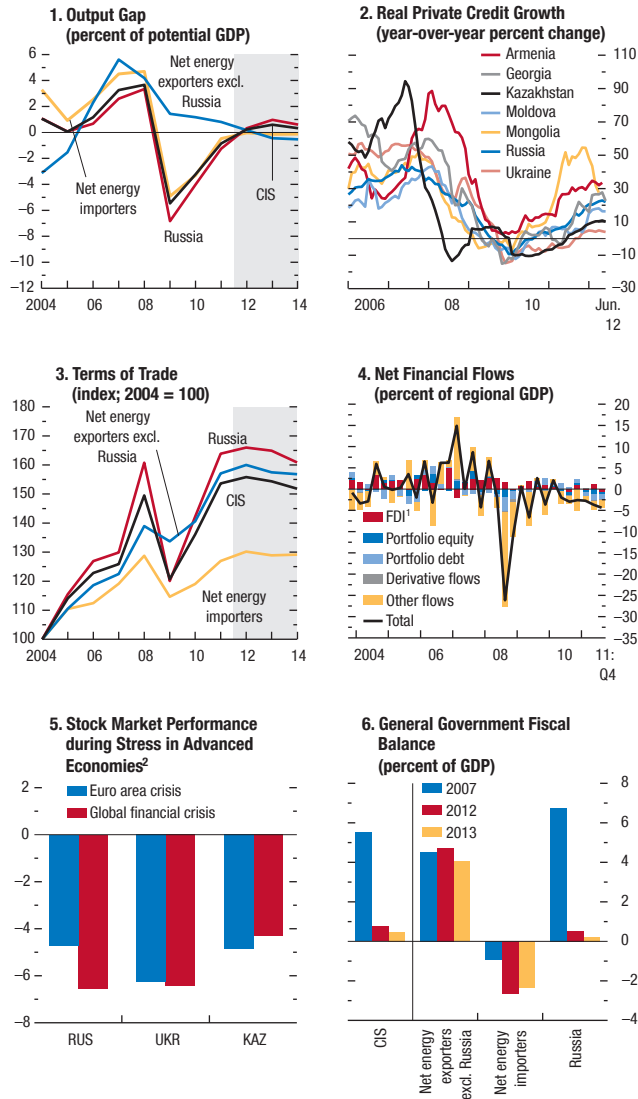


Figure 2.13. Commonwealth of Independent States: Vulnerable to Negative Spillovers

Growth in the CIS has remained robust, supported by high prices for key commodities and good harvests in 2011, although indicators suggest some moderation of activity in recent months. Financial conditions in the three largest CIS economies (Kazakhstan, Russia, Ukraine) have deteriorated with increased financial stress in the euro area periphery and higher global risk aversion. Given downside risks, the priority is to strengthen policies by improving fiscal balances, accelerating financial system reform, and tightening the monetary stance where inflation risks are high.



Sources: Haver Analytics; IMF, Balance of Payments Statistics database; IMF, International Financial Statistics database; Thomson Reuters Datastream; and IMF staff estimates.

Note: Net energy exporters: Azerbaijan, Kazakhstan (KAZ), Russia (RUS), Turkmenistan, Uzbekistan. Net energy importers: Armenia, Belarus, Georgia, Kyrgyz Republic, Moldova, Mongolia, Tajikistan, Ukraine (UKR).

¹FDI = foreign direct investment.

²Percent change in average level of index five days after and five days before stress in advanced economies. The periods for euro area crisis and global financial crisis are respectively: January 2010–June 2012 and January 2007–December 2009. See the Spillover Feature for details.