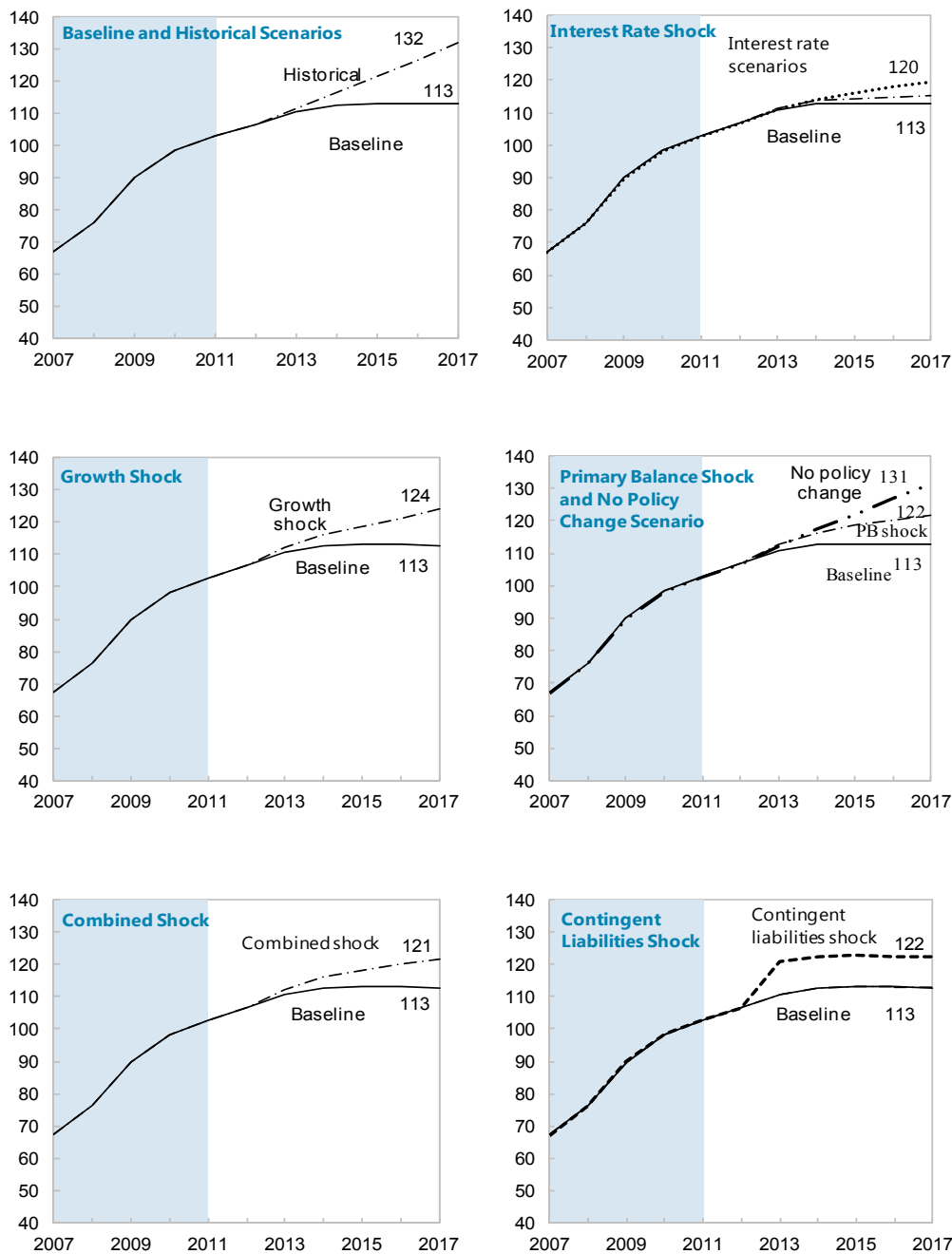


**Annex Figure. Public Debt Sustainability: Bound Tests 1/ 2/
(Public debt in percent of GDP)**



Sources: International Monetary Fund, country desk data, and staff estimates.

1/ Shaded areas represent actual data. Individual shocks are permanent one-half standard deviation shocks. For interest rates, an additional scenario with a 2 standard deviation shock is also considered. Figures in the boxes represent average projections for the respective variables in the baseline and scenario being presented. Ten-year historical average for the variable is also shown.

2/ For historical scenarios, the historical averages are calculated over the ten-year period, and the information is used to project debt dynamics five years ahead.

3/ Permanent 1/4 standard deviation shocks applied to real interest rate, growth rate, and primary balance.

4/ A standard 10 percent of GDP shock to contingent liabilities is assumed to occur in 2013.



UNITED STATES

STAFF REPORT FOR THE 2012 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

July 13, 2012

Prepared By

The Western Hemisphere Department

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Annex I. United States: Fund Relations

(As of May 31, 2012)

| | | | | |
|------|---|--|-------------------|--|
| I. | Membership Status: | Joined 12/27/45; Article VIII | | |
| | | | Percent | |
| II. | General Resources Account: | SDR Million | Quota | |
| | Quota | 42,122.40 | 100.00 | |
| | Fund holdings of currency | 27,023.98 | 64.16 | |
| | Reserve position in Fund | 15,099.45 | 35.85 | |
| | Lending to the Fund | | | |
| | New Arrangements to Borrow | 7,048.64 | | |
| | | | Percent | |
| III. | SDR Department: | SDR Million | Allocation | |
| | Net cumulative allocation | 35,315.68 | 100.00 | |
| | Holdings | 35,808.14 | 101.39 | |
| IV. | Outstanding Purchases and Loans: | None | | |
| V. | Financial Arrangements: | None | | |
| VI. | Projected Obligations to Fund: | None | | |
| VII. | Exchange Rate Arrangements: | The exchange rate of the U.S. dollar floats independently and is determined freely in the foreign exchange market. | | |

VIII. **Payments Restrictions.** The United States accepted Article VIII of the IMF's Articles of Agreement and maintains an exchange system free of restrictions and multiple currency practices with the exception of limited restrictions on certain payments and transfers imposed for security reasons. The United States currently administers approximately 30 economic sanctions programs, which restrict certain payments and transfers for transactions against particular foreign governments, entities, and individuals. The United States administers, inter alia, sanctions programs relating to Burma, Cuba, Iran, North Korea, and Sudan, and continues to block certain previously frozen assets of the former Yugoslavia. Several other sanctions programs, including those relating to Côte d'Ivoire, Liberia, Somalia, Syria, Western Balkans, and Zimbabwe are "list-based" programs, affecting only members of certain government regimes and other individuals and groups whose

activities have been determined to threaten the foreign policy or economy of the United States. The United States also implements similar list-based sanctions programs against: narcotics traffickers; terrorism-related governments, entities, and individuals; and proliferators of weapons of mass destruction.

IX. **Article IV Consultation.** The 2011 Article IV consultation was concluded in July 2011 and the Staff Report was published as IMF Country Report No. 11/201. A fiscal ROSC was completed in the context of the 2003 consultation. An FSAP involved two missions, during October 14–November 3, 2009 and February 17–March 12, 2010. The FSSA was discussed at the board, together with the 2010 Article IV Consultation, on July 26, 2010.

The 2012 Article IV discussions were conducted from May 21–June 8, 2012. Concluding meetings with Treasury Secretary Geithner and Chairman Bernanke of the Board of Governors of the Federal Reserve System occurred on June 27 and July 3rd, respectively. The Managing Director, Ms. Lagarde, and WHD Director, Mr. Eyzaguirre, participated in the concluding meetings. A press conference on the consultation was held on July 3, 2012. The team comprised (at different times) Gian Maria Milesi-Ferretti (head), Roberto Cardarelli, Oya Celasun, Francesco Columba, Jihad Dagher, Geoffrey Keim, Eric Le Borgne, Paulo Medas, Martin Sommer, and Julien Reynaud (all WHD); Sally Chen (SPR); and Stephen Smith (MCM), with contributions from Jack Grigg, Thornton Matheson, and Ian Parry (FAD); Nadia Rendak, Andrew Giddings, Yan Liu, Steve Dawe and Emmanuel Mathias (LEG); John Kiff (MCM), Ranil Salgado, Marshall Mills, Katrin Elborgh-Woytek and Lars Engstrom (SPR). Ms. Lundsager (Executive Director) and Mr. Lindquist (Advisor) attended some of the meetings. Outreach included discussions with the private sector and think tanks. Unless an objection from the authorities of the United States is received prior to the conclusion of the Board's consideration, the document will be published.