

# **Current Account Deficits in the Southeastern European Countries: A Panel Analysis**

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This paper presents an empirical investigation of a large number of potentially significant determinants of current account deficits in five Southeastern European countries (Albania, Croatia, Macedonia, Serbia and Turkey) in the period 2005 Q1-2015 Q4. Using panel regression techniques we find that current account imbalances in the Southeastern European countries are mainly determined by the real GDP growth rate and the degree of trade integration. Although country's status on the way to full European integration does not affect its current account balance, its economic and financial development would increase domestic saving and thus improve its current account.