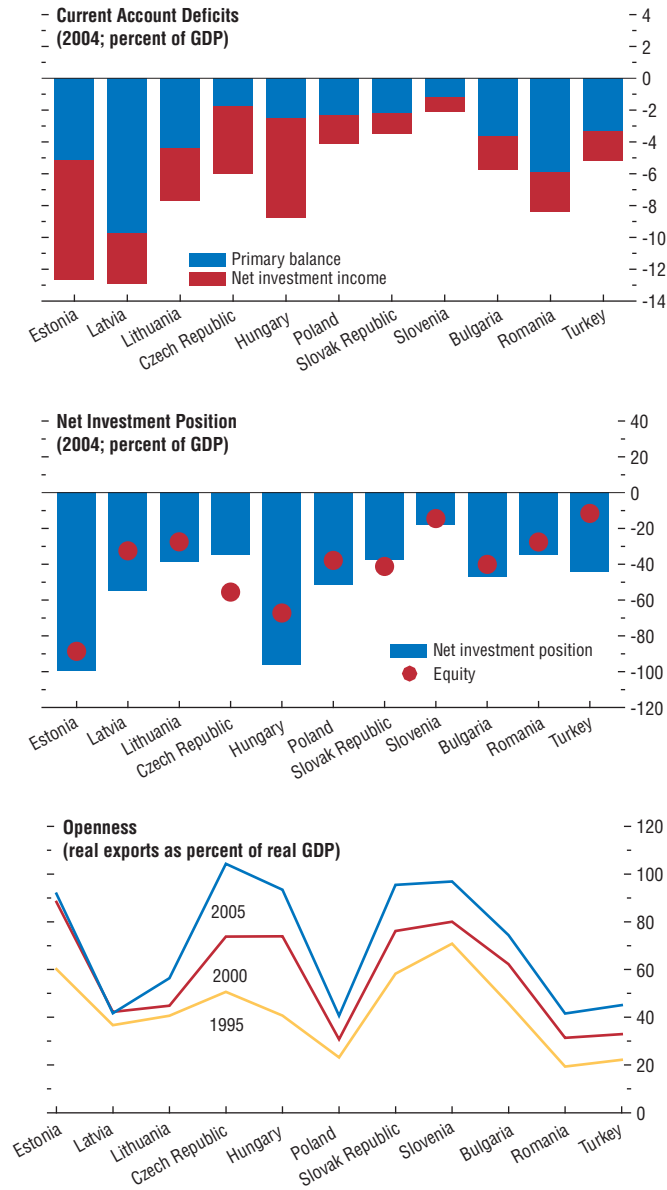


Figure 1.16. Emerging Europe: Current Account Deficits Remain High

Over the medium term, current account deficits will need to be significantly reduced—in general primary balances will need to turn positive—to stabilize net investment positions. The corresponding real exchange rate adjustment will be less the more open the economy, and the more investment has been directed to the tradeables sector.



Source: IMF staff calculations.