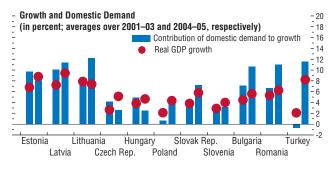
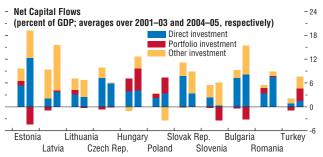
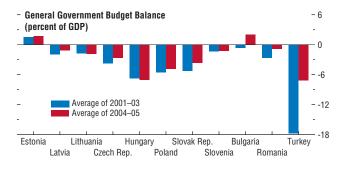
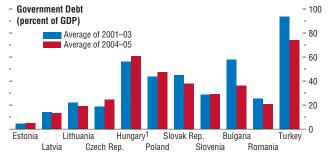
Figure 2.7. Emerging Europe: Rapid Growth and Its Risks

Strong domestic demand has buoyed growth in emerging Europe, underpinned by sizable and increasing net capital inflows and rapid credit growth. However, with its heavy reliance on foreign savings, the region is vulnerable to changes in international financial market conditions. Weak fiscal positions in some countries exacerbate the situation.









Source: IMF staff calculations. ¹General government net debt.