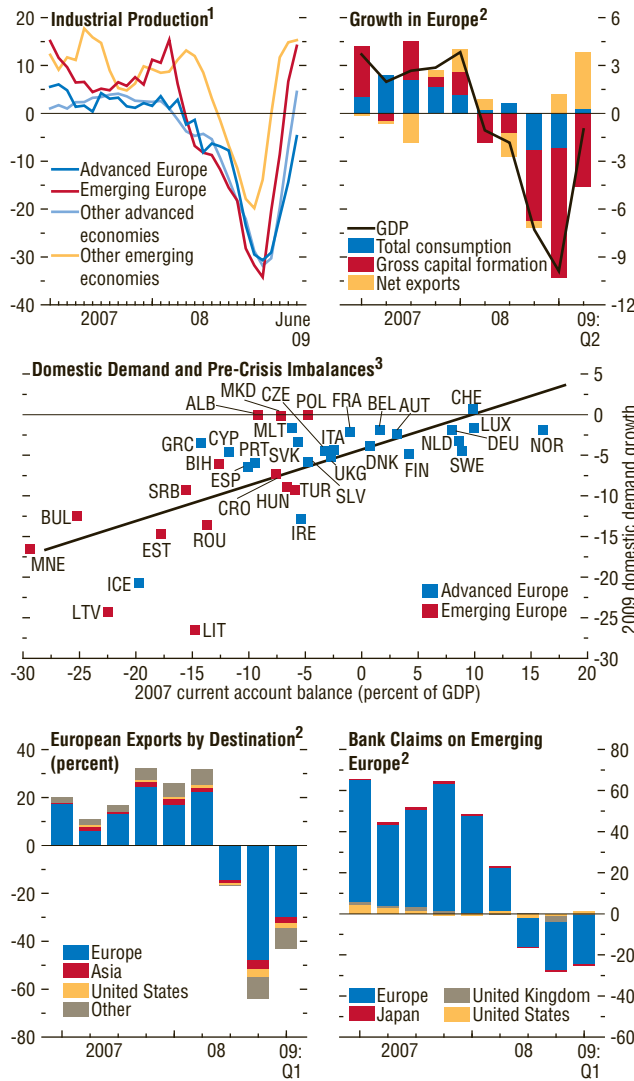


### Figure 2.3. Europe: A Slow Rebound

The recession is giving way to recovery. The depth of the downturn was linked, in part, to the extent of domestic and external imbalances in individual economies. The collapse in intraregional trade and cross-border financing weighed heavily on the closely integrated regional economy.



Sources: Bank for International Settlements; Haver Analytics; IMF, *Direction of Trade Statistics*; and IMF staff estimates.

<sup>1</sup>Annualized percent change of three-month moving average over previous three-month moving average. Advanced Europe: Austria (AUT), Czech Republic (CZE), Denmark (DNK), Finland (FIN), France (FRA), Germany (DEU), Greece (GRC), Ireland (IRE), Italy (ITA), Netherlands (NLD), Norway (NOR), Portugal (PRT), Slovak Republic (SVK), Slovenia (SLV), Spain (ESP), Sweden (SWE), and United Kingdom (UKG); Emerging Europe: Bulgaria (BUL), Estonia (EST), Hungary (HUN), Latvia (LTV), Lithuania (LIT), Poland (POL), Romania (ROU), and Turkey (TUR); Other advanced economies: Canada, Israel, Japan, Korea, Singapore, Taiwan Province of China, and the United States; Other emerging economies: Argentina, Brazil, Chile, China, Colombia, India, Indonesia, Malaysia, Mexico, Peru, Philippines, Russia, South Africa, Thailand, and Ukraine.

<sup>2</sup>Annualized quarterly contributions to growth. Croatia, Denmark, Ireland, Luxembourg and Turkey are not included in 2009:Q2.

<sup>3</sup>ALB: Albania; BEL: Belgium; BIH: Bosnia and Herzegovina; CHE: Switzerland; CRO: Croatia; CYP: Cyprus; ICE: Iceland; LUX: Luxembourg; MKD: Macedonia, FYR; MLT: Malta; MNE: Montenegro; SRB: Serbia.