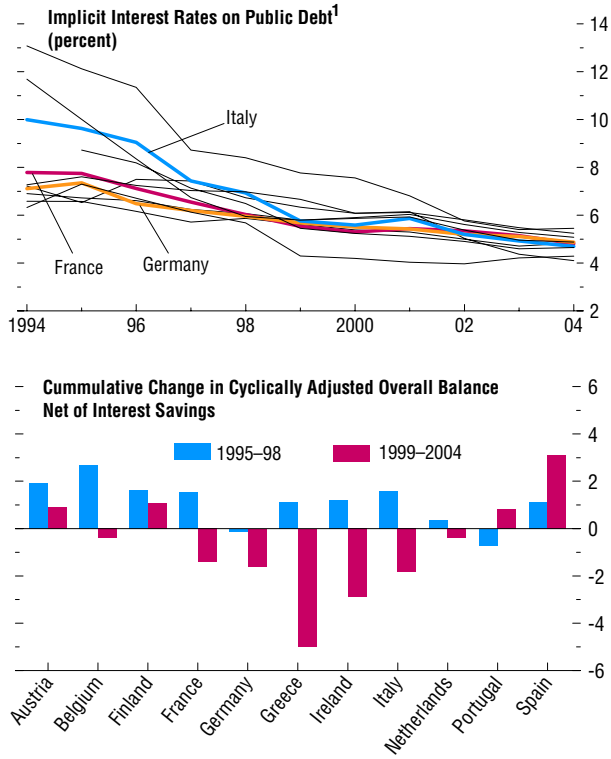


**Figure 2.26. Interest Payments: Where Did the Savings Go?**

European Monetary Union member states benefited from significantly lower interest rates on public debt (top panel). Taking that into account, pre-European Monetary Union fiscal performance is less impressive (bottom panel).



Sources: European Commission, Annual Macroeconomic Database; and IMF staff calculations.

<sup>1</sup>Interest payments divided by the stock of public debt at the end of the previous year.