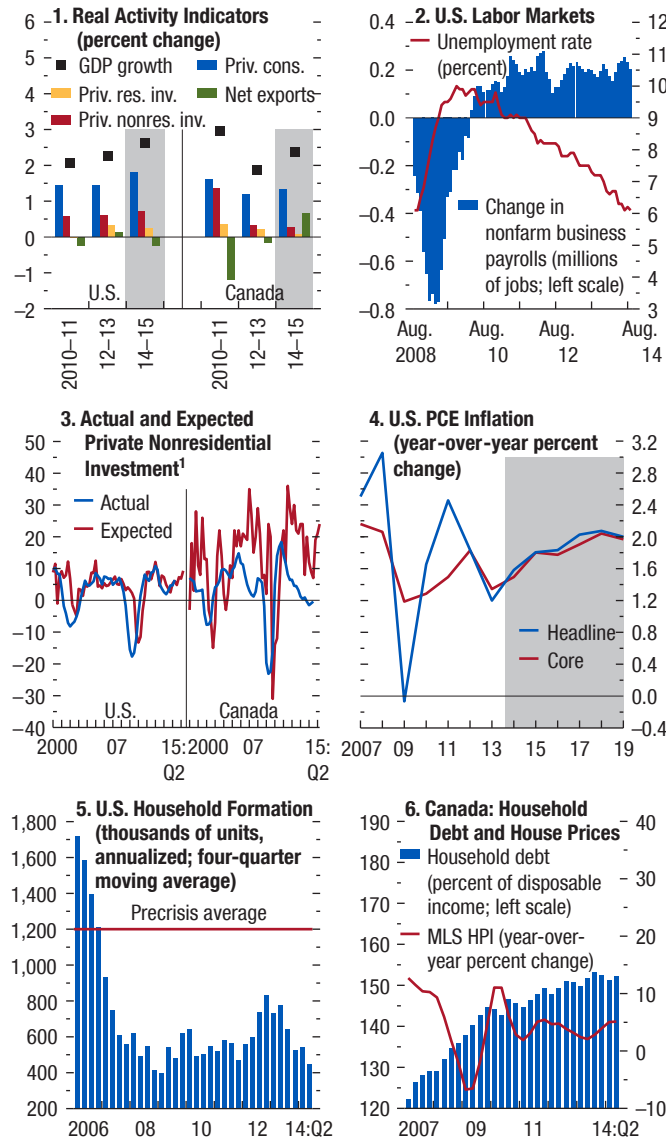


## Figure 2.2. The United States and Canada: Recovery to Continue after Temporary Setback

In the United States, the recovery is firming after a brief slowdown in the first quarter of 2014, as improvements in labor markets continue and private investment picks up. Wage and price pressures, however, remain subdued. Canada's growth also slowed in the first quarter but has since rebounded strongly, with exports benefiting from the U.S. recovery and a weaker currency, while housing market risks call for continued vigilance.



Sources: Canadian Real Estate Association; Central Bank of Canada (BoC); Duke/*CFO Magazine* Global Business Outlook Survey; Haver Analytics; Statistics Canada; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; and IMF staff estimates.

Note: Cons. = consumption; inv. = investment; MLS HPI = Multiple Listing Service Housing Price Index; nonres. = nonresidential; priv. = private; PCE = personal consumption expenditure; res. = residential.

<sup>1</sup>Year-over-year percent change. Duke/*CFO Magazine* Global Business Outlook Survey and BoC Global Business Outlook Survey for expected (12-month-ahead) investment spending for the United States and Canada, respectively. For Canada, expected investment shows the balance of opinion measured as the percentage of firms expecting higher investment in machinery and equipment minus the percentage expecting lower investment.