Weaker external demand, especially from Europe, has been a drag on growth in the CIS. The region has benefited from still-high commodity prices, but an escalation of the euro area crisis would cause a big terms-of-trade shock for the region. Inflation has eased, but fiscal room has not yet been rebuilt to precrisis levels.

Sources: Haver Analytics; IMF, Direction of Trade Statistics; and IMF staff estimates.

1Net energy exporters: Azerbaijan, Kazakhstan, Russia, Turkmenistan, Uzbekistan.
Net energy importers: Armenia, Belarus, Georgia, Kyrgyz Republic, Moldova, Mongolia, Tajikistan, Ukraine.

2Azerbaijan, Georgia, Tajikistan, Turkmenistan, and Uzbekistan are excluded due to data limitations.

3Due to data limitations, Turkmenistan and Uzbekistan are excluded from the group of net energy exporters excluding Russia; Kyrgyz Republic, Mongolia, and Tajikistan are excluded from the group of net energy importers excluding Belarus.