Monetary Policy in the CESEE Region: Architecture for an *Earthquake* Zone

Leslie Lipschitz and Bas Bakker
Emerging Europe and Selected Regions: Real Per Capita GDP Growth, 1995–2007
(Annual percentage change in PPP terms)

Source: IMF, World Economic Outlook database.

¹Includes Czech Republic and Slovak Republic.
²Excludes China and India.
Emerging Europe: Precrisis Real GDP Growth and Contribution of Domestic Demand
(Average 2003–08, percent) ¹

Sources: IMF, World Economic Outlook database; Haver Analytics; and IMF staff calculations.

¹As the boom in the Baltics states ended in 2007, data refer to 2002–07.
Emerging Europe: Total Private Sector Credit by Currency, 2008
(Stock in percent of GDP)

Sources: National authorities; and IMF, *International Financial Statistics.*
Emerging Europe: Cumulative Net Capital Inflows, 2003–08¹
(Percent of 2003 GDP)

Source: IMF, World Economic Outlook database.

¹As the boom in the Baltic states ended in 2007, data for the Baltics refer to 2002–07 in percent of 2002 GDP.
Hungary
United States
Czech Republic
Slovak Republic
Poland
Estonia
Lithuania
Bulgaria
Latvia
Russia

Sources: Haver Analytics; and country statistical offices.

1As the boom in the Baltic states ended in 2007, data for the Baltics refer to 2002–07.

(Percent of GDP)

Sources: IMF, World Economic Outlook database; and WIIW Database on Foreign Direct Investment.

1The tradable sectors consist of manufacturing, agriculture, mining, retail, hotels, and restaurants, while the nontradable sectors are construction, electricity, transport, communication, real estate and financial intermediation.

2Data refer to 2006.
### Xanadu: Sectoral Foreign-Exchange Denominated Assets and Liabilities
(In billions of US dollars)

<table>
<thead>
<tr>
<th></th>
<th>Assets</th>
<th>Liabilities</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government (to foreigners)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>40</td>
<td>2</td>
<td>38</td>
</tr>
<tr>
<td>Medium- and long-term</td>
<td>0</td>
<td>8</td>
<td>-8</td>
</tr>
<tr>
<td>Commercial Banks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term (to foreigners)</td>
<td>3</td>
<td>28</td>
<td>-25</td>
</tr>
<tr>
<td>Medium- and long-term</td>
<td>34</td>
<td>9</td>
<td>25</td>
</tr>
<tr>
<td>o/w: domestic foreign currency position</td>
<td>30</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>Non-bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term (to foreigners)</td>
<td>1</td>
<td>20</td>
<td>-19</td>
</tr>
<tr>
<td>Medium- and long-term</td>
<td>0</td>
<td>55</td>
<td>-55</td>
</tr>
<tr>
<td>o/w: domestic foreign currency position</td>
<td>0</td>
<td>30</td>
<td>-30</td>
</tr>
<tr>
<td>Total</td>
<td>78</td>
<td>122</td>
<td>-44</td>
</tr>
<tr>
<td>Short-term (to foreigners)</td>
<td>44</td>
<td>50</td>
<td>-6</td>
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<tr>
<td>Medium- and long-term (to foreigners)</td>
<td>4</td>
<td>42</td>
<td>-38</td>
</tr>
<tr>
<td>Medium- and long-term (domestic)</td>
<td>30</td>
<td>30</td>
<td>0</td>
</tr>
</tbody>
</table>
(Seasonally adjusted, index 2008:Q3 = 100)

Sources: Eurostat; Haver Analytics; and IMF staff calculations.
Emerging Europe: Real Exports, 2008:Q3–2010:Q2
(Seasonally adjusted, index 2008:Q3 = 100)

Sources: Eurostat; Haver Analytics; and IMF staff calculations.
Emerging Europe: Real Domestic Demand, 2008:Q3–2010:Q2
(Seasonally adjusted, index 2008:Q3 = 100)

Sources: Eurostat; Haver Analytics; and IMF staff calculations.