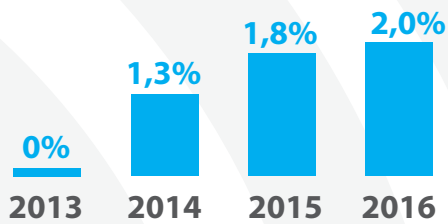


# Growth in Europe is slowly picking up while Central and Eastern European countries (EU-CEE) will continue to grow above European average

## GROWTH IN EUROPE



EU CEE are actively expanding over **2.4 %** in **2015**

## GROWTH IS BASED ON:



# There are significant risks to this outlook



POTENTIAL INCREASE IN FINANCIAL MARKET VOLATILITY AS THE US AND EU IMPLEMENT DIVERGENT MONETARY POLICY



PRESSURE ON PUBLIC FINANCES FROM THE COMBINATION OF LOW INFLATION AND MODEST GROWTH



LIMITED AVAILABILITY OF THE NEW LENDING FOR INVESTMENT



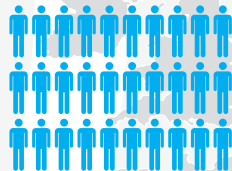
POTENTIALLY NEGATIVE IMPACT ON CONFIDENCE IN THE REGION

## To make the recovery sustainable, Europe needs to continue reforms to promote exports and investment, create jobs, and protect the vulnerable



Countries need to shift policy from fiscal and macroeconomic adjustment towards structural measures to promote growth and competitiveness. This will need to be combined with affordable social policies that help to protect the most vulnerable, while promoting greater social and labor market inclusion.

### THE STRUCTURAL REFORMS INCLUDE:



CONTINUING TO REDUCE LABOR MARKET RIGIDITIES



ENHANCING THE BUSINESS ENVIRONMENT



REDUCING BARRIERS TO TRADE



PROMOTING THE SKILLS NEEDED FOR DYNAMIC JOB CREATION AND INNOVATION



WORLD BANK GROUP