

## **IMF alerts LatAm to possible "fiscal cliff" in U.S.**

SANTIAGO, Dec. 14 (Xinhua) -- International Monetary Fund (IMF) chief Christine Lagarde on Friday alerted Latin America to a potential U.S. "fiscal cliff."

Lagarde issued the warning at the first meeting of finance ministers of the Community of Latin American and Caribbean States (CELAC), held in Chile's coastal city of Vina del Mar.

She warned that the U.S. "fiscal cliff" poses a grave threat to Latin American economies.

The U.S. government has formulated a plan to reduce fiscal expenditures and raise taxes on the wealthy in an effort to alleviate the consequences of its huge fiscal deficit.

If approved by Congress, the plan will be implemented in next January. Otherwise, a package of tax increases and government spending cuts will occur, plunging the country back into recession and harming the sluggish global economy.

The IMF chief also warned of the impact the eurozone debt crisis and volatile commodity prices might have on Latin America, which has so far been resilient to global turbulence.

The ministerial meeting is a prelude to the EU-CELAC Summit scheduled for January in Santiago.