
Macroeconomic indicators - US federal deficit hits record high of USD 1.4 trillion

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US Treasury Department said that US federal deficit of the 2009 fiscal year reached a record high of USD 1.42 trillion. The US government imbalance for the fiscal year ending September 30th 2009, more than tripled last year's record. As a portion of the economy, the deficit accounted about 10%, the highest since World War II.

For fiscal year 2009, the government collected USD 2.1 trillion in revenues, a 16.6% drop from 2008, while government spending jumped to USD 3.52 trillion, up by 18.2% YoY.

The Treasury Department projected that the deficits would total USD 9.1 trillion over the next decade unless corrective action is taken.

Mr Tim Geithner Treasury Secretary pointed to the skyrocketing federal debt as a result of the government's actions to tackle the worst economic recession since the Great Depression of the 1930s. He added that "This year's deficit is lower than we had projected earlier this year, in part because we are managing to repair the financial system at a lower cost to taxpayers."

Mr Peter Orszag White House budget director said that "It was critical that we acted to bring the economy back from the brink earlier this year. The president recognizes that we need to put the nation back on a fiscally sustainable path."

(Sourced from Xinhua)

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