CAN FRANCE REDUCE ITS DEBT LEVEL TO THE REQUIRED 60% OF GDP ?

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OVERVIEW

THE EUROPEAN FRAMEWORK

GENERAL RULE

The Maastricht Treaty and the Stability and Growth Pact set a ceiling of 60% of GDP for public debt in EU member states.

ABOUT THE FRANCE DEBT LEVEL

France is far from this target: in 2024, its public debt is around 110% of GDP, almost twice the limit.

DEBT LEVEL OF FRANCE THROUGHOUT THE TIME

Covid-19
+ energy crisis
=Sharp increase

WHY IS FRENCH DEBT SO HIGH ?

STRUCTURAL FACTORS

TEMPORARY SHOCKS

“CAN FRANCE LOWER ITS DEBT RATIO TO THE 60% EU TARGET ?”

WHAT ABOUT OUR OPINION?

Reaching 60% of GDP is, in the short and medium term, unrealistic for France. The gap is simply too large. What seems more feasible is a strategy of stabilization first — avoiding further increases in debt — followed by gradual reduction supported by reforms and economic growth.