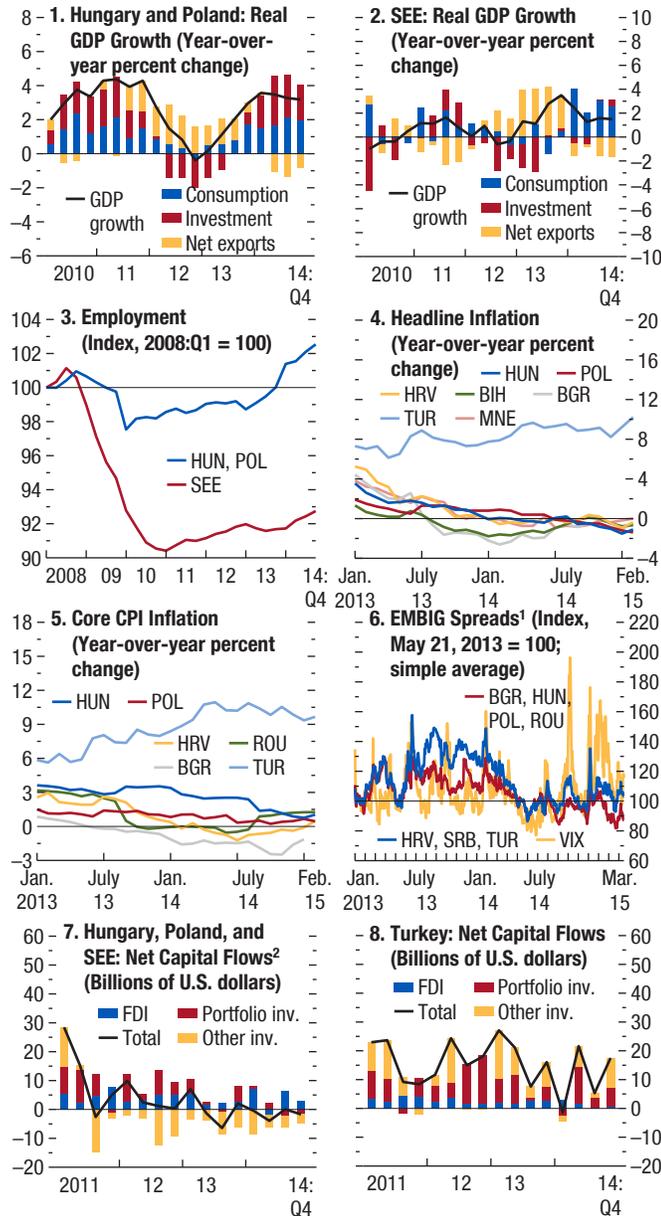


## Figure 2.4. Emerging and Developing Europe: Slower Growth amid Weak External Demand

Economic activity slowed in 2014, but it remained solid in Hungary and Poland, with private consumption becoming the key growth driver amid improving labor market conditions. Inflation declined further, except in Turkey, on low euro area inflation, remaining economic slack, and lower energy and food prices.



Sources: Bloomberg, L.P.; European Bank for Reconstruction and Development; Haver Analytics; and IMF staff calculations.

Note: Southeastern Europe (SEE) includes Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, FYR Macedonia, Montenegro, Romania, and Serbia, wherever data are available. All country group aggregates are weighted by GDP valued at purchasing power parity as a share of group GDP, unless noted otherwise. Data labels in the figure use International Organization for Standardization (ISO) country codes. CPI = consumer price index; EMBIG = J.P. Morgan Emerging Markets Bond Index Global; FDI = foreign direct investment; inv. = investment.; VIX = Chicago Board Options Exchange Market Volatility Index.

<sup>1</sup>Data are through March 27, 2015.

<sup>2</sup>Data for 2014:Q4 include Bulgaria, Hungary, FYR Macedonia, Montenegro, Poland (monthly), Romania, and Serbia.