Although the spillover effect of fiscal tightening in the United States is largest in Latin America, fiscal tightening in the euro area has the largest impact on Europe.

1. Growth Impact of a Tax Increase of 1 Percent of GDP in the United States
   (1977:Q4–2007:Q4)

2. Growth Impact of a Tax Increase of 1 Percent of GDP in the Euro Area
   (1978–2009)

Source: IMF staff calculations.
Note: LAC = Latin America and the Caribbean.