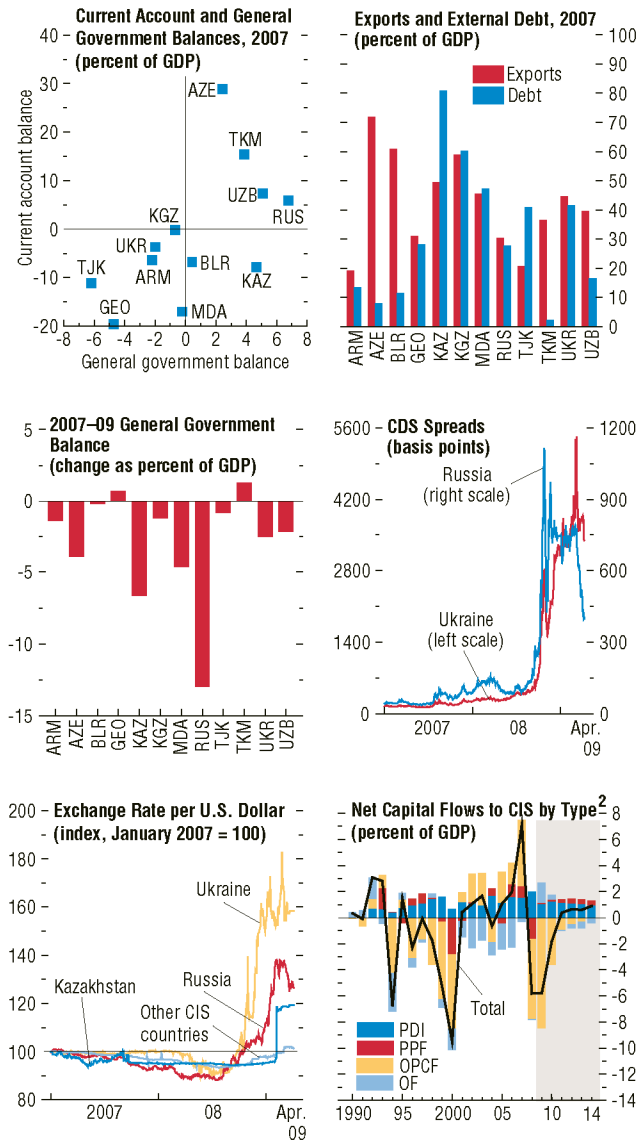


Figure 2.5. Commonwealth of Independent States (CIS): Struggling with Capital Outflows¹

Financial stress has seriously hit most CIS economies. Even those with current account and budget surpluses have suffered, mainly because of their external debt liabilities and slumping prices for energy exports. Countries that have room to do so are loosening fiscal policy. But with rising sovereign spreads, the room for fiscal stimulus has become limited. Exchange rates are depreciating. Capital flows will take many years to recover from the shock of the crisis.



Sources: Thomson Datastream; and IMF staff estimates.

¹ARM: Armenia; AZE: Azerbaijan; BLR: Belarus; GEO: Georgia; KAZ: Kazakhstan; KGZ: Kyrgyz Republic; MDA: Moldova; RUS: Russia; TJK: Tajikistan; TKM: Turkmenistan; UKR: Ukraine; UZB: Uzbekistan.

²PDI: private direct investment; PPF: private portfolio flows; OPCF: other private capital flows; OF: official flows.