



Economics Department

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**FISCAL PACKAGES ACROSS
OECD COUNTRIES:
OVERVIEW AND COUNTRY DETAILS**

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FISCAL PACKAGES ACROSS OECD COUNTRIES: OVERVIEW AND COUNTRY DETAILS

1. This document presents information on fiscal packages adopted across OECD countries to respond to the crisis.¹ The first section gives an overview of OECD countries' fiscal packages, with particular focus on their size, composition and timing. The second section describes the main principles adopted to measure fiscal packages and allow for consistent cross-country comparisons. The third section provides tabular details on the discretionary measures adopted in response to the crisis in each OECD country as well as an estimate of their budgetary costs.

An overview of the size, composition and timing of fiscal packages across OECD countries

Most countries have taken fiscal measures in response to the crisis but with wide variation in scale,...

2. Virtually all OECD countries have introduced discretionary measures to support the economy in the face of the crisis. Based on a consistent approach to the definition of packages, the size of fiscal packages -- as measured by their cumulated impacts on fiscal balances over the period 2008-10 -- amounts to 3.4% of area-wide 2008 GDP (weighted average). However, there is considerable variation across countries (Table 1), partly reflecting the severity of the economic crisis, the fiscal position before the onset of the crisis and the size of automatic stabilisers. The United States have the largest fiscal package at about 5½ per cent of 2008 GDP. Four other OECD countries have introduced fiscal packages amounting to 4% of 2008 GDP or more (Australia, Canada, Korea and New Zealand). In contrast, a few countries (in particular Hungary, Iceland and Ireland) have drastically tightened their fiscal stance as a response to the crisis.

1. The cut-off date for information is 24 March 2009.

Table 1. The size and timing of fiscal packages

	2008-2010 net effect on fiscal balance ¹			Distribution over the period 2008-2010			Memorandum item: Measures affecting the timing of payments ²
	Spending	Tax revenue	Total	2008	2009	2010	
	Per cent of 2008 GDP			Per cent of total net effect			Per cent of 2008 GDP
Australia	-3.3	-1.3	-4.6	15	54	31	
Austria	-0.3	-0.8	-1.1	0	84	16	
Belgium	-0.6	-1.0	-1.6	0	60	40	-0.1
Canada	-1.7	-2.4	-4.1	12	41	47	
Czech Republic	-0.5	-2.5	-3.0	0	66	34	..
Denmark	-1.9	-0.7	-2.5	0	33	67	..
Finland	-0.5	-2.7	-3.1	0	47	53	
France	-0.4	-0.2	-0.6	0	75	25	-0.5
Germany	-1.4	-1.6	-3.0	0	46	54	
Greece	..	..	..	..	..	..
Hungary	4.4	0.0	4.4	0	58	42	
Iceland	..	..	9.4	0	33	67	
Ireland	0.9	3.5	4.4	15	44	41	0.3
Italy	-0.3	0.3	0.0	0	15	85	
Japan	-1.5	-0.5	-2.0	4	73	24	
Korea	-1.7	-3.2	-4.9	23	49	28	
Luxembourg	-1.9	-1.7	-3.6	0	76	24	0.0
Mexico ³	-2.1	0.8	-1.3	0	100	..	
Netherlands	-0.1	-1.4	-1.5	0	51	49	..
New Zealand	0.0	-4.3	-4.3	5	46	49	
Norway ³	-0.7	-0.1	-0.8	0	100	..	
Poland	-0.6	-0.4	-1.0	0	77	23	
Portugal	..	..	-0.8	0	100	0	
Slovak Republic	-0.5	-0.6	-1.1	0	42	58	-0.8
Spain	-1.9	-1.6	-3.5	31	46	23	-1.0
Sweden	-0.9	-1.8	-2.8	0	52	48	..
Switzerland	-0.3	-0.2	-0.5	0	68	32	
Turkey	..	..	..	..	..	..
United Kingdom	0.0	-1.5	-1.4	15	94	-8	
United States ⁴	-2.4	-3.2	-5.6	21	37	42	
Major seven	-1.6	-2.0	-3.6	17	43	40	
OECD averages							
All (unweighted) ⁵	-0.7	-1.2	-2.0	10	54	37	
All (weighted) ⁵	-1.5	-1.9	-3.4	17	45	39	
Positive stimulus only (unweighted) ⁶	-1.1	-1.6	-2.7	9	53	38	
Positive stimulus only (weighted) ⁶	-1.7	-2.0	-3.7	17	45	39	

Note: cut-off date for information is 24 March 2009.

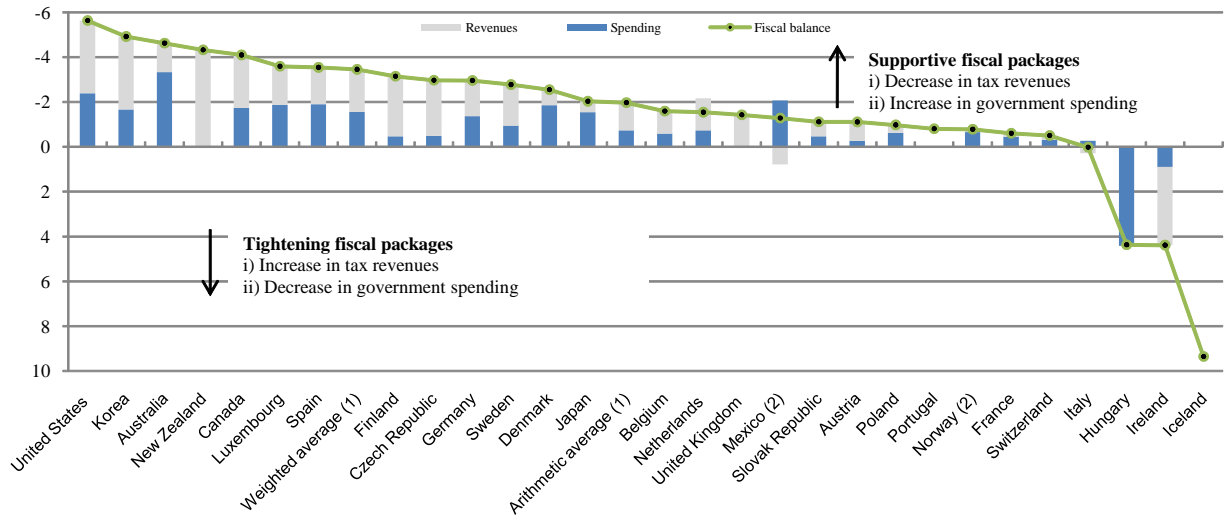
1. Includes only discretionary fiscal measures in response to the financial crisis. Estimates provided here do not include the potential impact on fiscal balances of recapitalisation, guarantees or other financial operations. It also excludes the impact of a change in the timing of payment of tax liabilities and/or government procurement.
2. Several countries have changed the timing of payment of government procurement and/or tax liabilities. When applying the accrual principle, such measures should not be reflected in the national account data. Still, they affect fiscal balances measures on a cash basis and may have an impact on the economy. They have not been included in the size of fiscal packages.
3. Data not available for 2010.
4. Figures for the United States refer to the federal government. Available information indicates that a few states, including California, have passed restrictive fiscal measures which are not included here.
5. Average of above countries excluding Greece, Iceland, Mexico, Norway, Portugal and Turkey.
6. Average of above countries excluding Greece, Hungary, Iceland, Ireland, Italy, Mexico, Norway, Portugal and Turkey.

Source: OECD.

... as well as in composition, ...

3. Most countries have adopted broad ranging stimulus programmes, adjusting various taxes and spending programmes simultaneously (Table 2). A majority of those countries with supportive fiscal packages have given priority to tax cuts over boosting spending (Figure 1), Australia, Denmark, France, Japan, Mexico, Norway, Poland and Spain being exceptions. In the United States, the balance will shift, with a stimulus entirely focused on tax cuts in 2008 whereas in 2009 about two-thirds will be on spending measures.

Figure 1. Fiscal packages: spending and revenue mix
Impact of fiscal packages over the period 2008-2010 on fiscal balances as % of 2008 GDP



Note: See notes on Table 1.

1. Average of above countries excluding Greece, Iceland, Mexico, Norway, Portugal and Turkey.

2. Only 2008-2009 data are available for Mexico and Norway. They are expressed in per cent of 2008 GDP.

Source: OECD.

Table 2. Composition of fiscal packages

Total over 2008-2010 period as % of GDP in 2008

	Net effect	Tax measures					Spending measures					
		Total	Individuals	Businesses	Consumption	Social contributions	Total	Final consumption	Investment	Transfers to households	Transfers to businesses	Transfers to sub-national governments
Australia	-4.6	-1.3	-1.1	-0.2	0.0	0.0	3.3	0.0	2.6	0.8	0.0	0.0
Austria	-1.1	-0.8	-0.8	-0.1	0.0	0.0	0.3	0.0	0.1	0.1	0.0	0.1
Belgium	-1.6	-1.0	-0.3	-0.6	-0.1	0.0	0.6	0.0	0.1	0.5	0.0	0.0
Canada	-4.1	-2.4	-0.8	-0.3	-1.1	-0.1	1.7	0.1	1.3	0.3	0.1	..
Czech Republic	-3.0	-2.5	0.0	-0.4	-0.1	-2.0	0.5	-0.1	0.2	0.0	0.4	0.0
Denmark	-2.5	-0.7	0.0	0.0	0.0	0.0	1.9	0.9	0.8	0.1	0.0	0.0
Finland	-3.1	-2.7	-1.9	0.0	-0.3	-0.4	0.5	0.0	0.3	0.1	0.0	0.0
France	-0.6	-0.2	-0.1	-0.1	0.0	0.0	0.4	0.0	0.2	0.1	0.0	0.0
Germany	-3.0	-1.6	-0.6	-0.3	0.0	-0.7	1.4	0.0	0.8	0.2	0.3	0.0
Greece ¹	..	..	..	..	..	..	..	0.0	0.1	0.4	0.1	0.0
Hungary	4.4	0.0	-0.1	-1.5	1.6	0.0	-4.4	..	0.0	..	..	0.0
Iceland	9.4	..	1.0	..	..	..	..	-1.8	-1.7	-1.7	..	..
Ireland	4.4	3.5	2.0	-0.2	0.5	1.2	-0.9	-0.7	-0.2	-0.1	0.0	0.0
Italy	0.0	0.3	0.0	0.0	0.1	0.0	0.3	0.3	0.0	0.2	0.1	0.0
Japan	-2.0	-0.5	-0.1	-0.1	-0.1	-0.2	1.5	-0.2	0.3	0.5	0.4	0.3
Korea	-4.9	-3.2	-1.4	-1.2	-0.2	0.0	1.7	0.0	0.9	0.1	0.5	0.2
Luxembourg	-3.6	-1.7	-1.2	-0.5	0.0	0.0	1.9	0.0	0.7	1.0	0.2	0.0
Mexico ¹	-1.3	0.8	0.0	0.0	-0.4	0.0	2.0	0.0	1.1	0.3	0.4	0.0
Netherlands	-1.5	-1.4	-0.2	-0.4	0.0	-0.8	0.1	0.0	0.0	0.1	0.0	0.0
New Zealand	-4.3	-4.3	-4.3	0.0	0.0	0.0	0.0	0.1	0.6	-0.6	0.0	0.0
Norway ¹	-0.8	-0.1	0.0	-0.1	0.0	0.0	0.7	0.0	0.3	0.0	0.0	0.3
Poland	-1.0	-0.4	0.0	-0.1	-0.2	0.0	0.6	0.0	1.3	0.1	0.0	0.0
Portugal	-0.8	..	..	..	..	..	..	0.0	0.4	0.0	0.4	0.0
Slovak Republic	-1.1	-0.6	-0.6	-0.1	0.0	0.0	0.5	0.0	0.0	0.0	0.5	0.0
Spain	-3.5	-1.6	-1.6	0.0	0.0	0.0	1.9	0.3	0.7	0.2	0.7	0.0
Sweden	-2.8	-1.8	-1.5	-0.2	0.0	-0.2	0.9	0.7	0.3	0.1	0.0	0.0
Switzerland	-0.5	-0.2	-0.2	0.0	0.0	0.0	0.3	0.3	0.0	0.0	0.0	0.0
Turkey	..	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	-1.4	-1.5	-0.6	-0.1	-0.7	0.0	0.0	0.0	0.1	0.1	0.0	0.0
United States	-5.6	-3.2	-2.4	-0.8	0.0	0.0	2.4	0.7	0.3	0.5	0.0	0.9

Note: See notes on Table 1.

Total columns are not the sum of columns shown because some components either have not been clearly specified or are not classified in this breakdown.

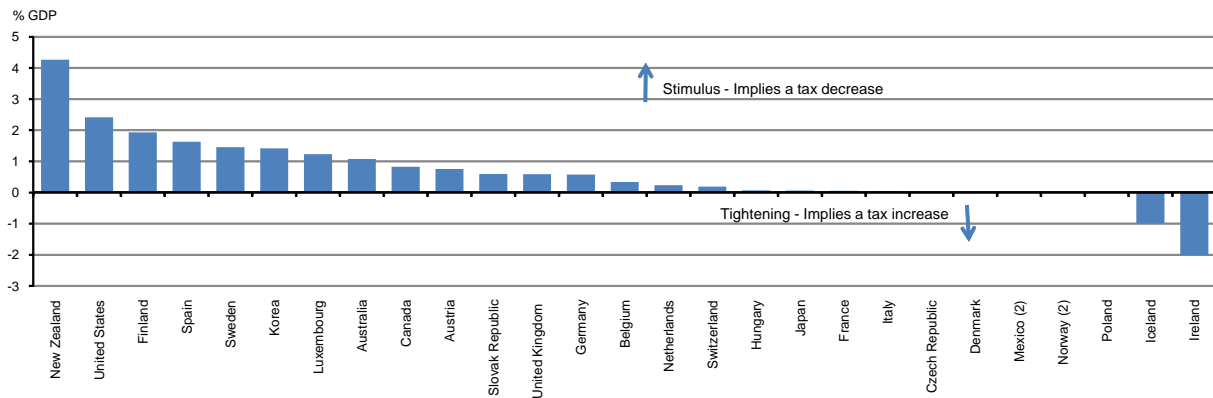
1. Data not available for 2010

Source: OECD.

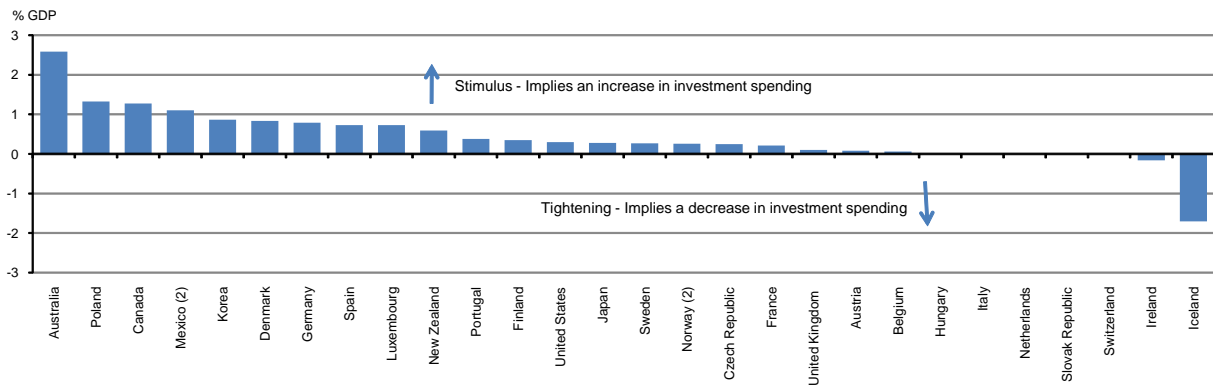
4. Tax cuts are concentrated on personal income taxes in most countries and to a lesser extent on business taxes (Figure 2, panel A). Cuts in personal income taxes amount to 1% of 2008 GDP or more in Australia, Finland, Korea, Luxembourg, New Zealand, Spain, Sweden and the United States. Some countries have also cut significantly social security contributions (including Czech Republic, Germany and the Netherlands) while only the United Kingdom has lowered consumption taxes by more than ½ % of GDP (a generalised but temporary cut in the VAT rate).

Figure 2. Selected fiscal measures at a glance

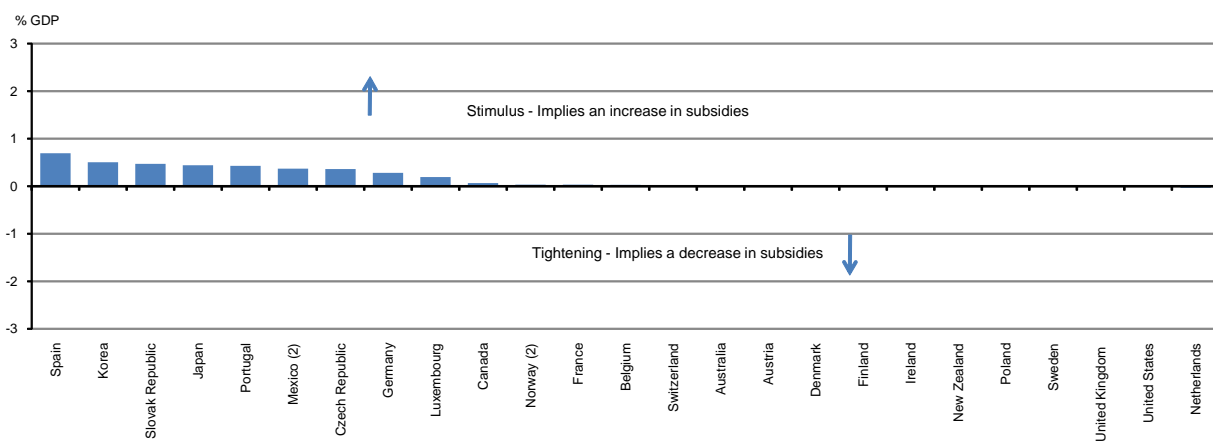
A. Personal income tax ¹



B. Government investment ¹



C. Government subsidies to businesses ¹



1. See notes on Table 1.
 2. Data not available for 2010.
 Source: OECD calculations.

5. On the spending side, virtually all OECD countries have launched and/or brought forward public investment programmes. Australia, Canada, Korea, Poland and Mexico are projected to be the most active in this domain, with an increase in public investment as a response to the crisis close to 1% of 2008 GDP or more (Figure 2, panel B). Transfers to households have often been made more generous in particular for those on low income. A few countries (including the Czech Republic, Japan, Korea, Mexico, Portugal, the Slovak Republic and Spain) have also announced larger subsidies to the business sector.

... and in timing

6. On the basis of currently announced measures, the crisis-related fiscal stimulus is typically expected to be strongest in 2009, although again with some country variation. Discretionary fiscal measures to cushion the decline in activity were implemented already in 2008 in several countries (including Australia, Canada, Korea, New Zealand, Spain and the United States). It is, however, in 2009 that a vast majority of countries implement large supportive measures. For some countries (Canada, Finland, Germany, the Netherlands, New Zealand, Sweden and the United States), the sizes of fiscal packages in 2009 and 2010 are broadly comparable, implying a more or less continued pace of fiscal injection into 2010. There are two countries (Denmark and the Slovak Republic) that plan to have significantly larger packages in 2010. For most other countries, however, the fiscal injection is projected to taper off in 2010, the United Kingdom being in an extreme position with a tightening associated with the end of the temporary cut in VAT rate.

Methodological principles in measuring fiscal packages

7. In computing data on fiscal packages, consistent methodology has been applied across OECD countries. Because this methodology may differ from the one commonly used in individual countries, data referred to in the OECD documentation may depart from those widely communicated by national governments and the media. The main principles adopted in defining and measuring the size of fiscal packages in this paper are as follows:

- Fiscal packages include discretionary measures implemented and/or announced in response to the crisis up to 24 March 2009. Although fiscal packages are expansionary in most OECD countries, restrictive discretionary measures have also been taken as a response to the crisis and are included. In a few countries, the overall package is restrictive (in particular Hungary, Iceland and Ireland). Discretionary measures which cannot be considered as a response to the crisis, even if they are implemented over the period 2008 to 2010, are excluded from the definition of fiscal packages. As an illustration, tax cuts decided in 2006 or 2007 but implemented over the period 2008-2010 in Denmark, France, Poland and Spain are not included, although they may have contributed to cushion the economic downturn. Similarly, discretionary measures resulting from a constitutional court decision (*e.g.* Germany) and changes in fiscal balances resulting from automatic stabilisers are not included. It should be acknowledged, however, that defining whether a discretionary measure has been adopted as a response to the crisis involves sometimes an element of judgment.
- The overall size of fiscal packages is measured as the deviation of fiscal balances compared with a “no-crisis-related-action scenario” over the period 2008-10. As an example, were a temporary tax relief to be implemented in 2009, the loss in tax revenues resulting from this measure would be recorded in 2009. If the same tax relief is considered as permanent, or if the government has not announced *ex ante* if and when the measure will be reversed, then the loss in tax revenues is recorded for both 2009 and 2010. And the overall size of the fiscal package for the period 2008-10 reflects the loss of revenue in both 2009 and 2010.
- The size of a fiscal package reflects only those measures with a direct and immediate impact on general government balances, following national accounts principles. This implies, in particular, that fiscal packages do not reflect changes in investment by public enterprises (*e.g.* France) nor actions initiated by central banks, because public enterprises and central banks are not included in the general government sector. Changes in the timing of payment of either tax liabilities and/or government liabilities are not included insofar as they do not affect spending and revenues

measured on accrual basis (*i.e.* the basis used for national accounting).² Similarly, the granting of loans and guarantees by the government as well as the acquisition of equities, bonds and loans issued by the corporate sector have no immediate impact on the fiscal balance.³ When such “below-the-line” measures have been implemented, efforts have been made to record them in individual country tables as fiscal measures with no direct or immediate impact on fiscal balances (*e.g.* recapitalisation of banks).

- Data are presented on a calendar year and accrual basis, as far as possible.
- The data concern, as far as possible, the consolidated general government, *i.e.* the central government, state governments, local governments and social security funds. Information on sub-national governments’ response to the crisis is, however, difficult to gather or not yet available for several countries. In particular, data provided for Belgium, Canada and the United States do not include sub-national government measures.
- Spending and revenue measures have been broken down, to the extent possible, by main categories so as to allow drawing consistent cross-country comparisons on the composition of fiscal packages. On the revenue side, these categories are: taxes on individuals; business taxes; consumption taxes; social security contributions; and others. (In individual country tables, positive numbers signal tax cuts.) On the spending side, the categories are: general government consumption and investment; transfers to households; transfers to businesses; transfers to sub-national governments, and other spending measures (positive numbers signal spending increases). Consolidated general government accounts should not record “transfers to sub-national governments”. However, getting consolidated data has been difficult for some countries and this required recognising such transfers. It should be noted, however, that such an approach risks introducing a bias when assessing the composition of fiscal packages. Since adjustments in transfers to sub-national governments may ultimately be used to finance specific spending projects and/or aim at avoiding pro-cyclical tax increases, the composition of fiscal packages on a consolidated basis would be different from the one shown here for some countries.

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2. Several countries (including Belgium, Czech Republic, Denmark, France, the Netherlands, Slovak Republic, Spain and Sweden) have made efforts to reduce payment delays on government procurement or changed the timing of tax liabilities. These measures have not been included when assessing the size of fiscal packages. They are, however, reflected in fiscal balances measured on a cash basis and likely have an impact on the economy.
 3. Loans granted by the general government sector and the acquisition of equities and bonds are reflected in the government balance sheet (as an increase in both assets and gross debt), though with no impact on net debt. Guarantees are off-balance sheet as long as they are not called. See Box 1.4. of the *OECD Economic Outlook No. 84* for further details on how these operations are recorded in the OECD set of projections.

Details of fiscal packages: country tables

Australia

Four plans have been adopted or proposed following the emergence of the financial crisis: the AUD 10.4 bn Economic Security Strategy Plan; the AUD 4.7 bn December Nation Building Package; the AUD 15.2 bn COAG Funding Package; and the AUD 42 bn Nation Building and Job Plan. It should be noted, however, that the High Court has agreed to hear a case brought against the federal government fiscal stimulus plan which concerns 8.7 million taxpayers. Data shown in this table are estimates for calendar years.

Australia	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	15 285	0	13 332	1 954	
Taxes on individuals	12 720	0	11 862	859	All the measures affecting taxes on individuals are included in the Nation Building and Job Plan. "Tax bonus to working Australians" and "Single income family bonus".
· Targeted on low-income groups	9 571	0	8 897	674	
· Farmers' hardship bonus	20	0	20	0	
· Back to school bonus	2 618	0	2 483	136	
· Training and learning bonus	511	0	462	49	
Business taxes	2 565	0	1 470	1 095	
· Tax relief for new investment	1 050	0	1 050	0	Deduction of 10 % of the cost of new capital equipment made between 12/12/08 and 20/06/09. Measure included in the December Nation Building Package.
· Tax relief for small companies and medium enterprises	1 515	0	420	1 095	"Small business and general tax break measures", included in the Nation Building and Job Plan.
Consumption taxes	0	0	0	0	
Contributions for public pensions, unemployment, healthcare, invalidity, etc.	0	0	0	0	
Others	0	0	0	0	
Spending measures	39 408	8 350	16 171	14 887	
Government consumption and investment	30 544	850	15 153	14 540	Data presented here reflect some assumption on the timing of the investments described below. The government also projects to fast-track an infrastructure programme which is not included here.
· public investment:	30 544	850	15 153	14 540	
-- Transport	1 846	0	1 004	842	Include investment in Australian Rail Track Corporation and in roads, from the December Nation Building Package.
-- Health	4 181	850	2 230	1 101	Measures included in the COAG Funding Package and in the Economic Security Strategy Package.
-- Education	14 663	0	6 836	7 827	For Education and Housing, measures are included in the Economic Security Strategy Package, the COAG Funding Package, in the December Nation Building Package and in the Nation Building and Job Plan.
-- Housing	9 855	0	5 084	4 770	
Transfers to households	8 864	7 500	1 018	346	
· Pensions	4 128	4 000	82	47	Measures included in the Economic Security Package and in the COAG Funding Package.
· Other income related transfers	3 860	3 500	290	70	Measures included in the Economic Security Strategy Package.
· Indigeneous reform	776	0	546	229	For indigeneous reform and business regulation, measures represent additional payments from the Commonwealth to the States and are included in the COAG Funding Package.
· Business regulation	100	0	100	0	
Transfers to businesses	0	0	0	0	
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	1 200				Equity injection for the Australian Rail Track Corporation.
· Purchase of troubled assets	8 000				AOFM to purchase a total of AUD 8 billion of residential mortgage backed securities.
· Guarantee and insurance schemes:					
- for financial institutions	unknown contingent liability				There is a guarantee of all bank deposits for three years. Since 28 November 2008, a fee is charged for the guarantee on deposits over AUD 1 million. The government also guarantees (for a fee) wholesale funding of financial institutions.
· Loans to enterprises:					
-- car industry	2 000				A Special Purpose Vehicle has been established to provide liquidity to car dealer financiers who have encountered financing difficulties. The SPV will be around AUD 2 billion, with government providing support in the form of a guarantee covering a small proportion of the securities issued.
Measures affecting fiscal sustainability	The government will take action to return the budget to surplus as the economy recovers by: (i) allowing the level of tax receipts to increase naturally as the economy improves and (ii) holding real growth in spending to 2% in real terms per year until the budget returns to surplus.				

Austria

The data presented in this table do not include the full impact of the personal income tax reform because it was decided before the crisis, but include the impact of bringing it forward in 2009, as a response to the crisis. Similarly, the data do not show significant fiscal measures legislated in September 2008 prior to the crisis. In addition, several other measures with a limited budgetary impact in 2009 and 2010 and some off-budget measures are not included as no precise cost estimates were publicly available for these measures as of March 23, 2009. Thus, the data in this table understate the total size of the fiscal stimulus over the period.

Austria	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	2 385	0	2 135	250	
Taxes on individuals	2 135	0	2 135	0	Given the advancement of PIT reform from 2010 to 2009 the fiscal stimulus is accounted only in 2009.
- Personal income tax	1 900	0	1 900	0	As part of the Autumn 2008 measures, the reform of the personal income tax, which had been planned earlier, was brought forward from 2010 to 2009. Two lower marginal tax rates were reduced and the thresholds of the bottom and top income brackets were raised as of 2009.
- Other: family measures	235	0	235	0	The child tax credit was increased to €700 per year, a child tax-free allowance was introduced (€220 per child for a single earner and €132 for both parents) and the costs of childcare, including kindergarten (up to €2 300 per year and per child not older than 10) were made tax-deductible from the income of one of the parents.
- Other	0	0	0	0	A 13% tax exemption for profits up to €30 000 was granted for entrepreneurs and freelancers and the deductible amount of church membership fees was doubled to €200. These measures will have fiscal implications only from 2010, but in line with the exclusion of other tax measures from the fiscal stimulus packages they are not included in the table (they amount to €70 millions in 2010 and €330 millions in 2011).
Business taxes	250	0	0	250	
- Accelerated depreciation allowance	250	0	0	250	Advanced depreciation of 30% for equipment purchased in 2009-10.
Consumption taxes	0	0	0	0	
Contributions for public pensions, unemployment, healthcare, invalidity...	0	0	0	0	
Others	0	0	0	0	
Spending measures	761	0	523	238	
Government consumption and investment	228	0	85	143	
- public investment:	228	0	85	143	
-- Transport	30	0	10	20	
-- Education	98	0	25	73	Mandatory additional year of kindergarten.
-- R&D	100	0	50	50	
Transfers to households	383	0	363	20	An already existing but scarcely utilised public subsidisation scheme for enterprises which keep their employees on payroll despite falls in activities has been expanded. It is available for a maximum period of 18 months, and compensates income losses due to working time reductions of up to 90%. Authorities require that participating firms utilise subsidised hours for substantive re-qualification and re-training programmes. 40,000 workers have been covered by this measure by April 2009 and total take up is expected to approach 70,000 in the remainder of the year -- amounting to around 30% of the current number of unemployed.
- Extended short-time work scheme	220	0	220	0	
- Energy voucher and refurbishment	100	0	100	0	
- Increase in housing saving scheme	40	0	20	20	
- Eco premium on the purchase of new cars	23	0	23	0	In February 2009 the government decided to introduce a €1 500 eco premium to encourage households to buy new cars. It is available for consumers who scrap their old cars (registered before 1996) to buy a new one (between April and December 2009). This measure is capped at €45 million, of which 50% will come from the federal budget and 50% from the car industry.
Transfers to businesses	0	0	0	0	
Transfers to sub-national governments	150	0	75	75	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
Recapitalisation of financial institutions	n.a.				The Financial Market Stability Act (Finanzmarktstabilitätsgesetz) allows the Ministry of Finance to recapitalise financial institutions (banks and insurance companies) supervised by the Financial Market Authority (FMA). The recapitalisation measures envisage: state guarantees for the liabilities towards financial institutions and for institutions' liabilities towards public entities; granting loans; and strengthening the capital base via the acquisition of shares or convertible bonds. In the worst case the state may also take over banks' assets. Government capital injections entail a fee and come with several conditions, pertaining to the sustainability of the corporate model, the use of equity capital, staff remuneration, dividend payments, equity capital requirements, the preservation of jobs, and information disclosure. These measures were capped at €15 billion (6% of GDP). Until the beginning of March 2009, two banks concluded agreements with the government on capital injections (Hypo-Alpe Adria – €0.9 billion and Erste bank – €1.9 billion). Several other banks have been negotiating the terms of capital injections.
Guarantee and insurance schemes:	n.a.				
- for non financial institutions	n.a.				Deposit guarantees have been extended in an amendment to the Banking Act (Bankwesengesetz). As a result, deposits of individuals are guaranteed without limit until end-2009 and thereafter up to €100 000; deposits of firms with a turnover not higher than €9.68 million are guaranteed up to €50 000; and deposits of legal persons are guaranteed up to €20 000. The deposit guarantee scheme is funded by the banking industry for guarantees up to €50 000, and by the state above that amount. The government assigned a maximum amount of €10 billion (4% of GDP) to the deposit guarantee scheme.
Others	n.a.				In order to support a normal functioning of the interbank money market in Austria, the Österreichische Clearingbank AG (OeCAG) was set up based on the Interbank Market Support Act (Interbankmarktstärkungsgesetz). The OeCAG will operate until the end of 2009. The federal government granted equity capital for OeCAG and may assume its liabilities. The OeCAG provides liquidity to financial institutions on equal terms for a fee of around 50 basis points. The government allocated €75 billion (28% of annual GDP) for this purpose.
Support of investment by SMEs and infrastructure projects	n.a.				The government committed to provide €1 billion (around 0.4% of GDP) via the SME fund administered by the Austrian Economic Service (AWS), including €105 million from the budget, €500 million earmarked for raising credit limits and €400 million reserved for additional guarantees. On top of this, €100-200 million were to be mobilised under the aegis of the European Investment Bank. Infrastructure projects mainly involved modernising railways (€0.7 billion) and road works (€0.2 billion) over 2009-13 and envisaged a faster implementation of infrastructure projects announced in 2008. The guarantees for SMEs and infrastructure projects are undertaken outside the consolidated budget, via public enterprises, and will not be reflected in the budget balance.
Measures affecting fiscal sustainability	None				

Belgium

The measures described below correspond to the federal government fiscal package. There are some additional packages at the regional level, but detailed information is unavailable and they are small relative to the federal one.

Belgium	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	3 445	0	2 365	1 080	
Taxes on individuals	1 152	0	1 152	0	Indexation of tax brackets.
Business taxes	1 993	0	914	1 080	
. withholding tax on the income of R&D employees	76	0	38	38	
. withholding tax on professional income	823	0	233	590	
. withholding tax on the income of night and shift workers			184	428	
. tax on credit insurance contracts	30	0	15	15	Suppression of tax on credit insurance contracts.
. various reductions	452	0	444	9	Various reductions for companies and self-employed experiencing liquidity problems.
Consumption taxes	300	0	300	0	
. specific goods & services	300	0	300	0	Reduction of VAT for construction industry (various reductions).
Contributions for public pensions, unemployment, healthcare, invalidity, etc.	0	0	0	0	
Others	0	0	0	0	
Spending measures	2 038	0	900	1 137	
Government consumption and investment	217	0	117	100	
. public investment	217	0	117	100	Speeding up of planned government investment (mainly transport investment but also a prison, a stadium and a school).
Transfers to households	1 731	0	755	976	
. unemployment benefits	200	0	100	100	
-- more generous benefits	200	0	100	100	Increase in benefit for temporarily (technically) unemployed.
. electricity bill subsidies	135	0	135	0	One-off 30 euro reduction on electricity bill of all households.
. others	1 396	0	520	876	Adaptation of social benefits (including the adaptation of "enveloppe bien-être", some additional funds to heating subsidies etc.).
Transfers to businesses	89	0	28	62	
-- Others	89	0	28	62	Environmentally friendly investments.
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
. Recapitalisation of financial institutions	20 700	17 200	3 500		2008: Fortis (9400 millions for the acquisition, 800 millions for defeasance Special Purpose Vehicle), Dexia (acquisition of stake, 1000 millions federal government, 1000 millions regional governments), Ethias (acquisition, 500 millions federal, 1000 millions regional), KBC (recapitalisation 3500 millions). 2009: KBC (recapitalisation 2000 millions plus an option of another 1500 millions, Flemish regional government).
. Guarantee and insurance schemes: - for financial institutions	Up to 240 000				Guarantees on interbank liabilities.
. Loans to enterprises: -- loan to Fortis SPV			5 000		
. Changes in the timing of payments			400		Speeding up of payment of federal government invoices.
. others					Increase of deposit guarantees from euro 20 000 to 100 000.
Measures affecting fiscal sustainability	None				

Canada

The measures described below correspond to the federal government fiscal package announced in the 2009 Budget and to the tax measures announced in the October 2007 Economic Statement which came into effect in 2008 and 2009. Some additional packages at the provincial level have been or will be announced during the Spring 2009 but are not included.

Canada	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	37 859	7 974	14 721	15 164	All measures are shown on a calendar year and accrual basis.
Taxes on individuals	13 259	2 329	5 914	5 016	Include the 2009 Budget tax cuts and the October 2007 Economic Statement measures: the Enhanced Working Income Tax Benefit, the increased age credit, the new home renovation tax credit, the new first time home buyer's tax credit, the increased home buyers' plan limit, the extension of the mineral exploration tax credit as well as changes in personal amounts and income tax rates and brackets, and the more generous tax treatment of Registered Retirement Savings Plan and Registered Retirement Income Fund.
Business taxes	5 319	1 130	1 975	2 214	Include the cut in tax rates from the 2007 Economic Statement and 2009 Budget measures (tax relief associated with investment in machinery and equipment, the accelerated depreciation allowance and the more generous tax relief for small and medium enterprises).
Consumption taxes	17 240	4 515	6 219	6 506	Cut in the Good and Service Tax (GST) announced in the October 2007 Economic Statement.
Contributions for public pensions, unemployment, healthcare, invalidity...	2 041	0	614	1 428	Correspond to the costs of keeping employment insurance rate for 2010 frozen at the 2009 level.
Others	0	0	0	0	
Spending measures	27 850	0	12 206	15 644	
Government consumption and investment	22 410	0	9 964	12 447	Include: Federal Infrastructure projects (mostly transport), Knowledge Infrastructure, Housing projects, provincial, territorial and municipal infrastructure, Sustainable Development projects, First Nations infrastructure and help to specific regions.
Transfers to households	4 369	0	1 817	2 551	Include: more generous unemployment benefits, enhanced Canada Child Tax Benefit and National Child Benefit Supplement, changes in scholarship and internship programmes, enhanced availability of training aboriginal programmes and grants for home energy efficiency.
Transfers to businesses	1 071	0	425	646	Include: Transfers to SMEs (Canada youth business foundation, Canada business networks and industrial research assistance programmes), short-term support to key sectors (forestry, agriculture, slaughterhouses, shipbuilding and space), and support for culture, sports and tourism.
Transfers to sub-national governments	n.a.	n.a.	n.a.	n.a.	The federal government makes infrastructure funding available to provinces and municipalities (which is included in government investment data shown above). Payment for the Gas Tax Fund will double beginning of 2010.
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
· Purchase of troubled assets	137 000	75 000	62 000		Include: the \$50 billion purchase of insured mortgage pools in the first half of FY 2009-10 under the Insured Mortgage Purchase Program (IMPP), in addition to the \$75 billion of purchases already authorised, increasing the total size of the program to \$125 billion; the creation of the Canadian Secured Credit Facility, with an allocation of up to \$12 billion, to purchase asset-backed securities (ABS) backed by loans and leases on vehicles and equipment.
· Guarantee and insurance schemes: - for financial institutions	n.a.	n.a.	n.a.	n.a.	Include: the Canadian Lenders Assurance Facility (CLAF), the Canadian Life Insurers Assurance Facility (CLIAF), the increase in the maximum eligible loan amount a small business can access under the Canada Small Business Financing Program and the proposed increase in Canada Deposit Insurance Corporation's (CDIC) borrowing limit.
· Loans to enterprises: -- car industry	4 700 4 000	700	4 000		Includes the Ontario component (\$1.3 billion).
-- others (BDC and EDC)	700	700			Includes: capital injection to Export Development Canada (EDC) and Business Development Canada (BDC); the increase in authorised capital and borrowing limits of EDC and BDC; the increase in EDC's contingent liability limit and in the Canada Account limit.
· Others	2 000		1 000	1 000	Loans to municipalities to support housing investments through the Canada Mortgage and Housing Corporation (CMHC).
Measures affecting fiscal sustainability	The federal government has effectively abandoned its medium-term fiscal target of getting the federal debt-to-GDP ratio down to 25% of GDP by 2011-12.				

Czech Republic

Czech Republic	Estimated fiscal costs (in billions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	92	0	54	38	
Taxes on individuals	0	0	0	0	
Business taxes	15	0	15	0	
· Income tax cut on incorporated enterprises	6	0	6	0	
· Accelerated depreciation allowance	9	0	9	0	
Consumption taxes	2	0	2	0	
· general consumption taxes	2	0	2	0	Broadening VAT deductions on personal vehicles.
Contributions for public pensions, unemployment, healthcare, invalidity, etc.	74	0	36	38	Decrease in social insurance contributions paid by employees by 1.5 percentage points and reduced employer contributions mainly on low-wage workers, in place during 2009 - 2011.
Others	0	0	0	0	
Spending measures	19	0	19	0	
Government consumption and investment	5	0	5	0	
- Public investment	9	0	9	0	Transport sector.
- Public sector wages	2	0	2	0	
- Co-financing of EU (direct) expenditures	1	0	1	0	
- Tightening as part of the crisis measures	-8	0	-8	0	Across the board cuts and impact of the transfer of resources from the reserve funds.
- Development of rural areas; research & science.	1	0	1	0	
Transfers to households	0	0	0	0	
Transfers to businesses	13	0	13	0	
-- SMEs	3	0	3	0	Additional credit guarantees and support of SME credits.
-- for R&D spending	2	0	2	0	
-- support for entrepreneurs in agriculture	2	0	2	0	
-- Subsidies to energy projects	7	0	7	0	
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
Recapitalisation of financial institutions	n.a.				
Guarantee and insurance schemes:	n.a.				
· for financial institutions	n.a.				
Loans to enterprises	n.a.				
· Change in the timing of tax liabilities	1	0	1	0	Abolition of advances of income taxes for enterprises with less than 5 employees.
Measures affecting fiscal sustainability	None				

Denmark

Three sets of measures have been announced by the government to respond to the crisis and have been included here. First, the 2009 Budget was designed to impart a stimulus of 0.9% of GDP in 2009 -- of which about 0.5% reflect decisions taken before the crisis -- and an additional 0.3% in 2010. Spending measures amounting to about 0.4% of GDP in 2009 and 0.7% of GDP in 2010 are thus included here. Second, a Green Transport Agreement was reached in January 2009. Third, as part of a long-term strategy to strengthen work incentives and simplify the tax system, a Tax Reform Agreement was reached in March 2009, with the decision to under-finance it because of the economic crisis. Only the amount corresponding to the under-financing has been included here.

Denmark	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	11 900	0	0	11 900	This amount represents the net impact of the Tax Reform package agreed on March, 2009. Key elements of the reforms are: the abolition of the middle income tax bracket, the reduction of the bottom rate, an increase in the income threshold for the top tax rate, cuts in the tax rate applying to capital gains on share sales and a reduction in the tax payable on interest income. Financing measures include: reduced deductibility of expenses, including work related expenses and mortgage interest payments, higher taxes on consumption and production of products which are harmful to the environment and health, and the sale of CO2 permits (rather than giving them away). The net impact shown includes the "Green Cheque" (compensation to households for the increases in environmental taxes) and the effect of changes in the tax deductibility of pension contributions which is expected to reduce pension contributions and so increase tax payable. Expenditure measures announced as part of the tax agreement package are not included here; they are listed separately in this table.
Taxes on individuals	0	0	0	0	
Taxes on businesses	0	0	0	0	
Taxes on consumption	0	0	0	0	
Contributions for public pensions, unemployment, healthcare, invalidity...	0	0	0	0	
Others	11 900	0	0	11 900	
Spending measures	32 300	0	14 400	17 900	See above.
Government consumption and investment	30 100		13 200	16 900	
· Public investment	14 500	0	6 900	7 600	
of which:	0				
-- Transport	4 800	0	1 800	3 000	
-- Others	9 700	0	5 100	4 600	
· Public employment	15 600	0	6 300	9 300	
Transfers to households	2 200	0	1 200	1 000	
· pensions	1 000	0	0	1 000	
· others:	1 200	0	1 200	0	
Transfers to businesses	0	0	0	0	
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					<p>Green transport initiative - a new transport infrastructure package was agreed in late January 2009 that involved spending of about DKK5 billion over the period 2009-10.</p> <p>Include: total 2009 budget initiatives of about DKK 9.4 billion (split: 2/3 consumption and 1/3 investment) and investment projects by municipal governments brought forward as announced in the tax reform agreement of 1 March 2009.</p> <p>For 2009, the amount reflects the assumption that 2/3 of total budget initiatives (about DKK 9.4 billion) will affect government consumption.</p> <p>As part of the tax reform package, all aged pensioners will receive an increase in their pension payment of DKK2000.</p> <p>Inducements for building improvements and repair of private homes. Announced in the tax reform agreement of 1 March 2009.</p> <p>Companies will be allowed to defer remittance of VAT and income tax payments during 2009. This will entail an opportunity cost for the government (most likely increasing public debt interest costs during 2009). Such a cost is not included however in this table.</p>
· Recapitalisation of financial institutions			100 000		
· Guarantee and insurance schemes:	unlimited				
· Others	n.a.				
	n.a.				Offer of tier 1 capital injection to raise tier 1 capital to 12%.
	n.a.				Government to guarantee losses of depositor and other credits in excess of DKK 35 provided by the financial sector.
	n.a.				From October 2010, ordinary deposits will be covered by a deposit guarantee of up to DKK 750 000.
	n.a.				Additional export credit facility of DKK 20 billion has been established.
	n.a.				Companies will be allowed to defer remittance of VAT and income tax payments during 2009. These measures may contribute to reduce liquidity constraints for enterprises.
	n.a.				As part of the tax package, the Government announced that individuals would be able to withdraw all their savings in the SP pension scheme (a compulsory contribution scheme).
Measures affecting fiscal sustainability	None				

Finland

Finland	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	4 985	0	2 306	2 679	
Taxes on individuals	3 600	0	1 800	1 800	Direct tax cut for wage earners and pensioners, income tax concession on wood sales and higher tax deduction for house renovations. The tax cut is implemented from 2009.
Business taxes	83	0	65	18	
· Accelerated depreciation allowance	83	0	65	18	The depreciation allowance will be doubled in 2009 and 2010.
Consumption taxes	500	0	40	460	
· General consumption taxes (VAT...)	500	0	40	460	Cut in the VAT rate on food from 17% to 12%.
Contributions for public pensions, unemployment, healthcare, invalidity...	802	0	401	401	Cut in social security contributions from the 2009 supplementary budget.
Others	0	0	0	0	
Spending measures	880	0	440	440	
Government consumption and investment	750	0	375	375	
· public investment:	650	0	325	325	
-- Transport	350	0	175	175	Road and rail maintenance, transport infrastructure projects brought forward, airports and waterway works. Data presented here reflect the assumption that one fourth of the total package will be implemented each year from 2009.
-- Housing	300	0	150	150	Renovation subsidy, interest subsidy loans, refurbishment of basic schools and other government buildings. Data presented here reflect the assumption that one fourth of the total package will be implemented each year from 2009.
· public employment	100	0	50	50	Labour market training.
Transfers to households	130	0	65	65	Increases in various benefits (including maternity, parental and sickness allowances).
Transfers to businesses	0	0	0	0	
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
· recapitalisation of financial institutions	Unknown				The state will offer banks subordinate loans with an interest of 6 percentage points above the 5-year government bond rate.
· guarantee and insurance schemes:	64 630				Commitments in terms of loans and guarantees.
- for financial institutions	64 630				Guarantee of bank refunding for a market based fee. The government will evaluate, whether the scheme should run until end 2009.
· Loans to enterprises:					(see on "Guarantees and insurance schemes")
· Others	Unknown				State Pension Fund can acquire commercial papers of "significant" and "solid" Finnish companies.
Measures affecting fiscal sustainability	The government had an Medium Term Objective surplus target of 2% of GDP by 2012. Currently it projects a surplus of 1% in 2012 and will take corrective measures if this target can not be reached.				

France

The overall stimulus is larger than the strict budgetary implications suggest. Some measures are expected to boost activity and are not included here. For instance, an incentive to invest in 2009 has been introduced via the suspension of the *taxe professionnelle* (tax on capital equipment and building) on new investment made between October 2008 and the end of 2009. The budgetary costs is estimated to € 1.1 billion but is to be borne after 2010. Also, investment in infrastructure by state-owned enterprises is planned to increase by € 4 billion but this has no immediate impact on fiscal balances measured on a national account basis. Finally, advanced payments of the State's liabilities to SMEs account for nearly € 10 billion but their impact on fiscal balances is limited to the opportunity costs of an interest-free loan to enterprises.

France	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	3 200	0	2 500	700	
Taxes on individuals	1 100	0	1 100	0	
of which:	0				
· targeted on low-income groups	1 100	0	1 100	0	Cancellation of tax liabilities for the May and September installments for households subject to the first tax bracket.
Business taxes	1 400	0	700	700	
			0	700	Accelerated depreciation, raising incentives to invest in 2009, but at a cost for the budget in 2010-11.
			0	700	Exoneration of social security contributions for small firms.
Consumption taxes	0	0	0	0	
Contributions for public pensions, unemployment, healthcare, invalidity...	700	0	700	0	Temporary suspension of employer contributions on new hirings by firms of less than 10 employees.
Other spending	0	0	0	0	
Spending measures	9 500	0	7 200	2 300	
Government consumption and investment	4 100	0	2 700	1 400	
· Public investment	4 100	0	2 700	1 400	One-off additional investment (by the State) on infrastructure, defense equipment and maintenance of university and historical buildings.
Transfers to households	3 000	0	3 000	0	
· Unemployment benefits	900	0	900	0	Include: additional spending on ALMP (€500 million), more generous compensation for temporary lay-offs (€300 million) and a premium for the unemployed not eligible to full unemployment insurance benefits (€100 million).
· Social investment funds	800	0	800	0	
· Premium to beneficiaries of school allowance	500	0	500	0	Additional cash hand-out for those eligible to the school allowance.
· Premium to future beneficiaries of <i>Revenu de Solidarité Active</i> (RSA)	800	0	800	0	Cash hand-out for those eligible to the new RSA that starts in June 2009. The cash hand-out is to cover the first 6 months of 2009. (The RSA scheme itself is not an anti-crisis measure).
Transfers to businesses	600	0	600	0	The amount indicated corresponds to the opportunity cost for the State of paying in advance €10.7 billion of funds that it owes to firms, (i.e. money that would have been reimbursed in later years but is concentrated in 2009), assuming a 6% interest rate.
Transfers to sub-national governments	0	0	0	0	
Other spending	1 800	0	900	900	Sector-specific, time-limited aid to housing and car sectors.
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	22 000	11 500	10 500	n.a.	
· Guarantee and insurance schemes:	n.a.	13 000	n.a.	n.a.	
- for financial institutions	n.a.	13 000	n.a.	n.a.	A vehicle owned 2/3 by banks and 1/3 by the government has been set up to issue securities with government guarantee and then to lend the money to banks. The net issuing at the end of December 2008 was €13 billion.
· Loans to enterprises	6 500	0	6 500	0	5-year loans to the two main French car manufacturers.
· Change in the timing of payments of public procurement and tax liabilities	9 400		10 700	- 1 300	Cash injection by the State amounting to €10.7 billion, including earlier monthly VAT reimbursement (€3.6 billion) as well as earlier payment of the tax credit for R&D expenditure (€3.8 billion), public procurement (€1 billion), defense equipment suppliers (€0.5 billion) and carry-back (€1.8 billion).
· Investment by public enterprises	4 000		3 000	1 000	Increased investment by public enterprises (rail, post office and energy).
Measures affecting fiscal sustainability	None				

Germany

Germany	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	39 705	0	15 440	24 265	All fiscal costs are on a cash-accounting basis.
Taxes on individuals	14 300	0	5 400	8 900	Tax allowances for health and long-term care contributions and for commuting are not included. They are due to constitutional court rulings and thus not directly a response to the crisis.
· Increased personal tax allowance and reduced rates	8 900	0	3 100	5 800	Permanent increase in the basic tax-free allowance and reduction of the entry tax rate (lowest tax rate in a progressive income tax scale) from 15 to 14%.
· Expansion of the tax deductibility of tradesmen's services	900	0	0	900	
· Tax-free child allowances and benefits	4 500	0	2 300	2 200	Higher tax-free child allowances and child benefits.
Business taxes	6 830	0	2 145	4 685	
-- Tax relief associated to investment	6 200	0	1 900	4 300	Declining-balance depreciation for investments started until end-2010.
-- Special depreciation facilities for SMEs	630	0	245	385	
Consumption taxes	1 075	0	695	380	
· Specific goods & services	1 075	0	695	380	(a) exemption from motor vehicle tax for one year for new cars (2 years for cars fulfilling certain environment standards); (b) suspension of bio diesel tax; (c) vehicle tax is to be calculated on the basis of emissions caused.
Contributions for public pensions, unemployment, healthcare, invalidity...	17 500	0	7 200	10 300	(a) Lowering of unemployment insurance contributions; (b) Lowering social contributions for health insurance.
Others	0	0	0	0	
Spending measures	34 020	0	18 290	15 730	
Government consumption and investment	19 640	0	9 870	9 770	
· Public investment	19 640	0	9 870	9 770	
Transfers to households	3 800	0	3 550	250	
· Income related transfers	2 300	0	2 050	250	(a) € 100 one-off payment for all recipients of child allowances (per child); (b) higher child allowances for low-income households.
· Cash transfer for car purchases	1 500	0	1 500	0	Anyone scrapping a vehicle that is at least nine years old, and buying a new environmentally-friendly vehicle, will receive an environmental bonus of €2,500.
Transfers to businesses	7 010	0	3 360	3 650	
-- Fostering investment, innovation and R&D	4 710	0	2 260	2 450	(a) support to new drive technologies; (b) support to SMEs' R&D projects; (c) loan program; (d) support to private investment.
-- Others	2 300	0	1 100	1 200	Subsidy of the social security contributions paid by companies for workers working on short time.
Other spending	3 570	0	1 510	2 060	Further training and activation measures for the unemployed.
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	80 000	8 200	10 500		€ 80 bn can be used for both recapitalisation and asset purchases; amounts noted in 2008/09 are actual recapitalisations as of end-February 2009.
· Purchase of troubled assets					
· Guarantee and insurance schemes:					
- for financial institutions	400 000				€ 400 bn available for guaranteeing bond issuances by banks; loss expectation 5% (€ 20 bn).
- for non-financial institutions	100 000				Implementation of a € 100 bn fund used to provide government guarantees to non-financial companies struggling to get financing because of the credit crunch (3% loss expectation).
Measures affecting fiscal sustainability	A reformed fiscal rule will be implemented, allowing for a structural budget deficit of maximum 0.35% of GDP for the central government from 2016 onwards and requiring balanced structural budgets for the Länder from 2020 onwards. According to current plans, €18.7 bn (related to infrastructure spending) will be financed through a so-called redemption fund and the government will decide on a fixed rule how to pay back the liabilities of the fund.				

Greece

Several supporting measures have been announced to respond to the crisis but sufficient information is not available to derive estimates of their costs. Overall, however, the government has committed in the context of the Stability and Growth Pact to implement a restrictive fiscal policy over the period 2009-2011.

Greece	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	n.a.	n.a.	n.a.	n.a.	
Taxes on individuals	n.a.	n.a.	n.a.	n.a.	
Business taxes	n.a.	n.a.	n.a.	n.a.	
· Reduction in property tax rate for businesses in the tourism sector	n.a.	n.a.	n.a.	n.a.	
Consumption taxes	n.a.	n.a.	n.a.	n.a.	
· specific goods & services	n.a.	n.a.	n.a.	n.a.	Return of special consumption tax to farmers.
Contributions for public pensions, unemployment, healthcare, invalidity...	n.a.	n.a.	n.a.	n.a.	
Others	n.a.	n.a.	n.a.	n.a.	
Spending measures	n.a.	n.a.	n.a.	n.a.	
Government consumption and investment	n.a.	n.a.	300	n.a.	
· public investment:	n.a.	n.a.	300	n.a.	
· public employment	n.a.	n.a.	n.a.	n.a.	Subsidies for the hiring of the unemployed (young people, mothers and long-term unemployed) in the public sector.
Transfers to households	n.a.	n.a.	1 040	n.a.	
-- more generous benefits	n.a.	n.a.	n.a.	n.a.	Doubling of the Christmas bonus for 300 000 registered unemployed.
· pensions	n.a.	n.a.	140	n.a.	Support of the unemployed with a subsidy of €1000 euro.
· other income related transfers	n.a.	n.a.	250	n.a.	Increased expenditure on pensions included in the revised draft Budget for 2009.
· others	n.a.	n.a.	650	n.a.	Additional fiscal costs to those budgeted from the increase of means-tested supplementary pension (EKAS).
·	n.a.	n.a.	n.a.	n.a.	Increased funding for the National Social Cohesion Fund, included in the revised draft Budget for 2009.
Transfers to businesses	n.a.	n.a.	170	n.a.	Subsidies and support to farmers.
-- transport sector	n.a.	n.a.	n.a.	n.a.	Subsidy for heating oil granted to all unemployed, those eligible for EKAS, and pensioners belonging to the farmers fund (OGA).
-- to job-creating companies	n.a.	n.a.	n.a.	n.a.	
-- SMEs	n.a.	n.a.	170	n.a.	Subsidies to small businesses (less than 50 persons) for the hiring of unemployed (young people, mothers and long-term unemployed).
Transfers to sub-national governments	n.a.	n.a.	n.a.	n.a.	Support of SMEs in trade, services, manufacturing and tourism sectors.
Other spending	n.a.	n.a.	n.a.	n.a.	
Fiscal measures with no direct or immediate impact on fiscal balances			5 000		A rescue package for the banks of €28 billion was announced in October 2008. The estimated impact of the package on the central government debt for 2009 is €5 billion.
· recapitalisation of financial institutions					State's participation in the share capital of banks (€15 billion)
· purchase of troubled assets					
· guarantee and insurance schemes:					Provision of guarantees by the government of the new medium to long-term loans by the participating banks (€15 billion).
· Loans to enterprises:					
· others					Issue of special government bonds with the additional liquidity to be allocated exclusively for financing small- and medium -sized enterprises and housing loans on competitive terms (€8 billion).
Measures affecting fiscal sustainability	The update of the Stability Programme includes a number of measures aiming at ensuring sustainability: a reduction in the hirings in the public sector; prudent wage policy; consolidating entities and organisations in the public sector; and monitoring expenditures closely. Overall, the announced measures are expected to more than offset the fiscal stimulus package, with the general government deficit remaining unchanged in 2009 (at 3.7% of GDP) and then declining to 3.2% and 2.6% in 2010 and 2011, respectively.				

Hungary

Hungary	Estimated fiscal costs (in billions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	13	0	0	13	To respond to the crisis, the government has implemented both tightening and supporting tax measures. Their net effect on the budget is projected to be nil in 2009 and supportive in 2010. Figures on the structure of spending cuts and restructuring of revenues are government proposals and have still to be passed by Parliament.
Taxes on individuals	17	0	40	- 23	Include the impact of the increase in personal income tax, upward shifting of the lower band, in-kind benefits being taxed from 2010 and most tax allowances being cancelled.
Business taxes	407	0	83	324	Include: an increase in corporate income tax rate, the removal of virtually all tax allowances and the reduction of the tax wedge.
Consumption taxes	- 411	0	- 123	- 288	VAT increase by 3 percentage points, raise excise duty on tobacco, alcohol and fuels.
Contributions for public pensions, unemployment, healthcare, invalidity...	0	0	0	0	Various measures, including: revision of disability benefits, surveillance of family allowance, establishing the National Nursing Service and Family Child Minding Service, merging of state and subnational social accounts from 2011. In addition, family allowance become taxable from Sep. 2009, home-acquisition-related construction and home-buying support will be taxed and sickness benefits will be capped.
Others	0	0	0	0	A general property tax replaces subnational property taxes.
Spending measures	- 1 166	0	- 666	- 500	Figures on the structure of spending cuts and restructuring of revenues are government proposals and are still to be passed in Parliament. Spending is reduced (restrictive measures, overall).
Government consumption and investment	n.a.	0	- 450	n.a.	
· public consumption	n.a.	0	- 450	n.a.	Cuts in expenditures of ministries, salaries for civil servants and suppression of the 13th month wage for civil servants.
Transfers to households	n.a.	0	- 182	n.a.	Include: decreased pension expenditure (related to the Swiss index revision, delay of correction, ceiling of 13th month pension), sharp reduction in subsidies (transport, housing, medicine) and revision of the disability benefit system.
Transfers to businesses	n.a.	0	- 34	n.a.	Reduction in agriculture subsidies. This does not include the financing of training courses by the National Employment Fund for employees of troubled enterprises.
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no or immediate impact on fiscal balances					
· Recapitalisation of financial institutions and guarantees	600		600		Maximum amount to be devoted to bank recapitalisation or guarantees. Direct lending to banks and lending of bonds issued by the central bank are also included.
Measures affecting fiscal sustainability	The government has announced an increase in the retirement age from 62 to 65. From 2016, partial retirement will be impossible. The "Swiss indexation rules" will be changed from 2010 -- the GDP growth rate will determine to what extent pensions are adjusted for wages and prices.				

Iceland

For 2009, reductions in the budget deficit to be achieved through discretionary measures are stipulated in Iceland's Stand-By arrangement with the IMF. The breakdown for 2009 shown in this table reflects the 2009 budget. For 2010, fiscal consolidation measures should amount to an additional 3.1 % of GDP but the details are still unknown.

Iceland	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	n.a.	0	- 7 000	n.a.	Personal income tax rates rise permanently in 2009. The central government flat rate rises from 22.75% to 23.75% and local authorities' rates rise on average from 13% to 13.3%. This tax increase yields 0.5% of GDP.
Taxes on individuals	n.a.	0	- 7 000	- 7 600	
Business taxes	n.a.	0	0	n.a.	
Consumption taxes	n.a.	0	0	n.a.	
Contributions for public pensions, unemployment, healthcare, invalidity...	n.a.	0	0	n.a.	
Others	n.a.	0	0	n.a.	
Spending measures	n.a.	0	- 38 000	n.a.	Permanent discretionary expenditure cuts have been decided that reverse the initially planned discretionary increase in spending in 2009. These cuts entail reducing transfer payments, reducing operational expenditures, and cutting investment spending.
Government consumption and investment	n.a.	0	- 25 500	- 25 500	
· Public investment	n.a.	0	- 12 500	- 12 500	
· Public sector wages	n.a.	0	- 13 000	- 13 000	
Transfers to households	n.a.	0	- 12 500	- 12 500	
Transfers to businesses	n.a.	0	n.a.	n.a.	
Transfers to sub-national governments	n.a.	0	n.a.	n.a.	
Other spending	n.a.	0	n.a.	n.a.	
Fiscal measures with no direct or immediate impact on fiscal balances					<p>The three major banks were put into liquidation in October 2008 and three new banks were created to take over the old banks' domestic operations. The government will recapitalise the banks in 2009. As of November 2008, this was estimated to cost about ISK 385 billion (26% of GDP). In addition, the net costs of compensating insured foreign depositors are estimated to be ISK 280 billion (19% of GDP), assuming that 50% of compensation payments to foreign depositors will be recovered from asset disposals. Finally, the government will inject ISK 150 billion (10% of GDP) into the Icelandic Central Bank this year to recapitalise it following its losses on uncovered bonds of the three failed banks.</p> <p>Residents' deposits have been fully guaranteed by the government since October 2008. Such deposits at the end of September 2008 were equivalent to around 100% of GDP in the year to June 2008.</p>
· Recapitalisation of financial institutions			815 000		
· Purchase of troubled assets					
· Guarantee and insurance schemes: - for financial institutions					
· Loans to enterprises:					
Measures affecting fiscal sustainability	To improve budget execution, budgets now cover a four-year period instead of just one year, as was the case until last year. The government has agreed a fiscal consolidation programme with the IMF aimed at turning the budget balance from a deficit of 13.5% of GDP in 2009 to a surplus of 2% of GDP in 2013.				

Ireland

Ireland	Estimated fiscal costs (in millions national currency)				Comments
	Total	2008	2009	2010	
Revenue measures	- 6 570	- 1 098	- 2 677	- 2 795	
Tax on individuals	- 3 775	- 815	- 1 425	- 1 535	Includes restrictive measures: introduction of income levy, change in the timing of capital gain tax (CGT) payments, higher CGT rates and change in the rate of the Deposit Interest Retention Tax.
Business taxes	380	20	180	180	
Consumption taxes	- 975	- 303	- 332	- 340	Reduction in stamp duty on commercial property.
· general consumption taxes (VAT...)	- 665	- 208	- 227	- 230	
· specific goods & services	- 310	- 95	- 105	- 110	
Contributions for public pensions, unemployment, healthcare, invalidity...	- 2 200	0	- 1 100	- 1 100	
Others	0	0	0	0	
Spending measures	- 1 675	0	- 1 000	- 675	
Government consumption and investment	- 1 525	0	- 925	- 600	Reduction in Early Childcare supplement (duration and rate).
· Public investment:	- 300	0	- 300	0	
· Non-wage public consumption	- 325	0	- 325	0	
· Public sector wages	- 900	0	- 300	- 600	
Transfers to households	- 150	0	- 75	- 75	
Transfers to businesses	0	0	0	0	
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	7 000		7 000		About €400 billion over the period. Include the effect of bringing forward the payment date of the capital gain tax (€200 millions) and business tax (€350 millions), acting as restrictive measures.
· Guarantee and insurance schemes: - for financial institutions	400 000	n.a.	n.a.	n.a.	
· Changes in the timing of payments	- 550		-550		
Measures affecting fiscal sustainability	None				

Italy

Information provided in the table below covers two set of measures, those announced in November 2008 and finalised as Law 2/2009 and a second set announced in February 2009. Only partial information on the second set of measures was available at the time this table was compiled.

Italy	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	- 4 443	0	- 3 690	- 754	Negative numbers represent revenue increases.
Taxes on individuals	716	0	417	299	Includes the deductibility (up to a maximum of €10000) of 20% of the expenses incurred for purchase of furniture and energy efficient appliances in case of domestic restructuring.
Business taxes	163	0	- 1 133	1 296	
Consumption taxes	- 1 441	0	- 1 035	- 405	Includes the balance of small measures on tax breaks and tax repayments.
Contributions for public pensions, unemployment, healthcare, invalidity...	0	0	0	0	Various measures for cars, mainly scrapping bonus.
Others	- 3 881	0	- 1 938	- 1 943	
Spending measures	4 212	0	3 655	558	Auto measures, balance of changes in transfers to railways and other sectors and SME guarantee fund.
Increase in government consumption and investment	110	0	110	0	
· public investment	0	0	0	0	
· public consumption	110	0	110	0	
Transfers to households	3 308	0	3 004	304	
of which:					
· unemployment benefits	558	0	254	304	
Transfers to businesses	794	0	541	254	
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances	n.a.				
· Recapitalisation of financial institutions					
· Purchase of troubled assets					
· Guarantee and insurance schemes:					
- for financial institutions					
- for non-financial institutions					
· Loans to enterprises:					
· Others					
Measures affecting fiscal sustainability	n.a.				

Japan

Japan	Estimated fiscal costs (in billions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	2 490	253	1 107	1 130	
Taxes on individuals	310	0	33	277	
· Tax exemption related to housing loan	252	0	17	235	Increased generosity of the existing exemption.
· Tax exemption related to housing expenditure	58	0	17	42	Increased generosity of exemptions for energy-saving improvements for qualified existing and new houses.
Business taxes	730	0	302	428	
· Accelerated depreciation allowance	323	0	134	189	Immediate depreciation of investment in energy-saving and new-energy equipment.
· Tax relief for small and medium enterprises	408	0	168	239	Reduction in rate for SMEs from 22% to 18%.
Consumption taxes	357	0	153	204	
· Specific goods and services	357	0	153	204	Reduced taxes on cars with low emissions (automobile tonnage tax & acquisition tax).
Contributions for public pensions, unemployment, healthcare, invalidity...	1 047	253	606	188	
· expanded tax exemption for pension contribution	33	0	5	28	Corporate pension scheme (defined contribution plan).
· reduced employment insurance contribution	640	0	480	160	0.4 percentage-point cut (0.2% for employees and 0.2% for employers) for FY 2009.
· reduced healthcare insurance premium for elderly	374	253	122	0	Delayed implementation of the premium payments by persons over age 70.
Other revenue measures	47	0	13	34	Reduced inheritance tax for SMEs' equity and agricultural land.
Spending measures	7 848	114	6 403	1 331	
Government consumption and investment	495	- 386	746	135	
· public investment:	1 418	464	955	0	
· public employment	267	0	133	133	Include direct and indirect employment by the public sector.
· public sector wages	- 73	- 36	- 36	0	Wage cut to finance the 1st economic package.
· expenditure cut of the regular budget FY 2008	- 1 644	- 887	- 757	0	Expenditure cut (other than wages) to finance 1st and 2nd economic packages.
· non-wage public consumption	527	74	452	1	Various expenditures including for healthcare, employment support activities for non-regular workers, childcare establishments, and strengthening consumer protection activities.
Transfers to households	2 424	0	2 248	175	
· unemployment benefits	298	0	128	170	Employment duration to become eligible is shortened from 1 year to 6 months.
· others	2 126	0	2 121	5	
-- "Fixed-sum" benefit to all households	2 040	0	2 040	0	
-- loans for the unemployed	21	0	16	5	Loans to the unemployed. Partial debt relief for those who are employed in 6 months.
-- expanded childcare support	65	0	65	0	
Transfers to businesses	2 238	454	1 263	521	Including capital transfer (equity acquisition) to public financial corporations for their expansion of lending.
-- transport sector	1 003	3	500	500	Fuel subsidy for transport service providers in isolated islands and subsidy for highway companies to cut toll charges.
-- SMEs	47	16	31	0	
-- for investment	945	434	511	0	Equity investment (Japan Financial Corp. and Japan Housing Finance Agency).
-- New subsidy to employers providing accommodation to fired employees	3	0	3	1	40-60 thousand yen per person per month, up to 6 months.
-- Expanded employment subsidy	239	0	219	20	Expanded employment adjustment subsidy, established new subsidy for transfer fixed or dispatched workers to regular workers, etc.
Transfers to sub-national governments	1 692	46	1 396	250	Additional local grants.
Other spending	1 000	0	750	250	Special contingency budget (precautionary reserve for the recession).
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	12 000				Recapitalisation through Deposit Insurance Corp. The total amount is capped at 12 trillion yen.
· Guarantee and insurance schemes:	40 000				
- for financial institutions	20 000				The purchase of stocks and bonds held by financial institutions through the Banks' Shareholdings Purchase Corp. 20 trillion yen is the maximum guarantee to the borrowing by the Corp.
- for non-financial institutions	20 000				6 trillion yen of credit guarantees for SMEs through Credit Guarantee Corporations granted in August 2008. This was expanded up to 20 trillion yen in October 2008.
· Loans to enterprises:	13 000				Lending by the Japan Financial Corp. and Shoko Chukin Bank was expanded to trillion yen in August, and to 10 trillion yen in October 2008. On December 2008, the lending cap through the DBJ and Shoko Chukin Bank was further raised by 1 trillion yen. Also, the purchase of CP by the DBJ was introduced up to 2 trillion yen.
-- construction sector	200				Lending from Japan Housing Finance Agency to home builders and constructors up to 0.2 trillion yen.
Measures affecting fiscal sustainability	In January 2009, the Cabinet presented "The medium- to long-term fiscal policy and an economic and fiscal outlook for the next ten years". This plan maintains the previous objective of a surplus in the primary balance of central and local governments, which was to be achieved by FY 2011. However, the tax measures necessary to meet this objective have not been implemented. The tax bill for FY 2009 states that the government will implement a comprehensive tax reform that includes the consumption tax so as to secure stable revenues for the expansion in social welfare spending as the population ages, although the top priority is to achieve an economic recovery. The January plan states that the tax reform should be carried out by the mid-2010s.				

Korea

The information presented in this table does not include the measures announced by the government in late March 2009 amounting to about 2% per cent of GDP.

Korea	Estimated fiscal costs (in billions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	30 997	6 203	11 638	13 155	All amounts are calculated in cash basis.
Taxes on individuals	13 504	4 746	5 731	3 027	
- targeted on low-income groups	5 690	4 371	1 319	0	
- increased tax credits	450	0	450	0	Tax cut on heating energy for low income families, EITC.
- Oil tax rebate	5 240	4 371	869	0	
- targeted on households with housing problems	3 960	375	2 704	881	Capital gain tax cut, comprehensive property tax cut, increase in deduction for long-term householding.
- personal income tax cut	2 861	0	1 396	1 465	2 percentage point cut, from a range of 8-35% to a range of 6-33%.
- deductions for long-term fund holding	472	0	56	416	
- others	521	0	256	265	Tax cut on interest income, deduction on education expenses.
Business taxes	11 156	663	3 571	6 922	
- tax relief associated to new spending decisions	3 640	0	900	2 740	
- R&D	640	0	0	640	
- investment	3 000	0	900	2 100	
- tax relief for enterprises in specific sectors:	100	0	100	0	
- energy	100	0	100	0	
- corporate tax cut	6 666	0	2 484	4 182	Cut from 25% to 22% in 2009 and to 20% in 2010.
- cut in tariff quota	750	663	87	0	
Consumption taxes	2 238	706	1 177	355	
- general consumption taxes	674	0	506	168	
- specific goods & services	1 564	706	671	187	Tax cut on oil and automobiles, tax reduction for taxi companies and baby nursing goods.
Contributions for public pensions, unemployment, ...	0	0	0	0	
Others	4 099	88	1 159	2 851	
Spending measures	15 973	4 569	11 405	0	All amounts are calculated in cash basis.
Government consumption and investment	8 339	3 634	4 705	0	
- public investment:	8 242	3 634	4 608	0	
- Transport	4 013	734	3 279	0	
- Education	404	404	0	0	
- Health	95	0	95	0	
- Housing	50	0	50	0	
- Agriculture	843	558	285	0	
- Energy	1 939	1 939	0	0	
- Public service	612	0	612	0	
- Environment protection	200	0	200	0	
- Defense	87	0	87	0	
- public employment (temporary jobs)	98	0	98	0	
Transfers to households	1 046	259	787	0	
- unemployment benefits	451	0	451	0	
- lengthening benefit duration	17	0	17	0	
- loosening eligibility criteria	434	0	434	0	
- other income related transfers	595	259	336	0	
Transfers to businesses	4 806	15	4 792	0	
- transport sector	85	15	70	0	
- to job-creating companies	1 872	0	1 872	0	
- for public financial institutions	2 850	0	2 850	0	
Transfers to sub-national governments	1 782	661	1 121	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
- Recapitalisation of financial institutions	0				
- Purchase of troubled assets	0				
- Guarantee and insurance schemes:	0				
- for financial institutions	0				
- for non-financial institutions	7 500				Maximum \$100 billion on overseas borrowing. Additional guarantees through the Korea Credit Guarantee Fund, the Kibo Technology Fund and the regional Credit Guarantee Foundation.
- Loans to enterprises:	0				
- Others	0				
Measures affecting fiscal sustainability					

Luxembourg

Luxembourg	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	645	0	560	85	
Taxes on individuals	460	0	460	0	
-- Increased tax credits	98	0	98	0	Tax allowances replaced with tax credits.
-- Various tax cuts related to housing oriented saving	20	0	20	0	
-- Indexation of tax brackets by 9% in 2009	342	0	342	0	
Business taxes	185	0	100	85	
-- Abolition of capital contribution tax	100	0	100	0	Abolition of "droit d'apport".
-- CIT rate reduction	85	0	0	85	CIT rate reduction from 22 to 21%.
Consumption taxes	0	0	0	0	
Contributions for public pensions, unemployment, healthcare, invalidity...	0	0	0	0	
Others	0	0	0	0	
Spending measures	701	0	466	235	
Government consumption and investment	272	0	192	80	
· public investment:	272	0	192	80	Various investments including transport and renovation of public buildings and in telecom infrastructure.
Transfers to households	358	0	218	140	
· unemployment benefits	236	0	107	129	Extension of "partial unemployment" benefits (including raising the ratio to salary, more flexibility in reference periods).
· pensions	17	0	17	0	Introduction of "allocation de vie chère" which effectively doubles the size of the previous existing "allocation de chauffage".
· other income related transfers	66	0	66	0	2% increase of pensions and rents. 2% increase of minimum social payments (<i>salaire social minimum</i> and <i>revenu minimum garanti</i>).
· "environmentally friendly" subsidies	39	0	28	11	"Prime à la casse" (€10 million), low emission car subsidy (€4.5 million), environmentally friendly domestic appliances (€2 million), housing insulation and other "green" investments (€44.8 million over the period 2009-2012).
Transfers to businesses	71	0	56	15	
-- SMEs	11	0	11	0	Investment aid to SMEs (raising maximum threshold).
-- for R&D spending	30	0	30	0	Increase in the R&D support fund in particular for SMEs and other measures facilitating R&D and protection of intellectual property.
-- Others	30	0	15	15	Financial aid and guarantees for companies in financial difficulties, temporary measure for 2009 and 2010.
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
· recapitalisation of financial institutions	2 876	2 876			Fortis (participated in the acquisition with €2.5 billion) and Dexia (participated in the acquisition with €376 million).
· guarantee and insurance schemes:	n.a.				Increase of household deposit guarantee from € 20000 to 100000.
· Loans to enterprises:	n.a.				
· Changes in the timing of payments	2	0	2	0	Earlier payment of investment aid to businesses.
· others	n.a.				Simplification for export credit guarantees.
Measures affecting fiscal sustainability	n.a.				

Mexico

The responses to the crisis for Mexico considered here are: some measures from the 2009 budget (i.e. infrastructure spending and transfers to development banks, totalling 1.4% of GDP) and measures announced in the January 2009 stimulus package (about 0.8% of GDP). These discretionary measures are assumed to be financed by additional and discretionary oil revenues amounting to about 1.2% of GDP, also included here.

Mexico	Estimated fiscal costs (in billions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	n.a	0	-95	n.a	
Taxes on individuals	n.a	0	0	n.a	
Business taxes	n.a	0	0	n.a	
Consumption taxes	n.a	0	50	n.a	
· specific goods & services	n.a	0	50	n.a	Freeze on gasoline prices, reduction in electricity prices for industry and lower gas prices.
Contributions for public pensions, unemployment, healthcare, invalidity...	n.a	0	0	n.a	
Others	n.a	0	-145	n.a	Expected extra revenue from oil exports and lower negative tax on gasoline.
Spending measures	n.a	0	251	n.a	
Government consumption and investment	n.a	0	138	n.a	
· Public investment:	n.a	0	133	n.a	The 2009 Budget increased public investment by about 1.1% of GDP.
-- Transport	n.a	0	n.a.	n.a.	Acceleration of the public investment program, shifting spending from the second to the first semester of 2009 but remaining within the 2009 budgeted amount.
-- Others	n.a	0	n.a.	n.a.	20% of public purchases from SMEs.
· Public employment	n.a	0	5	n.a.	
-- temporary job	n.a	0	2	n.a.	Creation of temporary jobs (school buildings, etc.).
Transfers to households	n.a	0	32	n.a.	
· Unemployment benefits	n.a	0	18	n.a.	
-- lengthening benefit duration	n.a	0	3	n.a.	Extending medical coverage for unemployed from 2 to 6 months.
-- more generous benefits	n.a	0	15	n.a.	Allowing unemployed workers to draw on their pension savings (the government will compensate gradually by paying a higher share).
· Others	n.a	0	14	n.a.	Include: reinforcement of the national employment service, subsidy and credit guarantee to the buying of energy-efficient household appliances and subsidy to house improvements.
Transfers to businesses	n.a	0	45	n.a.	
-- to job-creating companies	n.a	0	2	n.a.	Subsidy to maintain employment in export sectors.
-- SMEs	n.a	0	5	n.a.	Fund to develop business and increased credit lines to development banks.
-- for investment	n.a	0	8	n.a.	Technical assistance for SMEs to get enterprises credits.
-- Others	n.a	0	30	n.a.	Transfers for infrastructure spending by Pemex and federal agencies.
Transfers to sub-national governments	n.a	0	0	0	
Other spending	n.a	0	36	0	Transfers to development banks were increased by about 0.3% in the 2009 budget.
Fiscal measures with no direct or immediate impact on fiscal balances					
· Guarantee and insurance schemes:	n.a.				Support to the refinancing of commercial paper for non-financial institutions.
· Others	n.a.				National fund for infrastructure investment, 65 million credit and guarantee line for infrastructure PPPs.
	n.a.				Increased financing of housing credits for low income families (241 billion).
	n.a.				Increase in credit to SMEs (176 billion) and development banks (125 billion), rural sectors (84 billion) over the next 4 years.
Measures affecting fiscal sustainability	The 2009 budget departs from the balanced budget rule.				

Netherlands

Netherlands	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	8 503	0	4 189	4 314	
Taxes on individuals	1 375	0	625	750	Introducing a tax credit for working families and an earned income tax credit.
Business taxes	2 328	0	1 164	1 164	
· Accelerated depreciation allowance	1 800	0	900	900	More generous depreciation rules.
· Tax relief for small and medium enterprises	528	0	264	264	Lowering of the tax bracket for SMEs.
Consumption taxes	n.a.	0	n.a.	n.a.	
· General consumption taxes	n.a.	0	n.a.	n.a.	Foregoing of a VAT rate rise by 1 percentage point in 2009.
Contributions for public pensions, unemployment, healthcare, invalidity, etc.	n.a.	0	2400	2400	Reduction of unemployment benefit premiums (each year, €2 billion concerns employees and €0.4 billion concerns employers).
Others	0	0	0	0	
Spending measures	640	0	450	190	
Government consumption and investment	n.a.	0	n.a.	n.a.	Bringing forward some public investment projects.
Transfers to households	440	0	250	190	Financial help to citizens (low-income, handicapped and with chronic health problems) - the 2010 value is uncertain.
Transfers to businesses	200	0	200	0	Allowing for shortening of working hours, with funding from the unemployment fund, some of the fund may also be used in 2010, but within the 200 million cap.
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	20 000				A fund for recapitalisation capped at €20 billion. By now, about 14 billion have been used (ING Groep:10 billion; Aegon: 3 billion recapitalisation; SNS Real: 750 million recapitalisation). Another €16.8 billion was used to nationalise Fortis NL/ABN AMRO.
· Guarantee and insurance schemes:					
- for financial institutions	200 000				Guarantee scheme for financial institutions (limited at €200 billion).
- for non-financial institutions					
· Others	n.a.				Export credit guarantee facility, an increased "growth facility" to guarantee capital to companies (extension from SMEs to all companies, and to higher ceiling) and reduced time of payments by governments (from 45 to 30 days).
Measures affecting fiscal sustainability	None				

New Zealand

New Zealand	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	7 653	408	3 365	3 880	
Taxes on individuals	7 591	408	3 229	3 954	
· targeted on low-income groups					
-- Increased tax credits	462	0	164	298	New Independent Earner Tax Credit implies 5-year total fiscal costs of \$1356 million.
-- Reduced rates	7 129	408	3 065	3 656	Announced measures include: - Reductions in bottom rates and increases in thresholds in 3 instalments (2008, 2010 and 2011); fiscal costs as estimated in pre-election update, with 5-year total at \$11576 million. - Additional reduction in top rate and changes in threshold in 2009 with total 5-year costs (2009-13) of \$3066 million. This additional fiscal cost is broadly offset by removal of R&D credit to businesses and changes to Kiwi Saver scheme.
Business taxes	62	0	136	- 74	
· tax relief on R&D	- 313	0	- 135	- 178	Removal of new R&D tax credit implies 5-year total savings equal to 1292 million.
· tax relief for small companies and medium enterprises	375	0	271	104	Total announced relief of \$480 m spread over 4 years 2009-2012; includes many small relief measures: delay in tax instalments, reductions in interest rates on overpaid and underpaid tax, measures to reduce compliance costs, increases in Goods and Services Tax annual revenue and registration
Consumption taxes	0	0	0	0	
Contributions for public pensions, unemployment,	0	0	0	0	
Others	0	0	0	0	
Spending measures	51	0	160	- 109	
Government consumption and investment	1 152	0	546	606	
· public investment:	1 052	0	496	556	Annual capital allowance (new capital spending) was increased from \$900 million in 2008 budget to \$1.45 billion in 2009 budget, spread across the 5 years of the budget forecast period and cumulating to \$5.8 billion total over the 5-year period (2009-13); 18 December Budget update indicated only \$20 million in 2009 but subsequent announcement on 12 February 2009 indicate \$484 million to be spent on housing (\$124.5 m), transport (\$142.5 m) and education (216.7 m), of which \$110 m worth being started by June 2009.
-- Of which:	100	0	50	50	Fast tracking of maintenance and upgrading programme on national electricity grid, originally scheduled to take place over a 10-year span.
Transfers to households	- 1 101	0	- 386	- 715	
· unemployment benefits	51	0	38	13	To "help people through tough times", transitional relief programme for people who lose their job, legislating for inflation indexing of benefits payments and increasing the amount beneficiaries earn per week before their benefit is abated was announced in the 18 December Budget update, with no spending amounts given.
· other income related transfers	- 1 152	0	- 424	- 728	Reduction of KiwiSaver subsidies implies 5-year total savings of \$3539 million. Note that New Zealand government deducts KiwiSaver subsidies from its estimates of fiscal stimulus.
Transfers to businesses	0	0	0	0	
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	n.a.				
· Purchase of troubled assets	n.a.				
· Guarantee and insurance schemes:					
- for financial institutions	125 000	125 000	125 000	125 000	Retail Deposit Guarantee Scheme and Wholesale Funding Guarantee Facility. As of 30 November 2008, \$125 billion in retail deposits were under guarantee and, as of 25 February 2009, 3 out of the 4 major banks in New Zealand had come under the wholesale facility.
· Loans to enterprises:	n.a.				
· Others	n.a.				
Measures affecting fiscal sustainability	The 2009 Budget Policy Statement (18 Dec. 2008) said that the updated forecasts and projections are outside the range that the government considers prudent in light of rising debt servicing costs and preparation for future fiscal pressures. Its initial steps to deal with these challenges are: <i>i)</i> establish the true nature of the fiscal risks that exist; <i>ii)</i> where possible, drop unfunded commitments made by the previous government; <i>iii)</i> establish a budget process for 2009 that is limited to the immediate priorities of the new government and any emergency pressures; and <i>iv)</i> halt the number of people employed in back office government administration. It said that the (May) 2009 Strategy Report will publish credible measures to halt the rise in the public debt and eventually get it down.				

Norway

Norway	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	n.a	0	3 250	n.a	
Taxes on individuals	n.a	0	0		
Business taxes	n.a	0	3 250		Include : losses during the fiscal years 2008 and 2009 (limited to NOK 5 million) will be deductible against taxable profits; and more generous deduction for R&D spending.
Consumption taxes	n.a	0	0		
Contributions for public pensions, unemployment, healthcare, invalidity...	n.a	0	0		
Others	n.a	0	0		
Spending measures	n.a	0	16 750	n.a	
Government consumption and investment	n.a	0	6 990		
· public investment:	n.a	0	6 600		
-- Transport	n.a	0	3 750		Railroads and classified roads, including walkways and cycle lanes.
-- Housing	n.a	0	2 850		Maintenance and renovation of public infrastructure. A few new investment projects initiated.
· public employment	n.a	0	390		
-- temporary job	n.a	0	150		
-- on indefinite contract	n.a	0	240		
Transfers to households	n.a	0	850		Include: lengthened benefit period for temporary lay-offs (from 30 to 42 weeks), labour market measures and increased grant for business who take up apprentices.
Transfers to businesses	n.a	0	850		
-- for R&D spending	n.a	0	200		
-- Others	n.a	0	650		Various innovation programmes etc.
Transfers to sub-national governments	n.a	0	6 400		Include: temporary transfer for the maintenance of municipal infrastructure (NOK 4000 mill.), block grants (NOK 2000 mill.) and other earmarked transfers (NOK 400 mill).
Other spending	n.a	0	1 660		Programme for improved energy efficiency and other environment related spending.
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	n.a				Equity capital in Kommunalbanken Norway (NOK 300 mil.).
· Guarantee and insurance schemes:	n.a				
- for financial institutions	n.a				Guarantees in GIEK (the central governmental agency responsible for granting guarantees and insurance for export credits) are raised by NOK 60 billion (50 billion as part of the fiscal package).
· Loans to enterprises:	n.a				Loans to Eksportfinans (the Norwegian export credit institution) estimated at NOK 50 billion over the period 2009-10.
· Others	n.a				A NOK 350 billion facility to provide liquidity to the banks (government bonds are swapped for covered bonds); increased financing capabilities in Innovation Norway (NOK 4 billion).
Measures affecting fiscal sustainability	None				

Poland

Poland	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	4 460	0	1 660	2 800	
Taxes on individuals	0	0	0	0	
Business taxes	0	0	800	800	
-- R&D	0	0	n.a.	n.a.	Enabling accounting of expenditure for research activities as tax costs.
-- investment	0	0	n.a.	n.a.	Tax break up to EUR 0.1 million per firm on investment for start-ups created in 2008-10.
-- Others	1 600	0	800	800	Streamlined regulation to boost investment in telecommunication and internet networks; improved accounting rules; possibility for the energy regulator to fix a price cap on the wholesale electricity market.
Consumption taxes	1 600	0	860	2 000	
· general consumption taxes	4 000	0	2 000	2 000	Streamlining VAT regulations.
· specific goods & services	- 1 140	0	- 1 140	0	New excise tax hike on alcohol and new cars with engines above 2L.
Contributions for public pensions, unemployment, healthcare, invalidity...	0	0	0	0	
Others	0	0	0	0	
Spending measures	7 940	0	7 940	0	
Government consumption and investment	16 800	0	16 800	0	
· Public investment	16 800	0	16 800	0	Front-loading investments co-financed with EU funds.
Transfers to households	1 140	0	1 140	0	
· Solidarity social fund	1 140	0	1 140	0	Creation of a solidarity social fund to cover eventual social spending needs resulting from the crisis.
Transfers to businesses	0	0	0	0	
Other spending	- 10 000	0	- 10 000	0	Fiscal consolidation measures to be implemented in 2009 through spending cuts of different ministries and regions.
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	2 000	0	2 000	0	Increase of capital for one public bank so as to guarantee bank loans to SMEs up to PLN 20 billion.
· Purchase of troubled assets	0	0	0	0	
· Guarantee and insurance schemes:	40 400	0	40 200	200	
- for financial institutions	40 000	0	40 000	0	Garantees of loans for infrastructure investments co-financed with EU funds or realized under public-private partnerships.
- for non-financial institutions	400	0	200	200	
· Loans to enterprises:	1 500	0	1 500	0	
-- Support of renewable energy investments	1 500	0	1 500	0	Support of renewable energy investments.
· Others	n.a.	n.a.	9 600	n.a.	Use of off-budget measures to finance road infrastructure investments.
Measures affecting fiscal sustainability					

Portugal

Portugal	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	0	0	0	0	
Taxes on individuals	0	0	0	0	
Taxes on businesses	0	0	0	0	
Taxes on consumption	0	0	0	0	
Contributions for public pensions, unemployment, healthcare, invalidity...	n.a.	n.a.	n.a.	n.a.	See under Transfers to businesses.
Others	0	0	0	0	
Spending measures	1 335	0	1 335	0	
Government consumption and investment	624	0	624	0	
· Public investment:	624	0	624	0	
-- Education	312	0	312	0	Modernisation of schools programme.
-- Others	312	0	312	0	Include initiatives to foster renewable energies, energy efficiency, energy transmission infrastructure and broadband infrastructure.
Transfers to households	0	0	0	0	
Transfers to businesses	711	0	711	0	Include: SME credit line, industrial restructuring fund, support to export credit insurance, support for promotion abroad, support to private investment projects in agriculture, credit facility for agricultural and agro-industry exports, tax credits for investment as well as measures aiming at protecting employment and increasing social protection through wage subsidies and reduced rates of social insurance contributions for SMEs and the funding of training places.
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
· guarantee and insurance schemes: - for non-financial institutions			425		see above under Transfers to businesses.
Measures affecting fiscal sustainability	None				

Slovak Republic

Slovak Republic	Estimated fiscal costs (in millions euros)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	435	0	173	262	
Taxes on individuals	398	0	161	237	
· targeted on low-income groups	398	0	161	237	Increase of the non-taxable portion of incomes from €3,435 per annum to €4,026 and extension of the so-called employee bonus, which makes minimum wage earners eligible for negative tax, paid annually starting in 2009; as well as a smaller change to the tax base.
Business taxes	37	0	12	25	Includes a range of measures such as the opportunity cost of shifting of deadlines for filing tax returns and changes in depreciation rules.
Consumption taxes	0	0	0	0	
Contributions for public pensions, unemployment, healthcare, invalidity...	0	0	0	0	
Others	0	0	0	0	
Spending measures	317	0	141	175	
Government consumption and investment	0	0	0	0	
Transfers to households	0	0	0	0	Subsidies for the replacement of vehicles are not included in this table.
Transfers to businesses	317	0	141	175	Measures concentrating on boosting employment. It contains elements such as subsidising labour costs for employers who hire the unemployed or who introduce a shortening of working time and measures supporting self-employment. EU funds are included but financial support for business R&D and subsidies to SMEs are not included.
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	n.a.				
· Purchase of troubled assets	n.a.				
· Guarantee and insurance schemes:	n.a.				
- for financial institutions	n.a.				
- for non-financial institutions	n.a.				The government has issued a 100% deposit guarantee.
· Loans to enterprises	n.a.				Financial support for SMEs: Aims at securing bank lending to SMEs as a reaction to rising borrowing costs; government decided to increase the capital of two small state-owned banks by some 0.1% of GDP and open a credit line with EIB amounting to € 30-40 million.
· Changes in the timing of payments	511				Reduction in the period for refunding the VAT.
Measures affecting fiscal sustainability					

Spain

The information presented in this table does not include the measures announced early March 2009. *Inter alia*, these measures widen access to unemployment benefits and reduce social security contribution rates for employers hiring unemployed workers. Their cost is projected to amount to 0.15% of GDP in 2009.

Spain	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	18 018	5 400	6 309	6 309	
Taxes on individuals	17 852	5 400	6 226	6 226	
· targeted on low-income groups	17 400	5 400	6 000	6 000	Increased wastable tax credit (€400), i.e. households who pay less than €400 in tax get less than €400. This measure was a response to the cyclical downturn which in residential construction already started in the summer of 2007.
· targeted on households with housing problems	452	0	226	226	Widening of period during which sale of home is exempt from capital gains tax.
Business taxes	0	0	0	0	
Consumption taxes	0	0	0	0	
Contributions for public pensions, unemployment, healthcare, invalidity...	166	0	83	83	Contribution subsidy for hiring an unemployed person with children.
Others	0	0	0	0	
Spending measures	20 800	6 700	11 600	2 500	
Government consumption and investment	11 200	1 700	9 300	200	
· public investment:	8 000	0	8 000	0	Central government funds for local government investment.
· public sector wages	3 200	1 700	1 300	200	Include: enhanced employment services and some transfers to households.
Transfers to households	2 000	1 200	400	400	
· Improved long-term care	2 000	1 200	400	400	
Transfers to businesses	7 600	3 800	1 900	1 900	
-- Car industry	3 200	1 600	800	800	Include: wage subsidies, support for innovation in the industry and liquidity support.
-- For investment	2 000	1 000	500	500	
-- Others	2 400	1 200	600	600	Environment.
Transfers to sub-national governments	0	0	0	0	
Other spending	0	0	0	0	
Fiscal measures with no direct or immediate impact on fiscal balances					
· Purchase of troubled assets	30 000	10 000	20 000		Domestic aa rated assets only, may not be troubled.
· Guarantee and insurance schemes:					
- for financial institutions	108 500	8 500	100 000		
- for delayed mortgage repayments of the unemployed	5 500		2 750	2 750	Government guarantee when an agreement is reached between banks and the unemployed to postpone loan repayments.
· Loans to enterprises	39 000	7 000	32 000		Include loans for SMEs and for households facing severe difficulties to repay mortgages.
· Changes in the timing of payments:	10 700	3 000	7 700	0	
- anticipated tax-credits for owner-occupiers	1 700	0	1 700	0	Anticipated payment of tax-credits for owner-occupiers with income below 33 000 euros.
- general consumption taxes	9 000	3 000	6 000	0	Anticipation of VAT repayments.
Measures affecting fiscal sustainability					Local and regional governments are exempt for presenting plans to address fiscal imbalances until 2011.

Sweden

Sweden	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	56 622	0	30 669	25 953	
Taxes on individuals	44 766	0	25 219	19 547	
· targeted on low-income groups	30 000	0	15 000	15 000	Third step of in-work tax credit.
· others	14 766	0	10 219	4 547	Expenditure on house renovations, conversions and building maintenance will be deductible from income tax; basic deduction for pensioners will be increased; indirect effects of labour market expenditure measures on revenues.
Business taxes	5 906	0	3 212	2 694	Reduced corporate tax rate and lower employer social security contributions.
Consumption taxes	600	0	300	300	
· Abolition of VAT on higher education	600	0	300	300	
Contributions for public pensions, unemployment, healthcare, invalidity...	5 350	0	1 938	3 412	The measure doubles the reduction in employer social security contributions received when employing a person that has been unemployed for more than a year. Also, contributions to unemployment insurance fund are reduced.
Others	0	0	0	0	
Spending measures	29 859	0	13 542	16 317	
Government consumption and investment	29 420	0	12 575	16 845	
· public investment:	8 400	0	4 200	4 200	Focused on roads and railways.
· public employment	21 020	0	8 375	12 645	Increased resources to the public employment services, schools, universities, the competition authority, the financial sector supervisor, health and aged care providers, etc.
Transfers to households	2 339	0	967	1 372	
· unemployment benefits	1 378	0	539	839	Reduce qualifying times for unemployment insurance and raise benefits for people who have been temporary or part-time absent from work.
· pensions	260	0	130	130	Raise pension benefits due to a higher norm for reasonable standard of living.
· other income related transfers	701	0	298	403	Increased study assistance for post-secondary students.
Transfers to businesses	0	0	0	0	
Transfers to sub-national governments	0	0	0	0	
Other spending	- 1 900	0	0	- 1 900	Unallocated.
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions			50 000		Offer of tier 1 capital (shares or hybrid core capital) from stabilisation fund established in Oct 2008.
· Purchase of troubled assets					
· Guarantee and insurance schemes:			1520 000		
- for financial institutions					Guarantees of up to SEK 1500 billion is available to banks, mortgage institutions and credit institutions that lend to municipalities and which are incorporated in Sweden. Only institutions with at least six per cent Tier 1 capital and at least nine per cent combined Tier 1 and Tier 2 capital will be eligible for guarantees.
- for non-financial institutions					Guarantees of up to SEK 20 billion is available for loans from the European Investment Bank for auto industry green technology.
· Loans to enterprises:			5 000		
-- car industry			5 000		Auto industry rescue loans.
· Changes in the timing of payments	n.a.				Employers can defer payment of social security contributions and income tax relating to two months employment during 2009. Deferral is for a maximum of one year.
· Others			3 000		Grant to a new public company to finance R&D in the auto industry.
Measures affecting fiscal sustainability					

Switzerland

Switzerland	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	1 000	0	500	500	
Taxes on individuals	1 000	0	500	500	Include: a compensation for tax bracket creep and part of cantonal tax cuts (it is estimated that 50% of the cantonal tax cuts are a response to the crisis).
Business taxes	0	0	0	0	
Consumption taxes	0	0	0	0	
Contributions for public pensions, unemployment, healthcare, invalidity...	0	0	0	0	
Others	0	0	0	0	
Spending measures	1 694	0	1 341	353	
Government consumption and investment	1 534	0	1 186	348	
· public investment:	1 534	0	1 186	348	
-- Transport	348	0	300	48	Investment in rail and road infrastructure by the federal government.
-- Housing	45	0	45		
-- Cantonal projects	750	0	500	250	Capital spending as contained in the 2009 Budget, with 1/3 assumed to be executed in 2010 and half considered as a response to the crisis.
-- Others	391	0	341	50	Include: projects in defence, education, agriculture that had been cancelled for being lower priority as well as infrastructure investment and support for rural, relatively underdeveloped and remote regions.
Transfers to households	50	0	50	0	Include subsidies for the use of renewable energy and for energy-saving investment.
Transfers to businesses	10	0	5	5	Support for widening export loans and loan guarantee by a government agency.
Transfers to sub-national governments	n.a.	0	n.a.	n.a.	Several projects included in the stimulus packages involve a financial participation of the cantons, including railway and road infrastructure, regional policy as well as flood control measures. This participation is in principle consolidated in the estimates of cantonal spending measures listed above.
Other spending	100	0	100	0	Increased funding for public research institutions.
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	6 000	6 000			Purchase of UBS bonds by the federal government, to be converted into equity after 30 months.
· Purchase of troubled assets	40 000	40 000			Purchase by a dedicated fund, with 10% of any first losses born by the bank whose assets are purchased.
· Others	550		550		Business liquidity reserve accounts held at, and frozen by, the federal government, which have benefitted from tax subsidies when accumulated, have to be dissolved. This measure has no direct impact on fiscal balance measured on a national account basis but may help to relieve credit constraints.
Measures affecting fiscal sustainability	None.				

Turkey

The fiscal plan is being negotiated with the IMF. Some supporting measures have been announced since the mid-2008 but their costs are largely uncertain and the most important ones will have no direct impact on the fiscal balance (such as credit guarantees and loans for exporters).

Turkey	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	n.a.	n.a.	n.a.	n.a.	
Taxes on individuals	n.a.	n.a.	n.a.	n.a.	The Parliament adopted an "Asset Peace Law" introducing tax benefits for taxpayers who repatriate or declare their unrecorded assets, including cash, foreign currency, securities and other capital market instruments as well as real estate. No tax inspections or reassessments will be made on the declared assets. <u>Reduced tax rates:</u> A tax of 2% is imposed on assets of foreign origin repatriated to Turkey, and 5% on domestic assets registered as shareholders' equity. <u>Tax exemption:</u> No income or corporate tax will be applicable to taxpayers on income generated from (i) sale of shares in legal entities established outside Turkey, (ii) dividends of legal entities established outside Turkey; or (iii) commercial activities conducted abroad, provided that incomes are transferred to Turkey by 31 May 2009. The withholding tax rate on capital gains on equities was reduced to 0% (only available to foreign investors before, now generalised to domestic investors).
Business taxes	n.a.	n.a.	n.a.	n.a.	The cabinet is authorised to reduce corporate tax for 5 years if textile, apparel and leather companies move their plants to certain cities by end-2010.
Consumption taxes	n.a.	n.a.	n.a.	n.a.	
· specific goods & services (cars, ...)	n.a.	n.a.	n.a.	n.a.	Excise taxes on internet services, included wireless and mobile internet services, are lowered from 15% to 5%.
Contributions for public pensions, unemployment, healthcare, invalidity...	n.a.	n.a.	n.a.	n.a.	An "Employment Package" was enacted in May 2008: - From May 2008, social security contributions for young and female workers are reduced and will be paid by the Treasury (total exemption in the first year of employment, 80% in the 2nd year, until 20% in the 5th year). - From October 2008, 5 percentage points of the employers' social security contributions (over a total of 21.5%) will be paid by the Treasury.
Others	n.a.	n.a.	n.a.	n.a.	
Spending measures	n.a.	n.a.	n.a.	n.a.	
Increase in government final demand	n.a.	n.a.	n.a.	n.a.	
Government consumption and investment	n.a.	n.a.	n.a.	n.a.	The government will invest a total of YTL 26.75 billion between 2008 and 2012 in the Southeastern Development Project (GAP), in developing infrastructures and irrigation systems and boosting employment (14.55 billion will come from central budget sources and the remaining YTL 12.2 billion from off-budget sources).
Transfers to households	n.a.	n.a.	n.a.	n.a.	Increased subsidies for shorter working hours.
Transfers to businesses	n.a.	n.a.	n.a.	n.a.	
Transfers to sub-national governments	n.a.	n.a.	n.a.	n.a.	Transfers to sub-national governments will be increased to allow higher investment at a local and regional level.
Other spending	n.a.	n.a.	n.a.	n.a.	An incentive is envisaged to encourage people to scrap old cars, to boost sales of new vehicles.
Fiscal measures with no direct or immediate impact on fiscal balances					
· Guarantee and insurance schemes: - for financial institutions	n.a. n.a.	n.a. n.a.	n.a. n.a.	n.a. n.a.	
· Loans to enterprises:	n.a.	n.a.	n.a.	n.a.	KOSGEB has started to offer employment-indexed credits to manufacturing firms with 0 % interest rate and maturity of 12 months. The upper limit of the credit is set at YTL 100 000 with a total credit volume of YTL 350 million. KOSGEB (Small and Medium-Sized Enterprises Development Agency) has started to offer export credits with 0 % interest rate and maturity of 6 months. The upper limit of the credit is set at \$ 100 000 with a total credit volume of \$ 650 million. Turkish Eximbank will increase its export credit guarantees by 12% in 2009 (to \$ 5.7 billion). Turkish Eximbank cut export credit interest rates by 2.5 points and increased their maturity by 3 months.
· Others	n.a.	n.a.	n.a.	n.a.	
Measures affecting fiscal sustainability	The medium-term fiscal programme will allow for a larger fiscal deficit in 2009-2010.				

United Kingdom

United Kingdom	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	21 326	2 837	14 942	3 548	
Taxes on individuals	8 645	1 866	3 514	3 265	
· Increased personal tax allowance	8 265	1 767	3 283	3 215	Announced in September and then extended from the pre-budget report announcement.
· Housing Stamp duty holiday	280	87	156	38	
· Home Energy Saving Programme	100	13	75	13	Subsidy to households insulating homes.
Business taxes	1 061	45	383	634	
· Defer corporate tax increase for small firms	365	0	15	350	
· Carry backward & other relief for troubled companies	200	5	136	59	
· Defer rate increase on empty property	178	0	139	39	
· Backdated business rates bills	116	40	81	- 5	
· Defer action on income shifting	220	0	19	201	
· Capital allowance- business cars	- 18	0	- 8	- 10	
Consumption taxes	10 391	881	10 509	- 999	
· general consumption taxes	12 400	950	11 450	0	Temporary cut in the standard VAT rate from 17.5 to 15%.
· specific goods & services	0	- 69	- 941	- 999	Increase in duties on alcohol and tobacco.
Contributions for public pensions, unemployment, healthcare, invalidity...	0	0	0	0	
Others	1 229	45	536	648	Air passenger duty; Vehicle excise duty - cars and vans; Vehicle excise duty - heavy goods vehicles; Fuel duty.
Spending measures	- 573	190	4 491	- 5 254	
Government consumption and investment	1 428	91	2 483	- 1 146	
· public investment:	1 428	91	2 483	- 1 146	
· Employment Services	700	0	300	400	
· Capital Spending Brought Forward	728	91	2 183	- 1 546	
Transfers to households	1 750	99	2 009	- 358	
· Pensions	1 110	- 19	1 014	115	
· Child benefit bring forward (one-off)	170	0	170	0	
· Bring forward Child Tax Credit increase	190	0	190	0	
· Support for mortgage payments & debt counselling	64	18	36	10	
· Mortgage Rescue scheme (assistance to local gov.)	216	100	599	- 483	Assistance to local councils to take part equity in homes where households have problems paying mortgages.
· Income Support for Mortgage Interest	n.a.	n.a.	n.a.	n.a.	Reforming Income Support for Mortgage Interest (SMI), by shortening the waiting period before SMI is paid from 39 weeks to 13 weeks for new working age claims. This came into effect from 5 January 2009
Transfers to businesses	0	0	0	0	
Transfers to sub-national governments	0	0	0	0	
Other spending	- 3 750	0	0	- 3 750	"Value for Money Savings" consolidation plan.
Fiscal measures with no direct or immediate impact on fiscal balances					
· Recapitalisation of financial institutions	50 000				October 2008: Government's Bank Reconstruction Fund: Assist banks to raise tier one capital. Government takes preference share capital or permanent interest bearing shares (PIBS) and is also willing to assist in the raising of ordinary equity if requested to do so (£25bn). The Government planned to make capital investments in Royal Bank of Scotland (RBS), and Lloyds TSB/HBOS, totaling £37 billion. February 2009: further £13 billion capital injection to RBS.
· Nationalisation of Northern Rock	10 000				
· Nationalisation of Bradford and Bingley	40 000				
· Asset Purchase Facility (APF)	n.a.				Treasury borrowing to fund purchases under APF.
· Guarantee and insurance schemes: - for financial institutions	250 000 expected		100 000 expected		October 2008: Credit Guarantee Scheme: To qualify for Credit Guarantee Scheme, the relevant institution must be an eligible institution and either already have, or have a plan for raising, Tier 1 capital by the amount and in the form the Government considers appropriate. 15 December 2008: Changes to Credit Guarantee Scheme - lowering fees charged to banks using this scheme. Also extend the duration of the guarantee given, from 3 to 5 years, ending in April 2014.
· Loans to enterprises: -- car industry	n.a.				Funding for green car initiative (loans).
· Homeowner Mortgage Support Scheme (mortgage payment guarantee)	n.a.				The scheme will allow lenders to reduce a borrower's current monthly mortgage payments, with the deferred payments rolled up, added to the principal, and paid at a later date when the borrower's financial circumstances have improved. The Government will guarantee the lender against a proportion of any loss incurred on the deferred interest payments in case the borrower defaults.
· Deposit Insurance Payments - Financial Services Compensation Scheme	18 000				Financial Services Compensation Scheme (FSCS) Funding: 300,000 UK customers of Icelandic banks deposit covered totalling £4bn; £14bn to underwrite Bradford & Bingley deposits transferred to Santander.
Measures affecting fiscal sustainability					

United States

Information provided here refers to the federal government. Figures are based on the 2008 Economic Stimulus Act, the 2008 Emergency Extended Unemployment Compensation Act, the 2008 FHA Housing Stabilization Act and Homeownership Retention Act and the 2009 American and Reinvestment Act. Some of these measures, especially the \$787 billion package signed into law on February 2009, will only partly be spent by the end of 2010.

United States	Estimated fiscal costs (in millions national currency)				Comments
	Total 2008-2010	2008	2009	2010	
Revenue measures	462 997	170 000	120 431	172 566	Data are presented for calendar years.
Taxes on individuals of which:	344 906	120 000	75 877	149 029	
	217 906	0	68 877	149 029	2009 American Recovery and Reinvestment Act. Are included here: changes in Making Work Pay Credit, the increase of individual AMT exemption and allowance of personal credit against the AMT, the extension of first-time homebuyer credit, as well as change in education expenses tax credit and sales tax deductions for the purchase of vehicles.
	127 000	120 000	7 000	0	2008 Economic Stimulus Act. Rebate cheques sent to taxpayers are included here.
Business taxes of which:	118 091	50 000	44 554	23 537	
	84 591	0	53 554	31 037	2009 American Recovery and Reinvestment Act. Are included here: the deferral and rateable inclusion of income associated with the reacquisition of debt instrument and/or debt exchange, various energy incentives, special allowance for certain property acquired in 2009, the extension of the carryback period for net operating losses, as well as various other tax incentives and tax cuts.
	33 500	50 000	- 9 000	- 7 500	2008 Economic Stimulus Act. Is included here the accelerated depreciation allowance.
Consumption taxes	n.a.	n.a.	n.a.	n.a.	Sales tax deductions for the purchase of vehicles. The corresponding loss of revenues is included in taxes on individuals.
Contributions for public pensions, unemployment, healthcare, invalidity...	0	0	0	0	
Other revenue measures	0	0	0	0	
Spending measures	341 073	432	176 354	164 287	
Government investment and consumption	144 978	0	63 220	81 758	2009 American Recovery and Reinvestment Act.
· Public investment:	42 340	0	16 262	26 078	
· - Transport	16 564	0	7 329	9 236	Investment highway and other transportation programmes.
· - Health	1 670	0	620	1 050	National coordinator for health information technology.
· - Housing	4 923	0	1 343	3 580	Housing assistance programmes.
· - Energy and water	15 314	0	5 506	9 808	
· - Others	3 869	0	1 464	2 405	Federal Building Fund, military construction and Veteran Affairs.
· Public consumption	102 638	0	46 958	55 679	Include: food stamp program, increased student financial assistance and special and disadvantage education, grants for broadband Internet services, various health programmes.
Transfers to households of which:	69 115	0	51 781	17 333	Include measures from the American Recovery and Reinvestment Act and from the Emergency Extended Unemployment Compensation Act.
· Unemployment benefits	37 254	0	22 048	15 205	The date by which an individual exhausts regular unemployment benefits and qualifies for emergency benefits has been extended.
· Income related transfers	31 861	0	29 733	2 128	Changes in the Temporary Assistance to Needy Family (TANF) and other assistance to low-income households.
Transfers to businesses	0	0	0	0	
Transfers to sub-national governments	125 041	0	60 539	64 502	2009 American Recovery and Reinvestment Act. Some of the associated transfers are earmarked to infrastructure projects, education and health care (Medicaid).
Other spending	1 941	432	815	695	Housing Stabilization and Homeownership Retention Act of 2008 which allows the Federal Housing Administration (FHA) to guarantee up to \$300 billion in refinanced, viable mortgages for primary residences considered at risk of foreclosure.
Fiscal measures with no direct or immediate impact on fiscal balances					Include measures adopted following the enactment of the Emergency Economic Stabilization Act of 2008, also known as TARP and other measures taken by the US Treasury (such as outlays to the GSEs and the extension of guarantees and insurance schemes to financial and non-financial institutions). Measures are recorded on a cash basis.
· Recapitalisation of financial institutions	425 200	230 000	195 200		TARP funds allocated or committed to recapitalize: Citi, BofA, other large banks, small banks and AIG. It is assumed that over the course of 2009 the remaining funds for small banks will be entirely allocated and that all un-marked TARP funds (nearly \$100 billion as of early February 2009) will be used to recapitalize financial institutions.
· Purchase of troubled assets	100 000	0	100 000		TARP funds aiming at establishing a Public-Private Investment Fund (PPIF) to purchase troubled assets.
· Guarantee and insurance schemes:	429 000	311 000	118 000		TARP funds to cover second losses up to \$5 billion for Citi, guarantees of the US government, FDIC and Federal Reserve for certain assets held by CITI and BofA, and other measures taken by the US Treasury.
· - for financial institutions	429 000	311 000	118 000		Measures taken in the context of the TARP.
· Loans to enterprises:	119 800	4 900	114 900		
· -- car industry	19 800	4 900	14 900		TARP funds allocated to issue loans to US automakers, as well as to GMAC and Chrysler Financial Services Americas.
· -- others	100 000	0	100 000		TARP funds allocated to capitalise the Fed's TALF programme.
· Others	3263 500	3303 500	- 40 000		Include: TARP funds allocated for home mortgage relief, outlays to GSEs, assets guaranteed under the US Treasury's Temporary Guarantee Program for Money Market Funds and the initiation of a temporary Supplementary Financing Program for the Federal Reserve.
Measures affecting fiscal sustainability	The FY 2010 budget proposes to establish budget enforcement rules, such as statutory pay-as-you-go rules. It also calls for an ambitious and optimistic fiscal consolidation programme over the medium term.				