasoline	0.1	1.1	2.5
Rwanda	energy	Energy Subsidies Total	.	.	0.3
Senegal	energy	(Natural) gas	.	.	.
		Diesel	0.043	0.16	0.91
		Electricity	0.3	1.1	1.1
		Gasoline	.	.	0.22
		LPG	.	.	0.28
		Other fuel/unspecified	.	.	0.083
	food	Bread/Wheat/Grains/Cereal/Flour	.	.	0.31
		Fertilizer	0.36	0.32	0.41
		Meat	.	.	.
		Oil	.	.	0.11
		Staple foods	.	.	0.041
		Sugar	.	.	0.006
Sierra Leone	energy	Electricity	0.36	0.71	0.98
	food	Agriculture and food	0.001	0.28	0.092
South Africa	energy	Diesel	0.29	0.29	0.39
		Electricity	0.98	0.61	0.5
		Energy Subsidies Total	1.6	1.3	1.5
		Gasoline	0.37	0.38	0.55
		Other fuel/unspecified	0.015	0.015	0.052
	food	Other food/unspecified	0.56	0.58	0.62

Tanzania	energy	Diesel	.	.	0.3
		Energy Subsidies Total	.	.	0.3
		Gasoline	.	.	0.3
		Kerosene	.	.	0.3
	food	Fertilizer	.	.	0.1
Togo	energy	(Natural) gas	0.038	0.037	.
		Diesel, gasoline, and Kerosene	0.11	0.18	2.1
		Electricity	0.11	0.043	.
	food	Bread/Wheat/Grains/Cereal/Flour	2E-04	0.0009	0.1
		Fertilizer	.	.	0.35
		VAT suspension on various imported food items	.	.	0.21
Zambia	energy	Electricity	0.049	0.055	0
		Fuel (diesel, petrol, kerosene)	1.5	3.8	2.3
	food	Fertilizer	3.6	3	2.8
		Oil	.	0.1	.
Zimbabwe	food	(Fertilizer, seed, pesticides)	0.81	0.83	0.36
		Bread/Wheat/Grains/Cereal/Flour	0.15	0.052	.
		Other food/unspecified	0.04	.	.

Source. DEFPA, June 2022 Update, IMF.

Annex IV. Policy Measures Announced by the UK and France

A. United Kingdom

Since the beginning of this year, the UK government has introduced several rounds of measures to mitigate the social impact from the increase in the cost of living, especially in energy prices. The untargeted package to households benefiting 28 million household had an initial envelope of £350 discount on their energy bill. In late May, the size of energy bill discount was increased to £650 for all households, with some targeted measures for pensioners and disabled. In September, in the context of the so-called 'mini budget', the UK government announced a program called 'Energy Price Guarantee (EPG)' to shield households and firms against rising energy costs. For households, EPG will be effective till March 2024, which the Autumn Statement modified to make less generous, while adding a new round of targeted support to the same vulnerable groups included in the May package. Some of the previously announced measures, such as the £400 rebate on household energy bills from October 1, are still effective.

- **Energy Price Guarantee (EPG).** It limits the price that is charged for each unit of energy and hence under this scheme, the energy bill will still depend on the amount of electricity consumer by households.⁹ For households on a standard variable tariff the average unit price will be limited to 34.0 p/kWh for electricity and 10.3 p/kWh for gas, inclusive of VAT, from October 1. For households on a fixed rate tariff who currently have unit rates above the EPG unit price reductions of up to 17 p/kWh for electricity and 4.2 p/kWh for gas will apply. For households whose fixed rate tariff is below the EPG rates, a floor unit price for gas averaging at 10.3 p/kWh and for electricity averaging at 34 p/kWh for direct debit customers will be introduced.
- **Temporary removal of green levies on household bills.** It saves about £150 per household.¹¹
- **Support for businesses.** A 6-month scheme of energy price cap will be applied for businesses and other non-domestic energy users (including charities and public sector organizations like schools). For businesses that do not have fixed contracts, they will benefit from the same energy price cap as households during this time. After the initial 6-month scheme, the government will provide ongoing focused support for vulnerable industries.
- **Measures to increase supply.** These include (i) launching a new oil and gas licensing round; (ii) acceleration of new sources of energy supply, including oil and gas from the North Sea and clean energy; (iii) undertake fundamental reforms to the structure and regulation of energy market.
- **Energy bill support scheme (EBSS).** It was announced in May 2022 by the previous government. Key measure of the scheme is a universal discount of £400 on electricity bills for any consumers in the UK with a domestic electricity connection. The £400 discount will be paid in six monthly instalments beginning October 1st. In October and November, households will see a £66 discount, which will rise to £67 a month from December through March 2023.

B. France

Since the onset of the Ukraine war, the French government introduced a wide array of measures to support households to mitigate the rise in the cost of living. These included price controls (“bouclier tarifaire”), in particular: (i) a freeze of regulated gas prices at the October 2021 levels, with gas suppliers compensated for the difference between market and regulated prices; and (ii) a cap on the increase in regulated electricity prices at 4 percent from February 2022 for the duration of one year. This is done by lowering electricity excise taxes to the lowest level allowed under EU rules, requiring EDF (state-owned power generation company) to provide an additional 20TWh of nuclear power to distributors at a below-market price and by compensating suppliers for the difference between market and regulated prices. Unlike other European countries France is less dependent on imported energy with three-quarters of the country’s electricity generated from nuclear power plants. However, in 2022 nuclear facilities did not function at a full capacity due to maintenance issues causing outages at these plants.

On September 14, France introduced additional measures to help households cope with rising energy costs, in particular:

- **Extensions of controls on regulated gas and electricity prices.** This allows for a 15 percent increase as of January 2023 (gas) and February 2023 (electricity). The cap is estimated to cost 16 billion euros (government estimates). Without the announced extension, these price controls would have expired by end-2022 (gas) or early 2023 (February, electricity). For households that rely on gas for heating, the energy bill for this winter will remain at around 25 euros per month (as opposed to 200 euros without the extension). For households that use electricity, the energy bill would be kept at 20 euros per month (as opposed to 180 euros without the extension).
- **Cash transfers to lower income household.** Some 12 million households in the bottom two income quintiles will receive an additional “cheque energie” in the amount of €100-200, varying with income. The additional cheque energie that was provided in 2021 targeted the bottom quintile (5.8 million households), with a fixed amount of €100, so eligibility has widened while generosity has increased.
- **Extension and expansion of fuel subsidy (“remise carburant”).** In March 2022, the government provided subsidy at the gas stations, which has been €18ct/liter, which was set to expire in October 2022. On September 1, the government extended the subsidy until the end of this year and increased the subsidy to €30ct/liter.

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