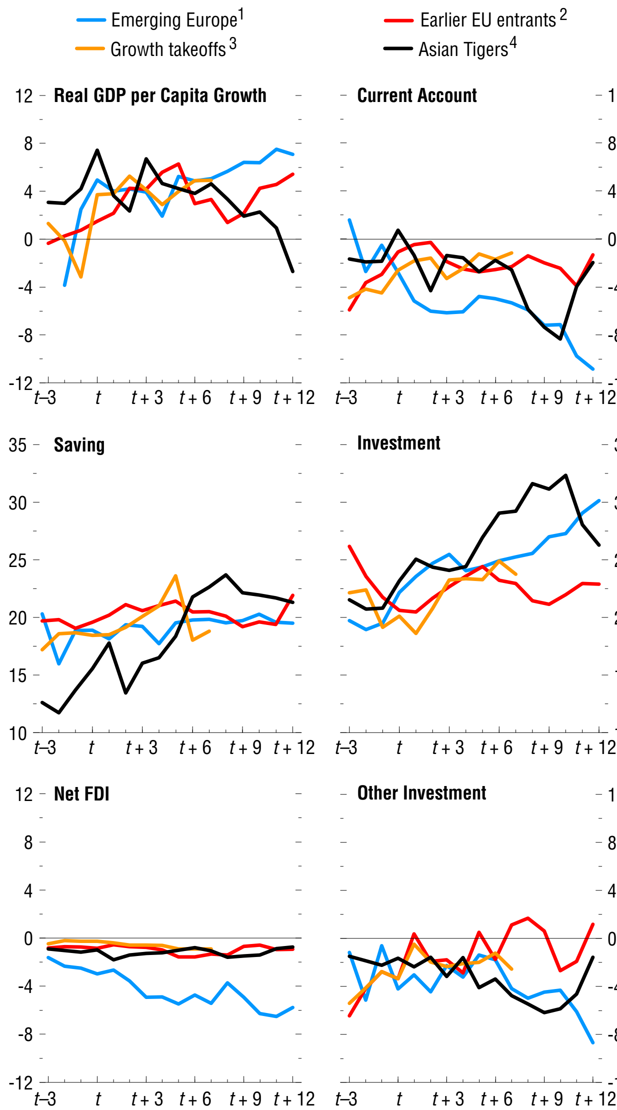
Figure 6.5. Growth Takeoffs

(Percent of GDP, simple average; years before and after crisis on x-axis)

The growth takeoff in emerging Europe since 1995 was associated with larger current account deficits and significantly higher net FDI inflows relative to comparable growth-takeoffs in other countries.



Sources: IMF, *Balance of Payments Statistics;* and IMF staff calculations.

[1]The takeoff year for emerging Europe is assumed to be 1995.

[2]For earlier EU entrants the takeoff years are as follows: Greece (1996), Ireland (1985), Portugal (1985), and Spain (1984).

[3]Growth takeoff is defined as the onset of a growth acceleration characterized by an increase in the real per capita growth rate of at least 2 percent and an average growth rate of at least 3.5 percent sustained over an eight-year horizon based on Hausmann, Pritchett, and Rodrik (2005). The figure shows the median value for each variable across all growth accelerations (excluding those in emerging Europe).

[4]Asian Tigers comprise Indonesia, Malaysia, Philippines, and Thailand, for which the takeoff year is 1973.