

IMF Regional Economic Outlook

EBRD annual meeting

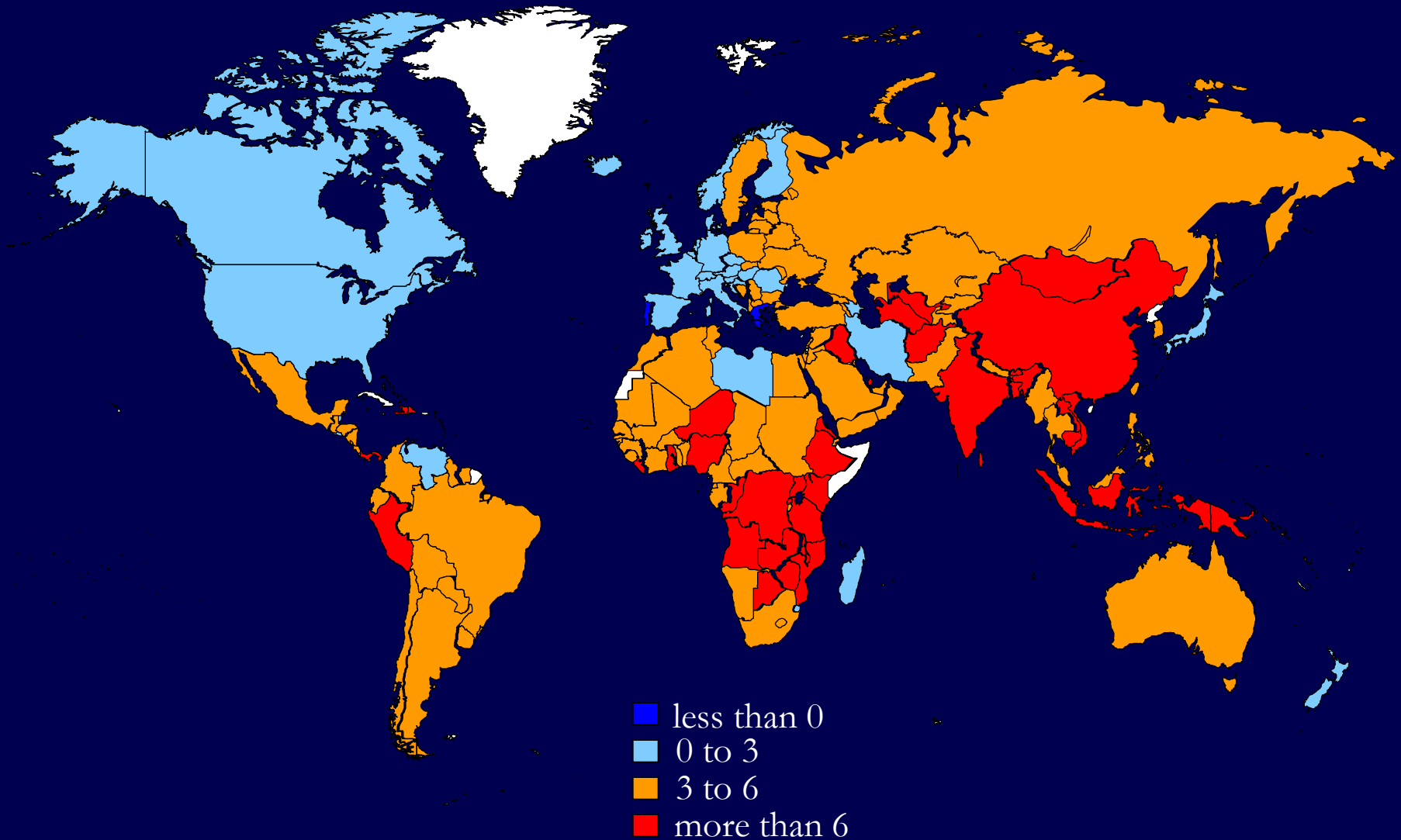
Astana, May 2011

Mark Allen

Senior IMF Resident Representative for Central and
Eastern Europe

Economic recovery is underway globally

WEO Real GDP Growth Projections (2011)



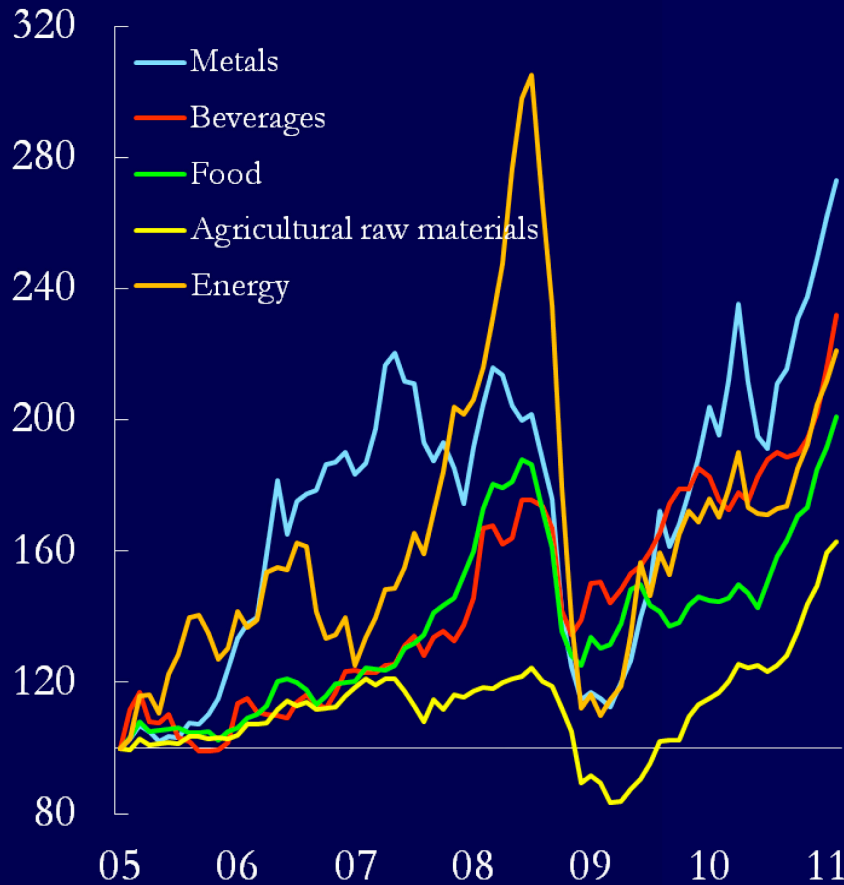
But recovery is at different speeds

WEO Real GDP Growth Projections
(2005-12, percent change from a year earlier)



Commodity prices may herald rising inflation

Commodity Prices
(index; Jan. 2005=100)

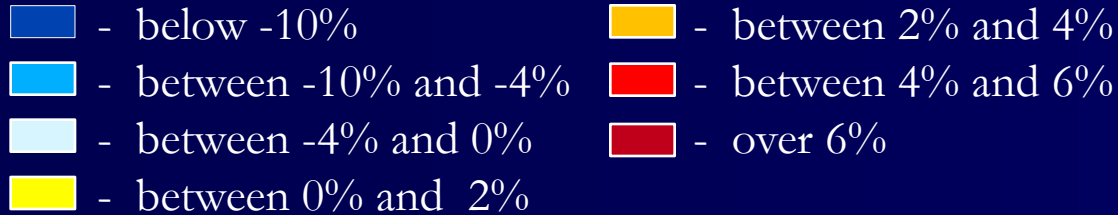


Headline CPI Inflation
(percent; year over year)



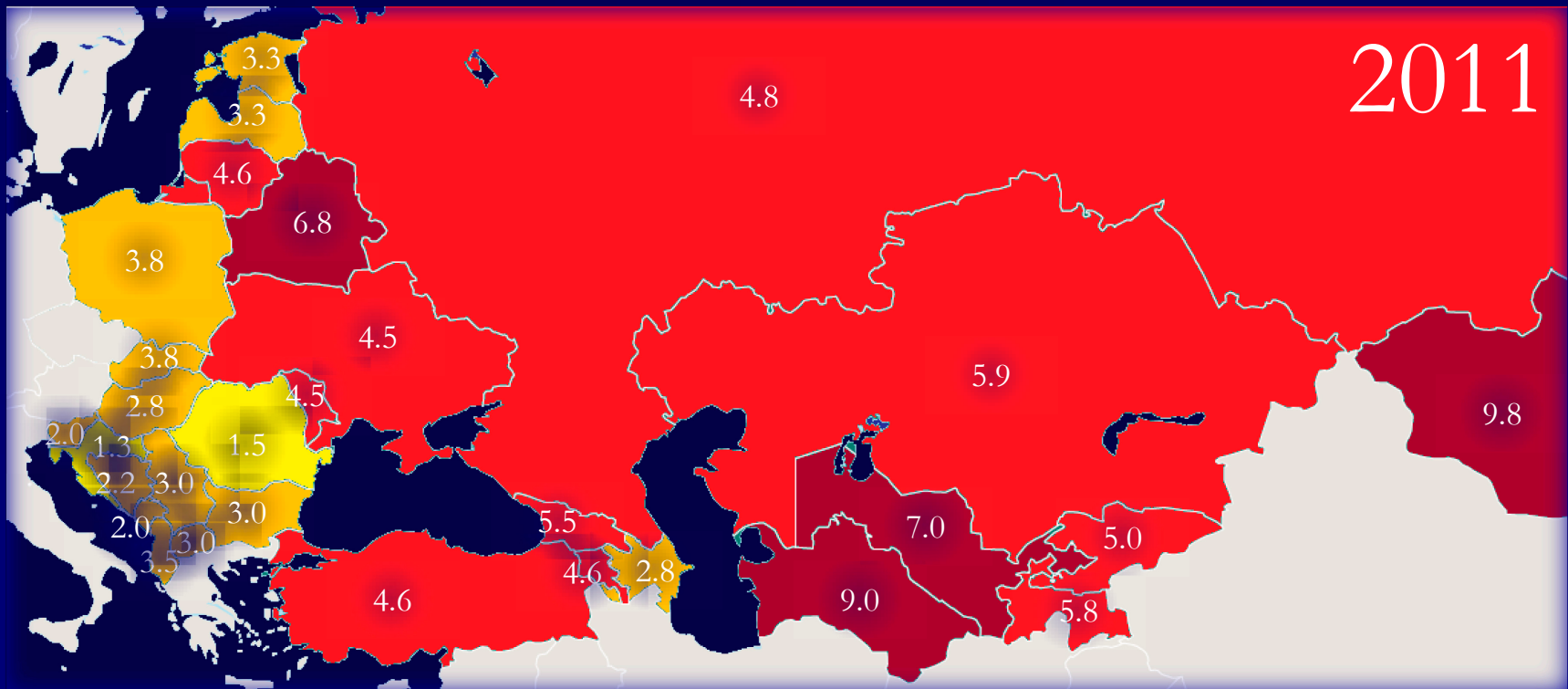
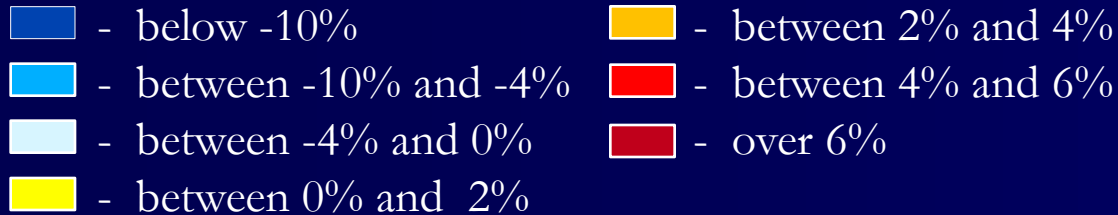
2009: A year of deep recession in region

Real GDP growth:



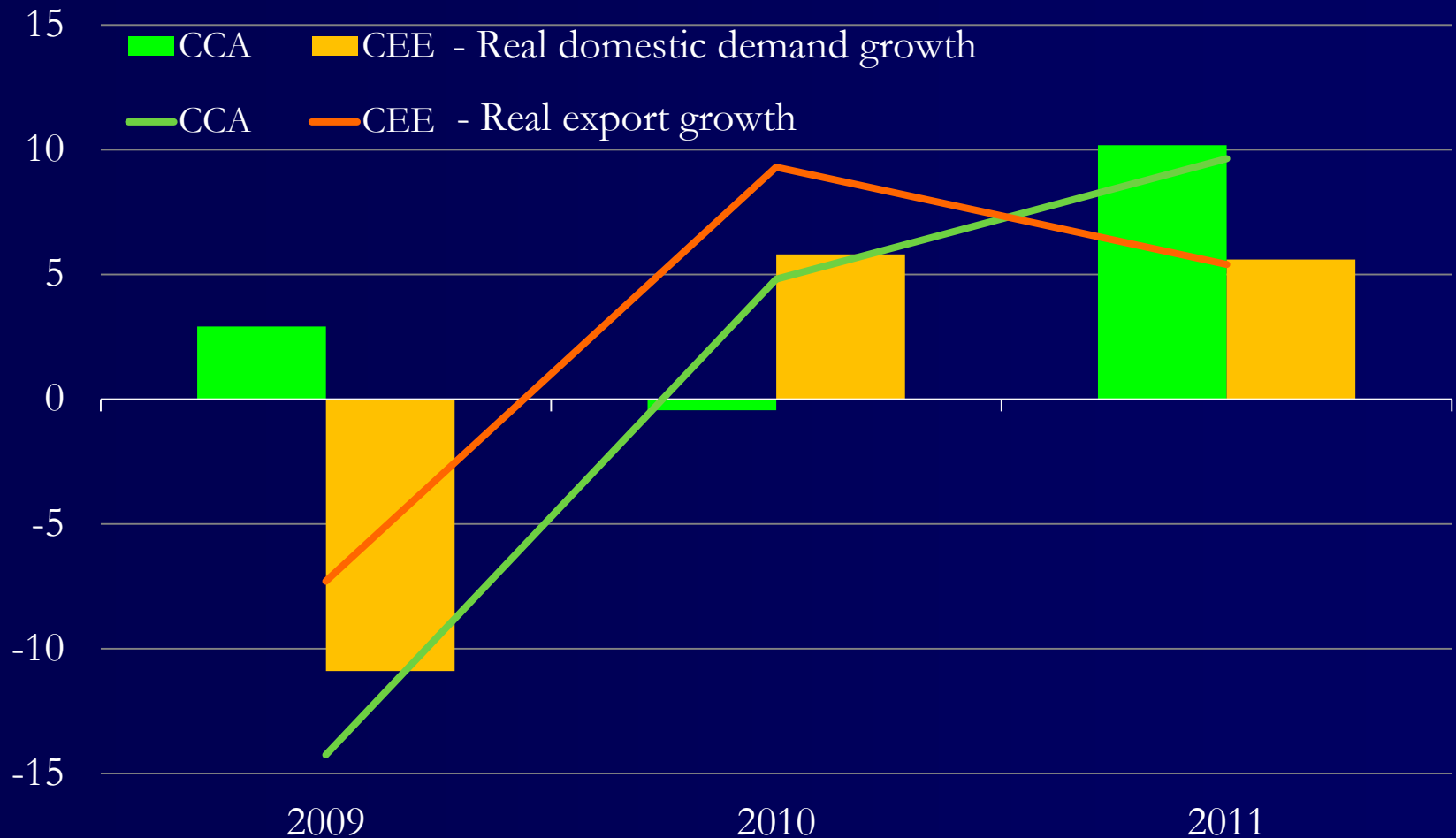
2011: Growth has resumed in all countries

Real GDP growth:



Export growth generally led recovery

Domestic Demand and Export of Goods and Services Real Growth
(percent change from a year earlier)



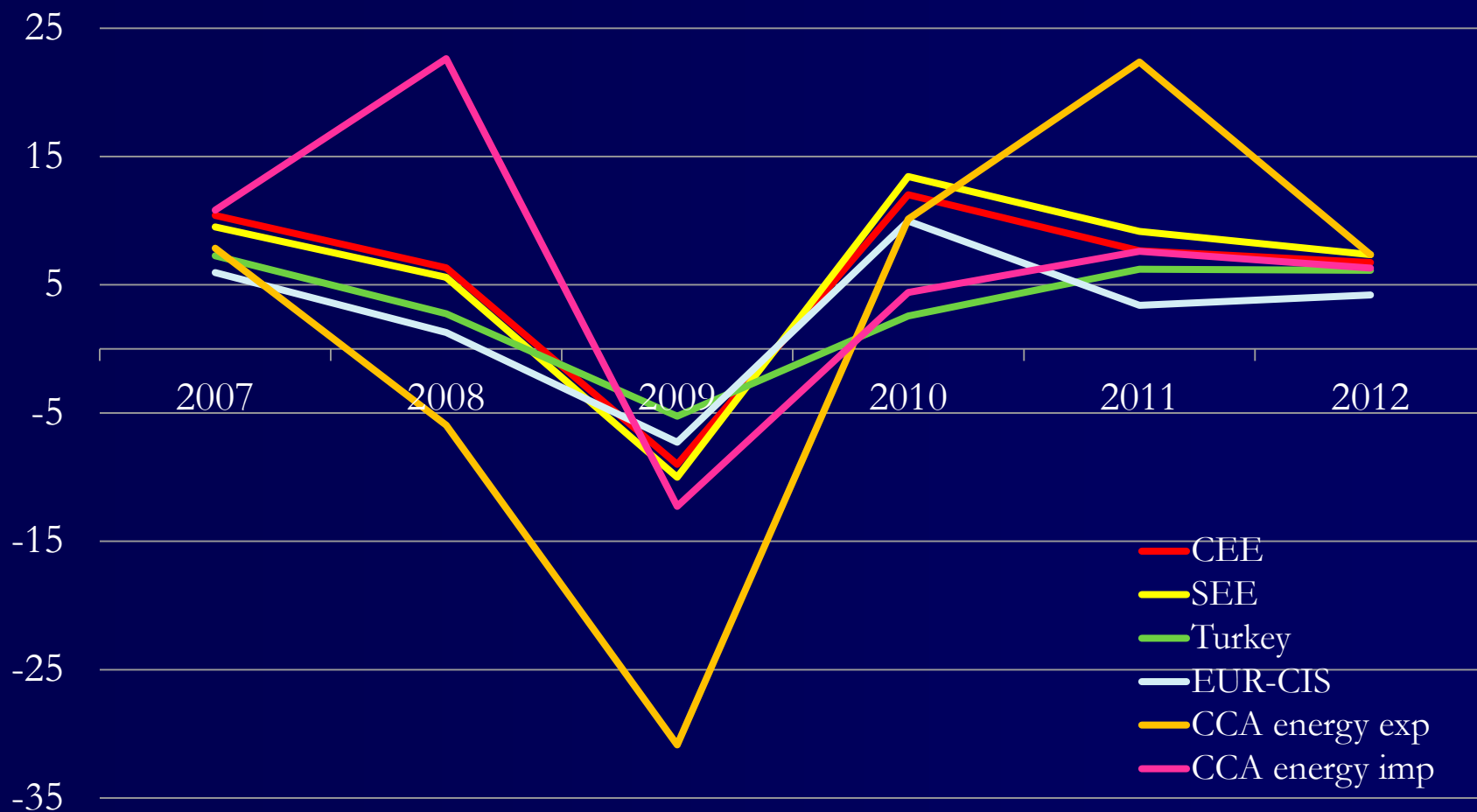
Source: IMF, World Economic Outlook.

CCA: Armenia, Azerbaijan, Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan, Turkmenistan, Uzbekistan, Georgia;
CEE: Albania, Belarus, Bosnia&Herzegovina, Croatia, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russian Federation, Serbia, Turkey, Ukraine, Estonia, Slovak Republic, Slovenia.



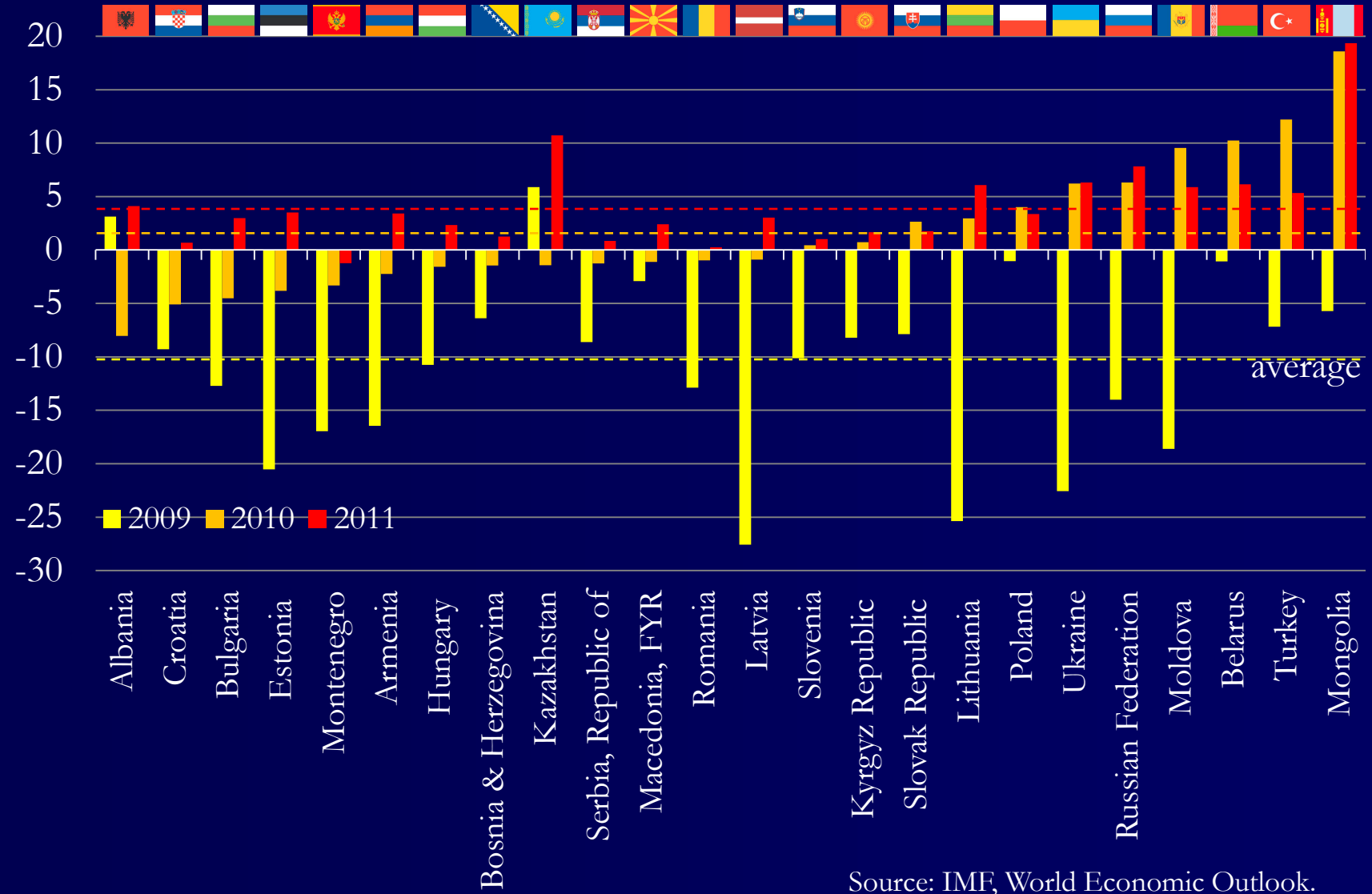
Export growth is occurring throughout region

Export of Goods and Services Real Growth
(percent change from a year earlier)



Domestic demand is leading recovery in 2011

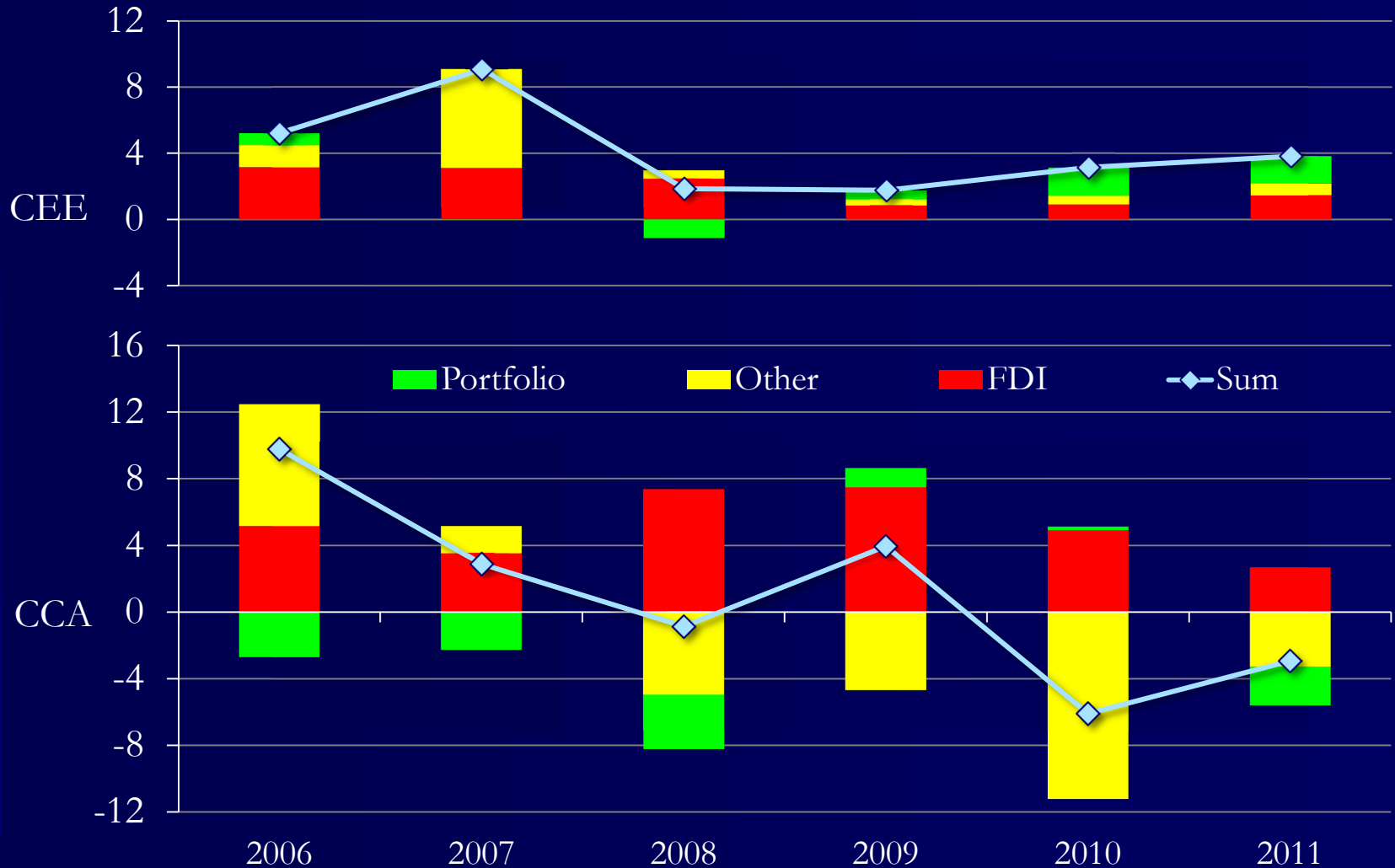
Domestic Demand Growth
(percent change from a year earlier)



CEE: Capital flows recovering

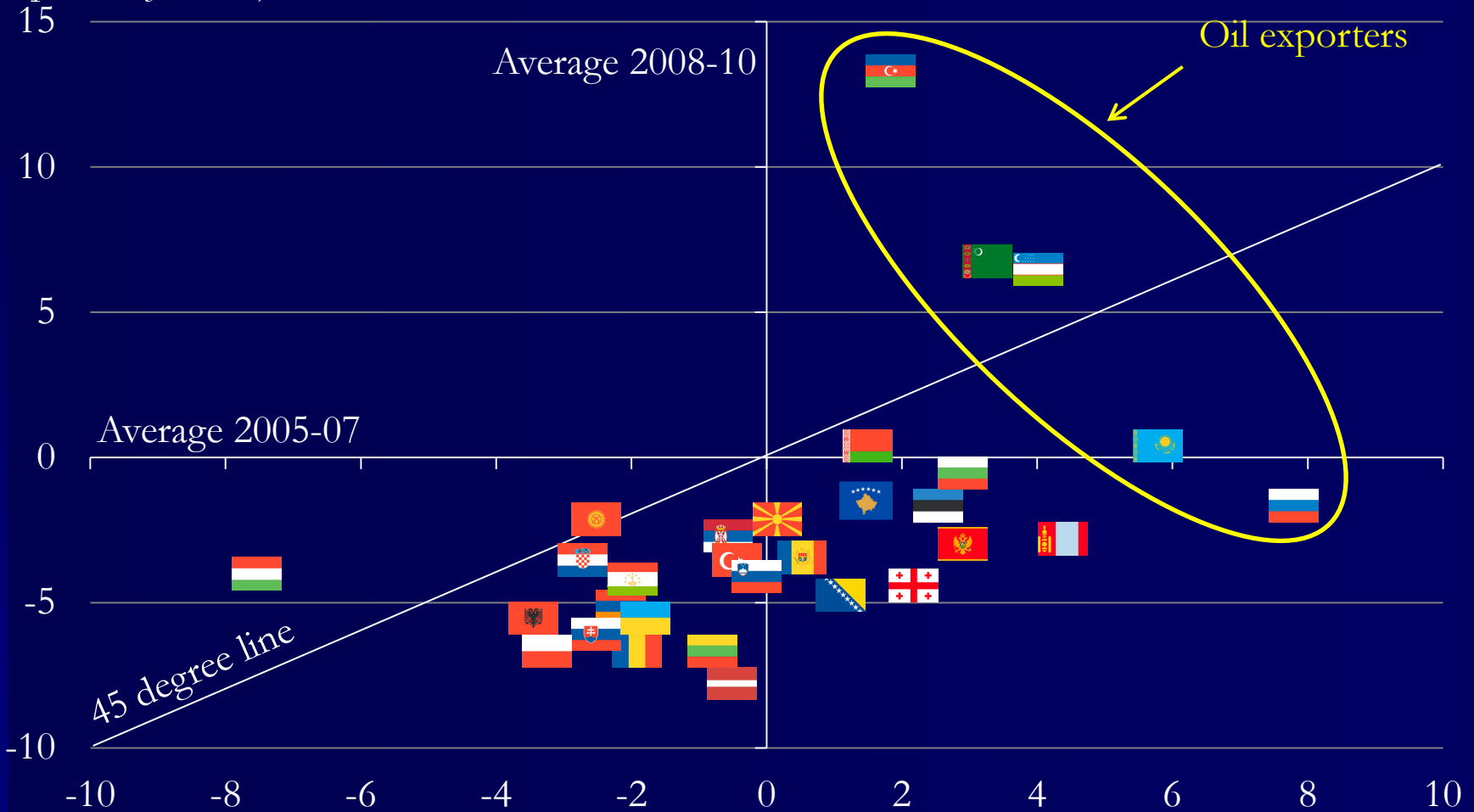
CCA: Deleveraging continues

Capital Flows
(percent of GDP)



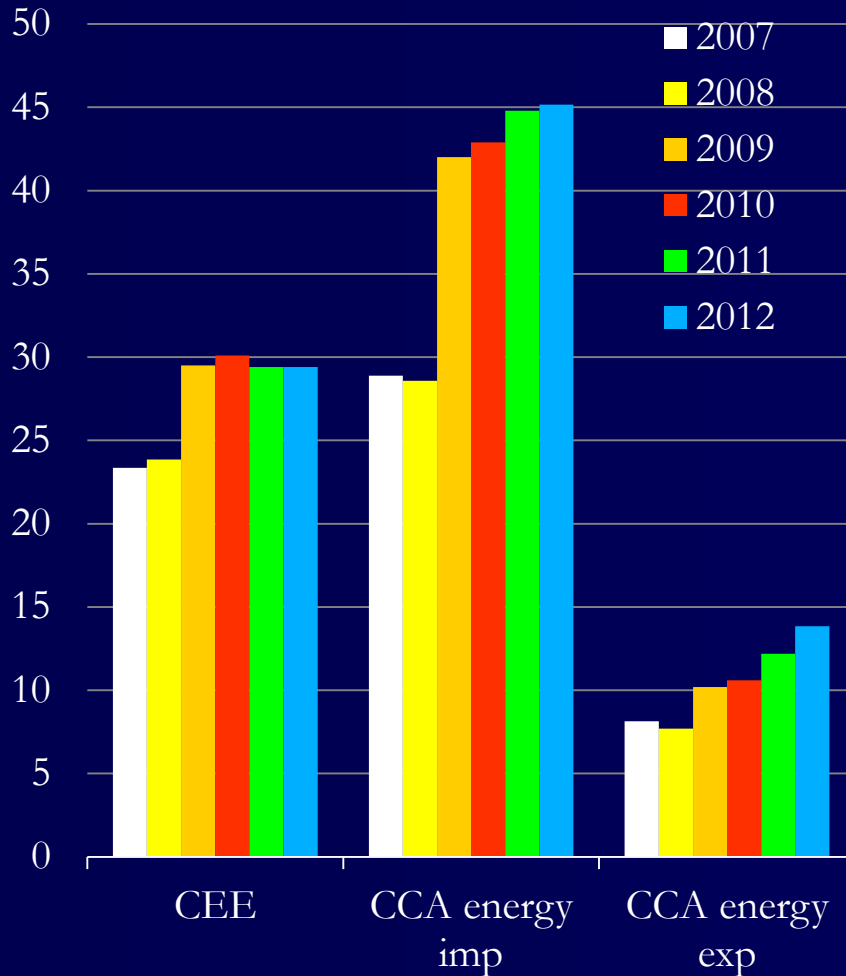
Fiscal deficits generally increased after crisis

Fiscal Deficit
(percent of GDP)

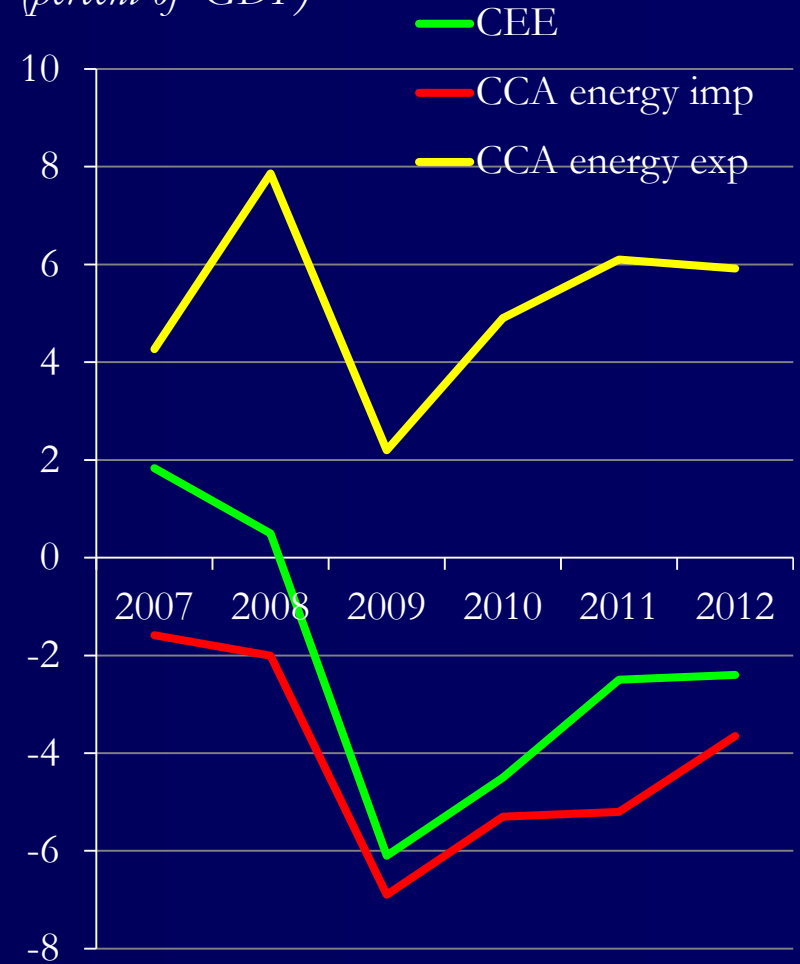


Fiscal consolidation is needed...

Public Debt
(percent of GDP)

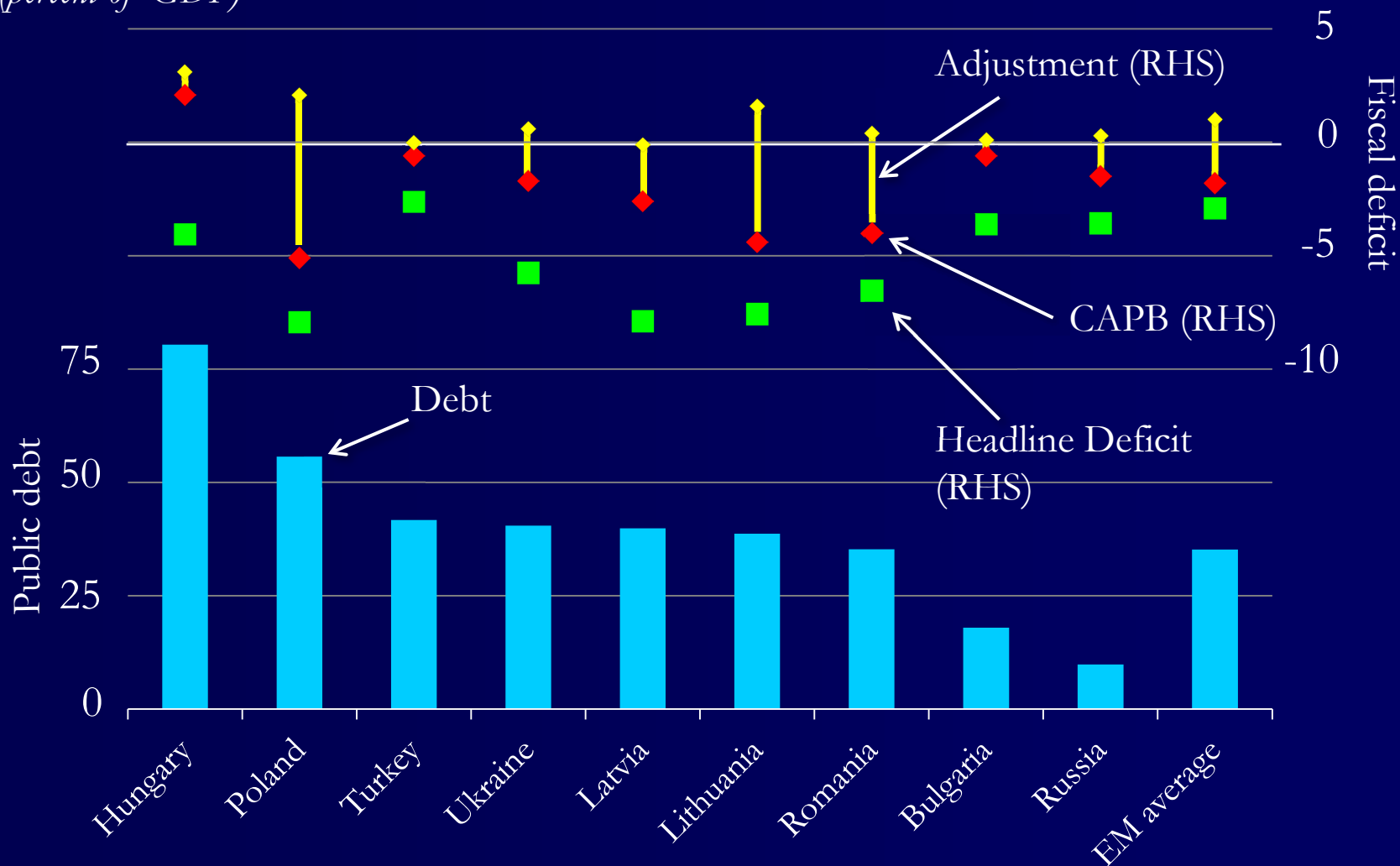


Fiscal Deficit
(percent of GDP)



...if debt is to be stabilised

Public Debt, Fiscal Deficit in 2010 and Necessary Adjustment (2010-2020)*
(percent of GDP)



*Adjustment needed to stabilize debt or bring it down to 40% in 2030.

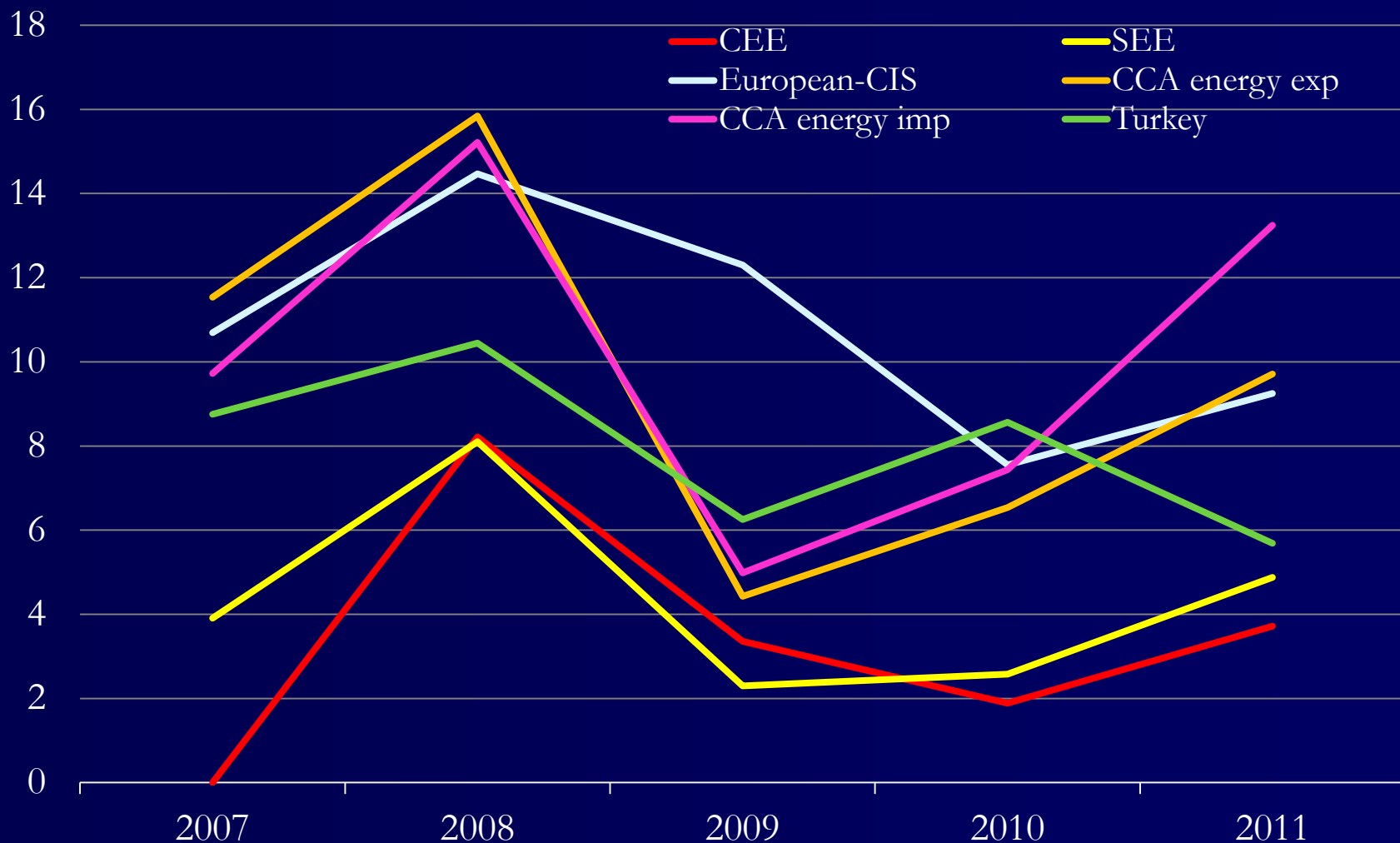
Source: IMF, Fiscal Monitor (April 2011).



Inflation is picking up throughout the region

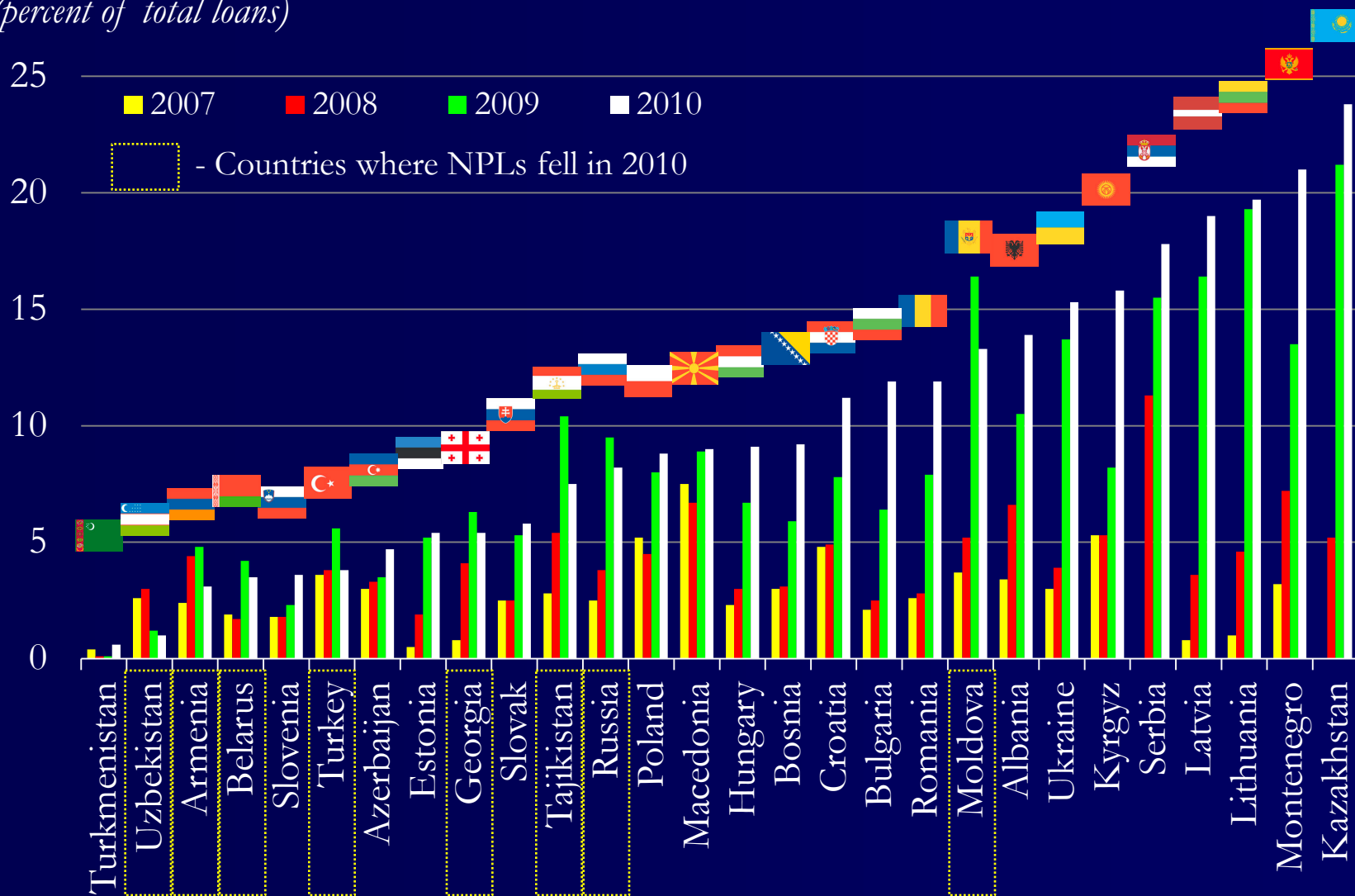
CPI inflation

(percent change from a year earlier)



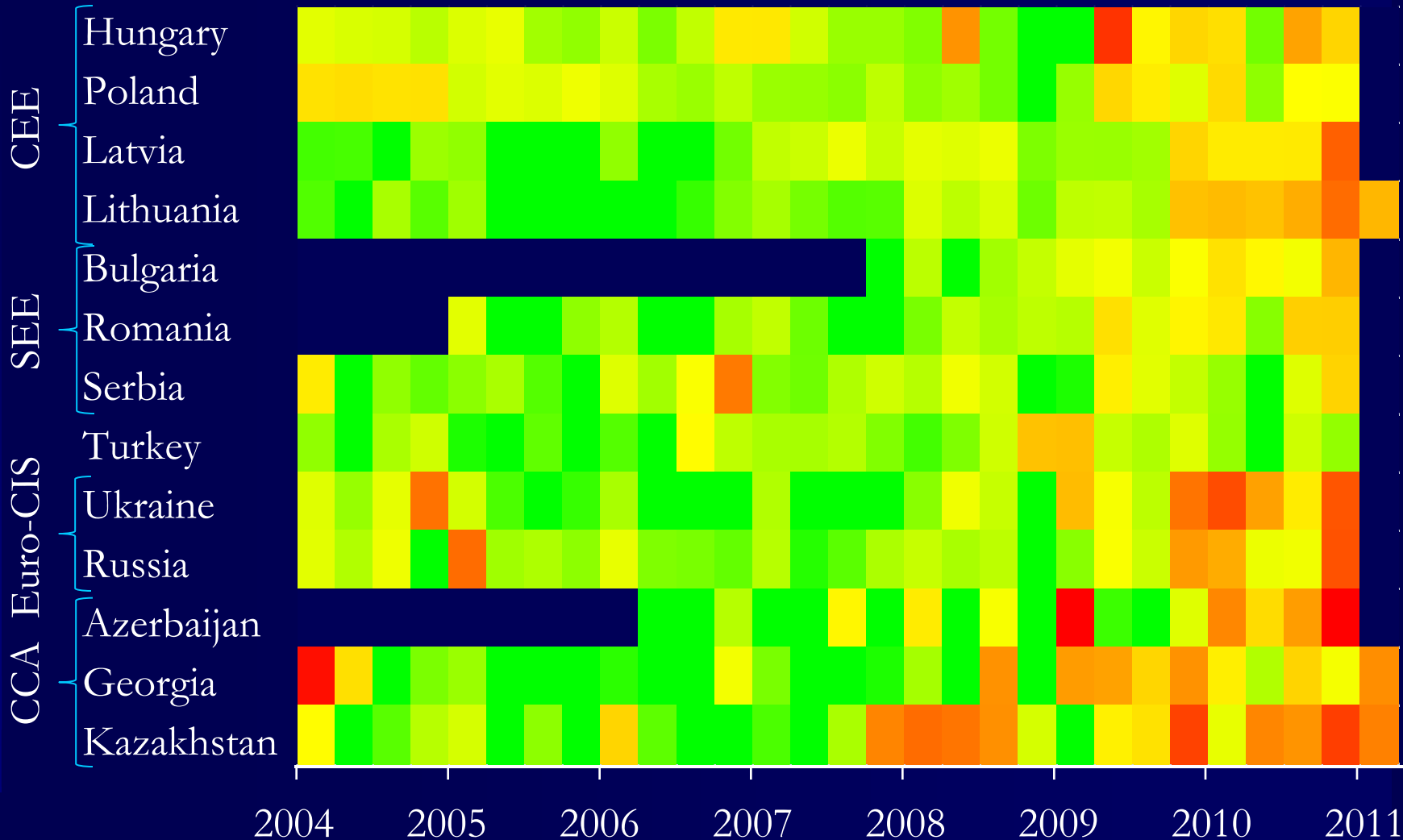
NPLs have yet to stabilize in some countries ...

Non-Performing Loan
(percent of total loans)



...and this is holding back credit growth

Credit Growth
(quarter over quarter)



Presentation based on:



<http://www.imf.org/external/pubs/ft/reo/reorepts.aspx>.



Thank you

