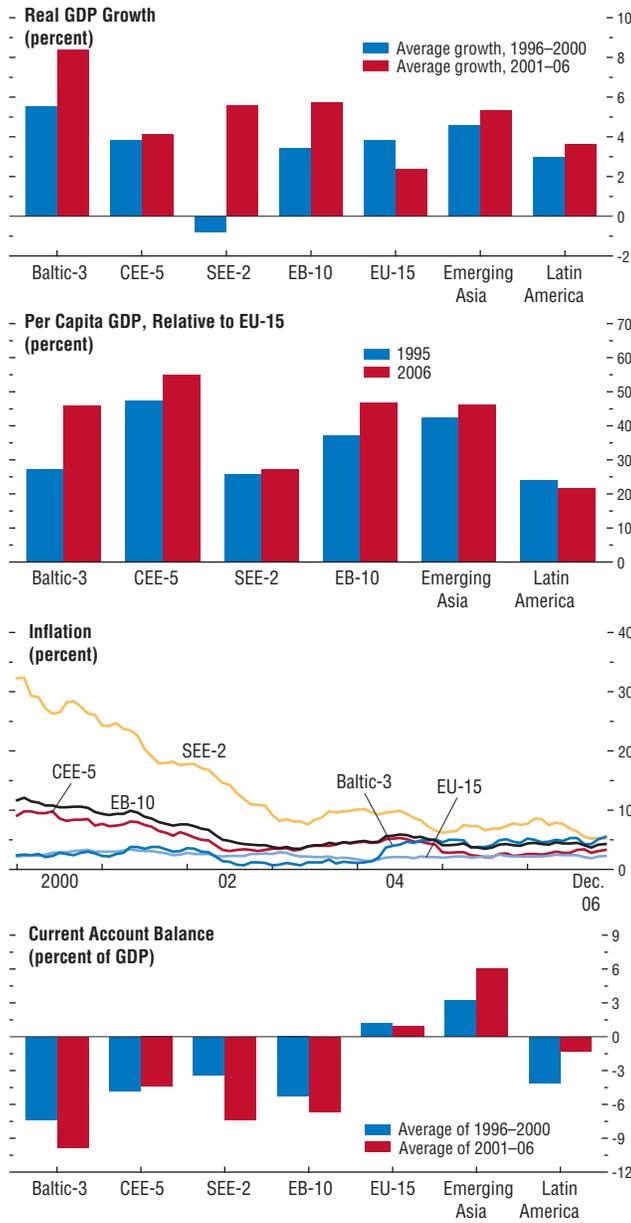


**Figure 2.8. Emerging Europe: Convergence with the European Union<sup>1</sup>**  
*(Unweighted averages)*

Rapid GDP growth over the past 10 years has helped bring per capita incomes closer to average levels in the European Union. Inflation has also converged. Heavy reliance on foreign savings has contributed to support growth, but raises concerns if the convergence process is not sustained.



Source: IMF staff calculations.  
<sup>1</sup>Baltic-3 includes Estonia, Latvia, and Lithuania; central and eastern Europe (CEE-5) includes Czech Republic, Hungary, Poland, Slovak Republic, and Slovenia; south and eastern Europe (SEE-2) includes Bulgaria and Romania; eastern Europe and the Baltics (EB-10) includes Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovak Republic, and Slovenia; EU-15 includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom.