



Growth Patterns and Capital Formation in the Eastern EU Member States

ICEG European Center Annual Conference in Brussels

14 May 2008



The context of the conference

1. Vulnerable and risky international real and financial conditions affect growth and investments in the EMS
2. Notwithstanding existing similarities, there are increasing differences in performance of the individual countries
3. The changing global conditions have profound implications on policy options and structural reforms
4. Will these countries be able to sustain high growth and thus their real convergence to the more advanced EU members?



Analysing the EMS

Arguments against separate analysis:

- EMS increasingly similar to the rest of Europe: business cycles, institutions, policies become increasingly integrated and synchronised
- Global trends affect equally EU members and the policy/adjustment issues are relatively similar
- EMS differ among themselves also in income level, policy challenges, policy stance (euro-zone)

The scope for separate analysis:

- Catching up economies with similar fast rate of growth
- Rate of return and investment demand far above the EU-15
- Though OFDI is on rise, long-term net recipients of FDI



The scope of the conference

1. To assess the main trends and underlying vulnerabilities affecting growth in the EMS
2. To discuss the effects of global trends and internal changes on FDI flows
3. To analyse how domestic capital formation behaves under changed global conditions
4. To discuss the main policy issues related to growth, capital formation in the EMS



The program of the conference

8.30-9.30: Registration

9.30-10.45: Plenary opening session: Growth Challenges in the EU-27 and in the Eastern Member States

11.00-12.30: FDI, capital formation and economic growth in the Eastern Member States

12.30-13.30: Lunch

13.30-15.00: Domestic capital formation

15.15-16.00: Policy outlook, potential growth and policy issues