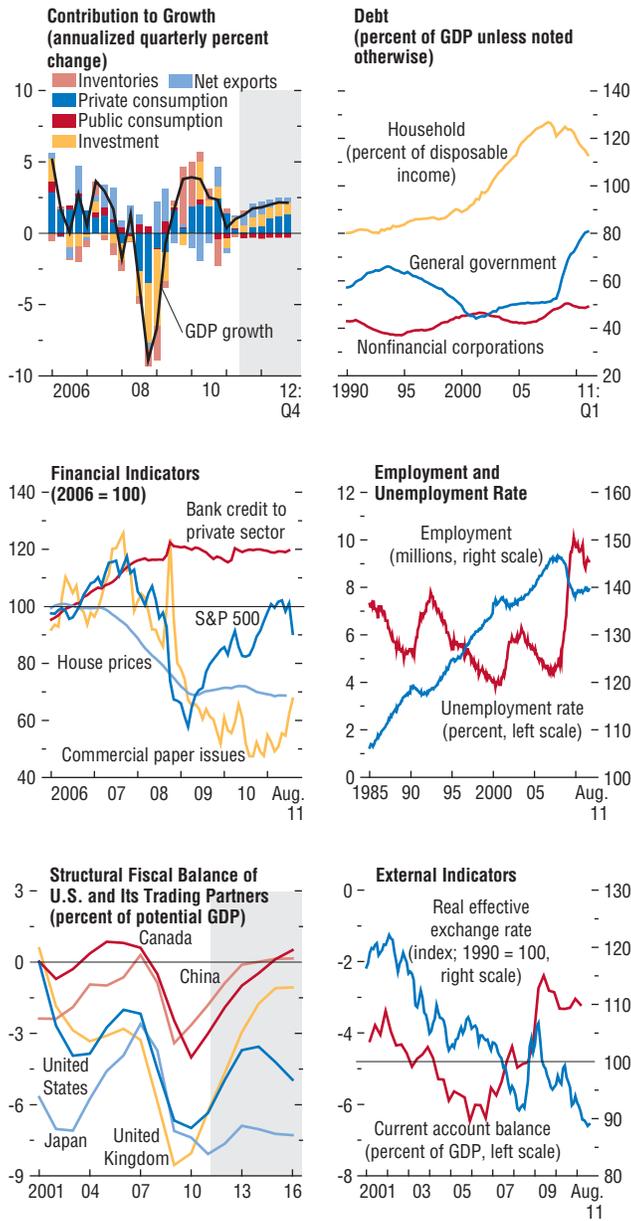


Figure 2.4. United States: Struggling to Gain a Foothold

Growth has weakened, and growing concerns about the recovery and uncertain fiscal stance have undermined confidence and financial stability. Fiscal policy needs to achieve medium-term debt sustainability while supporting the recovery through the renewal of temporary stimulus measures beyond 2011. Current fiscal plans will not help reduce external imbalances over the medium term, given more durable fiscal tightening projected for the largest U.S. trading partners.



Sources: Haver Analytics; and IMF staff estimates.