Borrowing from private creditors significantly increased in 2007

Europe and Central Asia had the highest level of external debt in 2007, most of which was from private creditors. External debt increased by 39 percent between 2006 and 2007 and reached 1.3 trillion: amount equivalent to 41 percent of GNI. Some countries received large amounts of debt financing from commercial banks and other private lending and bond issuances. Net borrowing from foreign private creditors increased, from $14.5 billion (1 percent of GDP) in 2003 to $131.2 billion (4 percent of GDP) in 2007. Four countries in the region (Russian Federation, Kazakhstan, Turkey, and Ukraine) accounted for 65 percent of the $85.4 billion that all developing economies raised through bond issuance in 2007.
People

*Progress toward the Millennium Development Goals—Europe and Central Asia* has reached the target of universal primary education with a primary completion rate 98 percent in 2006 for boys and girls equally. The region had the lowest under five mortality rate at 23 per 1,000 and maternal mortality ratio 44 per 100,000 live births. It also had the highest rate of access to an improved water source (95 percent) and sanitation facilities (89 percent). But there is still far to go. The prevalence of HIV in 2007 was 6 times higher (0.6 percent) than in 1995 (0.1 percent). Incidence of tuberculosis also increased significantly between 1990 (50 per 100,000 people) and 2007 (84 per 100,000 people). Adult mortality is among the highest in all regions, with male mortality more than twice as high as that for females.

Environment

*Energy production still below 1990 levels*—Except for *Europe and Central Asia*, all regions now produce more energy than they did in 1990. ECA, which was the biggest energy producer in 1990, cut its energy use, and increased its energy productivity during the transition period. Yet, energy use per capita still remains the highest among developing regions (2,930 kg per person).

States and markets

*The developing economies of Europe and Central Asia continue business reforms*—For a fifth year in a row *Europe and Central Asia* led the world in business reforms. According to *Doing Business 2009*, 26 of the regions 28 economies implemented 69 reforms in 2007-08. Four of the region’s economies—Estonia, Georgia, Latvia, and Lithuania—are among the top 30 in the overall Doing Business ranking. Starting a business, as measured by the number of days to complete procedures for legally operating a business, is lower in Europe and Central Asia than any developing region. It takes 23 days in Europe and Central Asia; almost as good as the high-income economy average of 21 days, and about a third as many days as the Latin America and Caribbean average (70 days).

*Europe and Central Asia outpaced other regions in mobile cellular subscriptions*—People are now less reliant on fixed telephone lines compared to mobile cellular. By the end of 2008 there were over three times more mobile cellular subscriptions than fixed telephone lines world-wide. The spread of mobile cellular services and technologies is now connecting previously unconnected people and regions with the rest of the world. Mobile cellular subscriptions in 2007 in the developing countries of *Europe and Central Asia* at 95 per 100 people are nearly twice the level of the Middle East and North Africa (51 per 100 people) and four times the level of South Asia (23 per 100 people) and Sub-Saharan Africa (23 per 100 people).

Global links

*FDI inflows increased in 2007*—*Europe and Central Asia* raised the largest amount for gross capital through international capital markets for 2004-2007 compared to other developing regions, reaching $261 billion (4.4 percent of GDP) in 2007. In the last quarter of 2008 following the financial crisis, capital market activities froze up, resulting in total gross inflows of $174 billion in 2008. Four out of the 10 developing countries that received largest net inflows of FDI in 2007 are from Europe and Central Asia region (Russia, Poland, Turkey, and Kazakhstan).