

EGOV

ECONOMIC GOVERNANCE AND EMU SCRUTINY UNIT



Public finance in Euro area Member States: Selected indicators (July 2024)

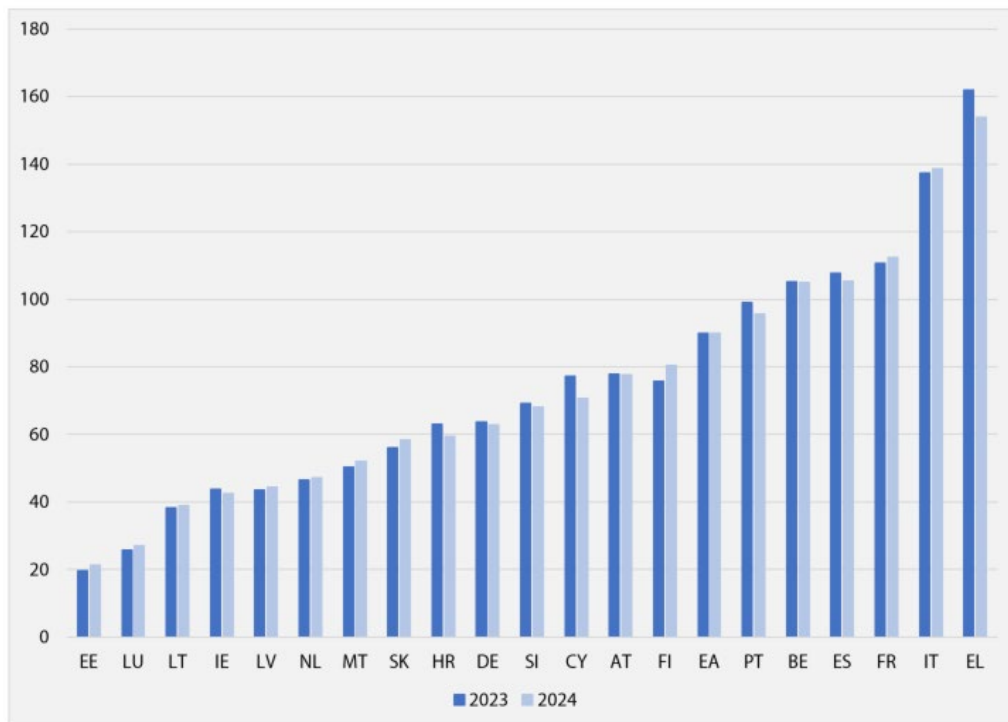
This briefing presents selected indicators on public finance in the euro area Member States and the euro area as a whole.

Based on the selection of indicators covered in this overview (see [Table 1](#) below), some of the key developments in the public finances of euro area Member States are:

- In 2024, Estonia, Luxembourg and Lithuania are expected to have the lowest **public debt-to-GDP ratio** (21.4%, 27.1%, 38.9% respectively), while France, Italy and Greece are expected to have the highest (112.4%, 138.6%, and 153.9% respectively); the euro area aggregate level of public debt-to-GDP ratio is forecasted to stand at 90% ([Figure 1](#));
- In 2024, Italy and Greece are expected to have the highest **expenditure for interest on public debt** (4.0% and 3.4% of GDP respectively) and Luxembourg and Estonia the lowest (0.4% and 0.5% of GDP respectively);
- In 2024, **regarding Gross Financing Needs**, Italy and France are expected to have the highest requirement (25.1% and 20.9% of GDP respectively), and Cyprus the lowest (2.7% of GDP);
- **Risks to medium-term fiscal sustainability** are estimated to be “high” in eight euro area countries, “medium” in seven and “low” in five of them;
- In May 2024, the highest **yields on 10-year sovereign bonds** were recorded in Italy and Estonia reaching 3.84% and 3.71%, respectively, while Germany's yields were the lowest at 2.52%;
- In 2024, Malta and Italy were the countries with the lowest ratio of **non-residents holders of public debt** (22.6% and 27.6%, respectively), while Estonia and Latvia were those with the highest (77.7% and 66.6%, respectively) ([Figure 2](#));
- In 2024, Malta and Portugal were the countries where **resident households and non-financial companies** held the highest share of public debt (23.7% and 18.0%, respectively), with Luxembourg and Austria the lowest (0.5% and 0.2% respectively) ([Figure 2](#)).



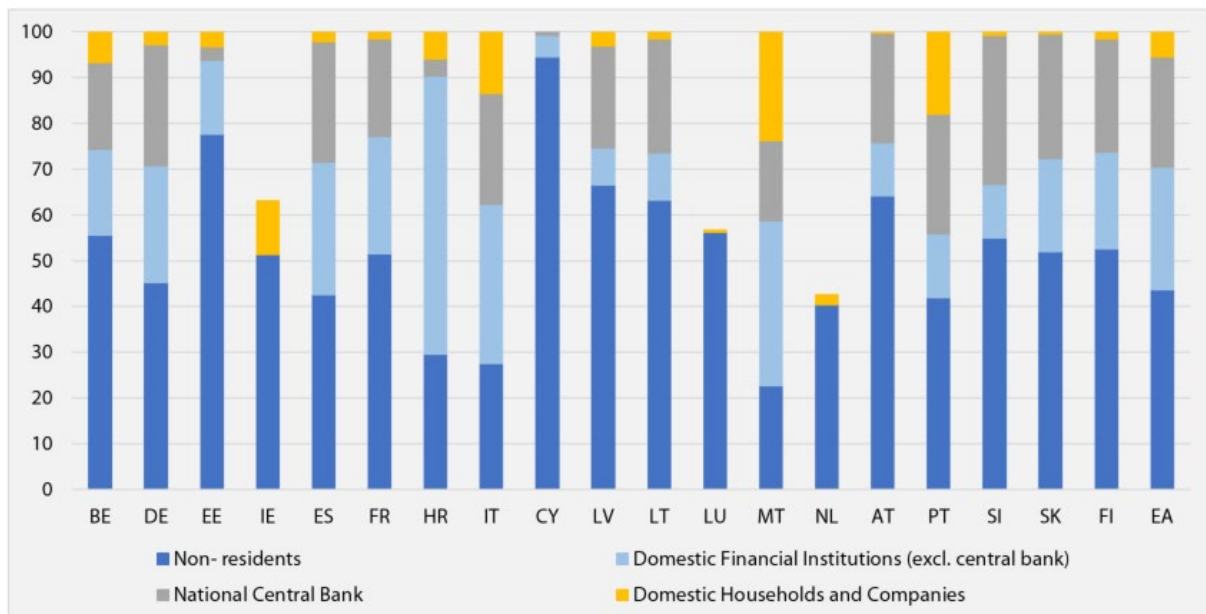
Figure 1: Government debt, in % GDP



Note: The figure displays estimates for 2023 and forecasts for 2024.

Sources: Own elaboration based on data from [European Commission](#).

Figure 2: Sovereign debt in EA Member States by holder (2023), in %



Note: The figure displays all the available information, and is limited for IE, LU and NL. No data displayed for EL. For more information on holders of public debt, please see the following pages.

Sources: Own elaboration based on data from [ECB's Data Portal](#) and [Eurostat](#).

Table 1: Selection of indicators on public finance in EA Member States

| Member State | Government Debt % GDP ¹ | | Government Budget balance % GDP ¹ | | Government Structural Budget balance % potential GDP ¹ | | Interest expenditure on public debt % GDP ¹ | | GDP Growth (y-o-y) ¹ | Gross Financing Needs % GDP | Holders of government debt (% of total government debt 2023) | | | | Yield on sovereign bonds (10years) | Risk to medium-term fiscal sustainability ² |
|--------------|---------------------------------------|-------------|---|-------------|--|-------------|---|------------|------------------------------------|--------------------------------|---|--|-----------------------|-----------------------------------|---------------------------------------|--|
| | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2024 | 2024 | Non-residents | Domestic Financial Institutions (excl. central bank) | National Central Bank | Domestic Households and Companies | May 2024 | |
| | | | | | | | | | | | | | | | | |
| BE | 105.2 | 105.0 | -4.4 | -4.4 | -4.2 | -4.0 | 2.0 | 2.2 | 1.3 | 15.9 | 55.6 | 18.8 | 18.9 | 6.7 | 3.06 | HIGH |
| DE | 63.6 | 62.9 | -2.5 | -1.6 | -2.1 | -0.9 | 0.9 | 0.9 | 0.1 | 15.1 | 45.2 | 25.5 | 26.5 | 2.8 | 2.52 | MEDIUM |
| EE | 19.6 | 21.4 | -3.4 | -3.4 | -1.3 | -0.7 | 0.3 | 0.5 | -0.5 | 3.6 | 77.7 | 16.0 | 3.10 | 3.2 | 3.71 | LOW |
| IE | 43.7 | 42.5 | 1.7 | 1.3 | 1.0 | 1.8 | 0.7 | 0.7 | 1.2 | 2.9 | 51.3 | : | : | 11.7 | 2.91 | LOW |
| EL | 161.9 | 153.9 | -1.6 | -1.2 | -1.5 | -1.7 | 3.5 | 3.4 | 2.2 | 7.3 | : | : | : | : | 3.55 | HIGH |
| ES | 107.7 | 105.5 | -3.6 | -3.0 | -4.1 | -3.4 | 2.5 | 2.5 | 2.1 | 19.6 | 42.6 | 28.9 | 26.4 | 2.1 | 3.30 | HIGH |
| FR | 110.6 | 112.4 | -5.5 | -5.3 | -5.4 | -5.0 | 1.7 | 2.0 | 0.7 | 20.9 | 51.5 | 25.6 | 21.3 | 1.6 | 3.03 | HIGH |
| HR | 63.0 | 59.5 | -0.7 | -2.6 | -1.8 | -3.6 | 1.7 | 1.6 | 3.3 | 8.4 | 29.5 | 60.8 | 3.8 | 5.9 | 3.41 | MEDIUM |
| IT | 137.3 | 138.6 | -7.4 | -4.4 | -8.3 | -5.0 | 3.8 | 4.0 | 0.9 | 25.1 | 27.6 | 34.7 | 24.3 | 13.4 | 3.84 | HIGH |
| CY | 77.3 | 70.6 | 3.1 | 2.9 | 1.8 | 2.1 | 1.4 | 1.4 | 2.8 | 2.7 | 94.6 | 4.7 | 0.7 | : | 3.31 | MEDIUM |
| LV | 43.6 | 44.5 | -2.2 | -2.8 | -1.9 | -2.4 | 0.6 | 1.0 | 1.7 | 7.0 | 66.6 | 8 | 22.3 | 3.1 | 3.43 | LOW |
| LT | 38.3 | 38.9 | -0.8 | -1.8 | 0.1 | -0.8 | 0.6 | 0.7 | 2.0 | 5.4 | 63.2 | 10.3 | 25.0 | 1.5 | 2.88 | MEDIUM |
| LU | 25.7 | 27.1 | -1.3 | -1.7 | 0.0 | -0.3 | 0.3 | 0.4 | 1.4 | 6.4 | 56.2 | 43.3 | 0.0 | 0.5 | 2.94 | LOW |
| MT | 50.4 | 52.0 | -4.9 | -4.3 | -4.9 | -4.2 | 1.1 | 1.3 | 4.6 | 12.8 | 22.6 | 36.1 | 17.6 | 23.7 | 3.53 | MEDIUM |
| NL | 46.5 | 47.1 | -0.3 | -2.0 | -0.8 | -1.3 | 0.6 | 0.7 | 0.8 | 8.9 | 40.4 | : | : | 2.1 | 2.83 | LOW |
| AT | 77.8 | 77.7 | -2.7 | -3.1 | -2.4 | -2.5 | 1.2 | 1.4 | 0.3 | 15.4 | 64.1 | 11.6 | 24.1 | 0.2 | 3.02 | MEDIUM |
| PT | 99.1 | 95.6 | 1.2 | 0.4 | 0.9 | 0.0 | 2.2 | 2.2 | 1.7 | 7.5 | 42 | 13.9 | 26.1 | 18.0 | 3.16 | HIGH |
| SK | 56.0 | 58.5 | -4.9 | -5.9 | -4.7 | -5.6 | 1.2 | 1.3 | 2.2 | 11.7 | 51.9 | 20.4 | 27.2 | 0.5 | 3.69 | HIGH |
| SI | 69.2 | 68.1 | -2.5 | -2.8 | -2.8 | -2.7 | 1.2 | 1.4 | 2.3 | 6.5 | 54.9 | 11.8 | 32.5 | 0.8 | 3.23 | MEDIUM |
| FI | 75.8 | 80.5 | -2.7 | -3.4 | -1.4 | -1.8 | 1.1 | 1.2 | 0.0 | 14.1 | 52.6 | 21.2 | 24.7 | 1.5 | 3.00 | HIGH |
| EA-20 | 90.0 | 90.0 | -3.6 | -3.0 | -3.6 | -2.7 | 1.7 | 1.9 | 0.8 | 16.7 | 43.7 | 26.7 | 24.2 | 5.4 | 3.07 | : |

Notes: ¹ estimates for 2023; forecasts for 2024; ² European Commission assessment, May 2024.

Holdings of national general government bonds may require further clarification due to methodological issues. In order to determine fiscal adjustment requirements (in the context of new economic governance framework) debt sustainability methodology outlined in the European Commission's [Debt Sustainability Monitor 2023](#) will be used. Please see the table overleaf for information on definitions and sources.

| Indicator | Definitions and notes | Data sources |
|--|--|---|
| Government debt | <p>The government debt is defined as the total consolidated gross debt at nominal (face) value at the end of the year in the following categories of government liabilities: currency and deposits, debt securities and loans.</p> <p>The aggregate for the euro area is consolidated: the loans that Member States have granted to other Member States are removed, see also Eurostat (Statistical concepts and definitions).</p> | <p>European Commission Spring 2024 Economic Forecast, Table 40</p> |
| Government budget surplus/deficit | <p>The budget surplus (+)/deficit (-) is the difference between the General Government’s revenues and expenditures.</p> | <p>European Commission Spring 2024 Economic Forecast Table 34</p> |
| Government structural budget balance | <p>The structural balance is the government surplus/deficit corrected for the effects of the business cycle (essentially taxes and social security/unemployment benefits), and exceptional/one off expenditures or revenues. See also EGOV “Potential output estimates and their role in the EU fiscal surveillance”.</p> | <p>European Commission Spring 2024 Economic Forecast Table 39</p> |
| Government expenditure for interests on government debt | <p>Interest paid over the year, accrued on the following liabilities: deposits, loans and debt securities. The primary surplus/deficit is the difference between the surplus/deficit and the expenditure on interests.</p> | <p>European Commission Spring 2024 Economic Forecast Table 35</p> |
| GDP growth | <p>Percentage change of real GDP compared to previous year.</p> | <p>European Commission Spring 2024 Economic Forecast Table 1</p> |
| Gross Financing Needs | <p>Data reported here are the sum of the projected government budget deficit (including interest payments) and maturing debt (government securities, commercial and official loans).</p> | <p>European Commission, Debt Sustainability Monitor 2023, March 2024, Table 1.4</p> |
| Holders of government debt | <p>According to definitions in ESA2010, domestic financial institutions include the national central bank, the domestic banks and the domestic non-monetary financial institutions (insurance companies, pension funds, money market and investment funds, and auxiliary activities). Sources for IE and LU are their respective Central Banks. Greece: data not available.</p> | <p>ECB: government debt by holder. For missing data in ECB, Eurostat and other sources.</p> |
| Yields on sovereign bonds | <p>Percentage per year, secondary market yields of government bonds with maturities of close to ten years.</p> | <p>ECB: Harmonised long-term interest rates for convergence assessment purposes</p> |
| Medium-Term Debt Sustainability | <p>The assessment relies on the European Commission Debt Sustainability Analysis framework. The table shows the overall medium-term risk category.</p> | <p>European Commission, Debt Sustainability Monitor 2023, March 2024, Table I 2.6</p> |