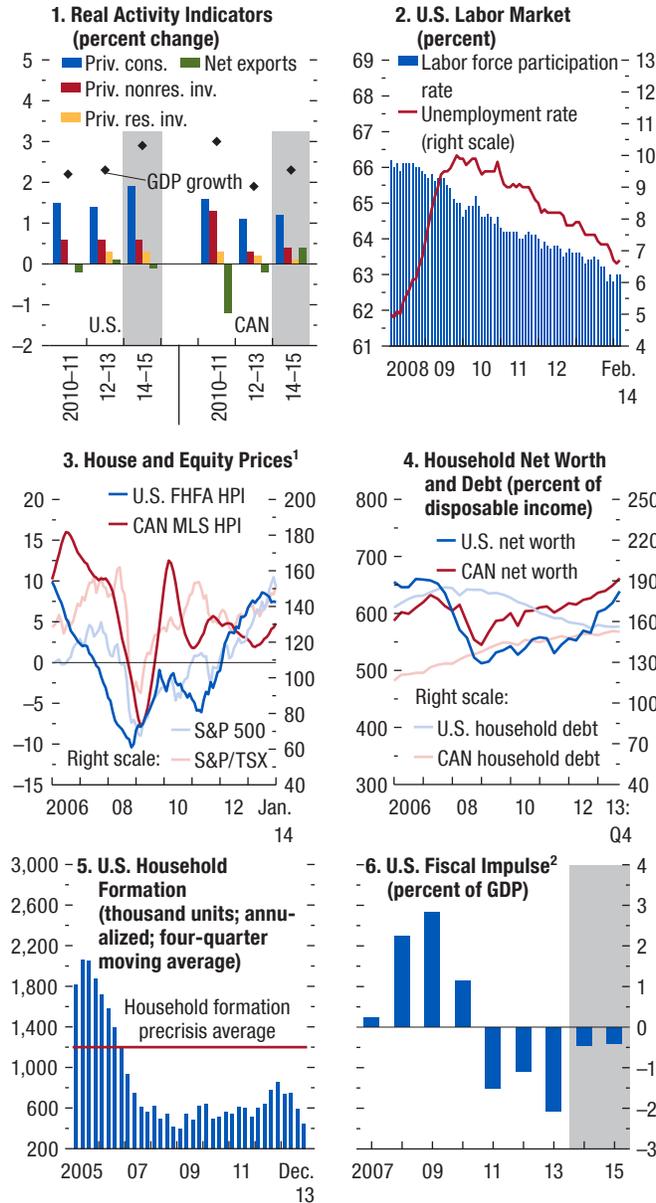


**Figure 2.2. United States and Canada: Recovery Firming Up**

In the United States, growth in 2013 was higher than expected, and recent data remain consistent with a further pickup in 2014 as improvement in the labor and housing markets continues and the fiscal drag wanes. In Canada, growth strengthened in 2013 and is expected to accelerate in 2014 as a result of rising business investment and firming external demand.



Sources: Bloomberg, L.P.; Canadian Real Estate Association; Congressional Budget Office; Haver Analytics; and IMF staff estimates.  
 Note: CAN = Canada; cons. = consumption; FHFA HPI = Federal Housing Finance Agency Housing Price Index; inv. = investment; MLS HPI = Multiple Listing Service Housing Price Index; nonres. = nonresidential; priv. = private; res. = residential; S&P = Standard & Poor's; TSX = Toronto Stock Exchange.  
<sup>1</sup>Year-over-year percent change for house prices and index; January 2005 = 100 for S&P and TSX.  
<sup>2</sup>The fiscal impulse is the negative of the change in the primary structural balance.