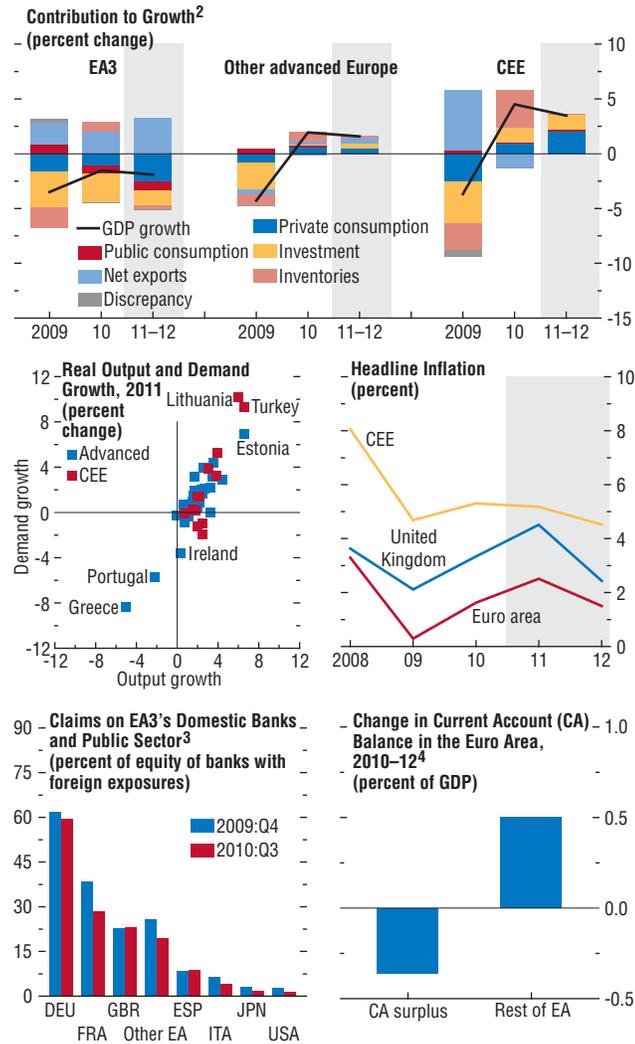


Figure 2.6. Europe: An Uneven Performance and Elevated Risks¹

European economic performance has been unbalanced, with growth in many economies in the core euro area and emerging Europe stronger than in the euro area periphery. However, contagion pressures from the deteriorating situation in the latter are a rising concern, the containment of which is critical for regional and global stability. Current fiscal consolidation plans should help reduce intra-euro-area external imbalances.



Sources: Bankscope; BIS Consolidated Banking Statistics; and IMF staff estimates.

¹Euro area (EA): Austria, Belgium, Cyprus, Estonia, Finland, France (FRA), Germany (DEU), Greece, Ireland, Italy (ITA), Luxembourg, Malta, Netherlands, Portugal, Slovak Republic, Slovenia, and Spain (ESP). Central and eastern Europe (CEE): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Kosovo, Latvia, Lithuania, former Yugoslav Republic of Macedonia, Montenegro, Poland, Romania, Serbia, and Turkey. Aggregates for the external economy are sums of individual country data. Aggregates for all others are computed on the basis of purchasing-power-parity weights.

²EA3: Greece, Ireland, and Portugal. Other advanced Europe comprises non-EA3 euro area countries and Czech Republic, Denmark, Iceland, Portugal, Sweden, Switzerland, and United Kingdom (GBR). Due to data limitations, Kosovo is excluded from CEE.

³Other EA: Austria, Belgium, Ireland, Portugal, and Netherlands. Japan (JPN), United States (USA).

⁴CA surplus: Austria, Belgium, Finland, Germany, Ireland, Luxembourg, and Netherlands.