

SM/09/27
Supplement 1
Correction 1

January 30, 2009

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Companion Paper—The State of Public Finances—Outlook and Medium-Term Policies After the 2008 Crisis**

The attached corrections to SM/09/27, Sup. 1 (1/27/09) have been provided by the staff:

Factual Errors Not Affecting the Presentation of Staff's Analysis or Views

Page 55, Canada Table: table revised

Page 58, Indonesia Table: table revised

Page 61, Saudi Arabia: for “No information is available.”
read “According to staff estimates, a discretionary fiscal impulse of 2.4 percent of GDP was undertaken in 2008, while crisis-related discretionary measures of 3.3 percent of GDP and 3.5 percent of GDP will be implemented in 2009 and 2010, respectively.”

Page 61, Turkey: for “Stimulus measures are estimated to amount to 1 percent of GDP in 2009, but no breakdown is available.”
read “No crisis-related discretionary measures were taken in 2008 and none are planned for 2009 and 2010.”

Questions may be referred to Mr. Horton (ext. 39850), Mr. Kumar (ext. 37771), and Mr. Mauro (ext. 37712) in FAD.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (3)

Other Distribution:
Department Heads

Brazil

Measure	Nature 1/	Cost	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		...	...
Infrastructure investment	...	...	...
Support to SMEs and/or farmers	...	...	...
Safety nets	...	...	...
Housing/construction support	...	...	...
Strategic industries support	...	...	...
Increase in public wage bill	...	...	...
Other	...	...	...
Revenue		4.6	4.2
PIT/exemptions/deductions	Permanent	2.7	2.9
Indirect tax reductions	Temporary	0.5	...
CIT/depreciation/incentives	Permanent	...	...
Other	...	1.4	1.4
Memorandum items:			
Total cost in 2009		4.6	4.2
<i>in percent of GDP</i>		0.3	0.2

1/ For some measure(s), the only information available is about their nature, but no estimate of their budgetary cost is available.

Canada

Measure	Nature	Cost	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		18.7	16.1
Infrastructure investment	Temporary	9.6	9.0
Support to SMEs and/or farmers	...	...	...
Safety nets	Temporary	2.7	3.6
Housing/construction support	Temporary	4.3	2.1
Strategic industries support	...	...	...
Increase in public wage bill	...	...	...
Other	Temporary	2.0	1.5
Revenue		3.3	3.5
PIT/exemptions/deductions	Permanent	2.8	0.2
Indirect tax reductions	...	...	...
CIT/depreciation/incentives	Permanent	0.5	3.3
Other	...	...	...
Memorandum items:			
Total cost in 2009		22.0	19.6
<i>in percent of GDP</i>		1.5	1.3

China

Measure	Nature 1/	Cost	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		93.2	...
Infrastructure investment	Temporary	82.0	...
Support to SMEs and/or farmers	...	...	...
Safety nets	Temporary	...	...
Housing/construction support	Temporary	6.5	...
Strategic industries support	Temporary	3.7	...
Increase in public wage bill	...	...	...
Other	Temporary	0.9	...
Revenue		...	...
PIT/exemptions/deductions	...	...	...
Indirect tax reductions	Permanent	...	...
CIT/depreciation/incentives	...	...	...
Other	...	...	...
Memorandum items:			
Total cost in 2009		93.2	101.7
<i>in percent of GDP</i>		2.0	2.0

1/ For some measure(s), the only information available is about their nature, but no estimate of their budgetary cost is available.

France

Measure	Nature 1/	Cost	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		19.1	0.9
Infrastructure investment	Temporary	15.4	...
Support to SMEs and/or farmers	...	...	...
Safety nets	Temporary	...	...
Housing/construction support	Temporary	...	...
Strategic industries support	...	...	...
Increase in public wage bill	...	...	...
Other 2/	Temporary	3.7	0.9
Revenue		1.0	1.0
PIT/exemptions/deductions	...	...	1.03
Indirect tax reductions	Temporary	...	...
CIT/depreciation/incentives 3/	Permanent	1.0	1.0
Other	...	...	...
Memorandum items:			
Total cost		20.1	0.9
<i>in percent of GDP</i>		0.7	0.0

1/ For some measure(s), the only information available is about their nature, but no estimate of their budgetary cost is available.

2/ Includes any expenditure/revenue measures identified as "other" by staff.

3/ Includes all tax cuts/rebates.

Germany

Measure	Nature 1/	Cost	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		31.8	26.0
Infrastructure investment	Temporary	14.6	14.5
Support to SMEs and/or farmers	Temporary	...	1.3
Safety nets	Temporary	10.4	8.7
Housing/construction support	Temporary	...	...
Strategic industries support	Temporary	0.6	0.2
Increase in public wage bill	...	...	...
Other	Temporary	6.2	1.4
Revenue		20.8	45.0
PIT/exemptions/deductions	Permanent	17.1	37.4
Indirect tax reductions	Permanent	0.2	0.3
CIT/depreciation/incentives	...	3.5	7.4
Other	...	...	...
Memorandum items:			
Total cost		52.6	71.1
<i>in percent of GDP</i>		1.5	2.0

1/ For some measure(s), the only information available is about their nature, but no estimate of their budgetary cost is available.

India

Measure	Nature	Cost 1/	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		5.0	...
Infrastructure investment	Temporary	2.3	...
Support to SMEs and/or farmers	...	...	...
Safety nets	...	...	...
Housing/construction support	...	...	...
Strategic industries support	Temporary	0.4	...
Increase in public wage bill	...	...	...
Other	Temporary	2.3	...
Revenue		2.3	...
PIT/exemptions/deductions	...	...	...
Indirect tax reductions	...	2.3	...
CIT/depreciation/incentives	...	...	...
Other	...	...	...
Memorandum items:			
Total cost		7.2	...
<i>in percent of GDP</i>		0.5	...

1/ Fiscal year basis.

Indonesia

Measure	Nature 1/	Cost	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		1.1	...
Infrastructure investment	Temporary	1.1	...
Support to SMEs and/or farmers	...	...	...
Safety nets	Temporary	0.1	...
Housing/construction support	...	...	...
Strategic industries support	Temporary	...	...
Increase in public wage bill	...	...	...
Other	...	...	...
Revenue		6.2	6.8
PIT/exemptions/deductions	Permanent	2.5	2.5
Indirect tax reductions	Permanent	1.7	1.7
CIT/depreciation/incentives	Permanent	1.9	2.6
Other	...	...	...
Memorandum items:			
Total cost		7.3	6.8
<i>in percent of GDP</i>		<i>1.3</i>	<i>1.1</i>

1/ For some measure(s), the only information available is about their nature, but no estimate of their budgetary cost is available.

Italy

Measure	Nature	Cost	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		5.5	2.8
Infrastructure investment	Temporary	0.9	1.7
Support to SMEs and/or farmers	...	0.0	0.0
Safety nets	...	3.8	0.4
Housing/construction support	...	0.5	0.0
Strategic industries support	...	0.0	0.0
Increase in public wage bill	...	0.0	0.0
Other	...	0.3	0.7
Revenue		2.7	1.9
PIT/exemptions/deductions	Permanent	0.7	0.2
Indirect tax reductions	...	0.3	0.0
CIT/depreciation/incentives	...	1.6	1.6
Other	...	0.1	0.0
Memorandum items:			
Total cost (gross)		8.2	4.8
<i>in percent of GDP</i>		<i>0.4</i>	<i>0.2</i>
<i>net, in percent of GDP 1/</i>		<i>0.2</i>	<i>0.1</i>

1/ The stimulus measures announced by the government will be partially offset by other "deficit-reducing" measures; the net cost is based on Fund staff estimates.

Saudi Arabia

According to staff estimates, a discretionary fiscal impulse of 2.4 percent of GDP was undertaken in 2008, while crisis-related discretionary measures of 3.3 percent of GDP and 3.5 percent of GDP will be implemented in 2009 and 2010, respectively.

South Africa

The government has not announced a stimulus package; however, according to staff estimates, a discretionary fiscal impulse of 1.3 percent of GDP will be implemented in 2009.

Spain

Measure	Nature 1/	Cost	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		14.9	3.2
Infrastructure investment	Temporary	12.9	3.2
Support to SMEs and/or farmers	...	...	...
Safety nets	...	...	...
Housing/construction support	Temporary	...	...
Strategic industries support	...	...	...
Increase in public wage bill	...	...	...
Other	Temporary	1.9	...
Revenue		2.2	2.2
PIT/exemptions/deductions	Permanent	2.2	2.2
Indirect tax reductions	...	...	...
CIT/depreciation/incentives	...	...	...
Other	...	...	...
Memorandum items:			
Total cost		17.1	5.4
<i>in percent of GDP</i>		<i>1.1</i>	<i>0.3</i>

1/ For some measure(s), the only information available is about their nature, but no estimate of their budgetary cost is available.

Turkey

No crisis-related discretionary measures were taken in 2008 and none are planned for 2009 and 2010.

United Kingdom

Measure	Nature	Cost 1/	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		9.8	-9.6
Infrastructure investment	Self-reversing	4.2	-2.9
Support to SMEs and/or farmers	...	...	...
Safety nets	Temporary	2.6	1.1
Housing/construction support	Temporary	1.6	-0.8
Strategic industries support	...	...	...
Increase in public wage bill	...	...	...
Other	Temporary	1.4	-6.9
Revenue		27.5	6.5
PIT/exemptions/deductions	Permanent	6.6	7.3
Indirect tax reductions	Self-reversing	21.2	...
CIT/depreciation/incentives	...	...	...
Other	Permanent	-0.2	-0.8
Memorandum items:			
Total cost		37.3	-3.1
<i>in percent of GDP</i>		<i>1.4</i>	<i>-0.1</i>

1/ Negative numbers refer to impact of offsetting measures.

United States

Measure	Nature	Cost 1/	
		2009	2010
<i>(Billions of USD, unless otherwise stated)</i>			
Expenditure		130.0	254.3
Infrastructure investment	Temporary	43.4	115.8
Support to SMEs and/or farmers	...	...	...
Safety nets	Temporary	9.6	15.4
Housing/construction support	...	...	...
Strategic industries support	...	...	...
Increase in public wage bill	...	...	...
Other	Temporary	76.9	123.1
Revenue		132.7	167.3
PIT/exemptions/deductions	Permanent	85.4	107.7
Indirect tax reductions	...	...	...
CIT/depreciation/incentives	Permanent	47.3	59.7
Other	...	...	...
Memorandum items:			
Total cost		262.6	421.6
<i>in percent of GDP</i>		<i>1.9</i>	<i>2.9</i>

1/ Excludes financial system rescue costs.