

The economic consequences of ageing populations: projections for the EU27 Member States (2009 Ageing Report)

Gert Jan Koopman
Henri Bogaert

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A unique collaboration

- Projections for economic consequences of ageing and future public expenditure on pensions, health care, long-term care, education and unemployment transfers
- Repeat of projections carried out in 2001 and 2006
- Joint project of Economic Policy Committee (EPC) and Commission (DG ECFIN) to ensure comparability while reflecting the diversity of welfare systems across Member States

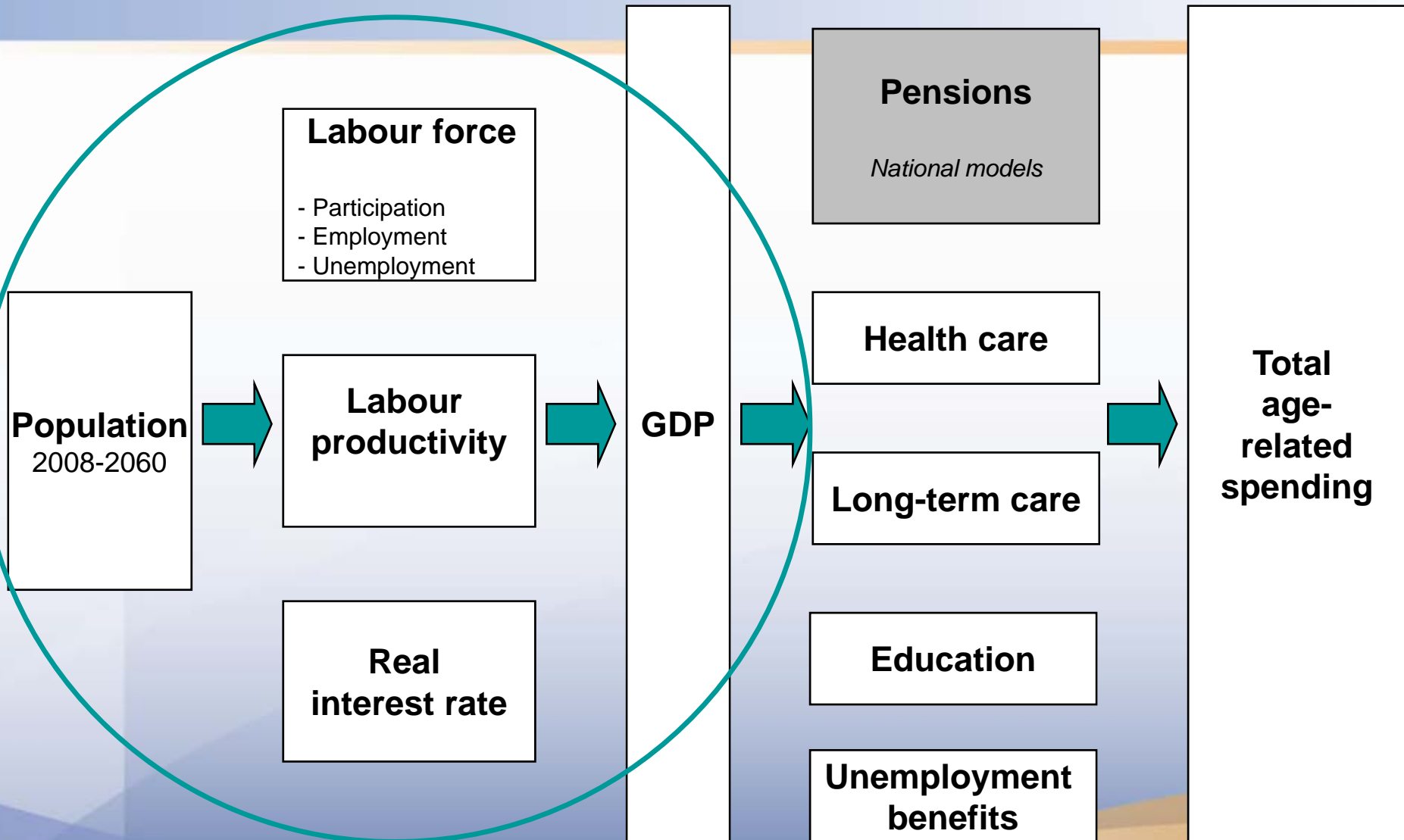


A special time

- Crisis, uncertainty
- Link ageing policies with measures to fight the crisis
- Special crisis scenarios have been prepared
- Will continue to monitor situation and evaluate the relevance of projections



Overview of 2009 projection exercise

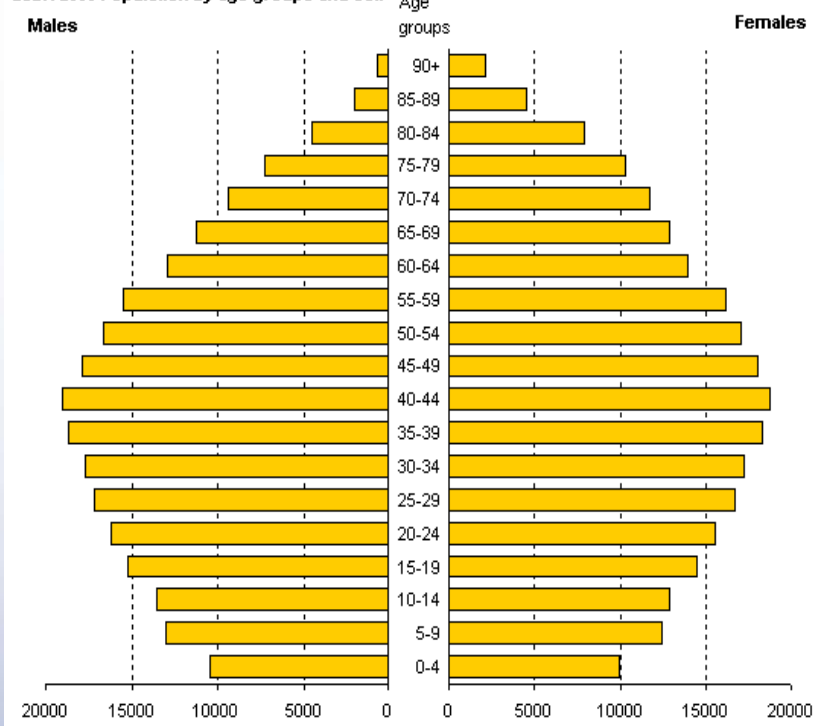


Population projections: EUROPOP2008

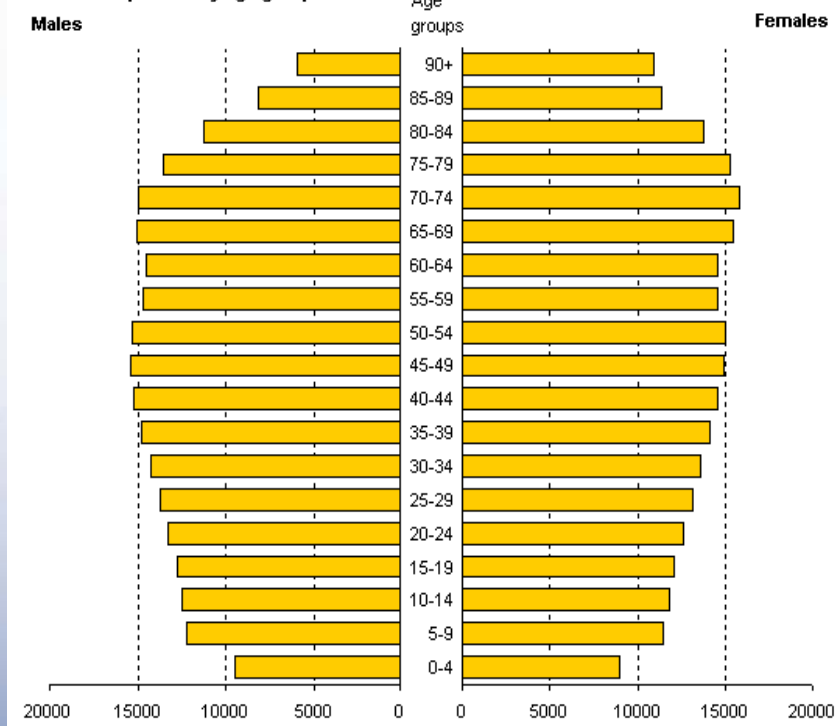
2008

2060

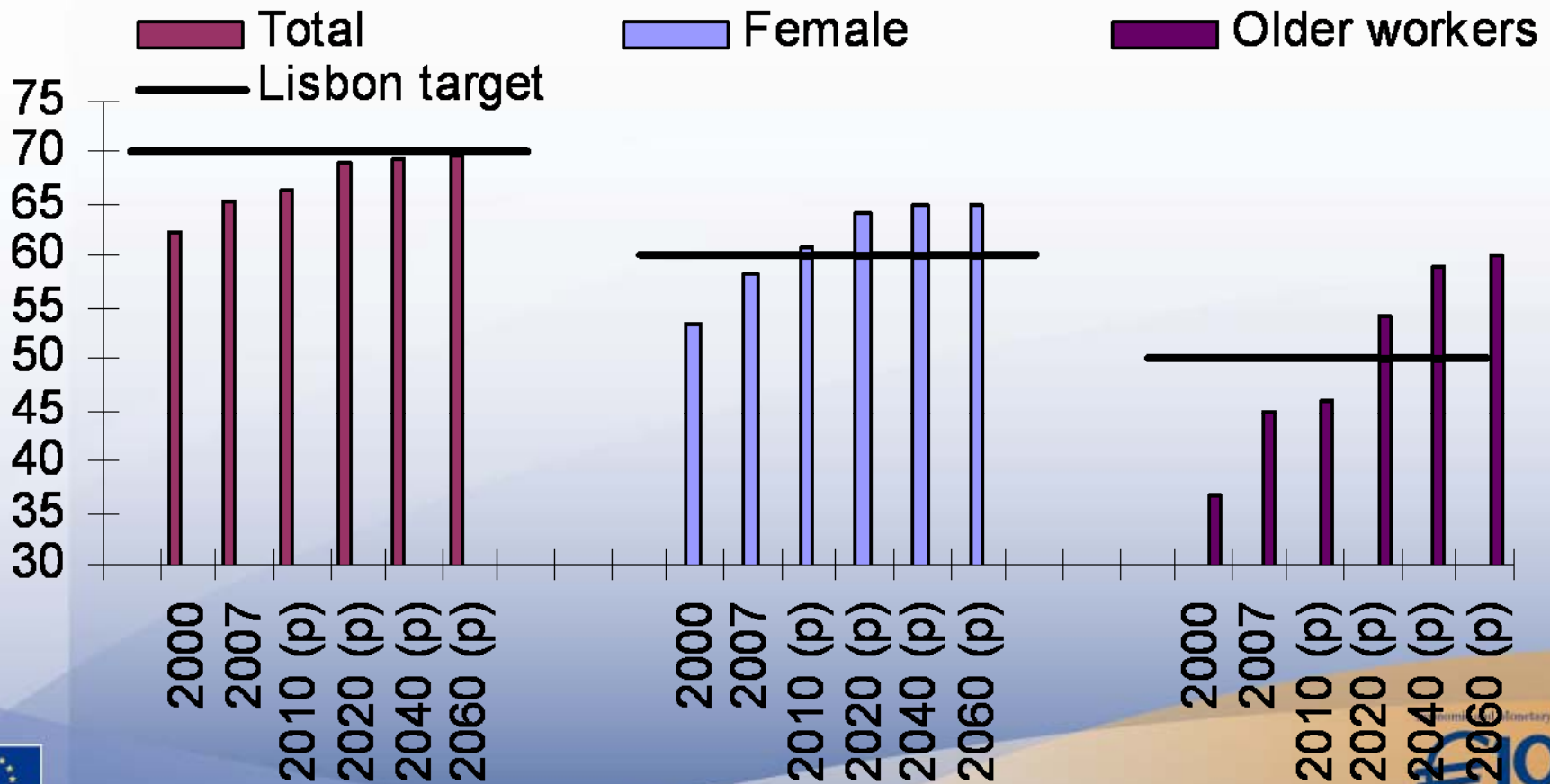
EU27: 2008 Population by age groups and sex



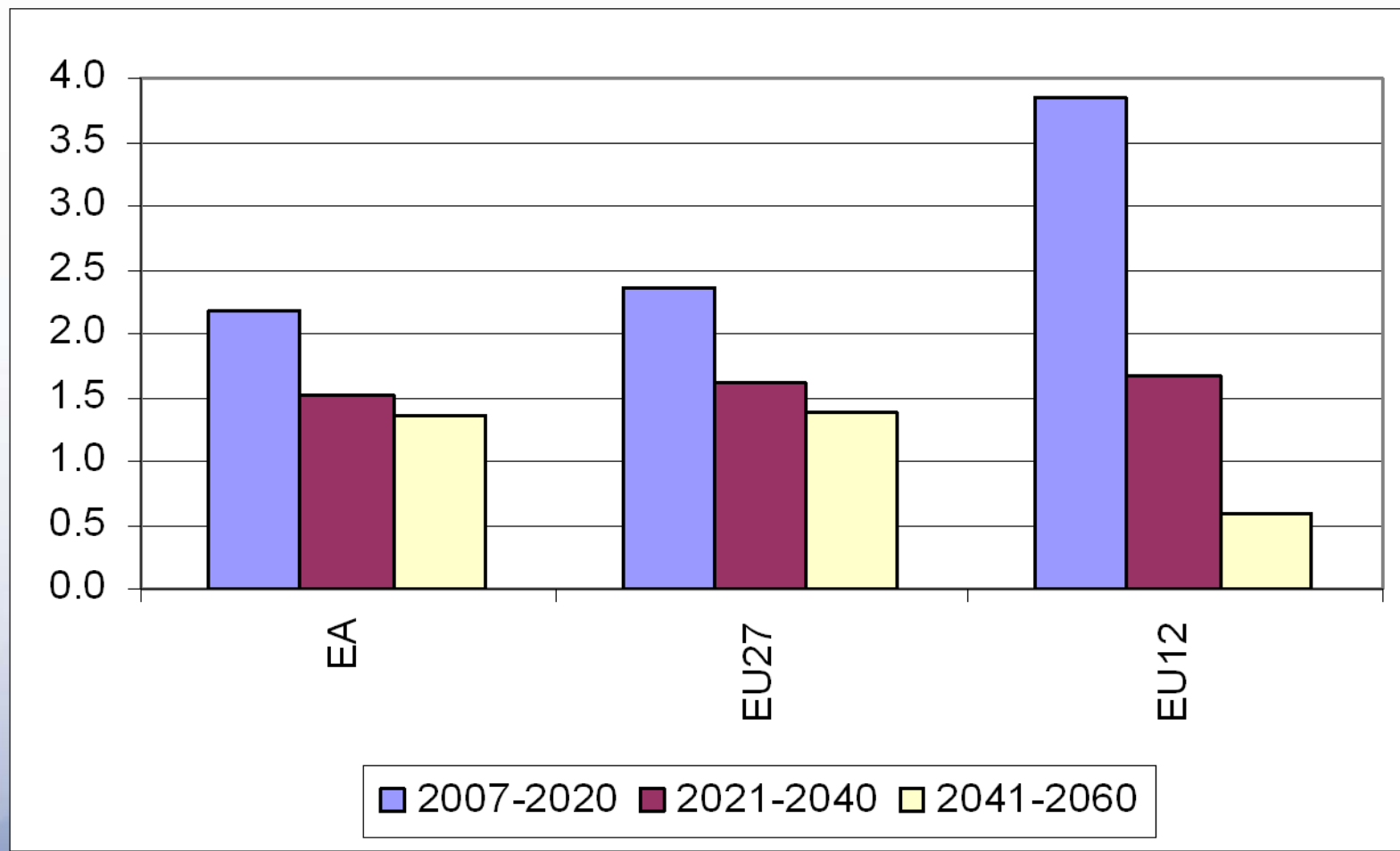
EU27: 2060 Population by age groups and sex



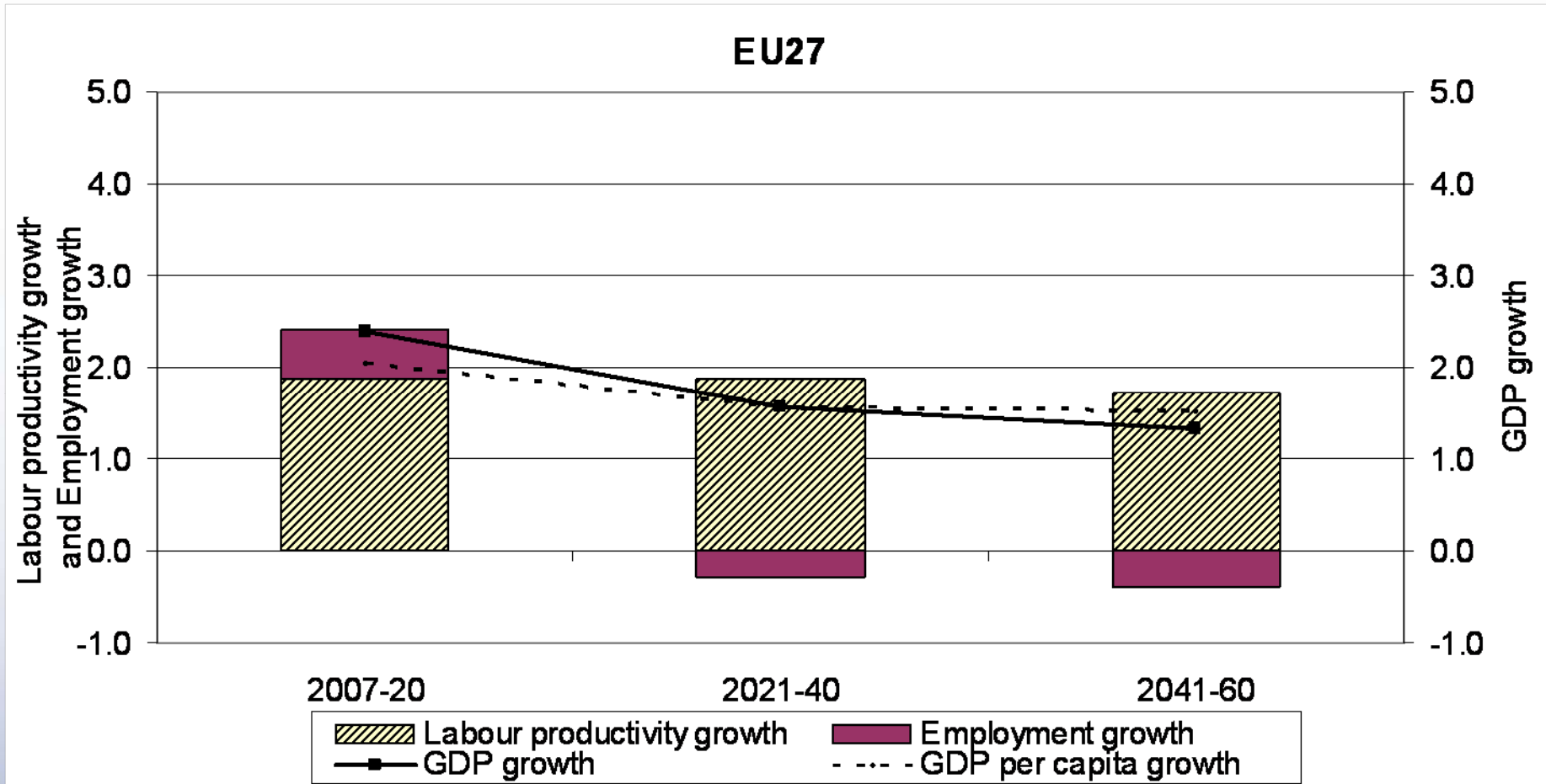
Projected employment rates and the Lisbon targets



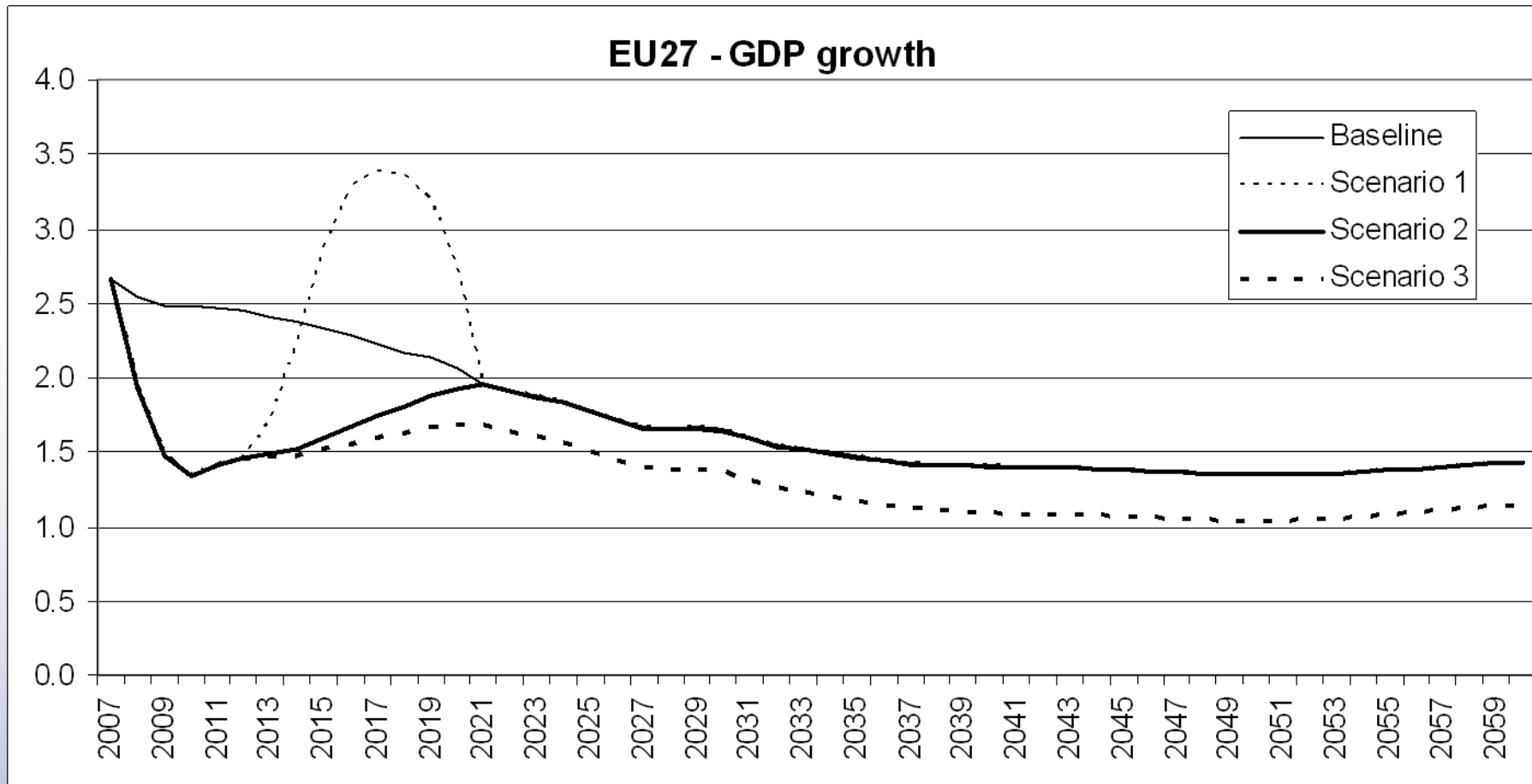
Potential growth rates decline due to shrinking working age populations



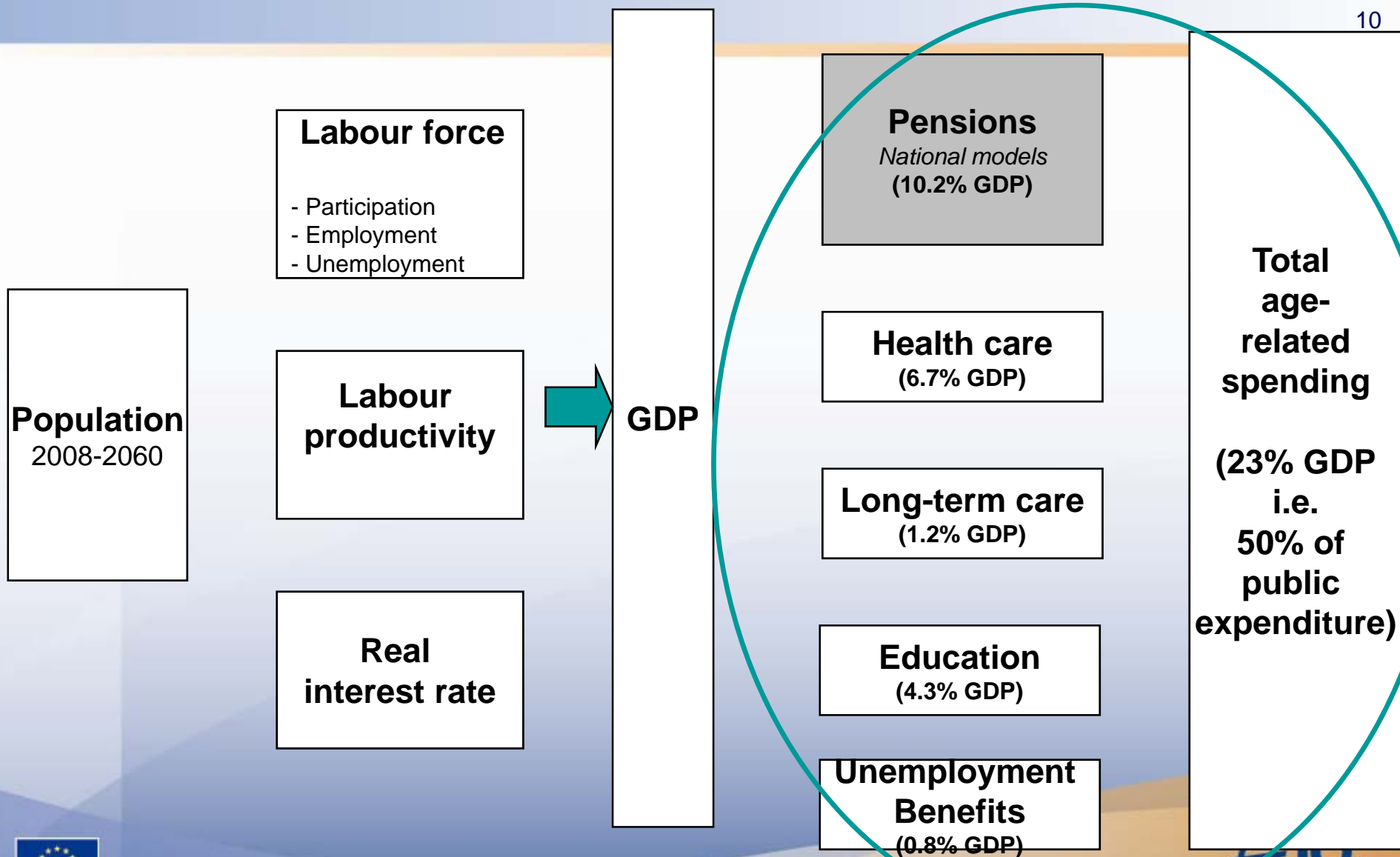
As potential GDP growth rates fall, productivity becomes the dominant source of growth



Alternative scenarios: potential GDP growth under different shocks

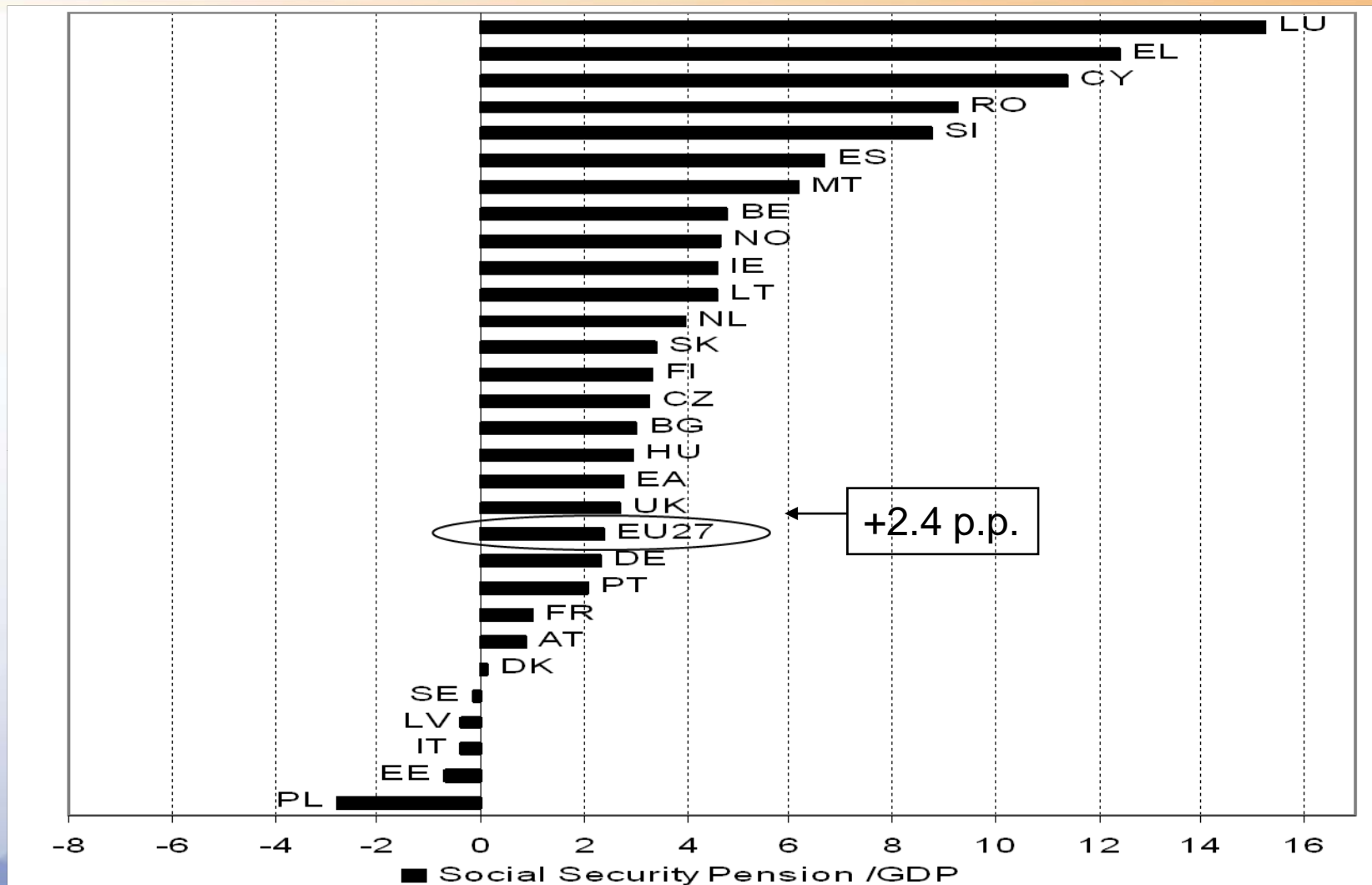


Overview of 2009 projection exercise

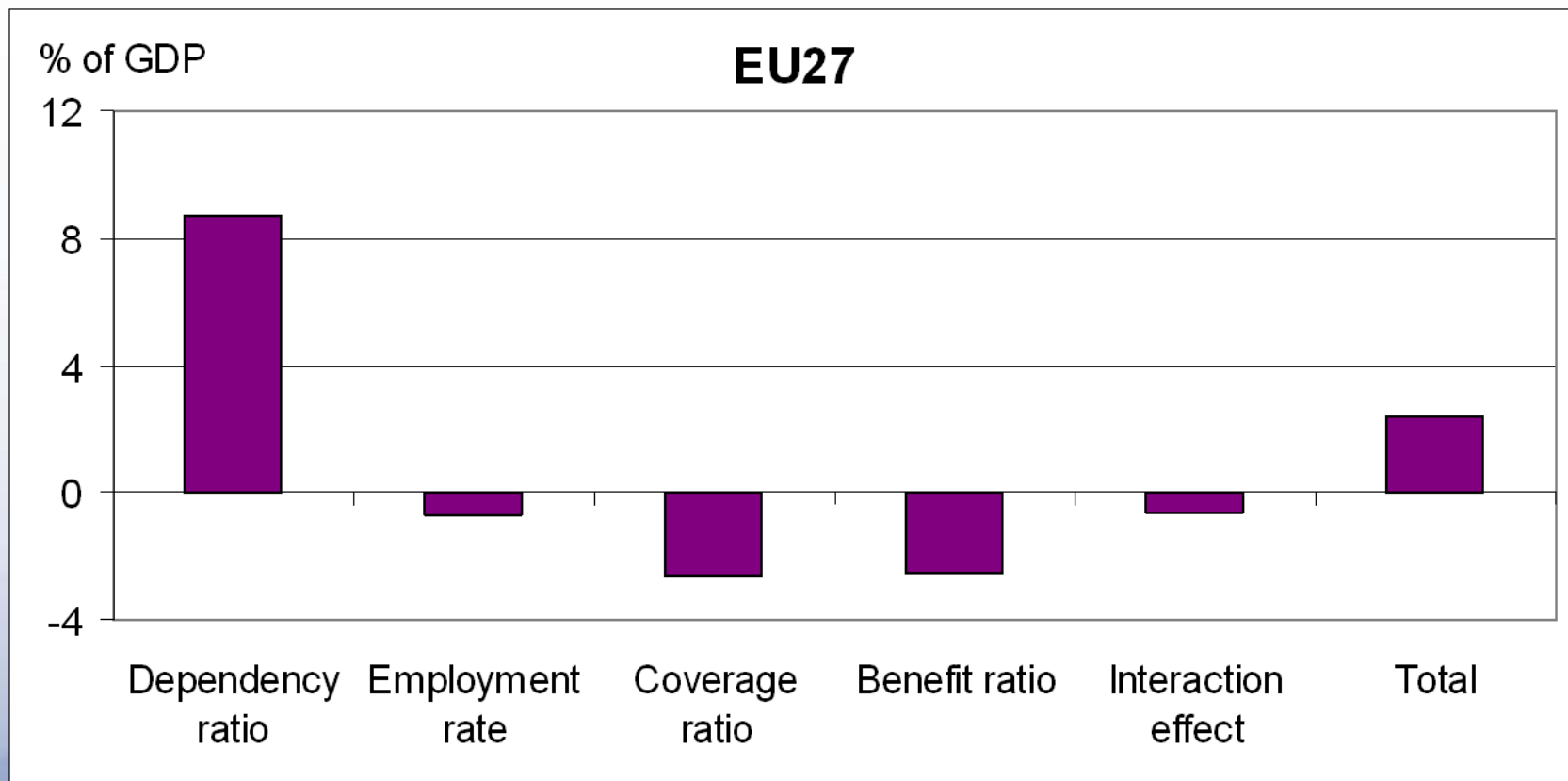


Projected changes in public pension expenditure (2007-2060 in percentage points)

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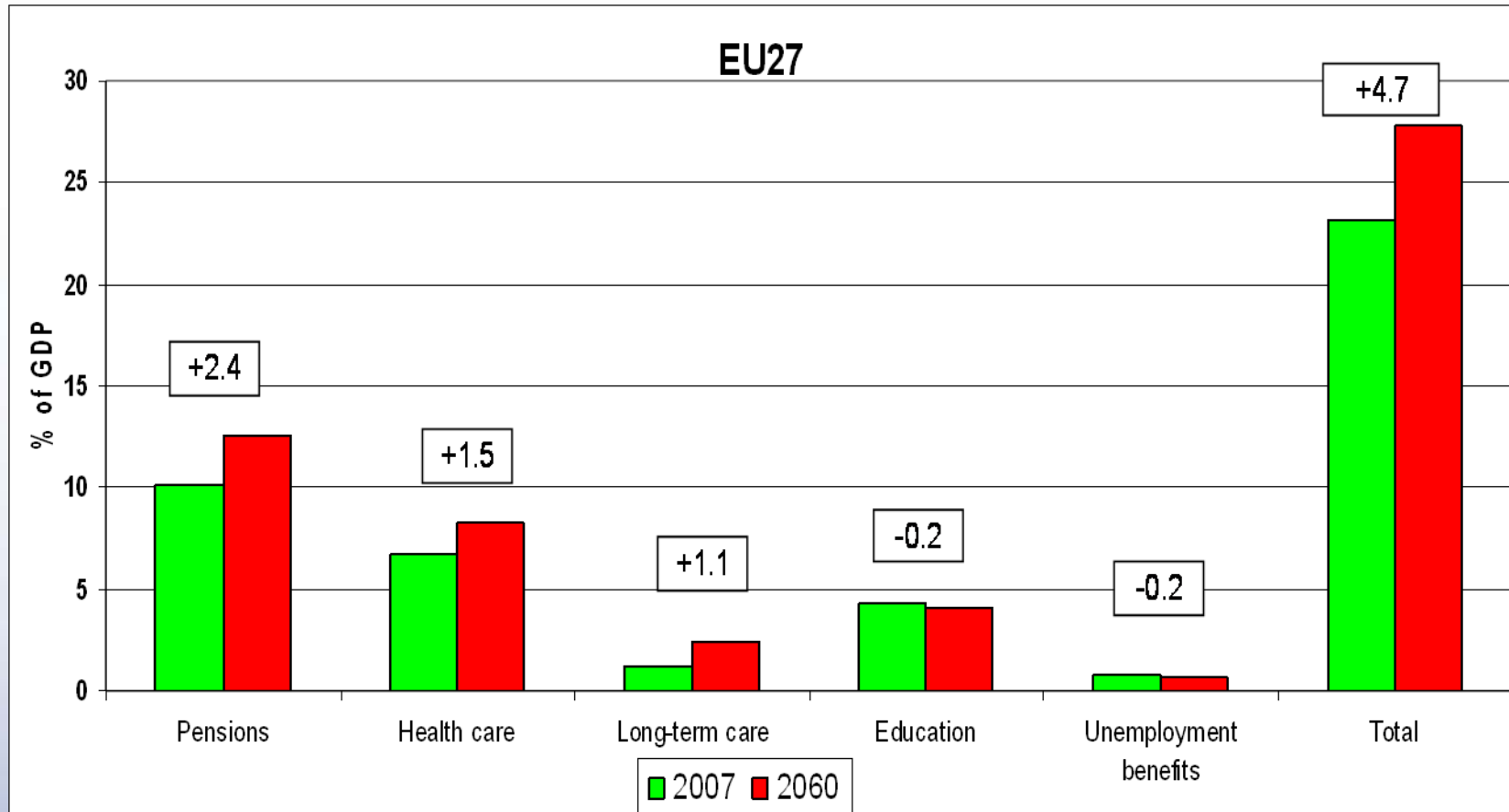


Factors contributing to changes in pension expenditure (% of GDP)



The Cost of Ageing, EU27

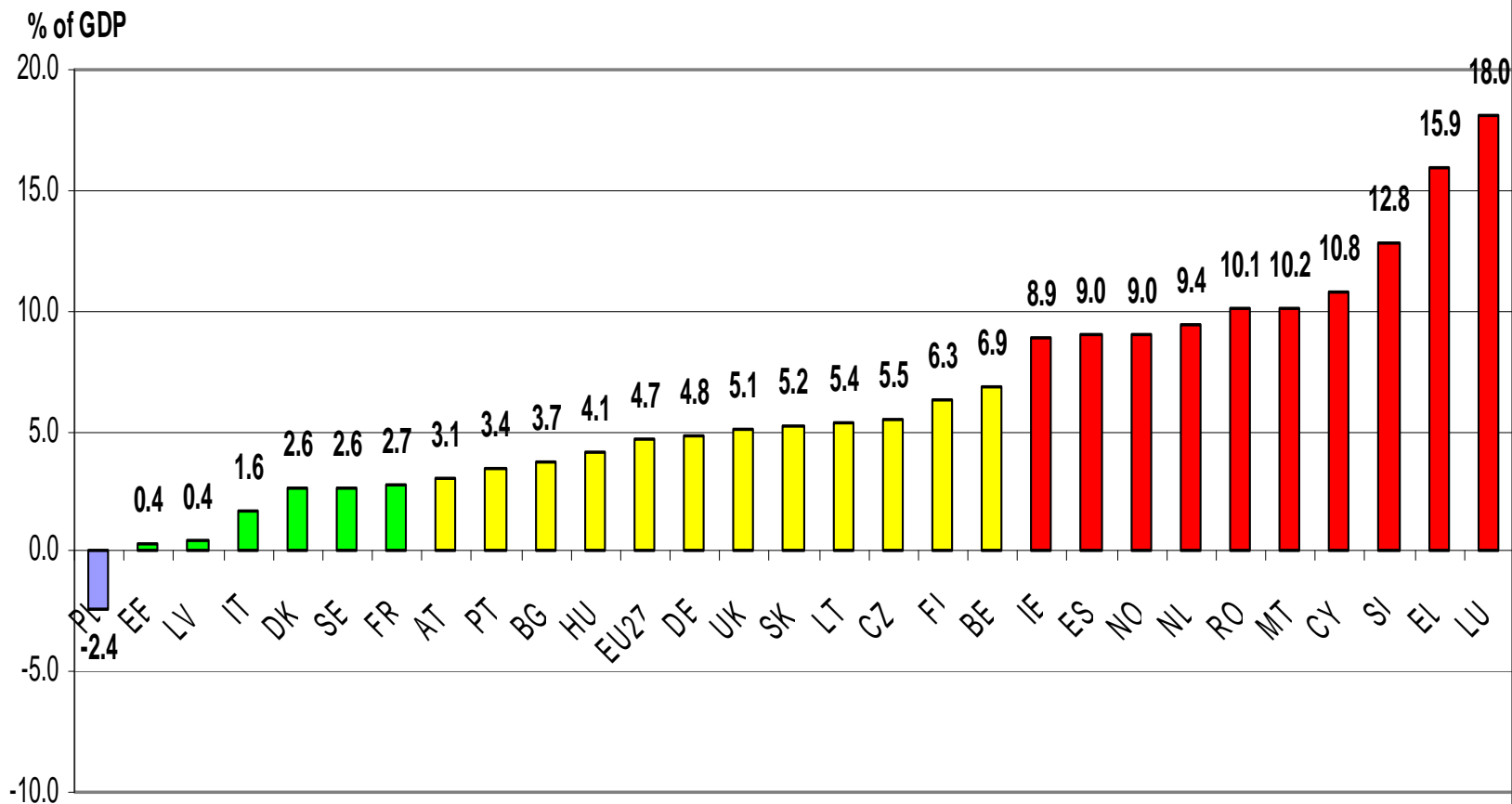
(change in percentage points)



The Cost of Ageing, variety in the EU

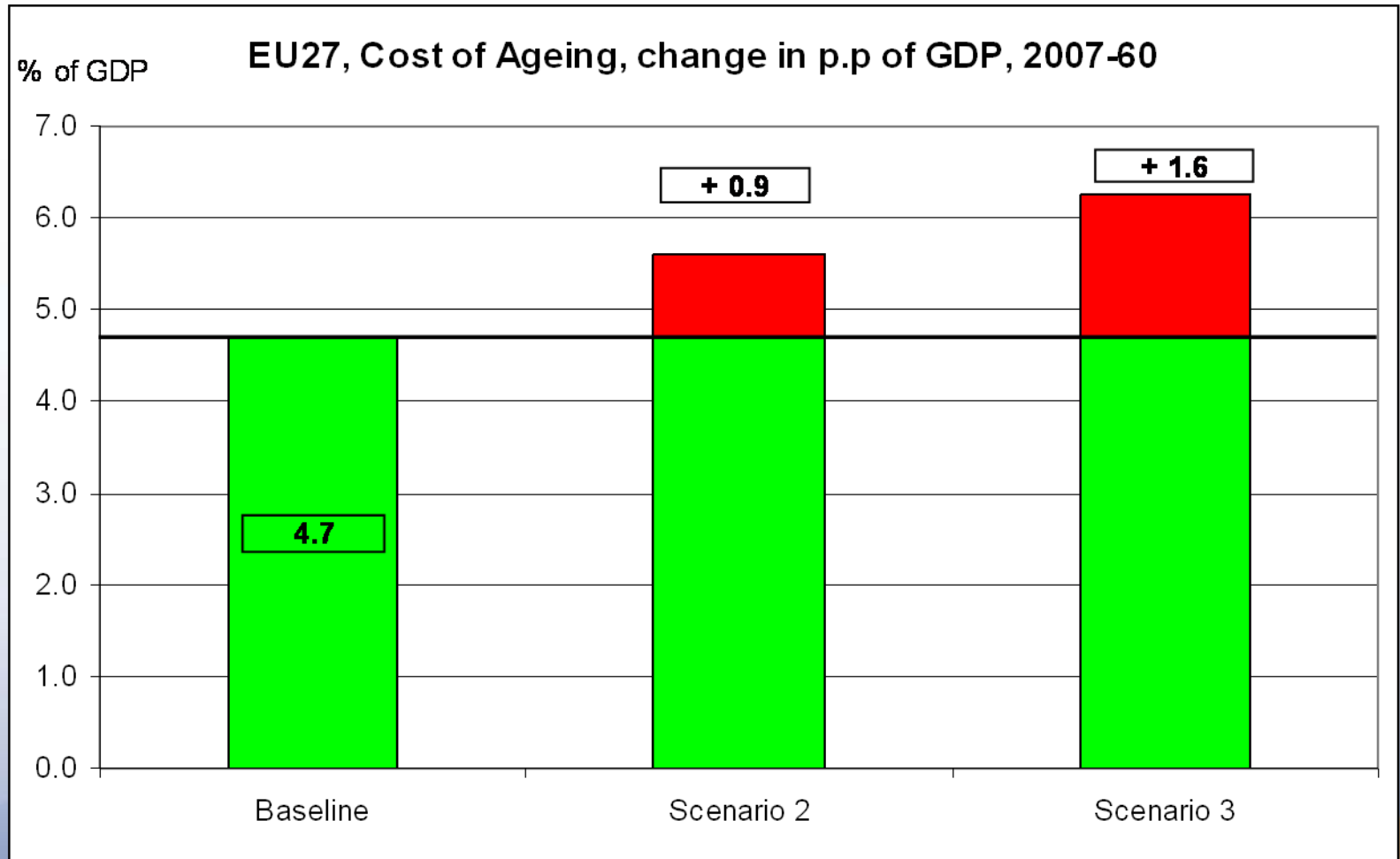
(change in percentage points)

Total Cost of Ageing, 2007-60



Alternative scenarios:

potential budgetary impact of the economic and financial crisis



The full report can be found at DG
ECFINs website:

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http://ec.europa.eu/economy_finance/thematic_articles/article14761_en.htm

Thank you for your attention

