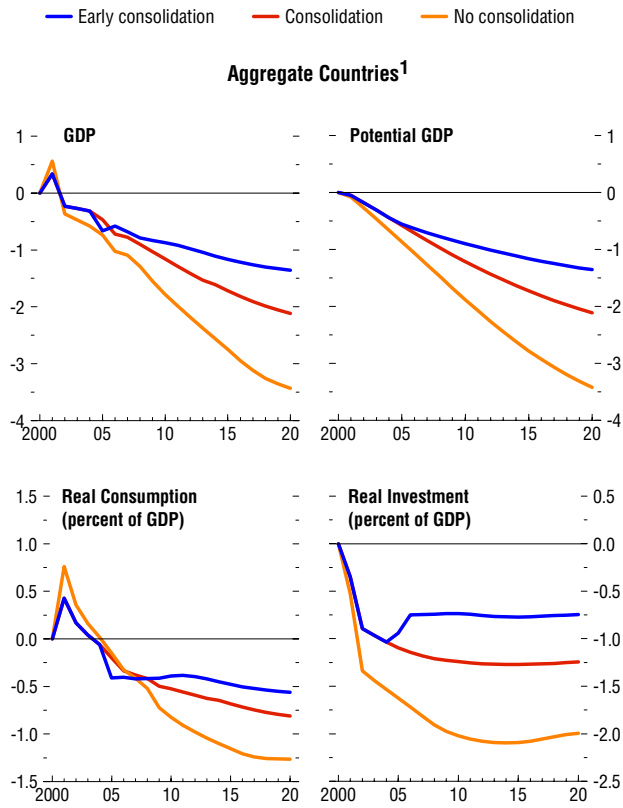


Figure 2.4 (concluded)

The short-term impact on the rest of the world of a U.S. fiscal expansion is small, while the medium-term losses are large. An early U.S. consolidation could minimize future costs abroad of the current U.S. expansion.



Source: IMF MULTIMOD simulations.

¹Industrial countries include Canada, France, Germany, Italy, Japan, United Kingdom, and small industrial countries.