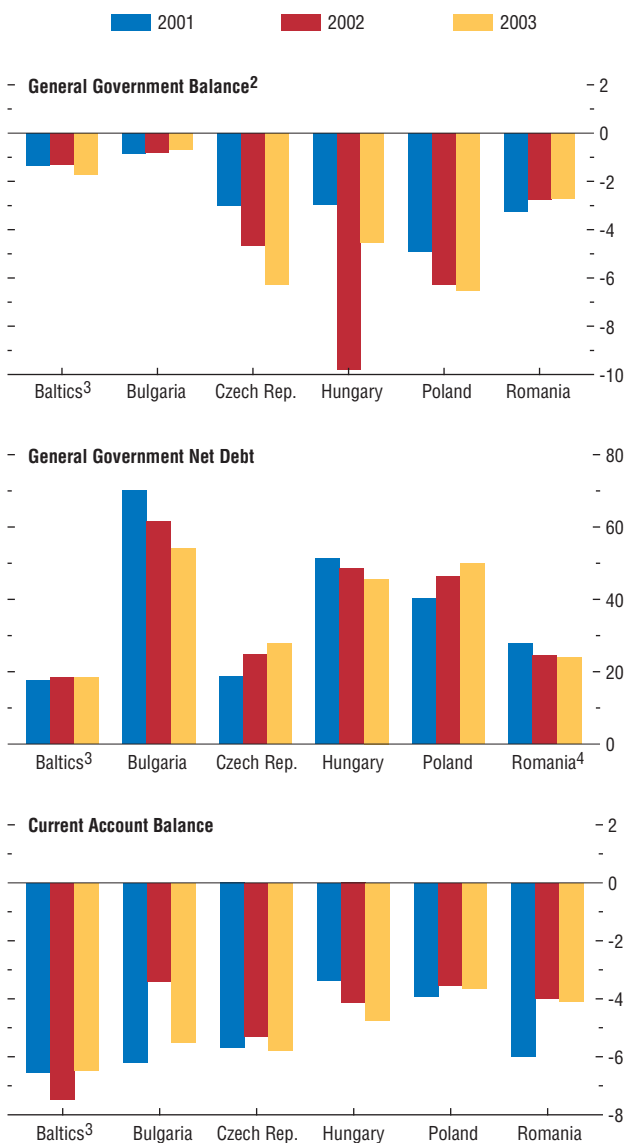


Figure 1.12. Selected European Union Accession Countries: Accession Underlines Fiscal Challenges¹
(Percent of GDP)

Recently concluded accession agreements are providing an additional focal point for fiscal adjustment, which is also warranted by sizable current account deficits and high levels of public debt in some cases.



¹Data for 2002 and 2003 are IMF staff projections.

²The data should be treated with caution, as some quasi-fiscal activities are not reflected in the general government balance and countries have not yet adopted European Standardized Accounts (ESA-95).

³Weighted average of Estonia, Latvia, and Lithuania.

⁴Gross debt.