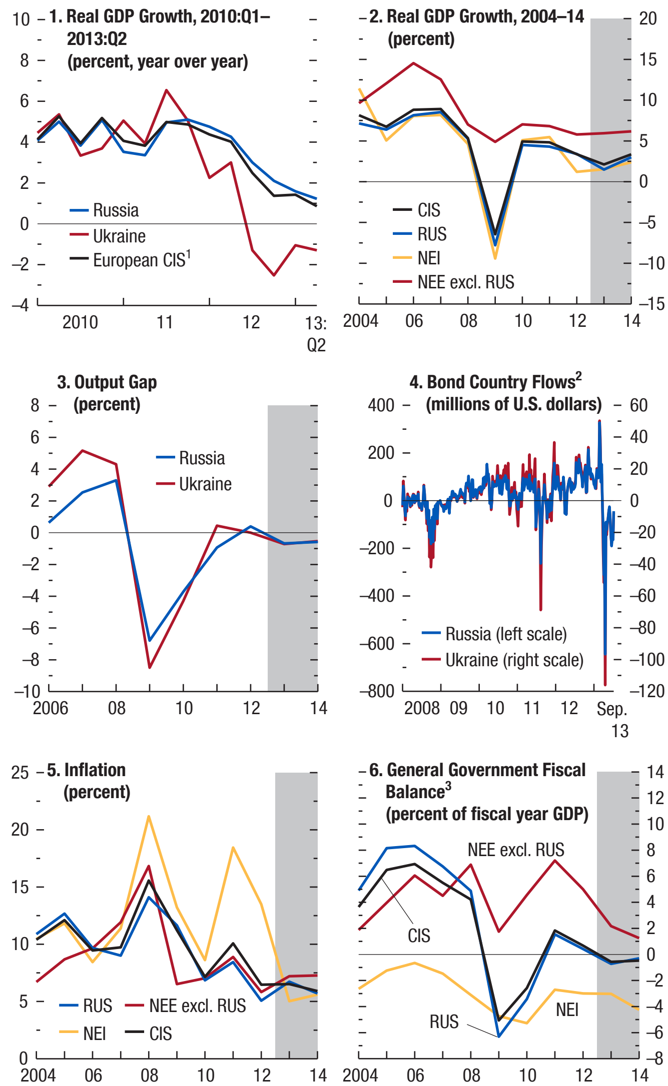
Figure 2.12. Commonwealth of Independent States: Slower Growth amid Weak External and Internal Demand

Growth in the CIS economies is increasingly dampened by supply constraints. Supply-side reforms are needed to boost the region's growth potential. In several countries macroeconomic policies should avoid widening macro imbalances given heightened financial risks and limited buffers.



Sources: EPFR Global/Haver Analytics; Haver Analytics; and IMF staff estimates.

Note: CIS = Commonwealth of Independent States. Georgia, which is not a member of the CIS, is included in this group for reasons of geography and similarity in economic structure. Net energy exporters (NEE): Azerbaijan, Kazakhstan, Russia (RUS), Turkmenistan, Uzbekistan. Net energy importers (NEI): Armenia, Belarus, Georgia, Kyrgyz Republic, Moldova, Tajikistan, Ukraine. NEE excl. RUS = net energy exporters excluding Russia.

[1]European CIS comprises Belarus, Moldova, Russia, and Ukraine.

[2]EPFR flows provide a limited proxy for overall balance of payments (BoP) flows, although recent studies have found a close match in the pattern of EPFR flows and BoP gross portfolio flows (see Fratzscher, 2012). In addition, these high-frequency data are more up to date than the BoP series. Moreover, the EPFR bond flows can be considered a proxy for sovereign bond flows, which were the most prominent part of portfolio flows toward countries in the region in recent years.

[3]General government fiscal balance refers to net lending/borrowing except for NEI, where it is the overall balance.