Economic Outlook for 2016

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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

3-year rolling average CPI inflation (percent)
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)

Note: Selected EU15 countries in blue
But crisis legacies still to be addressed: NPLs remain high...

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

- Below 5 percent
- 5-10 percent
- 10-15 percent
- 15-20 percent
- 20-25 percent
- Above 25 percent
Fiscal buffers have yet to be rebuilt.
Loosening 2016 targets does not help!

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

Estimates of 2016 deficit as in:
- Fall 2015 WEO
- Fall 2014 WEO
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

0 - 2
2 - 4
4 - 6
6 - 8
8 +
Change in asylum applications as a share of total population, Q1-Q3 2015 compared to Q1-Q3 2014