

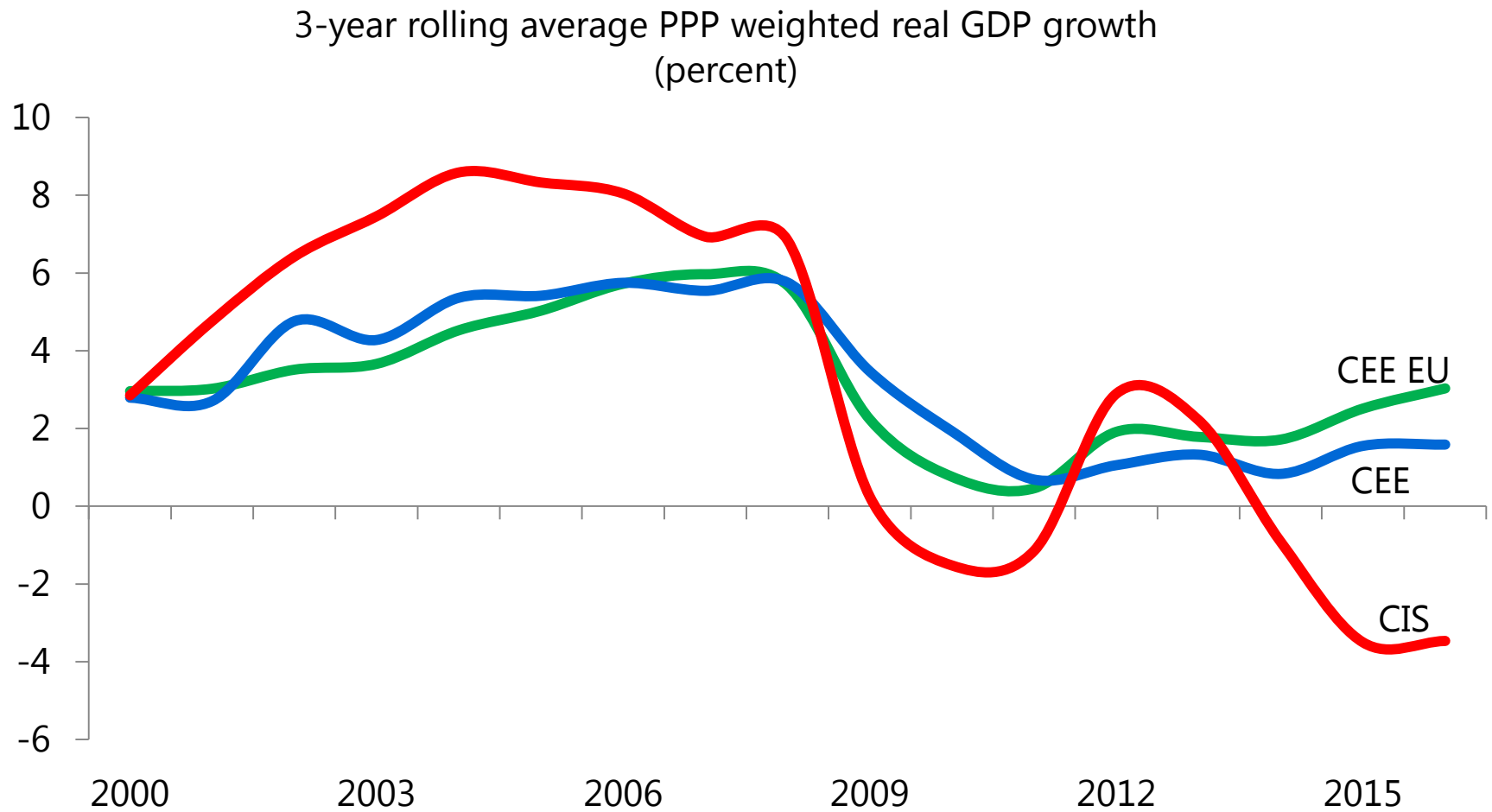
Economic Outlook for 2016



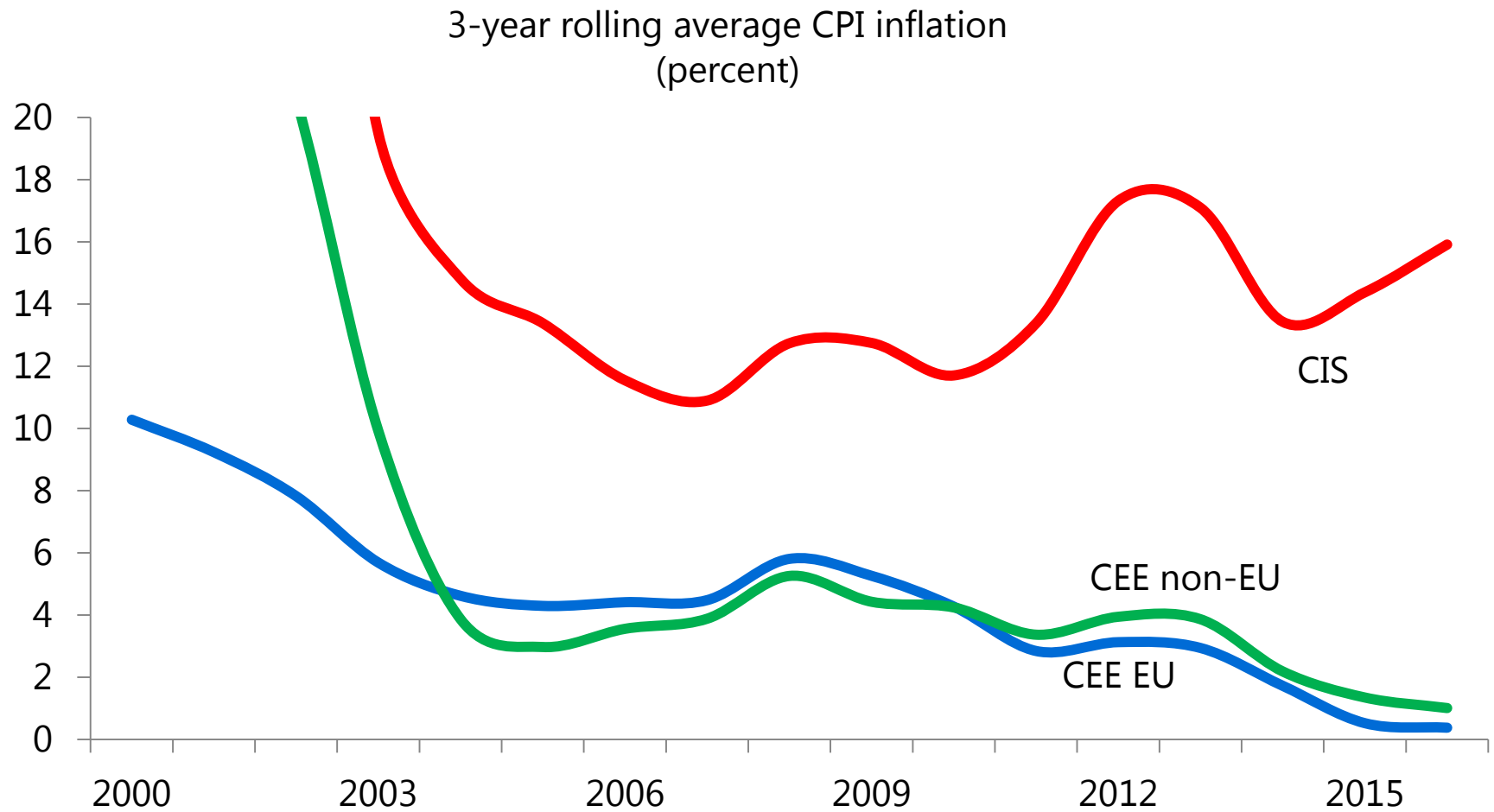
The Central and Eastern European Forum
Vienna, January 19, 2016

Bas B. Bakker
Senior Regional Resident Representative
for Central and Eastern Europe

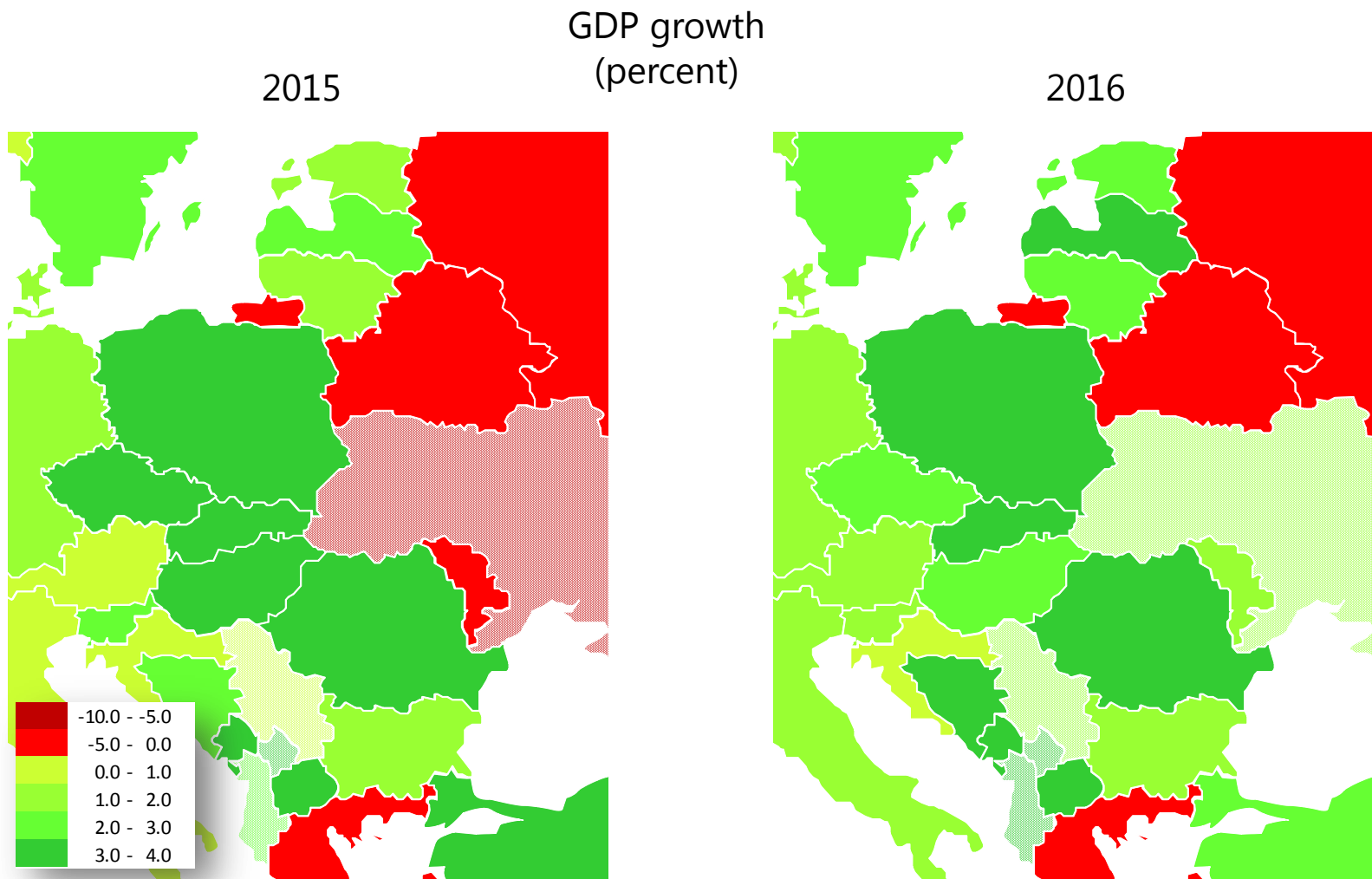
Big picture—GDP growth: CIS in recession; rest of CEE doing better



Big picture—Inflation: High in CIS; low in rest of CEE



Outside of CIS, most countries moderate to fairly strong growth



Note: Striped fill denotes CESEE country under IMF programs.

Risks for the Region

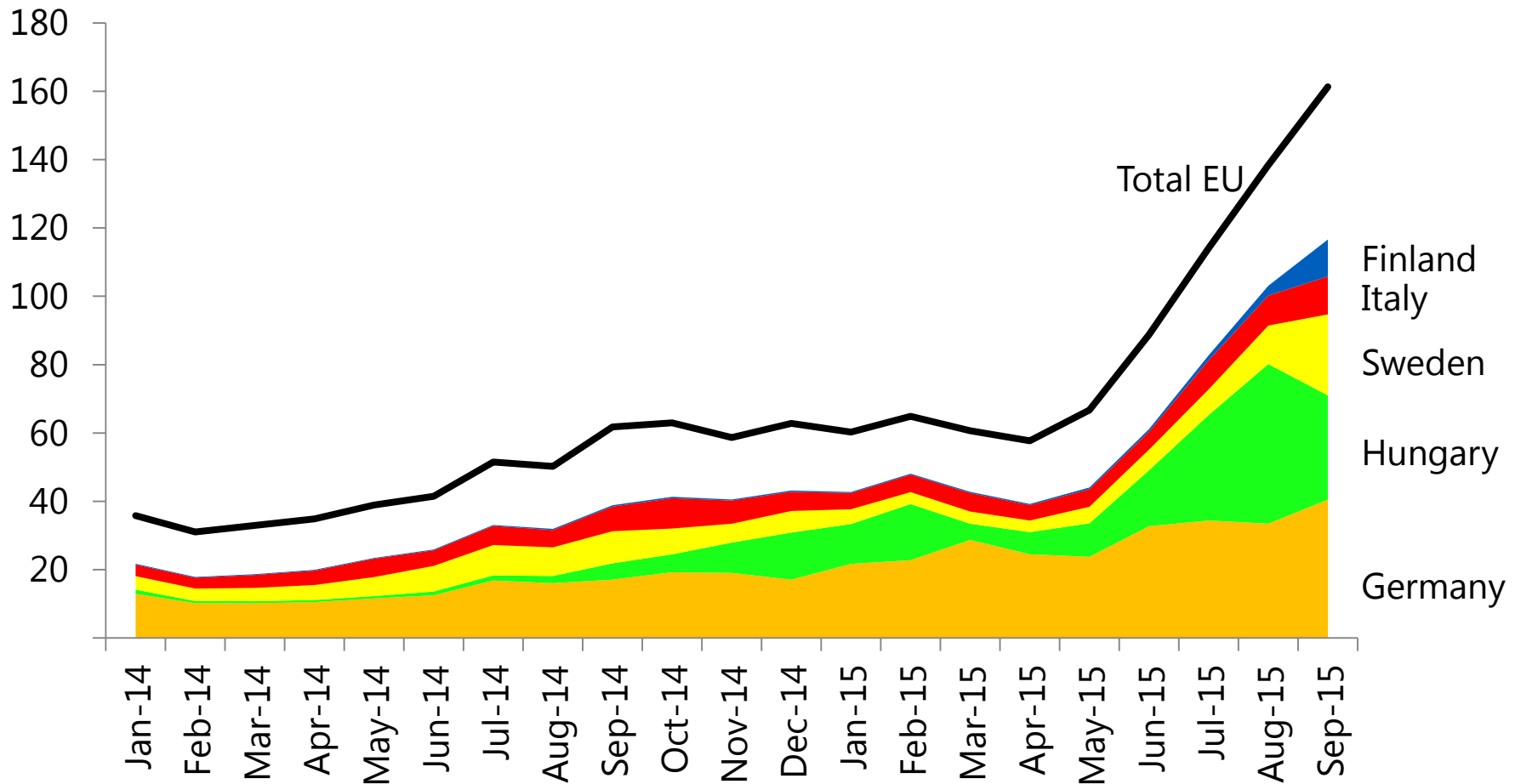


- Hard landing in China
- Prolonged recession in Russia
- Disappointing Euro Area growth
- Financial market volatility
- Geopolitical tensions

And of course the Refugee Crisis



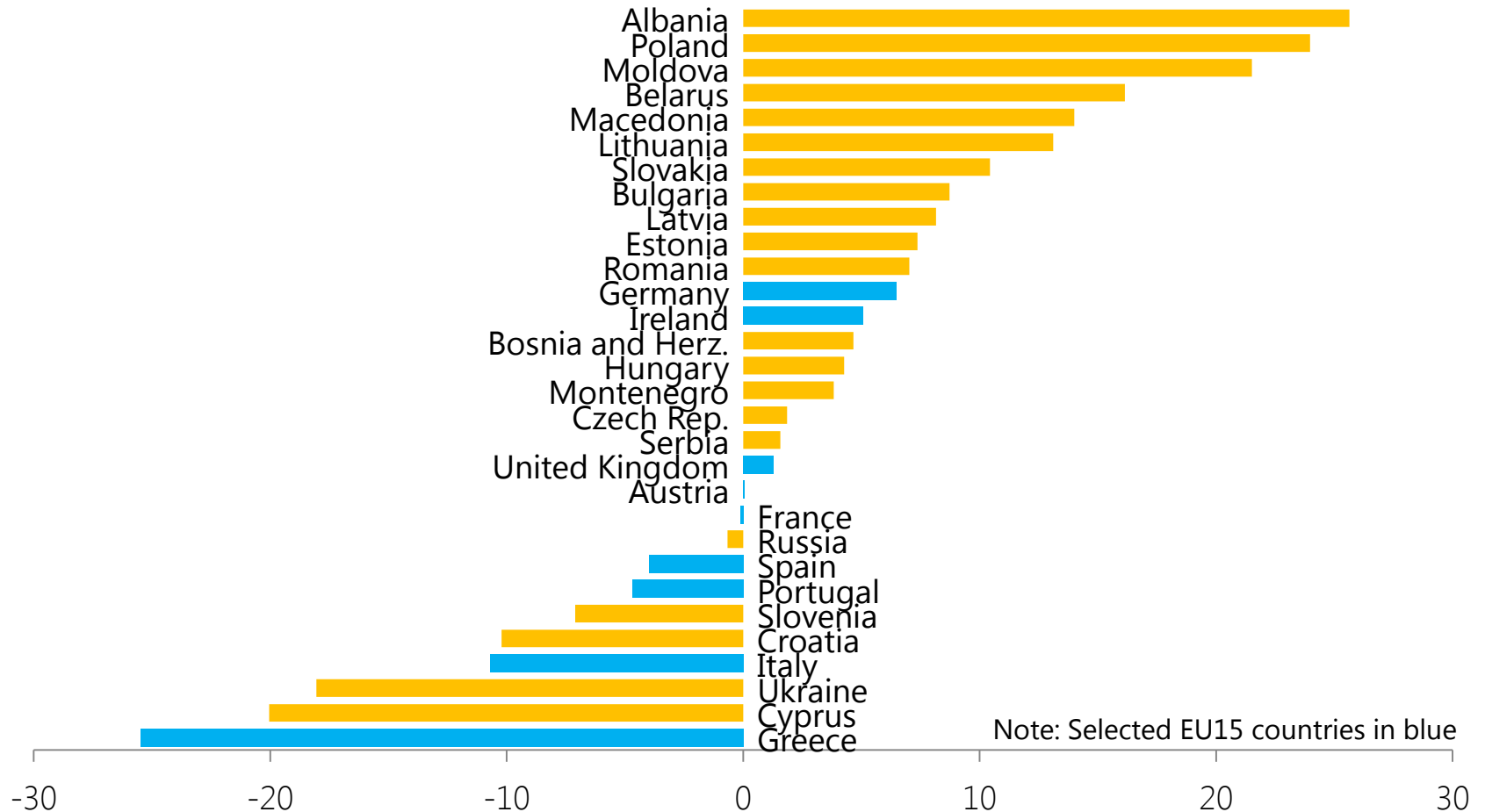
First-time asylum applications received by EU countries
(thousands of people)



Per capita GDP well above pre-crisis level



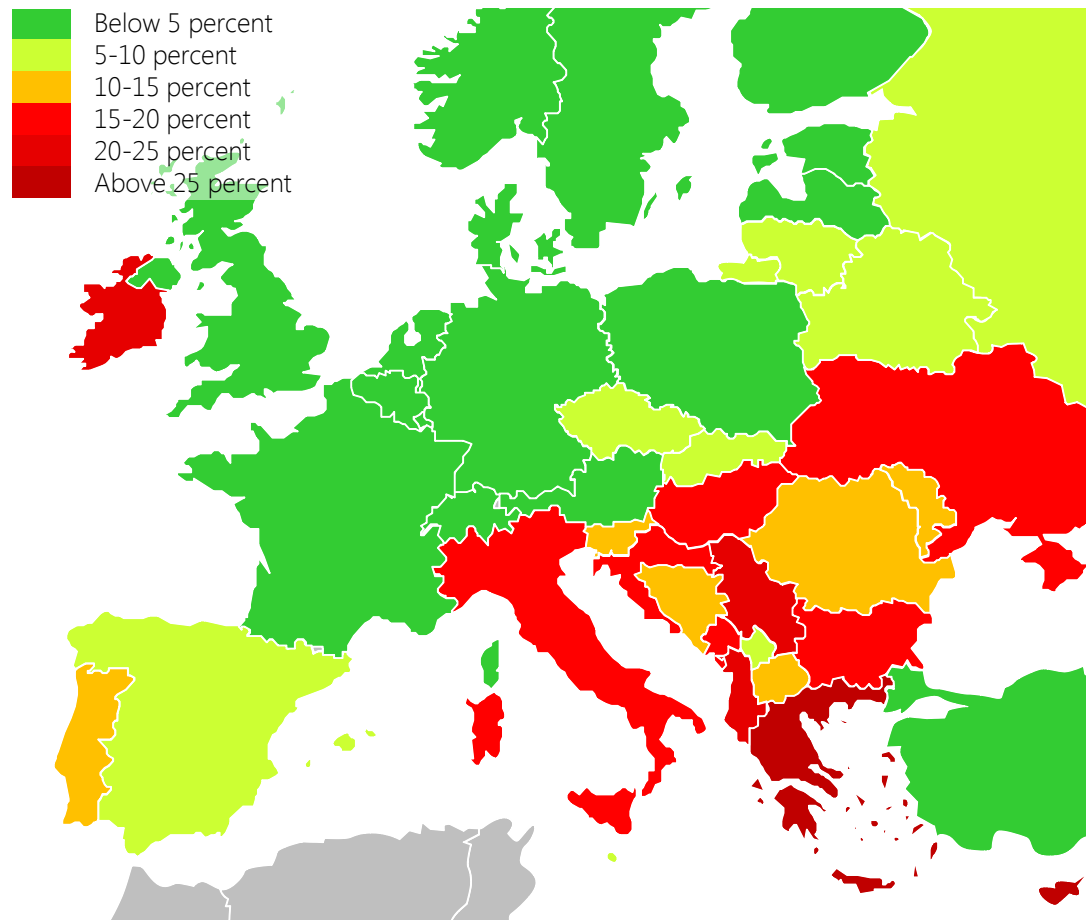
Real GDP per capita, 2015
(percent change since 2008)



But crisis legacies still to be addressed: NPLs remain high...



Non-performing loans
(latest available data, percent of total loans)

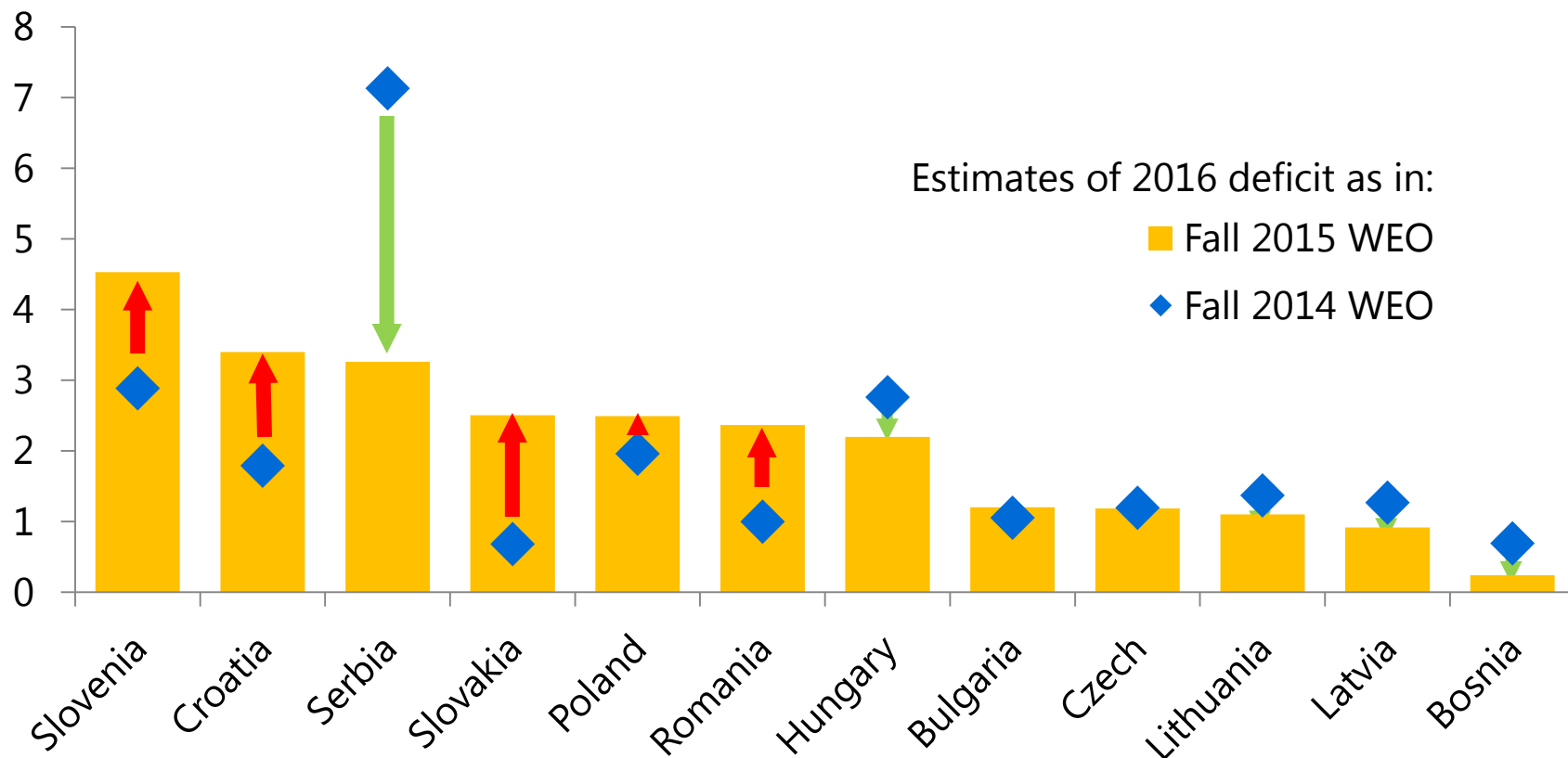


Fiscal buffers have yet to be rebuilt

Loosening 2016 targets does not help!



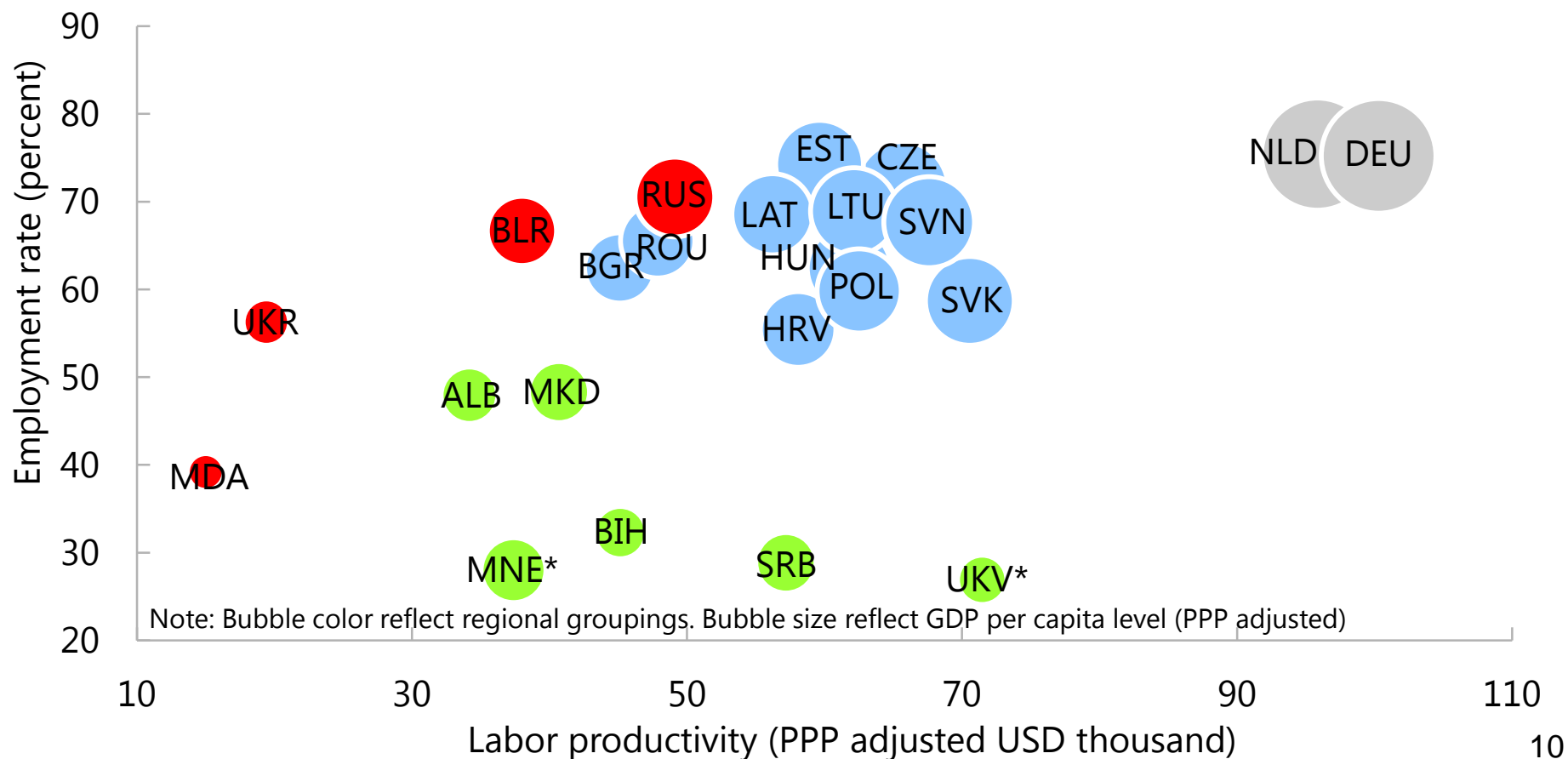
Estimates of 2016 Fiscal Deficit by WEO vintage
(percent of GDP)



Longer term challenge: boosting productivity and employment rate



Labor utilization and productivity, 2015



Note: Bubble color reflect regional groupings. Bubble size reflect GDP per capita level (PPP adjusted)

*2014

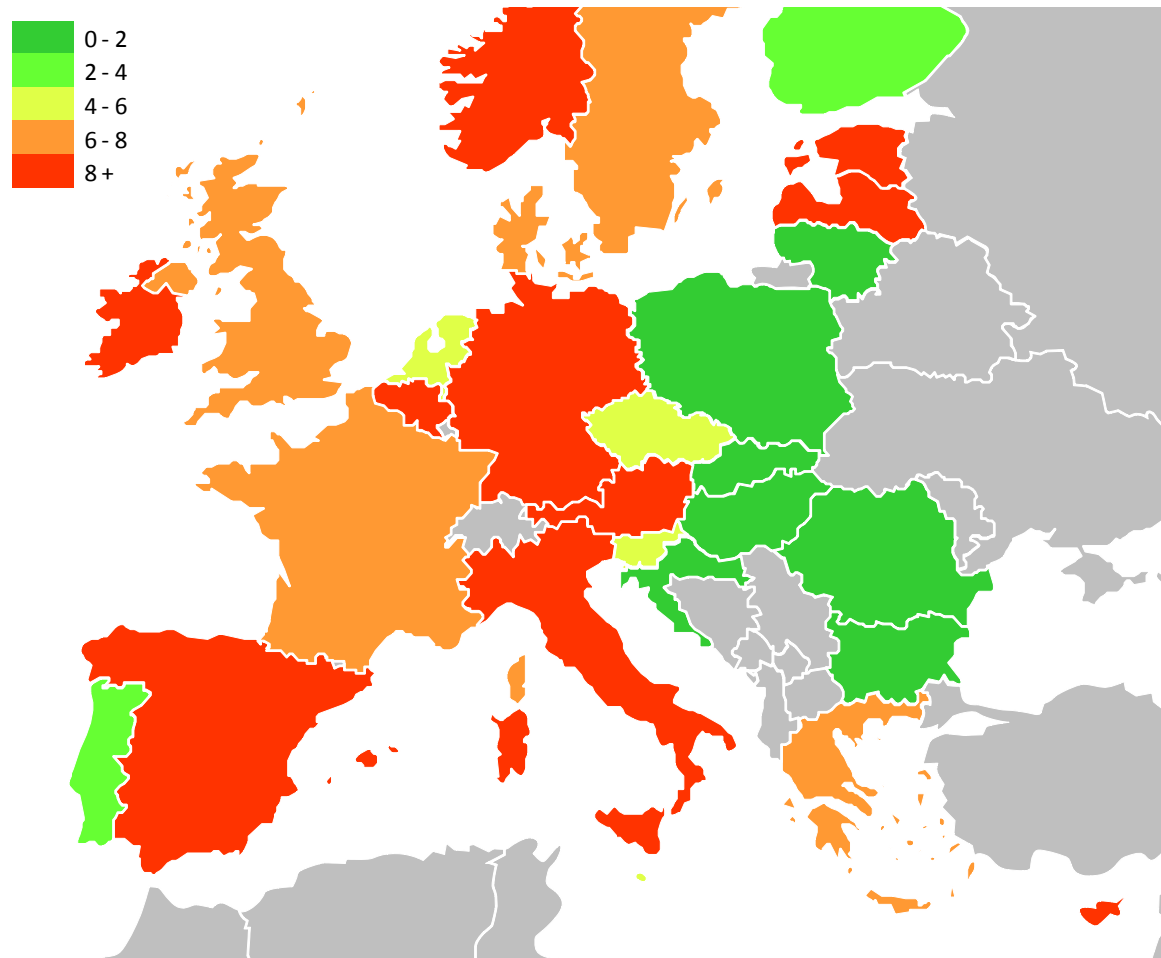


Thank you

Refugee crisis



Share of non-nationals in total population, 2013



Refugee crisis



Change in asylum applications as a share of total population,
Q1-Q3 2015 compared to Q1-Q3 2014

