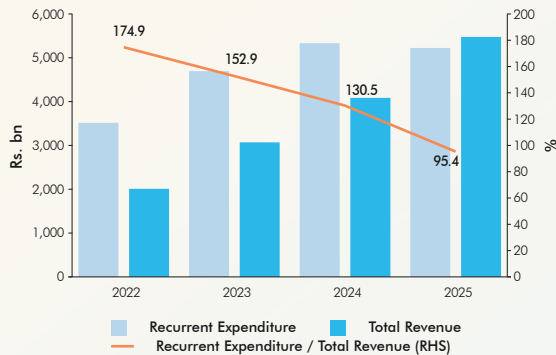


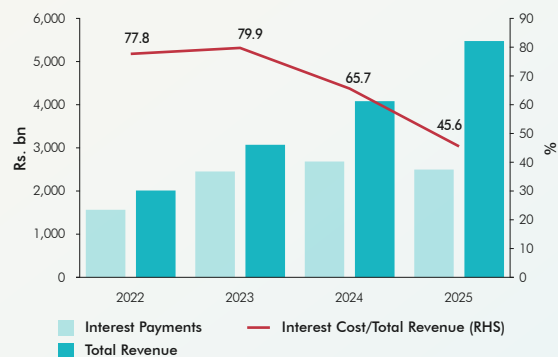
Featured Chart 1.10 Improving Fiscal Performance Reflected in Key Indicators



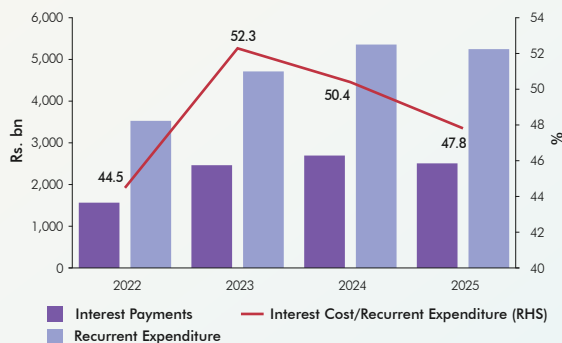
Recurrent Expenditure as a % of Total Revenue



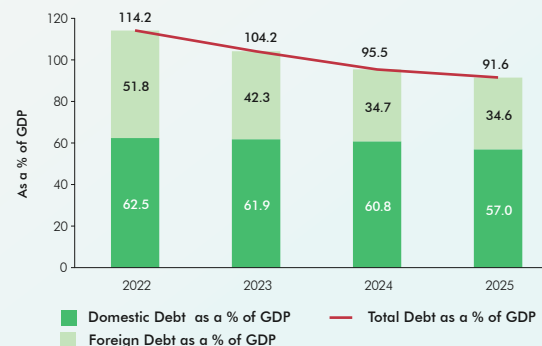
Interest Payments as a % of Total Revenue



Interest Payments as a % of Recurrent Expenditure



Central Government Debt to GDP Ratio



In general, the period preceding the economic crisis was a phase of fiscal stagnation with limited progress in addressing structural imbalances. During the pandemic and subsequent economic crisis, fiscal indicators weakened notably, with interest payments as a percentage of total revenue and debt-to-GDP ratios rising significantly, highlighting the increased burden on public finances. In the post-crisis period, the implementation of revenue-based fiscal consolidation measures has contributed to a notable easing of fiscal pressures. Total revenue has exceeded recurrent expenditure, bringing the

recurrent expenditure as a percentage of total revenue ratio down to 95.4%, the lowest level in the recent period. Interest payments, which had absorbed more than half of total revenue during the crisis declined, while the debt-to-GDP ratio also fell, reflecting an overall improvement in fiscal conditions. These indicators show the ongoing fiscal consolidation programme has been effective, reducing the likelihood of future adverse macroeconomic consequences arising from fiscal imbalances, as experienced during the recent crisis.