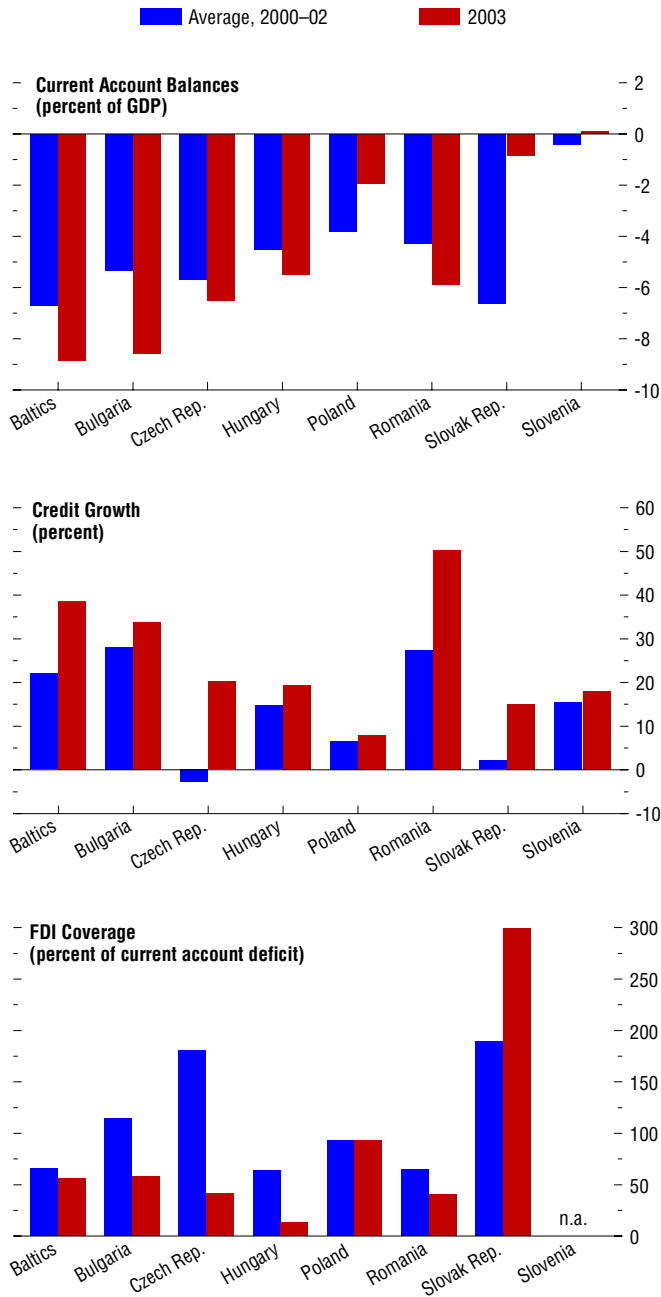


**Figure 1.14. European Union Accession Countries:
Current Account Balance and Foreign Direct Investment**

Current account deficits are large and widened in a number of the accession countries in 2003 as lax fiscal policy and strong domestic credit growth fueled imports. At the same time, FDI flows have financed a smaller share of the current account deficit than in earlier years.



Sources: Haver Analytics; IMF, *International Financial Statistics*; and IMF staff calculations.