PUBLIC DEFICIT

France in the European Context

GROUP 2

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KEY CONCEPTS AND EUROPEAN FISCAL RULES

Understanding the link between the public deficit, public debt and the Maastricht reference value

PUBLIC DEFICIT

- Occurs when government expenditure exceeds government revenue during a fiscal year.
- A deficit represents a negative budget balance.

PUBLIC DEBT

- The total amount owed by the government.
- Persistent deficits generally contribute to its accumulation.

MAASTRICHT REFERENCE VALUE

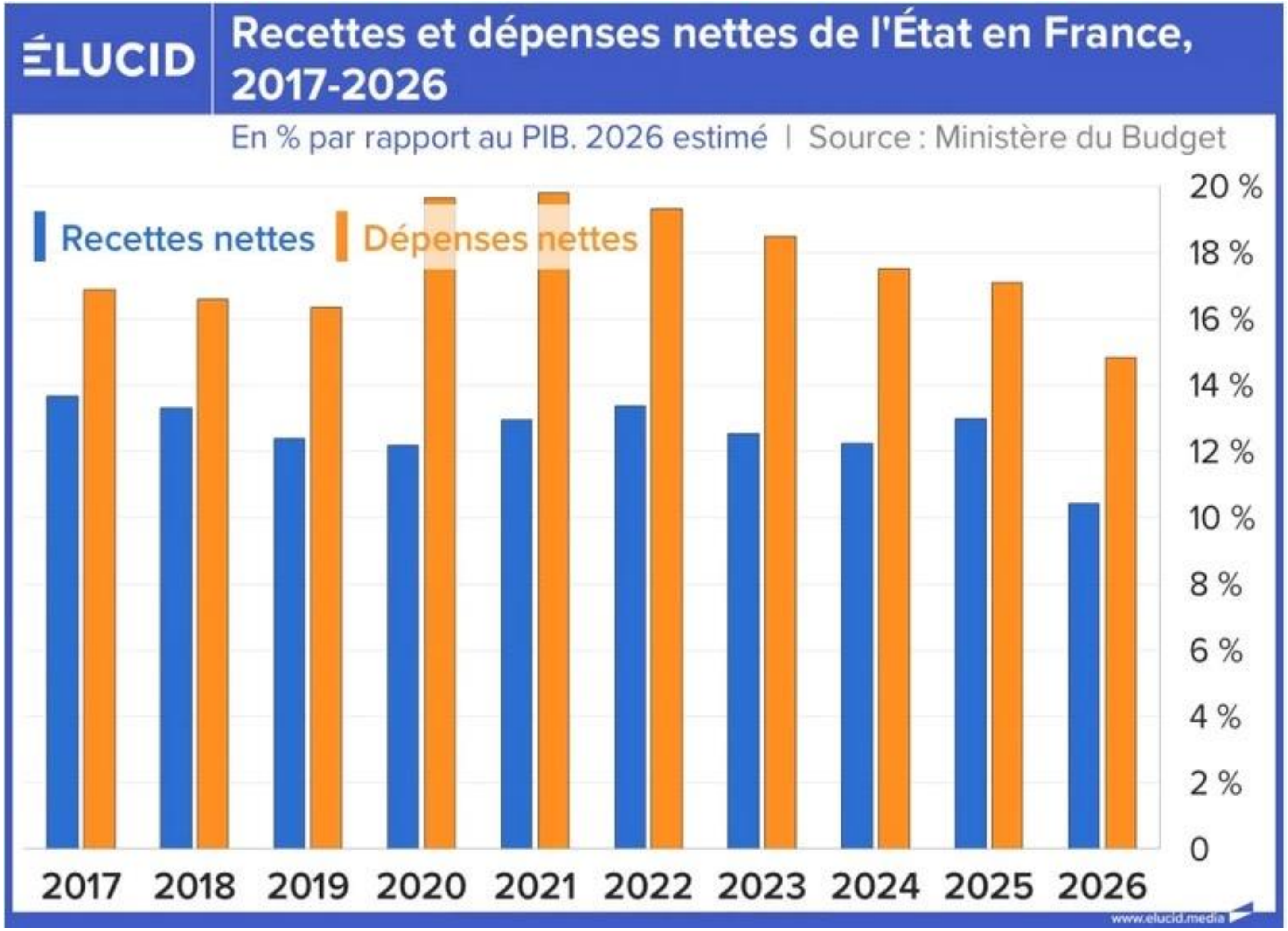
- The general government deficit should not exceed 3% of GDP.
- The rule promotes fiscal discipline within the EU.

THE RELATIONSHIP

Government Expenditure > Government Revenue → Public Deficit → Borrowing → Public Debt

Repeated deficits generally increase borrowing needs and contribute to the accumulation of public debt.

FRANCE: NET REVENUE, NET EXPENDITURE AND THE FISCAL GAP (2017–2026)



ESTIMATED FISCAL GAP

Expenditure − Revenue (% of GDP)

Year	Gap	Year	Gap
2017	3.2%	2022	6.0%
2018	3.2%	2023	5.9%
2019	3.9%	2024	5.2%
2020	5.2%	2025	4.2%
2021	4.5%	2026	4.3%

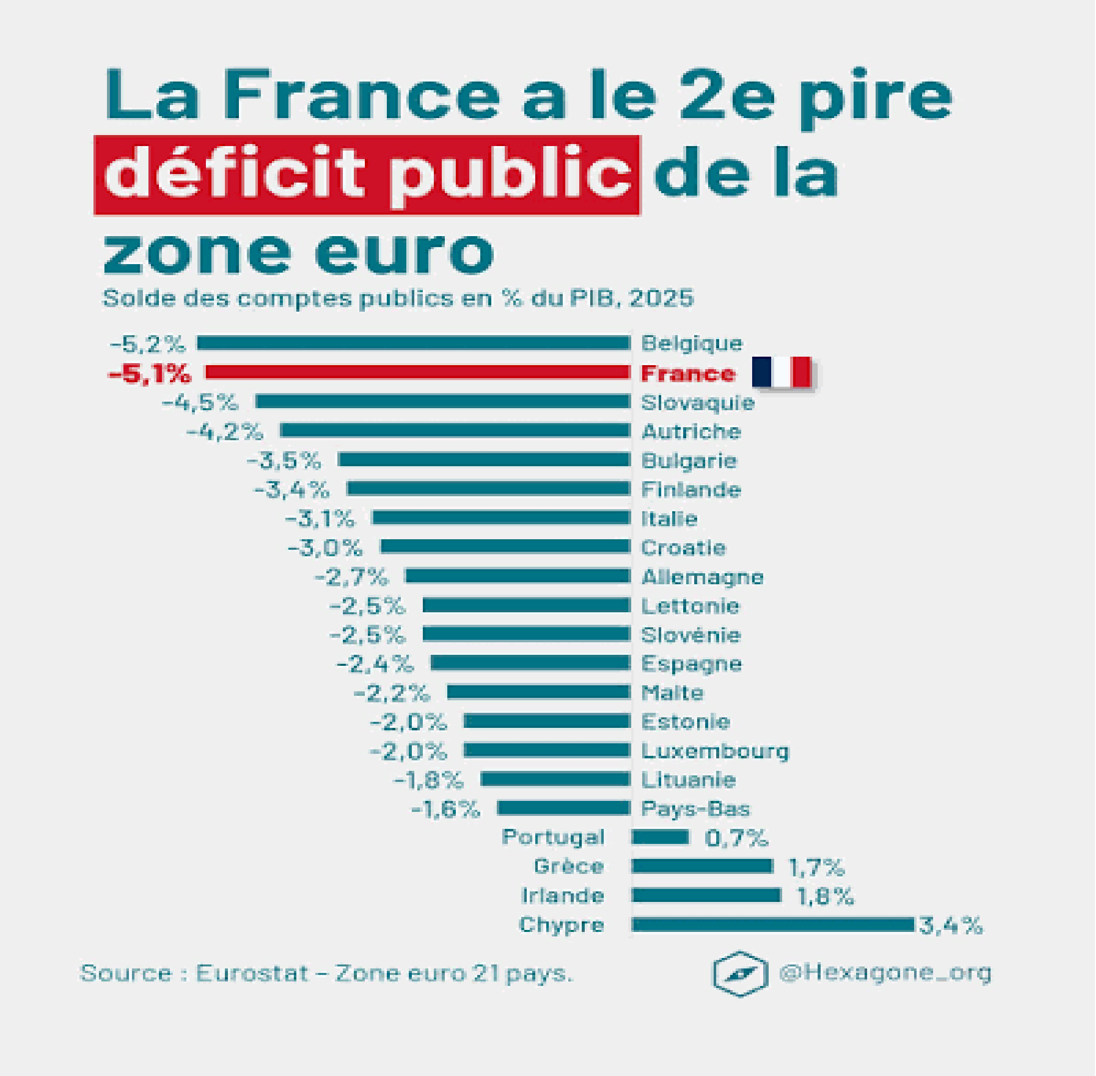
Largest estimated gap: 2022 (6.0% of GDP)

Note: values are calculated approximately from the attached chart.

Source chart: Ministère du Budget (via Elucid) • Calculations based on chart values

FRANCE IN THE EUROZONE: A COMPARATIVE PERSPECTIVE (2025)

Public account balances as a percentage of GDP



SELECTED EUROPEAN COUNTRIES

Country	Balance (% GDP)	3% rule
Belgium	−5.2%	Above
France	−5.1%	Above
Germany	−2.7%	Within
Italy	−3.1%	Above
Spain	−2.4%	Within

France recorded the 2nd largest public deficit in the euro area in 2025.

Source: Eurostat, euro area countries (2025) •

CONCLUSION

KEY TAKEAWAY

- France’s public deficit remains above the 3% Maastricht reference value.
- Its fiscal position also differs significantly from several European economies.

OPEN QUESTION

Does the 3% deficit criterion reflect the economic realities of all European countries?

Thank you for your attention