2024 G20 Rio de Janeiro Summit
Interim Compliance Report

20 November 2024 to 31 May 2025

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9. Macroeconomics: Fiscal Policy

"Our fiscal policies will safeguard fiscal sustainability and rebuild buffers, remain growth-friendly and catalyze public and private investments towards productivity enhancing reforms."

G20 Rio de Janeiro Leaders' Declaration

Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina			+1
Australia			+1
Brazil		0	
Canada			+1
China			+1
France			+1
Germany			+1
India		0	
Indonesia		0	
Italy			+1
Japan			+1
Korea			+1
Mexico		0	
Russia		0	
Saudi Arabia		0	
South Africa		0	
Türkiye		0	
United Kingdom			+1
United States			+1
African Union		0	
European Union			+1
Average	+0.57 (79%)		

Background

Macroeconomic policy has been featured at the core of G20 commitments since the group's inception with an initial focus on how to best recover from the 2008 global financial crisis. Since then, the group's commitments have evolved to match members' priorities over the almost two decades that have followed. The main focuses of the macroeconomic policy commitment have been on supporting a stable and sustainable ecosystem system through promoting inclusive economic growth, structural reforms, promoting private investment in critical infrastructure and strengthening financial regulations. In 2020, the G20 also agreed to extraordinary measures to deal with the unprecedented economic shocks of the Covid-19 pandemic. Most recently, G20 members have reiterated commitments to fiscal sustainability through increasing productivity at both the New Delhi and Rio de Janeiro summits.

At the 2008 Washington Summit, G20 members paid significant attention to how fiscal policy can accelerate economic recovery following the financial crisis.[3331] Members agreed to pursue a sustainable fiscal policy that aimed to rapidly stimulate domestic demand. Members also agreed to restore emerging and developing countries' access to credit markets and strengthen private capital flows to those countries.

[3331] Declaration of the Summit on Financial Markets and the World Economy, G20 Information Centre (Toronto) 15 November 2008. Access Date: 5 March 2025. https://g20.utoronto.ca/2008/2008declaration1115.html

At the 2009 Pittsburgh Summit, G20 members promised to implement responsible fiscal policies that enabled short-term flexibility and long-term sustainability.[3332] Members also agreed that members with sustained surpluses would pledge to increase domestic growth through methods including raising private investment to boost productivity in the service sector.

At the 2010 Seoul Summit, G20 members endorsed the Seoul Action Plan to facilitate macroeconomic stability.[3333] Key commitments of the Action Plan included using fiscal consolidation to ensure ongoing economic recovery and sustainable economic growth, as well as implementing a range of structural reforms that boost and sustain global demand, foster job creation and increase the potential for growth.

At the 2012 Los Cabos Summit, G20 members reaffirmed their support for a sustainable and stable fiscal policy.[3334] Members from the Eurozone agreed to take all necessary measures to manage renewed market tensions in the region, as well as reform financial markets to break the feedback loop between sovereigns and banks. All members also agreed to use their fiscal tools to strengthen global growth, with advanced economies ensuring the pace of fiscal consolidation can support economic recovery. Members also agreed that investments in education, innovation and infrastructure can boost productivity.

At the 2013 St Petersburg Summit, G20 members endorsed the St Petersburg Action Plan.[3335] Members committed to country-specific policies to boost economic growth and stability. Such actions included reforms to promote investment, measures to enhance productivity and competition, and utilizing fiscal policies to achieve a broad-based rebalancing of global demand.

At the 2016 Hangzhou Summit, G20 members agreed to make fiscal policy and public expenditures more growth-friendly, as well as implement country-specific policies to enhance innovation and productivity.[3336] Members also released a G20 Blueprint on Innovative Growth, which called for structural reforms and deepening interstate cooperation to grow human capital, boost innovation and productivity.[3337]

At the 2020 Riyadh Summit, G20 members agreed to implement extraordinary and unprecedented fiscal policies, consistent with the mandates of their governments and central banks, to offset the unprecedented economic shocks caused by the Covid-19 pandemic.[3338]

At the 2021 Rome Summit, G20 members committed to maintaining fiscal support measures to sustain global economic recovery while ensuring long-term fiscal sustainability.[3339] Recognizing the uneven pace of economic recovery across countries, members pledged to avoid the premature withdrawal of support measures. Members also emphasized the role of digital transformation in boosting productivity and fostering inclusive economic growth.

At the 2022 Bali Summit, G20 members reaffirmed their commitment to long-term fiscal sustainability while emphasizing the need for agile and flexible macroeconomic policies to address ongoing global challenges,

[3332] G20 Leaders Statement: The Pittsburgh Summit, G20 Information Centre (Toronto) 24 September 2009. Access Date: 5 March 2025. https://www.g20.utoronto.ca/2009/2009communique0925.html

[3333] The G20 Seoul Summit Leaders' Declaration, G20 Information Centre (Toronto) 11 November 2010. Access Date: 5 March 2025. https://www.g20.utoronto.ca/2010/g20seoul.html

[3334] 2012 Los Cabos Summit, G20 Information Centre (Toronto) 18 June 2012. Access Date: 5 March 2025. https://www.g20.utoronto.ca/summits/2012loscabos.html

[3335] St. Petersburg Action Plan, G20 Information Centre (Toronto) 6 September 2013. Access Date: 5 March 2025. https://www.g20.utoronto.ca/2013/2013-0906-plan.html

[3336] G20 Leaders' Communiqué: Hangzhou Summit, G20 Information Centre (Toronto) 5 September 2016. Access Date: 5 March 2025. https://www.g20.utoronto.ca/2016/160905-communique.html

[3337] G20 Blueprint on Innovative Growth, G20 Information Centre (Toronto) 5 September 2016. Access Date: 5 March 2025. https://www.g20.utoronto.ca/2016/160905-blueprint.html

[3338] Leaders' Declaration, G20 Information Centre (Toronto) 21 November 2020. Access Date: 5 March 2025. https://www.g20.utoronto.ca/2020/2020-g20-leaders-declaration-1121.html

[3339] G20 Rome Leaders' Declaration, G20 Information Centre (Toronto) 31 October 2021. Access Date: 5 March 2025. https://g20.utoronto.ca/2021/211031-declaration.html including the Covid-19 pandemic.[3340] They pledged to make strategic public investments to strengthen supply chains, promote trade, and attract private sector investment to support sustained economic growth. Additionally, members acknowledged the role of digital technology in enhancing productivity.

At the 2023 New Delhi Summit, G20 members committed to maintaining medium-term fiscal sustainability while implementing targeted fiscal measures to support vulnerable populations.[3341] They emphasized the role of private enterprise in accelerating growth and pledged to work with the private sector to strengthen global value chains. Members also stressed the importance of supply-side policies that increase labour supply and enhance productivity for economic growth.

At the 2024 Rio de Janeiro Summit, G20 members committed to fiscal policies that safeguard long-term sustainability, rebuild buffers, and remain growth-friendly.[3342] They also pledged to use fiscal measures to encourage public and private investments that enhance productivity.

Commitment Features

This commitment's overarching welfare target is to ensure financial stability by taking action in the following instruments: 1) safeguarding financial sustainability; 2) rebuilding fiscal buffers; 3) maintaining growth-friendly fiscal policies; 4) catalyzing public investments for productivity enhancing reforms; and 5) catalyzing private investments for productivity enhancing reforms.

Definitions and Concepts

"Fiscal policy" is defined as "the use of government spending and taxation to influence the economy."[3343]

"Safeguard" is understood to mean "to protect … something from harm or destruction."[3344]

"Fiscal sustainability" is understood to be referring to the ability of member states to service their debt obligations and maintain current policies while remaining solvent.[3345] To safeguard fiscal sustainability, would therefore mean to maintain the ability to service debt obligations while maintaining current policies.

"Productivity enhancing reforms" refers to an improvement or series of improvements to the law, a system or organization to enhance the amount, quality, strength or rate at which a member produces goods.[3346] These reforms "boost technological catch-up, facilitate structural transformation into higher productivity sectors and new activities, and better allocate existing resources in the economy."[3347]

[3340] G20 Bali Leaders' Declaration, G20 Information Centre (Toronto) 15 November 2022. Access Date: 5 March 2025. https://www.g20.utoronto.ca/2022/221116-declaration.html

[3341] G20 New Delhi Leaders' Declaration, G20 Information Centre (Toronto) 9 September 2023. Access Date: 5 March 2025. https://g20.utoronto.ca/2023/230909-declaration.html

[3342] G20 Rio de Janeiro Leaders' Declaration, G20 Information Centre (Toronto) 18 November 2024. Access Date: 5 March 2025. https://www.g20.utoronto.ca/2024/241118-declaration.html

[3343] Fiscal Policy: Taking and Giving Away, International Monetary Fund (Washington) n.d. Access Date: 14 March 2025. https://www.imf.org/en/Publications/fandd/issues/Series/Back-to-Basics/Fiscal-Policy

[3344] Safeguard, Cambridge Dictionary (Cambridge) n.d. Access Date: 3 March 2025. https://dictionary.cambridge.org/dictionary/english/safeguard

[3345] Assessing New Approaches to Fiscal Sustainability Analysis, World Bank (Washington D.C.) September 2004. Access Date: 3 April 2025. https://documents1.worldbank.org/curated/en/683061468138867247/pdf/442760WP0BOX321tainability01PUBLIC1.pdf

[3346] Productivity, Cambridge Dictionary (Cambridge) n.d. Access Date: 14 March 2025. https://dictionary.cambridge.org/dictionary/english/productivity; Enhance, Cambridge Dictionary (Cambridge) n.d. Access Date: 14 March 2025. https://dictionary.cambridge.org/dictionary/english/enhance; Reform, Cambridge Dictionary (Cambridge) n.d. Access Date: 14 March 2025. https://dictionary.cambridge.org/dictionary/english/reform

[3347] Anchoring Growth: The Importance of Productivity-Enhancing Reforms in Emerging Market and Developing Economies, International Monetary Fund (Washington D.C.) December 2013. Access Date: 3 April 2025. https://www.imf.org/external/pubs/ft/sdn/2013/sdn1308.pdf

General Interpretive Guidelines

This commitment identifies five criteria by which the G20 aims to ensure financial stability by 1) safeguarding financial sustainability; 2) rebuilding fiscal buffers; 3) maintaining growth-friendly fiscal policies; 4) catalyzing public investments for productivity enhancing reforms; and 5) catalyzing private investments for productivity enhancing reforms.

Full compliance, or a score of +1, will be given to G20 members that take strong action in at least four of the five components: 1) safeguarding fiscal sustainability, 2) rebuilding fiscal buffers, 3) maintaining growth-friendly fiscal policies, 4) catalyzing public investments for productivity enhancing reforms and 5) catalyzing private investments for productivity enhancing reforms. Strong actions include policies that correlate with an increase in public investment for productivity enhancing reforms and diversifying funding strategies to include domestic and international sources.

Partial compliance, or a score of 0, will be assigned to G20 members that take strong action in two or three of the key components or moderate action in four or five key components: 1) safeguarding fiscal sustainability, 2) rebuilding fiscal buffers, 3) maintaining growth-friendly fiscal policies, 4) catalyzing public investments for productivity enhancing reforms and 5) catalyzing private investments for productivity enhancing reforms. Moderate actions include verbal affirmations to safeguard fiscal sustainability or participating in meetings without signing meaningful growth-friendly fiscal policy reforms.

Non-compliance, or a score of −1, will be assigned if the G20 member has taken strong or moderate action in only one of the five components: 1) safeguarding fiscal sustainability, 2) rebuilding fiscal buffers, 3) maintaining growth-friendly fiscal policies, 4) catalyzing public investments for productivity enhancing reforms and 5) catalyzing private investments for productivity enhancing reforms; or has taken action that is directly and explicitly antithetical to all criteria but "remain growth-friendly." For actions to be considered antithetical, there must be demonstrated evidence of roll backs on safeguards, buffers or investments. Actions that are antithetical to the commitment also include expanding subsidies without a long-term funding strategy or increasing off-budget spending through bypassing parliamentary oversight.

Scoring Guidelines

−1	The G20 member 1) has taken strong or moderate action in only one of the components of a) safeguarding financial sustainability; b) rebuilding fiscal buffers; c) maintaining growth-friendly fiscal policies; d) catalyzing public investments for productivity enhancing reforms; and e) catalyzing private investments for productivity enhancing reforms; or 2) has taken actions directly and explicitly antithetical to the commitment but "remain growth-friendly."
0	The G20 member has taken 1) strong action in two or three of the five components; or 2) moderate action in at least four components.
+1	The G20 member has taken strong action in at minimum of four of the five components.

Compliance Director: Peter Ma
Lead Analyst: Rameen Azmat

Argentina: +1

Argentina has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms.

On 25 November 2024, President Javier Milei signed Decree 1048/2024 authorizing the dissolution of several public trust funds to enhance the efficiency and transparency of public resource management.[3348]

[3348] Disposición 1048/2024 – Disolución Fondos Fiduciarios, Boletín Oficial de la República Argentina (Buenos Aires) 25 November 2024. Translation provided by Google Translate. Access Date: 21 March 2025. https://www.boletinoficial.gob.ar/detalleAviso/primera/317356/20241126

On 27 November 2024, the Secretary of Production Coordination at the Ministry of Economy Juan Pazo announced the National Government's plan to introduce the Investment and Employment Promotion Bill.[3349] This initiative is designed to ensure Argentina remains growth friendly by stimulating growth across the business sector through providing benefits and promoting investment.

On 5 December 2024, Minister of Economy Luis Caputo and Central Bank Governor Santiago Bausili attended the Meeting of Economy and Finance Ministers where Minister Caputo emphasized price stabilization, organizing fiscal accounts and establishing a stable foundation for economic growth.[3350]

On 13 December 2024, Minister Caputo and Deputy Chief of Staff for the Interior Lisandro Catalán held a series of meetings where the Governors of the provinces of Catamarca, Tucumán, la Pampa and Chaco signed letters of intent officially joining the Reciprocal Obligations Extinction Regime (ROER).[3351] The initiative aims to promote fiscal sustainability by resolving mutual debts between national and provincial governments.

On 17 January 2025, Minister Caputo met with Chubut Governor Ignacio Torres at the Ministry of Finance, where they signed the first agreement under the ROER.[3352] It intends to safeguard fiscal sustainability and rebuild buffers by offsetting and restructuring local government debt.

On 3 February 2025, President Milei announced "the [exchange rate] controls will cease to exist on January 1, 2026."[3353] This initiative aims to safeguard fiscal sustainability, ensure a fiscal surplus and catalyze foreign investments by unifying the exchange rate through a free currency market.

On 5 February 2025, Minister Caputo held meetings with the Governor of Entre Ríos Rogelio Frigerio and Governor of Chaco Leandro Zdero where they signed partial agreements under the ROER.[3354]

On 10 March 2025, President Milei issued Decree 179/2025 approving a new loan agreement with the International Monetary Fund (IMF).[3355] The goal is to enhance macroeconomic stability by reducing Argentina's debt burden and strengthening the Central Bank's financial position.

On 12 March 2025, Minister Caputo spoke at ExpoAgro, where he told producers the government would continue with its plan of cutting spending to bring down both inflation and taxes and encouraged them to

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[3349] El Gobierno presentará un proyecto de Ley de Promoción de Inversiones y Empleo para pequeñas, medianas y grandes empresas, Gobierno de Argentina (Buenos Aires) 27 November 2024. Translation provided by Google Translate. Access Date: 18 March 2025. https://www.argentina.gob.ar/noticias/el-gobierno-presentara-un-proyecto-de-ley-de-promocion-de-inversiones-y-empleo-para

[3350] Luis Caputo participó en la Reunión de Ministros de Economía y Presidentes de Bancos Centrales del Mercosur, Gobierno de Argentina (Buenos Aires) 5 December 2024. Translation provided by Google Translate. Access Date: 21 March 2025. https://www.argentina.gob.ar/noticias/luis-caputo-participo-en-la-reunion-de-ministros-de-economia-y-presidentes-de-bancos

[3351] Catamarca, Tucumán, La Pampa y Chaco se adhirieron al Régimen de Extinción de Obligaciones, Gobierno de Argentina (Buenos Aires) 15 February 2025. Translation provided by Google Translate. Access Date: 21 March 2025. https://www.argentina.gob.ar/noticias/catamarca-tucuman-la-pampa-y-chaco-se-adhirieron-al-regimen-de-extincion-de-obligaciones

[3352] Luis Caputo e Ignacio Torres firmaron el primer convenio en el marco del Régimen de Extinción de Obligaciones Recíprocas, Gobierno de Argentina (Buenos Aires) 17 January 2025. Translation provided by Google Translate. Access Date: 21 March 2025. https://www.argentina.gob.ar/noticias/luis-caputo-e-ignacio-torres-firmaron-el-primer-convenio-en-el-marco-del-regimen-de

[3353] Javier Milei le puso fecha a la salida del cepo pero dijo que el préstamo del FMI lo puede anticipar, La Nación (Buenos Aires) 4 February 2025. Translation provided by Google Translate. Access Date: 18 March 2025. https://www.lanacion.com.ar/politica/javier-milei-le-puso-fecha-a-la-salida-del-cepo-pero-dijo-que-el-prestamo-del-fmi-lo-puede-anticipar-nid03022025/

[3354] Luis Caputo firmó convenios con Entre Ríos y Chaco en el marco del Régimen de Extinción de Obligaciones, Gobierno de Argentina (Buenos Aires) 5 February 2025. Translation provided by Google Translate. Access Date: 21 March 2025. https://www.argentina.gob.ar/noticias/luis-caputo-firmo-convenios-con-entre-rios-y-chaco-en-el-marco-del-regimen-de-extincion-de

[3355] Decreto 179/2025, Boletín Oficial de la República Argentina (Buenos Aires) 11 March 2025. Translation provided by Google Translate. Access Date: 22 March 2025. https://www.boletinoficial.gob.ar/detalleAviso/primera/322325/20250311 increase their investments.[3356] The initiative aims to promote the development of rural industries through agricultural production and investment.

On 19 March 2025, Argentina's lower house of Congress approved Decree 179/2025, enabling the government to begin negotiations with the IMF, aiming to improve the country's fiscal sustainability through IMF assistance.[3357]

On 27 March 2025, Minister of Economy Luis Caputo announced a USD20 million loan agreement with the IMF to be submitted for approval by the IMF board.[3358] Further, he announced negotiations with the World Bank, the Inter-American Development Bank (IDB) and the Development Bank of Latin American and the Caribbean to fortify the Central Bank's reserves.

On 31 March 2025, the Ministry of Economy closed the Federal Electric Transport Trust Fund as part of the dissolution of inefficient public trust funds.[3359]

On 11 April 2025, the Government of Argentina announced a USD20 million extended facilities program with the IMF along with other multi-year programs with the World Bank and the IDB amounting to USD12 billion and USD20 billion, respectively.[3360] The goal is to rebuild reserves, ease currency controls, and support economic stabilization and reform.

On 15 April 2025, Minister of Economy Luis Caputo signed an agreement with the Governor of Misiones Hugo Passalacqua under the ROER.[3361]

On 24 April 2025, the Central Bank of Argentina committed ARS11.7 trillion to the National Government for the eventual cancellation of Treasury debt.[3362] This initiative is part of the National Government's broader efforts to reconcile fiscal accounts and safeguard fiscal sustainability.

On 8 May 2025, President Javier Milei issued Decree 312/2025, co-signed by Minister Caputo and the Minister of the Interior Guillermo Francos allowing for the dissolution of the Trust Fund for the Promotion of Science and Technology and the Socio-Urban Integration Fund.[3363]

On 13 May 2025, Minister Caputo participated in the 42nd Annual Congress of the Argentine Institute of Finance Executives where he stated Argentina's commitment to lowering taxes and promoting growth-

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[3356] Luis Caputo en Expoagro: "Los invito a invertir más que nunca y a recuperar el orgullo de ser argentinos", Gobierno de Argentina (Buenos Aires) 12 March 2025. Translation provided by Google Translate. Access Date: 19 March 2025. https://www.argentina.gob.ar/noticias/luis-caputo-en-expoagro-los-invito-invertir-mas-que-nunca-y-recuperar-el-orgullo-de-ser

[3357] Argentina IMF deal faces key vote in Congress, Reuters (New York) 19 March 2025. Access Date: 22 March 2025. https://www.reuters.com/world/americas/argentina-imf-deal-faces-key-vote-congress-2025-03-19/

[3358] Luis Caputo anunció que Argentina acordó con el staff del FMI financiamiento por USD 20.000 millones, Gobierno de Argentina (Buenos Aires) 27 March 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.argentina.gob.ar/noticias/luis-caputo-anuncio-que-argentina-acordo-con-el-staff-del-fmi-financiamiento-por-usd-20000

[3359] El Gobierno disolvió el Fondo Fiduciario para el Transporte Eléctrico Federal, Gobierno de Argentina (Buenos Aires) 31 March 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.argentina.gob.ar/noticias/el-gobierno-disolvio-el-fondo-fiduciario-para-el-transporte-electrico-federal

[3360] Argentina anuncia un programa de facilidades extendidas con el Fondo Monetario Internacional por USD 20.000 millones, Gobierno de Argentina (Buenos Aires) 11 April 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.argentina.gob.ar/noticias/argentina-anuncia-un-programa-de-facilidades-extendidas-con-el-fondo-monetario

[3361] Luis Caputo firmó un Convenio con Misiones en el marco del Régimen de Extinción de Obligaciones Recíprocas, Gobierno de Argentina (Buenos Aires) 15 April 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.argentina.gob.ar/noticias/luis-caputo-firmo-un-convenio-con-misiones-en-el-marco-del-regimen-de-extincion-de

[3362] Tesoro deposita en el BCRA las utilidades del BCRA para eventual cancelación de deuda del Tesoro, Gobierno de Argentina (Buenos Aires) 24 April 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.argentina.gob.ar/noticias/tesoro-deposita-en-el-bcra-las-utilidades-del-bcra-para-eventual-cancelacion-de-deuda-del

[3363] El Gobierno Nacional continúa con el cierre de fondos fiduciarios para garantizar el uso eficiente de los recursos públicos, Gobierno de Argentina (Buenos Aires) 8 May 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.argentina.gob.ar/noticias/el-gobierno-nacional-continua-con-el-cierre-de-fondos-fiduciarios-para-garantizar-el-uso-0 friendly economic policies.[3364] Minister Caputo highlighted the institutional robustness of the Central Bank in combatting inflation and tax reduction efforts. In addition, he reiterated Argentina's commitment to accelerate economic growth through tax cuts and reducing regulations.

On 22 May 2025, President Milei announced the implementation of the Historic Reparation Plan for Argentine Savings to modernize the financial system through relaxing fiscal controls.[3365] This initiative lowers taxes on savings, enabling higher disposable income for citizens and catalyzes private sector investments, enhancing overall economic productivity.

Argentina has fully complied with its commitment to safeguarding fiscal sustainability and rebuilding buffers, remaining growth-friendly and catalyzing both public and private investments towards productivity-enhancing reforms. It has taken extensive action to safeguard fiscal sustainability and rebuild buffers, including increasing government transparency, reducing and restructuring local government debt, removing currency controls and negotiating with the IMF and the World Bank. Argentina has also taken extensive action to ensure Argentina remains growth-friendly, such as removing currency controls. Argentina has also taken strong action through the Historic Reparation Plan to catalyze private investments towards productivity-enhancing reforms. However, Argentina has not taken action in catalyzing public investments towards productivity-enhancing reforms.

Thus, Argentina receives a score of +1.

Analyst: Elizabeth Clarke

Australia: +1

Australia has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

On 13 December 2024, the Treasurer Jim Chalmers commissioned the Australian Productivity Commission to undertake five inquiries to identify priority reforms under the Government's productivity growth agenda. and the Australian Productivity Commission will formulate actionable recommendations to assist governments to make meaningful and measurable reforms, thereby catalysing public investment for productivity enhancing reforms.[3366] The five pillars of Australia's productivity growth agenda are: creating a more dynamic and resilient economy, investing in the net zero transformation, building a skilled and adaptable workforce, harnessing data and digital technology and delivering quality care more efficiently.

On 13 December 2024, the government of Australia hosted the second "Specialist Investment Vehicles (SIV) Forum – Protecting and supporting the economic resilience and security of Australia," convening representatives across government departments and SIVs to discuss economic resilience and securing private investment.[3367] The initiative advances growth-friendly fiscal policies through deploying public capital in key sectors to enhance economic productivity. In addition, the focus on utilizing SIVs to mobilize private investment aligns with the criteria of catalyzing private investments for productivity-enhancing reforms.

[3364] Luis Caputo en IAEF: "No nos vamos a mover un centímetro del orden macro," Gobierno de Argentina (Buenos Aires) 13 May 2025. Translation provided by Google Translate. Access Date: 5 July 2025. https://www.argentina.gob.ar/noticias/luis-caputo-en-iaef-no-nos-vamos-mover-un-centimetro-del-orden-macro

[3365] The National Government announced the Plan to historically repair the savings of Argentines, Gobierno de Argentina (Buenos Aires) 22 May 2025. Translation provided by Google Translate. Access Date: 2 July 2025. https://www.argentina.gob.ar/noticias/el-gobierno-nacional-anuncio-el-plan-de-reparacion-historica-de-los-ahorros-de-los

[3366] Creating a more dynamic and resilient economy, Australian Government Productivity Commission (Melbourne) 13 December 2024. Access Date: 3 September 2025. https://www.pc.gov.au/inquiries/current/resilient-economy/terms-of-reference

[3367] Specialist Investment Vehicles (SIV) Forum - Protecting and supporting the economic resilience and security of Australia, Department of Finance (Canberra) 13 December 2024. Access Date: 5 July 2025. https://www.finance.gov.au/about-us/news/2024/specialist-investment-vehicles-siv-forum-protecting-and-supporting-economic-resilience-and-security-australia

On 18 December 2024, the Government announced an additional AUD2.5 billion over 11 years from 2024-2025 for investments in a new higher education funding system.[3368] This will provide more Commonwealth Supported Places and extra support for disadvantaged students while they are undertaking their degrees. These actions help to maintain growth-friendly fiscal policies by strengthening Australia's human capital and building a more skilled and adaptable workforce, which have positive effects on overall productivity growth.

On 13 January 2025, Prime Minister Anthony Albanese announced investment of up to AUD3 billion in equity to complete the rollout of the National Broadband Network (NBN) across Australia.[3369] This investment will provide access to faster and more reliable broadband services to a further 622,000 premises, with 54 per cent in regional Australia. As enabling infrastructure, this action helps the Australian economy to expand our use of digital infrastructure and future productive capacity. This investment builds on earlier Government decision in the 2022-23 Budget to invest AUD2.4 billion to expand fibre access and provide high speed internet to 1.5 million premises across Australia, including 660,000 in rural and regional communities. This public investment in expanding Australia's digital capability and infrastructure will support productivity enhancements, especially for regional Australia.

On 17 January 2025, Assistant Secretary of Regulatory Reform in the Department of Finance Kelly Wood participated in the 31st session of the Organisation for Economic Co-operation and Development (OECD) where she advanced Australia's regulatory reform agenda through learning from and sharing international regulatory cooperation and best-practices.[3370] This advances growth-friendly fiscal policies by cutting unnecessary or duplicative costs for regulation and catalyzes private investments for productivity-enhancing reforms by reducing cost pressures for businesses.[3371]

On 20 January 2025, the Australian Government invested AUD2 billion in the aluminum industry.[3372] This investment aims to foster growth in the aluminum industry.

On 23 January 2025, the Australian Government provided an additional AUD2 billion to the Clean Energy Finance Corporation.[3373] This funding aims to grow the Australian renewable energy sector to bolster Australia's economic growth potential.

On 25 March 2025, the government of Australia delivered its 2025 budget.[3374] The budget seeks to increase economic resilience and ensure sustainable growth through tax cuts, and new spending in Medicare, energy relief and assistance to low-income households. The budget reaffirmed the Government's Economic and Fiscal Strategy, including the commitment to improve the budget position in a measured way, consistent with the overarching goal of reducing gross debt as a share of the economy over time. The budget deficit was AUD1.6 billion lower over the five years to 2028-29, as compared with the previous budget update. These budget improvements have rebuilt fiscal buffers to help manage future economic shocks and safeguard overall fiscal sustainability.

[3368] Mid-Year Economic and Fiscal Outlook 2024-2025, Government of Australia (Canberra) n.d. Access Date: 3 September 2025. https://archive.budget.gov.au/2024-25/myefo/download/01_Part_1_WEB.pdf

[3369] Only Labor will finish the NBN and keep it in public hands, Prime Minister of Australia (Canberra) 13 January 2025. Access Date: 3 September 2025. https://www.pm.gov.au/media/only-labor-will-finish-nbn-and-keep-it-public-hands

[3370] Progressing Australia's Regulatory Reform Agenda, Department of Finance (Canberra) 17 January 2025. Access Date: 5 July 2025. https://www.finance.gov.au/about-us/news/2025/progressing-australias-regulatory-reform-agenda

[3371] Progressing Australia's Regulatory Reform Agenda, Department of Finance (Canberra) n.d. Access Date: 5 July 2025. https://www.regulatoryreform.gov.au/

[3372] Aluminium to forge Australia's manufacturing future, Government of Australia (Canberra) 20 January 2025. Access Date: 11 April 2025. https://www.pm.gov.au/media/aluminium-forge-australias-manufacturing-future

[3373] Albanese Government builds Australia's future with new investment in Clean Energy Finance Corporation (Canberra) 23 January 2025. Access Date: 11 April 2025. https://www.pm.gov.au/media/albanese-government-builds-australias-future-new-investment-clean-energy-finance-corporation

[3374] Federal budget 2025: Labor bets big with $17.1bn in tax cuts to win over middle Australia (Canberra) 25 March 2025. Access Date: 11 April 2025. https://www.theguardian.com/australia-news/2025/mar/25/australia-federal-budget-2025-main-policies-tax-cuts-medicare-donald-trump-tariffs-jim-chalmers

Australia has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly and catalyze public and private investments towards productivity-enhancing reforms. Australia has taken strong action to ensure its economy remains growth friendly through the 2025 budget and taken strong action through investments in clean energy and aluminum sector. These actions align with safeguarding financial stability and catalyzing private investments for productivity enhancing reforms. It has also taken moderate action in maintaining growth-friendly fiscal policies. Further, Australia has taken action to catalyze public investment for productivity enhancing reforms through undertaking inquiries under Government's productivity growth agenda and investments in digital infrastructure. It has also rebuilt fiscal buffers budget improvements.

Thus, Australia receives a score of +1.

Analyst: Daniel Ebrahimpour

Brazil: 0

Brazil has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms.

On 20 November 2024, President Luiz Inácio Lula da Silva met with Chinese President Xi Jinping to enhance Brazil–China economic cooperation.[3375] The meeting aimed to attract long-term Chinese investment in sustainable sectors and align development strategies to support fiscal sustainability and inclusive growth.

On 3 December 2024, President Lula da Silva, along with Vice President and Minister of Development, Industry, Commerce and Services Geraldo Alckmin, announced BRL546.6 billion in planned public and private investments for Mission 1 of New Industry Brazil.[3376] The initiative aims to strengthen Brazil's agro-industrial sector by developing sustainable and digital agro-industrial chains, thus improving agricultural productivity.

On 26 December 2024, President Lula da Silva signed Law No. 15,071/2024 to update the "Green Mobility and Innovation Program" and reform import tax rules.[3377] The Law aims to ensure equal tax treatment for vehicle imports, simplify e-commerce procedures and expand access to imported medications. The Law seeks to increase productivity and promote growth and innovation in the automobile sector.

On 13 January 2025, President Lula da Silva partially approved Complementary Law No. 212, which establishes the State Debt Payment Program.[3378] The program aims to restructure and ease the repayment conditions of state debts by offering extended payment terms and interest discounts.

On 16 January 2025, President Lula da Silva signed the first complimentary law implementing Constitutional Amendment No. 132/2023, which established the legal framework for Brazil's new tax reform.[3379] The reform aims to simplify the taxation system while retaining revenue to boost economic growth.

[3375] Brazil and China expand bilateral relations during state visit by President Xi Jinping, Government of Brazil (Brasília) 20 November 2024. Access Date: 27 March 2025. https://www.gov.br/planalto/en/latest-news/2024/11/brazil-and-china-expand-bilateral-relations-during-state-visit-by-president-xi-jinping

[3376] Presidente Lula anuncia R$ 546,6 bilhões para fortalecer cadeias agroindustriais sustentáveis, Governo do Brasil (Brasília) 03/12/2024. Translation provided by Google Translate. Access Date: 27 March 2025. https://www.gov.br/planalto/en/latest-news/2024/12/president-lula-announces-brl-546-6-billion-to-boost-sustainable-agro-industrial-chains

[3377] Presidente Lula sanciona lei que moderniza tributação de importações e promove mobilidade verde, Governo do Brasil (Brasília) 26 December 2024. Translation provided by Google Translate. Access Date: 27 March 2025. https://www.gov.br/planalto/en/latest-news/2024/12/president-lula-signs-law-modernizing-import-taxation-and-promoting-green-mobility

[3378] Presidente Lula sanciona projeto de lei que institui o Programa de Pleno Pagamento de Dívidas dos Estados – Propag, Governo do Brasil (Brasília) 14 January 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.gov.br/planalto/pt-br/acompanhe-o-planalto/noticias/2025/01/presidente-lula-sanciona-projeto-de-lei-que-institui-o-programa-de-pleno-pagamento-de-dividas-dos-estados-propag

On 22 January 2025, President Lula da Silva signed into law Bill 327/2021, establishing the Energy Transition Acceleration Program.[3380] The program aims to enable companies with government receivables to access credit for financing sustainable energy projects, ensuring the energy sector remains growth friendly.

On 20 February 2025, the Executive Secretary of the Ministry of Finance Dario Durigan reaffirmed the government's commitment to fiscal responsibility as a foundation for long-term development and highlighted Brazil's actions to strengthen fiscal sustainability through disciplined spending, legislative cooperation and structural reforms.[3381]

On 24 February 2025, the Brazilian Federal Revenue Service (RFB) launched the Receita Sintonia pilot program through Ordinance No. 511/2025.[3382] The goal is to promote voluntary tax compliance by offering benefits to companies with high compliance ratings.

On 25 February 2025, the lower house of Congress approved Bill No. 167/2024 related to the Acredita Exportação program.[3383] The program aims to strengthen micro and small businesses by returning the equivalent of 3 per cent of their export revenues, making international sales more competitive and ensuring micro and small businesses remain growth friendly.

On 28 February 2025, Ambassador Tatiana Rosito highlighted priorities for the BRICS Finance Track during a side event of the meeting of G20 deputy finance ministers.[3384]

On 17 March 2025, the Federal Government paid BRL1.33 billion in guaranteed debts owed by states and municipalities, improving Brazil's fiscal sustainability.[3385] Among the priority themes discussed were the facilitation of trade and investments between BRICS members, coordinating international financial organization actions and facilitating dialogue on public-private partnerships and taxation. This initiative aligns with the criteria of catalyzing private investments for productivity-enhancing reforms and maintaining growth-friendly fiscal policies.

[3379] Brazil Overhauls Tax System: A New Era for Business and Economy, The Rio Times (Rio de Janeiro) 16 January 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.riotimesonline.com/brazil-overhauls-tax-system-a-new-era-for-business-and-economy/

[3380] President Lula signs into law Energy Transition Acceleration Program, Governo do Brasil (Brasília) 24 January 2025. Translation provided by Google Translate. Access Date: 24 March 2025. https://www.gov.br/planalto/en/latest-news/2025/01/president-lula-signs-into-law-energy-transition-acceleration-program

[3381] Secretário-executivo do Ministério da Fazenda reafirma compromisso com responsabilidade fiscal, Governo do Brasil (Brasília) 20 February 2025. Translation provided by Google Translate. Access Date: 24 March 2025. https://agenciagov.ebc.com.br/noticias/202502/acordo-mercosul-ue-aumenta-beneficios-para-brasil-e-portugal-disse-alckmin

[3382] Receita Federal institui piloto do programa Receita Sintonia para estimular conformidade tributária, Governo do Brasil (Brasília) 28 February 2025. Translation provided by Google Translate. Access Date: 27 March 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/fevereiro/receita-federal-institui-piloto-do-programa-receita-sintonia-para-estimular-conformidade-tributaria

[3383] Acredita Exportação aprovado por unanimidade na Câmara, Governo do Brasil (Brasília) 26 February 2025. Translation provided by Google Translate. Access Date: 24 March 2025. https://agenciagov.ebc.com.br/noticias/202502/acredita-exportacao-aprovado-por-unanimidade-na-camara

[3384] Brasil's Finance Ministry and Banco Central present priorities for BRICS Finance Track in 2025, BRICS (Cape Town) 28 February 2025. Access Date: 15 June 2025. https://brics.br/en/news/brasils-finance-ministry-and-banco-central-present-priorities-for-brics-finance-track-in-2025

[3385] Tesouro honra em fevereiro R$ 1,33 bilhão em dívidas de estados e municípios garantidas pela União, Governo do Brasil (Brasília) 17 March 2025. Translation provided by Google Translate. Access Date: 22 March 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/marco/tesouro-honra-em-fevereiro-r-1-33-bilhao-em-dividas-de-estados-e-municipios-garantidas-pela-uniao

On 18 March 2025, President Lula da Silva submitted a bill to Congress to expand the Personal Income Tax exemption range.[3386] The initiative aims to enhance the progressivity of the tax system by reducing the tax burden on low-income earners, thus improving the country's fiscal sustainability.

On 24 March 2025, Brazil hosted the first virtual meeting of the BRICS International Tax Cooperation Dialogue as part of its presidency of the BRICS Finance Track.[3387] The initiative aims to advance international tax cooperation that supports the Global South by promoting progressive taxation, combating tax evasion and shaping a fairer global tax system through coordination on the UN tax convention, thereby ensuring fiscal sustainability for Brazil and the Global South.

On 14 April 2025, President Lula da Silva signed Decree Law No. 12,433, outlining the terms for state governments to participate in the Full Payment of State Debts Program.[3388] The Decree regulates Complementary Law No. 212 by requiring social and infrastructure investments in return for helping states manage their debt.

On 15 April 2025, the National Treasury paid BRL617.35 million in debts guaranteed by the Union on behalf of five states and two municipalities that defaulted on their credit obligations, safeguarding fiscal sustainability.[3389]

On 23 April 2025, the Ministry of Finance held a series of meetings focused on international climate finance where it launched the COP30 Finance Ministers Circle.[3390] The Ministry presented a series of proposals that aim to accelerate the transition to a zero-carbon economy by promoting investment in green infrastructure and supporting sustainable growth through strengthened fiscal resilience.

On 29 April 2025, the Ministry of Finance hosted the Meeting of the Working Group for Harmonization of Sustainable Taxonomies, where representatives from BRICS members met to discuss the development of common criteria for defining and guiding sustainable investments.[3391] The goal is to align national sustainable financing frameworks and facilitate cross-border investment in sustainable economic activities.

On 5 May 2025, the Minister of Finance Fernando Haddad participated in the Milken Institute's Global Conference in Los Angeles, where he explained that the National Data Center Policy aims to position Brazil as a competitive and sustainable hub for digital services by making investments in the digital sector tax-

[3386] Presidente envia ao Congresso PL que amplia para R$ 5 mil a faixa de isenção do Imposto de Renda, Governo do Brasil (Brasília) 18 March 2025. Translation provided by Google Translate. Access Date: 20 March 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/marco/presidente-envia-ao-congresso-pl-que-amplia-para-r-5-mil-a-faixa-de-isencao-do-imposto-de-renda

[3387] Brasil realiza primeira reunião virtual da Iniciativa de Cooperação Tributária Internacional do BRICS, Governo do Brasil (Brasília) 24 March 2025. Translation provided by Google Translate. Access Date: 27 March 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/marco/brasil-realiza-primeira-reuniao-virtual-da-iniciativa-de-cooperacao-tributaria-internacional-do-brics

[3388] Presidente assina decreto que lista condições para estados renegociarem dívidas pelo Propag, Governo do Brasil (Brasília) 14 April 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.gov.br/planalto/pt-br/acompanhe-o-planalto/noticias/2025/04/presidente-assina-decreto-que-lista-condicoes-para-estados-renegociarem-dividas-pelo-propag

[3389] Tesouro honra, em março, R$ 617,35 milhões em dívidas garantidas pela União, Governo do Brasil (Brasília) 15 April 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.gov.br/tesouronacional/pt-br/noticias/tesouro-honra-em-marco-r-617-35-milhoes-em-dividas-garantidas-pela-uniao

[3390] Ministério da Fazenda organiza primeira reunião do Círculo de Ministros de Finanças da COP 30, Governo do Brasil (Brasília) 23 April 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/abril/ministerio-da-fazenda-organiza-primeira-reuniao-do-circulo-de-ministros-de-financas-da-cop-30

[3391] Em encontro na Fazenda, países dos Brics discutem harmonização de taxonomias sustentáveis, Governo do Brasil (Brasília) 5 May 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/Maio/em-encontro-na-fazenda-paises-dos-brics-discutem-harmonizacao-de-taxonomias-sustentaveis exempt and eliminating taxes on data center service exports.[3392] This initiative reiterates Brazil's commitment to building a growth friendly digital services sector.

On 7 May 2025, the RFB launched a national consultation with civil society input on the implementation of the consumption tax reform.[3393] The goal is to enhance the effectiveness and fairness of the new tax system by incorporating structured public proposals into the regulatory process.

On 14 May 2025, the National Treasury Attorney General's Office and Sport Club Internacional signed an agreement to settle BRL378 million in tax debt to support the financial recovery of Rio Grande do Sul following devastating floods in 2024.[3394]

On 14 May 2025, Executive Secretary of the Ministry of Finance Dario Durigan attended the Brazil-USA summit, where he reaffirmed the federal government's commitment to fiscal responsibility and public debt reduction as central to Brazil's sustainable growth strategy.[3395]

Brazil has partially complied with safeguarding fiscal sustainability and rebuild buffers, remaining growth-friendly and catalyzing both public and private investments towards productivity-enhancing reforms, taking strong action in three out of the five commitment areas. Brazil has taken strong action to safeguard financial stability and rebuild discal buffers through bilateral meetings and debt repayments. In addition, Brazil implemented new laws to reform tax rules for innovation in the automobile and energy sector to maintain growth-friendly fiscal policies, as well as fueling growth in the digital services sector through public investments. It also catalyzed both public and private investments in the agro-industrial sector and for small businesses. However, while Brazil has taken strong action to rebuild buffers, safeguard fiscal sustainability and ensure its various economic sectors remains growth-friendly, it has not taken substantial action to catalyze public and private investments towards productivity-enhancing reforms.

Thus, Brazil receives a score of 0.

Analyst: Elizabeth Clarke

Canada: +1

Canada has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms.

On 13 December 2024, Deputy Prime Minister Chrystia Freeland previewed the Fall Economic Statement's innovation and investment incentives, announcing reforms to unlock "billions in new capital."[3396] This included an enhanced Scientific Research and Experimental Development tax credit, delivering CAD26 billion in tax incentives to help businesses grow, innovate and create good jobs, particularly by

[3392] Haddad apresenta plano de crescimento sustentável e anuncia Política de Data Centers em conferência nos EUA, Governo do Brasil (Brasília) 5 May 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/Maio/haddad-apresenta-plano-de-crescimento-sustentavel-e-anuncia-politica-de-data-centers-em-conferencia-nos-eua

[3393] Receita Federal abre diálogo com a sociedade civil sobre regulamentação da Reforma Tributária, Governo do Brasil (Brasília) 7 May 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/Maio/receita-federal-abre-dialogo-com-a-sociedade-civil-sobre-regulamentacao-da-reforma-tributaria

[3394] PGFN e Internacional de Porto Alegre firmam acordo para regularizar débito de R$ 378 milhões em tributos, Governo do Brasil (Brasília) 14 May 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/Maio/pgfn-e-internacional-de-porto-alegre-firmam-acordo-para-regularizar-debito-de-r-378-milhoes-em-tributos

[3395] Dario Durigan reforça compromisso do país com equilíbrio fiscal e redução da dívida pública, Governo do Brasil (Brasília) 14 May 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/Maio/dario-durigan-reforca-compromisso-do-pais-com-equilibrio-fiscal-e-reducao-da-divida-publica

[3396] 2024 Fall Economic Statement: Boosting Innovation to Create Good Jobs, Growth and Prosperity, Department of Finance Canada (Ottawa) 12 December 2024. Access Date: 28 March 2025. https://www.canada.ca/en/department-finance/news/2024/12/2024-fall-economic-statement-boosting-innovation-to-create-good-jobs-growth-and-prosperity.html making research and development credits more generous for high-growth firms. The plan also proposed removing barriers to private investment to crowd in private capital and boost domestic investment in sectors like AI and infrastructure.

On 16 December 2024, the 2024 Fall Economic Statement was formally released, detailing a balance of fiscal prudence and growth measures.[3397] The FES introduced growth-friendly fiscal policies, notably a five-year extension of the Accelerated Investment Incentive, providing CAD17.4 billion in tax relief to spur business investment. This extended accelerated depreciation measure is expected to unlock new investment opportunities and create jobs and growth by encouraging companies to invest in Canada's productivity and capacity.

On 7 January 2025, Natural Resources Canada announced CAD11 million in funding to advance clean fuels technology, aiming to strengthen Canada's clean and alternative fuels sector.[3398] The investment supports projects and studies that will help shift high-emitting industries to affordable low-carbon fuels and accelerate the development of new energy sources like hydrogen. These initiatives aim to enable private sector innovation, thereby catalyzing private investment in a more sustainable and productive energy economy.

On 27 January 2025, a joint federal-Yukon initiative was launched to bolster entrepreneurship and investment in the North.[3399] The Government of Canada and Yukon announced CAD558,800 over three years to establish the Yukon Venture Angels private capital network, which will connect local businesses with angel investors. By developing an investor ecosystem that provides startups with funding, mentorship and networks, this project will facilitate private investment in Yukon companies. The goal is to help small and medium-sized enterprises expand and innovate, fostering sustainable growth in the territory.

On 29 January 2025, Minister of Natural Resources Jonathan Wilkinson announced an investment of CAD13.4 million in Alberta-based clean technology projects to reduce industrial emissions while driving economic growth.[3400] The funding supports Alberta innovators in developing cutting-edge carbon capture and storage technologies. These projects aim to cut pollution, enhance competitiveness and ensure long-term prosperity, helping industry reduce emissions more efficiently and positioning Canada's resource sector for sustainable growth. This public investment is intended to stimulate further industry and private-sector innovation in clean tech, aligning environmental goals with productivity and job creation.

On 31 January 2025, Minister of Finance Dominic LeBlanc announced a deferral of a planned capital gains tax increase to keep Canada's tax policy growth friendly.[3401] The government postponed the effective date of raising the capital gains inclusion rate to 1 January 2026, thereby temporarily avoiding a higher tax burden on investors and businesses. In addition, to protect middle-class investors once the change takes effect, the government will maintain key capital gains exemptions and introduce a new CAD250,000 annual gains threshold per individual, under which the current lower inclusion rate will still apply. These adjustments

[3397] Government of Canada Releases 2024 Fall Economic Statement, Department of Finance Canada (Ottawa) 12 December 2024. Access Date: 28 March 2025. https://www.canada.ca/en/department-finance/news/2024/12/government-of-canada-releases-2024-fall-economic-statement.html

[3398] Federal Government Invests in Made-in-Canada Technologies to Advance Clean Fuels Sector, Natural Resources Canada (Ottawa) 17 January 2025. Access Date: 28 March 2025. https://www.canada.ca/en/natural-resources-canada/news/2025/01/federal-government-invests-in-made-in-canada-technologies-to-advance-clean-fuels-sector.html

[3399] Governments of Canada and Yukon Announce Funding to Support Private Investment in Yukon Businesses, Canadian Northern Economic Development Agency (Whitehorse) 22 January 2025. Access Date: 28 March 2025. https://www.canada.ca/en/northern-economic-development/news/2025/01/governments-of-canada-and-yukon-announce-funding-to-support-private-investment-in-yukon-businesses.html

[3400] The Government of Canada Invests in Albertan Innovation and Jobs, Natural Resources Canada (Ottawa) 25 January 2025. Access Date: 28 March 2025. https://www.canada.ca/en/natural-resources-canada/news/2025/01/the-government-of-canada-invests-in-albertan-innovation-and-jobs.html

[3401] Government of Canada Announces Deferral in Implementation of Change to Capital Gains Inclusion Rate, Department of Finance Canada (Ottawa) 25 January 2025. Access Date: 28 March 2025. https://www.canada.ca/en/department-finance/news/2025/01/government-of-canada-announces-deferral-in-implementation-of-change-to-capital-gains-inclusion-rate.html ensure that the eventual tax changes are implemented in a way that safeguards fiscal sustainability while encouraging investment and entrepreneurship in the near term.

On 1 February 2025, Minister LeBlanc and Foreign Minister Mélanie Joly announced a CAD155 billion tariff package with 25 per cent tariffs in response to U.S. tariffs imposed on Canadian goods.[3402]

On 14 February 2025, Deputy Minister of Finance Chris Forbes hosted a briefing session with Canadian industry and labour stakeholders, and representatives from the government on Canada-U.S. economic issues.[3403] This initiative rebuilds fiscal buffers through proactive U.S. tariff preparation, maintains growth-friendly policies through measures like the Border Plan and ensures Canadian businesses are supported and private-sector investment confidence upheld.

On 21 February 2025, the Government of Canada priced a CAD2 billion seven-year Canadian-dollar-denominated green bond.[3404] This initiative aligns with the criteria of catalyzing public and private investments for productivity-enhancing reforms as the proceeds from the green bond finances projects in the environmental and clean energy expenditures.

On 4 March 2025, Minister LeBlanc and Minister Joly announced a tariff package including 25 per cent tariffs on CAD155 billion of imported goods in response to U.S. tariffs.[3405] This initiative rebuilds fiscal buffers during an external shock and safeguards domestic industries to preserve jobs and manufacturing capacity.

On 12 March 2025, Minister LeBlanc, Minister Joly and Minister of Innovation, Science and Industry François-Philippe Champagne responded to 25 per cent U.S. tariffs on Canadian steel and aluminum products by issuing a 25 per cent reciprocal tariff.[3406] The reciprocal tariffs function as a buffer to reinforce fiscal resilience. Further, the policy protects Canadian manufacturing jobs and reduces cost pressures, thereby maintaining growth-friendly fiscal policies.

On 12 March 2025, the Government of Canada issued a five-year USD3.5 billion global bond to bolster and diversify Canada's foreign reserves.[3407] This initiative safeguards financial sustainability by leveraging strong investor confidence in US-dollar global bonds, managing Canada's debt and boosting the domestic economy. Further, proceeds from the bond "supplement and diversity Canada's liquid foreign reserves," thereby building a buffer to absorb external shocks.

On 22 March 2025, Minister of Finance and National Revenue François-Philippe Champagne and Minister of Innovation, Science and Industry Mélanie Joly announced the launch of a 30-day consultation on trade

[3402] Canada announces $155B tariff package in response to unjustified U.S. tariffs, Department of Finance Canada (Ottawa) 1 February 2025. Access Date: 18 June 2025. https://www.canada.ca/en/department-finance/news/2025/02/canada-announces-155b-tariff-package-in-response-to-unjustified-us-tariffs.html
[3403] Department of Finance Canada hosts briefing with industry stakeholders on the Canada-U.S. economic relationship, Department of Finance Canada (Ottawa) 21 February 2025. Access Date: 18 June 2025. https://www.canada.ca/en/department-finance/news/2025/02/department-of-finance-canada-hosts-briefing-with-industry-stakeholders-on-the-canada-us-economic-relationship.html
[3404] Canada successfully prices 7-year green bond to raise $2 billion, Department of Finance Canada (Ottawa) 21 February 2025. Access Date: 18 June 2025. https://www.canada.ca/en/department-finance/news/2025/02/canada-successfully-prices-7-year-green-bond-to-raise-2-billion.html
[3405] Canada announces robust tariff package in response to unjustified U.S. tariffs, Department of Finance Canada (Ottawa) 4 March 2025. Access Date: 18 June 2025. https://www.canada.ca/en/department-finance/news/2025/03/canada-announces-robust-tariff-package-in-response-to-unjustified-us-tariffs.html
[3406] Canada responds to unjustified U.S. tariffs on Canadian steel and aluminum products, Department of Finance Canada (Ottawa) 12 March 2025. Access Date: 18 June 2025. https://www.canada.ca/en/department-finance/news/2025/03/canada-responds-to-unjustified-us-tariffs-on-canadian-steel-and-aluminum-products.html
[3407] Government bolsters Canada's foreign reserves by issuing US-dollar global bond, Department of Finance Canada (Ottawa) 12 March 2025. Access Date: 18 June 2025. https://www.canada.ca/en/department-finance/news/2025/03/government-bolsters-canadas-foreign-reserves-by-issuing-us-dollar-global-bond.html

measures to prevent diversion of steel products into Canada as a result of U.S.-enacted trade measures.[3408] This initiative rebuilds fiscal buffers to protect domestic steel production and stabilize government revenue amid global market shocks. In addition, the maintenance of growth-friendly fiscal policies aims to preserve jobs and prevent cost inflation.

On 4 April 2025, the Department of Finance hosted a briefing session with industry and labour stakeholders, and government representatives on Canada-U.S. economic issues related to Canada's response to U.S. tariffs.[3409] The CAD40 billion liquidity support functions as a fiscal buffer ahead of potential shocks to the economy. Furthermore, the EI Work-Sharing Program adjustments and deferral of tax remittances maintain growth-friendly fiscal policies through sustaining employment and economic competitiveness.

On 15 April 2025, Minister Champagne announced new measures supporting Canadian businesses and entities affected by U.S. tariffs imposed on Canadian products.[3410] The "performance-based remission" framework offsets countermeasure tariffs align with the criteria of maintaining growth-friendly fiscal policies. Additionally, Minister Champagne highlighted the introduction of the Large Enterprise Tariff Loan Facility in March provides liquidity for businesses experiencing financial burdens due to trade disputes, functioning as a fiscal buffer to stabilize the Canadian economy.

On 14 May 2025, Minister Champagne announced a tax cut on middle class Canadians, reducing the lowest marginal personal income tax rate from 15 to 14 per cent.[3411] This initiative aligns with the criteria of maintaining growth-friendly fiscal policies by easing the tax burden on nearly 22 million Canadians, enhancing consumption and productivity.

On 22 May 2025, the G7 Finance Ministers and Central Bank Governors along with representatives from the International Monetary Fund, World Bank Group, Organisation for Economic Cooperation and Development and Financial Stability Board reiterated their commitment to addressing the "global economic and financial situation."[3412] The ministers and representatives further committed to maintaining a "balanced and growth-oriented macroeconomic policy mix" and facilitating private-sector investment for development and economic productivity goals.

Canada has fully complied with the G20 commitment to safeguard fiscal sustainability, remain growth-friendly and catalyze investment in productivity-enhancing reforms. Canada has taken strong action to safeguard fiscal sustainability and rebuild buffers through a deferral on the capital gains tax. Canada has also taken strong action to ensure the country remains growth friendly, such as through Accelerated Investment Incentive, public investments in clean fuels and federal partnerships with Yukon. Canada has also taken action to direct public and private investments towards productivity-enhancing reforms through the Scientific Research and Experimental Development tax credit, policies from the Fall Economic Statement and investments in the clean energy and fuel sector. Canada has taken strong action to safeguard financial stability, maintain growth-friendly fiscal policies, catalyze public and private investments for productivity enhancing reforms and rebuild fiscal buffers.

[3408] Government launches consultations on trade measures to prevent diversion of steel products into Canada, Department of Finance Canada (Ottawa) 22 March 2025. Access Date: 18 June 2025. https://www.canada.ca/en/department-finance/news/2025/03/government-launches-consultations-on-trade-measures-to-prevent-diversion-of-steel-products-into-canada.html

[3409] Briefing with industry stakeholders on Canada's response to U.S. tariffs, Department of Finance Canada (Ottawa) 4 April 2025. Access Date: 18 June 2025. https://www.canada.ca/en/department-finance/news/2025/04/briefing-with-industry-stakeholders-on-canadas-response-to-us-tariffs.html

[3410] Canada announces new support for Canadian businesses affected by U.S. tariffs, Department of Finance Canada (Ottawa) 15 April 2025. Access Date: 18 June 2025. https://www.canada.ca/en/department-finance/news/2025/04/canada-announces-new-support-for-canadian-businesses-affected-by-us-tariffs.html

[3411] Government of Canada delivering middle class tax cut, Department of Finance Canada (Ottawa) 14 May 2025. Access Date: 20 June 2025. https://www.canada.ca/en/department-finance/news/2025/05/government-of-canada-delivering-middle-class-tax-cut.html

[3412] G7 Finance Ministers and Central Bank Governors' Communiqué, G7 Information Centre (Banff) 22 May 2025. Access Date: 17 June 2025. https://www.g7.utoronto.ca/finance/250522-communique.html

Thus, Canada receives a score of +1.

Analyst: Daniel Ebrahimpour

China: +1

China has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

On 25 November 2024, the Ministry of Commerce hosted a "Consumption Month" event, partnering with the local governments of Shanghai, Beijing, Guangzhou, Tianjin and Chongqing to distribute vouchers for dining, culture, tourism and sports.[3413] Consumption vouchers bolster purchasing power and activate the multiplier effect, accelerating economic recovery.

On 2 December 2024, the State-Owned Assets Supervision and Administration Commission issued policies and measures to encourage state-owned enterprises to set up venture capital funds focused on technology investments.[3414] Venture capital in the technology sector stimulates investment and increased innovation.

On 18 December 2024, the Ministry of Finance instituted reforms for the management of state-owned assets within the Ministry of Finance.[3415] These reforms aimed to enhance the collection of revenue from state-owned assets, reduce inefficiencies and redundancies within bureaucracies relevant to the management of state-owned assets and enhance monitoring of state-owned asset management. These measures aim to safeguard fiscal sustainability through streamlining and enhancing the efficiency of revenue raising from state-owned assets.

On 20 January 2025, National Development and Reform Commission official Wei Ying announced plans to continue "the issuance of ultra-long special treasury bonds and continue to support projects for implementing major national strategies and building security capacity in key areas."[3416] In combination with policies that promote private investment, these measures aim to boost domestic demand and drive high-quality economic growth.

On 20 February 2025, the Ministry of Finance released "The People's Republic of China Sovereign Green Bond Framework" to facilitate public investments in green and low-carbon projects in alignment with international green bond standards.[3417]

On 10 March 2025, Vice Minister of Finance Liao Min attended the G20 and BRICS Finance Track Meetings where he highlighted achievements in China's recent counter-cyclical measures and policies, promoted openness and growth-oriented policies and spotlighted green sovereign bonds.[3418]

On 24 April 2025, Minister of Finance Lan Fo'an attended the 111th Meeting of the World Bank's Development Committee where he and other participants highlighted the World Bank's efforts in mobilizing private sector investment in key sectors.[3419]

[3413] China prepares for year-end shopping rush with fresh round of consumer vouchers, Global Times (Beijing) 25 November 2024. Access Date: 25 March 2025. https://www.globaltimes.cn/page/202411/1323762.shtml

[3414] China supports SOEs in setting up venture capital funds, The State Council the People's Republic of China (Beijing) 2 December 2024. Access Date: 25 March 2025. https://english.www.gov.cn/news/202412/02/content_WS674da868c6d0868f4e8ed990.html

[3415] "关于强化制度执行 进一步推动行政事业性国有资产管理提质增效的通知," Ministry of Finance (Beijing) 18 December 2024. Access Date: 10 April 2025. https://zcgls.mof.gov.cn/zhengcefabu/202412/t20241217_3949896.htm

[3416] China unleashes investment surge to spur economic upturn, The State Council the People's Republic of China (Beijing) 20 January 2025. Access Date: 25 March 2025. https://english.www.gov.cn/news/202501/20/content_WS678de64fc6d0868f4e8eefcc.html

[3417] Ministry of Finance Releases "The People's Republic of China Sovereign Green Bond Framework," Ministry of Finance of the People's Republic of China (Beijing) 20 April 2025. Access Date: 18 June 2025. https://www.mof.gov.cn/en/news/mn/202502/t20250220_3958750.htm

[3418] Liao Min attends G20 and BRICS Finance Track Meetings, Ministry of Finance of the People's Republic of China (Beijing) 10 March 2025. Access Date: 18 June 2025. https://www.mof.gov.cn/en/news/mn/202503/t20250310_3959564.htm

On 29 April 2025, Minister Lan attended the second G20 Finance Ministers and Central Bank Governors Meeting where he underscored China's commitment to advancing multilateral lending mechanisms, committed to the multilateral trading system and called for private-sector engagement in vulnerable countries.[3420]

On 4 May 2025, Minister Lan participated in the 28th Association of Southeast Asian Nations (ASEAN)+3 Finance Ministers' and Central Bank Governors' Meeting (AFGMGM+3) focussing on regional and global macroeconomic challenges and opportunities for financial cooperation between members.[3421] The initiative aligns with the criteria of maintaining growth-friendly fiscal policies due to China's reaffirmation of committing to multilateralism and pushing back against protectionism, in addition to bolstering supply-chain resilience through deepened cooperation. China's announcement of a USD4 million contribution to the AMRO Technical Assistance Trust Fund boosts financial resilience and strengthens buffers. Further, the commitment to develop regional local currency bond markets supports private investment flows, catalyzing private sector investment for productivity-enhancing reforms.

China has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly and catalyze public and private investments towards productivity-enhancing reforms. China has taken action to safeguard fiscal sustainability through reforms to state-owned asset management. China has also taken action to ensure the country remains growth-friendly through consumption vouchers, setting up venture capital funds and continuing ultra-long special treasury bonds. It has also taken steps to rebuild fiscal buffers, maintain growth-friendly fiscal policies and catalyzing private investments for productivity enhancing reforms.

Thus, China receives a score of +1.

Analyst: Barry Gu

France: +1

France has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

On 3 December 2024, France pledged EUR700 million to promote the electrification of the automotive industry.[3422] EUR4000, EUR3000 and EUR2000 will be allocated as "ecological [bonuses]" for low-income, middle-income and well-off citizens, respectively, to promote interest in transitioning to electric vehicles. This action supports the growth of the electric vehicle industry.

On 17 December 2024, France paid aid benefits to recipients of the active solidary income, the specific solidarity allowance and the retirement equivalent allowance.[3423] This aid supports low-income households in paying expenses and promotes increased consumption of and investment in productive activity.

[3419] Lan Fo'an attends the 111th Meeting of the World Bank's Development Committee, Ministry of Finance of the People's Republic of China (Beijing) 24 April 2025. Access Date: 18 June 2025. https://www.mof.gov.cn/en/news/mn/202505/t20250512_3963544.htm
[3420] Lan Fo'an attends the second G20 Finance Ministers and Central Bank Governors Meeting in 2025 and holds several bilateral meetings, Ministry of Finance of the People's Republic of China (Beijing) 29 April 2025. Access Date: 18 June 2025. https://www.mof.gov.cn/en/news/mn/202504/t20250429_3962972.htm
[3421] Lan Fo'an Chairs ASEAN+3 Finance Ministers' and Central Bank Governors' Meetings, Holds Multiple Bilateral Meetings, Ministry of Finance of the People's Republic of China (Beijing) 14 May 2025. Access Date: 18 June 2025. https://www.mof.gov.cn/en/news/mn/202505/t20250514_3963727.htm
[3422] L'info.gouv du 3 décembre : transport et environnement, Gouvernement français (Paris) 03 December 2024. Translation provided by Google Translate. Access Date: 26 March 2025. https://www.info.gouv.fr/actualite/linfo-gouv-du-3-decembre-transport-et-environnement
[3423] Prime de Noël 2024 : tout ce qu'il faut savoir, Gouvernement français (Paris) 26 November 2024. Translation provided by Google Translate. Access Date: 25 March 2025. https://www.info.gouv.fr/actualite/versement-de-la-prime-de-noel-2024

On 31 December 2024, Prime Minister François Bayrou pledged that "specific measures" would materially and financially support the fishing and agricultural sectors.[3424] This action supports the country's commitment to remaining "growth-friendly" to businesses in these sectors.

On 1 January 2025, France adopted the 2025 Finance Act. This action will support the continuity of public services until such time that the initial finance law for 2025 will be approved.[3425] Overseas waste taxation for businesses will remain at its current value instead of increasing as planned, reducing costs and promoting business activity.

On 1 January 2025, France abolished the advanced payment system of non-road agricultural diesel. Excise duties will remain at their original level until the Parliamentary vote in June 2025.[3426] This allows businesses in the agricultural, forestry and other related sectors to continue operating at current costs, thereby improving chances for future growth.

On 1 January 2025, France renewed the tax regimes in Urban Free Zones and Priority City Neighbourhoods as applied to businesses in 2024. This allows business costs to remain at their current level, thereby improving chances for future growth.[3427]

On 1 January 2025, France pledged tax incentive measures to support agricultural businesses, such as a EUR100,000 increase in revenue thresholds generated and the possibility of dispersing the transfer of company rights or shares to income tax in the event of young farmers acquiring the business.[3428] This promotes business activity by young farmers in the agricultural sector.

On 1 January 2025, France announced its proposal to resume minimum taxation of multinational company profits.[3429] This provides the government with a predictable amount of tax revenue, allowing France to continue servicing its debt obligations.

On 14 January 2025, Prime Minister Bayrou reaffirmed the multi-year strategy for restoring government accounts, with a target deficit of three per cent by 2029.[3430] This action reaffirms France's commitment to servicing debt obligations while maintaining current fiscal policies.

[3424] Le plan « Mayotte debout », Gouvernement français (Paris) 31 December 2024. Translation provided by Google Translate. Access Date: 26 March 2025. https://www.info.gouv.fr/actualite/le-plan-mayotte-debout

[3425] Mesures fiscales : quelles positions seront défendues par le Gouvernement en vue de la loi de finances pour 2025 ?", Ministère de l'Économie des Finances et de la Souveraineté industrielle et numérique (Paris) 31 December 2024. Translation provided by Google Translate. Access Date: 23 March 2025. https://www.economie.gouv.fr/actualites/mesures-fiscales-quelles-positions-seront-defendues-par-le-gouvernement-en-vue-de-la-loi

[3426] Mesures fiscales : quelles positions seront défendues par le Gouvernement en vue de la loi de finances pour 2025, Ministère de l'Économie des Finances et de la Souveraineté industrielle et numérique (Paris) 31 December 2024. Translation provided by Google Translate. Access Date: 23 March 2025. https://www.economie.gouv.fr/actualites/mesures-fiscales-quelles-positions-seront-defendues-par-le-gouvernement-en-vue-de-la-loi

[3427] Mesures fiscales : quelles positions seront défendues par le Gouvernement en vue de la loi de finances pour 2025 ?, Ministère de l'Économie des Finances et de la Souveraineté industrielle et numérique (Paris) 31 December 2024. Translation provided by Google Translate. Access Date: 23 March 2025. https://www.economie.gouv.fr/actualites/mesures-fiscales-quelles-positions-seront-defendues-par-le-gouvernement-en-vue-de-la-loi

[3428] Mesures fiscales : quelles positions seront défendues par le Gouvernement en vue de la loi de finances pour 2025 ?, Ministère de l'Économie des Finances et de la Souveraineté industrielle et numérique (Paris) 31 December 2024. Translation provided by Google Translate. Access Date: 23 March 2025. https://www.economie.gouv.fr/actualites/mesures-fiscales-quelles-positions-seront-defendues-par-le-gouvernement-en-vue-de-la-loi

[3429] L'info.gouv du 9 janvier : Mpox, culture et impôts, Gouvernement français (Paris) 9 January 2025. Translation provided by Google Translate. Access Date: 25 March 2025. https://www.info.gouv.fr/actualite/linfo-gouv-du-9-janvier-mpox-culture-et-impots

[3430] Ce qu'il faut retenir de la déclaration de politique générale de François Bayrou, Gouvernement français (Paris) 14 January 2025. Translation provided by Google Translate. Access Date: 26 March 2025. https://www.info.gouv.fr/actualite/ce-quil-faut-retenir-de-la-declaration-de-politique-generale-de-francois-bayrou

On 15 January 2025, the French tax administration paid an advance of tax credits and reductions to over nine million tax households.[3431] This payment supports household expenses while preserving purchasing power, allowing households to utilize income towards other economic activities.

On 17 February 2025, France adopted its new annual budget which included pledging tax support for agricultural producers to ensure the sustainability of livestock farms.[3432] This reasserts France's commitment to catalyzing public investment to boost economic activity in the agricultural sector.

On 17 February 2025, France announced that companies exceeding EUR1 billion in turnovers will be required to contribute exceptional taxes to ensure a fairer distribution of tax.[3433] This avoids tax increases and promotes continued operational growth for smaller companies while generating tax revenue, providing France the funds to continue servicing its debt obligations.

On 17 February 2025, the Ministry of Agriculture announced the first phase of financial aid for farmers for economic difficulties faced in 2024.[3434] This action reduces the financial burden for farmers through accessible loans and promotes continued agricultural operations and growth.

On 23 February 2025, the Ministry of Agriculture officially launched medium-term low-interest and long-term loans to combat the agricultural crisis.[3435] Farmers can access these loans to face climatic hazards, reducing operational costs and supporting continued growth of the agricultural sector.

On 27 February 2025, France launched the "Entrepreneurs du Vivant" program, designed to support the transition of the agricultural sector through guaranteeing land access for young farmers, securing supply chains, and advancing innovation.[3436] This action includes a collective investment of over EUR40 million, promoting accelerated growth from young farmers and the agriculture industry.

On 7 March 2025, the Interministerial Committee on Disability affirmed an increase in mobilization for accessibility to employment, including the development of "supported employment" and "equipment loan platforms."[3437] This action pledges support of disabled workers and promotes productivity.

On 20 March 2025, Minister of Economy and Finance Éric Lombard announced a EUR450 million investment fund to finance the defense industry.[3438] This action supports increased economic activity in the

[3431] L'info.gouv du 9 janvier : Mpox, culture et impôts, Gouvernement français (Paris) 9 January 2025. Translation provided by Google Translate. Access Date: 25 March 2025. https://www.info.gouv.fr/actualite/linfo-gouv-du-9-janvier-mpox-culture-et-impots

[3432] Budget 2025 : une étape clé dans la gestion des finances publiques, Gouvernement français (Paris) 18 February 2025. Translation provided by Google Translate. Access Date: 13 May 2025. https://www.info.gouv.fr/actualite/budget-2025-une-etape-cle-dans-la-gestion-des-finances-publiques

[3433] Budget 2025 : une étape clé dans la gestion des finances publiques, Gouvernement français (Paris) 18 February 2025. Translation provided by Google Translate. Access Date: 13 May 2025. https://www.info.gouv.fr/actualite/budget-2025-une-etape-cle-dans-la-gestion-des-finances-publiques

[3434] L'info.gouv du 17 février : aide aux agriculteurs, vacances d'hiver en toute sécurité et semaine olympique et paralympique 2025, Gouvernement français (Paris) 17 February 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.info.gouv.fr/actualite/linfo-gouv-du-17-fevrier-aides-aux-agriculteurs-vacances-dhiver-en-toute-securite-et-semaine-olympique-et-paralympique-2025

[3435] L'info.gouv du 24 février : prêts agricoles et action publique, Gouvernement français (Paris) 24 February 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.info.gouv.fr/actualite/linfo-gouv-du-24-fevrier-prets-agricoles-et-action-publique

[3436] FRANCE 2030 : 395 M€ POUR ACCÉLÉRER LA TRANSITION DU SECTEUR AGRICOLE FRANÇAIS AVEC LE PROGRAMME « ENTREPRENEURS DU VIVANT », Gouvernement français (Paris) 27 February 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.info.gouv.fr/actualite/france-2030-395-meur-pour-accelerer-la-transition-du-secteur-agricole-francais-avec-le-programme-entrepreneurs-du-vivant

[3437] Ce qu'il faut retenir du comité interministériel du handicap, Gouvernement français (Paris) 7 March 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.info.gouv.fr/actualite/ce-quil-faut-retenir-du-comite-interministeriel-du-handicap-2025 industry, including companies supplying to the military, thereby catalyzing public investment for continued and growing productivity.

On 7 April 2025, the Department of Mayotte and the State dedicated EUR2.94 million to supporting local businesses and projects in the Mayotte region until 2026.[3439] These projects are described as aiming to accelerate, strengthen, and support the competitiveness of companies and industries.

On 10 April 2025, France adopted a EUR4 billion mechanism to support the production and "secure the competitiveness" of low-carbon hydrogen over the next 15 years.[3440] This strategy promotes growth in the hydrogen industry.

On 15 April 2025, Minister for Health and Access to Healthcare Yannick Neuder, along with Minister of Industry and Energy Marc Ferracci, Minister Delegate for Artificial Intelligence and Digital Technologies Clara Chappaz and Secretary General for Investment, France 2030, Bruno Bonnell, opened a call for studies in digital health.[3441] Selected projects can be financed by EUR300,000 to EUR1.2 million. This promotes innovation and supports growth in the healthcare industry.

On 22 May 2025, the G7 Finance Ministers and Central Bank Governors along with representatives from the International Monetary Fund, World Bank Group, Organisation for Economic Cooperation and Development and Financial Stability Board reiterated their commitment to addressing the "global economic and financial situation."[3442] The ministers and representatives further committed to maintaining a "balanced and growth-oriented macroeconomic policy mix" and facilitating private-sector investment for development and economic productivity goals.

France has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms. France has committed to safeguarding fiscal sustainability and rebuilding fiscal buffers through policies that reduces its budget deficit, such as renewing tax regimes, resuming the taxation of multinational company credits, and implementing exceptional turnover taxes. France has also taken extensive action to implement growth-friendly fiscal policies, such as pledging government funds for electric vehicles, the fishing, agriculture, renewable energy, healthcare sectors, and Mayotte businesses. France has also taken strong action to catalyze public investments towards productivity enhancing reforms through aid benefits and support for disabled workers.

Thus, France receives a score of +1.

Analyst: Gabrielle Concepcion

[3438] Le Gouvernement renforce le financement de l'industrie de défense, Gouvernement français (Paris) 20 March 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.info.gouv.fr/actualite/le-gouvernement-renforce-le-financement-de-lindustrie-de-defense

[3439] France 2030 : Lancement de 3 appels à projets à Mayotte dans le cadre du volet régionalisé, Gouvernement français (Paris) 7 April 2025. Translation provided by Google Translate. Access Date: 13 May 2025. https://www.info.gouv.fr/actualite/france-2030-lancement-de-3-appels-a-projets-a-mayotte-dans-le-cadre-du-volet-regionalise

[3440] Actualisation de la Stratégie nationale hydrogène, Gouvernement français (Paris) 16 April 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.info.gouv.fr/actualite/actualisation-de-la-strategie-nationale-hydrogene

[3441] France 2030 - Santé numérique : ouverture de l'AAP "étude d'impact de l'usage de DM numériques innovants dans des établissements de santé et du médico-social, Gouvernement français (Paris) 15 April 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.info.gouv.fr/actualite/france-2030-sante-numerique-ouverture-de-laap-etude-dimpact-de-lusage-de-dm-numeriques-innovants-dans-des-etablissements-de-sante-et-du-medico-social

[3442] G7 Finance Ministers and Central Bank Governors' Communiqué, G7 Information Centre (Banff) 22 May 2025. Access Date: 17 June 2025. https://www.g7.utoronto.ca/finance/250522-communique.html

Germany: +1

Germany has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms.

On 22 November 2024, Germany introduced the Tax Reform Act with business-oriented incentives to take effect in 2025.[3443] The Act provides an increase in research funding and improved options for offsetting taxable income, allowing private companies to invest further. "Tax-privileged" non-profit organizations will also have greater flexibility in commenting on current social affairs without risking the loss of the "tax-privileged" status. This action promotes business growth across the country.

On 2 December 2024, the German parliament passed the Annual Tax Act 2024.[3444] The Act instituted wide-ranging reforms on asset transfers, corporate taxes and various other taxes, aiming to safeguard fiscal sustainability through enhanced revenue collection.

On 20 January 2025, Federal Finance Minister Jörg Kukies presented a two-year moratorium providing relief for companies subject to the Corporate Sustainability Reporting Directive, notably small and medium-sized enterprises, to research and repeal inconsistencies.[3445] This proposal signifies moderate action in maintaining and promoting corporate growth.

On 10 March 2025, Minister Kukies supported a reduction in bureaucracy for "market participants."[3446] This action verbally reaffirms Germany's commitment to maintaining growth-friendly fiscal policies.

On 25 March 2025, Germany released a fiscal package with accompanying amendments to Germany's Basic Law that outcomes defence expenditure, special funds for infrastructure development and aligning structural borrowing with federal debt rules.[3447] The defence expenditure and spending on civil protection, intelligence services, protection of IT systems and support for states attacked in violation of international law, which in total exceeds one per cent of gross domestic product (GDP) os exempt from Germany's debt brake rules. Further, the package outlines the establishment of a special fund for infrastructure of up to EUR500 billion with investments in key areas such as energy, transport infrastructure and education. In light of higher investment needs and limited fiscal space, the Länder (the constituent federal states of Germany) are granted limited scope for structural new borrowing amounting to 0.35 per cent of the GDP, in line with debt rules applicable to the federal government.

On 22 May 2025, the G7 Finance Ministers and Central Bank Governors along with representatives from the International Monetary Fund, World Bank Group, Organisation for Economic Cooperation and Development and Financial Stability Board reiterated their commitment to addressing the "global economic and financial situation."[3448] The ministers and representatives further committed to maintaining a "balanced

[3443] Higher net pay for employees, The Federal Government (Berlin) 22 November 2024. Access Date: 26 March 2025. https://www.bundesregierung.de/breg-en/search/tax-relief-2321674

[3444] Jahressteuergesetz 2024 (JStG 2024), Bundesgesetzblatt (Berlin) 5 December 2024. Access Date: 11 April 2025. https://www.recht.bund.de/bgbl/1/2024/387/VO.html

[3445] Rückblick auf die Sitzungen der Eurogruppe und des ECOFIN-Rats am 20. und 21. Januar 2025 in Brüssel, Bundesgesetzblatt (Berlin) 25 February 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.bundesfinanzministerium.de/Monatsberichte/Ausgabe/2025/02/Inhalte/Kapitel-4-Wirtschafts-und-Finanzlage/4-6-europaeische-wirtschafts-und-finanzpolitik.html

[3446] Der Bericht über die Beteiligungen des Bundes an Unternehmen 2024, Bundesgesetzblatt (Berlin) 20 March 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.bundesfinanzministerium.de/Monatsberichte/Ausgabe/2025/03/Inhalte/Kapitel-3-Analysen/3-6-beteiligungsbericht-2024.html

[3447] Law amending the Basic Law (Articles 109, 115 and 143h), Bundesministerium der Justiz (Berlin) 24 March 2025. Translation provided by Google Translate. Access Date: 3 September 2025. https://www.recht.bund.de/bgbl/1/2025/94/VO

[3448] G7 Finance Ministers and Central Bank Governors' Communiqué, G7 Information Centre (Banff) 22 May 2025. Access Date: 17 June 2025. https://www.g7.utoronto.ca/finance/250522-communique.html

and growth-oriented macroeconomic policy mix" and facilitating private-sector investment for development and economic productivity goals.

Germany has fully complied with its commitment to safeguarding fiscal sustainability and rebuilding fiscal sustainability buffers, remaining growth-friendly and catalyzing both public and private investment towards productivity-enhancing reforms. Germany has taken strong action to safeguard financial stability through the Annual Tax Act. Germany has also taken strong action in maintaining growth-friendly fiscal policies to ensure its economy remains growth-friendly through the Tax Reform Act, the Corporate Sustainability Reporting Directive, reducing bureaucracy and new spending. However, Germany has also taken substantial action to catalyze public and private investment for productivity enhancing reforms or rebuilding buffers through 2025 Basic Law amendments.

Thus, Germany receives a score of +1.

Analyst: Gabrielle Concepcion

India: 0

India has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

On 25 November 2024, the Union Cabinet approved the continuation of the Atal Innovation Mission (AIM) under NITI Aayog, with an expanded scope and a budget of INR2,750 crore until 31 March 2028.[3449] AIM 2.0 aims to enhance India's innovation and entrepreneurship ecosystem by increasing participation, improving startup success rates and fostering high-impact job creation, ultimately growing the startup sector.

On 10 January 2025, the Union Government released INR1.7 million crore in tax devolution to State Governments, a significant increase from INR89,000 crore in December 2024.[3450] This increased release aims to enable provinces to accelerate capital spending and finance development and welfare-related expenditures. The government's move is designed to boost fiscal capacities at the provincial level, supporting infrastructure growth.

On 1 February 2025, Finance Minister Nirmala Sitharaman presented the Union Budget for 2025-26, focusing on fiscal consolidation, tax relief for the middle class and increased allocations for healthcare, education and rural development, with the aim of achieving a balanced growth trajectory and long-term fiscal stability.[3451] The Budget highlights four development engines – agriculture; micro, small and medium sized enterprises (MSMEs); investment; and exports – with initiatives such as the Prime Minister Dhan-Dhaanya Krishi Yojana for farmers and enhanced credit for MSMEs. It also prioritizes innovation through Atal Tinkering Labs and Centers of Excellence in Artificial Intelligence, urban infrastructure and sustainable development. These measures aim to foster inclusive growth and strengthen India's economic future.

On 17 February 2025, Finance Minister Sitharaman launched the Mutual Credit Guarantee Scheme for MSMEs in Mumbai, enabling loans of up to INR100 crore without requiring collateral.[3452] She highlighted the increased capital expenditure for infrastructure development, the government's commitment to reducing the

[3449] Cabinet approves continuation of the Atal Innovation Mission, Union Cabinet (New Delhi) 25 November 2024. Access Date: 25 March 2025. https://pib.gov.in/PressReleasePage.aspx?PRID=2077101
[3450] Union Government releases tax devolution of ₹1,73,030 crore to State Governments to accelerate capital spending and finance their development and welfare-related expenditures, Ministry of Finance (New Delhi) 10 January 2025. Access Date: 25 March 2025. https://pib.gov.in/PressReleasePage.aspx?PRID=2091732
[3451] SUMMARY OF UNION BUDGET 2025-26, Ministry of Finance (New Delhi) 1 February 2025. Access Date: 25 March 2025. https://pib.gov.in/PressReleasePage.aspx?PRID=2098352
[3452] Union Finance and Corporate Affairs Minister launches Mutual Credit Guarantee Scheme for MSMEs in Mumbai today, Ministry of Finance (New Delhi) 17 February 2025. Access Date: 25 March 2025. https://pib.gov.in/PressReleasePage.aspx?PRID=2104140

fiscal deficit and measures aimed at stimulating consumption, savings and investment through tax concessions.

On 19 March 2025, the Union Cabinet approved "Incentive Scheme for promotion of low-value VHIM-UPI transactions Person to Merchant (P2M)."[3453] The initiative maintains growth-friendly fiscal policies through the zero Merchant Discount Rate and financial incentives.

On 25 March 2025, the Ministry of Commerce and Industry reaffirmed its commitment to strengthening India's startup ecosystem by supporting 217 incubators under the Startup India Seed Fund Scheme (SISFS) with approved funding of INR917 million.[3454] Launched in 2016, the Startup India initiative promotes innovation and entrepreneurship through schemes such as the Fund of Funds for Startups (FFS), SISFS and the Credit Guarantee Scheme for Startups. The government also facilitates market access, public procurement and ecosystem-driven events like Startup Mahakumbh, ultimately aiming to grow the startup sector and ecosystem.

On 9 May 2025, the Union Minister for Finance and Corporate Affairs Nirmala Sitharaman convened a meeting with representatives from public and private sector banks and insurance companies to review operational preparedness.[3455] This initiative underscores banking sector preparedness in the event of interrupted financial services, maintaining the operational capacity of banks, indirectly supporting growth.

On 24 May 2025, the Department of Financial Services organized a colloquium of Chairpersons of Debt Recovery Appellate Tribunals and Presiding Officers of Debt Recovery Tribunals (DRTs), highlighting key initiatives including the adoption of revised DRT Regulations to safeguard financial stability and redeploying capital to encourage private-sector lending and investments.[3456]

India has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms. India has taken significant action to safeguard fiscal sustainability and rebuild buffers through the Mutual Credit Guarantee Scheme and tax devolutions. India has also taken significant action to ensure its economy remains growth-friendly through support for start-ups and easing regulatory burdens. However, India has not taken significant action to catalyze public and private investments towards productivity enhancing reforms

Thus, India receives a score of 0.

Analyst: Bijan Davis

Indonesia: 0

Indonesia has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

[3453] Cabinet approves Incentive scheme for promotion of low-value BHIM-UPI transactions (P2M), Department of Financial Services (New Delhi) 19 March 2025. Access Date: 18 June 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2112771

[3454] Government Strengthens Startup Ecosystem with Robust Initiatives and Funding Support, Ministry of Commerce & Industry (New Delhi) 25 March 2025. Access Date: 25 March 2025. https://pib.gov.in/PressReleasePage.aspx?PRID=2114865

[3455] Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman chairs meeting to review banking sector's operational and cybersecurity preparedness, including digital applications such as internet banking and UPI, Department of Financial Services (New Delhi) 9 May 2025. Access Date: 18 June 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2127960

[3456] Department of Financial Services (DFS), Ministry of Finance organises a colloquium of Chairpersons of Debt Recovery Appellate Tribunals (DRATs) and Presiding Officers of Debt Recovery Tribunals (DRTs), Department of Financial Services (New Delhi) 24 May 2025. Access Date: 18 June 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2130960

On 16 December 2024, Deputy Minister of Finance Thomas Djiwandono, outlined three key strategies to strengthen the state budget.[3457] First, the government will optimize state revenue while balancing investment and sustainability. Second, state spending will be directed to sectors with a high economic growth impact. Third, the government will adopt innovative financing with prudent fiscal policies.

On 16 December 2024, the Head of the Fiscal Policy Agency Febrio Kacaribu officially confirmed an increase in the Value Added Tax (VAT) rate from 11 per cent to 12 per cent.[3458] The government will continue to provide a zero per cent VAT benefit on essential goods and services needed by the general public. This policy aims to boost state revenue.

On 20 December 2024, Coordinating Minister for Economic Affairs Airlangga Hartarto launched the BINA Discount Program 2024.[3459] This economic stimulus is intended to increase domestic consumption and boost economic growth.

On 12 April 2025, Coordinating Minister for Food Affairs Zulkifli Hasan announced that the Indonesian government initiated fiscal support for the waste-to-energy (WtE) sector by mobilizing the Danantara sovereign wealth fund to co-finance projects and attract foreign investment.[3460] This initiative aims to accelerate the development of WtE infrastructure, simplify investment procedures and promoting growth in the sector.

Indonesia has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly and catalyze public and private investments towards productivity-enhancing reforms. Indonesia has taken strong action to safeguard financial stability and through VAT reforms and key budgetary strategies. Indonesia has also maintained growth-friendly fiscal policies through VAT reforms, fiscal support for the WtE sector and new strategies from the cabinet. However, Indonesia has not taken steps to advance rebuilding fiscal buffers and catalyzing public and private investments for productivity enhancing reforms.

Thus, Indonesia receives a score of 0.

Analyst: Camila Calderon-Cruz

Italy: +1

Italy has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

On 22 November 2024, the Ministry of Business and Made in Italy announced EUR15 million in grants earmarked for female entrepreneurs leading micro and small business.[3461] Supporting underrepresented demographics in business facilitates diversification, innovation and otherwise untapped economic growth.

[3457] Deputy Ministry of Finance Thomas Emphasizes the Government's Commitment to Strengthen the State Budget Through 3 Main Strategies, Ministry of Finance (Jakarta) 16 December 2024. Translation provided by Google Translate. Access Date: 23 March 2025. https://www.kemenkeu.go.id/informasi-publik/publikasi/berita-utama/Wamenkeu-Thomas-Tiga-Strategi-Penguatan-APBN

[3458] Strategy Unveiled to Boost Revenue and Stabilize Economy, Government of Indonesia (Jakarta) 24 December 2025. Access Date: 22 March 2025. https://indonesia.go.id/kategori/editorial/8862/strategy-unveiled-to-boost-revenue-and-stabilize-economy?lang=2

[3459] Govt. Introduces BINA Program: More than Mere Discount Shopping, Government of Indonesia (Jakarta) 6 January 2025. Access Date: 22 March 2025. https://indonesia.go.id/kategori/editorial/8882/govt-introduces-bina-program-more-than-mere-discount-shopping?lang=2

[3460] Indonesia eyes foreign investment boost in waste-to-energy sector. Antara (Jakarta) 12 April 2025. Translation provided by Google Translate. Access Date: 11 May 2025. https://en.antaranews.com/news/351441/indonesia-eyes-foreign-investment-boost-in-waste-to-energy-sector

[3461] "Oltre Nuove Imprese a Tasso Zero": 15 milioni di euro per sostenere l'imprenditoria femminile, Ministero delle Imprese e del Made in Italy (Rome) 22 November 2024. Translation provided by Google Translate. Access Date: 25 March 2025. https://www.mimit.gov.it/it/notizie-stampa/made-in-italy-oltre-nuove-imprese-a-tasso-zero-15-milioni-di-euro-per-sostenere-imprenditoria-femminile

On 13 December 2024, the Minister of Enterprise and Made in Italy Adolfo Urso signed the decree "Support for industrial research and experimental development projects of strategic importance for the production system," which allocates EUR400 million towards investment into the technological sector.[3462] These subsidies will stimulate innovation and economic productivity.

On 20 December 2024, the Council of Ministers approved changes to the financial year 2025's state budget forecast, including reductions in income tax and increased support for private investment and public infrastructure.[3463] The measures broadly increase the wealth of consumers and spur investment activity, contributing to greater economic growth.

On 30 December 2024, the Ministry of Business and Made in Italy issued a directive to invest EUR250 million from the Fund for Development and Cohesion into the "Special Economic Zone (ZES Unica), including the territories of the Regions of Abruzzo, Basilicata, Calabria, Campania, Molise, Puglia, Sicily and Sardinia."[3464] Resources will support companies in financing projects related to research, development and innovation in order to foster economic development and growth of Southern Italy.

On 26 March 2025, the Department of Treasury released the government bond issuance program for the second quarter of 2025 with updated "public debt issuance, the macroeconomic and public finance frameworks."[3465] The scheduled issuance of medium to long-term bonds, manages a debt with a gross volume of EUR225-245 billion, safeguarding financial sustainability and shielding the debt structure from external shocks.

On 23 April 2025, the Ministry of Economy and Finance announced a EUR8.8 billion issuance of BTP Italia (a government bond) with a maturity of seven years, taking place from 27 May 2025 to 30 May 2025.[3466] The initiative helps stabilize Italy's debt profile and reduces inflation-related risks.

On 22 May 2025, the G7 Finance Ministers and Central Bank Governors along with representatives from the International Monetary Fund, World Bank Group, Organisation for Economic Cooperation and Development and Financial Stability Board reiterated their commitment to addressing the "global economic and financial situation."[3467] The ministers and representatives further committed to maintaining a "balanced and growth-oriented macroeconomic policy mix" and facilitating private-sector investment for development and economic productivity goals.

Italy has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly and catalyze public and private investments towards productivity-enhancing reforms. Italy has taken strong actions to ensure the country remains growth friendly through grants to female entrepreneurs, state budget forecast and ZESs. Italy has also taken action to enhance productivity through

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[3462] 400 milioni per sostenere lo sviluppo delle tecnologie critiche ed emergent, Ministero delle Imprese e del Made in Italy (Rome) 13 December 2024. Translation provided by Google Translate. Access Date: 25 March 2025. https://www.mimit.gov.it/it/notizie-stampa/mimit-400-milioni-per-sostenere-lo-sviluppo-delle-tecnologie-critiche-ed-emergenti
[3463] Comunicato stampa del Consiglio dei Ministri n. 108, Governo Italiano Presidenza del Consiglio dei Ministri (Rome) 20 December 2024. Translation provided by Google Translate. Access Date: 25 March 2025. https://www.governo.it/it/articolo/comunicato-stampa-del-consiglio-dei-ministri-n-105/27173
[3464] Mimit, 250 milioni per i Contratti di sviluppo ZES: definite le modalità di utilizzo, Ministero delle Imprese e del Made in Italy (Rome) 30 December 2024. Translation provided by Google Translate. Access Date: 25 March 2025. https://www.mimit.gov.it/it/notizie-stampa/mimit-250-milioni-per-i-contratti-di-sviluppo-zes-definite-le-modalita-di-utilizzo
[3465] II Quarter 2025 – Quarterly Issuance Program, Dipartimento del Tesoro (Rome) 26 March 2025. Access Date: 19 June 2025. https://www.dt.mef.gov.it/export/sites/sitodt/modules/documenti_en/debito_pubblico/programma_trimestrale_emissione/Quarterly-Issuance-Program-and-Macro-Outlook-Second-Quarter-2025.pdf
[3466] BTP Italia returns: new issuance from Tuesday, May the 27th, Ministero dell'Economia e delle Finanze (Rome) 23 April 2025. Access Date: 19 June 2025. https://www.mef.gov.it/en/ufficio-stampa/comunicati/2025/BTP-Italia-returns-new-issuance-from-Tuesday-May-the-27th-00001/
[3467] G7 Finance Ministers and Central Bank Governors' Communiqué, G7 Information Centre (Banff) 22 May 2025. Access Date: 17 June 2025. https://www.g7.utoronto.ca/finance/250522-communique.html

subsidies for industrial research and experimental development projects. It has taken significant steps to safeguard financial stability, maintain growth-friendly fiscal policies and catalyze public and private investments for productivity enhancing reforms.

Thus, Italy receives a score of +1.

Analyst: Barry Gu

Japan: +1

Japan has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms.

On 22 November 2024, the Japanese government approved a JPY39 trillion economic stimulus package aimed at boosting individual income and promoting economic growth.[3468] The package provided support for rising energy costs, digital innovation and assisting low-income households, aiming to prevent a deflationary spiral and sustain economic growth.

On 20 December 2024, Prime Minister Shigeru Ishiba announced plans to allocate over JPY10 trillion in public funding to the AI and semiconductor sectors.[3469] This initiative aims to bolster private and public investment, increase economic security and enhance productivity.

On 27 December 2024, the Government of Japan approved a JPY115.5 trillion draft budget for FY2025.[3470] Higher tax revenues will increase new bond issuance, easing reliance on debt and debt financing bonds are set to drop by roughly JPY7 trillion, encouraging fiscal discipline.

On 28 February 2025, Finance Minister Katsunobu Kato delivered a fiscal policy speech introducing the FY2025 tax reform outline, which included targeted changes to the personal income tax system and investment incentives.[3471] These tax policy changes are designed to catalyze public and private investments toward productivity-enhancing reforms, demonstrating compliance with the government's commitment to pairing revenue strategy with growth-supportive measures.

On 12 May 2025, Prime Minister Ishiba publicly rejected proposals to cut Japan's consumption tax rate.[3472] This action aligns with the policy goal of safeguarding fiscal sustainability, as it prioritizes preserving tax revenue to fund critical long-term obligations rather than pursuing politically expedient tax cuts.

On 22 May 2025, the G7 Finance Ministers and Central Bank Governors along with representatives from the International Monetary Fund, World Bank Group, Organisation for Economic Cooperation and Development and Financial Stability Board reiterated their commitment to addressing the "global economic and financial situation."[3473] The ministers and representatives further committed to maintaining a "balanced and growth-oriented macroeconomic policy mix" and facilitating private-sector investment for development and economic productivity goals.

[3468] Japan Approves Economic Stimulus Package, Associated Press (Tokyo) 22 November 2024. Access Date: 19 March 2025. https://apnews.com/article/japan-economy-ishiba-politics-95b09d0f8ec0287224c00d56ad453446
[3469] Policy Speech by Prime Minister Ishiba, Government of Japan (Tokyo) 20 December 2024. Access Date: 19 March 2025. https://www.japan.go.jp/kizuna/2024/12/policy_speech_by_pm_ishiba.html
[3470] FY2025 Budget Plan, Ministry of Finance (Tokyo) 2024. Access Date: 19 March 2025. https://www.mof.go.jp/english/policy/budget/budget/fy2025/01.pdf
[3471] Speech on Fiscal Policy by Minister of Finance Kato, Ministry of Finance (Tokyo) 28 February 2025. Access Date: 13 May 2025. https://www.mof.go.jp/english/public_relations/statement/fiscal_policy_speech/20250228184116.html
[3472] Japan's Ishiba Open to More Stimulus but Rules Out Sales Tax Cut, Reuters (Tokyo) 12 May 2025. Access Date: 13 May 2025. https://www.reuters.com/markets/asia/japans-ishiba-open-more-stimulus-rules-out-sales-tax-cut-2025-05-12/
[3473] G7 Finance Ministers and Central Bank Governors' Communiqué, G7 Information Centre (Banff) 22 May 2025. Access Date: 17 June 2025. https://www.g7.utoronto.ca/finance/250522-communique.html

Japan has fully complied with its commitment to safeguarding fiscal sustainability and building fiscal sustainability buffers, remaining growth-friendly and catalyzing both private and public investment towards reforms which enhance productivity. Japan has taken steps to ensure the country remains growth-friendly, such as through economic stimulus. Japan has also taken steps to safeguard financial stability and build fiscal buffers, such as approving the draft budget. Japan has also taken action to enhance productivity through public investment by allocating funding towards the artificial intelligence and semiconductor sectors. Japan has also taken action to safeguard fiscal sustainability and rebuild buffers by approving the new draft budge and initiating tax reforms.

Thus, Japan receives a score of +1.

Analyst: Amitav Johri

Korea: +1

Korea has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms.

On 2 December 2024, President Yoon Suk yeol hosted the first civil forum of his administration's latter half under the theme "Small Business Owners and Self-Employed Businesses Running Again, Lively Alley Markets."[3474] Key measures announced included KRW5.9 trillion in budget allocation for self-employed businesses, KRW 36 trillion in supplementary funding, over 30 per cent cuts in delivery app fees and fee waivers for traditional markets.

On 19 December 2024, Korea held its 51st Ministerial Meeting on State Affairs, where the government reaffirmed its commitment to fiscal responsibility and economic recovery.[3475] Key priorities included executing 75 per cent of the national budget in the first half of 2025, ensuring macroeconomic stability through steady credit ratings and accelerating support for livelihoods and long-term growth drivers amid heightened global uncertainty.

On 24 December 2024, during the 58th Cabinet Meeting, the Korean government ratified significant tax reforms to stimulate investment and strengthen fiscal sustainability.[3476] These included raising the deduction ceiling for SME contributions to the Yellow Umbrella mutual aid fund, extending research and development (R&D) and integrated investment tax credits, abolishing the financial investment income tax and postponing virtual asset taxation from 2025 to 2027. The reforms aim to incentivize domestic capital market participation and support

On 5 February 2025, the Ministry of Trade, Industry and Energy announced a KRW1.78 trillion investment into 92 projects for materials and components R&D.[3477] The initiative supports strategic industries such as semiconductors, displays, mobility, bio, and secondary batteries, with catalyzing public and private investments in the small and medium sized enterprise sector being a key aim of the investments.

On 5 February 2025, the Ministry of Science and ICT (information and communications technologies) announced a KRW198 billion investment to strengthen the national quantum science and technology

[3474] "정부는 양극화 타개를 위해 자영업자·소상공인 활력 회복에 최선을 다하겠습니다.", 대한민국 대통령실 (Seoul) 2 December 2024. Translation provided by Google Translate. Access Date: 26 March 2025. https://www.president.go.kr/president/speeches/SQcHTdtt
[3475] [보도자료] 제51회 국정현안관계장관회의 보도자료 모두발언, 기획재정부 (Sejong) 19 December 2024. Translation provided by Google Translate. Access Date: 26 March 2025. https://www.opm.go.kr/opm/news/press1.do?mode=view&articleNo=158360
3476 [모두발언] 제58회 국무회의, 국무조정실 (Sejong) 24 December 2024. Translation provided by Google Translate. Access Date: 26 March 2025. https://www.opm.go.kr/opm/news/press1.do?mode=view&articleNo=158385
[3477] 산업부, 올해 소재부품 기술개발에 1조 1,780억원 투자, 산업통상자원부 (Sejong) 4 February 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://eiec.kdi.re.kr/policy/materialView.do?num=262914

ecosystem.[3478] The funding will support 32 new projects across 15 programs, including quantum computing infrastructure, quantum communication materials localization, and quantum metrology research. It also includes international academic cooperation programs and the establishment of two national quantum R&D hubs to promote workforce development and industry collaboration, thus enhancing productivity through public investment.

On 18 February 2025, the National Assembly Strategy and Finance Committee passed amendments to tax laws to boost investment and fiscal sustainability.[3479] Measures included increasing tax credit rates for semiconductor investments, extending R&D and facility investment incentives to 2029 and expanding strategic sectors to include artificial intelligence (AI) and advanced mobility.

On 12 March 2025, the Ministry of Science and ICT announced a KRW6.8 trillion investment in national strategic technologies.[3480] The plan targets 12 key sectors, including semiconductors, AI, quantum, and advanced bio, aiming to accelerate commercialization, strengthen resilience amid global tech competition and support startups and new investments through expanded R&D and tax incentives.

On 25 April 2025, the Ministry of Science and ICT announced a KRW9.28 trillion investment for science and technology talent development.[3481] Key measures include expanded STEM scholarships, increased R&D funding, strategic recruitment of global researchers and programs to train advanced digital industry professionals, thereby enhancing productivity.

On 29 April 2025, the Ministry of Trade, Industry and Energy announced a KRW684.6 billion investment to revitalize Korea's foundational manufacturing sectors.[3482] The 2025 plan aims to address labour shortages, boost technological innovation and expand local industrial ecosystems. Key measures include digital transformation of production lines, R&D support for core technologies and enhanced collaboration between firms and institutions, thus facilitating enhancement of manufacturing productivity.

Korea has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms. Korea has taken meaningful strong to safeguard financial stability and rebuild buffers, including regulations on retail government bonds and amending tax laws. Korea has also taken action to use its fiscal policies to ensure the country remains growth-friendly by executing the growth-driven national budget, using tax reforms to promote capital market participation, and utilizing public investments to facilitate growth in the technological, R&D and science sectors. Korea has also catalyzed public investments towards productivity enhancing reforms, such as the Ministry of Science and ICT 's investments.

Thus, Korea receives a score of +1.

Analyst: Chaehwan Shin

[3478] 과기정통부, 2025년 양자과학기술 및 산업육성을 위해 1,980억 원 투자, 과학기술정보통신부 (Sejong) 5 February 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.msit.go.kr/bbs/view.do?sCode=user&mId=307&mPid=208&bbsSeqNo=94&nttSeqNo=3185423

[3479] 반도체 투자세액공제율 인상 등 세법개정법률안 기획재정위원회 통과, 기획재정부 (Seoul) 18 February 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.moef.go.kr/nw/nes/detailNesDtaView.do;jsessionid=JCFOkmgiVazNt6IieEFLI6nH.node30?searchBbsId1=MOSFBBS_000000000028&searchNttId1=MOSF_000000000072686&menuNo=4010100

[3480] 국가전략기술 육성에 '25년 6.8조 원 투자 및 기술패권 경쟁 주도권 확보에 집중, 과학기술정보통신부 (Sejong) 12 March 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.msit.go.kr/bbs/view.do?sCode=user&bbsSeqNo=94&nttSeqNo=3185559

[3481] 한국, 과학기술인재 육성에 올해 9조2825억 원 투입, 과학기술정보통신부 (Seoul) 25 April 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.kocis.go.kr/koreanet/view.do?seq=1051263

[3482] 6,846억원 투입, 뿌리산업의 활력 회복 지원, 산업통신자원부 (Seoul) 29 April 2025. Translation provided by Google Translate. Access Date: 14 May 2025. https://www.motie.go.kr/kor/article/ATCL3f49a5a8c/170467/view

Mexico: 0

Mexico has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

On 11 December 2024, Economy Secretary Marcelo Ebrand Casubon met with Mexico City's Secretary of Economic Development Manola Zabala to discuss strategies for boosting investment and growth.[3483] Secretary Zabala said she was supportive of the "Made in Mexico" brand and will manage production plans, such as the Mexico City Investment Agency. The meeting aimed to enable the Mexican government to better understand how state-funded projects can be best implemented across Mexico.

On 18 February 2025, Economy Secretary Marcelo Ebrard launched the "Made in Mexico" initiative.[3484] The initiative is part of President Sheinbaum's "Plan Mexico" program which aims to safeguard the economy during global financial uncertainty and promote economic growth and innovation by investing in the national economy through the increase of production and consumption of domestic products.

On 21 February 2025, the Mexican delegation to the G20 Foreign Ministers' Meeting in South Africa reaffirmed Mexico's commitment to economic growth and sustainable development.[3485] The delegation proposed building sustainable industries in line with industrial policies that could balance economic growth and environmental protections.

On 2 April 2024, President Caludia Sheinbaum announced plans to narrow fiscal deficits for the next fiscal year.[3486] The government published a preliminary budget estimate aiming to target a budget gap of 3.2 per cent to 3.5 per cent of gross domestic product and aims to grow the Mexican economy from 1.5 per cent to 2.3 per cent next year.

Mexico has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms. Mexico has taken action to ensure its fiscal policies remain growth-friendly through discussions with regional leaders, using the "Made in Mexico" initiative to propel growth through domestic consumption, and its preliminary budget aims to foster economic growth and safeguard financial stability. However, it has not taken action to catalyze public and private investments for productivity enhancing reforms.

Thus, Mexico receives a score of 0.

Analyst: Peter Ma

Russia: 0

Russia has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

[3483] Encabeza Marcelo Ebrard reunión para implementar proyectos de inversiónn (Mexico City) 11 December 2024. Translation provided by Google Translate. Access Date: 11 April 2024. https://www.gob.mx/se/prensa/encabeza-marcelo-ebrard-reunion-para-implementar-proyectos-de-inversion?idiom=es

[3484] Arranca la promoción nacional e internacional de lo "Hecho en México", Government of Mexico (Mexico City) 18 February 2025. Translation provided by Google Translate. Access Date: 17 May 2025. https://www.gob.mx/se/prensa/arranca-la-promocion-nacional-e-internacional-de-lo-hecho-en-mexico

[3485] Mexico Reaffirms Commitment to Strengthening Multilateralism at G20 Foreign Ministers' Meeting, Government of Mexico (Mexico City) 21 February 2025. Access Date: 17 May 2025. https://www.gob.mx/sre/prensa/mexico-reaffirms-commitment-to-strengthening-multilateralism-at-g20-foreign-ministers-meeting?idiom=en

[3486] Mexico Plans Narrower Fiscal Deficit Next Year Despite Slowdown (Mexico City) 2 April 2025. Access Date: 11 April 2025. https://archive.ph/LddHx#selection-1187.0-1187.63

On 2 December 2024, Prime Minister Mikhail Mishustin signed an order allocating more than RUB57.5 billion worth of subsidies for loans at preferential rates to agricultural producers.[3487] These funds, sourced from the Cabinet reserve fund, aim to increase the yield of agricultural production.

On 9 December 2024, the Government of Russia approved a resolution providing a deferment on the payment of taxes by residents in the Kursk region, thereby safeguarding fiscal sustainability for the Kursk region.[3488]

On 11 December 2024, the Government of Russia reduced the tax burden on small and medium-sized manufacturing businesses.[3489] The move aims to increase the profitability and productivity of such businesses, particularly ones producing goods important to economic activity.

On 5 January 2025, the Government of Russia approved a resolution extending the free economic zone to territories in the Belgorod region, a move said to be done to support local businesses and encourage growth by giving them tax exemptions and reduced premiums.[3490]

On 6 February 2025, Prime Minister Mishustin signed a resolution which approved new parameters and exemptions allowing regions to write off debt accumulated on budget loans.[3491] The resolution included provisions that the funds then be used to invest in the region and in national projects, thus safeguarding fiscal sustainability while mobilizing funds for investments.

On 18 April 2025, the Government of Russia granted businesses and entrepreneurs in the Krasnodar region who were affected by the tanker wreck in the Kerch Strait on 15 December 2024 the right to defer the payment of property tax, land tax, and insurance premiums until 25 December 2025.[3492] The measure aims to allow businesses in key sectors affected by the accident to instead dedicate their capital to continuing their usual operations and fostering economic growth.

On 25 April 2025, the Government of Russia lifted penalties typically applied to businesses for failure to submit first-time value-added tax (VAT) returns.[3493] The move aims to support entrepreneurs and businesses using the new simplified taxation system to pay VAT for the first time, and to ease the transition to new rules adapted by the government for taxation in the simplified system, thus contributing to a growth-friendly environment.

Russia has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

[3487] Правительство дополнительно направит более 57,5 млрд рублей на субсидирование программы льготного кредитования аграриев, Правительство Российской Федерации (Moscow) 2 December 2024. Translation provided by Google Translate. Access Date: 26 March 2025. http://government.ru/news/53584/

[3488] Правительство утвердило решение об отсрочке от уплаты налогов для жителей Курской области, Правительство Российской Федерации (Moscow) 9 December 2024. Translation provided by Google Translate. Access Date: 26 March 2025. http://government.ru/news/53664/

[3489] Правительство снизило налоговую нагрузку на малые и средние предприятия, относящиеся к обрабатывающим производствам, Правительство Российской Федерации (Moscow) 11 December 2024. Translation provided by Google Translate. Access Date: 26 March 2025. http://government.ru/news/53687/

[3490] Правительство распространило режим свободной экономической зоны на ряд территорий в Белгородской области для поддержки местных предприятий, Правительство Российской Федерации (Moscow) 5 January 2025. Translation provided by Google Translate. Access Date: 26 March 2025. http://government.ru/news/53904/

[3491] Правительство утвердило параметры списания задолженности регионов по бюджетным кредитам (Moscow) 6 February 2025. Translation provided by Google Translate. Access Date: 10 May 2025. http://government.ru/dep_news/54153/

[3492] Правительство утвердило решение об отсрочке по уплате налогов для организаций и предпринимателей в Краснодарском крае (Moscow) 18 April 2025. Translation provided by Google Translate. Access Date: 10 May 2025. http://government.ru/dep_news/54803/

[3493] Правительство ввело мораторий на применение штрафных санкций по НДС к предпринимателям, использующим упрощённую систему налогообложения (Moscow) 25 April 2025. Translation provided by Google Translate. Access Date: 10 May 2025. http://government.ru/dep_news/54877/

Russia has also taken steps to safeguard financial stability by deferring tax payments from the Kursk and Krasnodar Regions, allowing regions to write off debt on budget loans, and simplifying VAT taxes. Russia has also taken steps to catalyze public investments for productivity-enhancing reforms, such as offering preferential loans to agricultural producers. However, Russia has not maintained growth-friendly fiscal policies or catalyzed public investments for productivity enhancing reforms.

Thus, Russia receives a score of 0.

Analyst: Veronica Korolev

Saudi Arabia: 0

Saudi Arabia has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

On 26 November 2024, the Ministry of Finance announced the Fiscal Year 2025 budget, projecting expenditures of SAR1.285 trillion and revenues of SAR1.184 trillion.[3494] The budget statement affirmed that the government would continue funding Vision 2030 programs and economic transformation projects while upholding spending efficiency and fiscal sustainability over the medium and long term.

On 26 November 2024, at the World Investment Conference in Riyadh, the Global Supply Chain Resilience Initiative (GSCRI) announced that Saudi Arabia signed nine major investment agreements worth over SAR35 billion with foreign companies.[3495] These deals aim to boost critical supply chains and advance Vision 2030 economic diversification by attracting substantial foreign investment, thereby ensuring Saudi Arabia remains growth-friendly in the future.

On 24 December 2024, the National Debt Management Center (NDMC) announced the successful closure of the December 2024 domestic sukuk issuance under the Saudi riyal Sukuk Program, raising a total of SAR 11.598 billion.[3496] The issuance was divided into four tranches of varying maturities out to 2034, providing cost-effective financing for government needs while deepening the local debt market.

On 2 January 2025, the NDMC finalized a SAR9.4 billion Shariah-compliant revolving credit facility with three regional and international banks.[3497] This three-year facility will finance general budgetary needs and aligns with the Kingdom's medium-term debt strategy to diversify funding sources. It leverages market opportunities to execute alternative government financing that supports economic growth.

On 5 January 2025, Finance Minister Mohammed Al-Jadaan approved the Annual Borrowing Plan for 2025.[3498] The plan estimates SAR139 billion in funding needs for 2025 – covering a projected SAR101 billion fiscal deficit and SAR38 billion in maturing debt – and sets a calendar for domestic sukuk issuances. It emphasizes diversifying financing channels under robust risk management frameworks to meet Saudi Arabia's financing needs while sustaining fiscal stability and economic growth.

[3494] Ministry of Finance Announces 2024 Pre-Budget Statement, Ministry of Finance Saudi Arabia (Riyadh) 26 November 2024. Access Date: 28 March 2025. https://www.mof.gov.sa/en/MediaCenter/news/Pages/2024112611.aspx
[3495] Saudi Arabia Signs $93.2 Bln Investment Deals with Foreign Companies, Reuters (Riyadh) 26 November 2024. Access Date: 28 March 2025. https://www.reuters.com/world/middle-east/saudi-arabia-signs-932-bln-investment-deals-with-foreign-companies-2024-11-26
[3496] NDMC Concludes December 2024 Sukuk Issuance Program, National Debt Management Center (Riyadh) 24 December 2024. Access Date: 28 March 2025. https://www.ndmc.gov.sa/en/mediacenter/news/Pages/news_24122024.aspx
[3497] NDMC Arranges Credit Facilities with International Banks to Support Development Projects, National Debt Management Center (Riyadh) 2 January 2025. Access Date: 28 March 2025. https://www.ndmc.gov.sa/en/mediacenter/news/Pages/news_02012025.aspx
[3498] Minister of Finance Announces Completion of January 2025 Sukuk Issuance Program, Ministry of Finance Saudi Arabia (Riyadh) 30 January 2025. Access Date: 28 March 2025. https://www.mof.gov.sa/en/MediaCenter/news/Pages/News_502025.aspx

On 7 January 2025, the NDMC completed a significant international bond offering under the Kingdom's Global Medium-Term Note program, issuing USD12 billion in US-dollar bonds.[3499] The triple-tranche issuance was oversubscribed threefold with a USD37 billion order book. This successful sale supports the Kingdom's financing needs in a cost-effective manner.

On 21 January 2025, the NDMC closed the January 2025 domestic sukuk issuance, raising SAR3.724 billion across four tranches.[3500] The issued sukuk, with maturities ranging from 2029 to 2039, continue Saudi Arabia's strategy of regular local bond/sukuk issuance to replenish fiscal buffers and finance development projects in a growth-friendly manner. This issuance contributes to meeting the 2025 borrowing plan while managing debt costs and maintaining investor interest in Saudi debt markets.

On 25 February 2025, Saudi Arabia's NDMC raised EUR2.25 billion through a euro-denominated bond issuance, including its first-ever green bond of EUR1.5 billion and a EUR750M tranche.[3501] Proceeds from the green bond will fund environmentally aligned projects under Vision 2030, supporting fiscal sustainability and diversification.

On 18 April 2025, Saudi Arabia amended its value-added tax (VAT) regulations to improve non-oil revenue without raising tax rates. Key changes include stricter rules for VAT group eligibility, expanded digital economy obligations and tightened definitions to close tax loopholes.[3502] These reforms aim to broaden the tax base, enhance compliance and support fiscal sustainability.

Saudi Arabia has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms. Saudi Arabia has taken strong steps to ensure financial stability, rebuild buffers and maintain growth-friendly fiscal policies through various NDMC policies, green bonds and VAT reforms. Saudi Arabia has also taken steps to ensure its economy remains growth-friendly and safeguard financial stability through its fiscal year budget. However, it has not taken steps to catalyze public and private investments for productivity enhancing reforms.

Thus, Saudi Arabia receives a score of 0.

Analyst: Daniel Ebrahimpour

South Africa: 0

South Africa has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

On 26 November 2024, the National Treasury of South Africa released its response to the staff concluding statement of the International Monetary Fund's consultation. The Treasury promised it will focus on reforms to the energy, water and transport sectors to provide proper conditions for sustainable economic growth.[3503]

[3499] NDMC Completes Buyback of Sukuk and Issues New Sukuk Deal in International Market, National Debt Management Center (Riyadh) 7 January 2025. Access Date: 28 March 2025. https://www.ndmc.gov.sa/en/mediacenter/news/Pages/News_07012025.aspx

[3500] NDMC Closes January 2025 Savings Sukuk Issuance at SAR784 Million, National Debt Management Center (Riyadh) 21 January 2025. Access Date: 28 March 2025. https://www.ndmc.gov.sa/en/mediacenter/news/Pages/news_21012025.aspx

[3501] NDMC Completes Euro-Denominated Bond Issuance Including Inaugural Green Tranche, National Debt Management Center (Riyadh) 25 February 2025. Access Date: 14 May 2025. https://www.ndmc.gov.sa/en/mediacenter/news/Pages/news_25022025.aspx

[3502] Saudi Arabia VAT Updates, VATCalc (Riyadh) 18 April 2025. Access Date: 14 May 2025. https://www.vatcalc.com/saudi-arabia/saudi-arabia-vat-updates/

[3503] RESPONSE TO THE STAFF CONCLUDING STATEMENT OF THE 2024 INTERNATIONAL MONETARY FUND (IMF) ARTICLE IV CONSULTATION FOR SOUTH AFRICA, National Treasury (Pretoria) 26 November 2024. Access Date: 11 April 2025. https://www.treasury.gov.za/comm_media/press/2024/2024112601%20Media%20statement%20-%20IMF%20Concluding%20Statement.pdf

On 27 January 2025, Finance Minister Enoch Godongwana proposed adjustments to the national budget, including a potential increase in the value-added tax (VAT).[3504] The one-point increase in the value-added tax was designed to stabilize public debt and reduce government deficits.

On 24 April 2025, the South African government announced the withdrawal of the proposed VAT increase from 15 per cent to 15.5 per cent.[3505] This action reflects a commitment to remaining growth-friendly while reassessing fiscal strategies.

South Africa has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms. South Africa has taken strong action towards promoting financial stability and rebuilding fiscal buffers through adjustments to the national budget. South Africa has also taken strong action to ensure the country remains growth-friendly by reforming the energy, water and transport sectors. However, it has not taken steps to catalyze public and private investments for productivity enhancing reforms.

Thus, South Africa receives a score of 0.

Analyst: Amitav Johri

Türkiye: 0

Türkiye has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms.

On 12 December 2024, President Recep Tayyip Erdogan raised minimum corporate tax rates from ten to fifteen per cent.[3506] This measure will safeguard fiscal sustainability by increasing government revenue.

On 23 December 2024, President Erdogan announced intentions to promote positive economic growth in Türkiye through a targeted economic program.[3507] The economic program aims to increase reserves and a declining unemployment rate and growth, which the President expressed his intention to continue.

On 15 January 2025, Türkiye published the 2025 Public Investment Programme outlining a TRY1.44 trillion allocation for 14,238 projects with strategic sectoral allocations for transportation and communications receiving 30.5 per cent, education receiving 15.1 per cent, agriculture receiving 11.4 per cent, energy and research and development receiving TRY31.7 billion of the budget.[3508]

Türkiye has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms. Türkiye has taken strong action to safeguard financial stability by raising corporate tax rates. Türkiye has also taken strong action to rebuild fiscal buffers by announcing plans to implement targeted economic program. In addition, Türkiye's Public Investment Programme catalyzes investments in key sectors. However, it has

[3504] South Africa - 2024 - Article IV Consultation, National Treasury (Pretoria) 2025. Access Date: 19 March 2025 https://www.treasury.gov.za/comm_media/press/2025/South%20Africa%20-%202024%20-%20Article%20IV%20Consultation%20-%20Bundle.pdf

[3505] Pocket Guide on the VAT Rate Increase on 1 May 2025, South African Revenue Service (Pretoria) 12 March 2025. Access Date: 13 May 2025. https://www.sars.gov.za/wp-content/uploads/Ops/Guides/Legal-Pub-Pckt-VAT-02-Pocket-Guide-on-the-VAT-rate-increase-from-1-May-2025.pdf

[3506] "Asgari kurumlar vergisi yükseltildi," CNBC-E (Ankara) 22 December 2024. Access Date: 10 April 2024. https://www.cnbce.com/haberler/resmi-gazetede-yayimlandi-asgari-kurumlar-vergisi-yukseltildi-e-ticarette-stopaj-orani-belli-oldu-h7855

[3507] "The positive effects of our economic program will become even more visible in the period ahead," Presidency of the Republic of Türkiye (Ankara) 23 December 2024. Access Date: 26 March 2025. https://www.tccb.gov.tr/en/news/542/156014/-the-positive-effects-of-our-economic-program-will-become-even-more-visible-in-the-period-ahead-

[3508] 2024 Yılı Cumhurbaşkanlığı Yıllık Programı, T.C. Cumhurbaşkanlığı Strateji ve Bütçe Başkanlığı (Ankara) 25 October 2023. Translation provided by Google Translate. Access Date: 3 September 2025. https://www.sbb.gov.tr/wp-content/uploads/2023/10/2024-Yili-Cumhurbaskanligi-Yillik-Programi.pdf not taken steps to maintain growth-friendly fiscal policies and catalyze private investments for productivity enhancing reforms.

Thus, Türkiye receives a score of 0.

Analyst: Veronica Korolev

United Kingdom: +1

The United Kingdom has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms.

On 14 November 2024, Chancellor Rachel Reeves announced plans to pilot a Digital Gilt Instrument utilizing distributed ledger technology (DLT).[3509] The pilot program involves issuing a short-dated, digitally native debt instrument on a DLT platform within the Digital Securities Sandbox, distinct from traditional debt issuance methods, thereby enhancing the United Kingdom's financial sustainability through sovereign debt reforms.

On 5 December 2024, the UK Government announced a GBP60 million deal at the West & Central Francophone Africa Trade Forum to enhance land use and stimulate international investment.[3510] This initiative aims to modernize infrastructure, support sustainable economic growth and promote trade relations.

On 5 December 2024, the Ministry of Housing, Communities and Local Government announced a significant initiative to address the housing crisis and stimulate economic growth, committing to approve 150 major infrastructure projects and deliver 1.5 million homes during the current Parliament.[3511] This plan includes GBP5 billion for housing, with GBP500 million earmarked for the Affordable Homes Programme and introduces measures to expedite planning processes. This initiative aims to address the housing shortage, create employment opportunities and promote sustainable long-term economic growth.

On 6 December 2024, the Department for Transport invested nearly GBP1 million in British coastal towns to stimulate local economic growth.[3512] This targeted fiscal stimulus aims to revitalize regional economies, address local disparities and promote productivity-enhancing reforms through focused public investment.

On 9 December 2024, the Prime Minister's Office announced major partnerships with Saudi Arabia, including a GBP250 million graphene carbon fibre plant in Greater Manchester, which will create over 1,000 jobs.[3513] Additionally, GBP785 million from HYCAP will be allocated to develop hydrogen mobility clusters across the UK, resulting in the creation of an additional 1,000 jobs. These initiatives are part of the UK's Plan for Change, growing the clean energy sector.

[3509] Government Debt Issuance Pilot: Distributed Ledger Technology, Hansard (London) 18 November 2024. Access Date: 24 March 2025. https://hansard.parliament.uk/commons/2024-11-18/debates/24111817000011/GovernmentDebtIssuancePilotDistributedLedgerTechnology

[3510] £60 million land improvement deal announced at UK's West & Central Francophone Africa Trade Forum, UK Export Finance (London) 5 November 2024. Access Date: 24 March 2025. https://www.gov.uk/government/news/60-million-land-improvement-deal-announced-at-uks-west-central-francophone-africa-trade-forum

[3511] Ministers set to unleash biggest building boom in half a century, Ministry of Housing, Communities and Local Government (London) 5 December 2024. Access Date: 24 March 2025. https://www.gov.uk/government/news/ministers-set-to-unleash-biggest-building-boom-in-half-a-century

[3512] Nearly £1 million investment for British coastal towns to grow local economies, Department for Transport (London) 6 December 2024. Access Date: 24 March 2025. https://www.gov.uk/government/news/nearly-1-million-investment-for-british-coastal-towns-to-grow-local-economies

[3513] Thousands of British jobs to be created through closer UK-Saudi cooperation, Prime Minister's Office (London) 9 December 2024. Access Date: 24 March 2025. https://www.gov.uk/government/news/thousands-of-british-jobs-to-be-created-through-closer-uk-saudi-cooperation

On 29 January 2025, the UK Parliament approved the Charter for Budget Responsibility, enshrining new fiscal rules to ensure economic stability and growth.[3514] The Charter Plan for Change mandates balanced day-to-day spending, debt reduction and stricter oversight by the Office for Budget Responsibility.

On 26 March 2025, Chancellor Rachel Reeves delivered the Spring Statement and announced a reduction of 10,000 positions in the civil service, projected to save GBP2.2 billion.[3515] This measure is aimed to safeguard fiscal sustainability through reducing public spending.

On 15 May 2025, the Parliament passed the Great British Energy Bill.[3516] This legislation established Great British Energy, a publicly owned company tasked with accelerating the development of clean, domestically produced energy and supporting the UK's net-zero commitments. Great British Energy is investing GBP200 million in funding for new rooftop solar power and renewable energy schemes for schools, hospitals and communities to help lower energy bills and ensure the UK's energy sector remains growth friendly.

On 22 May 2025, the G7 Finance Ministers and Central Bank Governors along with representatives from the International Monetary Fund, World Bank Group, Organisation for Economic Cooperation and Development and Financial Stability Board reiterated their commitment to addressing the "global economic and financial situation."[3517] The ministers and representatives further committed to maintaining a "balanced and growth-oriented macroeconomic policy mix" and facilitating private-sector investment for development and economic productivity goals.

The United Kingdom has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms. The United Kingdom has taken strong action to safeguard financial stability and rebuild buffers, including sovereign debt reforms, the Charter for Budget Responsibility and the Spring Statement. The United Kingdom has also taken significant steps to ensure its economy remains growth-friendly and catalyze productivity enhancing reforms, such as through domestic and international public investments as well as fiscal stimulus.

Thus, the United Kingdom receives a score of +1.

Analyst: Bijan Davis

United States: +1

The United States has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms.

On 29 November 2024, the White House announced new actions by the Small Business Administration and the Office of Management and Budget aimed at expanding small businesses' access to federal lending and

[3514] Charter for Budget Responsibility approved by Parliament, HM Treasury (London) 29 January 2025. Access Date: 24 March 2025. https://www.gov.uk/government/news/charter-for-budget-responsibility-approved-by-parliament
[3515] Spring Statement, Hansard (London) 26 March 2025. Access Date: 12 May 2025. hansard.parliament.uk/Commons/2025-03-26/debates/CD77EAF2-8DB9-4F16-93CA-3E244CA9079E/SpringStatement
[3516] Great British Energy legislation passes through Parliament, Department for Energy Security and Net Zero (London) 15 May 2025. Access Date: 12 May 2025. https://www.gov.uk/government/news/great-british-energy-legislation-passes-through-parliament
[3517] G7 Finance Ministers and Central Bank Governors' Communiqué, G7 Information Centre (Banff) 22 May 2025. Access Date: 17 June 2025. https://www.g7.utoronto.ca/finance/250522-communique.html

contracting opportunities.[3518] These measures include raising the loan cap for small businesses from USD350,000 to USD500,000.

On 14 January 2025, President Joe Biden ordered the enablement of the development and operation of artificial intelligence infrastructure, including data centers, across the United States based on five guiding principles.[3519] This policy aims to maintain economic competitiveness, modernize energy infrastructure, support private sector investment and ensure continued growth in the AI sector.

On 20 January 2025, President Donald Trump signed an Executive Order directing department and agency heads to immediately pause new programs and disbursements of development assistance to foreign countries.[3520] This measure was taken to ensure that all foreign assistance programs are efficient, taxpayer funds are used effectively and spending is reprioritized, thus promoting financial stability.

On 21 January 2025, President Trump announced a USD500 billion private sector investment for a large-scale artificial intelligence infrastructure project, Stargate.[3521] Softbank, OpenAI and Oracles have partnered on this initiative to promote the growth of the AI sector.

On 3 February 2025, President Trump signed an Executive Order directing the establishment of a Sovereign Wealth Fund.[3522] The fund is designed to amplify the financial returns on the nation's assets, leverage those returns for strategic objectives and promote fiscal sustainability.

On 14 February 2025, President Trump signed an Executive Order establishing the National Energy Dominance Council.[3523] This initiative aims to encourage private sector investment, mitigate price shocks and grow the American energy sector.

On 26 February 2025, President Trump signed an Executive Order to implement the President's Department of Government Efficiency cost-effective initiative.[3524] This initiative involves the use of modern technology to overhaul federal spending on contracts and grants, holding it to strict standards and safeguarding fiscal sustainability.

[3518] Fact Sheet: Ahead of Small Business Saturday, the Biden-Harris Administration Takes New Actions to Increase Federal Support for Small Businesses, The White House (Washington D.C.) 29 November 2024. Access Date: 23 March 2025. https://bidenwhitehouse.archives.gov/briefing-room/statements-releases/2024/11/29/fact-sheet-ahead-of-small-business-saturday-the-biden-harris-administration-takes-new-actions-to-increase-federal-support-for-small-businesses/

[3519] Executive Order on Advancing United States Leadership in Artificial Intelligence Infrastructure, The White House (Washington D.C.) 14 January 2025. Access Date: 26 March 2025. https://bidenwhitehouse.archives.gov/briefing-room/presidential-actions/2025/01/14/executive-order-on-advancing-united-states-leadership-in-artificial-intelligence-infrastructure/

[3520] Trump administration orders 'pause' on federal grants, loans. What we know so far., USA Today (New York) 28 January 2025. Access Date: 25 March 2025. https://www.usatoday.com/story/news/politics/2025/01/28/trump-pause-federal-grants-loans-next-steps/77992842007/

[3521] Trump announces largest AI infrastructure project 'in history' involving Softbank, OpenAI and Oracle, Fox Business (New York) 21 January 2025. Access Date: 23 March 2025. https://www.foxbusiness.com/politics/trump-announces-major-ai-infrastructure-investment

[3522] Fact Sheet: President Donald J. Trump Orders Plan for a United States Sovereign Wealth Fund, The White House (Washington D.C.) 3 February 2025. Access Date: 23 March 2025. https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-orders-plan-for-a-united-states-sovereign-wealth-fund/

[3523] Fact Sheet: President Donald J. Trump Establishes the National Energy Dominance Council, The White House (Washington D.C.) 14 February 2025. Access Date: 26 March 2025. https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-establishes-the-national-energy-dominance-council/

[3524] Fact Sheet: President Donald J. Trump Reins in Government Waste, The White House (Washington D.C.) 26 February 2025. Access Date: 23 March 2025. https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-reins-in-government-waste/

On 1 March 2025, Trump signed an Executive Order to boost domestic timber and simplify federal policies to improve forest management and decrease reliance on imported timber.[3525] This initiative aims to generate jobs, lower construction costs and grow the American lumber sector.

On 3 March 2025, President Trump, alongside Taiwan Semiconductor Manufacturing Company (TSMC) CEO C.C. Wei, revealed a USD100 billion investment by TSMC in its chip manufacturing facility in Arizona.[3526] The investment represents the largest foreign direct investment in U.S. history, ensuring the United State's chip industry remains growth friendly.

On 20 March 2025, President Trump signed an Executive Order to centralize federal procurement for common goods and services in the General Services Administration.[3527] The directive aims to eliminate waste, inefficiencies and duplication of services, ensuring that taxpayer dollars are spent efficiently.

On 25 March 2025, President Trump issued an Executive Order improving the Department of the Treasury's ability to detect improper payments and fraud, monitor transactions and oversee government disbursements.[3528] The order is designed to promote financial integrity, transparency and efficiency.

On 31 March 2025, President Trump signed an Executive Order establishing the United States Investment Accelerator within the Department of Commerce.[3529] This initiative aims to facilitate and accelerate investments exceeding USD1 billion in the United States by reducing regulatory burdens, speeding up permitting processes, coordinating responses across federal agencies and collaborating with state governments.

On 15 April 2025, President Trump signed an Executive Order to enforce the use of cost-effective commercial solutions in federal contracts.[3530] This policy aims to reduce unnecessary government spending, streamline procurement processes and ensure taxpayers receive the best value by prioritizing commercially available products and services.

On 1 May 2025, President Trump signed an Executive Order terminating federal funding for National Public Radio (NPR) and the Public Broadcasting Service to the maximum extent permitted by law.[3531] The order aims to end both direct and indirect taxpayer subsidization of the two media organizations in an effort to reduce government spending and maintain fiscal sustainability.

[3525] Fact Sheet: President Donald J. Trump Rapidly Expands Timber Production, The White House (Washington D.C.) 1 March 2025. Access Date: 26 March 2025. https://www.whitehouse.gov/fact-sheets/2025/03/fact-sheet-president-donald-j-trump-rapidly-expands-timber-production/

[3526] Another Historic Investment Secured Under President Trump, The White House (Washington D.C.) 3 March 2025. Access Date: 23 March 2025. https://www.whitehouse.gov/articles/2025/03/another-historic-investment-secured-under-president-trump/

[3527] Fact Sheet: President Donald J. Trump Eliminates Waste and Saves Taxpayer Dollars by Consolidating Procurement, The White House (Washington D.C.) 20 March 2025. Access Date: 23 March 2025. https://www.whitehouse.gov/fact-sheets/2025/03/fact-sheet-president-donald-j-trump-eliminates-waste-and-saves-taxpayer-dollars-by-consolidating-procurement/

[3528] Fact Sheet: President Donald J. Trump Protects America's Bank Account Against Waste, Fraud and Abuse, The White House (Washington D.C.) 25 March 2025. Access Date: 25 March 2025. https://www.whitehouse.gov/fact-sheets/2025/03/fact-sheet-president-donald-j-trump-protects-americas-bank-account-against-waste-fraud-and-abuse/

[3529] Fact Sheet: President Donald J. Trump Establishes the United States Investment Accelerator, The White House (Washington D.C.) 31 March 2025. Access Date: 13 May 2025. https://www.whitehouse.gov/fact-sheets/2025/03/fact-sheet-president-donald-j-trump-establishes-the-united-states-investment-accelerator/

[3530] Fact Sheet: President Donald J. Trump Enforces Requirement of Cost-Effective Commercial Solutions in Federal Contracts, The White House (Washington D.C.) 15 April 2025. Access Date: 13 May 2025. https://www.whitehouse.gov/fact-sheets/2025/04/fact-sheet-president-donald-j-trump-enforces-requirement-of-cost-effective-commercial-solutions-in-federal-contracts/

[3531] Fact Sheet: President Donald J. Trump End the Taxpayer Subsidization of Biased Media, The White House (Washington D.C.) 1 May 2025. Access Date: 13 May 2025. https://www.whitehouse.gov/fact-sheets/2025/05/fact-sheet-president-donald-j-trump-ends-the-taxpayer-subsidization-of-biased-media/

On 11 May 2025, the House Energy and Commerce Committee proposed a Medicaid reform plan targeting USD880 billion in savings over the next decade.[3532] The reform plan aims to strengthen fiscal sustainability by reducing federal spending through work requirements, more frequent eligibility checks and restrictions on Medicaid usage.

On 12 May 2025, the government proposed making the 2017 Tax Cuts and Jobs Act permanent, along with several key tax reforms.[3533] These include raising the standard deduction, expanding the child tax credit and introducing temporary tax deductions for tips and overtime through 2028. Additionally, a new tax break for seniors would be implemented and the cap on state and local tax deductions would increase from USD10,000 to USD30,000. The proposal also includes a five per cent tax on remittances sent by foreign workers in the U.S. to their families abroad, as well as a move to eliminate tax credits for clean energy. Overall, the government's proposal seeks to balance fiscal sustainability and maintaining growth-friendliness.

On 22 May 2025, the G7 Finance Ministers and Central Bank Governors along with representatives from the International Monetary Fund, World Bank Group, Organisation for Economic Cooperation and Development and Financial Stability Board reiterated their commitment to addressing the "global economic and financial situation."[3534] The ministers and representatives further committed to maintaining a "balanced and growth-oriented macroeconomic policy mix" and facilitating private-sector investment for development and economic productivity goals.

The United States has fully complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity-enhancing reforms. The United States has taken action to safeguard fiscal sustainability and rebuild buffers by ensuring taxpayer funds are used effectively, implementing the Department of Government Efficiency to overhaul federal spending, creating a sovereign wealth fund, creating the General Services Administration to eliminate waste and inefficiencies and promoting fiscal transparency, establishing the Investment Accelerator, prioritizing cost-effective commercial solutions, terminating federal funding for NPR, reforming Medicare and proposing tax reforms. The United States has remained growth-friendly by raising the loan cap for small businesses, boosting domestic timber production, creating jobs, establishing the National Energy Dominance Council, implementing a "fast track" process to attract greater investment and enhancing economic competitiveness in the AI sector. The United States has also taken action to catalyze public and private investments towards productivity-enhancing reforms by leveraging private sector investment for large-scale artificial intelligence infrastructure projects and attracting foreign investment in the manufacturing sector.

Thus, the United States receives a score of +1.

Analyst: Camila Calderon-Cruz

African Union: 0

The African Union has partially with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms.

On 13 January 2025, the African Union adopted the Kampala Declaration to boost agricultural development and output.[3535] Among the provisions of the Declaration include calls to increase public and private

[3532] House GOP Medicaid proposal sets work requirements and a showdown with fiscal hawks, USA TODAY (New York) 12 May 2025. Access Date: 13 May 2025. https://www.usatoday.com/story/news/politics/2025/05/12/republican-medicaid-proposal-cuts/83574876007/

[3533] No tax on tips, child tax credit and MAGA savings accounts: What's in the GOP tax bill, USA TODAY (New York) 12 May 2025. Access Date: 13 May 2025. https://www.usatoday.com/story/news/politics/2025/05/12/trump-tax-bill/83584926007/

[3534] G7 Finance Ministers and Central Bank Governors' Communiqué, G7 Information Centre (Banff) 22 May 2025. Access Date: 17 June 2025. https://www.g7.utoronto.ca/finance/250522-communique.html

[3535] The African Union adopts ten-year strategy and action plan to transform Africa's agri-food systems and ensure food security, African Union (Kampala) 13 January 2025. Access Date: 11 April 2025. https://au.int/en/pressreleases/20250113/african-union-adopts-ten-year-strategy-and-action-plan-transform-africas-agri investment to rapidly grow Africa's agriculture sector, increasing agrifood output by 45 per cent by 2035 and turning Africa food secure within a decade.

On 4 April 2025, Chairperson of the African Union Commission Mahmoud Ali Youssouf spoke at the Global Artificial Intelligence (AI) Summit on Africa. Chairperson Youssouf called for the African Union to support its Continental AI Strategy.[3536] The Strategy calls for additional investments in AI and digital technologies to promote economic growth and enhance efficiency and productivity.

On 5 May 2025, the Fourth Sub-Committee on Tax and Illicit Financial Flows, under the Africa Union's Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration, convened in Lusaka, Zambia, to build on progress from the Third Sub-Committee meeting.[3537] The meeting aimed to strengthen coordination on tax policy measures, develop solutions to address challenges in illicit financial flows and to identify strategies for mobilizing domestic resources.

On 12 May 2025, Chairperson of the African Union Commission Mahmoud Ali Youssouf presented to the media a framework for supporting Africa's sustainable growth and development.[3538] The strategy reaffirms the African Union's commitment to the G20's governance framework including the implementation of financial structural reforms and promoting infrastructure investment.

On 12 May 2025, the African Union's Department for Economic Development, Tourism, Trade, Industry and Minerals convened to discuss proposals for effective strategies in debt management and sustainability.[3539] The discussions aimed to develop prudent financial mechanisms for securing new financing and safeguarding public debt sustainability in Africa.

The African Union has partially complied with its commitment to safeguard fiscal sustainability and rebuild buffers, remain growth-friendly, and catalyze public and private investments towards productivity enhancing reforms. The African Union has taken strong actions to safeguard fiscal sustainability by strengthening tax policy measures and develop effective strategies for safeguarding public debt sustainability in Africa. The African Union has also taken strong action to ensure its fiscal policies remain growth friendly through committing to infrastructure and AI investments. The African Union has also taken strong action to catalyze public investments towards productivity enhancing reforms by supporting AI development. However, the African Union has not taken substantial action to rebuild buffers or catalyze private investment towards productivity enhancing reforms.

Thus, the African Union receives a score of 0.

Analyst: Peter Ma

European Union: +1

The European Union has fully complied with safeguarding fiscal sustainability and rebuilding fiscal sustainability buffers, remaining growth-friendly and catalyzing both public and private investment towards reforms which enhance productivity.

[3536] African Union Champions AI for Africa's Socioeconomic Transformation, African Union (Kigali) 4 April 2025. Access Date: 11 April 2025. https://au.int/en/pressreleases/20250404/african-union-champions-ai-africas-socioeconomic-transformation

[3537] The 4th Sub-Committee on Tax and Illicit Financial Flows (IFFs), African Union Commission Department for Economic Development, Trade, Tourism, Industry and Minerals (Addis Ababa) 5 May 2025. Access Date: 17 May 2025. https://au.int/ar/node/44671

[3538] AUC Chairperson sets forth transformative vision for Africa at High-Level Media Briefing, Cabinet of the Chairperson (Addis Ababa) 12 May 2025. Access Date: 17 May 2025. https://au.int/en/pressreleases/20250512/auc-chairperson-sets-forth-transformative-vision-africa-media-briefing

[3539] African Union Conference on Debt, African Union Commission Department for Economic Development, Trade, Tourism, Industry and Minerals (Addis Ababa) 12 May 2025. Access Date: 17 May 2025. https://au.int/en/newsevents/20250512/african-union-conference-debt

On 20 November 2024, the European Commission approved a EUR578 million Romanian State aid scheme to support energy-intensive companies.[3540] This measure lowers renewable energy levies to prevent industrial relocation and ensure continued growth in the Romanian energy sector.

On 25 November 2024, the Council of the European Union approved the EUR199.4 billion EU budget for 2025.[3541] The budget reinforces fiscal stability by setting aside EUR800.5 million for unforeseen economic shocks.

On 25 November 2024, the European Union launched its First European Semester Autumn Package under the reformed economic governance framework.[3542] It sets tailored fiscal paths and reforms for Member States to reduce debt and strengthen long-term growth.

On 2 December 2024, the European Commission invested EUR4.6 billion to scale up industrial decarbonization, battery cell production and renewable hydrogen through the Innovation Fund.[3543] The support package includes two major calls for proposals and a hydrogen auction, aimed at strengthening EU competitiveness and resilience in clean technologies, ultimately ensuring the EU's clean technologies sector remains growth friendly.

On 8 December 2024, the European Commission approved a EUR2.6 billion Estonian State aid scheme to support the growth of renewable offshore wind energy.[3544] The measure uses two-way contracts for differences to incentivize investment and stabilize prices in clean energy development.

On 10 December 2024, the Council of the European Union adopted the FASTER directive to streamline withholding tax procedures.[3545] The directive introduces a digital tax residence certificate and fast-track systems to prevent double taxation, reduce fraud and promote cross-border investment.

On 10 December 2024, the Council of the European Union introduced an electronic value-added tax (VAT) exemption certificate.[3546] This measure replaces paper-based certificates for embassies, international organizations and armed forces transactions, aiming to modernize VAT processes and reduce administrative burdens across the EU.

[3540] Commission approves €578 million Romanian State aid scheme to support energy-intensive companies, European Commission (Brussels) 20 November 2024. Access Date: 25 March 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_24_5981

[3541] Council gives go-ahead to EU annual budget for 2025, Council of EU (Brussels) 25 November 2024. Access Date: 25 March 2025. https://www.consilium.europa.eu/en/press/press-releases/2024/11/25/council-gives-go-ahead-to-eu-annual-budget-for-2025/

[3542] First European Semester Autumn Package under new economic governance framework sets out path for sound public finances and sustainable and inclusive growth, European Commission (Brussels) 25 November 2024. Access Date: 25 March 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_24_5922

[3543] Commission earmarks €4.6 billion to boost net-zero technologies, electric vehicle battery cell manufacturing and renewable hydrogen under the Innovation Fund, European Commission (Brussels) 2 December 2024. Access Date: 25 March 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_24_6184

[3544] Commission approves €2.6 billion Estonian State aid scheme to support renewable offshore wind energy to foster the transition to a net-zero economy, European Commission (Brussels) 8 December 2024. Access Date: 25 March 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_24_6262

[3545] Taxation: Council adopts new rules for withholding tax procedures (FASTER), Council of European Union (Brussels) 10 December 2024. Access Date: 25 March 2025. https://www.consilium.europa.eu/en/press/press-releases/2024/12/10/taxation-council-adopts-new-rules-for-withholding-tax-procedures-faster/

[3546] Taxation: Council introduces electronic VAT exemption certificate, Council of European Union (Brussels) 10 December 2024. Access Date: 25 March 2025. https://www.consilium.europa.eu/en/press/press-releases/2024/12/10/taxation-council-introduces-electronic-vat-exemption-certificate/

On 21 January 2025, the EU Council set fiscal expenditure paths for 21 member states, focusing on sustainable growth, debt reduction and maintaining deficits below 3 per cent of gross domestic product.[3547] The plans span 4-5 years and include necessary reforms and investments.

On 19 February 2025, the European Commission approved a EUR920 million German State aid measure to support Infineon in constructing a new semiconductor manufacturing facility in Dresden.[3548] The plant will enhance Europe's semiconductor supply chain resilience by producing both discrete power technologies and analog/mixed-signal integrated circuits, contributing to the growth of the EU's technological sector.

On 17 March 2025, the European Commission approved a EUR960 million Czech State aid scheme to support investments in strategic sectors, including batteries, solar panels, wind turbines, and carbon capture technologies.[3549] The aid aims to accelerate the green transition and was approved under the Temporary Crisis and Transition Framework, contributing to the Clean Industrial Deal and the EU's climate neutrality goals.

On 27 March 2025, the European Commission adopted the 2025–2027 work programme of the Digital Europe Programme, allocating EUR 1.3 billion to deploy critical technologies in artificial intelligence (AI), cybersecurity and digital skills.[3550] Funding will support generative AI development, cyber resilience, digital public services and advanced skills training, enhancing productivity.

On 13 May 2025, the Council of the EU reached an agreement on a directive to simplify VAT collection for distance sales of imported goods.[3551] The reform makes foreign traders or platforms liable for import VAT in the destination country, encouraging the use of the Import One-Stop Shop (IOSS). The IOSS streamlines VAT payment by allowing registration in a single member state and facilitates pre-border tax collection, enhancing compliance and revenue protection.

On 22 May 2025, the G7 Finance Ministers and Central Bank Governors along with representatives from the International Monetary Fund, World Bank Group, Organisation for Economic Cooperation and Development and Financial Stability Board reiterated their commitment to addressing the "global economic and financial situation."[3552] The ministers and representatives further committed to maintaining a "balanced and growth-oriented macroeconomic policy mix" and facilitating private-sector investment for development and economic productivity goals.

The European Union has fully complied with safeguarding fiscal sustainability and rebuilding fiscal sustainability buffers, remaining growth-friendly and catalyzing both public and private investment towards reforms which enhance productivity. The European Union has taken strong actions to safeguard fiscal sustainability and rebuild buffers, including reforming the EU insolvency law, streamlining VAT and withholding tax procedures, setting fiscal expenditure paths for member states and simplifying VAT collections. The European Union has also maintained a growth-friendly fiscal policy by investing in the renewable energy, manufacturing, technology and AI sector to propel growth. The European Union has also

[3547] Economic governance framework: Council sets fiscal expenditure paths for 21 member states, Council of European Union (Brussels) 21 January 2025. Access Date: 25 March 2025. https://www.consilium.europa.eu/en/press/press-releases/2025/01/21/economic-governance-framework-council-sets-fiscal-expenditure-paths-for-21-member-states/.

[3548] Commission approves €920 million German State aid measure to support Infineon in setting up a new semiconductor manufacturing facility, European Commission (Brussels) 19 February 2025. Access Date: 14 May 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_557

[3549] Commission approves €960 million Czech State aid scheme to support investments in strategic sectors, European Commission (Brussels) 17 March 2025. Access Date: 14 May 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_781

[3550] Commission to invest €1.3 billion in artificial intelligence, cybersecurity and digital skills, European Commission (Brussels) 27 March 2025. Access Date: 14 May 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_907

[3551] VAT rules: Council agrees position on directive simplifying tax collection for imports, Council of the European Union (Brussels) 13 May 2025. Access Date: 14 May 2025. https://www.consilium.europa.eu/en/press/press-releases/2025/05/13/vat-rules-council-agrees-position-on-directive-simplifying-tax-collection-for-imports/

[3552] G7 Finance Ministers and Central Bank Governors' Communiqué, G7 Information Centre (Banff) 22 May 2025. Access Date: 17 June 2025. https://www.g7.utoronto.ca/finance/250522-communique.html

catalyzed public investments towards productivity-enhancing reforms through its Innovation Fund and the Digital Europe Programme.

Thus, the European Union receives a score of +1.

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