

(English version)

**Question for written answer E-004531/25
to the Commission
Moritz Körner (Renew)
(13 November 2025)**

Subject: Net new debt

1. According to the Commission's information, what proportion of the net new debt taken out by euro area Member States is being used to pay interest on existing government debt this financial year? Could the Commission also provide the overall average and a breakdown of this total by each euro area Member State?
2. What developments have there been in this proportion since 2008?
3. What conclusions does the Commission draw from these developments in respect of the sustainability of public finances and the fiscal leeway open to the Member States?

Submitted: 13.11.2025

**Answer given by Mr Dombrovskis on behalf of the European Commission
(26 January 2026)**

Tables 35 and 36 of the annex of the European Economic Forecast Autumn 2025 respectively provide the interest expenditure and the primary balance observed in recent years for all Member States ⁽¹⁾.

In 2025, based on the Commission autumn 2025 forecast, most euro area countries have a primary deficit (it reaches 1.2% for the euro area as a whole) and therefore fully finance their interest expenditures via new debt issuances.

Conversely, Ireland, Greece, Cyprus and Portugal are expected to have sufficiently large primary surpluses to finance their interest expenditure without issuing new debt.

Finally, while Italy and Spain have primary surpluses, those are smaller than their interest expenditure, with the excess being financed by new debt.

On average over 2008-24, the euro area as a whole recorded deficits in both the primary balance and the budget balance (-1.1 and -3.3% of GDP respectively) (see Annex 1).

The capacity to finance interest expenditure is one of the factors determining fiscal sustainability. The debt level and its expected dynamic over time is another key aspect to consider.

In that respect, the differential between the average interest rate the government pays on its debt and the growth rate of the economy is a crucial variable for debt dynamics.

A negative differential supports debt reduction, while a positive differential has the opposite effect. Over 2008-24, the differential has been negative, although clearly narrowing at the end of the period (see Debt Sustainability Monitors available online) ⁽²⁾.

⁽¹⁾ The report is available here: https://economy-finance.ec.europa.eu/publications/european-economic-forecast-autumn-2025_en. Moreover, annual series are available in DG ECFIN AMECO database: https://economy-finance.ec.europa.eu/economic-research-and-databases/economic-databases/ameco-database_en.

⁽²⁾ The latest report, the 2024 DSM, is available online: https://economy-finance.ec.europa.eu/publications/debt-sustainability-monitor-2024_en.