2024 G20 Rio de Janeiro Summit
Final Compliance Report

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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			+1
Canada			+1
China			+1
France			+1
Germany			+1
India		0	
Indonesia		0	
Italy			+1
Japan			+1
Korea			+1
Mexico		0	
Russia			+1
Saudi Arabia		0	
South Africa			+1
Türkiye			+1
United Kingdom			+1
United States	−1		
African Union		0	
European Union			+1
Average	+0.67 (83%)		

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.[6479] 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.

[6479] 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.[6480] 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.[6481] 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.[6482] 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.[6483] 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.[6484] 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.[6485]

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.[6486]

At the 2021 Rome Summit, G20 members committed to maintaining fiscal support measures to sustain global economic recovery while ensuring long-term fiscal sustainability.[6487] 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,

[6480] 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
[6481] 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
[6482] 2012 Los Cabos Summit, G20 Information Centre (Toronto) 18 June 2012. Access Date: 5 March 2025. https://www.g20.utoronto.ca/summits/2012loscabos.html
[6483] 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
[6484] 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
[6485] G20 Blueprint on Innovative Growth, G20 Information Centre (Toronto) 5 September 2016. Access Date: 5 March 2025. https://www.g20.utoronto.ca/2016/1'0905-blueprint.html
[6486] 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
[6487] 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.[6488] 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.[6489] 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.[6490] 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."[6491]

"Safeguard" is understood to mean "to protect … something from harm or destruction."[6492]

"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.[6493] 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.[6494] These reforms "boost technological catch-up, facilitate structural transformation into higher productivity sectors and new activities, and better allocate existing resources in the economy."[6495]

[6488] G20 Bali Leaders' Declaration, G20 Information Centre (Toronto) 15 November 2022. Access Date: 5 March 2025. https://www.g20.utoronto.ca/2022/221116-declaratio'.html
[6489] 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'
[6490] 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
[6491] 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
[6492] Safeguard, Cambridge Dictionary (Cambridge) n.d. Access Date: 3 March 2025. https://dictionary.cambridge.org/dictionary/english/safeguard
[6493] 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
[6494] 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
[6495] 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.[6496]

[6496] 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.[6497] 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.[6498]

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).[6499] 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.[6500] 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."[6501] 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.[6502]

On 10 March 2025, President Milei issued Decree 179/2025 approving a new loan agreement with the International Monetary Fund (IMF).[6503] 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

[6497] 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

[6498] 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

[6499] 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

[6500] 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

[6501] 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/

[6502] 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

[6503] 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.[6504] 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.[6505]

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.[6506] 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 28 March 2025, Secretary of Finance Pablo Quirno attended the CAF Board Meeting in Santiago, Chile, where the National Government secured approval for two financing projects totalling USD190 million.[6507] The projects aim to improve logistics in Greater Rosario and support flood recovery efforts in Bahía Blanca.

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.[6508]

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.[6509] 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.[6510]

On 24 April 2025, the Central Bank of Argentina committed ARS11.7 trillion to the National Government for the eventual cancellation of Treasury debt.[6511] This initiative is part of the National Government's broader efforts to reconcile fiscal accounts and safeguard fiscal sustainability.

[6504] 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

[6505] 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/

[6506] 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

[6507] Con el aval del Gobierno Nacional, CAF financiará con USD 190 millones mejoras en la logística de Rosario y la reparación de daños en Bahía Blanca, Gobierno de Argentina (Buenos Aires) 28 March 2025. Translation provided by Google Translate. Access Date: 15 May 2025. https://www.argentina.gob.ar/noticias/con-el-aval-del-gobierno-nacional-caf-financiara-con-usd-190-millones-mejoras-en-la

[6508] 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

[6509] 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

[6510] 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

[6511] 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

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.[6512]

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-friendly economic policies.[6513] 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.[6514] This initiative lowers taxes on savings, enabling higher disposable income for citizens and catalyzes private sector investments, enhancing overall economic productivity.

On 18 June 2025, the Federal Government ordered the merger of the Seismic Prevention Institute (INPRES) and the Argentine Geological and Mining Service (SEGEMAR) to promote the rational use of public funds and reduce spending.[6515]

On 1 July 2025, the Federal Council for Fiscal Responsibility held a meeting with provincial finance ministers to discuss fiscal balance and coordination between the national and provincial governments.[6516]

On 7 July 2025, the National Government announced it would be restructuring seven inefficient agencies to safeguard fiscal sustainability and ensure efficient use of taxpayer money.[6517]

On 8 July 2025, the Federal Government dissolved three Federal trust funds: the Federal Trust Fund for Regional Infrastructure, the Financial and Administrative Trust of the National Fire Management Fund, and the National Fund for Productive Development.[6518] The goal is to ensure public resources are used efficiently.

On 2 October 2025, Minister Caputo, Interior Minister Lisandro Catalán and Governor of Chaco Leandro Zdero signed a letter of intent within the framework of the Regime for the Extinction of Reciprocal Obligations.[6519] Under this agreement, the National Government would transfer ARS40 billion to Chaco

[6512] 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
[6513] 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
[6514] 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
[6515] El Gobierno Nacional fusionó el Instituto de Prevención Sísmica y el Servicio Geológico Minero Argentino, Gobierno de Argentina (Buenos Aires) 18 June 2025. Translation provided by Google Translate. Access Date: 5 July 2025. https://www.argentina.gob.ar/noticias/el-gobierno-nacional-fusiono-el-instituto-de-prevencion-sismica-y-el-servicio-geologico
[6516] Se realizó una nueva reunión del Consejo Federal de Responsabilidad Fiscal, Gobierno de Argentina (Buenos Aires) 1 July 2025. Translation provided by Google Translate. Access Date: 5 July 2025.
[6517] El Gobierno Nacional reestructura siete organismos ineficientes, Gobierno de Argentina (Buenos Aires) 7 July 2025. Access Date: 21 August 2025. https://www.argentina.gob.ar/noticias/el-gobierno-nacional-reestructura-siete-organismos-ineficientes
[6518] El Gobierno Nacional cerró tres nuevos fondos fiduciarios para garantizar el uso eficiente de los recursos públicos, Gobierno de Argentina (Buenos Aires) 8 July 2025. Access Date: 21 August 2025. https://www.argentina.gob.ar/noticias/el-gobierno-nacional-cerro-tres-nuevos-fondos-fiduciarios-para-garantizar-el-uso-eficiente
[6519] El Gobierno Nacional firmó un acuerdo con Chaco en el marco del Régimen de Extinción de Obligaciones Recíprocas, Gobierno de Argentina (Buenos Aires) 2 October 2025. Translation provided by Google Translate. Access Date: 17 October 2025. https://www.argentina.gob.ar/noticias/el-gobierno-nacional-firmo-un-acuerdo-con-chaco-en-el-marco-del-regimen-de-extincion-de

province starting in November to offset the provincial deficit and make the provincial pension system more predictable.

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, closing and merging government agencies, signing agreements with local governments, simplifying tax compliance and reducing bureaucratic burdens, removing currency controls, negotiating with the IMF and the World Bank and dissolving government agencies. 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.[6520] 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.[6521] 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.

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.[6522] 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.[6523] This investment will

[6520] 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
[6521] Specialist In–estment 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
[6522] 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
[6523] 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

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.[6524] 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.[6525]

On 20 January 2025, the Australian Government invested AUD2 billion in the aluminum industry.[6526] 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.[6527] 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.[6528] 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.

On 3 June 2025, the Australian Government endorsed a 3.5 per cent increase to the national minimum wage and award wages, effective 1 July 2025. The rise lifts the minimum wage to AUD25.10 per hour and is expected to benefit up to 2.9 million workers.[6529] This increase aims to ensure Australia remains growth-friendly in response to cost-of-living pressures by assisting workers.

[6524] 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

[6525] Progressing Australia's Regulatory Reform Agenda, Department of Finance (Canberra) n.d. Access Date: 5 July 2025. https://www.regulatoryreform.gov.au/

ʹ 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

[6527] Albane'e 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

[6528] 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

[6529] National Minimum Wage to rise 3.5 per cent following Annual Wage Review, Australian Treasury (Canberra) 3 June 2025. Access Date: 9 July 2025. https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/national-minimum-wage-rise-35-cent-following-annual-wage

On 24 June 2025, the Australian Government confirmed an increase in employers' mandatory superannuation contributions from 11.5 per cent to 12 per cent, effective as of 1 July 2025.[6530] This initiative affects both private sector payrolls as well as public sector planning. The change increases government contributions for eligible employees. This measure aims to enhance long-term retirement savings and supports income adequacy, aligning with productivity and fiscal sustainability goals.

On 24 June 2025, the Australian Government announced a publicly funded AUD150 energy bill relief to all households and to one million small businesses by the end of 2025.[6531] This one-time fiscal transfer aims to ensure Australia remains growth-friendly by mitigating inflation pressures.

On 24 June 2025, the Australian Government announced a subsidy covering around 30 per cent of battery storage system installation costs for households and businesses as part of the Cheaper Home Batteries Program.[6532] This public spending encourages long-term energy savings and private green investment, thus ensuring Australia remains growth-friendly.

On 24 June 2025, the Australian Government confirmed a 20 per cent reduction in student loan debts for three million Australians and plans to raise the income threshold before repayments begin to AUD67,000.[6533] This relief improves disposable income for young workers, thus ensuring Australia's economy remains growth-friendly.

On 24 June 2025, the Australian Government announced a 2.4 per cent increase in social security payments on 1 July 2025.[6534] This automatic fiscal adjustment, based on inflation, helps preserve real incomes for vulnerable groups and maintains consumption support, thus ensuring Australia remains growth-friendly.

On 2 August 2025, the government established a new First Nations Economic Partnership.[6535] The Partnership aims to invest in First Nations communities to boost capacity, productivity and economic growth.

On 29 August 2025, the government offered the agricultural sector an additional AUD1 billion in loans.[6536] These loans aim to boost productivity and ensure the agricultural sector remains growth-friendly in the long term.

On 8 October 2025, Minister for Finance and Government Services Katy Gallagher introduced the Regulatory Reform Omnibus Bill 2025 to cut red tape, streamline information-sharing across agencies.[6537] As a part of facilitating information-sharing between agencies, regulators and businesses, the Bill also aims to provide fuel companies with flexible options to respond to supply disruptions. This initiative supports ongoing efforts to

[6530] More cost-of-living help on the way, a week from today, Australian Government (Canberra) 24 June 2025. Access Date: 9 July 2025. https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/more-cost-living-help-way-week-today
[6531] More cost-of-living help on the way, a week from today, Australian Government (Canberra) 24 June 2025. Access Date: 9 July 2025. https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/more-cost-living-help-way-week-today
[6532] More cost-of-living help on the way, a week from today, Australian Government (Canberra) 24 June 2025. Access Date: 9 July 2025. https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/more-cost-living-help-way-week-today
[6533] More cost-of-living help on the way, a week from today, Australian Government (Canberra) 24 June 2025. Access Date: 9 July 2025. https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/more-cost-living-help-way-week-today
[6534] More cost-of-living help on the way, a week from today, Australian Government (Canberra) 24 June 2025. Access Date: 9 July 2025. https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/media-releases/more-cost-living-help-way-week-today
[6535] First Nations Economic Partnership, Government of Australia (Canberra) 2 August 2025. Access Date: 10 September 2025. https://www.pm.gov.au/media/first-nations-economic-partnership
[6536] $1 billion funding boost for Regional Investment Corporation, Government of Australia (Canberra) 29 August 2025. Access Date: 10 September 2025. https://www.pm.gov.au/media/1-billion-funding-boost-regional-investment-corporation
[6537] New legislation to cut red tape and make our economy more productive, Department of Finance (Canberra) 8 October 2025. Access Date: 12 November 2025. https://ministers.finance.gov.au/financeminister/media-release/2025/10/08/new-legislation-cut-red-tape-and-make-our-economy-more-productive

drive economic growth, support productivity-enhancing reforms and maintain safeguards while enhancing opportunities associated with emerging technologies.

On 22 October 2025, Minister Gallagher announced new rules for Australian business procurement prioritisation.[6538] The announcement outlined restrictions on tenders below AUD125,000 and AUD7.5 million for construction to local firms, updated the AusTender with a new Supplier Portal and introduced public registers to better identify and support small-and-medium enterprises, First Nations and women-owned businesses.

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, supporting investments in the clean energy and aluminum sectors, lifting the minimum wage and raising social security payments, and announcing subsidies. Australia has also taken strong action to safeguard fiscal sustainability and catalyze public investment towards productivity-enhancing reforms by increasing the employer's mandatory superannuation contributions and the First Nations Economic Partnership. Australia has also taken action to catalyze private investments for productivity enhancement reforms at the 31st session of the OECD.

Thus, Australia receives a score of +1.

Analyst: Daniel Ebrahimpour

Brazil: +1

Brazil 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 20 November 2024, President Luiz Inácio Lula da Silva met with Chinese President Xi Jinping to enhance Brazil–China economic cooperation.[6539] 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.[6540] 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.[6541] 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.

[6538] Australian businesses boosted by procurement prioritisation, Department of Finance (Canberra) 22 October 2025. Access Date: 12 November 2025. https://ministers.finance.gov.au/financemini1074apan1074sia1074-release/2025/10/22/australian-businesses-boosted-procurement-prioritisation
[6539] 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
[6540] 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
[6541] 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

On 13 January 2025, President Lula da Silva partially approved Complementary Law No. 212, which establishes the State Debt Payment Program.[6542] 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.[6543] The reform aims to simplify the taxation system while retaining revenue to boost economic growth.

On 22 January 2025, President Lula da Silva signed into law Bill 327/2021, establishing the Energy Transition Acceleration Program.[6544] 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.[6545]

On 24 February 2025, the Brazilian Federal Revenue Service (RFB) launched the Receita Sintonia pilot program through Ordinance No. 511/2025.[6546] 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.[6547] 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.[6548]

[6542] 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

[6543] 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/

[6544] 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

[6545] 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

[6546] 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

[6547] 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-'nanimidade-na-camara

[6548] 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

On 17 March 2025, the Federal Government paid BRL1.33 billion in guaranteed debts owed by states and municipalities, improving Brazil's fiscal sustainability.[6549] 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.

On 18 March 2025, President Lula da Silva submitted a bill to Congress to expand the Personal Income Tax exemption range.[6550] 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.[6551] 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 26 March 2025, the President and Minister of Development, Industry, Commerce and Services (MDIC) Geraldo Alckmin held a meeting with state secretaries of Economic Development to discuss attracting investments and the role of the states in this effort.[6552]

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.[6553] 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.[6554]

[6549] 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

[6550] 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

[6551] 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

[6552] Alckmin reúne secretários estaduais de Desenvolvimento Econômico para tratar de atração de investimentos, Governo do Brasil (Brasília) 26 March 2025. Translation provided by Google Translate. Access Date: 5 May 2025. https://www.gov.br/planalto/pt-br/acompanhe-o-planalto/noticias/2025/03/alckmin-reune-secretarios-estaduais-de-desenvolvimento-economico-para-tratar-de-atracao-de-investimentos

[6553] 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

[6554] 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

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.[6555] 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.[6556] 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-exempt and eliminating taxes on data center service exports.[6557] 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.[6558] 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.[6559]

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.[6560]

On 22 May 2025, the Ministry of Finance announced reforms to the Tax on Financial Operations (IOF) and BRL31 billion in spending cuts to eliminate fiscal distortions, standardize taxation and reinforce Brazil's commitment to fiscal balance and macroeconomic stability.[6561]

[6555] 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
[6556] 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
[6557] 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
[6558] 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
[6559] 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
[6560] 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
[6561] Equipe econômica divulga contingenciamento, bloqueio e medida para ajuste fiscal, Governo do Brasil (Brasília) 22 May 2025. Translation provided by Google Translate. Access Date: 5 July 2025. https://www.gov.br/fazenda/pt-br/assuntos/noticias/2025/Maio/equipe-economica-divulga-contingenciamento-bloqueio-e-medida-para-ajuste-fiscal

On 16 June 2025, the Federal Government formalized a partnership with the Amapá Institute for Extension, Assistance and Rural Development, including an investment of BRL2.78 million.[6562] This initiative aims to enhance productivity by aiding the indigenous people of Oiapoque to recover their farms and diversify production.

On 30 June 2025, the Secretary of Electric Energy of the Ministry of Mines and Energy (MME), Gentil Nogueira, instituted the National Sustainable Irrigation Program (PRONISAF).[6563] The goal is to enhance the productivity of rural family farming by ensuring reliable and sustainable electricity.

On 30 June 2025, President Lula da Silva launched the Family Farming Harvest Plan, enhancing food production and rural income generation, thus using public investment to catalyze productivity-enhancing reforms in the agricultural sector.[6564]

On 1 July 2025, the Federal Government launched the 2025/2026 Harvest Plan with BRL516.2 billion in funding to expand agricultural credit for medium and large producers.[6565] The initiative aims to increase agricultural productivity, supporting competitiveness and economic growth.

On 2 July 2025, the Ministry of Integration and Regional Development announced a new allocation of BRL16 million to support the restoration of essential services and public infrastructure in Rio Grande do Sul, thus ensuring Brazil's economy remains growth-friendly with minimal disruptions.[6566]

On 2 July 2025, the Federal Senate approved Provisional Measure No. 1,292/2025, providing credit access at lower interest rates to low and middle-income workers.[6567]

On 10 July 2025, President Luiz Inácio Lula da Silva signed a decree reducing the tax on industrial property (IPI) for domestically produced, energy-efficient and environmentally sustainable vehicles.[6568]

On 14 July 2025, President Lula da Silva signed a Provisional Measure to exempt taxi drivers from the meter verification fee to remain growth-friendly by supporting service-sector activity.[6569]

[6562] Agricultores familiares indígenas do Amapá serão atendidos pelo Programa Fomento Rural, Governo do Brasil (Brasília) 16 June 2025. Translation provided by Google Translate. Access Date: 5 July 2025. https://www.gov.br/mds/pt-br/noticias-e-conteudos/desenvolvimento-social/noticias-desenvolvimento-social/agricultores-familiares-indigenas-do-amapa-serao-atendidos-pelo-programa-fomento-rural
[6563] Com apoio do MME, Plano Safra incorpora programa de energia limpa para agricultura familiar, Governo do Brasil (Brasília) 30 June 2025. Translation provided by Google Translate. Access Date: 5 July 2025. https://www.gov.br/mme/pt-br/assuntos/noticias/com-apoio-do-mme-plano-safra-incorpora-programa-de-energia-limpa-para-agricultura-familiar
[6564] Lula lança Plano S'fra da Agricultura Familiar: 'D'nheiro para quem mais precisa', Governo do Brasil (Brasília) 30 June 2025. Translation provided by Google Translate. Access Date: 5 July 2025. https://agenciagov.ebc.com.br/noticias/202506/tudo-o-que-se-planta-no-brasil-da-diz-lula-ao-lancar-plano-safra-com-o-maior-volume-de-recursos-para-a-agricultura-familiar
[6565] Governo Federal lança Plano Safra 2025/2026: R$ 516,2 bi para impulsionar o agro, Governo do Brasil (Brasília) 1 July 2025. Translation provided by Google Translate. Access Date: 5 July 2025. https://agenciagov.ebc.com.br/noticias/202507/governo-federal-lanca-plano-safra-2025-2026-com-r-516-2-bilhoes-para-impulsionar-o-agro-brasileiro
[6566] MIDR assina repasse de R$ 16 milhões para obras de reconstrução em Santa Maria (RS), Governo do Brasil (Brasília) 2 July 2025. Translate provided by Google Translate. Access Date: 5 July 2025. https://agenciagov.ebc.com.br/noticias/202507/midr-assina-repasse-de-r-16-milhoes-para-obras-de-reconstrucao-em-santa-maria-rs
[6567] Senado Federal aprova Medida Provisória do Crédito do Trabalhador, Governo do Brasil (Brasília) 2 July 2025. Translation provided by Google Translate. Access Date: 5 July 2025. https://agenciagov.ebc.com.br/noticias/202507/senado-federal-aprova-medida-provisoria-do-credito-do-trabalhador
[6568] Governo Lula zera IPI para carros nacionais mais sustentáveis, seguros e econômicos, Governo do Brasil (Brasília) 10 July 2025. Translation provided by Google Translate. Access Date: 21 August 2025. https://agenciagov.ebc.com.br/noticias/202507/governo-lula-zera-ipi-para-carros-nacionais-mais-sustentaveis-seguros-economicos
[6569] Governo Federal isenta taxistas de taxa de verificação de taxímetros, Governo do Brasil (Brasília) 14 July 2025. Translation provided by Google Translate. Access Date: 21 August 2025. https://agenciagov.ebc.com.br/noticias/202507/governo-federal-isenta-taxistas-de-taxa-de-verificacao-de-taximetros

On 18 July 2025, the Ministry of Planning and Budget approved a USD300 million loan agreement with the Inter-American Development Bank (IDB) for the Northeast Development Fund (FDNE) to expand credit availability and resources for large-scale development projects in Brazil's Northeast.[6570]

On 28 July 2025, President Lula da Silva signed Complementary Bill No. 167/2024 into law, creating the Acredita Exportação program.[6571] 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 8 August 2025, President Luiz Inácio Lula da Silva announced BRL1.1 billion in investments in the state of Acre towards public works, mobility, energy access, schooling and land reform.[6572]

On 8 August 2025, President Lula da Silva announced a federal investment package to promote social, economic and environmental development in the state of Rondônia by enhancing cross-border integration with Bolivia and expanding education and health infrastructure.[6573]

On 13 August 2025, President Lula da Silva announced the Sovereign Brazil Plan, including a BRL30 billion emergency credit line and tax deferrals to support companies harmed by the 50 per cent U.S. export surtax and protect jobs and production.[6574]

On 14 August 2025, the Executive Secretary of the Ministry of Health Adriano Massuda along with the director of Wholesale Business at Caixa, Saulo Paiva, announced advances in the Agora Tem Especialistas program, including extended credit terms and debt renegotiation through the Caixa Hospitais line to strengthen the financial sustainability of SUS-affiliated hospitals and expand the availability of specialized care.[6575]

On 19 August 2025, the Ministry of Integration and Regional Development announced the launch of AgroAmigo, a BRL1 billion rural micro-credit program for low-income family farmers in the North and Central-West regions to receive financing and invest in small properties.[6576]

[6570] Aporte internacional incrementa Fundo de Desenvolvimento do Nordeste em R$ 1,6 bilhão, Governo do Brasil (Brasília) 18 July 2025. Translation provided by Google Translate. Access Date: 21 August 2025. https://agenciagov.ebc.com.br/noticias/202507/aporte-internacional-incrementa-orcamento-do-fundo-de-desenvolvimento-do-nordeste-em-r-1-6-bilhao

[6571] Presidente Lula sanciona Programa Acredita Exportação para desonerar e ampliar exportações de Micro e Pequenas Empresas, Governo do Brasil (Brasília) 28 July 2025. Translation provided by Google Translate. Access Date: 21 August 2025. https://www.gov.br/planalto/pt-br/acompanhe-o-planalto/noticias/2025/07/presidente-lula-sanciona-programa-acredita-exportacao-para-desonerar-e-ampliar-exportacoes-de-micro-e-pequenas-empresas

[6572] "Quero cuidar do meu querido Acre", diz Lula durante anúncio de mais de R$ 1 bilhão ao estado, Governo do Brasil (Brasília) 8 August 2025. Translation provided by Google Translate. Access Date: 21 August 2025. https://agenciagov.ebc.com.br/noticias/202508/201cquero-cuidar-do-meu-querido-acre201d-diz-lula-durante-anuncio-de-mais-de-r-1-bi-ao-estado

[6573] Lula anunc'a investimentos em Rondônia: 'Imensa a'egria de voltar a esse estado', Governo do Brasil (Brasília) 8 August 2025. Translation provided by Google Translate. Access Date: 21 August 2025. https://agenciagov.ebc.com.br/noticias/202508/lula-anuncia-investimentos-em-rondonia-201cimensa-alegria-de-voltar-a-esse-estado201c

[6574] Compras públicas vão proteger exportadores de aliment"s perecí"eis impactados pelo "tarifaço" dos EUA, Governo do Brasil (Brasília) 13 August 2025. Translation provided by Google Translate. Access Date: 21 August 2025. https://agenciagov.ebc.com.br/noticias/202508/compras-publicas-vao-proteger-exportadores-de-alimentos-pereciveis-impactados-pelo-tarifaco-dos-eua

[6575] Ministério da Saúde e Caixa anunciam avanços em linha de crédito Caixa Hospitais, Governo do Brasil (Brasília) 14 August 2025. Translation provided by Google Translate. Access Date: 21 August 2025. https://agenciagov.ebc.com.br/noticias/202508/ministerio-saude-caixa-avancos-linha-de-credito-caixa-hospitais

[6576] Governo Federal lança AgroAmigo para fortalecer agricultura familiar no Norte e Centro-Oeste, Governo do Brasil (Brasília) 19 August 2025. Translation provided by Google Translate. Access Date: 21 August 2025. https://www.gov.br/mdr/pt-br/noticias/governo-federal-lanca-agroamigo-para-fortalecer-agricultura-familiar-no-norte-e-centro-oeste

On 19 August 2025, the Ministry of Transport met with representatives from China Communications Construction Company to discuss potential collaboration and investment opportunities in Brazilian railways.[6577]

On 29 August 2025, President Lula submitted his proposed 2026 Budget.[6578] The Budget calls for raising the minimum wage, guaranteed constitutional minimum resources for health and education, and contributions to social programs, public safety, science, technology and the environment, while also making investments into state-owned enterprises to promote economic growth. The Budget also aims to be fiscally sustainable by returning a fiscal surplus.

On 1 October 2005, the Chamber of Deputies approved legislation that increases the tax exemption bracket up to BRL5,000 per month.[6579] The legislation will eliminate the income tax for over 10 million Brazilians.

On 9 October 2025, the Government of Brazil announced BRL611.7 million in new investments to construct 80 ferries to expand activities in the naval and waterway sectors.[6580] These investments aim to promote growth in the naval and waterway sectors.

Brazil has fully complied with its commitment to safeguard 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 fiscal buffers through bilateral meetings, proposing a new budget and debt repayments. In addition, Brazil implemented new laws to reform tax rules for innovation in the automobile and energy sector, as well as investing through government programs, to maintain growth-friendly fiscal policies, as well as fueling growth in the digital services sector through public investments. Brazil has also taken strong action to catalyze both public and private investments towards productivity-enhancing reforms, especially in the agricultural sector, through the NIB, its partnership with the Amapá Institute, PRONISAF and the Harvest Plan.

Thus, Brazil receives a score of +1.

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."[6581] This included

[6577] Brasil e China avançam em diálogo sobre novos investimentos no setor ferroviário, Governo do Brasil (Brasília) 19 August 2025. Translation provided by Google Translate. Access Date: 21 August 2025. https://agenciagov.ebc.com.br/noticias/202508/brasil-china-dialogo-novos-investimentos-setor-ferroviario

[6578] Presidente Lula envia projeto de orçamento de 2026 ao Congresso, Governo do Brasil (Brasília) 29 August 2025. Translation provided by Google Translate. Access Date: 18 October 2025. https://www.gov.br/planalto/pt-br/acompanhe-o-planalto/noticias/2025/08/presidente-lula-envia-projeto-de-orcamento-de-2026-ao-congresso

[6579] Presidente celebra aprovação na Câmara do PL que zera o IR para 10 milhões de brasileiros: "Vitória em favor da justiça tributária", Governo do Brasil (Brasília) 1 October 2025. Translation provided by Google Translate. Access Date: 18 October 2025. https://www.gov.br/planalto/pt-br/acompanhe-o-planalto/noticias/2025/10/presidente-celebra-aprovacao-na-camara-do-pl-que-zera-o-ir-para-10-milhoes-de-brasileiros-201cvitoria-em-favor-da-justica-tributaria201d

[6580] "Estou aqui para recuperar a indústria naval brasileira", diz Lula ao anunciar investimentos na Bahia, Governo do Brasil (Brasília) 9 October 2025. Translation provided by Google Translate. Access Date: 18 October 2025. https://www.gov.br/planalto/pt-br/acompanhe-o-planalto/noticias/2025/10/201cestou-aqui-para-recuperar-a-industria-naval-brasileira201d-diz-lula-ao-anunciar-investimentos-na-bahia

[6581] 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 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 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.[6582] 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.[6583] 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.[6584] 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.[6585] 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.[6586] 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 ensure that the eventual tax

[6582] 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
[6583] 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
[6584] 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
[6585] 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
[6586] 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

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.[6587]

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.[6588] 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.[6589] 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.[6590] 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.[6591] 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.[6592] 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

[6587] 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

[6588] 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

[6589] 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

[6590] 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

[6591] 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

[6592] 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.[6593] 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 23 March 2025, Prime Minister Carney met with regional premiers to discuss economic issues.[6594] During the meeting, Prime Minister Carney promised several fiscal measures, such as deferring corporate income tax payments and GST/HST remittances, providing more funding to regional development agencies and a total of CAD375 million in new investments for projects. These fiscal measures aim to ensure long-term economic growth.

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.[6595] 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.[6596] 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.[6597] 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."[6598] 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.

[6593] 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
[6594] Prime Minister Carney meets with premiers and shares his plan to build one strong Canadian economy, Prime Minister of Canada (Ottawa) 23 March 2025. Access Date: 11 September 2025. https://www.pm.gc.ca/en/news/news-releases/2025/03/21/prime-minister-carney-meets-premiers-and-shares-his-plan-build
[6595] 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
[6596] 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
[6597] 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
[6598] 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

On 27 May 2025, the Department of Finance tabled a Ways and Means Motion to eliminate the five per cent goods and services tax (GST) on new homes for up to CAD1 million for first-time buyers, with partial relief on homes up to CAD1.5 million.[6599] The policy aims to boost housing affordability and construction, ultimately supporting economic growth.

On 27 May 2025, the Department of Finance formally repealed the federal consumer carbon tax, effective 1 April 2025, to lower fuel and heating costs and ease inflation.[6600] While carbon pricing remains for large emitters, the repeal aims to ensure Canada remains growth-friendly by addressing cost-of-living issues associated with the tax.

On 2 June 2025, Prime Minister Carney and other Canadian First Ministers met to discuss economic issues.[6601] The First Ministers agreed to invest in nation-building infrastructure projects to boost productivity and ensure economic growth.

On 9 June 2025, Prime Minister Mark Carney unveiled a CAD9 billion defence spending increase for FY 2025–26, bringing Canada's military budget to two per cent of GDP.[6602] The funding expands military pay, procurement, and R&D in areas like AI and cyber, aiming to spur innovation and jobs while enhancing security. To maintain fiscal sustainability, the government aims to offset costs through spending reallocations and ministry savings of 7.5 to 15 per cent over three years.

On 29 June 2025, Canada repealed its planned Digital Services Tax (DST), halting the three per cent levy on large tech firms set for 30 June 2025.[6603] The move supports trade talks with the U.S. and avoids retaliatory tariffs, fostering a stable investment climate for the tech sector. Thus, the repeal aims to ensure the tech sector remains growth-friendly.

On 30 June 2025, Prime Minister Carney announced a middle-class tax cut.[6604] The tax cut aims to enable average annual savings of CAD840 for middle-class families, resulting in a total of CAD22 million annually for Canadians. The tax cuts aim to offer financial relief, strengthen the resilience of the Canadian economy and ensure long-term growth and sustainability.

[6599] Government tables a motion to bring down costs for Canadians, Department of Finance Canada (Ottawa) 27 May 2025. Access Date: 9 July 2025. https://www.canada.ca/en/department-finance/news/2025/05/government-tables-a-motion-to-bring-down-costs-for-canadians.html

[6600] Government confirms non-taxability of Canada Carbon Rebates for small businesses, Department of Finance Canada (Ottawa) 3 June 2025. Access Date: 9 July 2025. https://www.canada.ca/en/department-finance/news/2025/06/government-confirms-non-taxability-of-canada-carbon-rebates-for-small-businesses.html

[6601] First Ministers' statement on building a strong Canadian economy and advancing major projects, Prime Minister of Canada (Saskatoon) 2 June 2025. Access Date: 11 September 2025. https://www.pm.gc.ca/en/news/statements/2025/06/02/first-ministers-statement-building-strong-canadian-economy-and-advancing-major-projects

[6602] Canada's new government is rebuilding, rearming, and reinvesting in the Canadian Armed Forces, Prime Minister's Office (Ottawa) 9 June 2025. Access Date: 9 July 2025. https://www.pm.gc.ca/en/news/news-releases/2025/06/09/canadas-new-government-rebuilding-rearming-and-reinvesting-canadian

[6603] Canada rescinds Digital Services Tax to advance broader trade negotiations with the United States, Department of Finance Canada (Ottawa) 29 June 2025. Access Date: 9 July 2025. https://www.canada.ca/en/department-finance/news/2025/06/canada-rescinds-digital-services-tax-to-advance-broader-trade-negotiations-with-the-united-states.html

[6604] Canada's new government delivers middle-class tax cut, Prime Minister of Canada (Ontario) 30 June 2025. Access Date: 11 September 2025. https://www.pm.gc.ca/en/news/news-releases/2025/06/30/canadas-new-government-delivers-middle-class-tax

On 2 July 2025, the government announced funding for five new projects in Alberta under the Low Carbon Economy Fund.[6605] These projects aim to help organizations adopt low-carbon technologies, cut greenhouse gas emissions and support Indigenous-led initiatives.

On 4 July 2025, Minister of Energy and Natural Resources Tim Hodgson announced CAD21.5 million in investments to develop Canada-made carbon capture and storage facilities.[6606] These investments aim to boost innovation, drive innovation and ensure long-term growth.

On 14 July 2025, the government announced its desire to launch public consultations on the 2025 federal budget.[6607] The government hopes to use consultation to achieve its goals of reducing the cost of living, improving community safety, diversifying trade, promoting economic growth and ensuring fiscal sustainability.

On 16 July 2025, Prime Minister Carney announced new measures to protect and develop Canada's steel industry, including investments.[6608] Among the investments are CAD70 million in training and income support for 10,000 workers, CAD1 billion to help steel companies advance projects that help retain domestic competitiveness and provide lower-cost financing for steel companies. These measures aim to ensure long-term economic growth in the steel industry.

On 17 July 2025, Minister of Jobs and Families and Minister responsible for the Federal Economic Development Agency for Northern Ontario, Patty Hadju, announced over CAD4.5 million for 22 tourism-related projects across Northern Ontario.[6609] These investments aim to promote growth in Northern Ontario's tourism sector.

On 5 August 2025, Prime Minister Carney announced investments to support Canada's softwood lumber industry.[6610] The investments include CAD700 million in loan guarantees for companies, CAD500 million for product and market diversification and CAD50 million for upskilling, reskilling and income supports. These investments aim to boost productivity and ensure continuous growth in the softwood lumber industry.

On 11 August 2025, Minister of Emergency Management and Community Resilience and Minister responsible for Prairies Economic Development Canada Eleanor Olszewski announced CAD1.3 million in investments for Artificial Intelligence research in Saskatchewan.[6611] The investments aim to sustain long-term economic growth.

[6605] The Government of Canada funds projects in Alberta and the Northwest Territories to build a strong, sustainable economy, Government of Canada (Ottawa) 2 July 2025. Access Date: 10 September 2025. https://www.canada.ca/en/environment-climate-change/news/2025/07/the-government-of-canada-funds-projects-in-alberta-and-the-northwest-territories-to-build-a-strong-sustainable-economy.html

[6606] Backgrounder: Canada Invests in Carbon Capture and Storage in Alberta, Government of Canada (Ottawa) 4 July 2025. Access Date: 10 September 2025. https://www.canada.ca/en/natural-resources-canada/news/2025/07/backgrounder-canada-invests-in-carbon-capture-and-storage-in-alberta.html

[6607] Canada's new government to consult on its first federal budget, Government of Canada (Ottawa) 14 July 2025. Access Date: 10 September 2025. https://www.canada.ca/en/department-finance/news/2025/07/canadas-new-government-to-consult-on-its-first-federal-budget.html

[6608] Prime Minister Carney announces new measures to protect and strengthen Canada's steel industry, Prime Minister of Canada (Hamilton) 16 July 2025. Access Date: 11 September 2025. https://www.pm.gc.ca/en/news/news-releases/2025/07/16/prime-minister-carney-announces-new-measures-protect-and-strength

[6609] Government of Canada invests over $4.5 million to enhance tourism across Northern Ontario, Government of Canada (Ottawa) 17 July 2025. Access Date: 10 September 2025. https://www.canada.ca/en/fednor/news/2025/07/government-of-canada-invests-over-45-million-to-enhance-tourism-across-northern-ontario.html

[6610] Prime Minister Carney announces new measures to transform Canada's softwood lumber industry, Prime Minister of Canada (Kelowna) 5 August 2025. Access Date: 11 September 2025. https://www.pm.gc.ca/en/news/news-releases/2025/08/05/prime-minister-carney-announces-new-measures-transform-canada

[6611] Minister Olszewski announces funding to help Saskatchewan businesses lead in AI innovation, Government of Canada (Ottawa) 11 August 2025. Access Date: 10 September 2025. https://www.canada.ca/en/prairies-economic-development/news/2025/08/minister-olszewski-announces-funding-to-help-saskatchewan-businesses-lead-in-ai-innovation.html

On 12 August 2025, Minister Olszewski announced CAD4.2 million in investments for Saskatchewan through the Business Scale-up and Productivity (BSP) program and the Regional Innovation Ecosystems (RIE) program.[6612] The investments aim to boost productivity and promote economic growth in Saskatchewan.

On 8 September 2025, the government of Canada and the provincial government of Ontario announced CAD4.77 million in investments across 48 research and innovation projects and supporting 20 companies through the Ontario Agri-Food Research Initiative (OAFRI).[6613] These OAFRI investments aim to boost productivity in Ontario's agriculture industry.

On 26 September 2025, Minister of Crown-Indigenous Relations Rebecca Alty announced CAD8 million in announcements for low-carbon jobs training in the Northwest Territories.[6614] The investments will provide in-person skills training for nearly 1,850 mid-career workers to facilitate a transition to low-carbon jobs. The investments aim to boost worker productivity and ensure long-term economic growth.

On 29 September 2025, Minister of Energy and Natural Resources Tim Hodgson announced CAD40 million in new investments through the Strategic Response Fund.[6615] The investments aim to expand Hitachi Energy Canada's manufacturing facility in Varennes, build a testing laboratory and upgrade Hitachi Energy's headquarters. These investments aim to boost productivity and promote long-term economic growth in Canada's energy sector.

On 29 September 2025, the Federal Economic Development Agency for Northern Ontario announced CAD595,400 in new investments to support three technology and AI-driven initiatives.[6616] The investments aim to improve productivity and ensure continued growth across the three initiatives.

On 6 October 2025, the Government of Canada announced a new Capital Budgeting Framework.[6617] The Framework aims to distinguish day-to-day spending from capital investments, enabling the Canadian government to better prioritize spending that delivers long-term benefits and economic growth. The Framework will also modernize the budget cycle to meet the demands of stakeholders across various provinces and economic sectors.

[6612] Backgrounder: Minister Olszewski announces support for agriculture sector in Saskatchewan, Government of Canada (Ottawa) 12 August 2025. Access Date: 10 September 2025. https://www.canada.ca/en/prairies-economic-development/news/2025/08/backgrounder-minister-olszewski-announces-support-for-agriculture-sector-in-saskatchewan.html
[6613] Canada and Ontario investing $4.77 million in agri-food research, Government of Canada (Ottawa) 8 September 2025. Access Date: 17 October 2025. https://www.canada.ca/en/agriculture-agri-food/news/2025/09/canada-and-ontario-investing-477-million-in-agri-food-research.html
[6614] Government of Canada invests in training for Canada's evolving low-carbon workforce, Government of Canada (Ottawa) 26 September 2025. Access Date: 18 October 2025. https://www.canada.ca/en/employment-social-development/news/2025/09/government-of-canada-invests-in-training-for-canadas-evolving-low-carbon-workforce.html
[6615] Government of Canada expands investment in critical clean technology manufacturing and clean energy, Government of Canada (Ottawa) 29 September 2025. Access Date: 18 October 2025. https://www.canada.ca/en/innovation-science-economic-development/news/2025/09/government-of-canada-expands-investment-in-critical-clean-technology-manufacturing-and-clean-energy.html
[6616] Government of Canada invests close to $600,000 to help commercialize new technology and advance AI solutions for Northern Ontario, Government of Canada (Ottawa) 29 September 2025. Access Date: 18 October 2025. https://www.canada.ca/en/fednor/news/2025/09/government-of-canada-invests-close-to-600000-to-help-commercialize-new-technology-and-advance-ai-solutions-for-northern-ontario.html
[6617] Government of Canada modernizes its budgeting approach to deliver generational investments, Government of Canada (Ottawa) 6 October 2025. Access Date: 17 October 2025. https://www.canada.ca/en/department-finance/news/2025/10/government-of-canada-modernizes-its-budgeting-approach-to-deliver-generational-investments.html

On 14 October 2025, Minister of Industry Mélanie Joly announced CAD26.4 million in investments to support innovation in residential construction in Quebec.[6618] The investments will support 51 projects across Quebec, aiming to improve productivity and promote economic growth by driving innovations in housing construction.

On 15 October 2025, the Government of Canada announced a CAD2.3 million investment in New Media Manitoba.[6619] The investment aims to integrate AI into the StudioLab xR facility, making it easier for small and medium-sized enterprises to adopt AI. This investment aims to ensure long-term growth and boost productivity through increased AI usage.

On 16 October 2025, the Federal Economic Development Agency for Northern Ontario announced a CAD410,000 investment for the Place des Arts du Grand Sudbury.[6620] The investments will create an Institut de professionnalisation artistique et culturelle (IPAC) at the Place des Arts, which will offer training, mentorship and support for Francaphone artists. The investments aim to grow Ontario's cultural and tourism sectors.

On 17 October 2025, the government of Canada and the provincial government of Manitoba announced up to CAD32 million in federal and provincial funding for renewable energy initiatives.[6621] These initiatives include refitting and retrofitting equipment, upgrading energy efficiency and renewable energy and fuel production. The investment aims to grow Manitoba's green economy.

Canada has fully complied with its 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, adjusting spending in other areas to account for an increase in defence spending and implementing major tax cuts and reforms. 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, tax cuts and tax suspensions, increased defence spending, and public investments in culture and housing. Canada has also taken action to direct public and private investments towards productivity-enhancing reforms through the SR&ED tax credit, policies from the FES and investments in the clean energy and fuel sector, the agriculture sector, as well as investments in AI and job training. 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.

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.

[6618] Government of Canada invests over $26.4M to support innovation in residential construction sector supply chain in Quebec, Government of Canada (Ottawa) 14 October 2025. Access Date: 17 October 2025. https://www.canada.ca/en/economic-development-quebec-regions/news/2025/10/government-of-canada-invests-over-264m-to-support-innovation-in-residential-construction-sector-supply-chain-in-quebec.html

[6619] Government of Canada investing in New Media Manitoba to boost AI innovation in Manitoba's digital media sector, Government of Canada (Ottawa) 15 October 2025. Access Date: 18 October 2025. https://www.canada.ca/en/prairies-economic-development/news/2025/10/government-of-canada-investing-in-new-media-manitoba-to-boost-ai-innovation-in-manitobas-digital-media-sector.html

[6620] Government of Canada invests over $400,000 in La Place des Arts du Grand Sudbury, Government of Canadia (Ottawa) 16 October 2025. Access Date: 18 October 2025. https://www.canada.ca/en/fednor/news/2025/10/government-of-canada-invests-over-400000-in-la-place-des-arts-du-grand-sudbury.html

[6621] Canada and Manitoba continue to support renewable energy initiatives in the province, Government of Canada (Ottawa) 17 October 2025. Access Date: 18 October 2025. https://www.canada.ca/en/environment-climate-change/news/2025/10/canada-and-manitoba-continue-to-support-renewable-energy-initiatives-in-the-province.html

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.[6622] 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.[6623] 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.[6624] 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."[6625] 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.[6626]

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.[6627]

On 17 March 2025, the State Council of China unveiled a new plan to encourage consumption and drive economic growth.[6628] The plan consists of 30 policies across eight sections and outlines specific actions for implementation, aiming to address both demand and supply-side economic issues. Measures adopted include stabilizing the stock and real-estate markets, connecting consumer spending goals with broader social goals, and promising to issue RMB300 billion in ultra-long special treasury bonds. Such measures aim to ensure China remains growth-friendly by boosting consumer spending.

[6622] 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
[6623] 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
[6624] "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
[6625] 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
[6626] Ministry o' 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
[6627] 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
[6628] New policy supports unveiled to encourage consumption, The State Council of The People's Republic of China (Beijing) 18 March 2025. Access Date: 2 July 2025. https://english.www.gov.cn/policies/policywatch/202503/18/content_WS67d8adcfc6d0868f4e8f0e9e.html

On 24 April 2025, the State Council of China issued the first batches of 2025 special treasury bonds and ultra-long special treasury bonds.[6629] The special treasury bonds and ultra-long special treasury bonds aim to support large state-owned commercial banks in replenishing capital. The ultra-long special treasury bonds aim to accelerate the implementation of major national strategies, improve security capacity in key areas, support a new round of large-scale equipment upgrades and a consumer goods trade-in program.

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.[6630]

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.[6631]

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.[6632] 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.

On 7 May 2025, China's monetary and financial authorities announced supportive measures such as policy rate and reserve requirement ratio cuts to stabilize markets and fuel economic recovery.[6633] The measures aim to stabilize markets and sustain the current economic recovery through external challenges.

On 21 May 2025, China announced it would increase financial support for small and micro firms.[6634] These supports include strengthening the issuance of various types of loans and guiding banks to improve financing efficiency and optimize loan approval measures. These supports aim to drive economic growth through small and micro firms.

On 12 June 2025, China's Ministry of Industry and Information Technology voiced support for capping the term of payment for suppliers of carmakers for 60 days.[6635] Such measures aim to ensure continuous growth in China's automobile manufacturing sector.

[6629] China issues first batches of 2025 special treasury bonds, The State Council of The People's Republic of China (Beijing) 20 January 2025. Access Date: 2 July 2025. https://english.www.gov.cn/news/202504/24/content_WS6809f996c6d0868f4e8f20a4.html

[6630] 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

[6631] 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

[6632] 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

[6633] China announces fresh policy boost to fuel economic recovery, The State Council of The People's Republic of China (Beijing) 7 May 2025. Access Date: 2 July 2025. https://english.www.gov.cn/news/202505/07/content_WS681b5d97c6d0868f4e8f2531.html

[6634] China to intensify financing support for small, micro firms, Xinhua (Beijing) 21 May 2025. Access Date: 21 September 2025. https://english.news.cn/20250521/b4c53db847e34a35ae5f1e3eea4421c2/c.html

[6635] Ch'nese ministry backs carmakers' payment commitment to suppliers, Xinhua (Beijing) 12 June 2025. Access Date: 12 September 2025. https://english.news.cn/20250612/28cacc4caee74eb7b0d046d29d84c966/c.html

On 14 July 2025, China's financial authorities unveiled a catalogue of green finance-supported projects.[6636] This catalogue aims to promote liquidity in the green finance market and reduce the costs of assessing green-finance-supported projects, contributing to China's fiscal sustainability.

On 17 July 2025, the Ministry of Finance and the State Taxation Administration amended taxation regulations regarding the sale of ultra-luxury cars.[6637] The tax brackets for medium-sized ultra-luxury cars have been adjusted to at least RMB900,000 in sales price, and second-hand ultra-luxury cars will be exempt from sales tax. The taxation changes aim to shore up fiscal sustainability.

On 18 July 2025, the National Financial Regulatory Administration committed to implementing stronger fiscal supports for economic growth.[6638] The Administration aims to boost consumption and promised increased effective investment and financing, improve financial services and offer support for quality production. These measures aim to promote economic growth and enhance productivity.

On 24 July 2025, the People's Bank of China and the Ministry of Agriculture and Rural Affairs issued a guideline strengthening financial services for rural revitalization.[6639] These reforms invest more financial resources in key areas of rural revitalization, such as increasing credit support to grain-producing regions, improving financial services for farmland and water conservation projects and offering financial support for productivity improvements in the agricultural sector. These reforms aim to boost rural and urban development, promote economic growth and enhance agricultural productivity.

On 1 August 2025, the National Development and Reform Commission and the Ministry of Finance allocated an additional RMB300 billion for China's consumer goods trade-in program.[6640] The additional funds aim to incentivize domestic consumption and drive economic growth.

On 1 August 2025, the State Taxation Administration released detailed rules for foreign investors claiming tax credits on reinvested dividends.[6641] The rules allow unused credits to be carried forward and apply lower rates under existing tax treaties. These rules contribute to China's fiscal sustainability.

On 4 August 2025, the Ministry of Finance implemented subsidies for personal consumption loans.[6642] Individuals who used personal consumption loans are eligible for subsidies, with the size of the subsidies scaling by the amount of loans used up to RMB50,000. The subsidies aim to boost growth by increasing consumer consumption.

On 11 August 2025, the Ministry of Finance imposed a value-added tax on package delivery services.[6643] These taxes aim to safeguard China's fiscal sustainability by raising additional revenues.

[6636] China unveils catalogue of green finance-supported projects, Xinhua (Beijing) 14 July 2025. Access Date: 17 July 2025. https://english.news.cn/20250714/4804a2ccee94400e8f651d6d1a0f18f7/c.html
[6637] 关于调整超豪华小汽车消费税政策的公告, Ministry of Finance of the People's Republic of China (Beijing) 4 August 2025. Translation provided by Analyst. Access Da'e: 12 September 2025.
[6638] China's top financial regulator pledges strengthened support for economic growth, Xinhua (Beijing) 18 July 2025. Access Date: September 12 2025. https://english.news.cn/20250718/31bac7843e13457fbe5968025642097d/c.html
[6639] China issues guideline on strengthening financial services for rural revitalization, Xinhua (Beijing) 24 July 2025. Access Date: 12 September 2025. https://english.news.cn/20250724/c075d38e9ea44bc99ad9698e3e391ac2/c.html
[6640] China to allocate more funds in October to support trade-in program, Xinhua (Beijing) 1 August 2025. Access Date: 11 September 2025. https://english.news.cn/20250801/12dc3e9dce37443bbe3aa68927afef18/c.html
[6641] China clarifies tax incentives for foreign investors reinvesting dividends, Xinhua (Beijing) 1 August 2025. Access Date: 11 September 2025. https://english.news.cn/20250801/55c14c379d2b4322ab1946e7d3fae716/c.html
[6642] 关于印发《个人消费贷款财政贴息政策实施方案》的通知, Ministry of Finance of the People's Republic of China (Beijing) 4 August 2025. Translation provided by Analyst. Access Date: 12 September 2025. https://jrs.mof.gov.cn/zhengcefabu/phjr/202508/t20250812_3969839.htm
[6643] 关于明确快递服务等增值税政策的公告, Ministry of Finance of the People's Republic of China (Beijing) 11 August 2025. Translation provided by Analyst. Access Date: 12 September 2025. https://szs.mof.gov.cn/zhengcefabu/202508/t20250812_3969840.htm

On 12 August 2025, the Ministry of Finance announced that eligible service sector businesses will benefit from a new loan interest subsidy policy action plan.[6644] The loan interest subsidy policy action plan aims to help service sector businesses in the categories of healthcare, elderly care, childcare, sports and tourism, housekeeping, catering and accommodation, culture and entertainment.

On 13 August 2025, China was able to complete the issuance of ultra-long special treasury bonds.[6645] The ultra-long special treasury bonds will support large-scale equipment upgrades across key sectors.

On 24 September 2025, China unveiled a package of measures which aims to boost service exports and promote the high-quality development of trade in services, including export credits and improving the efficiency of applying for export tax rebates.[6646] This package contributes to promoting growth.

On 28 September 2025, the Ministry of Finance and the Ministry of Commerce released a notice on the development of an International Consumer Environment.[6647] The notice highlighted that the Ministry of Finance and the Ministry of Commerce will implement relevant decisions and arrangements to create an international consumer environment, enhance the convenience and comfort of inbound consumption. These aims will be accomplished through a variety of methods, including reducing wasteful spending and offering fiscal assistance, thus contributing to fiscal sustainability and promoting growth.

On 30 September 2025, China finalized CNY300 billion for the consumer-goods trade-ins program.[6648] These ultra-long, special treasury bonds aim to revive domestic demand with 330 million consumers already claiming trade-in subsidies between January and August 2025.

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 and tax reforms. China has also taken action to ensure the country remains growth-friendly through consumption vouchers, setting up venture capital funds, continuing ultra-long special treasury bonds, announcing new policies to boost consumer spending, cutting policy rates and reserve requirement ratios and boosting service exports. It has also taken steps to rebuild fiscal buffers, maintain growth-friendly fiscal policies and catalyzing private investments for productivity enhancing reforms (PER).

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.

[6644] China unveils subsidy plan for loans to service sector businesses, The State Council The People's Republic of China (Beijing) 12 August 2025. Access Date: 20 August 2025. https://english.www.gov.cn/news/202508/12/content_WS689b1fc9c6d0868f4e8f4c90.html

[6645] China completes issuance of ultra-long special treasury bonds for equipment upgrades, The State Council The People's Republic of China (Beijing) 13 August 2025. Access Date: 20 August 2025. https://english.www.gov.cn/news/202508/13/content_WS689c8ff6c6d0868f4e8f4ce7.html

[6646] China unveils measures to boost services exports, The State Council of The People's Republic of China (Beijing). Access Date: 9 October 2025. https://english.www.gov.cn/news/202509/25/content_WS68d4842ec6d00ca5f9a066ad.html

[6647] Notice on the Development of an International Consumer Environment, Ministry of Finance of The People's Republic of China. (Beijing). Access Date: 9 October 2025. https://jjs.mof.gov.cn/zhengcefagui/202509/t20250930_3973615.htm

[6648] China finalizes 300-billion-yuan funding for consumer-gods trade-ins in 2025, The State Council of The People's Republic of China. (Beijing). 30 September 2025. Access Date: 9 October 2025. https://english.www.gov.cn/news/202509/30/content_WS68db'429c6d00ca5f9a0690a.html

On 3 December 2024, France pledged EUR700 million to promote the electrification of the automotive industry.[6649] 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.[6650] This aid supports low-income households in paying expenses and promotes increased consumption of and investment in productive activity.

On 31 December 2024, Prime Minister François Bayrou pledged that "specific measures" would materially and financially support the fishing and agricultural sectors.[6651] 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.[6652] 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.[6653] 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.[6654]

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.[6655] This promotes business activity by young farmers in the agricultural sector.

[6649] 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
[6650] 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
[6651] 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
[6652] 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
[6653] 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
[6654] 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
[6655] 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-gou'ernement-en-vue-de-la-loi

On 1 January 2025, France announced its proposal to resume minimum taxation of multinational company profits.[6656] 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.[6657] This action reaffirms France's commitment to servicing debt obligations while maintaining current fiscal policies.

On 15 January 2025, the French tax administration paid an advance of tax credits and reductions to over nine million tax households.[6658] 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.[6659] 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.[6660] 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.[6661] 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.[6662] 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,

[6656] 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
[6657] 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-g'nerale-de-francois-bayrou
[6658] 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
[6659] 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
[6660] 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
[6661] 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
[6662] 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

and advancing innovation.[6663] 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."[6664] 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.[6665] This action supports increased economic activity in the 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.[6666] 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.[6667] 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.[6668] 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."[6669] 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.

[6663] 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

[6664] 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

[6665] 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

[6666] 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

[6667] 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-nati–nale-hydrogene

[6668] France 2030 - Sa'té n"mérique': 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

[6669] 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

On 26 May 2025, France announced a plan to promote the decarbonization of the maritime sector and support the development of and transition into renewable maritime energy.[6670] Notably, EUR90 million of revenues in 2026 will be redirected from the European carbon market into decarbonization, and the 2026 Finance Bill will outline a tax rate change for small and medium enterprises for investments in fully decarbonized vessels. The plan also outlines the continuation and launch of renewable energy research and transitions. This project maintains current productivity levels while supporting growth in the maritime sector and decarbonization industry.

On 6 June 2025, the Interministerial Committee for Cities agreed on a course of action to improve residents' lives in "priority neighbourhoods" across the country.[6671] The third pillar of the project highlights investments in economic growth, including the acceleration of business creation through a fund of EUR60 million and EUR150 million in micro-credit loans. This promotes economic growth in priority neighbourhoods.

On 20 June 2025, Prime Minister Bayrou affirmed the continuation of the "France Ruralités" plan, supporting the ongoing funding of rural economies.[6672] The plan promotes trade development, commercial diversification and targets the economic sustainability of drinking establishments. This action supports business growth in rural communities.

On 27 June 2025, France signed the Financiers' Pact, outlining the EUR2.8 billion budget for the 2030 French Alps Olympic Games.[6673] This pact highlights EUR2 billion for the Organizing Committee and EUR800 million for infrastructure investments. "Rigorous spending control mechanisms" will also be enacted to ensure budget compliance. This reaffirms France's commitment to safeguarding fiscal sustainability and catalyzing investments towards productivity enhancement.

On 27 June 2025, France announced the development of the "Ambition Jeux 2030 État-Régions" Legacy Plan.[6674] One of the Plan's key objectives is to strengthen "economic attractiveness" within the Alps region, supporting local businesses and industries relevant to the Olympic Games. This promotes economic growth and productivity.

On 15 July 2025, Prime Minister Bayrou announced the Government's plan to simplify processes and remove obstacles for businesses to address corporate needs, as well as allocate an additional EUR900 million in business investment.[6675] Funding from the France 2030 Plan will also be redirected towards "priority" sectors that are rapidly developing, providing important jobs by 2035. This will improve competitiveness in financing and encourage national business growth.

[6670] Décarbonation, lutte contre la pêannual illégale et les pollutions... Un plan pour garantir notre souveraineté maritime, Gouvernement français (Paris) 26 May 2025. Translation provided by Google Translate. Access Date: 3 July 2025. https://www.info.gouv.fr/actualite/decarbonation-lutte-contre-la-peche-illegale-et-les-pollutions-un-plan-pour-garantir-notre-souverainete-maritime

[6671] Comité interministériel des villes : émanciper et protéger la jeunesse, Gouvernement français (Paris) 6 June 2025. Translation provided by Google Translate. Access Date: 3 July 2025. https://www.info.gouv.fr/actualite/comite-interministeriel-des-villes-emanciper-et-proteger-la-jeunesse

[6672] Territoires ruraux : maintenir la dynamique, Gouvernement français (Paris) 20 June 2025. Translation provided by Google Translate. Access Date: 3 July 2025. https://www.info.gouv.fr/actualite/territoires-ruraux-maintenir-la-dynamique

[6673] JOP Alpes françaises 2030 : des engagements concrets pour un héritage durable, Gouvernement français (Paris) 27 June 2025. Translation provided by Google Translate. Access Date: 1 July 2025. https://www.info.gouv.fr/actualite/jop-alpes-francaises-2030-des-engagements-concrets-pour-un-heritage-durable

[6674] JOP Alpes françaises 2030 : des engagements concrets pour un héritage durable, Gouvernement français (Paris) 27 June 2025. Translation provided by Google Translate. Access Date: 1 July 2025. https://www.info.gouv.fr/actualite/jop-alpes-francaises-2030-des-engagements-concrets-pour-un-heritage-durable

[6675] Debt and incr'ased production: François Bayrou's announcements : des engagements concrets pour un héritage durable, Gouvernement français (Paris) 15 July 2025. Translation provided by Google Translate. Access Date: 14 August 2025. https://www.info.gouv.fr/actualite/dette-et-hausse-de-la-production-les-annonces-de-francois-bayrou

On 11 September 2025, France announced a new EUR1,000 subsidy for every purchase of an electric vehicle (EV) assembled in Europe and equipped with European-made batteries.[6676] This is on top of an existing EUR4,200 grant amount for European battery-powered EVs, bringing the total amount households are eligible for to EUR5,200. The subsidy promotes growth and productivity in the French EV industry.

On 23 September 2025, Prime Minister Sébastien Lecornu suspended state communication spending until the end of 2025 to reallocate resources towards "public policies that have a direct impact on citizens."[6677] This reaffirms France's commitment to safeguarding fiscal sustainability and rebuilding buffers.

On 29 September 2025, Prime Minister Lecornu announced that there would be no increase in operating resources for all services and administrations under the Prime Minister's mandate, aside from projects relating to defence and national security, in 2026.[6678] This action aims to funnel funding towards productivity-enhancing programs and safeguards fiscal sustainability.

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, implementing exceptional turnover taxes, suspending communication on spending and pausing increases in operational resources for services. 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, businesses, decarbonization and Olympic-related sector. France has also taken strong action to catalyze public investments towards productivity enhancing reforms through aid benefits and support for disabled workers and the budget for the Olympic Games.

Thus, France receives a score of +1.

Analyst: Gabrielle Concepcion

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.[6679] 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.

[6676] New support of 1,000 euros for the purchase of an electric vehicle, Gouvernement français (Paris) 11 September 2025. Translation provided by Google Translate. Access Date: 10 October 2025. https://www.info.gouv.fr/actualite/nouveau-soutien-de-1000-euros-a-l-achat-d-un-vehicule-electrique

[6677] Suspension of State communication spending until the end of 2025, Gouvernement français (Paris) 23 September 2025. Translation provided by Google Translate. Access Date: 10 October 2025. https://www.info.gouv.fr/communique/suspension-des-depenses-de-communication-de-l'etat-jusqu-a-fin-2025

[6678] Matignon's 2026 Budget, Gouvernement français (Paris) 29 September 2025. Translation provided by Google Translate. Access Date: 10 October 2025. https://www.info.gouv.fr/communique/budget-2026-de-matignon

[6679] 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

On 2 December 2024, the German parliament passed the Annual Tax Act 2024.[6680] 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.[6681] 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."[6682] 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.[6683] 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) as 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 14 May 2025, Chancellor Friedrich Merz voiced a plan for Germany's economic growth through public and private investment.[6684] The Federal Government aims to "reduce bureaucracy quickly and tangibly; simplify the development of start-up [enterprises]; and promote cutting-edge technology."

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."[6685] 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.

On 4 June 2025, Germany adopted a draft law for a tax investment program aiming to provide a boost for "growth-generating investments."[6686] The law includes the adoption of declining balance depreciation for investments, especially for companies using electric vehicles in business operations, a gradual corporate tax rate

[6680] 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

[6681] 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

[6682] 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

[6683] 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

[6684] "Responsibility for Germany," The Federal Government (Berlin) 14 May 2025. Access Date: 3 July 2025. https://www.bundesregierung.de/breg-en/search/first-government-statement-chancellor-merz-2347710

[6685] 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

[6686] Growth booster to strengthen Germany as a business location, The Federal Government (Berlin) 4 June 2025. Access Date: 4 July 2025. https://www.bundesregierung.de/breg-en/search/federal-cabinet-adopts-growth-booster-2351964 reduction and a greater research allowance for corporate research and development. These actions provide incentive for business growth and catalyze both public and private investment in increasing productivity.

On 6 June 2025, Germany agreed to comply with new military capability targets within the North Atlantic Treaty Organization (NATO), including an increase in defence spending, the expansion of industrial capacity and the acquisition of equipment and weapons systems.[6687] This action catalyzes public investment towards productivity-enhancing reforms in the military defence sector.

On 4 July 2025, the government set a goal to reduce energy prices and electricity taxes for manufacturing, agriculture and forestry companies.[6688] The gradual tax cut, beginning in 2026, allows eligible companies to reallocate revenue towards growth enhancement.

On 16 July 2025, the government officially adopted a medium-term fiscal policy plan highlighting a significant increase in government spending, stronger growth initiatives and a defence spending exemption rule.[6689] This action maintains a growth-friendly environment and catalyzes public investment towards enhancing productivity.

On 30 July 2025, the government adopted the draft for the 2026 budget and the fiscal plan to 2029.[6690] The budget invests EUR126.7 billion and restructures corporate tax policies. The budget also demands stricter review of government functions and spending and requires new projects to be approved based on the availability of funds. The budget aims to boost economic growth while remaining fiscally sustainable.

On 6 August 2025, the government drafted a new law to accelerate national public procurement processes.[6691] This law provides companies further incentives to participate in public procurement, thereby increasing the benefits for the companies most hired through procurement, notably small-to-medium enterprises. This supports business growth and catalyzes public and private investment in productivity.

On 10 September 2025, the Federal Cabinet passed the Location Promotion Act, geared towards making Germany a strong business location.[6692] The bill focuses on three areas: easing capital market access for small-to-medium enterprises and start-ups, improving the tax framework to incentivize investment in infrastructure and renewable energies, and reducing unnecessary bureaucratic red tape. These actions stimulate economic participation from businesses and investors, generating increased public and private investment in productivity.

On 17 September 2025, Chancellor Merz emphasized the need for welfare reform, detailing a change from the current unemployment payment model to a new basic income.[6693] He claims the first steps towards this reform

[6687] Germany takes on more responsibility, The Federal Government (Berlin) 6 June 2025. Translation provided by Google Translate. Access Date: 3 July 2025. https://www.bundesregierung.de/breg-en/search/germany-takes-on-more-responsibility-2353486

[6688] Energy prices, The Federal Government (Berlin) 4 July 2025. Translation provided by Google Translate. Access Date: 14 August 2025. https://www.bundesregierung.de/breg-en/search/reduction-in-energy-prices-2358994

[6689] Strong signal for growth and sound public finances, The Federal Government (Berlin) 16 July 2025. Translation provided by Google Translate. Access Date: 14 August 2025. https://www.bundesregierung.de/breg-en/search/financial-pol-structural-plan-2365906

[6690] German government intensifies its investment drive: 2026 federal budget and fiscal plan to 2029 adopted, Federal Ministry of Finance (Berlin) 30 July 2025. Access Date: 12 September 2025. https://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2025/2025-07-30-government-draft-2026-federal-budget.html

[6691] Easier procurement, faster construction, The Federal Government (Berlin) 6 August 2025. Translation provided by Google Translate. Access Date: 14 August 2025. https://www.bundesregierung.de/breg-en/search/public-procurement-2377348

[6692] More investment for good jobs and growth, The Federal Government (Berlin) 10 September 2025. Translation provided by Google Translate. Access Date: 10 October 2025. https://www.bundesregierung.de/breg-en/search/location-promotion-act-2383900

[6693] "The autumn of reforms has long since begun", The Federal Government (Berlin) 17 September 2025. Translation provided by Google Translate. Access Date: 10 October 2025. https://www.bundesregierung.de/breg-en/search/chancellor-general-debate-2025-2384780 are already in the works. This action supports consumer investment in German businesses by supplementing household income.

On 17 September 2025, Chancellor Merz reaffirmed Germany's commitment to investing, including through a corporate taxation reform to induce investment and promote itself as a growing business hub.[6694] This increases private and public investment in the economy and promotes growth.

On 1 October 2025, the Federal Government passed two important policies regarding energy supply: a fusion energy action plan and the Hydrogen Acceleration Act.[6695] These strategies aim to support the development of fusion energy power plants and decarbonization. This encourages a national shift towards sustainable energy and fosters the longevity of business sectors.

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, medium-term fiscal policies, the 2026 budget, the fiscal plan to 2029 and calling for welfare and tax reform. 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, the Location Promotion Act, reducing bureaucracy and new spending. Germany has also taken strong action to catalyze public and private investments towards productivity enhancing reforms through its new draft tax law and compliance with new NATO capacity targets.

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 INR27.5 million until 31 March 2028.[6696] 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 INR890 billion in tax devolution to State Governments, a significant increase from INR89,000 crore in December 2024.[6697] 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

[6694] "The autumn of reforms has long since begun", The Federal Government (Berlin) 17 September 2025. Translation provided by Google Translate. Access Date: 10 October 2025. https://www.bundesregierung.de/breg-en/search/chancellor-general-debate-2025-2384780

[6695] Getting Germany back on track for growth, The Federal Government (Berlin) 1 October 2025. Translation provided by Google Translate. Access Date: 10 October 2025. https://www.bundesregierung.de/breg-en/search/cabinet-retreat-villa-borsig-2387320

[6696] 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

[6697] 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 rural development, with the aim of achieving a balanced growth trajectory and long-term fiscal stability.[6698] 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 INR1 billion without requiring collateral.[6699] She highlighted the increased capital expenditure for infrastructure development, the government's commitment to reducing the 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)."[6700] 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.[6701] 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 4 April 2025, the Ministry of Heavy Industries announced subsidies to promote electric vehicles.[6702] The PM E-DRIVE Scheme has a budget of INR109 billion and provides a subsidy to make EVs more affordable for buyers. This is supported by two additional schemes: the PLI for Auto and Components with INR259 billion to encourage EV manufacturing, and the PLI for ACC Battery Storage with INR181 billion to support battery production. These policies aim to make EVs more affordable nationwide and boost green mobility, thus leading to growth in the EV manufacturing sector.

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.[6703] 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

[6698] 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
[6699] 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
[6700] 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
[6701] 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
[6702] SUBSIDY FOR PROMOTING E-VEHICLES, Ministry of Heavy Industries (New Delhi) 4 April 2025. Access Date: 5 July 2025. https://www.pib.gov.in/PressReleseDetail.aspx?PRID=2118896
[6703] 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

initiatives including the adoption of revised DRT Regulations to safeguard financial stability and redeploying capital to encourage private-sector lending and investments.[6704]

On 1 July 2025, the Union Cabinet, chaired by Prime Minister Modi, approved the Employment Linked Incentive (ELI) Scheme to generate over 35 million jobs within two years with a budget of INR1 trillion.[6705] The scheme offers direct wage support to first-time employees and provides monthly incentives to employers hiring extra workers, with extended support for the manufacturing sector. It aims to increase job creation, formalization, employability and social security, thus aiming to ensure the manufacturing sector remains growth-friendly.

On 1 July 2025, the Union Cabinet, chaired by Prime Minister Modi, approved the INR1 trillion Research, Development, and Innovation (RDI) Scheme.[6706] The scheme aims to encourage private sector investment in strategic and emerging sectors by providing long-term concessional financing support for high-tech and critical R&D projects, thus ensuring the Indian economy, specifically its high-tech sector, remains growth-friendly.

On 7 August 2025, the Ministry of Micro Small and Medium Enterprises announced measures to expand finance for MSMEs, including an INR90 billion infusion into the Credit Guarantee Scheme and equity support through the Self-Reliant India Fund.[6707] The Ministry also reported the introduction of the Unified Lending Interface by the Reserve Bank of India to simplify loan processing and improve credit access.

On 8 August 2025, the Cabinet Committee on Economic Affairs approved the construction of a 46-kilometre four-lane highway between Marakkanam and Puducherry in Tamil Nadu under the Hybrid Annuity Model at a cost of INR21.57 billion.[6708] The project is intended to relieve congestion along existing routes and improve connectivity to highways, ports, airports and rail infrastructure, promoting economic growth.

On 19 August 2025, the Cabinet Committee on Economic Affairs approved the construction of a 111-kilometre six-lane access-controlled ring road around Bhubaneswar under the Hybrid Annuity Model with a capital cost of INR83.077 billion.[6709] The project is intended to divert heavy traffic from urban centres, reduce logistics delays and link highways, ports, airports and rail networks across Odisha, promoting regional economic growth.

On 7 October 2025, the Cabinet Committee on Economic Affairs approved four railway multitracking projects covering 894 kilometres across Maharashtra, Madhya Pradesh, Gujarat and Chhattisgarh at a total estimated cost of INR246.34 billion.[6710] These projects aim to decrease overall logistical costs, thus safeguarding long-term fiscal sustainability.

[6704] 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

[6705] Cabinet Approves Employment Linked Incentive (ELI) Scheme, Union Cabinet (New Delhi) 1 July 2025. Access Date: 5 July 2025. https://www.pib.gov.in/PressReleseDetail.aspx?PRID=2141127

[6706] Cabinet Approves Research Development and Innovation (RDI), Union Cabinet (New Delhi) 1 July 2025. Access Date: 5 July 2025. https://www.pib.gov.in/PressReleseDetail.aspx?PRID=2141130

[6707] Government Enhances MSME Support with Credit Schemes, SRI Fund, And SAMADHAAN Portal, Ministry of Micro, Small & Medium Enterprises (Delhi) 7 August 2025. Access Date: 19 October 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2153722&

[6708] Cabinet approves construction of 4-lane Marakkanam – Puducherry (NH-332A) in Tamilnadu on Hybrid Annuity Mode with an outlay of Rs.2157 crore, Cabinet Committee on Economic Affairs (New Delhi) 8 August 2025. Access Date: 19 October 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2154126&

[6709] Cabinet approves construction of 6-Lane Access-Controlled Capital Region Ring Road (Bhubaneswar Bypass, 110.875 km) in Odisha on Hybrid Annuity Mode (HAM) at capital cost of Rs.8307.74 crore, Ministry of Road Transport & Highways (New Delhi) 19 August 2025. Access Date: 19 October 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2157891&

[6710] Cabinet approves Four multitracking projects covering 18 Districts in Maharashtra, Madhya Pradesh, Gujarat, and Chhattisgarh increasing the existing network of Indian Railways by about 894 Kms, Ministry of Railways (New Delhi) 7 October 2025. Access Date: 19 October 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2175767&

On 9 October 2025, the Ministry of Textiles announced major amendments to the Production Linked Incentive (PLI) Scheme for man-made fibre (MMF) and technical textiles.[6711] The changes include a reduced investment threshold, relaxed eligibility for existing firms, and a lower turnover requirement to qualify for incentives. The revisions aim to reduce entry barriers, attract investment and expand domestic manufacturing capacity in the sector through fiscal incentives.

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 Schemes, tax devolutions. India has also taken significant action to ensure its economy remains growth-friendly through support for start-ups, easing regulatory burdens, providing subsidies for key sectors, the ELI Scheme, the RDI Scheme, targeted infrastructure spending and expanding financing for MSMEs. 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.

On 16 December 2024, Deputy Minister of Finance Thomas Djiwandono, outlined three key strategies to strengthen the state budget.[6712] 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.[6713] 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.[6714] 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

[6711] Ministry of Textiles Notifies Major Amendments in PLI Scheme for Textiles to Boost MMF and Technical Textiles Sectors, Ministry of Textiles (New Delhi) 9 October 2025. Access Date: 19 October 2025. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2176795&

[6712] 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

[6713] 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

[6714] 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 wealth fund to co-finance projects and attract foreign investment.[6715] This initiative aims to accelerate the development of WtE infrastructure, simplify investment procedures and promoting growth in the sector.

On 1 May 2025, President Prabowo affirmed the government's commitment to enhancing the welfare of workers and low-income earners through various social protection programs.[6716] Through cash transfers, subsidies and expanded public services, this initiative aims to increase purchasing power and thus boosting economic growth.

On 5 May 2025, Deputy Minister Nazara underscored the importance of aligning the 2026 Government Work Plan (RKP) with national priorities.[6717] He also emphasized the need to reform the budgeting approach by prioritizing program design first, rather than beginning with routine operational expenditures, thus ensuring the 2026 RKP is fiscally sustainable.

On 20 May 2025, Minister Indrawati stated that the government set a national economic growth target of between 5.2 to 5.8 per cent for 2026.[6718] She emphasized that fiscal policies focus on maintaining purchasing power, supporting natural resource down streaming, improving investment conditions and enhancing human resources.

On 28 June 2025, the Finance Ministry announced plans to increase tax compliance among e-commerce sellers by using platforms to collect income tax on behalf of sellers.[6719] This policy aims to streamline tax administration and improve revenue collection without changing existing tax principles, thus facilitating fiscal sustainability and the strengthening of fiscal buffers.

On 1 July 2025, Minister Indrawati stated that Indonesia's 2026 economic and fiscal policies will focus on strengthening national resilience amid global uncertainties.[6720] She highlighted priorities such as achieving food and energy self-sufficiency, improving education quality and accelerating industrialization.

On 5 July 2025, Deputy Minister of Home Affairs Bima Arya Sugiarto stated that providing incentives to regions contributing significantly to national foreign exchange through tourism is feasible but requires supporting regulations.[6721] The deputy minister emphasized that such incentives should promote sustainable tourism. These statements represent an affirmation of growth-friendly fiscal policies for the tourism sector.

[6715] 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

[6716] President Prawobo Affirms Commitment to Increase Labor Welfare and Social Protection, Government of Indonesia (Jakarta) 1 May 2025. Access Date: 9 May 2025. https://indonesia.go.id/kategori/social-culture/9286/president-prabowo-affirms-commitment-to-increase-labor-welfare-and-social-protection?lang=2

[6717] Deputy Ministry of Finance Suahasil: RKP 2026 must be in Line with National Priorities and President's Direction, Ministry of State Secretariat (Jakarta) 5 May 2025. Translated by Google Translate. Access Date: 11 May 2025. https://www.kemenkeu.go.id/informasi-publik/publikasi/berita-utama/RKP-2026-harus-Selaras-dengan-Prioritas-Nasional

[6718] Indonesia eyes 5.8 percent economic growth in 2026, Antara (Jakarta) 20 May 2025. Translation provided by Google Translate. Access Date: 6 July 2025. https://en.antaranews.com/news/355909/indonesia-eyes-58-percent-economic-growth-in-2026

[6719] Govt moves to increase tax compliance of e-com sellers, Antara (Jakarta) 28 June 2025. Translation provided by Google Translate. Access Date: 6 July 2025. https://en.antaranews.com/news/362625/govt-moves-to-increase-tax-compliance-of-e-com-sellers

[6720] Indonesia's 2026 economic policy to focus on resilience: minister, Antara (Jakarta) 1 July 2025. Translation provided by Google Translate. Access Date: 6 July 2025. https://en.antaranews.com/news/363245/indonesias-2026-economic-policy-to-focus-on-resilience-minister

[6721] Incentives for regions contributing tourism forex possible: govt, Antara (Jakarta) 5 July 2025. Translation provided by Google Translate. Access Date: 6 July 2025. https://en.antaranews.com/news/364365/incentives-for-regions-contributing-tourism-forex-possible-govt

On 8 July 2025, Minister Indrawati stressed that maintaining a healthy and credible budget remains essential for sustaining resilience, with the fiscal deficit projected at 2.78 percent of GDP by year-end.[6722]

On 8 July 2025, Minister Meutya Hafid announced that the Ministry of Communication and Digital Affairs (MCDA) received approval to raise its 2025 budget ceiling from RP7.73 trillion to RP12.75 trillion, reflecting expanded allocations across funding sources, including state revenue, foreign loans and public service agency income.[6723]

On 11 July 2025, Minister of Micro, Small and Medium Businesses (MSMEs) Maman Abdurrahman committed to easing access to financing for MSMEs in the creative industry, especially those with intellectual property.[6724] This initiative aims to boost growth in the creative industry.

On 21 July 2025, President Prabowo launched 80,000 Merah Putih Village Cooperatives nationwide, aiming to strengthen grassroots economic resilience and promote self-sufficiency in sectors like agriculture, MSMEs, healthcare and finance through coordinated government and state-owned enterprise support.[6725]

On 22 July 2025, President Prabowo and Minister Mulyani outlined the 2026 Draft State Budget, emphasizing programs for free nutritious meals, People's Schools, Merah Putih cooperatives and national food security, while maintaining a projected 2025 fiscal deficit of 2.78 per cent of GDP.[6726]

On 23 July 2025, President Prabowo announced his support for regulatory easing and targeted spending during a meeting with ministers.[6727] President Prabowo's statements indicate the government's support for growth-friendly fiscal policies.

On 26 July 2025, Coordinating Minister for Economic Affairs Airlangga Hartarto announced that the economic stimulus would be extended to the second half of 2025.[6728] The stimulus will include discounts on plane, ferry and train fares and toll tariffs. The stimulus aims to boost growth by encouraging consumption during the end-of-year holiday period.

On 7 August 2025, the Indonesian government issued its first Australian Dollar-denominated bonds under the Australian Medium-Term Notes program, raising AUD800 million through tenors of five and ten years.[6729] Finance Minister Sri Mulyani Indrawati stated that the issuance aims to diversify state budget financing sources and expand the global investor base. She noted that strong investor demand reflects confidence in Indonesia's fiscal management and economic stability.

[6722] Indonesia's Fiscal Resilience Supports Economic Growth, Government of Indonesia (Jakarta) 8 July 2025. Access Date: 21 August 2025. https://indonesia.go.id/kategori/editorial/9663/indonesia-s-fiscal-resilience-supports-economic-growth?lang=2
[6723] MCDA Secures Rp12.7 Trillion Budget Ceiling for 2025, Government of Indonesia (Jakarta) 8 July 2025. Access Date: 21 August 2025. https://indonesia.go.id/kategori/economic-business/9660/mcda-secures-rp12-7-trillion-budget-ceiling-for-2025?lang=2
[6724] Indonesia to ease financing access for creative MSMEs, Antara (Jakarta) 11 July 2025. Access Date: 12 September 2025. https://en.antaranews.com/news/365845/indonesia-to-ease-financing-access-for-creative-msmes
[6725] President Prabowo Launches 80,000 Merah Putih Village Cooperatives, Government of Indonesia (Jakarta) 21 July 2025. Access Date: 21 August 2025. https://indonesia.go.id/kategori/economic-business/9714/president-prabowo-launches-80-000-merah-putih-village-cooperatives?lang=2
[6726] 2026 State Budget Draft Prioritizes Free Nutrition, Food Security, Government of Indonesia (Jakarta) 22 July 2025. Access Date: 21 August 2025. https://indonesia.go.id/kategori/politic-law/9725/2026-state-budget-draft-prioritizes-free-nutrition-food-security?lang=2
[6727] Prabowo stresses targeted spending, deregulation, Antara (Jakarta) 23 July 2025. Access Date: 12 September 2025. https://en.antaranews.com/news/368381/prabowo-stresses-targeted-spending-deregulation
[6728] Govt to extend economic stimulus into second half, Antara (Jakarta) 26 July 2025. Access Date: 12 September 2025. https://en.antaranews.com/news/368997/govt-to-extend-economic-stimulus-into-second-half
[6729] Press Release, Ministry of Finance (Jakarta) 7 August 2025. Translation provided by Google Translate. Access Date: 20 October 2025. https://www.kemenkeu.go.id/informasi-publik/publikasi/siaran-pers/Siaran-Pers-Penerbitan-Global-Bonds

On 7 August 2025, Coordinating Minister Hartarto stated that the government will maintain economic growth by supporting household consumption and investment.[6730] He announced the continuation of government-borne value added tax for home purchases up to IDR2 billion until the end of 2025. He also introduced a revolving microcredit scheme to expand housing finance for micro, small and medium enterprise (MSME) contractors.

On 15 August 2025, President Prabowo Subianto presented the 2026 State Budget Bill, projecting a deficit of 2.48 per cent of GDP and pledging to reduce inefficient spending over time.[6731] He outlined plans to increase tax revenue, improve returns on state assets, and reform state-owned enterprises by limiting bonuses and reducing excessive appointments. To support growth and encourage investment in key sectors, he announced IDR402.4 trillion for energy security and IDR335 trillion for the Free Nutritious Meal program, which also benefits farmers, fishers and MSMEs. He added that public investment would be complemented by Danantara and targeted fiscal incentives to strengthen Indonesia's role in global supply chains.

On 2 October 2025, Cabinet Secretary Teddy Indra Wijaya stated that the government will ensure its 2025 economic stimulus package reaches targeted groups and is implemented efficiently across ministries.[6732] Coordinating Minister for Economic Affairs Airlangga Hartarto announced that additional stimulus will be disbursed in the fourth quarter to boost growth and support over 30 million lower-income families.

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 through VAT reforms, the RKP, growth targets, tax compliance reforms, key budgetary strategies, the 2026 Budget Bill and issuing bonds. Indonesia has also maintained growth-friendly fiscal policies through VAT reforms, fiscal support for the WtE sector, cash transfers, subsidies, infrastructure projects, new strategies from the cabinet and economic stimulus. 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.

[6730] Indonesia Accelerates Reforms to Sustain Strong Economic Growth in 2025, Cabinet Secretariat of the Republic of Indonesia (Jakarta) 7 August 2025. Translation provided by Google Translate. Access Date: 20 October 2025. https://setkab.go.id/en/indonesia-accelerates-reforms-to-sustain-strong-economic-growth-in-2025/

[6731] Address of the President of the Republic of Indonesia on the Presentation of the Government Statement on the Bill on the State Budget for the 2026 Fiscal Year and Its Financial Note Before the Plenary Session of the House of Representatives of the Republic of Indonesia, Cabinet Secretariat of the Republic of Indonesia (Jakarta) 15 August 2025. Translation provided by Google Translate. Access Date: 20 October 2025. https://setkab.go.id/en/address-of-the-president-of-the-republic-of-indonesia-on-the-presentation-of-the-government-statement-on-the-bill-on-the-state-budget-for-the-2026-fiscal-year-and-its-financial-note-before-the-plenar/

[6732] Gov't Ensures Well-Targeted Economic Stimulus Package, Cabinet Secretariat of the Republic of Indonesia (Jakarta) 2 October 2025. Translation provided by Google Translate. Access Date: 20 October 2025. https://setkab.go.id/en/govt-ensures-well-targeted-economic-stimulus-package/

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.[6733] Supporting underrepresented demographics in business facilitates diversification, innovation and otherwise untapped economic growth.

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.[6734] 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.[6735] 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."[6736] 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 14 January 2025, the Council of Ministers approved the first bill on Small and Medium Enterprises (SMEs).[6737] The bill introduces new measures to strengthen Italian micro, small and medium-sized enterprises, incentivize aggregation and innovation of the production system through improving access to credit and reducing tax burdens. This bill aims to ensure the Italian economy remains growth-friendly.

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."[6738] 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.

[6733] "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

[6734] 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

[6735] 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

[6736] 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

[6737] The Council of Ministers Approves the first bill on SMEs, Ministry of Business and Made in Italy (Rome) 14 January 2025. Translation provided by Google Translate. Access Date: 3 July 2025. https://www.mimit.gov.it/it/notizie-stampa/il-consiglio-dei-ministri-approva-il-primo-disegno-di-legge-sulle-pmi

[6738] 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

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.[6739] 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."[6740] 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.

On 23 July 2025, the Interministerial Committee for Economic Planning and Sustainable Development (CIPESS) approved a series of measures focused on cohesion policies.[6741] These approved measures included updates to the National Strategy for Internal Areas and amendments to regional operational programmes. In addition, CIPESS allocated resources for the NUVV Fund to support public investment evaluation units in 2025 and updated the criteria governing the fund from 2026 onwards.

On 24 September 2025, the CIPESS approved a series of cohesion-policy measures including funding allocations, transport projects and Revolving Fund resources, raising its overall commitment to EUR425.85 million.[6742]

On 31 October 2025, the government signed seven new agreements with national ministries, unlocking EUR3.4 billion in investments funded through the 2021-2027 Development and Cohesion Fund as well as co-financing to reduce regional disparities and support development in strategic sectors.[6743] The agreements channel resources into agriculture and innovation, environment and energy projects, cultural heritage, digital infrastructure and tourism as a part of Italy's advancements of its cohesion-policy reform.

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 action to safeguard fiscal sustainability and rebuild buffers by auctioning bonds. Italy has also taken strong actions to ensure the country remains growth friendly through grants to female entrepreneurs, state budget forecast, SMEs and ZESs. Italy has also taken action to enhance productivity through subsidies for industrial research, experimental development projects and agreements to channel resources into strategic sectors.

Thus, Italy receives a score of +1.

Analyst: Barry Gu

[6739] 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/

[6740] 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

[6741] Riunione del CIPESS del 23 luglio 2025, Governo Italiano Presidenza del Consiglio dei Ministri (Rome) 23 July 2025. Translation provided by Google Translate. Access Date: 12 November 2025. https://www.governo.it/it/articolo/riunione-del-cipess-del-23-luglio/29311

[6742] Riunione del CIPESS del 24 settembre 2025, Governo Italiano Presidenza del Consiglio dei Ministri (Rome) 24 September 2025. Translation provided by Google Translate. Access Date: 12 November 2025. https://www.governo.it/it/articolo/riunione-del-cipess-del-24-settembre-2025/29839

[6743] Attuazione della riforma dellannual politiche di coesionannual, firmati i primi 7 Accordi con i Ministeri e le Amministrazioni centrali, Governo Italiano Presidenza del Consiglio dei Ministri (Rome) 31 October 2025. Translation provided by Google Translate. Access Date: 12 November 2025. https://www.governo.it/it/articolo/attuazione-della-riforma-delle-politiche-di-coesioannuale-firmati-i-primi-7-accordi-con-i

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.[6744] 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.[6745] 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.[6746] 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.[6747] 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.[6748] 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 14 May 2025, Prime Minister Ishiba's panel proposed a JPY60 trillion public-private investment initiative for small and medium-sized enterprises (SMEs).[6749]

On 20 May 2025, the Japanese government allocated JPY10 billion to enhance nuclear fusion research institutes, aiming to accelerate fusion energy development by the 2030s.[6750] This public investment supports long-term productivity-enhancing reforms.

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."[6751] The ministers and representatives further committed to maintaining a "balanced and growth-

[6744] 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
[6745] 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
[6746] 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
[6747] 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_s'eech/20250228184116.html
[6748] 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/
[6749] Japan's Economic Panel Urges ¥60 Trillion Investment Plan, Reuters (Tokyo) 14 May 2025. Access Date: 2 July 2025.https://www.reuters.com/business/world-at-work/japan-economic-panel-urges-400-billion-investment-boost-sme-productivity-2025-05-14
[6750] Japan Allocates ¥10 Billion for Fusion Energy Research, EU-Japan News (Tokyo) 20 May 2025. Access Date: 2 July 2025. https://www.eu-japan.eu/news/weekly-japanese-industry-and-policy-news-17-23-may-2025
[6751] 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

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

On 28 May 2025, the Japanese government outlined its annual economic and fiscal policy guidelines, underscoring its commitment to safeguarding financial sustainability.[6752] The government pledged to take policy actions to address external economic challenges, including U.S. tariffs and rising inflation.

On 26 June 2025, the Japanese government approved a JPY115.5 trillion budget for fiscal 2025, reducing bond issuance by 19.2 per cent to JPY28.6 trillion.[6753] This aims to rebuild fiscal buffers and enhance the government's capacity to address potential economic challenges.

On 14 July 2025, the Ministry of Finance adjusted its bond issuance strategy after yields on long-term Japanese government bonds increased.[6754] The Ministry scaled back issuance of long-dated bonds to stabilize fiscal financing conditions.

On 4 August 2025, Prime Minister Ishiba announced that the government was prepared to compile a budget of approximately JPY10 trillion.[6755] The budget was intended to respond to new American tariffs and ensure Japan remains growth-friendly.

On 8 August 2025, the Japanese Cabinet approved new budget request guidelines for fiscal 2026.[6756] The guidelines allow ministries and agencies to request up to 20 per cent more funding than their allocations in the FY2025 initial budget for priority policy measures, including those to cope with rising prices.

On 29 August 2025, the government requested its largest defence budget for the fiscal year 2026.[6757] The defence budget includes an allocation of JPY4 billion for procuring six V-BAT systems for new patrol vessels under the Defence Buildup Program.

On 1 September 2025, Prime Minister Shigeru Ishiba directed cabinet ministers to compile an economic package responsive to current domestic and external challenges.[6758] The instruction was reported as part of efforts to coordinate a fiscal response to weakened growth and external pressures.

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, raising defense spending and compiling an economic package. 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

[6752] Japan Pledges Nimble Fiscal Actions, Reuters (Tokyo) 28 May 2025. Access Date: 2 July 2025. https://www.reuters.com/markets/asia/japans-government-pledge-nimble-fiscal-action-policy-guidelines-2025-05-28

[6753] Japan Approves Record ¥115.5 Trillion Budget, Nippon.com (Tokyo) 26 June 2025. Access Date: 2 July 2025. https://www.nippon.com/en/japan-data/h02256

[6754] "Investors Brace for Japan Bond Market Blowout as Election Nears," Reuters (Tokyo) 14 July 2025. Access Date: 15 August 2025. https://www.reuters.com/markets/asia/japan-election-angst-has-bond-investors-girding-jump-super-long-yields-2025-07-14

[6755] "Japan Ready to Compile Extra Budget to Cushion U.S. Tariff Blow, PM Ishiba Says," Reuters (Tokyo) 4 August 2025. Access Date: 15 August 2025. https://www.reuters.com/world/japan-ready-compile-extra-budget-cushion-us-tariff-blow-pm-ishiba-says-2025-08-04

[6756] "Japan's government adopts budget request guidelines for fiscal 2026," Japan Times (Tokyo) 8 August 2025. Access Date: 10 October 2025. https://www.japantimes.co.jp/business/2025/08/08/economy/budget-request/

[6757] "Japan requests largest-ever defense budget for fiscal year 2026," Naval News (Paris) 29 August 2025. Access Date: 10 October 2025. https://www.1109apannews.com/naval-news/2025/08/japan-requests-largest-ever-defense-budget-for-fiscal-year-2026/

[6758] "Japan PM to ask ministers to compile economic package, Sankei says," Reuters (Tokyo) 1 September 2025. Access Date: 10 October 2025. http1109apanww.reuters.com/markets/asia/japan-pm-ask-ministers-compile-economic-p"ckage-sankei-says-2025-09-02/

artificial intelligence and semiconductor sectors. Japan has also taken action to safeguard fiscal sustainability and rebuild buffers by approving the new draft budget 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."[6759] 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.[6760] 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.[6761] 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.[6762] 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 ecosystem.[6763] 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

[6759] "정부는 양극화 타개" 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

[6760] [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

6761 [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

[6762] 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

[6763] 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

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.[6764] 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.[6765] 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.[6766] 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.[6767] 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.

On 21 May 2025, the Ministry of Economy and Finance convened a joint ministers' meeting to review Korea's industrial and trade competitiveness efforts, highlighting KRW28.6 trillion in policy finance mobilized to counter trade risks.[6768] Key actions include establishing supporting wearable content and defence MRO exports, and reforming digital public service systems, aiming to ensure economic growth during periods of trade uncertainty.

On 16 June 2025, the Ministry of Economy and Finance announced the extension of tax cuts and quota tariffs to ease inflation and support livelihoods, including two-month fuel tax cuts and six-month reductions in consumption taxes on automobiles and power-generation fuels.[6769] The measures also include extending zero tariffs on Liquefied Petroleum Gas (LPG) and processed fruit, newly applying zero per cent tariffs on mackerel, and expanding import volumes for egg products.

[6764] 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

[6765] 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

[6766] 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

[6767] 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

[6768] 경제관계장관회의 겸 산업경쟁력강화 관계장관회의 개최, 기획재정부 (Sejong) 21 May 2025. Translated provided by Google Translate. Access Date: 6 July 2025. https://www.moef.go.kr/nw/nes/detailNesDtaView.do?searchBbsId=MOSFBBS_000000000028&menuNo=4010100&searchNttId=MOSF_000000000073912

[6769] '25년 하반기 탄력세율·할당관세 운용방안, 기획재정부 (Sejong) 16 June 2025. Translated provided by Google Translate. Access Date: 6 July 2025. https://www.moef.go.kr/nw/nes/detailNesDtaView.do?searchBbsId1=MOSFBBS_000000000028&searchNttId1=MOSF_000000000074143&menuNo=4010100

On 4 July 2025, the National Assembly finalized Korea's second supplementary budget of the year, increasing the total size from KRW30.5 trillion to KRW31.8 trillion.[6770] Key changes include higher government subsidy rates for local consumption coupons, expanded support for non-capital and depopulating regions, additional funding for disabled persons and farmers, and strengthened wildfire response, while partially offsetting increases with KRW1.1 trillion in spending cuts to limit debt issuance.

On 31 July 2025, the Ministry of Economy and Finance announced the 2025 tax reform plan.[6771] The plan raises the corporate tax rate back to 25 per cent, expands tax credits for AI, semiconductors, cultural content and increases deductions for childcare, housing and education costs. These measures aim to boost strategic industries, support low- and middle-income households and secure a sustainable revenue base.

On 20 August 2025, the Korean government announced a comprehensive financing plan to stabilize supply chains across all stages.[6772] The program mobilizes KRW50 trillion in policy finance, including low-interest loans, guarantees, and investment funds, to support critical sectors such as semiconductors, batteries, core minerals, energy, and logistics. Key measures include expanding the Supply Chain Stabilization Fund, extending support periods for resource development and infrastructure projects, and providing targeted subsidies for import diversification and domestic production.

On 22 August 2025, the Ministry of Science and ICT announced the R&D budget, totalling KRW35 trillion after approval by the National Science and Technology Advisory Council.[6773] The plan focuses on restoring the research ecosystem and promoting technology-led growth through large-scale investments in AI, strategic technologies, and clean energy, along with support for defence, SMEs, basic science, talent development, regional innovation, and disaster safety.

On 29 August 2025, the Ministry of Economy and Finance announced the 2026 national budget and the 2025-2029 fiscal management plan following Cabinet approval.[6774] The KRW728 trillion budget, up 8.1 per cent from the previous year, focuses on driving recovery and growth through performance-based fiscal management, innovation-led industries, inclusive growth, and stronger social foundations.

On 3 September 2025, the Ministry of SMEs and Startups announced support measures for exporting SMEs in response to the U.S. reciprocal tariff.[6775] The plan provides on-site customs help, expands policy finance, including KRW4.6 trillion in loans and guarantees, adds an export voucher of KRW420 billion and a new logistics voucher of KRW10.5 billion with two U.S. beauty logistics centers, and advances market diversification and competitiveness through K-beauty clusters, non-tariff barrier response, IP protection, and an online export plan.

[6770] 2025년 제2회 추가경정예산 국회 확정, 기획재정부 (Sejong) 4 July 2025. Translated provided by Google Translate. Access Date: 6 July 2025. https://www.moef.go.kr/nw/nes/detailNesDtaView.do?searchBbsId1=MOSFBBS_000000000028&searchNttId1=MOSF_000000000074371&menuNo=4010100

[6771] 2025년 세제개편안 발표, 기획재정부 (Sejong) 31 July 2025. Translated provided by Google Translate. Access Date: 21 August 2025. https://www.moef.go.kr/nw/nes/detailNesDtaView.do?searchBbsId1=MOSFBBS_000000000028&searchNttId1=MOSF_000000000074687&menuNo=4010100

[6772] 제5차 공급망안정화위원회 개최, 기획재정부 (Sejong) 20 August 2025. Translated provided by Google Translate. Access Date: 21 August 2025. https://www.moef.go.kr/nw/nes/detailNesDtaView.do;jsessionid=–t0lfDTw3pMqgBI6Pa5Bn9pIbX8r4EsS--s3xOf.node30?searchBbsId1=MOSFBBS_000000000028&searchNttId1=MOSF_000000000074948&menuNo=4010100

[6773] 이재명 정부 첫 번째 연구개발 예산안 발표, 역대 최대 규모인 35.3조 원 파격 투자, KDI (Sejong) 22 August 2025. Translated provided by Google Translate. Access Date: 10 October 2025. https://eiec.kdi.re.kr/policy/materialView.do?num=270050

[6774] "회복과 성장을 위한" 2026년도 예산안 및 2025~2029 국가재정운용계획 발표, KDI (Sejong) 29 August 2025. Translated provided by Google Translate. Access Date: 10 October 2025. https://eiec.kdi.re.kr/policy/materialView.do?num=270328&pg=&pp=20&topic=O

[6775] 미 상호관세 시행에 따른 수출 중소기업 지원방안 발표, KDI (Sejong) 3 September2025. Translated provided by Google Translate. Access Date: 10 October 2025. https://eiec.kdi.re.kr/policy/materialView.do?num=270584

On 12 September 2025, the Government announced the second round of Cost of Living Recovery Vouchers, starting on 22 September.[6776] Each eligible resident will receive KRW100,000, covering about nine tenths of the population, selected using June 2025 household health insurance contributions after excluding high asset households, with applications open through 31 October via cards, local vouchers, or prepaid cards, and the total outlay projected at up to roughly KRW4.6 trillion depending on final eligibility.

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, amending tax laws, finalizing the second supplementary budget and announcing the 2026 Budget. 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, utilizing public investments to facilitate growth in the technological, R&D and science sectors, mobilizing finance to counter trade uncertainties and extending tax cuts and quota tariffs. 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

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.[6777] 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.[6778] 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.[6779] The delegation proposed building sustainable industries in line with industrial policies that could balance economic growth and environmental protections.

[6776] 「민생회복 소비쿠폰 2차 지급」9월 22일 개시, KDI (Sejong) 29 August 2025. Translated provided by Google Translate. Access Date: 10 October 2025. https://eiec.kdi.re.kr/policy/materialView.do?num=270968

[6777] 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

[6778] 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

[6779] Mexico Reaffirms Commitment to Strengthening Multila'eralism 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

On 2 April 2024, President Caludia Sheinbaum announced plans to narrow fiscal deficits for the next fiscal year.[6780] 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.

On 28 May 2025, the Bank of Mexico published a report on federal inflation and economic activity.[6781] The report reaffirms the Bank of Mexico's commitment to invest in the resilience and growth of the national economy by facilitating enhanced market competition and national productivity.

On 9 June 2025, the Bank of Mexico published its quarterly "Report on Financial Stability."[6782] The report notes the federal government's commitment to reducing fiscal deficit through prudent macroeconomic policy, to which it attributes an overall favorable external assessment of Mexico's credit and public debt management. The report also highlights a growth in the public sector due to fiscal balancing projections.

On 26 June 2025, President Sheinbaum and Mexican state governors signed the new tax agreement "Economic Development Hubs for Well-being (Podecobis)."[6783] The incentive aims to facilitate productivity growth through public investment in infrastructure throughout the country and is part of the Mexican government's broader 'Plan México' initiative, which aims to promote long-term economic growth.

On 4 July 2025, members of the Mexican government, together with the United Nations System in Mexico and partners from civil society and the private sector, held a National Multi-Stakeholder Dialogue on building the Sustainable Development Cooperation Framework 2026-2031.[6784] The dialogue aligns with Mexico's commitment to advancing sustainable development goals and building a resilient and modern economy.

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 Podecobis. Furthermore, Mexico's preliminary budget aims to foster economic growth and safeguard financial stability. Mexico has also taken weak action to catalyze investments towards productivity-enhancing reforms by publishing a report, although this only constitutes weak action, as it has not directly led to the catalyzing of investments.

Thus, Mexico receives a score of 0.

Analyst: Yvonne Cuellar Rothbard

[6780] 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

[6781] Informe Trismestral Enero – Marzo 2025, Bank of Mexico (Mexico City) 28 May 2025. Translation provided by Google Translate. Access Date: 7 July 2025. https://www.banxico.org.mx/publicaciones-y-prensa/informes-trimestrales/%7B5602B6D6-713F-F7D6-67D8-68719CD24538%7D.pdf

[6782] Reporte de Estabilidad Financiera Junio 2025, Banco de Mexico (Mexico City) 9 June 2025. Translation provided by Google Translate. Access Date: 7 July 2025. https://www.banxico.org.mx/publicaciones-y-prensa/reportes-sobre-el-sistema-financiero/%7B018CA111-CB56-EC25-9554-69F482C51492%7D.pdf

[6783] Plan México: Presidenta Claudia Sheinbaum pone en marcha los primeros 15 Polos de Desarrollo Económico para el Bienestar en 14 estados, Gobierno de México (Mexico City) 26 June 2025. Translation provided by Microsoft Edge. Access Date: 28 July 2025. https://www.gob.mx/presidencia/prensa/plan-mexico-presidenta-claudia-sheinbaum-pone-en-marcha-los-primeros-15-polos-de-desarrollo-economico-para-el-bienestar-en-14-estados

[6784] UN, Mexican Government and Partners Hold National Dialogue on Building a Framework for Sustainable Development Cooperation, Government of Mexico (Mexico City) 8 July 2025. Access Date: 21 August 2025. https://www.gob.mx/sre/prensa/un-mexican-government-and-partners-hold-national-dialogue-on-building-a-framework-for-sustainable-development-cooperation?idiom=en

Russia: +1

Russia 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, Prime Minister Mikhail Mishustin signed an order allocating more than RUB57.5 billion worth of subsidies for loans at preferential rates to agricultural producers.[6785] 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.[6786]

On 11 December 2024, the Government of Russia reduced the tax burden on small and medium-sized manufacturing businesses.[6787] 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.[6788]

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.[6789] 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.[6790] 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.[6791] 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.

[6785] 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/

[6786] 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/

[6787] 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/

[6788] 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/

[6789] 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/

[6790] 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/

[6791] 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/

On 8 May 2025, the Government of Russia extended the tax deferral for entrepreneurs located in the Kursk Region to 2026, allowing business operations in the region to retain more capital.[6792]

On 11 June 2025, the Government of Russia announced an extension of its Free Economic Zone to certain border territories within the Bryansk Region.[6793] This redesignation provides said territories with reduced insurance premium rates, zero tax rates on corporate profits from investment projects, exemption from organizational property taxes and free customs zones, and access to preferential lending programs. The resolution to this effect aims to support companies which operate in the affected territories and promote long-term economic growth.

On 16 June 2025, Prime Minister Mikahil Mishustin signed an order allocating RUB20 billion from the Industrial Development Fund and cabinet reserves to support 50 projects for advanced industrial technologies and industries.[6794] This investment is targeted at attracting private investment and is estimated to create over a thousand jobs.

On 23 June 2025, the Government of Russia signed an order allocating RUB4 billion in subsidies for preferential loans to support the development of urban electric public transport.[6795] Subsidies and funds allocated to this project estimated to total more than RUB41.7 billion from 2025 to 2042.

On 25 June 2025, the Government of Russia announced a resolution creating a Special Economic Zone in the Republic of Tatarstan.[6796] This aims to grant residents and businesses tax breaks and is estimated to both attract more than RUB15 billion in investment in various projects and create more than 440 jobs.

On 4 July 2025, the Government of Russia announced a further deferral on the payment of transport, land and property taxes by residents of certain areas within the Kursk Region.[6797]

On 14 July 2025, Prime Minister Mishustin signed an order writing off up to two-thirds of budget loan debt accumulated by 25 regions in the Russian Federation, to a total of RUB42.7 billion.[6798] The amount of debt written off corresponds to the amount invested by each region in housing and infrastructure, as well as the amount spent on other measures corresponding to increasing the financial well-being of citizens and companies. The write-offs aim to enable existing funds to be allocated in ways that support local economies.

[6792] Правительство продлило отсрочку по уплате налогов для предпринимателей в Курской области и расширило параметры этой меры поддержки (Moscow) 12 May 2025. Translation provided by Google Translate. Access Date: 6 July 2025. http://government.ru/dep_news/54977/

[6793] Правительство распространило режим свободной экономической зоны на ряд приграничных территорий Брянской области (Moscow) 11 June 2025. Translation provided by Google Translate. Access Date: 6 July 2025. http://government.ru/dep_news/55323/

[6794] Правительство выделило 20 млрд рублей на поддержку передовых промышленных инициатив (Moscow) 16 June 2025. Translation provided by Google Translate. Access Date: 6 July 2025. http://government.ru/dep_news/55358/

[6795] Правительство утвердило планируемый объём субсидирования региональных проектов по развитию городского электротранспорта (Moscow) 26 June 2025. Translation provided by Google Translate. Access Date: 6 July 2025. http://government.ru/dep_news/55456/

[6796] Правительство утвердило постановление о создании в Татарстане особой экономической зоны «Зелёная долина» (Moscow) 26 June 2025. Translation provided by Google Translate. Access Date: 6 July 2025. http://government.ru/dep_news/55449/

[6797] Правительство продлило отсрочку по уплате налогов для жителей отдельных территорий Курской области (Moscow) 4 July 2025. Translation provided by Google Translate. Access Date: 6 July 2025. http://government.ru/dep_news/55524/

[6798] Правительство списало задолженность по бюджетным кредитам 25 регионов (Moscow) 14 July 2025. Translation provided by Google Translate. Access Date: 14 August 2025. http://government.ru/dep_news/55629/

On 14 July 2025, Prime Minister Mishustin signed an order allocating RUB2.5 billion of the federal budget to modernize and develop the infrastructure of economic centers in the Far Eastern Federal District.[6799] This investment aims to improve living conditions within the eastern end of the Russian Federation and promote long-term, sustainable and productive growth.

On 18 July 2025, Prime Minister Mishustin signed an order allocating RUB4 billion to provide financial support to and promote productivity in single-industry towns and special economic zones by providing preferential lending to companies located in said areas.[6800]

On 18 July 2025, Prime Minister Mishustin signed an order adding 21 items to an existing list of modern technologies, the producers of which are eligible for special investment contracts with the state.[6801] This order aims to identify and catalyze investment into key areas and promote the development of competitive goods.

On 26 July 2025, Prime Minister Mishustin signed a resolution extending the deadline for companies in the coal industry to pay off their taxes and insurance premiums.[6802]

On 28 July 2025, the Government extended its temporary restriction on gasoline exports, justifying the decision as a way to stabilize the domestic market for fuel.[6803]

On 31 July 2025, Prime Minister Mishustin signed an order writing off RUB47.3 billion in budget loan debt for eight additional regions, totalling up to two-thirds of their debt on said loans, depending on their volume of investments into infrastructure and industrial development.[6804]

On 8 August 2025, Prime Minister Mishustin signed an order writing off RUB29 billion in budget loan debt for twelve additional regions, totalling up to two-thirds of their debt on said loans.[6805] This order brought the number of regions given this opportunity from the beginning of 2025 up to 36, totaling RUB105.6 billion in write-offs.

[6799] Правительство направит дополнительно более 2,5 млрд рублей на реализацию планов социального развития центров экономического роста дальневосточных регионов (Moscow) 14 July 2025. Translation provided by Google Translate. Access Date: 14 August 2025. http://government.ru/dep_news/55630/

[6800] Правительство выделит около 4 млрд рублей на поддержку инвестпроектов в моногородах и особых экономических зонах (Moscow) 18 July 2025. Translation provided by Google Translate. Access Date: 14 August 2025. http://government.ru/dep_news/55680/

[6801] Правительство расширило перечень современных технологий для заключения специальных инвестиционных контрактов (Moscow) 20 July 2025. Translation provided by Google Translate. Access Date: 14 August 2025. http://government.ru/dep_news/55695/

[6802] Правительство утвердило постановление об отсрочке уплаты налогов и страховых взносов для предприятий угольной отрасли (Moscow) 26 July 2025. Translation provided by Google Translate. Access Date: 14 August 2025. http://government.ru/dep_news/55771/

[6803] Правительство распространило временные ограничения экспорта бензина на производителей нефтепродуктов (Moscow) 28 July 2025. Translation provided by Google Translate. Access Date: 14 August 2025. http://government.ru/dep_news/55781/

[6804] Правительство списало задолженность по бюджетным кредитам восьми регионам, реализовавшим инфраструктурные проекты (Moscow) 31 July 2025. Translation provided by Google Translate. Access Date: 14 August 2025. http://government.ru/dep_news/55809/

[6805] Правительство списало задолженность по бюджетным кредитам ещё 12 регионам, реализовавшим инфраструктурные проекты (Moscow) 8 August 2025. Translation provided by Google Translate. Access Date: 14 August 2025. http://government.ru/dep_news/55868/

On 28 August 2025, Prime Minister Mikhail Mishustin signed an order writing off up to two-thirds of the budget loan debt for nine regions that implemented infrastructure modernization projects.[6806] This order would cover up to RUB25.5 billion in debt and is intended to ease the burden that debt places on these regions.

On 6 September 2025, Prime Minister Mikhail Mishustin signed an order partially writing off the budget loan debt for the Karachay-Cherkessia Republic, Chuvash Republic, and the Orenburg Region, totaling to over RUB5.8 billion.[6807]

On 17 September 2025, the Government of the Russian Federation announced that it would be allocating RUB1.5 billion to export control centers.[6808] The project aims to help more companies grow internationally by allowing them to enact export contracts.

On 18 September 2025, Prime Minister Mikhail Mishustin signed an order allocating RUB500 million in subsidized preferential loans for small-town housing developments.[6809] The program under which these loans fall aims to incentivize and support construction companies building housing infrastructure in small towns and support residents.

On 3 October 2025, Prime Minister Mikahil Mishustin signed an order allocating RUB4 billion in preferential loans, subsidies, and other forms of funding to businesses and entrepreneurs in Belgorod, Bryansk, and Kursk.[6810] The move aims to promote job growth in these regions.

Russia 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. Russia has also taken steps to safeguard financial stability by deferring tax payments from the Kursk, Krasnodar and Orenburg Regions, as well as the Chuvash and Karachay-Cherkessia Republics, 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. Russia has also maintained growth-friendly fiscal policies by extending Free Economic Zones, funding projects and providing loans and subsidies. However, Russia has not taken action to catalyze public investments for productivity enhancing reforms.

Thus, Russia receives a score of +1.

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.

[6806] Правительство списало часть задолженности по бюджетным кредитам ещё девяти регионам, реализовавшим проекты по модернизации инфраструктуры (Moscow) 28 August 2025. Translation provided by Google Translate. Access Date: 10 October 2025. http://government.ru/news/56053/
[6807] Правительство утвердило решение о списании части задолженности по бюджетным кредитам ещё трём регионам (Moscow) 6 September 2025. Translation provided by Google Translate. Access Date: 10 October 2025. http://government.ru/news/56133/
[6808] Правительство выделит 1,5 млрд рублей на работу региональных центров поддержки экспорта (Moscow) 17 September 2025. Translation provided by Google Translate. Access Date: 10 October 2025. http://government.ru/news/56234/
[6809] Правительство запускает программу субсидирования кредитов для застройщиков, работающих в рамках механизма проектного финансирования (Moscow) 18 September 2025. Translation provided by Google Translate. Access Date: 10 October 2025. http://government.ru/news/56249/
[6810] Правительство дополнительно выделило более 4 млрд рублей на поддержку бизнеса в ряде приграничных регионов (Moscow) 3 October 2025. Translation provided by Google Translate. Access Date: 10 October 2025. http://government.ru/news/56410/

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.[6811] 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.[6812] 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.[6813] 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.[6814] 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.[6815] 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.

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.[6816] 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.[6817] 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.

[6811] 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

[6812] 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

[6813] 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

[6814] 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

[6815] 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

[6816] 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

[6817] 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

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.[6818] 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.[6819] These reforms aim to broaden the tax base, enhance compliance and support fiscal sustainability.

On 8 July 2025, the Cabinet authorized the state-owned Social Development Bank to launch a new program that sponsors the citizens in need to obtain financing for small businesses and personal projects.[6820] The initiative aims to catalyze productive investment at the grassroots level by enhancing financial inclusion, as it enables vulnerable groups to access credit and economic opportunities in line with Saudi Arabia's sustainable development goals, contributing to long-term economic growth.

On 14 July 2025, the Ministry of Municipalities and Housing issued implementing regulations for the White Land Tax, originally enacted in May 2025.[6821] The policy imposes an annual 2.5 per cent tax on the market value of undeveloped land parcels of 5,000 m² or larger in serviced urban areas. The measure aims to curb land banking, promote efficient land use, and support Vision 2030's fiscal sustainability and growth-friendly urban development objectives.

On 1 August 2025, the NDMC announced the completion of the 2025 Annual Borrowing Plan.[6822] The Plan aims to cover SAR101 billion in budget deficits and SAR38 billion in principle debt repayments. The completion of the plan aims to ensure fiscal sustainability.

On 11 August 2025, the Capital Market Authority called for feedback on a proposal enabling capital market investors to invest in financing investment funds, which were previously offered only through private placements.[6823] The proposal aims to increase financing sources for the funds, thus contributing to fiscal sustainability.

On 3 September 2025, the NDMC completed arranging an international sukuk of USD5.5 billion, the first international issuance based on an Ijarah structure.[6824] The international sukuk aims to raise funds to meet Saudi Arabia's debt financing needs and ensure fiscal sustainability.

[6818] 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

[6819] Saudi Arabia VAT Updates, VATCalc (Riyadh) 18 April 2025. Access Date: 14 May 2025. https://www.vatcalc.com/saudi-arabia/saudi-arabia-vat-updates/

[6820] Al-Rajhi: Cabinet's decision is supportive to most vulnerable groups, Saudi Gazette (Riyadh) 9 July 2025. Access Date: 9 July 2025. https://saudigazette.com.sa/article/653305/SAUDI-ARABIA/Al-Rajhi-Cabinets-decision-is-supportive-to-most-vulnerable-groups

[6821] Saudi Arabia's New White Land Tax Regulations – July 2025 Update, BCLP – Bryan Cave Leighton Paisner (St Louis) 14 July 2025. Access Date: 24 August 2025. https://www.bclplaw.com/en-US/events-insights-news/saudi-arabias-new-white-land-tax-regulations-july-2025-update.html

[6822] The National Debt Management Center Announces the Completion of the Borrowing Plan, National Debt Management Center (Riyadh) 1 August 2025. Access Date: 20 October 2025. https://www.ndmc.gov.sa/en/mediacenter/news/Pages/News_01082025.aspx

[6823] CMA Calls for Public Consultation on Enabling the Public Offering of Financing Investment Funds, Saudi Press Agency (Riyadh) 11 August 2025. Access Date: 12 September 2025. https://www.spa.gov.sa/en/N2376971

[6824] The National Debt Management Center Announces the Completion of USD 5.5 Billion Trust Certificates issuance, National Debt Management Center (Riyadh) 3 September 2025. https://www.ndmc.gov.sa/en/mediacenter/news/Pages/news_09032025.aspx

On 16 September 2025, the NDMC closed the September 2025 sukuk issuance.[6825] The issued sukuk, with maturities ranging from 2027 to 2039, amounts to SAR8.036 billion.

On 30 September 2025, the Ministry of Finance announced the Pre-Budget Statement for Fiscal Year 2026.[6826] The statement calls for SAR1,313 billion to be spent in an expansionary spending policy to promote growth, while also aiming to moderately reduce the budgetary deficit to ensure greater 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, VAT reforms, feedback on capital market investment reforms and the pre-budget statement. 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: +1

South Africa 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 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.[6827]

On 27 January 2025, Finance Minister Enoch Godongwana proposed adjustments to the national budget, including a potential increase in the value-added tax (VAT).[6828] 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.[6829] This action reflects a commitment to remaining growth-friendly while reassessing fiscal strategies.

[6825] NDMC closes the September 2025 Issuance under the Saudi Arabian Government SAR-denominated Sukuk Program, National Debt Management Center (Riyadh) 16 September 2025. Access Date:

[6826] Saudi Ministry of Finance Announces Pre-Budget Statement for FY 2026 with Expenditures Estimated at SAR 1,313 billion and Revenues at SAR 1,147 billion, Ministry of Finance (Riyadh) 30 September 2025. Access Date: 20 October 2025. https://www.mof.gov.sa/en/MediaCenter/news/Pages/News_3092025.aspx

[6827] 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%20Concludin–%20Sta–ement.pdf

[6828] 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

[6829] 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

On 11 June 2025, South Africa's Parliament approved the fiscal framework and revenue proposals of the national budget, removing a proposed VAT increase to secure consensus.[6830] This decision ensured the budget passed despite political disagreements within the governing coalition, safeguarding fiscal sustainability.

On 23 July 2025, South Africa's lower house of Parliament passed the final major component of the 2025 Appropriation Bill after extended delays.[6831] The approval included the withdrawal of a proposed VAT increase.

On 24 July 2025, the African Development Bank and South Africa signed a USD474.6 million loan to South Africa to support transport and energy infrastructure upgrades.[6832] The loan aims to fund energy efficiency and railway reforms aimed at improving economic productivity.

On 25 July 2025, South Africa sought approximately USD500 million in foreign exchange funding following the conclusion of a budget impasse.[6833] The request was presented as part of efforts to strengthen fiscal stability after delayed budget approvals.

On 12 September 2025, the National Treasury held the first round of stakeholder workshops on fiscal anchors, strengthening South Africa's fiscal sustainability and transparency amid rising debt and budget deficits.[6834] Participants from industry, academia and civil society engaged in discussions on sustainable public finances and numerical fiscal rules.

On 31 October 2025, the National Treasury released the new Fiscal Commitments and Contingent Liabilities (FCCL) and Unsolicited Bid Proposal (USP) Guidelines as a part of a series of reforms to strengthen public-private partnerships.[6835] The FCCL Guideline outlines a standardized approach to assessing and monitoring risks, enhancing fiscal oversight and stimulating private-sector investment.

South Africa 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. 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. South Africa has also taken steps to catalyze investment towards productivity-enhancing reforms through loans from the African Development Bank.

[6830] South African Parliament Passes Budget Framework, Reuters (Johannesburg) 11 June 2025. Access Date: 2 July 2025. https://www.reuters.com/world/africa/south-african-parliament-passes-budget-framework-2025-06-11

[6831] "South Africa's Parliament Passes Last Major Budget Bill," Reuters (Johannesburg) 23 July 2025. Access Date: 15 August 2025. https://www.reuters.com/world/africa/south-africas-parliament-passes-last-major-budget-bill-2025-07-23

[6832] South Africa and the African Development Bank sign US$474.6 million development policy loan to finance the infrastructure governance and green growth programme, National Treasury (Pretoria) 24 July 2025. Access Date: 28 July 2025. https://www.treasury.gov.za/comm_media/press/2025/2025072401%20Media%20Statement%20-%20African%20Development%20Bank%27s%20Development%20Policy%20Loan.pdf

[6833] "South Africa Seeks 500 Million Forex Funding After Budget Impasse Ends," Reuters (Johannesburg) 25 July 2025. Access Date: 15 August 2025. https://www.reuters.com/world/africa/south-africa-seeks-500-million-forex-funding-after-budget-impasse-ends-2025-07-25

[6834] TREASURY HOLDS FIRST ROUND OF WORKSHOPS ON FISCAL ANCHORS, BROAD PUBLIC ENGAGEMENT TO FOLLOW, National Treasury (Pretoria) 12 September 2025. Access Date: 12 November 2025. https://www.treasury.gov.za/comm_media/press/2025/2025091201%20Media%20Statement%20-Treasury%20Holds%20First%20Round%20Of%20Workshops%20On%20Fiscal%20Anchors%20Broad%20Public%20Engagement.pdf

[6835] PUBLICATION OF FISCAL COMMITMENTS AND CONTINGENT LIABILITIES (FCCL) AND UNSOLICITED BID PROPOSAL (USP) GUIDELINES, National Treasury (Pretoria) 31 October 2025. Access Date: 12 November 2025. https://www.treasury.gov.za/comm_media/press/2025/2025103101%20Media%20Statement%20-%20Fiscal%20Commitments%20and%20Contingent%20Liabilities%20(FCCL)%20and%20Unsolicited%20Bid%20Proposal%20(USP)%20Guidelines.pdf

Thus, South Africa receives a score of +1.

Analyst: Amitav Johri

Türkiye: +1

Türkiye 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 12 December 2024, President Recep Tayyip Erdogan raised minimum corporate tax rates from ten to fifteen per cent.[6836] 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.[6837] 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.[6838]

On 30 January 2025, Treasury and Finance Minister Mehmet Simsek announced the government's intentions to pursue a tighter fiscal policy and continue with disinflation throughout 2025.[6839] The tighter fiscal policy aims to increase economic resilience, achieve greater, more permanent price stability, and reduce the budget deficit to the national income ratio to 3.1 per cent in 2025.

On 13 April 2025, Minister Simsek emphasized the government's commitment to its economic program at the Antalya Diplomacy Forum.[6840] In particular, he emphasized the role of the government's fiscal policy tools and targets in reaching its inflationary goals, such as achieving fiscal consolidation and a lower fiscal deficit in order to assist the Central Bank in lowering the inflation rate.

On 20 April 2025, the Economy Coordination Board released a statement emphasizing the achievement of the economic program in strengthening financial stability by fighting inflation while simultaneously maintaining a strong fiscal policy.[6841]

On 26 May 2025, the Development and Investment Bank of Türkiye obtained a USD500 million loan from the World Bank to promote employment in the 11 provinces most affected by the 2023 earthquakes.[6842] Finance Minister Mehmet Simsek announced the government's intention to allocate international aid to support

[6836] "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

[6837] "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-

[6838] 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

[6839] Fiscal policy to be tighter, disinflation to continue: Turkish finance chief (Istanbul) 30 January 2025. Access Date: 10 May 2025. https://www.dailysabah.com/business/economy/fiscal-policy-to-be-tighter-disinflation-to-continue-turkish-finance-chief

[6840] There is strong political commitment to economic program: Simsek, Hürriyet Daily News (Antalya) 13 April 2025. Access Date: 10 May 2025. https://www.hurriyetdailynews.com/simsek-underscores-strong-political-commitment-to-economic-program-207996

[6841] Economy program strengthens macro-financial stability: Board, Hürriyet Daily News (Giresun) 20 April 2025. Access Date: 10 May 2025. https://www.hurriyetdailynews.com/economy-program-strengthens-macro-financial-stability-board-208260

[6842] World Bank approves $500M loan for employment in 11 hardest-hit provinces, raising total funding since 2023 to $6.4B, Yeni Safak (Istanbul) 26 May 2025. Access Date: 6 July 2025. https://www.yenisafak.com/en/economy/turkiye-secures-64b-to-boost-jobs-recovery-in-quake-hit-southeast-3702692 employment, production and affordability in affected areas, enhancing productivity and promoting economic growth in earthquake-affected areas.

On 2 June 2025, Industry and Technology Minister Mehmet Fatih Kacir announced a new incentive system for investments into strategic, technological and regional development within Türkiye.[6843] The incentives include cash support of up to TRY240 million covering investments into machinery, technology and province-specific industries such as agriculture, manufacturing and tourism. These investments aim to bolster domestic production, raise employment numbers and increase the self-sufficiency and international competitiveness of Turkish industries in the international market.

On 29 June 2025, President Erdogan announced new financing for producers in the agricultural and livestock sectors, offering investment credit in amounts ranging up to TRY5 million and TRY10 million, along with one year free of principal payments for farmers.[6844] These investments aim to promote productivity in the agricultural sectors and mitigate the effects of climate change on producers.

On 9 July 2025, President Erdogan issued a decree that the withholding tax on short-term Turkish lira deposits would be raised by 2.5 per cent.[6845] The move aims to counter stagnant budget revenues. It also aims to promote economic stability and the sustainability of the currency by disincentivizing investors from abandoning the lira in favour of the dollar.

On 17 October 2025, the AK Party submitted a draft law to Parliament that aims to strengthen public finances without raising taxes by expanding non-tax revenues, removing exemptions and introducing new fees across different sectors.[6846]

On 20 October 2025, the AK Party advanced local governance reforms to strengthen transparency, accountability and fiscal discipline, including stricter audits of municipal spending and requirements for local municipalities to generate revenue.[6847] The draft legislation outlined the establishment of an Audit Commission and tailored budget strategies depending on seasonal variations in tourism regions.

On 28 October 2025, Türkiye and Jordan signed a memorandum of understanding (MoU) to advance economic cooperation and investments across key sectors.[6848] This MoU catalyzes public and private investments in infrastructure and industrial zones, fostering productivity-enhancing projects while promoting growth-friendly, fiscally sustainable development.

Türkiye 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. Türkiye has taken strong action to safeguard financial stability by raising corporate tax rates, pursuing a tighter fiscal policy, releasing a statement from the Economy Coordination Board and withholding short-term tax on the

[6843] Türkiye unveils new incentive system to boost sectoral, regional development, Daily Sabah (Istanbul) 2 June 2025. Access Date: 6 July 2025. https://www.dailysabah.com/business/economy/turkiye-unveils-new-incentive-system-to-boost-sectoral-regional-development
[6844] Erdogan unveils new credit packages to boost agriculture, livestock sectors, Daily Sabah (Istanbul) 29 June 2025. Access Date: 6 July 2025. https://www.dailysabah.com/business/economy/erdogan-unveils-new-credit-packages-to-boost-agriculture-livestock-sectors
[6845] Turkey raises withholding tax on short-term lira deposits to boost budget revenues (Gdansk) 9 July 2025. Access Date: 14 August 2025. https://www.reuters.com/world/middle-east/turkey-raises-withholding-tax-short-term-lira-deposits-boost-budget-revenues-2025-07-09/
[6846] Türkiye's ruling party proposes new bill to boost budget revenues, Daily Sabah (Istanbul) 17 October 2025. Access Date: 12 November 2025. https://www.dailysabah.com/business/economy/turkiyes-ruling-party-proposes-new-bill-to-boost-budget-revenues
[6847] Türkiye prepares for comprehensive local governance reforms, Daily Sabah (Istanbul) 20 October 2025. Access Date: 12 November 2025. https://www.dailysabah.com/politics/legislation/turkiye-prepares-for-comprehensive-local-governance-reforms
[6848] Türkiye, Jordan ink memorandum to advance economic ties, Daily Sabah (Istanbul) 28 October 2025. Access Date: 12 November 2025. https://www.dailysabah.com/business/economy/turkiye-jordan-ink-memorandum-to-advance-economic-ties

lira. 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.

Thus, Türkiye receives a score of +1.

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).[6849] 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.[6850] 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.[6851] 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.[6852] 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.[6853] 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.

[6849] 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

[6850] £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

[6851] 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

[6852] 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

[6853] Thousands of British jobs to be created through closer UK-'audi 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.[6854] 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.[6855] This measure is aimed to safeguard fiscal sustainability through reducing public spending.

On 15 May 2025, the Parliament passed the Great British Energy Bill.[6856] 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."[6857] 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.

On 11 June 2025, the UK Government announced an additional GBP9.1 billion for the Scottish Government during the Spending Review period, alongside major investments in clean energy, defence and innovation.[6858] This includes GBP8.3 billion for GB Energy, funding for the Acorn CCS project and targeted support for local growth and research and development initiatives. The policy aims to promote regional development, create high-skilled jobs and secure Scotland's role at the centre of the UK's economic and clean energy transformation.

On 23 June 2025, the UK government announced a GBP380 million investment to boost jobs, innovation and regional growth in the creative industries.[6859] As part of the Creative Industries Sector Plan, it aims to double private investment to GBP31 billion by 2035.

On 24 June 2025, UK Export Finance provided up to GBP13 billion of direct lending to boost UK exports in key industrial sectors such as defence, clean industries, life sciences and manufacturing.[6860] The lending aims to boost economic growth, focusing on exports.

[6854] 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
[6855] 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
[6856] 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
[6857] 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
[6858] Spending Review: Billions to back Scottish jobs, HM Treasury (London) 11 June 2025. Access Date: 6 July 2025. https://www.gov.uk/government/news/spending-review-billions-to-back-scottish-jobs
[6859] £380 million boost for creative industries to help drive innovation, regional growth and investment, Department for Culture, Media and Sport (London) 23 June 2025. Access Date: 6 July 2025. https://www.gov.uk/government/news/380-million-boost-for-creative-industries-to-help-drive-innovation-regional-growth-and-investment
[6860] UKEF unveils new strategic financing for industrial growth, Government of the United Kingdom (London) 24 June 2025. Access Date: 12 September 2025. https://www.gov.uk/government/news/ukef-unveils-new-strategic-financing-for-industrial-growth

On 1 July 2025, the UK and Kenya signed a major set of trade, defence and investment agreements.[6861] These agreements are expected to generate over GBP1 billion for the UK economy and will support UK employment in fields such as defence manufacturing, financial services and legal services. Both nations are committed to enhancing cooperation on security and digital trade, aiming to foster innovation and regional stability.

On 10 July 2025, the government announced GBP450 million in funding for investment and venture capital fund managers from underrepresented backgrounds.[6862] These funding initiatives aim to drive inclusive growth.

On 13 July 2025, the government announced DRIVE35, a funding program to boost the United Kingdom's auto sector.[6863] Over GBP2.5 billion is planned to be distributed across multiple companies over the next decade. The program aims to enhance productivity and boost economic growth.

On 15 July 2025, Chancellor Reeves introduced the Leeds Reforms to modernize the financial system, attract investment and create skilled jobs across the country.[6864] By improving access to finance, supporting innovation, and enhancing the regulatory environment, the Leeds Reforms are designed to boost productivity, strengthen economic growth and reinforce the UK's global competitiveness in financial services.

On 21 July 2025, HMRC introduced a new PAYE (Pay as You Earn) service for 35 million UK workers to simplify tax management and enhance digital self-service.[6865] Supported by GBP1.7 billion over four years, the initiative streamlines tax administration, boosts compliance and promotes fiscal sustainability and economic growth.

On 6 August 2025, UK Export Finance offered GBP2.3 million in investments to Superior Wellness, a manufacturer of hot hubs and swim spas.[6866] The investments aim to build a new facility that will boost exports, thus facilitating economic growth.

On 2 September 2025, the UK Atomic Energy Authority, the University of York and the University of Edinburgh announced a GBP8 million investment to train fusion energy specialists with advanced training.[6867] The investments aim to support teaching positions, increase the number of students receiving fusion energy training and increase research opportunities for fusion energy students. The investments aim to promote future growth in the fusion energy sector.

[6861] Jobs boost as UK and Kenya bolster economic and security partnership, Foreign, Commonwealth & Development Office (London) 1 July 2025. Access Date: 6 July 2025. https://www.gov.uk/government/news/jobs-boost-as-uk-and-kenya-bolster-economic-and-security-partnership
[6862] £500m Government investment to boost growth and opportunity for underrepresented entrepreneurs, Government of the United Kingdom (London) 10 July 2025. Access Date: 12 September 2025. https://www.gov.uk/government/news/500m-government-investment-to-boost-growth-and-opportunity-for-underrepresented-entrepreneurs
[6863] Backing British Industry: Government launches £2.5bn DRIVE35 programme to power UK auto investment and jobs, Government of the United Kingdom (London) 13 July 2025. Access Date: 12 September 2025. https://www.gov.uk/government/news/backing-british-industry-government-launches-25bn-drive35-programme-to-power-uk-auto-investment-and-jobs
[6864] Leeds Reforms to rewire financial system, boost investment and create skilled jobs across UK, Her Majesty's Treasury (London) 15 July 2025. Access Date: 25 August 2025. https://www.gov.uk/government/news/leeds-reforms-to-rewire-financial-system-boost-investment-and-create-skilled-jobs-across-uk
[6865] New HMRC service announced for workers to take control of their tax affairs, Her Majesty's Revenue & Customs (London) 21 July 2025. Access Date: 25 August 2025. https://www.gov.uk/government/news/new-hmrc-service-announced-for-workers-to-take-control-of-their-tax-affairs/
[6866] Derbyshire-based business secures £2.3 million UKEF-backed facility to expand exports, Government of the United Kingdom (London) 6 August 2025. Access Date: 12 September 2025. https://www.gov.uk/government/news/derbyshire-based-business-secures-23-million-ukef-backed-facility-to-expand-exports
[6867] UKAEA funds fusion training with Edinburgh and York universities, UK Atomic Energy Authority (London) 2 September 2025. Access Date: 18 October 2025. https://www.gov.uk/government/news/ukaea-funds-fusion-training-with-edinburgh-and-york-universities

On 15 September 2025, the government of the United Kingdom and Toyota announced GBP30 million in new investments in EV design, innovation and manufacturing.[6868] The investment aims to promote economic growth by ensuring the automotive engineering and manufacturing sector can meet consumer demand for zero-emission vehicles.

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, the Spring Statement and PAYE. 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 not 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 contracting opportunities.[6869] 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.[6870] 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.[6871] 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.

[6868] Government works in partnership with industry to unlock £30 million electric vehicle R&D project, Department for Business and Trade (London) 15 October 2025. Access Date: 18 October 2025. https://www.gov.uk/government/news/government-works-in-partnership-with-industry-to-unlock-30-million-electric-vehicle-rd-project

[6869] 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/

[6870] 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/

[6871] 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/

On 21 January 2025, President Trump announced a USD500 billion private sector investment for a large-scale artificial intelligence infrastructure project, Stargate.[6872] 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.[6873] 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.[6874] 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.[6875] 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.

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.[6876] 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.[6877] 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.[6878] The directive aims to eliminate waste, inefficiencies and duplication of services, ensuring that taxpayer dollars are spent efficiently.

[6872] 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

[6873] 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/

[6874] 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/

[6875] 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/

[6876] 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/

[6877] 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/

[6878] 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/

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.[6879] 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.[6880] 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.[6881] 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.[6882] 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.

On 11 May 2025, the House Energy and Commerce Committee proposed a Medicaid reform plan targeting USD880 billion in savings over the next decade.[6883] 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.[6884] 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.

[6879] 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/

[6880] 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/

[6881] 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/

[6882] 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/

[6883] 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/

[6884] 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/

On 22 May 2025, the U.S. House of Representatives passed President Trump's tax bill, including a provision to temporarily eliminate federal income taxes on tips through 2028 for eligible workers.[6885] The measure supports consumer spending in tipped sectors.

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."[6886] 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.

On 30 May 2025, President Trump ordered a reduction in direct spending budgetary resources for fiscal year 2026.[6887] This measure intends to enforce federal deficit reduction targets and control the growth of government spending.

On 6 June 2025, President Trump signed a Presidential Memorandum directing the Centers for Medicare and Medicaid Services to eliminate waste, fraud and abuse in Medicaid.[6888] This policy aims to protect Medicaid's financial stability while safeguarding taxpayer funds.

On 30 June 2025, President Trump signed a Presidential Memorandum to streamline funding applications and ensure efficient use of taxpayer funds for energy and critical mineral projects.[6889] This action promotes interagency coordination to eliminate duplicative processes and supports government efficiency.

On 4 July 2025, President Trump signed the One Big Beautiful Bill into law, enacting tax cuts, expanding immigration enforcement, increasing military funding, and implementing nearly USD1 trillion in Medicaid reduction.[6890] While the Bill aims to ensure fiscal sustainability and promote economic growth, the Congressional Budget Office has estimated the Bill will add USD3.3 trillion to the deficit by 2034.[6891]

On 7 July 2025, President Trump signed an Executive Order to end subsidies for "green" energy sources, including wind and solar, under the One Big Beautiful Bill Act.[6892] The Order directs the Treasury and Interior Departments to eliminate tax credits and preferential treatment for these sources while implementing enhanced Foreign Entity of Concern restrictions.

'[6885] US House narrowly passes Trump's sweeping tax-cut bill, sends on to Senate, Reuters (Washington D.C.) 22 May 2025. Access Date: 14 August 2025. https://www.reuters.com/world/us/us-house-republicans-set-pre-dawn-votes-get-trump-tax-bill-over-finish-line-2025-05-22/

[6886] 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

[6887] Sequestration Order for Fiscal Year 2026, The White House (Washington D.C.) 30 May 2025. Access Date: 4 July 2025. https://www.whitehouse.gov/presidential-actions/2025/05/sequestration-order-for-fiscal-year-2026-pursuant-to-section-251a-of-the-balanced-budget-and-emergency-deficit-control-act-as-amended/

[6888] Eliminating Waste, Fraud, and Abuse in Medicaid, The White House (Washington D.C.) 30 May 2025. Access Date: 5 July 2025. https://www.whitehouse.gov/presidential-actions/2025/06/eliminating-waste-fraud-and-abuse-in-medicaid/

[6889] Fact Sheet: President Donald J. Trump Ensures Efficient Funding Processes and Decisions for Energy and Critical Mineral Projects, The White House (Washington D.C.) 30 June 2025. Access Date: 4 July 2025. https://www.whitehouse.gov/fact-sheets/2025/06/fact-sheet-president-donald-j-trump-ensures-efficient-funding-processes-and-decisions-for-energy-and-cr–tical-mineral-projects/

[6890] H.R.1 - One Big Beautiful Bill Act, 119th Congress (Washington D.C.) 4 July 2025. Access Date: 28 July 2025. https://www.congress.gov/bill/119th-congress/house-bill/1/text

[6891] Republican Senate tax bill would add $3.3 trillion to the US debt load, CBO says, AP News (Washington D.C) 29 June 2025. Access Date: 12 September 2025. https://apnews.com/article/cbo-trump-tax-bill-republicans-senate-5f591bea21bd95eec45ba90c93c50687

[6892] Fact Sheet: President Donald J. Trump Ends Market Distorting Subsidies for Unreliable, Foreign-Controlled Energy Sources, The White House (Washington D.C.) 7 July 2025. Access Date: 22 August 2025. https://www.whitehouse.gov/fact-sheets/2025/07/fact-sheet-president-donald-j-trump-ends-market-distorting-subsidies-for-unreliable-foreign-controlled-energy-sources/

On July 15, 2025, President Trump requested that Congress implement USD9 billion in targeted spending cuts under the DOGE Rescissions Initiative.[6893] The proposal directs the Office of Management and Budget and federal agencies to reduce funding for the Corporation for Public Broadcasting, foreign aid programs and other federal initiatives, while exempting global AIDS prevention programs from reductions.

On 7 August 2025, President Trump signed an Executive Order to stop wasteful federal grant-making and ensure taxpayer dollars benefit Americans.[6894] The Order directs political appointees and subject-matter experts to review grant awards, simplify funding announcements, terminate grants that fail to meet policy objectives, and expand awards to meritorious grantees beyond traditional recipients.

On 15 October 2025, President Trump signed an Executive Order that prohibited any vacant civilian position in the Federal Government from being filled and prohibited the creation of new positions besides those provided in this Executive Order or mandated by any applicable law.[6895] The Executive Order aims to reduce spending to safeguard fiscal sustainability.

The United States has not 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, directly ordering federal agencies to reduce spending 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. However, as the Big Beautiful Bill significantly worsened the United States' fiscal sustainability by increasing the national deficit, the United States has taken action contrary to the commitment despite taking strong action across all three commitment areas.

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

Analyst: Camila Calderon-Cruz

African Union: 0

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.

[6893] Elmo and AIDS prevention: What is Congress targeting in their spending cuts?, USA TODAY (New York) 15 July 2025. Access Date: 22 August 2025. https://www.usatoday.com/story/news/politics/2025/07/15/congress-spending-cuts-what-to-know/85196487007/
[6894] Fact Sheet: President Donald J. Trump Stops Wasteful Grantmaking, The White House (Washington D.C.) 7 August 2025. Access Date: 22 August 2025. https://www.whitehouse.gov/fact-sheets/2025/08/fact-sheet-president-donald-j-trump-stops-wasteful-grantmaking/
[6895] ENSURING CONTINUED ACCOUNTABILITY IN FEDERAL HIRING, The White House (Washington D.C.) 15 October 2025. Access Date: 18 October 2025. https://www.whitehouse.gov/presidential-actions/2025/10/ensuring-continued-accountability-in-federal-hiring/

On 13 January 2025, the African Union adopted the Kampala Declaration to boost agricultural development and output.[6896] Among the provisions of the Declaration include calls to increase public and private 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.[6897] 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.[6898] 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.[6899] 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.[6900] The discussions aimed to develop prudent financial mechanisms for securing new financing and safeguarding public debt sustainability in Africa.

On 16 May 2025, the African Union Commission convened the 13th Industry Stakeholders' Retreat in Lusaka, Zambia, with key regional and international partners, which aimed to consolidate policy initiatives such as the Africa Trade Competitiveness and Market Access program (ATCMA).[6901] The initiative is part of the African Union Commission's commitment to promote industrial and economic growth by catalyzing public-private sector partnerships and facilitating market access and competitive trade.

On 19 May 2025, African Union leaders convened the High-Level Strategic Meeting in Luanda, Angola, to promote the African Union Development Fund (AUDF).[6902] The AUDF aims to address funding gaps in the

[6896] The African Union adopts ten-year strategy an' 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

[6897] 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

[6898] 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

[6899] 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

[6900] 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

[6901] AU Commission Rallies Continental Action for Inclusive Industrial Growth and MSME Support among stakeholders, African Union Commission Department for Economic Development, Trade, Tourism, Industry and Minerals (Addis Ababa) 16 May 2025. Access Date: 3 July 2025. https://au.int/en/pressreleases/20250516/auc-rallies-continental-action-inclusive-industrial-growth-and-msme-support

[6902] Africa Charts Path Toward Financial Sovereignty with Proposed Continental Development Fund, African Union Development Agency-NEPAD (Midrand) 19 May 2025. Access Date: 3 July 2025. https://www.nepad.org/news/africa-charts-path-toward-financial-sovereignty-proposed-continental-development-fund

African Union's economic and social development infrastructure through the promotion of sustainable financing measures.

On 3 July 2025, Acting Director of the African Union Commission's Department of Economic Development, Trade, Tourism, Industry and Minerals (ETTIM) Patrick Ndzana Olomo reaffirmed the African Union's commitment to reforming the global tax system in his speech to the United Nations' Fourth International Conference on Financing for Development.[6903] The Conference aimed to promote investments towards sustainable development and the restructuring of the global financial architecture to a more equitable tax framework, an initiative supported by the African Union in its aims to protect taxing rights and promote domestic resource mobilization.

On 4 August 2025, Acting Director of the African Union Commission's Department of Economic Development, Trade, Tourism, Industry and Minerals (ETTIM) Patrick Ndzana Olomo reaffirmed the African Union's support to develop an equitable global tax system during his address at the First Session of the Intergovernmental Negotiating Committee (INC) on the United Nations Framework Convention on International Tax Cooperation.[6904] The meeting aimed to develop commitments that will support an innovative UN Framework Convention on International Tax Cooperation to create an equitable global tax order.

On 24 September 2025, during the United Nations first Biennial Summit for a Sustainable, Inclusive & Resilient Global Economy, African Union Commission Chairperson Mahmoud Ali Youssouf reaffirmed the African Union's commitment towards achieving sustainable development goals through strategic financial reforms.[6905] To promote sustainable economic development aims, Chairperson Youssouf proposed the implementation of measures centered on strengthening African institutions and capital markets and ensuring sustainable solutions to debt.

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, such as the Fourth Sub-Committee on Tax and Illicit Financial Flows, Chairperson Youssouf's framework, convening the ETTIM and the 13th Industry Stakeholders' Retreat, promoting the AUDF and making statements during the Biennial Summit. 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: Yvonne Cuellar Rothbard

[6903] Update on the progress towards the United Nations Framework Convention on International TAX Convention: Challenges and Opportunities, African Union Commission Economic Development, Tourism, Trade, Industry, Mining (ETTIM) (Addis Ababa) 3 July 2025. Access Date: 21 August 2025. https://au.int/en/speeches/20250703/delivered-dr-patrick-ndzana-olomo-ag-director-economic-development-integration-and

[6904] General Debate: First Session of the Intergovernmental Negotiating Committee for the United Nations Framework Convention on International Tax Cooperation (INC), Information and Communication Directorate, African Union Commission (Addis Ababa) 18 August 2025. Access Date: 21 August 2025. https://au.int/en/pressreleases/20250818/general-debate-first-session-intergovern-mental-negotiating-committee-united

[6905] AUC Chairperson emphasized that "reforming the international financial system is no longer optional, but an urgent imperative.", African Union Commission (Addis Ababa) 25 September 2025. Access Date: 7 October 2025. https://au.int/en/pressreleases/20250925/reforming-international-financial-system-no-longer-optional

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.

On 20 November 2024, the European Commission approved a EUR578 million Romanian State aid scheme to support energy-intensive companies.[6906] 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.[6907] 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.[6908] 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.[6909] 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.[6910] 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.[6911] 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.[6912] This measure replaces paper-based certificates for embassies, international

[6906] 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

[6907] 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/

[6908] 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

[6909] 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

[6910] 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

[6911] 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/

[6912] 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/

organizations and armed forces transactions, aiming to modernize VAT processes and reduce administrative burdens across the EU.

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 three per cent of gross domestic product.[6913] The plans span 4-5 years and include necessary reforms and investments.

On 18 February 2025, the European Commission allocated EUR99 million in emergency support to farmers in Spain, Croatia, Cyprus, Latvia and Hungary affected by extreme climate events and natural disasters.[6914] The funding aims to compensate income losses and restore production in sectors hit by droughts, floods and heatwaves, ensuring the economies of the affected member states remain growth-friendly.

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.[6915] 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 23 February 2025, the European Commission approved a EUR227 million Austrian State aid measure to support the building a new wafer manufacturing facility in Premstätten.[6916] The plant uses a first-of-its-kind integrated process in Europe, combining CMOS technology with TSV and optical filters, and aims to serve automotive and industrial applications.

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.[6917] 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 23 March 2025, the European Commission approved a EUR5 billion German State aid scheme to support decarbonization in industries covered by the EU Emissions Trading System.[6918] The scheme provides 15-year "Climate Protection Contracts" to companies using technologies like hydrogen, electrification and carbon capture, aiming to promote growth in the renewable energy sector.

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

[6913] 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/.
[6914] Commission allocates €99 million in emergency support to farmers in Spain, Croatia, Cyprus, Latvia and Hungary, European Commission (Brussels) 18 February 2025. Access Date: 14 May 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_540
[6915] 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
[6916] Commission approves €227 million Austrian State aid measure to support ams Osram in setting up a new wafer manufacturing facility in Premstätten*, European Commission (Brussels) 23 February 2025. Access Date: 14 May 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_589
[6917] 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
[6918] Commission approves €5 billion German State aid scheme to help industries decarbonise production processes, European Commission (Brussels) 23 March 2025. Access Date: 14 May 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_846

and digital skills.[6919] Funding will support generative AI development, cyber resilience, digital public services and advanced skills training, enhancing productivity.

On 23 April 2025, the European Commission approved a EUR612 million Portuguese State aid scheme to reduce electricity levy rates for energy-intensive companies.[6920] Running until 2035, the scheme aims to prevent industrial relocation by offering levy reductions of 75–85 per cent, conditional on meeting energy efficiency or emission reduction targets.

On 13 May 2025, the European Commission announced an investment of EUR7.3 billion through the Horizon Europe 2025 work programme to boost research, innovation and competitiveness.[6921] Key priorities include green and digital transitions, support for Ukrainian and Gazan researchers, and the launch of the 'Choose Europe for Science' pilot to attract talent, ultimately aiming to ensure the European economy remains competitive and growth-friendly.

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.[6922] 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 14 May 2025, the European Commission launched over EUR1.25 billion in new funding under the Marie Skłodowska-Curie Actions to strengthen Europe's research careers and global talent appeal.[6923] Key initiatives include EUR597.8 million for doctoral networks, EUR404.3 million for postdoctoral fellowships, and a EUR22.5 million 'Choose Europe for Science' pilot offering long-term support for early-career researchers, alongside dedicated funding for displaced Ukrainian scientists, with the ultimate goal of ensuring the EU remains growth-friendly through scientific research.

On 19 May 2025, the European Commission approved a EUR1.2 billion Dutch State aid scheme to support industrial decarbonization through competitive grants for projects reducing at least 100,000 tonnes of lifecycle greenhouse gas emissions.[6924] The scheme, open to manufacturing and waste sectors, combines direct decarbonization and circular economy initiatives, awarding aid based on cost-efficiency and environmental impact per tonne of CO_2 abated, aiming to enhance productivity in decarbonization projects.

On 21 May 2025, the European Commission approved EUR15 million in emergency support from the agricultural reserve for farmers in Czechia, Slovenia and Germany affected by severe weather and a livestock disease outbreak.[6925] The funding targets crop losses from floods and frost in Czechia and Slovenia, and

[6919] 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
[6920] Commission approves €612 million Portuguese State aid scheme to support energy-intensive companies, European Commission (Brussels) 23 April 2025. Access Date: 14 May 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1089
[6921] EU invests €7.3 billion from Horizon Europe to enhance its competitiveness and talent growth, European Commission (Brussels) 13 May 2025. Access Date: 14 May 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1146
[6922] 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/
[6923] Commission invests €1.25 billion in researchers and invites t'em to 'Choose Europe for Science', European Commission (Brussels) 14 May 2025. Access Date: 6 July 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1221
[6924] Commission approves €1.2 billion Dutch State aid scheme to support industrial decarbonisation, European Commission (Brussels) 19 May 2025. Access Date: 6 July 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1250
[6925] Emergency support of €15 million to farmers in Czechia, Slovenia and Germany, European Commission (Brussels) 21 May 2025. Access Date: 6 July 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1307

compensates German farmers impacted by a foot-and-mouth disease outbreak, aiming to ensure the agricultural sectors of the member states involved remain 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."[6926] 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.

On 3 June 2025, the European Commission proposed a EUR193.26 billion EU budget for 2026, supplemented by EUR105.32 billion from NextGenerationEU, to address geopolitical volatility and support Ukraine, competitiveness, green and digital transitions, and security.[6927] Key allocations include EUR71.7 billion for cohesion and values, EUR57 billion for natural resources, and EUR15.5 billion for external action, alongside new flexibility for Member States to reallocate cohesion funds toward emerging priorities like defence, housing, and energy resilience, ensuring the European economy remains competitive and growth-friendly.

On 15 July 2025, the European Commission proposed a new Multiannual Financial Framework for 2028–2034 amounting to nearly EUR2 trillion, equal to 1.26 per cent of EU GNI on average.[6928] The plan introduces five new own resources expected to generate EUR58.5 billion annually, including revenues from the Emissions Trading System, CBAM, e-waste, tobacco excise duties and a corporate levy. Key allocations include EUR409 billion for a European Competitiveness Fund, EUR175 billion for Horizon Europe, EUR131 billion for defence and space, EUR74 billion for migration management, EUR200 billion for external action and EUR100 billion for Ukraine support.

On 15 July 2025, European Commissioner for Sustainable Transport and Tourism Apostolos Tzitzikostas made a speech unveiling the 2028 to 2034 Multiannual Financial Framework.[6929] The Framework aims to modernize the EU budget by focusing on investing in infrastructure and defence. The Framework also aims to invest in cross-border connections, decarbonization, clean energy transition and tourism. Overall, the Framework aims to boost economic growth.

On 17 July 2025, the European Commission approved a EUR792 million Greek State aid measure for the construction of motorway sections on Crete.[6930] The funding, partly provided through the Recovery and Resilience Facility, supports the Chania-Hersonissos and Kissamos-Chania segments of the BOAK project. The measure aims to enhance regional development, job creation and road safety while aligning with EU State aid rules.

On 18 July 2025, the Council of the EU adopted new VAT rules simplifying tax collection for imports.[6931] The directive makes non-EU suppliers and platforms liable for VAT in the destination country and promotes the

[6926] 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
[6927] EU budget 2026: Providing crucial funding for EU priorities in times of global volatility, European Commission (Brussels) 3 June 2025. Access Date: 6 July 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1396
[6928] An ambitious budget for a stronger Europe: 2028-2034*, European Commission (Brussels) 15 July 2025. Access Date: 21 August 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1847
[6929] Commissioner Tzitzikostas speech in the EP TRAN Committee on the next MFF and its impact on transport and tourism, European Commission (Brussels) 15 July 2025. Access Date: 12 September 2025. https://ec.europa.eu/commission/presscorner/detail/en/speech_25_1857
[6930] Commission approves Greek funding for the construction of part of Cretan motorway, European Commission (Brussels) 17 July 2025. Access Date: 21 August 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1846
[6931] VAT: Council formally adopts new rules simplifying tax collection for imports, Council of the European Union (Brussels) 18 July 2025. Access Date: 21 August 2025. https://www.consilium.europa.eu/en/press/press-releases/2025/07/18/vat-council-formally-adopts-new-rules-simplifying-tax-collection-for-imports/

use of the Import One-Stop-Shop system, aiming to strengthen compliance, protect tax revenues, and ease the burden on consumers, thus ensuring fiscal sustainability.

On 21 July 2025, the European Commission approved up to EUR403 million in State aid from five Member States to support the IPCEI Tech4Cure project in the healthcare sector.[6932] The measure will fund R&D and first industrial deployment of medical devices with novel digital and AI features, aiming to advance predictive, preventive and personalized medicine. The project is expected to mobilize EUR826 million in private investment and create around 800 jobs, while strengthening the EU healthcare value chain and competitiveness to promote economic growth.

On 28 July 2025, the European Commission approved over EUR3 million from the European Globalization Adjustment Fund to support 915 workers dismissed after the closure of Goodyear's Fulda plant and partial shutdown in Hanau, Germany.[6933] The aid will finance career guidance, reskilling, job search assistance and business start-up support to help displaced workers transition into new employment.

On 28 July 2025, the European Commission approved a EUR300 million Swedish strategic electricity reserve to safeguard supply security.[6934] The reserve, in place until 2035, will fund generation, storage and demand-response projects through competitive bidding, ensuring availability during winter shortages while remaining outside the electricity market to limit distortions.

On 29 July 2025, the European Commission approved EUR1.83 billion for Czechia under the NextGenerationEU program.[6935] The funds focus on areas of energy generation, savings, storage, clean mobility, water management, digitalization, justice and health. The fund aims to boost Czechia's economic growth.

On 7 August 2025, the European Commission approved EUR42.8 billion for Italy, Portugal, Cyprus, Malta and Spain under the NextGenerationEU program.[6936] The funds invest in renewable energy, rail infrastructure, cybersecurity, tax reform, digitization, civil service, healthcare, housing, environmental management and business. The program aims to ensure economic growth and maintain the fiscal sustainability of affected member states.

On 8 September 2025, the European Commission announced a tentative allocation of EUR150 billion under the Security Action for Europe (SAFE) programme to strengthen defence readiness.[6937] The plan aims to boost EU defence capabilities, address critical gaps, and enable joint procurement among Member States, thus promoting growth in the European defence sector.

On 16 September 2025, the European Commission and the European Investment Fund announced a EUR30 million investment in Sienna Hephaistos Private Investments under the InvestEU Defence Equity Facility.[6938] The fund will provide tailored financing to SMEs and midcaps in the defence sector to expand production,

[6932] Commission approves up to €403 million of State aid by five Member States for the second Important Project of Common European Interest in the healthcare sector, European Commission (Brussels) 21 July 2025. Access Date: 21 August 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1827

[6933] Over €3 million of EU support for 915 dismissed workers in Germany after partial factory closure, European Commission (Brussels) 28 July 2025. Access Date: 21 August 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1922

[6934] Commission approves €300 million Swedish strategic reserve to support security of electricity supply, European Commission (Brussels) 28 July 2025. Access Date: 21 August 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1870

'[6935] Commission greenlights Czechia's fourth payment request for €1.83 billion under NextGenerationEU, European Commission (Brussels) 29 July 2025. Access Date: 12 September 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1932

[6936] Commission disburses nearly €43 billion to five Member States under NextGenerationEU*, European Commission (Brussels) 7 August 2025. Access Date: 12 September 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1949

[6937] Commission announces tentative allocation of €150 billion under SAFE to boost Defence Readiness, European Commission (Brussels) 8 September 2025. Access Date: 10 October 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_2042

[6938] Commission and European Investment Fund invest €30 million in Sienna Hephaistos Private Investments to improve access to finance for SMEs and midcaps in the defence sector, European Commission (Brussels) 16 September 2025. Access Date: 10 October 2025. https://ec.europa.eu/commission/presscorner/detail/en/ip_25_2101 ease supply chain bottlenecks, and strengthen Europe's strategic autonomy, thus promoting growth in the European defence sector.

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, simplifying VAT collections, adapting a new multigenerational framework and approving funding under NextGenerationEU. The European Union has also maintained a growth-friendly fiscal policy by investing in agriculture, renewable energy, manufacturing, technology and AI sector to propel growth. The European Union has also 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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