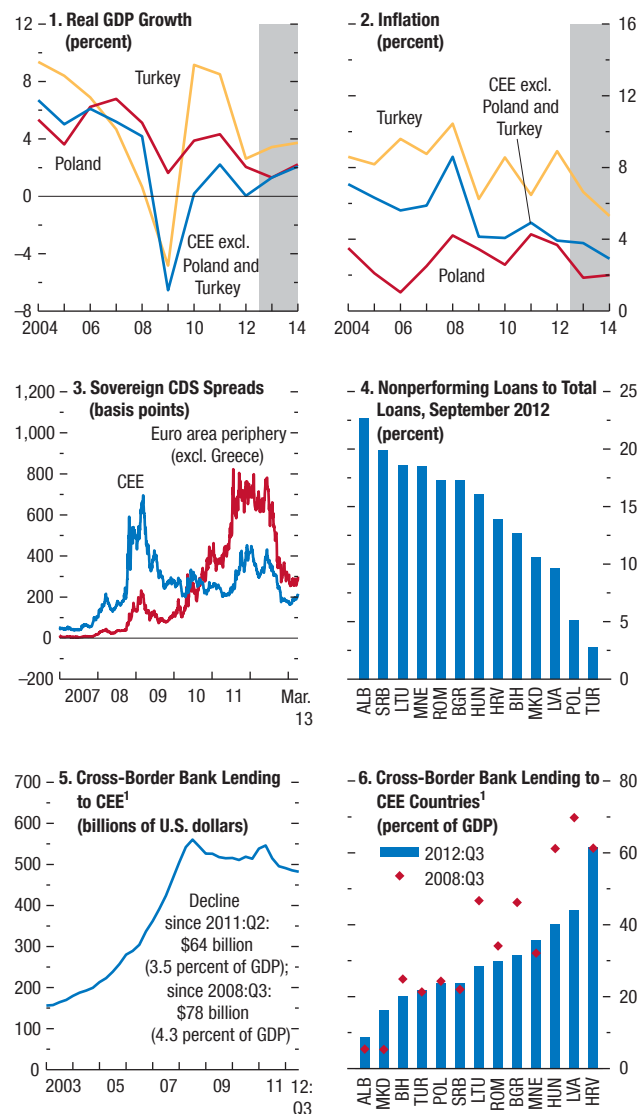


Figure 2.4. Emerging Europe: A Gradual Recovery from 2012 Slowdown

Emerging Europe experienced a sharp growth slowdown in 2012, reflecting spillovers from the euro area crisis and domestic policy tightening in the largest economies. The share of nonperforming loans is high in parts of the region, and cross-border bank flows have abated.



Sources: Bank for International Settlements (BIS), Locational Banking Statistics; national statistics; Thomson Reuters Datastream; and IMF staff estimates.
 Note: ALB = Albania; BGR = Bulgaria; BIH = Bosnia and Herzegovina; CDS = credit default swap; CEE = central and eastern Europe; HUN = Hungary; HRV = Croatia; MKD = FYR Macedonia; MNE = Montenegro; LTU = Lithuania; LVA = Latvia; POL = Poland; ROM = Romania; SRB = Serbia; TUR = Turkey. Euro area periphery includes Greece, Ireland, Italy, Portugal, and Spain.
¹External position of BIS-reporting banks (from 43 countries) in the CEE, vis-à-vis all sectors.