Beat: Politics

FRANCE NEEDS TO REBALANCE ITS BUDGET ACCOUNTS IN THE FACE OF GDP DEBT OF 320E Bn

PM BARNIER SAYS "IT IS SEVERE"

Paris, Washington DC, 18.09.2024, 13:34 Time

USPA NEWS - To avoid being sanctioned by the rating agencies. France indeed, risks that the financial markets decide to stop lending money to France, because of the public deficit in France.
However, France to return to balance, has only a few alternatives to return to balance
1- Reduce spending
2- Increase revenue
3- Boost its growth in decline

However, solution number 2, to increase taxes, is not only unpopular but difficult to envisage in times of current crisis, in the face of very high inflation, in a country already heavily indebted and whose left-wing political opposition (NFP) advocates for a salary increase from SMIC to 1600 Euros, instead of 1398 euros gross/month.
The left-wing opposition is already very "irritated" and "annoyed" since the Prime Minister Michel Barnier of the Right was appointed two weeks ago (September 5, 20124), instead of Lucie Castets (Far Left) proposed by the left-wing NFP group, and whom President Macron refused to appoint. The new PM, Barnier will have no choice but to demonstrate budgetary austerity, before delivering his general policy speech at the beginning of October and voting on the budget of the PLFF 2024 law around October 8th.

FRANCE NEEDS TO REBALANCE ITS BUDGET ACCOUNTS IN THE FACE OF THE GDP DEBT OF 3200 BILLION EUROS

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France, a founding country of the European Union, should be under the protection of the ECB, while risking facing a new problem, which is the strangulation of the French economy, whose growth is already in decline in France, with growth in decline and few means to reduce its deficits and pay since in addition to 79 billion in 30 years of taxes to pay and which is gradually becoming poorer.

According to INSEE (National Institute of Economic Statistics), growth in France, Over the whole of 2024, growth was expected to reach +1.1%, as in 2023, with a momentum for 2025 that would be weak: the growth acquired at the end of 2024 would amount to +0.2% in 2024. However, according to the latest projections adjusted to reality, show growth at 0.8%, compared to 0.9% in the previous forecasts. (Source: INSEE, March 2024)

PIERRE MOSCOVICI PRESIDENT OF HIGH AUDIT COUNCIL OF PUBLIC FINANCE WARNS ABOUT THE VOTE OF BUDGET 2025 NOT READY YET

As for Pierre Moscovici, the President of the High Council of Public Finances deplores that Matignon has not yet transmitted its 2025 budget project.
"We have not received the project. (...) A priori it will not be for today and I do not know when it will be", explained Mr. Moscovici, who is also First President of the Court of Auditors, on France info Friday.

Even if he says he understands that "the priority is there to form the government", Pierre Moscovici asks for "a little transparency" from Michel Barnier on the draft finance law for 2025. Source France Info
The objective of reducing the deficit to 5.1% is unattainable in 2024. This is not a subject of the right or the left, an over-indebted State is a paralyzed State. As declared Pierre Moscovici the President of the Court of Auditors (Socialist, former Minister of European Affairs).

Article online:
https://www.uspa24.com/bericht-24881/france-needs-to-rebalance-its-budget-accounts-in-the-face-of-gdp-debt-of-320e-bn.html

Editorial office and responsibility:
V.i.S.d.P. & Sect. 6 MDStV (German Interstate Media Services Agreement): Rahma Sophia RACHDI

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Official Federal Reg. No. 7442619