

Current Account Determinants in Selected Emerging European Economies before and after the Crisis

Kosta Josifidis, Radmila Dragutinović Mitrović, Emilija Beker Pucar, Sladjana Srdić

Abstract: Current account deficit and dispersion of external position between European economies rose since 2000 until 2007 when forced external adjustment was initiated under the influence of crisis. External imbalance is explored from the angle of traditional current account determinants, i.e. internal fundamental indicators (economic factors: fiscal balance, GDP growth, GDP per capita; and population factors: independence ratio and population growth rate), external sector determinants (openness, terms of trade, real effective exchange rate) and determinants of world economy (growth rate of key developed economies and oil prices) in the case of selected emerging European economies for the period 2000-2014. Having in mind diversity of external position between emerging European economies in the period before and after the crisis, determinants are observed in the pre-crisis sub-period of growing external imbalance and (post)crisis sub-period of external adjustment (2008-2014). Current account determinants before and after the crisis are identified with panel data models.

Key words: external imbalance, current account determinants, panel data models.

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