Addressing macro and structural issues

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Peripheral adjustment of intra-Euro area imbalances has been significant ...

real exchange rate appreciation required to achieve internal and external balance, %

Source: Goldman Sachs Global Investment Research
... and fiscal adjustment proceeds

change in cyclically-adjusted fiscal balance, % of GDP

- Further required fiscal tightening
- Fiscal tightening so far

Source: Goldman Sachs Global Investment Research
Note: Required tightening reflects stabilising public debt / GDP ratio at 60% 20 years after peak of ratio.
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